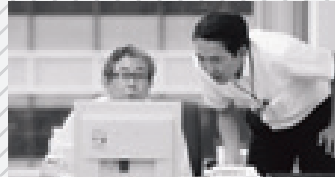


A MESSAGE FROM THE CEO

We aim to achieve further growth
as a comprehensive solution-oriented finance service company



Record-High Profits amid Severe Environment

According to the Japan Leasing Association, capital investment financed through leasing declined 6.6% compared with the previous fiscal year. Amid this harsh environment, the Century Tokyo Leasing Group saw a 43.2% year-on-year surge in the value of new contracts executed in fiscal 2010 to ¥893.9 billion. The balance of operating assets, including business guarantees, rose 4.5% year on year to ¥2,049.8 billion owing to a robust increase in the value of new contracts executed as well as the inclusion of IHI Finance Support Corporation (IFS) in our scope of consolidation.

In terms of consolidated results, total revenues declined 6.0% year on year to ¥713.2 billion, reflecting a decrease in operating assets in the leasing and installment sales business. However, operating income surged 35.4% to ¥41 billion and ordinary income reached a record-high ¥44.2 billion, expanding 32.2% due to growth in the financing business as well as lower funding costs and a decline in the allowance for doubtful accounts. Net income, however, was down 7.4% year on year to ¥23.6 billion due in large part to the absence of increased profit in line with the termination of litigation posted in the previous fiscal year. If the effect of higher income attributable to litigation that was posted in the previous accounting period is excluded, net income increased 29%.

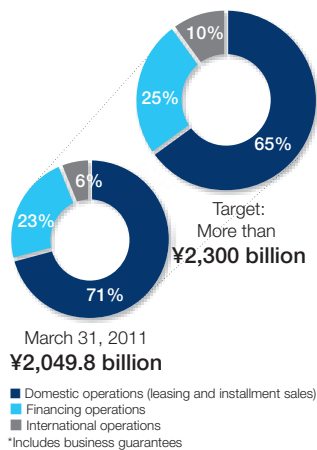
Improvements in Shareholders' Equity Ratio

Net assets rose 13.1% year on year to ¥178.8 billion. As a result, the shareholders' equity ratio grew 0.7 of a percentage point compared with the previous fiscal year-end to 7.8%. ROA edged up 0.5 of a percentage point to 2.0%, while ROE retreated 3.7 percentage points to 14.8%.

As mentioned, the Century Tokyo Leasing Group marked record-high ordinary income while showing a positive turnaround in the balance of operating assets.

A MESSAGE FROM THE CEO

Operating Asset* Growth Trend



Q. Please tell us about the Group's future portfolio strategy.

In fiscal 2010, the leasing and installment sales business accounted for 71% of our consolidated operating assets. Despite the shrinking domestic leasing market, leasing and installment sales still constitutes a highly profitable business; therefore, it remains our main business.

In the future, we aim to increase the proportion of consolidated operating assets held by the financing and overseas businesses in order to achieve a structural ratio wherein the leasing and installment sales business, financing business and overseas business comprise 65%, 25% and 10%, respectively. Rather than reducing the ratio of operating assets held by the leasing and installment sales business by restraining operations, we intend to attain these ratios by expanding the scale of the financing business and overseas business while maintaining operating assets held by the leasing and installment sales business at above certain absolute amounts. In this manner, we aim also to increase operating assets.

Q. What is the strategy for the leasing and installment sales business given the severe environment?

The leasing and installment sales business is in an excellent position for generating profit whether economic conditions turn to growth or stagnancy. Where markets are burgeoning as they are in Asia today, demand for finance and leasing is being created, and revenue and profit are there to be made. However, where the economy is sluggish, as it is now in Japan, lower interest rates give us lower funding costs, and in that way we gain profit. Compared with general financing concerns, leasing companies tend to have the advantage of a higher debt collection rate because they own assets.

In our mainstay leasing and installment sales business, we are striving to reinforce our operating capabilities with "solution-oriented business" based on close communications with customers. For example, we offer not only simple leasing and installment contracts, but also unique, value-added proposals—such as leased property management systems and the option to defer payment for exports through our trade financing business—that differentiate us from our competitors. And, although we anticipate ongoing severe conditions in the domestic business environment, we continue to strive to maintain an appropriate volume of operating assets in the leasing and installment sales business while keeping an eye on the possibility of increasing M&A.

Q. Which business areas do you think hold particular potential for growth?

Leasing is usually considered to be part of the financing business category. Right now, the leasing industry is undergoing drastic change. At the same time, we are looking at the current period as one in which we will grow as a comprehensive financing service company. To this end, we are focusing on enhancing our expertise in financing services for customers in specific business areas and pursuing overseas operations, with a particular emphasis on China and other Asian countries as areas for potential growth. By cultivating synergies created between the growth area of financing and overseas businesses and our core leasing and installment sales businesses, we aim to leap forward as comprehensive financial services company.



Q. Which business area is leading the growth of the financing business?

Leasing companies, which can provide financing service in a more flexible manner, enjoy some advantages in certain areas. During fiscal 2010, specialty financing, such as for real estate and vessels and aircraft, grew significantly. The liquidation of medical and nursing care fee receivables is also a growing area.

The environment and energy field is also a promising business area, so we are devoting time and consideration to developing business in this field. With an eye to our social mission, our primary focus in the energy field is wind power generation. In addition, in partnership with a major heavy electric machinery maker and other companies with whom the Group maintains close ties, we intend to pursue businesses that promote such environment-friendly energy sources as geothermal and solar power.

Q. Now that IFS has been included in the scope of consolidation, how do you think that your relationship with its former parent company, IHI Corporation, will evolve?

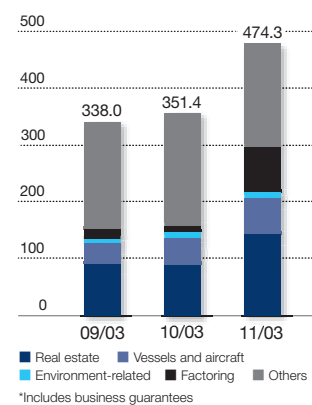
This stock acquisition allowed us to forge a closer relationship with IHI Corporation, a major comprehensive heavy machinery maker. In addition, the value of new contracts executed and the balance of operating assets in the financing business were substantially increased; thus, the inclusion of IFS contributed to the expansion of our business foundation. For its part, IHI is now able to focus management resources on its primary businesses. Therefore, this stock acquisition has brought favorable results to both IHI and Century Tokyo Leasing. Furthermore, we can work with IHI, leveraging our service offerings and funding capabilities to meet IHI's needs in such business areas as aerospace, marine transport and security-related technology. In the process, the two companies can expect synergies to emerge that will expand both companies.

We will continue to seek out business collaboration or M&A possibilities with those major clients with which we have closer relationships.

Q. Please tell us about the Century Tokyo Leasing Group's initiatives in expanding overseas businesses.

Aiming to further expand our networks in Asia, we established an office in Beijing in January 2011 and, in the following month, in Indonesia. Our overseas businesses are doing extremely brisk business and, accordingly, financial results at each base largely surpassed those of the previous fiscal year. Our balance of net assets in international operations, including transactions with overseas vendors, topped ¥100 billion, and we have already developed a business structure that should double this figure at an early date. Currently, we have business bases in Shanghai, Beijing, Guangzhou, Hong Kong, Taipei, Singapore, Thailand, Malaysia and Indonesia. By establishing connections between these "points" of activity, we are looking to create an "area" of business in Asia and are striving to expand operations by pursuing mutual cooperation among them just like that which exists among our domestic bases.

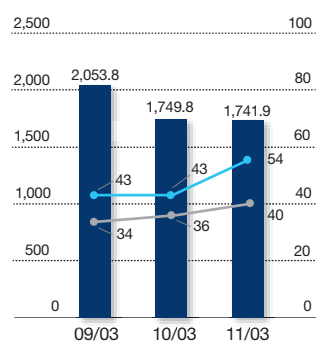
Balance of Operating Assets* in the Financing Business
(Billions of yen)



Note: The figure for the year ended March 31, 2009 is the simple sum of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

A MESSAGE FROM THE CEO

Condition of Fund Procurement



Figures for the year ended March 31, 2009 are based on the simple sum of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Q. How does Century Tokyo Leasing procure funds?

During fiscal 2010, interest rates remained low and stable for both short- and long-term borrowings, reflecting the Bank of Japan's aggressive promotion of monetary easing. Therefore, we strived to reduce funding costs by proactively securing short-term or direct funding, such as through the issuance of commercial paper.

In the current fiscal year, we are pursuing new fund procurement methods. For example, because of our increased need for funding in China, we procured 200 million yuan through the issue of unsecured straight corporate bonds on the Hong Kong Exchange in April 2011. Then, in May the same year, we issued straight corporate bonds in Japan for the first time after the merger. We will continue to reduce fund procurement costs by promoting the diversification of funding with an eye to ensuring soundness.

Q. Please tell us about how you are collaborating with ITOCHU Corporation, one of your major shareholders.

Our approach to business development is predicated on maintaining the financial flow that stems from our strong relationship with the Mizuho Financial Group as well as on maintaining a system of "commodity distribution" (in this case, the flow of equipment from installation to disposal) that has been cultivated through our business operations as a leasing company. These flows underpin our business foundation.

Given this foundation, it has become increasingly important for us as a leasing company to leverage as well the system of "commercial distribution" (the flow of business from raw material procurement to product or equipment delivery). Therefore, ITOCHU Corporation's function as a trading company will potentially serve as a great asset in our efforts to expand business areas and operations on an ongoing basis as a comprehensive finance service company. We are already promoting joint projects with ITOCHU Corporation's several divisions both in Japan and overseas. As part of such efforts, in July 2011 we jointly established TCI Finance Corporation as a subsidiary of the Century Tokyo Leasing Group to provide finance services for the ITOCHU Group. Business collaboration with ITOCHU Corporation is significantly expanding.

Q. How did Century Tokyo Leasing respond to the Great East Japan Earthquake?

Fortunately, the Group suffered no injuries to its personnel. As for the impact on our operating assets in the fiscal year under review, we posted an extraordinary loss of ¥0.4 billion that impacted the ¥20 billion balance of operating assets held in the disaster-affected area. In the fiscal year ending March 31, 2012, we will also have to post an allowance for doubtful accounts commensurate with the scale of damage.

The Century Tokyo Leasing Group contributed ¥10 million through the Japan Red Cross to support disaster victims while donating second-hand computers to municipal offices in disaster areas. In addition, we are flexibly meeting requests from disaster-affected customers for the rescheduling or reduction of contracts and are offering short-term leases under renewable contracts as well as sales of vehicles after the termination of lease contracts at reasonable prices. It is expected that demand for debris processing facilities and construction machines as well as that related to the restoration of plant facilities will increase. In response, we will make cooperative efforts with manufacturers and customers to promote the early restoration of disaster areas.

Progress of the Medium-Term Management Plan and Consolidated Performance Forecast

Reflecting the establishment of "solution-oriented business," steady progress made in the course of completing the merger and the low cost of fund procurement, ordinary income and the balance of operating assets in the fiscal year under review topped targets set under the medium-term management plan.

However, the Century Tokyo Leasing Group expects to face drastically changing conditions in the fiscal year ending March 31, 2012, reflecting the impact of the Great East Japan Earthquake, an increasing number of Japanese companies participating in overseas markets and the difficult domestic market environment.

In view of such conditions, for the fiscal year ending March 31, 2012, we anticipate a 3.3% year-on-year decrease in consolidated revenues to ¥690.0 billion. Reflecting disaster-related losses, operating income is projected to decline 9.8% year on year to ¥37.0 billion and ordinary income is predicted to fall 7.2% to ¥41.0 billion. Net income, however, is expected to grow 3.6% year on year to ¥24.5 billion due mainly to an improvement in extraordinary losses.

Century Tokyo Leasing will continue to make maximum utilization of its customer base to pursue sales activities and promote business expansion in China and other Asian countries. Together with this, we will focus on reducing the allowance for doubtful accounts as well as funding costs in order to improve our earnings capability.

Shareholder Returns

In addition to working to bolster retained earnings to maximize corporate value, the Group maintains a basic policy of securing the long-term and stable return of dividends to shareholders. In the fiscal year under review, we raised the annual dividend to ¥8 per share to ¥40 per share. Given the ongoing uncertainty in the business environment, for the fiscal year ending March 31, 2012, we announce that the annual dividend will be ¥40 per share, comprising an interim dividend of ¥20 and an end of period dividend of ¥20 per share. As a result, the dividend payout ratio is expected to shrink from the fiscal year under review's 18.0% to 17.4%. Aiming to increase dividends and raise the payout ratio, we will strive to further return profits to shareholders.

Leveraging Strengths to Achieve the Next Stage of Growth

The Century Tokyo Leasing Group is able to flexibly develop businesses that are unaffected by finance-related regulations. In addition to growing businesses related to the leasing of tangible assets and the provision of financing services, we will seek every possibility to expand the Group's business operations through joint investment in business operations. Leveraging our financing procurement capability and in close cooperation with the Mizuho Financial Group, we will carry out speedy business development that draws on the Mizuho Financial Group's customer base and ITOCHU Corporation's commercial distribution channels. By doing so, we will also promote the expansion of overseas businesses. Moving to the next stage of growth, we will make continuous efforts to create new businesses.

We hope for your continued support and encouragement.

Management Targets under the Medium-Term Management Plan

FY2012 Targets

Ordinary income
More than ¥35 billion

Balance of operating assets
Over ¥2,000 billion

Shareholders' equity ratio
Over 8.5%

Dividends per Share

(Yen)

