



Defining Moment

TOKYO LEASING ANNUAL REPORT 2008

Tokyo Leasing Co., Ltd. was established in 1964 by the former Nippon Kangyo Bank, Ltd. (currently the Mizuho Financial Group), as one of Japan's pioneering leasing companies.

During the 44 years since our establishment, we have pursued dynamic business strategies. Now, we are at a critical turning point as the business environment for the leasing industry is changing radically. We are resolved to evolve into a company that delivers real value to our customers and society as a whole, by boldly changing our business model. The year 2008 is nothing less than the "defining moment" for us as we try to set forth the vision of our future.

Group Management Philosophy

The Tokyo Leasing Group aims to become a trusted company by accommodating the diversifying needs of customers, thereby contributing to the development of the society.

Group Management Policy

- 1 Achieve a high level of customer satisfaction and credibility by consistently improving the quality of our products and services through a collective effort.
- 2 Provide the opportunity for growth and self realization and treat our staff fairly and appropriately.
- 3 Achieve a high and stable return of profits by conducting transparent and healthy management, thereby enhancing corporate value.

Forward-Looking Statements

Statements in this annual report with respect to Tokyo Leasing's plans, forecasts, strategies, presumptions and other statements that are not historical facts are forward-looking statements, and are based on management's assumptions and beliefs based on information available when this report was written. The actual performance of the Company may differ considerably from those discussed in the forward-looking statements.



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Financial Highlights

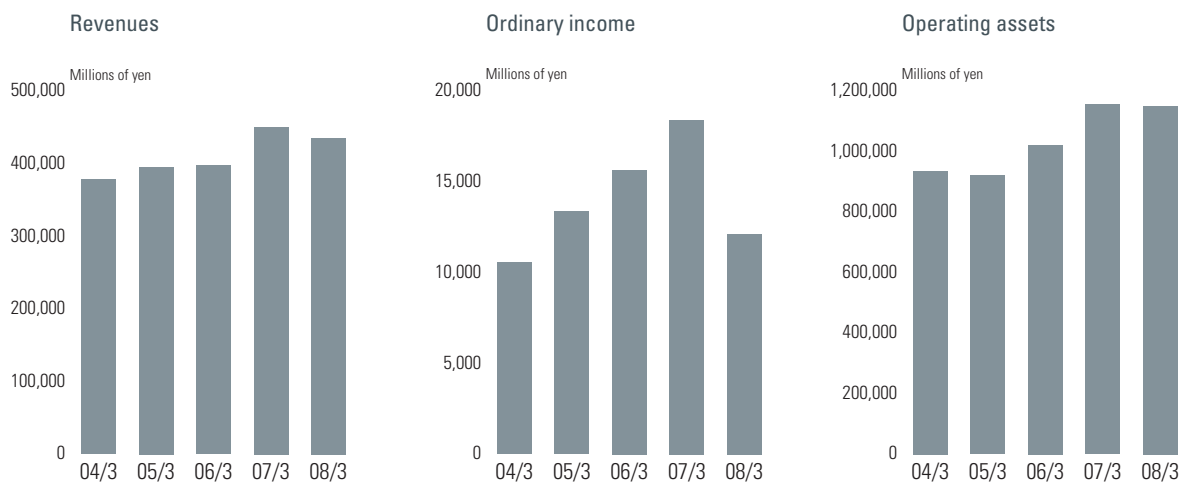
Tokyo Leasing Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	2004	2005	2006	2007	2008
Domestic Market Data					
Real GDP growth rate	2.1%	2.0%	2.4%	2.5%	1.6%
Leasing capital investment (100 millions of yen) (Note1)	65,917	68,086	71,017	71,213	63,420
Ten-year Japanese government bond yield (annual average)	1.13%	1.53%	1.44%	1.77%	1.61%

	Millions of yen					Thousands of U.S. dollars (Note2)
	2004	2005	2006	2007	2008	2008
Operating Results						
Revenues	¥ 378,544	¥ 395,437	¥ 398,052	¥ 451,122	¥ 435,277	\$ 4,352,771
Gross profit on revenues	25,998	29,620	30,962	35,327	32,037	320,376
SG&A expenses	15,599	16,607	15,958	17,346	19,375	193,755
Bad debt expenses						
[included in SG&A expenses]	653	1,583	219	459	2,037	20,376
Operating income	10,398	13,013	15,004	17,981	12,662	126,621
Nonoperating income (expenses)	175	370	672	437	(517)	(5,179)
Net interest income (expenses)						
[included in nonoperating income (expenses)]	107	31	55	(136)	(83)	(839)
Ordinary income (Income before extraordinary items and income taxes)	10,574	13,383	15,676	18,419	12,144	121,441
Extraordinary gains (losses)	(2,912)	(9,352)	4,462	(14,133)	(907)	(9,071)
Net income (loss)	6,139	2,912	12,847	(3,801)	6,717	67,178
Financial Condition						
Total assets	¥1,043,446	¥1,025,765	¥1,137,472	¥1,339,637	¥1,289,481	\$12,894,818
Operating assets	935,676	921,060	1,022,711	1,156,399	1,150,965	11,509,656
Interest-bearing debt	896,254	885,685	958,810	1,177,103	1,130,439	11,304,391
Equity	58,897	60,014	74,224	64,847	69,353	693,539

Note 1: As calculated by Japan Leasing Association.

Note 2: Converted at 100 yen per dollar, the rate as of March 31, 2008.



	Yen					U.S. dollars (Note2)
	2004	2005	2006	2007	2008	2008
Per Share Data						
Net income (loss)	¥ 95.58	¥ 45.25	¥ 200.19	¥ (59.28)	¥ 104.77	\$ 1.04
Net assets	918.21	935.71	1,157.39	1,011.35	1,081.68	10.81
Dividends (non-consolidated)	9.00	12.00	18.00	22.00	24.00	0.24
Other data						
Employees (persons)	990	983	1,023	1,044	1,090	
Major Ratios						
Ordinary income margin	2.79%	3.38%	3.93%	4.08%	2.79%	
Return on equity (ROE)	11.84%	4.89%	19.14%	(5.46%)	10.01%	
Ordinary income after taxes / Equity (Adjusted ROE)	12.09%	13.34%	13.85%	15.67%	10.73%	
Return on assets (ROA)	1.00%	1.29%	1.44%	1.48%	0.92%	
Equity ratio	5.64%	5.85%	6.52%	4.84%	5.37%	
Debt / Equity ratio	15.21x	14.75x	12.91x	18.15x	16.30x	
Overhead ratio (OHR)	57.49%	50.72%	50.83%	47.80%	54.12%	

ROE = Net income / Equity (simple average of beginning and end of term balance sheet figures) X 100

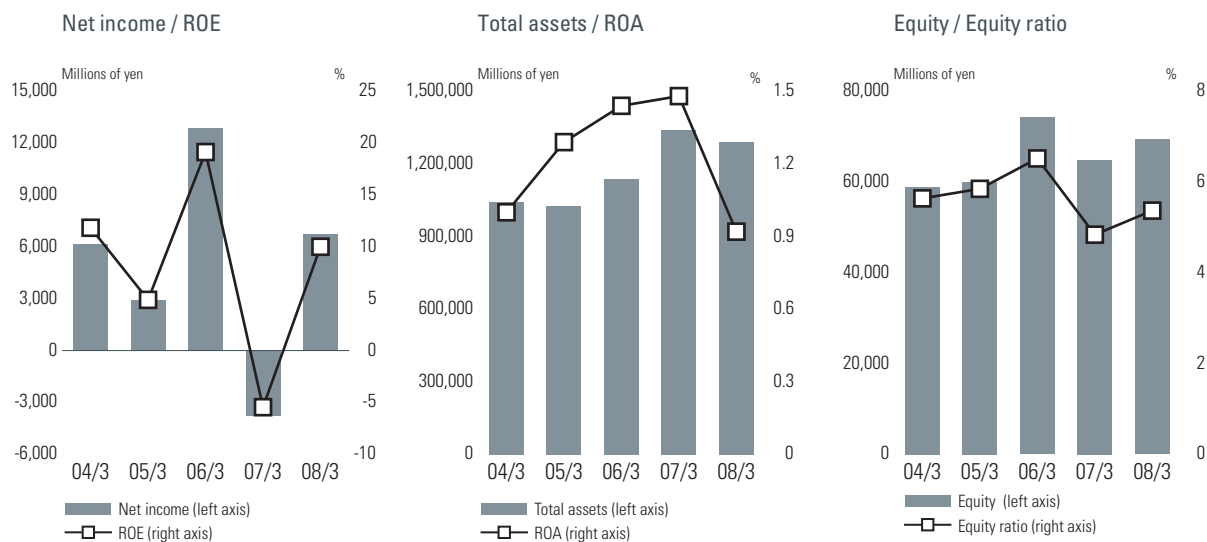
Adjusted ROE = Ordinary income x (1 - statutory tax rate (Note 3)) / Equity (simple average of beginning and end of term balance sheet figures) x 100

ROA = Ordinary income / Total assets (simple average of beginning and end of term balance sheet figures) x 100

Overhead Ratio = (Personnel expenses + Non-personnel expenses (Note 4)) / Gross profit on revenues x 100

Note 3: Application of the statutory tax rate for the fiscal year ended March 2008 is 40.7%.

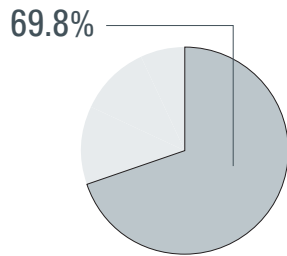
Note 4: Non-personnel expenses include amortization of goodwill.



At a Glance

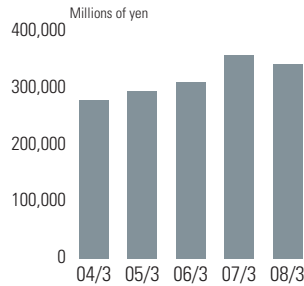
Leasing Business

Breakdown of Sales Revenues by Business Domain



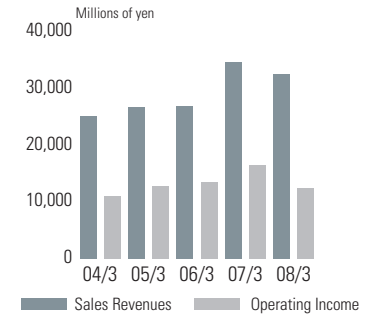
Sales Revenues = Revenues – Costs (excluding cost of funds)

Revenues



Revenues do not include inter segment transaction.

Sales Revenues / Operating Income



Figures include inter segment transactions and operating costs.

Business Description and Basic Strategy

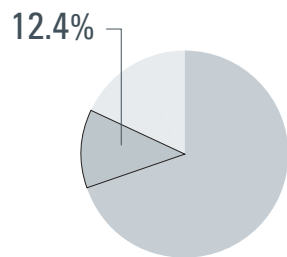
The Leasing Business handles services that cover the full range of our clients' business activities. The services include leasing and renting out information and communication equipment, and industrial machinery and machine tools, as well as selling end-of-lease assets. We have continued to expand our sales channels while strengthening our marketing operations regarding re-lease and sales of end-of-lease assets. Also, we advanced into the auto leasing business targeted at individual customers and small- and medium-size enterprises, by setting up a joint auto leasing company with Orient Corporation, a major credit company, in March 2008.

Major Products and Services

- Finance leases
- Operating leases
- Real estate leases
- Vendor leases
- Cross-border leases
- Auto leases
- Rental
- Sales of end-of-lease assets

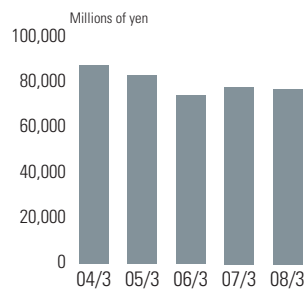
Installment Sales Business

Breakdown of Sales Revenues by Business Domain



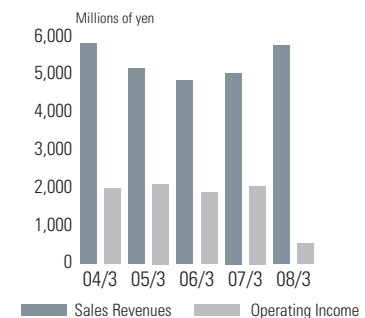
Sales Revenues = Revenues – Costs (excluding cost of funds)

Revenues



Revenues do not include inter segment transaction.

Sales Revenues / Operating Income



Figures include inter segment transactions and operating costs.

Business Description and Basic Strategy

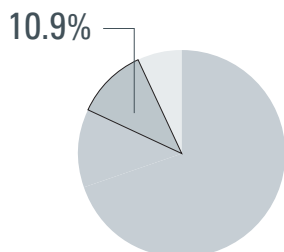
In the Installment Sales Business, we purchase facilities and machinery selected by our customers, including construction machinery, commercial facilities and building accessory equipment, for long-term installment sales to them. Unlike lease transactions, this business meets the needs of customers who wish to own assets.

Major Products and Services

- Installment sales

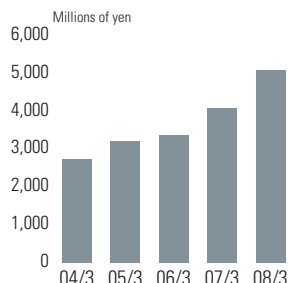
Loan Business

Breakdown of Sales Revenues by Business Domain



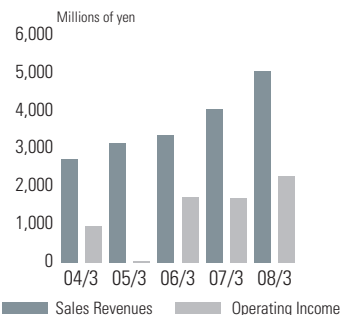
Sales Revenues = Revenues – Costs
(excluding cost of funds)

Revenues



Revenues do not include inter segment transaction.

Sales Revenues / Operating Income



Figures include inter segment transactions and operating costs.

Business Description and Basic Strategy

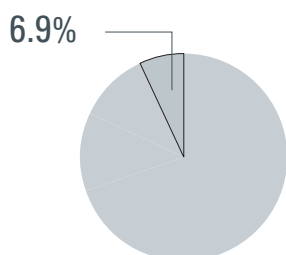
The Loan Business provides customers with capital investment funds and operating funds, and undertakes the factoring of receivables, among other services. We have expanded the range of our services to cover real estate financing and ship financing, by precisely grasping the increasingly diverse financing needs while striving to enhance our risk management system.

Major Products and Services

- Business loans
- Real estate financing
- Ship financing
- Factoring
- Syndicated loans
- Project financing

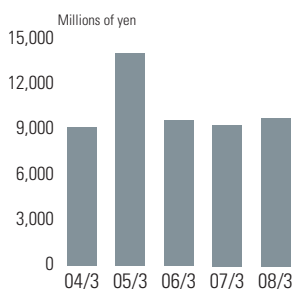
Other Businesses

Breakdown of Sales Revenues by Business Domain



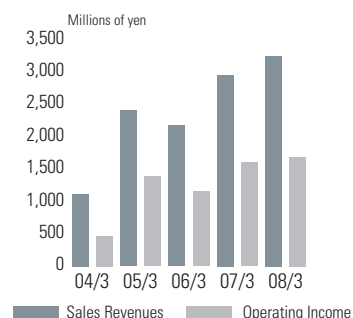
Sales Revenues = Revenues – Costs
(excluding cost of funds)

Revenues



Revenues do not include inter segment transaction.

Sales Revenues / Operating Income



Figures include inter segment transactions and operating costs.

Business Description and Basic Strategy

We are diversifying our revenue sources through the "Other Businesses" category, which includes investment in various types of securitization products backed by real estate and other assets, and guarantee services for loans backed by movable assets. This category also includes fee-based businesses, such as: entrusted management of movable assets, mainly vehicles; sales of investment products (e.g. aircraft operation leases); and life and non-life insurance agency operation. In the guarantee business, we are capturing increasing business opportunities by fully taking advantage of the know-how regarding the handling of tangible assets that we have acquired in the leasing business.

Major Products and Services

- Commercial investment activities such as equity participation in partnerships
- Guarantee business
- Entrusted management service for movable assets
- Origination and sale of investment products (e.g. aircraft operating leases)
- Insurance agency

The Tokyo Leasing Group faces an increasingly severe situation due to factors such as the introduction of new lease accounting standards and concern about a recession. We recognize the risk that we could lose our raison d'être as a leasing company and be eliminated from the market if we remain content with our existing business model.

However, adversity gives us the chance to renew ourselves. The Tokyo Leasing Group aims to boldly change its business model beyond the confines of the traditional leasing business, and to evolve into a company that delivers real value to customers and society as a whole.

Ordinary Income Declined in Fiscal 2007 after Eight Consecutive Years of Growth

In the second half of fiscal 2007, signs of a slowdown of the Japanese economy grew, as Japanese companies' earnings were pressured by the turmoil in the global financial and capital markets triggered by the U.S. subprime mortgage crisis, as well as the surging prices of crude oil and raw materials around the world, and the rapid appreciation of the yen. Under these circumstances, the leasing industry suffered from a decline in leasing demand, with the value of industry-wide leasing transactions continuing to show year-on-year declines since June 2007, according to a survey by the Japan Leasing Association.

In this difficult business environment, the Tokyo Leasing Group's ordinary income declined in fiscal 2007, a turnaround from its eight consecutive years of income growth through to the previous year. Our operating assets decreased 0.5% from the end of the previous year to ¥1,151 billion and our revenue dropped 3.5% compared with the previous year to ¥435.3 billion. On the profit side, operating income dropped 29.6% to ¥12.7 billion and ordinary income fell 34.1% to ¥12.1 billion. The declines in profit reflected the absence of the special factor that had boosted the previous year's earnings, namely, the cancellation fee revenue from large-scale lease cancellations before maturity, as well as increases in the cost of funds and loan losses. Meanwhile, we earned net income of ¥6.7 billion, an improvement of ¥10.5 billion from the previous year's loss of ¥3.8 billion.

Growth in Revenue and Income Expected in Fiscal 2008

For now, uncertainty over the prospect of the Japanese economy is growing, due to the combination of negative economic factors both at home and abroad, including the stagnation of the U.S. economy and a slump in personal consumption caused by rising consumer prices. In addition, the start of the application of new lease accounting standards in April has made the business environment more difficult for us than before.

	March 2004	March 2005	March 2006	March 2007	March 2008
Ordinary income (100 millions of yen)	106	134	157	184	121
ROA (%)	1.0	1.3	1.4	1.5	0.9
ROE (%)	11.8	4.9	19.1	(5.5)	10.0
Equity ratio (%)	5.6	5.9	6.5	4.8	5.4
Operating assets (100 millions of yen)	9,357	9,211	10,227	11,564	11,510

Despite the severe situation, we expect to increase both our revenue and income in fiscal 2008. We project a year-on-year increase of 10.3% in revenue to ¥480 billion, and a rise of 26.4% in operating income to ¥16 billion, partly as a result of converting Fujitsu Leasing Co., Ltd. into a subsidiary, and changes in the accounting treatment of some items following the application of the new lease accounting standards. Ordinary income is projected at ¥16.5 billion, up 35.9%, and net income at ¥8.0 billion, up 19.1%.

Return of Profits to Shareholders

The Tokyo Leasing Group's basic policy on the return of profits to shareholders is to continue steady dividend payments, while striving to strengthen its business and financial foundation from a long-term perspective.

We increased our annual per-share dividend for fiscal 2007 by ¥2 from the previous year to ¥24, as we returned to the black with net income of ¥6.7 billion. For fiscal 2008, we plan to maintain an annual per-share dividend of ¥24.

Changing Our Business Model beyond Traditional Confines

Leasing Industry Faces Urgent Need for Change

We are concerned about the shrinkage of the market, as represented by a decline of about 10% over the past year in the value of industry-wide leasing transactions, which stood at some ¥7,120 billion in fiscal 2006. It should be noted that the decline is not attributable entirely to customers bearing in mind the start of the application of the new lease accounting standards and hence moving to curb the use of leasing, but that leasing demand is also closely related to companies' stance on capital investment. However, given the abolition of the rental accounting treatment that finance lease customers were previously allowed to use, the new lease accounting standards have reduced customer convenience somewhat. Therefore, we need to acquire the function of consistently providing leasing services with high value added so that we can meet our customers' diverse needs.

In the United States, for example —although differences between the situations of the Japanese and U.S. markets must be taken into consideration —leasing transactions account for some 30% of overall private capital investment, creating a market worth more than ¥20,000 billion. In Japan, meanwhile, leasing transactions accounted for less than

We recognize the risk that we could lose our *raison d'être* as a leasing company if we remain content with our existing business model.

To Our Stakeholders

8% of overall private capital investment in fiscal 2007. Even at its peak, the ratio stood at about only 10%. This may mean that we have lagged behind in efforts to promote the use of leasing, even considering that there are differences between the Japanese and U.S. leasing systems. If we are to deliver a rigorous verdict on ourselves, we should say that the advantage of the rental accounting treatment has lulled us into a sense of security in continuing to rely on the traditional lease accounting standards.

Developing the Secondary Market

From the standpoint of customers, traditional leasing companies are no different from banks and other financial institutions in terms of the fund procurement function. However, the Tokyo Leasing Group will seize the start of the application of the new lease accounting standards as a new business opportunity, and strive to expand our operations aggressively with a focus on tangible assets, the real source of the value of leasing, so that we can make various proposals that meet customers' diverse needs. To be more specific, we will create new lease demand by strengthening our commitment to operating leases.

From the viewpoint of the life cycle of assets, the leasing market can be broadly divided into two segments: one that concerns services provided during the period of the original leasing contracts, and one that concerns the sale of end-of-lease assets. The former may be called a primary market and the latter a secondary market. Until now, the development of Japan's leasing industry has relied mainly on the primary market, with finance leasing accounting for the bulk of overall leasing transactions. In the primary market, leasing fees provide a revenue source for leasing companies.

However, customers' needs for lease services have become increasingly diverse in recent years. Although the operating lease is one of the promising services suited to satisfying the diversified needs, we must first create a secondary market through our own efforts if we are to succeed in the operating lease business.

While we can gain a new revenue source through the operating lease business, by proactively involving ourselves in the sale of end-of-lease assets, our exposure to the risks associated with the residual value of the assets makes it vital for us to establish a business style suited to the secondary market and to ensure appropriate risk control. We can become more competitive than rival companies by developing functions entirely different from the ones required for finance leases.

Until now, the Tokyo Leasing Group has been strengthening our business operations related to the secondary market, such as resale of end-of-lease assets and other used assets, entrusted asset management, and the management of the PC Security Recycling Center, which engages in erasing PC data as well as recycling and reusing PCs by classifying these operations as a "remarketing business." Although the leasing market as a whole is losing momentum, we will strive to satisfy customers' needs, and become a leasing company that also has a substantial presence in the secondary market, by further developing the know-how we have acquired through the handling of various tangible assets.

We will create new lease demand with a focus on tangible assets, the real source of the value of leasing.

Establishment of Orico Auto Leasing Co., Ltd. and Conversion of Shiseido Lease Co., Ltd. and Fujitsu Leasing Co., Ltd. into Subsidiaries

In order to expand the range of our business fields, one effective option will be to form a business alliance with companies in other business sectors that would provide easy access to attractive markets, and with companies that have competitive products and strong brands.

In the auto leasing market, Tokyo Auto Leasing Co., Ltd. has until now played the central role in building the marketing operations of the Tokyo Leasing Group. As we expect the auto leasing market for individual customers to have strong growth potential, we established Orico Auto Leasing Co., Ltd. (with our equity ownership at 50%) in March 2008 in partnership with Orient Corporation, the largest auto loan company, as a foothold for developing an auto leasing market for individual customers, who have so far been unfamiliar with auto leasing. By combining the functions and know-how of Orient Corporation and Tokyo Auto Leasing Co., Ltd., which operate in different business sectors, Orico Auto Leasing Co., Ltd. aims to expand the number of vehicles under its management to 150,000 in five years.

In January 2008, we acquired an equity stake of 90% in Shiseido Lease Co., Ltd. from Shiseido Co., Ltd. the largest cosmetics company in Japan, thus making Shiseido Lease Co., Ltd. (now renamed S.D.L Co., Ltd.) a subsidiary. S.D.L Co., Ltd. engages in the leasing of facilities, equipment and automobiles. Since before this deal, we have had close business relations with the Shiseido Group. The acquisition enables us to strengthen our marketing operations in the overall leasing businesses, including auto leasing.

Furthermore, we acquired additional shares in Fujitsu Leasing Co., Ltd. in July 2008 to increase our equity stake to 55%, thus making it a subsidiary, in order to further promote our efforts to diversify sales channels and strengthen our relationship with the company. By combining the Fujitsu Group's extensive marketing operations in the field of information and communication with our lease finance-related know-how, we will strive to strengthen and expand our business foundation and revenue-generating capability.

Accelerating Global Business Expansion

For the Tokyo Leasing Group to achieve further growth, it is essential to accelerate the globalization of its business operations, rather than concentrate on the matured domestic market. As a number of Japanese companies have advanced into overseas markets regardless of their size or type of business, we will strive to meet the worldwide lease finance needs of customers pursuing overseas business strategies and building overseas manufacturing operations.

As of July 2008, the Tokyo Leasing Group had nine overseas business bases. In recent years, we have expanded our business operations in the fast-growing Asian region in particular. For example, we set up a subsidiary in Shanghai, China (Tozui Corporation), in July 2006 and another in Kuala Lumpur, Malaysia (TLC Capital (Malaysia) Sdn.Bhd.), in June 2007. In July 2008, we increased our equity stake in Mizuho Corporate Leasing (Thailand) Co., Ltd. (now renamed Tokyo Leasing (Thailand) Co., Ltd.), based in Bangkok, Thailand, from 5% to 44%, becoming its largest shareholder. In addition, we will not only strengthen the lease finance function, but will also develop a secondary market for domestic and overseas end-of-lease assets.

To Our Stakeholders

Developing New Finance Business from a Broader Perspective

Above, we have described the businesses of Tokyo Leasing as a leasing company. However, we can engage in a diverse range of businesses without being encumbered by the tight straitjacket of various regulations that restrict the activities of banks. In other words, we can expand the scope of our business operations as a financial institution beyond the confines of traditional leasing companies if we are willing to take a bold step and take a broader perspective with an open mind. The Tokyo Leasing Group aims to develop new finance businesses and diversify revenue sources by taking advantage of its close connections with business partners, such as banks and real estate companies.

We will change our business model and provide unique finance services that other financial institutions cannot offer.

Developing Tokyo Leasing into a Resilient Company

At the Tokyo Leasing Group, all officers and employees work as one under the "S.I.G." initiative. "S" stands for "Simple, Slim, Speed." We strive to maintain a simple and slim business structure so that we can respond with speed to changes in the business environment. "I" stands for "Intelligence." We always try to gain the trust of customers by fully exploiting our brain power while maintaining a high level of professionalism. "G" stands for "Global." We endeavor not only to expand our business operations globally but also to broaden our perspective accordingly.

Since April, when fiscal 2008 began, concern has grown that Japan's economy may have already entered a recession, and the entire leasing industry is suffering from falling turnover; the leasing industry is now going through a tougher time than ever. However, we will be resilient enough to turn this adversity into opportunity. Under the "S.I.G." initiative, the Tokyo Leasing Group will change its business model and provide unique finance services that other financial institutions cannot offer, thereby evolving into a company that delivers real value to customers and society as a whole.

We appreciate the continued support from our stakeholders.

September 2008
President and CEO



Corporate Governance

Corporate Governance System

The Tokyo Leasing Group has put in place a management supervision system by appointing outside directors and outside auditors, and is ensuring swift decision making and more clarified responsibility for business operations through a corporate executive officer system.

In the context of supporting the corporate governance system, we have put in place a framework to ensure compliance and appropriateness in business operations, under basic policies for the establishment of an Internal Control System.

Board of Directors

The Board of Directors is a small group of six members. Regular meetings are usually held once a month. In order to further clarify the management responsibility of the directors and respond more quickly to changes in the business environment, we have a one-year tenure system for directors, and we strive to strengthen the functions of supervising the Board by three outside directors.

Management Committee

We established the Management Committee, comprising the President, executive officers, etc., with the aim of quickly deliberating important matters related to business operations. The committee usually meets once a week to discuss issues regarding business operations and to report on their performance.

Internal Control Promotion Office, Internal Control Committee

We are striving to improve and implement our internal control system and establish the Internal Control Promotion Office and the Internal Control Committee, in order to prepare an Internal Control Report with regard to financial reporting.

Auditing System

Our Audit Division, which directly reports to the President, audits compliance with laws and regulations, internal procedures and efficiency at each department and sales center, and at the same time, evaluates the appropriateness of internal control concerning financial reporting. The Board of Auditors, comprising three standing auditors (including two outside auditors), monitors the legitimacy of the performance of the directors.

Compliance

The Tokyo Leasing Group places the highest priority on adhering to laws and regulations, and social norms as well as to performing with high ethical standards. To this end, we established the Compliance Committee and appointed an executive officer in charge of compliance at each division. The committee meets twice a year to report on compliance-related activities and improvement needs. Also, compliance study sessions are held, when necessary, to ensure that all employees fully implement compliance.

In addition, we have started to provide a Compliance Consultation Service at two inside and one outside contact points. Through this service, we actively respond to whistle-blowing regarding compliance violations, for the sake of the public, and also handle queries and issues concerning the performance of business tasks.

Management

As of June 24, 2008

BOARD OF DIRECTORS

President & CEO
Shunichi Asada*

Director
Hideo Kondou*
Makoto Nogami
Yoshihito Kamo
Masashi Ashizawa
Osamu Saito

Note:

Persons whose names are marked with an asterisk concurrently serve as executive officers. Yoshihito Kamo and Masashi Ashizawa and Osamu Saito are outside managing directors under the Company Law.

CORPORATE AUDITORS

Standing Auditor
Yoshiharu Shibata
Mikio Nishimura
Tetsuro Ito
Auditor
Sakae Tamura

Note:

Mikio Nishimura and Tetsuro Ito and Sakae Tamura are outside auditors under the Company Law.

EXECUTIVE OFFICERS

Chief Executive Officer
Shunichi Asada
Senior Managing Executive Officer
Tadashi Kawashima
Managing Executive Officer
Hideo Kondou
Takashi Ono
Keiyu Kitagawa
Takao Mochizuki
Minoru Chiba
Yoshitaka Takemura
Yoshiyuki Toyoda
Takeshi Honda
You Oohinata
Yuichiro Ikeda

Executive Officer
Mikio Hoshino
Toshiharu Akaishi
Nobuyuki Sugawara
Yoshihiko Morimoto
Masami Tsuboi
Osamu Oike
Shuichi Sato
Atsuhiko Iwatake
Shinichi Douzoe
Takashi Muramatsu



Financial Section

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Consolidated Balance Sheets

Tokyo Leasing Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note4)
ASSETS	2008	2007	2008
Current assets:			
Cash on hand and in banks (Notes 7 and 10)	¥ 14,554	¥ 88,325	\$ 145,547
Marketable securities (Notes 5 and 10)	21,356	700	213,569
Receivables:			
Leasing	22,767	22,817	227,671
Installment sales (Note 7)	172,318	165,746	1,723,184
Loans (Note 7)	159,674	151,899	1,596,742
Other	483	593	4,836
Allowance for doubtful accounts	(2,574)	(2,614)	(25,746)
Deferred tax assets (Note 13)	1,298	1,072	12,981
Other current assets	18,267	16,056	182,674
	408,146	444,596	4,081,461
Investments and other assets:			
Investments in securities (Note 5):			
Unconsolidated subsidiaries and affiliates	9,538	7,151	95,383
Other securities	53,360	39,455	533,604
Uncollectible receivables	19,100	18,181	191,005
Deferred tax assets (Note 13)	3,594	1,681	35,945
Other assets	13,381	16,758	133,813
Allowance for doubtful accounts	(18,027)	(17,386)	(180,272)
	80,947	65,840	809,479
Property and equipment, at cost less accumulated depreciation:			
Leased assets (Notes 6 and 7)	717,229	743,879	7,172,299
Advances for purchases at leased assets	2,250	2,860	22,509
Own-used assets (Note 6)	2,796	2,719	27,963
	722,277	749,459	7,222,772
Intangible assets:			
Computer program leased to customers	73,333	79,158	733,335
Other intangible assets	4,776	582	47,769
	78,110	79,740	781,104
Total assets	¥ 1,289,481	¥ 1,339,637	\$ 12,894,818

	Millions of yen		Thousands of U.S. dollars (Note4)
LIABILITIES AND NET ASSETS	2008	2007	2008
Current liabilities:			
Short-term borrowings (Notes 7 and 10)	¥ 532,004	¥ 680,795	\$ 5,320,041
Current portion of long-term debt (Note 7)	137,871	108,637	1,378,719
Notes and accounts payable – trade	45,845	54,182	458,453
Accrued income taxes	1,094	5,823	10,942
Advances received from customers	5,902	5,780	59,025
Deferred profit on installment sales	8,919	7,575	89,199
Other current liabilities	12,930	12,174	129,309
	744,569	874,968	7,445,691
Long-term liabilities:			
Long-term debt (Note 7)	460,563	387,670	4,605,630
Retirement benefits (Note 14)	609	649	6,093
Deferred tax liabilities (Note 13)	2,499	747	24,999
Allowance for automobile inspection costs	240	243	2,401
Other long-term liabilities	11,299	10,238	112,992
	475,211	399,548	4,752,118
Total liabilities	1,219,780	1,274,517	12,197,809
Contingent liabilities (Note 8)			
Net assets			
Shareholders' equity (Note 15):			
Common stock, without par value:			
Authorized: 160,000,000 shares			
Issued: 64,199,000 shares in 2008 and 2007	22,363	22,363	223,638
Capital surplus	1	0	10
Retained earnings	42,705	37,462	427,052
Treasury stock, at cost:			
82,457 shares in 2008	(80)	—	(809)
80,364 shares in 2007	—	(77)	—
	64,989	59,749	649,892
Valuation and translation adjustments			
Net unrealized gain on available-for-sale-securities	2,657	6,065	26,574
Deferred hedge loss	2,265	(682)	22,658
Foreign currency translation adjustments	(558)	(284)	(5,585)
	4,364	5,097	43,647
Minority interests	346	273	3,469
Total net assets	69,700	65,120	697,008
Total liabilities and net assets	¥ 1,289,481	¥ 1,339,637	\$ 12,894,818

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

Tokyo Leasing Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note4)
	2008	2007	2008
Revenues (Note 16)	¥ 435,277	¥ 451,122	\$ 4,352,771
Cost and expenses (Note 16):			
Costs	403,239	415,794	4,032,394
Selling, general and administrative expenses (Note 9)	19,375	17,346	193,755
	422,615	433,141	4,226,150
Operating income (Note 16)	12,662	17,981	126,621
Other income (expenses):			
Interest and dividend income	454	414	4,544
Interest expenses	(538)	(550)	(5,384)
Equity in earnings of affiliates	175	153	1,750
Equity in earnings of partnership funds	—	257	—
Foreign exchange gains (losses)	43	(150)	439
Loss on devaluation of compound financial instruments	(625)		(6,253)
Miscellaneous revenue	—	437	—
Other, net	(27)	(123)	(275)
	(517)	437	(5,179)
Income before extraordinary items and income taxes	12,144	18,419	121,441
Extraordinary gains (losses):			
Gain on sale of investments in securities	1,004	1,358	10,047
Loss on sale of investments in securities	(1)	—	(12)
Provision for doubtful receivables	—	(15,413)	—
Loss on impairment of property and equipment	—	(53)	—
Loss on devaluation of investments in securities	(1,910)	(25)	(19,106)
	(907)	(14,133)	(9,071)
Income before income taxes and minority interests	11,237	4,286	112,370
Income taxes (Note 13):			
Current	5,938	9,104	59,381
Deferred	(1,440)	(1,033)	(14,403)
	4,497	8,070	44,977
Income (loss) before minority interests	6,739	(3,784)	67,392
Minority interests	(21)	(16)	(214)
Net income (loss)	¥ 6,717	¥ (3,801)	\$ 67,178
Amount per share of common stock		Yen	U.S. dollars (Note4)
Net income (loss) (Note 17):	¥ 104.77	¥ (59.28)	\$ 1.04
Cash dividends	24.00	22.00	0.24

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Tokyo Leasing Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen					
	Number of shares issued (thousands)	Shareholders' equity				Total shareholders' equity
		Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at 31st March, 2006	64,199	¥ 22,363	¥ 0	¥ 42,556	¥ (71)	¥ 64,849
Net income (loss) for year	—	—	—	(3,801)	—	(3,801)
Cash dividends	—	—	—	(1,282)	—	(1,282)
Directors' and corporate auditors' bonuses	—	—	—	(10)	—	(10)
Disposition of treasury stock	—	—	0	—	0	0
Acquisition of treasury stock	—	—	—	—	(7)	(7)
Items other than changes in Shareholders' equity	—	—	—	—	—	—
Balance at 31st March, 2007	64,199	22,363	0	37,462	(77)	59,749
Net income (loss) for year	—	—	—	6,717	—	6,717
Cash dividends	—	—	—	(1,474)	—	(1,474)
Disposition of treasury stock	—	—	0	—	0	0
Acquisition of treasury stock	—	—	—	—	(3)	(3)
Items other than changes in Shareholders' equity	—	—	—	—	—	—
Balance at 31st March, 2008	64,199	¥ 22,363	¥ 1	¥ 42,705	¥ (80)	¥ 64,989

	Thousands of U.S. dollars (Note 4)					
	Number of shares issued (thousands)	Shareholders' equity				Total shareholders' equity
		Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance at 31st March, 2007	64,199	\$ 223,638	\$ 9	\$ 374,622	\$ (778)	\$ 597,491
Net income (loss) for year	—	—	—	67,178	—	67,178
Cash dividends	—	—	—	(14,747)	—	(14,747)
Disposition of treasury stock	—	—	1	—	5	7
Acquisition of treasury stock	—	—	—	—	(37)	(37)
Items other than changes in Shareholders' equity	—	—	—	—	—	—
Balance at 31st March, 2008	64,199	\$ 223,638	\$ 10	\$ 427,052	\$ (809)	\$ 649,892

Millions of yen

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized gain on available-for-sale-securities	Deferred hedge loss	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at 31st March, 2006	¥ 10,433	¥ —	¥ (1,057)	¥ 9,375	¥ 32	¥ 74,256
Net income (loss) for year	—	—	—	—	—	(3,801)
Cash dividends	—	—	—	—	—	(1,282)
Directors' and corporate auditors' bonuses	—	—	—	—	—	(10)
Disposition of treasury stock	—	—	—	—	—	0
Acquisition of treasury stock	—	—	—	—	—	(7)
Items other than changes in Shareholders' equity	(4,367)	(682)	773	(4,277)	240	(4,036)
Balance at 31st March, 2007	6,065	(682)	(284)	5,097	273	65,120
Net income (loss) for year	—	—	—	—	—	6,717
Cash dividends	—	—	—	—	—	(1,474)
Disposition of treasury stock	—	—	—	—	—	0
Acquisition of treasury stock	—	—	—	—	—	(3)
Items other than changes in Shareholders' equity	(3,407)	2,948	(273)	(733)	73	(659)
Balance at 31st March, 2008	¥ 2,657	¥ 2,265	¥ (558)	¥ 4,364	¥ 346	¥ 69,700

Thousands of U.S. dollars (Note 4)

	Valuation and translation adjustments				Minority interests	Total net assets
	Net unrealized gain on available-for-sale-securities	Deferred hedge loss	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at 31st March, 2007	\$ 60,652	\$ (6,828)	\$ (2,845)	\$ 50,978	\$ 2,730	\$ 651,200
Net income (loss) for year	—	—	—	—	—	67,178
Cash dividends	—	—	—	—	—	(14,747)
Disposition of treasury stock	—	—	—	—	—	7
Acquisition of treasury stock	—	—	—	—	—	(37)
Items other than changes in Shareholders' equity	(34,078)	29,487	(2,739)	(7,331)	738	(6,592)
Balance at 31st March, 2008	\$ 26,574	\$ 22,658	\$ (5,585)	\$ 43,647	\$ 3,469	\$ 697,008

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Tokyo Leasing Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note4)
	2008	2007	2008
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 11,237	¥ 4,286	\$ 112,370
Adjustments for:			
Depreciation	269,079	269,406	2,690,790
Increase in allowance for doubtful accounts	634	15,053	6,343
Loss on devaluation of marketable securities and investments in securities	1,910	25	19,106
Interest and dividend income	(454)	(414)	(4,544)
Interest expenses	15,151	11,839	151,514
Gain on sales of securities and investments in securities	(1,003)	(1,358)	(10,035)
Increase in installment sales receivables	(3,207)	(7,770)	(32,072)
Increase in loans receivables	(8,178)	(34,594)	(81,789)
Purchases of leased assets	(229,786)	(289,438)	(2,297,862)
Increase in operating investments	(14,142)	(27,509)	(141,428)
Decrease in notes and accounts payable	(8,450)	(891)	(84,509)
Other, net	(1,614)	(4,323)	(16,148)
Subtotal	31,173	(65,689)	311,735
Interest and dividend income received	563	561	5,638
Interest expenses paid	(15,093)	(11,860)	(150,938)
Income taxes paid	(9,527)	(10,421)	(95,277)
Net cash provided by (used in) operating activities	7,115	(87,409)	71,157
Cash flows from investing activities:			
Purchases of investments in securities	(6,648)	(2,127)	(66,486)
Proceeds from sales of investments in securities	1,408	2,011	14,082
Acquisition of shares of consolidated subsidiary	(1,095)	—	(10,950)
Other, net	(4,658)	(782)	(46,581)
Net cash used in investing activities	(10,993)	(898)	(109,935)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings, net	(150,738)	101,435	(1,507,384)
Increase in long-term debt	275,025	323,368	2,750,252
Repayment of long-term debt	(175,100)	(252,238)	(1,751,003)
Cash dividends paid	(1,474)	(1,282)	(14,747)
Other, net	(30)	(16)	(308)
Net cash provided by (used in) financing activities	(52,319)	171,267	(523,191)
Effect of exchange rate changes on cash and cash equivalents	28	306	289
Net increase (decrease) in cash and cash equivalents	(56,167)	83,265	(561,679)
Cash and cash equivalents at beginning of year	87,645	4,377	876,452
Net increase resulting from changes in scope of consolidation	—	1	—
Cash and cash equivalents at end of year (Note 10)	¥ 31,477	¥ 87,645	\$ 314,772

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Tokyo Leasing Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presentation

The accompanying consolidated financial statements of Tokyo Leasing Co., Ltd. (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared from those which were filed with the Director of the Kanto Local Finance Bureau as required by the Securities and Exchange Law, and are in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. And the amounts presented in the consolidated financial statements are rounded down to the nearest million yen.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

2. Summary of Significant Accounting Policies

(1) Consolidation Policies

All significant companies for which the Company has effective control are consolidated. Significant companies over which the Company has the ability to exercise significant influence have been accounted for by the equity method. All significant intercompany transactions have been eliminated in consolidation.

The number of consolidated subsidiaries and affiliated companies for 2008 and 2007 is as follows:

	2008	2007
Consolidated subsidiaries	101	94
Affiliated companies	5	5

(2) Translation of Foreign Currency Transactions and Financial Statements

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates in effect at the balance sheet date and the accounts of foreign consolidated subsidiaries etc., except for the components of net assets, are translated into yen at the rate of exchange in effect at the respective balance sheet date. Foreign exchange gains and losses are credited or charged to operations and foreign currency translation adjustments are included in net assets.

(3) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, net of overdrafts and short-term investments with maturities of three months or less when purchased which are readily convertible into cash and exposed only to an insignificant risk of any change in their value.

(4) Securities

Available-for-sale securities with a market value are carried at market value with changes in unrealized gain or loss, net of related deferred income taxes, in a separate component of valuation and translation adjustments. Available-for-sale securities without a market value are stated at cost determined principally

by the moving average method. The cost of securities sold is principally computed based on moving averaged method. Hybrid financial instruments, from which an embedded derivative cannot be separated, are stated at fair value and resulting gains or losses are recognized in the statement of operations. Investments in limited partnership are stated at the equity method. During the year ended March 31, 2008 and 2007, the Companies did not have any trading securities.

(5) Derivatives and Hedging Activities

The Company and certain of its subsidiaries make use of derivative financial instruments to reduce interest rate risk exposures on certain liabilities, hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies and hedge credit risk of receivables. These instruments include debt loan, exchange forward contract, currency swaps, interest rate swaps, interest rate options and credit default swaps. The amount of derivatives is limited to the extent of forecasted transaction, debt loan, commercial paper and loan receivables. The Companies do not trade in derivatives for speculative purposes.

Derivatives are valued at market based on market prices at the balance sheet date. If derivatives are used for hedging purposes, qualify for hedge accounting, the Companies defer recognition of gains or losses resulting from changes in fair value of derivatives until maturity of the hedged transactions.

The interest rate swaps which meet specific matching criteria are not valued at market based on market price, the related interest differential paid or received under interest rate swaps is recognized over the terms of the swap agreements in interest expenses or income.

(6) Property and Equipment

Depreciation of leased assets is computed by the straight-line method based on the lease term of the respective assets.

Depreciation of own-used assets is computed by the declining-balance method based on the estimated useful lives.

(7) Intangible Assets

Depreciation of Computer program leased to customers is computed by the straight-line method based on the lease term of the respective assets.

Goodwill is amortized by the straight-line method over a period of 5 years.

(8) Income Taxes

Deferred tax assets and liabilities are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases and operating losses and tax credits carried forward. Deferred tax assets and liabilities are measured using enacted tax rates

expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled.

(9) Retirement Benefits

Accrued retirement benefits for employees' have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as adjusted for unrecognized actuarial gain or loss.

(10) Revenue Recognition

(Leases)

The company and its consolidated domestic subsidiaries account for all leases as operating leases. Under Japanese accounting standards for leases, except for the case in which the ownership of the leased property is transferred to the lessee, finance leases are permitted to be accounted for as operating leases if certain "as if capitalized" information is disclosed in the notes to the consolidated financial statements.

(Installment sales)

Installment sales and related costs are recorded when each installment payment becomes due.

(11) Interest Expenses

Interest expense is allocated to costs and other expenses based on the balances of the respective operating assets, which consist principally of accounts receivable and leased assets, and other assets. Interest expense classified as cost of sales is stated net of interest income.

(12) Allowance for Doubtful Accounts

The allowance for doubtful accounts is recorded on the basis of historical experience to provide for possible losses from bad debts related to general trade accounts and also for the estimated amounts considered to be uncollectible after individually reviewing the specific collectibility of certain doubtful accounts.

(13) Allowance for Automobile Inspection Costs

The allowance for automobile inspection costs is recorded on the basis of historical experience to provide for the cost of automobile inspection of the car lease with maintenance service transactions and that of private car maintenance service.

(14) Restatement and Reclassification

The Company filed the Amendment to the Security Reports of the Company for the year ended March 31, 2007 with the Director of the Kanto Local Finance Bureau on February 13, 2008. Effects of the Amendment are summarized as follows:

Year 2007	Millions of yen		
	Revenues	Costs	Operating income
Before Amendment	490,588	454,822	18,419
After Amendment	451,122	415,794	17,981

The Amendment was prepared as the Company examined certain transactions in the past and decided that those transactions should be recognized as non-operating activities rather than the operating activities, and that revenues from those transactions should be treated as Other income, not be included in Operating income. The amount for the year 2007 presented in this consolidated financial statements are therefore restated in accordance with the Amendment, while there is no effect of the Amendment to Net income (loss).

In addition, certain reclassifications have been made to prior year balances in order to conform to the current year presentation.

3. Accounting Changes

(Presentation of Net Assets in the Balance Sheet)

Effective April 1, 2006, the Companies adopted the Financial Accounting Standard No.5, "Accounting Standards for Presentation of Net Assets in the Balance Sheet" and Financial Accounting Standard Implementation Guideline No.8, "Implementation Guideline for Presentation of Net Assets in the Balance Sheet" issued by Accounting Standard Board of Japan.

The equivalent amount of the total shareholder's equity regulated formerly ¥65,529 million (\$555,338 thousand).

(Depreciation of own-used assets)

In accordance with the changes of tax code introduced in the 2007 tax reform, concerning the depreciation of own-used assets (except buildings) acquired on or after April 1, 2007, method of computing depreciation expenses have been changed to the new regulation.

The effect of this change on the Companies' results of operations is minor.

4. U.S. Dollar Amounts

The Company maintains its accounting records in yen. The dollar amounts included in the consolidated financial statements and notes thereto represent the arithmetical results of translating yen into dollars on the basis of ¥100=U.S.\$1, the approximate rate of exchange at March 31, 2008. The inclusion of such dollar amounts is solely for convenience and is not intended to imply that assets and liabilities originating in yen have been or could be readily converted, realized or settled in dollars at ¥100=U.S.\$1 or at any other rate.

5. Marketable Securities and Investments in Securities

Marketable securities and investments in securities as of March 31, 2008 and 2007 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Current:			
Marketable securities (classified as available-for-sale):			
Certificate of deposit	¥ 19,000	¥ —	\$ 190,000
Investments in limited partnership	100	—	1,000
Loan trust beneficiary securities	1,000	700	10,000
Bonds	1,256	—	12,569
	¥ 21,356	¥ 700	\$ 213,569
Non-current:			
Investments in securities – others (classified as available-for-sale):			
Equity securities – listed	¥ 14,672	¥ 18,660	\$ 146,720
– unlisted	5,663	4,733	56,632
Investments in limited partnership	19,513	9,726	195,130
Loan trust beneficiary securities	10,028	3,370	100,286
Bonds and other	3,483	2,964	34,834
	¥ 53,360	¥ 39,455	\$ 533,604

The carrying amounts and aggregate fair values of securities with available fair values as of March 31, 2008 and 2007 are as follows:

	Millions of yen			
	March 31, 2008			
	Cost of book value	Unrealized gains	Unrealized losses	Fair value
Available-for-sale securities:				
Equity securities	¥ 10,509	¥ 5,242	¥ 1,079	¥ 14,672
Bonds	4,600	0	1	4,599
Other	195	—	54	140

	Millions of yen			
	March 31, 2007			
	Cost of book value	Unrealized gains	Unrealized losses	Fair value
Available-for-sale securities:				
Equity securities	¥ 9,451	¥ 9,335	¥ 126	¥ 18,660
Bonds	2,670	16	18	2,668
Other	245	50	—	295

	Thousands of U.S. dollars			
	March 31, 2008			
	Cost of book value	Unrealized gains	Unrealized losses	Fair value
Available-for-sale securities:				
Equity securities	\$ 105,092	\$ 52,423	\$ 10,796	\$ 146,720
Bonds	46,002	4	10	45,996
Other	1,954	—	547	1,407

Proceeds from sales of available-for-sale securities and resultant gross realized gains and losses for the year ended March 31, 2008 and 2007 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Proceeds	¥ 1,318	¥ 1,711	\$ 13,188
Realized gains	1,004	1,358	10,047
Realized losses	1	0	12

Securities whose fair value is not readily determinable as of March 31, 2008 and 2007 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Available-for-sale:			
Equity securities unlisted	¥ 5,663	¥ 4,733	\$ 56,632
Certificate of deposit	19,000	—	190,000
Loan trust beneficiary securities	—	4,070	—
Trust beneficiary securities	11,028	—	110,286
Investments in limited partnership	19,613	9,726	196,130

The following is a summary of the contractual maturities of bonds classified as available-for-sale securities as of March 31, 2008:

	Millions of yen	Thousands of U.S. dollars
Due within one year	¥ 21,356	\$ 213,569
Due after one to five years	13,358	133,589
Due after five to ten years	2,979	29,796
Due after ten years	10,164	101,646

6. Leased Assets and Own-used Assets

Leased assets and own-used assets as of March 31, 2008 and 2007 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Equipment for lease to customers:			
At cost	¥ 1,697,494	¥ 1,662,632	\$ 16,974,942
Less accumulated depreciation	(1,037,594)	(977,159)	(10,375,943)
	659,899	685,473	6,598,999
Property and equipment for rental to customers:			
At cost	107,484	107,090	1,074,840
Less accumulated depreciation	(50,153)	(48,684)	(501,539)
	57,330	58,406	573,300
Total leased assets	¥ 717,229	¥ 743,879	\$ 7,172,299
Own-used assets:			
Buildings and structures	¥ 1,152	¥ 1,172	\$ 11,521
Office equipment	931	786	9,313
Land	1,953	1,953	19,530
At cost	4,036	3,912	40,365
Less accumulated depreciation	(1,240)	(1,193)	(12,402)
	¥ 2,796	¥ 2,719	\$ 27,963

7. Short-Term Borrowings, Long-Term Debt and Assets Pledged

Short-term borrowings at March 31, 2008 are as follows:

	Millions of yen	Thousands of U.S. dollars	The annual average interest rate
Loans from banks	¥ 210,904	\$ 2,109,041	1.37%
Commercial paper	321,100	3,211,000	0.80%
	¥ 532,004	\$ 5,320,041	

Short-term borrowings at March 31, 2007 are as follows:

	Millions of yen	The annual average interest rate
Loans from banks	¥ 374,595	1.10%
Commercial paper	306,200	0.74%
	¥ 680,795	

Long-term debt at March 31, 2008 consists of the following:

	Millions of yen	Thousands of U.S. dollars
Loans, principally from banks and insurance companies, maturing 2008 – 2019, with average rate 1.68%	¥ 494,020	\$ 4,940,200
Medium-term note due 2008 – 2009 with interest rate ranging from 0.90% – 1.10%	6,800	68,000
Unsecured bonds due 2008 with interest rate of 0.45%	10,000	100,000
Unsecured bonds due 2008 with interest rate of 0.50%	5,000	50,000
Loans from securitization of the minimum future rentals on lease contracts, maturing 2008 – 2012, with average rate 1.14%	82,614	826,149
	598,434	5,984,349
Less current portion	137,871	1,378,719
	¥ 460,563	\$ 4,605,630

Long-term debt at March 31, 2007 consists of the following:

	Millions of yen
Loans, principally from banks and insurance companies, maturing 2007 – 2019, with average rate 2.02%	¥ 353,318
Medium-term note due 2007 – 2008 with interest rate ranging from 0.45% – 0.90%	11,000
Unsecured bonds due 2008 with interest rate of 0.45%	10,000
Unsecured bonds due 2008 with interest rate of 0.50%	5,000
Loans from securitization of the minimum future rentals on lease contracts, maturing 2007 – 2012, with average rate 1.13%	116,989
	496,307
Less current portion	108,637
	¥ 387,670

The aggregate annual maturity of long-term debt after March 31, 2008 is as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2009	¥ 137,871	\$ 1,378,719
2010	129,866	1,298,665
2011	144,109	1,441,095
2012	98,817	988,174
Thereafter	87,769	877,693
	¥ 598,434	\$ 5,984,349

The Companies assets pledged as collateral for long-term debt of ¥40,412 million (\$404,121 thousand) as of March 31, 2008 is as follows:

	Millions of yen	Thousands of U.S. dollars
Cash on hand and in banks	¥ 38	\$ 386
Installment sales	187	1,875
Loans	1,241	12,419
Leased assets	60,881	608,817
	¥ 62,349	\$ 623,499

In addition, other assets with a book value of ¥956 million (\$9,565 thousand) were pledged as collateral for operating transaction.

8. Commitments and Contingent Liabilities

Contingent liabilities at March 31, 2008 and 2007 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Loan and other guarantees	¥ 8,236	¥ 8,598	\$ 82,363
Asset guarantees	10,311	10,022	103,119
	¥ 18,548	¥ 18,620	\$ 185,483

The Companies have loan commitment agreements as of March 31, 2008 and 2007 amount to ¥25,308 million (\$253,082 thousand) and ¥21,476 million, respectively. The loans provided under these credit facilities as of March 31, 2008 and 2007 amount to ¥4,250 million (\$42,503 thousand) and ¥4,419 million, respectively. Many of these facilities expire without being utilized and the related borrowings are subject to periodic reviews of the borrowers' credit standing. Any unused amount will not necessarily be utilized in full amount.

9. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses as of March 31, 2008 and 2007 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Employee's salaries	¥ 8,361	¥ 8,163	\$ 83,614
Allowance for doubtful receivables	2,037	459	20,376
Allowance for accrued bonuses	379	401	3,793
Administrative expenses	2,514	2,021	25,147

10. Notes to the Consolidated Statements of Cash Flows

Cash and cash equivalents at March 31, 2008 and 2007 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Cash on hand and in banks	¥ 14,554	¥ 88,325	\$ 145,547
Marketable securities	19,000	—	190,000
Bank overdraft	(2,077)	(680)	(20,774)
Cash and cash equivalents	¥ 31,477	¥ 87,645	\$ 314,772

11. Lease Transactions

(1) Finance Leases

Financing leases which do not transfer ownership or do not have bargain purchase option are accounted for as operating leases. Information relating to financing leases at March 31, 2008 and 2007 for the year then ended is as follows:

The Companies as lessee:	Millions of yen		
	Year ended March 31, 2008		
	Office equipment	Other	Total
At cost*	¥ 2,114	¥ 1,010	¥ 3,124
Accumulated depreciation	1,024	351	1,376
	¥ 1,090	¥ 658	¥ 1,748

	Millions of yen		
	Year ended March 31, 2007		
	Office equipment	Other	Total
At cost*	¥ 543	¥ 30	¥ 574
Accumulated depreciation	256	20	277
	¥ 286	¥ 10	¥ 297

	Thousands of U.S. dollars		
	Year ended March 31, 2008		
	Office equipment	Other	Total
At cost*	\$ 21,142	\$ 10,105	\$ 31,248
Accumulated depreciation	10,242	3,519	13,761
	\$ 10,900	\$ 6,586	\$ 17,487

* Cost includes interest expenses.

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
	Future lease payments	¥ 2,234	¥ 838
Amount of the above due within one year	647	199	6,474
Rental expenses (depreciation expenses)	242	127	2,429

The Companies as lessor:	Millions of yen			
	Year ended March 31, 2008			
	Office equipment	Industrial and construction machines	Other	Total
At cost	¥ 688,358	¥ 473,046	¥ 733,269	¥ 1,894,673
Accumulated depreciation	429,244	307,432	424,763	1,161,440
Book value	¥ 259,114	¥ 165,613	¥ 308,505	¥ 733,233

	Millions of yen			
	Year ended March 31, 2007			
	Office equipment	Industrial and construction machines	Other	Total
At cost	¥ 668,826	¥ 466,935	¥ 700,707	¥ 1,856,469
Accumulated depreciation	419,288	297,142	375,407	1,091,837
Book value	¥ 269,538	¥ 169,793	¥ 325,300	¥ 764,631

	Thousands of U.S. dollars			
	Year ended March 31, 2008			
	Office equipment	Industrial and construction machines	Other	Total
At cost	\$ 6,883,585	\$ 4,730,461	\$ 7,332,691	\$ 18,946,738
Accumulated depreciation	4,292,442	3,074,325	4,247,636	11,614,404
Book value	\$ 2,591,143	\$ 1,656,136	\$ 3,085,055	\$ 7,332,334

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Future minimum lease payment	¥ 745,556	¥ 781,283	\$ 7,455,567
Amount of the above within one year	241,653	238,476	2,416,538
Rental revenues	289,543	289,140	2,895,434
Depreciation expenses	252,104	251,316	2,521,048
Implied interest income	37,679	35,948	376,797

(2) Operating Leases

Information relating to operating leases at March 31, 2008 and 2007 for the year then ended is as follows:

The Companies as lessor:	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Future minimum lease payment	¥ 47,546	¥ 46,187	\$ 475,465
Amount of the above within one year	13,006	12,467	130,063

12. Derivatives and Hedging Activities

Derivative financial instruments are utilized by the Companies principally to reduce interest rate risk, exchange rate fluctuation risk and credit risk of receivables. The Companies have established a control environment which includes policies and procedures for risk assessment and for the approval, reporting and monitoring of transactions involving derivative financial instruments. The Companies do not hold or issue derivative financial instruments for trading purposes.

The Companies are exposed to certain market risks

arising from its forward exchange contracts and swap agreements. The Companies are also exposed to the risk of credit loss in the event of non-performance by counterparties to the currency and interest; however, the Companies do not anticipate non-performance by any of these counterparties all of whom are financial institutions with high credit ratings.

Derivative financial instruments for hedging activities were measured at fair value, and those unrealized gain were deferred.

At March 31, 2008, the outstanding interest rate swaps and credit derivative transactions are as follows:

	Millions of yen		Thousands of U.S. dollars	
	Notional amounts (over one year)	Unrealized gain	Notional amounts (over one year)	Unrealized gain
Interest rate swaps agreements:				
Pay fixed swaps	¥ 4,252	¥ (19)	\$ 42,522	\$ (190)
	(3,637)		(36,378)	
Interest rate caps	1,758	3	17,583	34
	(688)		(6,885)	
Currency swaps	1,144	(8)	11,445	(84)
	(1,144)		(11,445)	
Credit derivative transactions:				
Credit default swaps	4,700	43	47,000	436
	(900)		(9,000)	

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are excluded from disclosure of market value information.

13. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income, which in the aggregate resulted in statutory tax rate of approximately 40.7% for the years ended March 31, 2008 and 2007.

Foreign subsidiaries are subject to income taxes of countries in which they operate.

The reasons that the effective tax rate differs from the Companies' statutory tax rate for the year ended March 31, 2007 are provided below, while those for the year 2008 are not presented as the difference between the effective tax rate and the statutory tax rate is immaterial:

	2007
Statutory tax rate	40.7%
Less valuation allowance	142.1
Entertainment expenses not qualifying for deduction	0.9
Expenses not deductible for income tax purposes	1.2
Amortization of goodwill	3.9
Other	(0.5)
Effective tax rate	188.3%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of March 31, 2008 and March 31, 2007 are presented below:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Deferred tax assets:			
Retirement benefits	¥ 1,147	¥ 1,217	\$ 11,470
Allowance for doubtful accounts	7,694	7,073	76,946
Depreciation expenses	3,281	2,438	32,817
Other	2,582	3,083	25,829
Subtotal gross deferred tax assets	14,706	13,812	147,063
Less valuation allowance	(7,326)	(7,436)	(73,260)
Net deferred tax assets	7,380	6,376	73,802
Deferred tax liabilities:			
Unrealized gain on securities	(1,700)	(3,526)	(17,005)
Gain on contribution of securities to employee retirement benefit trust	(721)	(721)	(7,210)
Other	(2,565)	(133)	(25,658)
Total gross deferred liabilities	(4,987)	(4,381)	(49,874)
Net deferred tax assets	¥ 2,392	¥ 1,995	\$ 23,927

In assessing the recoverability of deferred tax assets, management of the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will be recovered. The ultimate recoverability of deferred tax assets is entirely dependent upon the generation of future taxable income in specific tax jurisdictions during the periods in which those temporary differences become deductible. Although realization is not assured, management considers the projected future taxable income in making

this assessment. Based on these factors, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowance as of March 31, 2008.

Income taxes have not been accrued in respect of the undistributed earnings of certain foreign subsidiaries and associated companies, as these amounts are intended to be reinvested indefinitely. The unrecognized deferred tax liabilities related to these earnings are immaterial.

14. Retirement Benefits

The Companies have defined benefit plans for employees, partially funded through a tax qualified funded pension plan. Under the plan, employees are entitled to lump-sum or pension retirement benefits, determined by reference to current basic rates, length of service

and whether retirement is voluntary or involuntary. During the year ended March 31, 2005, the company contributed certain marketable securities to employee retirement benefit trust. The securities are qualified as plan assets.

The following table summarizes the funding status and amounts recognized in the consolidated balance sheet as of March 31, 2008 and 2007:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Projected benefit obligation	¥ (4,489)	¥ (3,891)	\$ (44,890)
Plan assets	5,218	6,352	52,188
Unfunded benefit obligation	729	2,460	7,297
Unrecognized actuarial loss	(705)	(2,708)	(7,053)
Net recognized retirement benefit obligation	24	(247)	(244)
Prepaid pension and severance costs	633	401	6,338
Accrued benefit obligation for employees	(609)	(649)	(6,093)

The following table summarizes the components of net periodic pension cost for employees for the years ended March 31, 2008 and 2007:

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Service cost-benefits earned during the year	¥ 344	¥ 336	\$ 3,445
Interest cost on benefit obligation	73	77	732
Expected return on plan assets	(74)	(40)	(745)
Amortization of prior service cost	—	(54)	—
Amortization of actuarial gains or losses	(283)	(165)	(2,837)
Net periodic pension cost	¥ 59	¥ 153	\$ 594

The assumptions used in determining pension benefit obligation at March 31, 2008 and 2007 are shown below:

	2008	2007
Attribution method of estimated benefits		Benefit / year-of-service approach
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	0.5 – 1.3%	0.5 – 0.8%
Recognition period of actuarial gain/loss	10 years	10 years

Prior service cost is fully recognized as an expense in the year the Companies incur such cost.

15. Shareholders' Equity

Retained earnings include a legal reserve provided in accordance with the Company Law of Japan. The Company Law provides that an amount equal to 10% of dividends must be appropriated as a legal reserve (of retained earnings) or as additional paid in capital, until

the total of aggregate amount of legal reserve and additional paid in capital equals 25% of the common stock. The Company Law also provides that legal reserve and additional paid in capital are available for appropriations by resolution of the shareholders.

16. Segment Information

The Companies' business segments consist of financing and operating leases, installment sales, loans and other operations.

The Company and its subsidiaries' segment information for the years ended March 31, 2008 and 2007 are as follows:

	Millions of yen					
	Year ended March 31, 2008					
	Leasing	Installment sales	Loans	Other	Elimination or corporate	Consolidated total
(Sales and operating income)						
Revenue from customers	¥ 343,191	¥ 77,196	¥ 5,092	¥ 9,796	¥ —	¥ 435,277
Intersegment revenue	33	—	—	60	(93)	—
Total sales	¥ 343,224	¥ 77,196	¥ 5,092	¥ 9,856	¥ (93)	¥ 435,277
Operating cost	330,713	76,651	2,817	8,170	4,261	422,615
Operating income	¥ 12,511	¥ 544	¥ 2,275	¥ 1,686	¥ (4,355)	¥ 12,662

(Identifiable assets, Depreciation, Capital expenditures)						
Identifiable assets	¥ 853,954	¥ 179,481	¥ 165,951	¥ 39,133	¥ 50,961	¥ 1,289,481
Depreciation	268,411	—	—	—	667	269,079
Capital expenditures	252,911	—	—	—	4,042	256,954

	Millions of yen					
	Year ended March 31, 2007					
	Leasing	Installment sales	Loans	Other	Elimination or corporate	Consolidated total
(Sales and operating income)						
Revenue from customers	¥ 359,629	¥ 78,072	¥ 4,078	¥ 9,342	¥ —	¥ 451,122
Intersegment revenue	29	—	—	65	(94)	—
Total sales	¥ 359,659	¥ 78,072	¥ 4,078	¥ 9,407	¥ (94)	¥ 451,122
Operating cost	343,123	76,004	2,368	7,808	3,836	433,141
Operating income	¥ 16,535	¥ 2,068	¥ 1,709	¥ 1,599	¥ (3,931)	¥ 17,981

(Identifiable assets, Depreciation, Capital expenditures)						
Identifiable assets	¥ 936,457	¥ 181,815	¥ 166,353	¥ 25,761	¥ 29,248	¥ 1,339,637
Depreciation	268,579	—	—	—	827	269,406
Capital expenditures	326,152	—	—	—	184	326,337

	Thousands of U.S. dollars					
	Year ended March 31, 2008					
	Leasing	Installment sales	Loans	Other	Elimination or corporate	Consolidated total
(Sales and operating income)						
Revenue from customers	\$ 3,431,911	\$ 771,964	\$ 50,927	\$ 97,968	\$ —	\$ 4,352,771
Intersegment revenue	332	—	—	600	(932)	—
Total sales	\$ 3,432,244	\$ 771,964	\$ 50,927	\$ 98,568	\$ (932)	\$ 4,352,771
Operating cost	3,307,132	766,517	28,174	81,708	42,617	4,226,150
Operating income	\$ 125,112	\$ 5,446	\$ 22,752	\$ 16,860	\$ (43,550)	\$ 126,621

(Identifiable assets, Depreciation, Capital expenditures)						
Identifiable assets	\$ 8,539,540	\$ 1,794,818	\$ 1,659,513	\$ 391,336	\$ 509,610	\$ 12,894,818
Depreciation	2,684,116	—	—	—	6,674	2,690,790
Capital expenditures	2,529,113	—	—	—	40,427	2,569,540

Corporate expenses not allocated to segments are principally general and administrative expenses in the Companies, and corporate assets represent principally investment securities and other assets acquired by the Companies.

(Geographic segment)

The segment information by geographic area is not required to be disclosed because the amounts of sales and identifiable assets outside Japan are less than 10% of consolidated total for the years ended March 31, 2008 and 2007.

(Sales to overseas customers)

The information of sales to overseas customers is not required to be disclosed, because the amounts of sales to overseas customers are less than 10% of consolidated total for the years ended March 31, 2008 and 2007.

17. Amounts per share

Net income (loss) per share is computed based on the net income (loss) available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year. The diluted net income per share of common stock is not shown because there were no outstanding dilutive potential shares.

	Yen		U.S. dollars
	2008	2007	2008
Net income (loss) per share of common stock	¥ 104.77	¥ (59.28)	\$ 1.04

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Net income (loss) available to shareholders of common stock			
Net income (loss)	¥ 6,717	¥ (3,801)	\$ 67,178
Weighted-average number of shares of common stock outstanding (denominator)	64,117,407	64,120,905	

Net assets per share have been computed based on the net assets available for distribution to stockholders of common stock and the number of shares of common stock outstanding at each balance sheet date.

	Yen		U.S. dollars
	2008	2007	2008
Net assets per share	¥ 1,081.68	¥ 1,011.35	\$ 10.81

	Millions of yen		Thousands of U.S. dollars
	2008	2007	2008
Net assets available for distribution to stockholders of common stock			
Net assets	¥ 69,700	¥ 65,120	\$ 697,008
Less: minority interests	(346)	(273)	(3,469)
	¥ 69,353	¥ 64,847	\$ 693,539
Number of shares of common stock (denominator)			
Number of shares of common stock outstanding	64,199,000	64,199,000	
Less: number of shares of treasury stock	(82,457)	(80,364)	
	64,116,543	64,118,636	

18. Subsequent Events

- On June 24, 2008, the general meeting of shareholders resolved to appropriate retained earnings as cash dividend of ¥12.00 (\$0.12) per share or a total 769 million (\$7,694 thousand.)
- On May 30, 2008, the company's Board of Directors resolved to acquire the shares of Fujitsu Leasing Co., Ltd. additionally from its shareholders other than Fujitsu Limited.

The details are as follows:

The objective:	Strengthening of the relationship with Fujitsu Group
Name of the company purchased:	Fujitsu Leasing Co., Ltd.
Main business operations:	Leasing business
Financial data: (Year ended March 31, 2008)	Revenue ¥128,603 million (\$1,286,034 thousand) Total assets ¥308,227 million (\$3,082,278 thousand) Net assets ¥28,020 million (\$280,209 thousand)
Number of acquisition of shares	As of March 31, 2008 550,000 shares (ownership percentage: 27.5%) After relevant acquisitions more than 1,000,000 shares (ownership percentage: more than 50%)
Schedule	May 30, 2008 agreement between the shareholders Late in June, 2008 (plan) contract to transfer the shares July 1, 2008 (plan) transfer the shares, and the Company acquires ownership more than 50%



■ Certified Public Accountants
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011
C.P.O. Box 1196, Tokyo, Japan 100-8641

■ Tel: 03 3503 1100
Fax: 03 3503 1197

Report of Independent Auditors

The Board of Directors
Tokyo Leasing Co., Ltd.

We have audited the accompanying consolidated balance sheets of Tokyo Leasing Co., Ltd. and consolidated subsidiaries as of March 31, 2007 and 2008, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokyo Leasing Co., Ltd. and consolidated subsidiaries at March 31, 2007 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 18(2), the Company's Board of Directors resolved to acquire the shares of Fujitsu Leasing Co., Ltd. additionally from its shareholders other than Fujitsu Limited.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 4.

Ernst & Young ShinNihon

June 16, 2008

Main Subsidiaries and Affiliates

As of July 1, 2008

Consolidated Subsidiaries

TOKYO AUTO LEASING CO., LTD.

Shin-Osaki Kangyo Bldg. 6-4, Osaki 1-chome, Sinagawa-ku, Tokyo 141-0032 Telephone: 81-3-5436-3711
Main Business Operations: Leasing business of automobiles and automobile-related equipment
Date of Foundation: March 1979
Paid-in Capital/Voting Shares: ¥200 million/100%

TOKYO LEASE KANZAI K.K.

Kodenma-cho Bldg. 1-4, Nihonbashi-Kodenmacho, Chuo-ku, Tokyo 103-0001 Telephone: 81-3-3662-3335
Main Business Operations: Nonlife insurance agency business and real estate business
Date of Foundation: January 1987
Paid-in Capital/Voting Shares: ¥10 million/100%

TLC BUSINESS SERVICE CO., LTD.

Kodenma-cho Bldg. 1-4, Nihonbashi-Kodenmacho, Chuo-ku, Tokyo 103-0001 Telephone: 81-3-5652-7221
Main Business Operations: Business processing service and personal-service business
Date of Foundation: June 2004
Paid-in Capital/Voting Shares: ¥20 million/100%

S.D.L CO., LTD.

Shiseido Main Bldg. 5-5, Ginza 7-chome, Chuo-ku, Tokyo 104-0061 Telephone: 81-3-3289-2028
Main Business Operations: Leasing business of automobiles, general leasing business and rental business
Date of Foundation: January 1991
Paid-in Capital/Voting Shares: ¥100 million/90%

FUJITSU LEASING CO., LTD.

Shinjuku Dai-ichi Life Bldg. 7-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-0724 Telephone: 81-3-5322-5201
Main Business Operations: Leasing business of IT-related equipment
Date of Foundation: March 1978
Paid-in Capital/Voting Shares: ¥1,000 million/55% (as of July 31, 2008)

TOKYO LEASING (U.S.A.) INC.

3020 Westchester Avenue, Suite 401 Purchase, N.Y. 10577, U.S.A. Telephone: 1-914-697-9030
Main Business Operations: General leasing business
Date of Foundation: December 1985
Paid-in Capital/Voting Shares: US\$26,513 thousand/100%

TOKYO LEASING (UK) PLC

6th Floor, Valiant House, 4-10 Heneage Lane, London EC3A 5DQ, U.K. Telephone: 44-20-7283-6100
Main Business Operations: General leasing business
Date of Foundation: May 1983
Paid-in Capital/Voting Shares: STG£6,655 thousand/100%

TOKYO LEASING (HONG KONG) LTD.

Room 1901, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong Telephone: 852-2521-4373
Main Business Operations: General leasing business
Date of Foundation: October 1972
Paid-in Capital/Voting Shares: HK\$13,000 thousand/100%

TOKYO LEASING (SINGAPORE) PTE. LTD.

138 Robinson Road, The Corporate Office #12-01, Singapore 068906 Telephone: 65-6532-3436
Main Business Operations: General leasing business
Date of Foundation: May 1979
Paid-in Capital/Voting Shares: S\$19,340 thousand/100%

TOZUI CORPORATION

Room 1703-1704, Greenland Commercial Centre, No.1258 Yuyuan Road, Changning District, Shanghai, P.R.C Telephone: 86-21-6213-5511
Main Business Operations: General leasing business
Date of Foundation: July 2006
Paid-in Capital/Voting Shares: US\$10,000 thousand/100%

TLC CAPITAL (MALAYSIA) SDN. BHD.

Suite 11.2, Level 11, Menara Weld, No.76, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia Telephone: 60-3-2070-2633
Main Business Operations: General leasing business
Date of Foundation: June 2007
Paid-in Capital/Voting Shares: RM1,037 thousand/100%

Equity Method Affiliates

ORICO AUTO LEASING CO., LTD.

Shin-Osaki Kangyo Bldg. 6-4, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032 Telephone: 81-3-6893-3702
Main Business Operations: Leasing business of automobiles
Date of Foundation: March 2008
Paid-in Capital/Voting Shares: ¥240 million/50%

PRESIDENT TOKYO CORPORATION

3rd Floor, 285 Nanking East Road, Sec.3 Taipei, Taiwan, R.O.C Telephone: 886-2-2713-3636
Main Business Operations: Leasing business of automobiles and automobile-related equipment
Date of Foundation: November 1997
Paid-in Capital/Voting Shares: NT\$200,000 thousand/49%

ISUZU FINANCE OF AMERICA, INC.

3020 Westchester Avenue, Suite 203 Purchase, N.Y. 10577, U.S.A. Telephone: 1-914-251-0220
Main Business Operations: Leasing business of automobiles and automobile-related equipment
Date of Foundation: March 2007
Paid-in Capital/Voting Shares: US\$10,000 thousand/48%

TOKYO LEASING (THAILAND) CO., LTD. (*)

19th Floor, TISCO Tower, 48/44 North Sathorn Road, Silom, Bangrak, Bangkok, 10500, Thailand Telephone: 66-2-638-0900
Main Business Operations: General leasing business
Date of Foundation: April 1993
Paid-in Capital/Voting Shares: BAHT 60 million/44%
(*) since July 18, 2008

Stock Information/Bond Rating

Transfer Agent: Mizuho Trust & Banking Co., Ltd.

Stock Listing: Tokyo Stock Exchange, First Section

Securities Code: 8579

Number of Common Stock Authorized: 160,000,000 shares

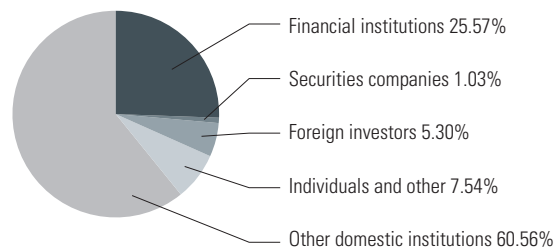
Number of Common Stock Issued: 64,199,000 shares

Trading Lot Size: 100 shares

Number of Shareholders: 4,365

(As of March 31, 2008)

Breakdown of Shareholders

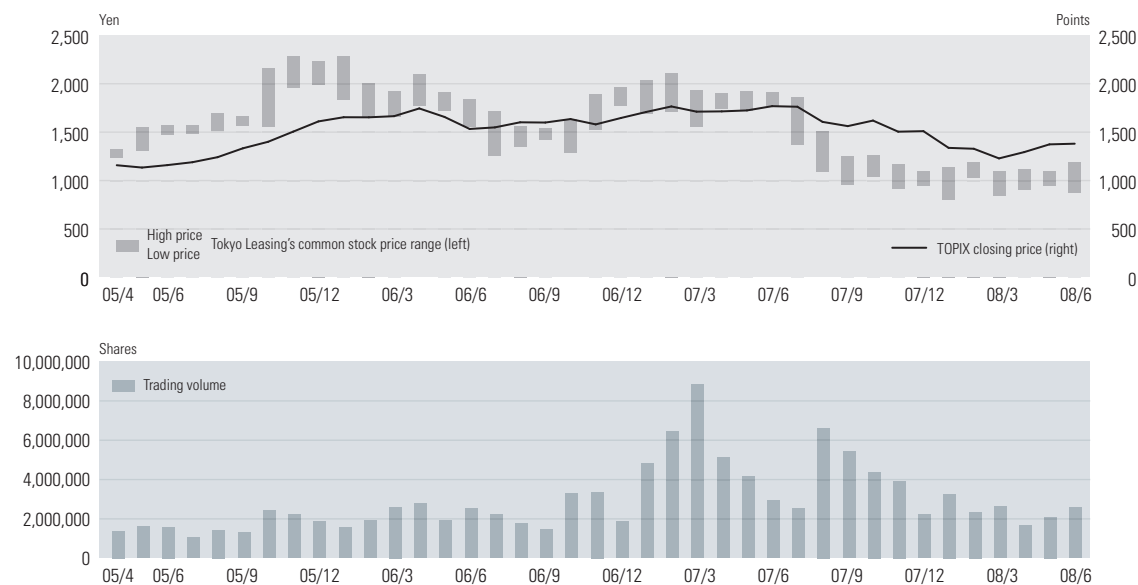


Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares outstanding (%)
Nippon Tochi-Tatemono Co., Ltd.	14,666	22.84
KSO Co., Ltd.	11,400	17.75
Nissin Tatemono Co., Ltd.	3,574	5.56
Japan Trustee Services Bank, Ltd. (Trust accounts)	3,240	5.04
Mizuho Corporate Bank, Ltd.	2,991	4.66
Kanyu Enterprise Co., Ltd.	2,738	4.26
Trust & Custody Services Bank, Ltd. (Orient Corporation Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	2,000	3.11
JFE Steel Corporation	1,951	3.04
Sompo Japan Insurance Inc.	1,270	1.97
The Master Trust Bank of Japan, Ltd. (Trust accounts)	1,092	1.70

(As of March 31, 2008)

Market Price Range per Share of Common Stock/Trading Volumes



Bond Ratings

Tokyo Leasing's ratings assigned by Japan Credit Rating Agency, Ltd. and Rating and Investment Information, inc.

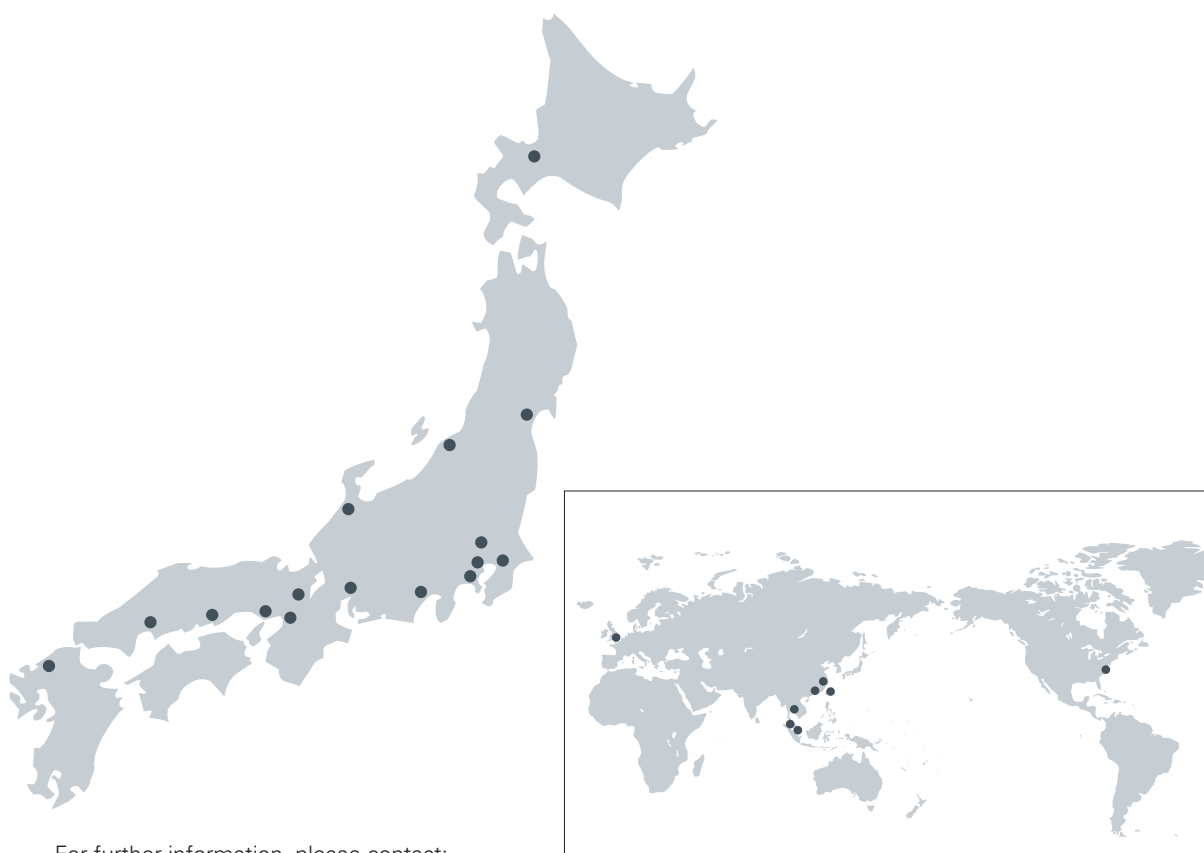
	JCR	R&I
Straight bond registered issue, Euro Medium Term Note (EMTN)	A	A-
Commercial paper	J-1	a-1

(As of July 1, 2008)

Corporate Information

As of July 1, 2008

Company Name	TOKYO LEASING CO., LTD.
Company Representative	President & CEO Shunichi Asada
Founded	August 25, 1964
Closing of accounts	March 31
Paid-in Capital	¥22,363 million
Head Office	FUJISOFT Bldg., 3 Kanda-neribeicho, Chiyoda-ku, Tokyo 101-0022 Japan Telephone: 81-3-5209-7055 *Head office was relocated to the above address on July 22, 2008.
Website	http://www.tokyoleasing.co.jp
Network	
(Except the head office)	Domestic Tokyo, Minami-Tokyo, Shinjuku, Sapporo, Sendai, Niigata, Hokuriku, Omiya, Chiba, Yokohama, Shizuoka, Nagoya, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Fukuoka (18 domestic branches) Rental Department (Tokyo)
	Overseas New York (2), London, Hong Kong, Singapore, Shanghai, Malaysia, Taipei, Thailand (*) (9 overseas offices) (*) since July 18, 2008
Number of Employees	1,127 (754 on a non-consolidated basis) as of June 30, 2008
Independent auditor	Ernst & Young ShinNihon LLC



For further information, please contact:

Investor Relations Office

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