

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Tokyo Century Corporation (security code: 8439)

<Rating Change>

Long-term Issuer Rating:	from AA- to AA
Outlook:	from Positive to Stable
Bonds:	from AA- to AA
Bonds (Dated subordinated bonds):	from A to A+
EMTN Program:	from AA- to AA
Shelf Registration:	from Preliminary AA- to Preliminary AA

<Affirmation>

CP:	J-1+
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NIPPON CAR SOLUTIONS CO., LTD. (security code: -)

<Rating Change>

Long-term Issuer Rating:	from AA- to AA
Outlook:	from Positive to Stable

<Affirmation>

CP:	J-1+
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Orico Auto Leasing Co., Ltd. (security code: -)

<Rating Change>

CP:	from J-1 to J-1+
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FLCS Co., Ltd. (security code: -)

<Rating Change>

Long-term Issuer Rating:	from AA- to AA
Outlook:	from Positive to Stable

<Affirmation>

CP:	J-1+
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IHI Finance Support Corporation (security code: -)

<Rating Change>

Long-term Issuer Rating:	from A+ to AA-
Outlook:	from Positive to Stable
CP:	from J-1 to J-1+

Rationale

Issuer: Tokyo Century Corporation

- (1) Tokyo Century Corporation ("Tokyo Century") is one of major general leasing companies. While having strength in automobile and information/communication equipment leasing, it also enjoys a high global share in the aircraft leasing industry by having Aviation Capital Group LLC ("ACG") under its umbrella. Its solid business bases are underpinned by the close relations with ITOCHU Corporation and the Mizuho Group as major shareholders in such aspects as capital, human resources, financing and sales and also by Tokyo Century's ability to win good projects through collaboration with prime business partners like NIPPON TELEGRAPH AND TELEPHONE CORPORATION ("NTT") and Fujitsu Limited ("Fujitsu"). The Equipment Leasing, Mobility & Fleet Management (current Automobile) and International Business segments from which fairly steady earnings contribution can be expected have been expanding significantly in size. The aircraft leasing business, centering on ACG, is also beginning to improve. JCR concludes that Tokyo Century has successfully strengthened

and diversified its business portfolio partly through collaboration with prime business partners, thereby increasing earnings capacity and stabilizing its performance even further. Moreover, its financial position has been enhanced steadily despite severe business conditions such as the COVID crisis and the recording of Russia-related losses. Tokyo Century intends to continue its efforts to further strengthen the financial position. Based on the above, JCR upgraded the long-term issuer rating on Tokyo Century by one notch.

- (2) Ordinary income grew in the fiscal year ended March 2023 (FY2022) to 106.1 billion yen, improving for two years in a row since FY2020, when it was drastically affected by the COVID crisis, to mark a new high. ROA based on total assets and ordinary income also returned to a relatively high level at around 2%. Although the International Business segment saw a sharp drop in the income due to the reporting of one-off losses, income growth in the Specialty Financing segment thanks in part to ACG's business recovery and posting of gains on sales of assets and in the Mobility & Fleet Management segment driven by the car rental and auto leasing businesses helped push up the overall result. For FY2023, factors like the elimination of the aforementioned gains on sales of assets and cost increases in the auto leasing business are expected to push down the income. Yet, Tokyo Century projects an ordinary income of 110 billion yen with the elimination of the one-off factor in the International Business segment, growth in the robust car rental business and so forth. Medium-term profit growth will likely be driven by ACG's business expansion with a turnaround in global demand in the aviation market and the delivery of new and cutting-edge aircraft getting into full swing, progress in collaboration with prime business partners and so forth.
- (3) While losses including credit costs haven't been kept low from the long-term perspective, relatively large losses have been incurred in recent years in the Specialty Financing segment, securities investment in the International Business segment, etc. In FY2022 in particular, Tokyo Century posted 74.8 billion yen as Russia-related losses in extraordinary losses for the leased aircraft and financing/loan guarantee. Yet, it attained 4.7 billion yen in net income attributable to owners of parent by absorbing such losses with strong performance in the main business. Given, among others, the completion of loss disposition in the aircraft leasing and environment & energy businesses, there are no concerns about the quality of assets. JCR assumes that losses including credit costs will stay at a level fully absorbable by periodic income for the time being.
- (4) Equity ratio as of March 31, 2023 was 13.8% (after consideration of equity content of hybrid financing), which is relatively high among major leasing companies. Equity capital has been enhanced with capital increases and the accumulation of retained earnings to date and thanks also to an increase in foreign currency translation adjustments resulting from the yen's depreciation. As Tokyo Century intends to control the pace of increase in assets through asset replacement, etc., the amount of risks associated with the assets held will probably stay at a certain level in light of sufficient capital. In terms of financing, Tokyo Century has stable business relations with major financial institutions, etc. but mainly with Mizuho Bank, Ltd. ("Mizuho Bank") for both the yen and foreign currencies.

Issuer: NIPPON CAR SOLUTIONS CO., LTD.

- (1) NIPPON CAR SOLUTIONS CO., LTD. ("NCS") is Japan's major auto leasing company. It is a consolidated subsidiary of Tokyo Century with an approximately 60% stake and an equity-method affiliate of NTT with the remaining stake of around 40%. It has strong unity with Tokyo Century in terms of business administration, as indicated by some of its directors, including CEO, come from the latter. As it plays a primary role in the Mobility & Fleet Management segment, a core business of the Tokyo Century Group, its strategic significance in the Group is high. Accordingly, JCR deems NCS' long-term issuer rating to be at the same level as Tokyo Century's. JCR also positively views NCS' high earnings capacity and financial soundness. Given the rating change for Tokyo Century, JCR upgraded NCS' long-term issuer rating by one notch.
- (2) Ordinary income is on the constant rise, thus contributing more to Tokyo Century's consolidated results. Consolidated ordinary income improved 14.9% over the year to 14.2 billion yen in FY2021 and 15.6% to 16.5 billion yen in FY2022, achieving double-digit growth for two consecutive years largely because of an increase in gain on sale of end-of-lease properties with a rise in market prices of used cars and buoyant re-leasing. As regards new leasing contracts, which support medium-term performance, they have been sluggish amid the COVID crisis but are beginning to pick up for NCS, too, as new car supply is being normalized. On the other hand, the used car market has reached its peak on the back of recovery in new car supply and so forth. Because growth in gain on sale of end-of-lease properties had contributed significantly to overall performance, JCR will keep an eye on future trends in the used car market. Although car maintenance and other costs are also expected to increase, JCR assumes that NCS can keep its profits at a higher level than before.

- (3) Operating assets are highly sound, as indicated by the small amount of substandard assets. Credit costs remain low even in the midst of the COVID crisis and will probably stay at a level fully absorbable by periodic income for a while. NCS maintains non-consolidated equity ratio high, which stood at 20.8% as of March 31, 2023. In terms of financing, NCS has stable business relations with many financial institutions but mainly with Mizuho Bank.

Issuer: Orico Auto Leasing Co., Ltd.

- (1) Orico Auto Leasing Co., Ltd. (“OAL”) is an auto leasing company specializing in leases for individuals and SMEs. It is a consolidated subsidiary of Tokyo Century with a 50% stake and an equity-method affiliate of Orient Corporation (“Orico”) with the remaining 50%. It has strong unity with the Tokyo Century Group in terms of business administration, as indicated by some of its directors, including CEO, come from the latter. As it takes part in the Mobility & Fleet Management segment, a core business of the Tokyo Century Group, its strategic significance in the Group is reasonably high, which is reflected in the rating. JCR also positively views OAL’s highly sound operating assets and ability to utilize Orico’s agency network, etc. Given the rating change for Tokyo Century, JCR upgraded the rating on OAL’s CP to J-1+.
- (2) Ordinary income for FY2022 was 3.2 billion yen, falling for two years in a row from the previous year’s 4.0 billion yen primarily due to a decrease in gain on the securitization of receivables. It had previously been on the rise with an increase in the number of vehicles for lease held by OAL but has been sluggish in recent years even when excluding gain on the securitization of receivables. The primary factor behind this is a decrease in the number of units under new leasing contracts because of the restricted new car supply amid the COVID crisis. Yet, new leasing contracts are beginning to pick up for OAL as new car supply is being normalized. Moreover, OAL is achieving certain results in its efforts to retain customers whose lease contracts are expiring. JCR will watch whether OAL can maintain its presence in the ever-expanding auto leasing market for individuals and increase earnings capacity.
- (3) Equity ratio as of March 31, 2023 was 5.8%. Even though this is low, JCR does not consider it to be a major problem, given, among others, that OAL avoids credit and residual value risks associated with leases receivables by paying guarantee fees to Orico. OAL raises funds partly through commercial paper but mostly from Tokyo Century. It is also diversifying financing means by securitizing auto lease receivables.

Issuer: FLCS Co., Ltd.

- (1) FLCS Co., Ltd. (“FLCS”) is a leasing company with strength in information and communication equipment leasing. It is a consolidated subsidiary of Tokyo Century with an 80% stake and an equity-method affiliate of Fujitsu with the remaining 20%. It has strong unity with Tokyo Century in terms of business administration, as indicated by some of its directors, including CEO, come from the latter. The Equipment Leasing segment is defined as a core business of the Tokyo Century Group, which centers on information and communication equipment leasing. FLCS plays the central role in collaboration with Fujitsu, Japan’s largest IT service provider, and is highly functionally significant in the Group. Accordingly, JCR deems FLCS’ long-term issuer rating to be at the same level as Tokyo Century’s. JCR also positively views FLCS’ financial soundness and ability to take advantage of the Fujitsu Group’s sales bases as a sales finance company of the Group. Given the rating change for Tokyo Century, JCR upgraded FLCS’ long-term issuer rating by one notch.
- (2) Ordinary income in recent years has been hovering at around 3.0 billion yen. As FLCS strictly maintains its policy of carefully selecting highly profitable projects while securing certain asset balance, gross profit from leases, the core of earnings, remains firm and supports overall performance. FLCS has since FY2021 been enhancing its initiatives in digital domains, the focus of Fujitsu, as well as those relating to leasing projects to support the customers’ digital transformation by setting up the specialized section. Given that FLCS has been able to secure higher profitability than the conventional business model, JCR will watch whether FLCS can constantly expand its operations to help boost overall performance to a greater extent.
- (3) Operating assets are highly sound, and equity ratio is maintained at a high level. As highly creditworthy customers such as public offices account for a major part of operating assets, credit costs remain low. Equity ratio as of March 31, 2023 was 17.8%. In terms of financing, FLCS has stable business relations with many financial institutions but mainly with Mizuho Bank.

Issuer: IHI Finance Support Corporation

- (1) IHI Finance Support Corporation (“IFS”) is a leasing company primarily providing leasing services related to the IHI Group’s capital investments and product sales. It is a consolidated subsidiary of Tokyo Century with a 66.5% stake and an equity-method affiliate of IHI Corporation (“IHI”) with the remaining 33.5%. It has strong unity with Tokyo Century in terms of business administration, as indicated by some of its directors come from the latter. Given, among others, that it handles the IHI Group’s leases, etc. and that its functional significance is reasonably high for Tokyo Century to expand transactions with IHI, JCR deems IFS’ long-term issuer rating to be one notch below Tokyo Century’s. JCR also positively views IFS’ good-quality operating assets and ability to utilize the IHI Group’s business bases. Given the rating change for Tokyo Century, JCR upgraded IFS’ long-term issuer rating by one notch.
- (2) Ordinary income stays steady at around 0.7 billion yen. Profits from the factoring services business, which previously was one of core earnings sources, are much lower than before due to the revision of implementation standards for the Subcontract Act. However, IFS is building up lease assets by absorbing needs related to capital spending, improvement of asset efficiency and product sales of the IHI Group, which underpin overall performance. Moreover, collaboration projects with Tokyo Century and IHI are all making generally steady progress, albeit some temporary ups and downs in business results. As IHI has announced its plan to increase capital expenditures, which had been contained due to the COVID crisis, JCR will watch whether IFS can keep absorbing financing needs also in the medium run and expand its operations.
- (3) JCR assesses the quality of operating assets to be high. IFS’ credit is concentrated on the IHI Group, and there have been no credit costs in recent years. Even though equity ratio is low, standing at 4.6% as of March 31, 2023, it is not a major problem, given, among others, that credit risk is controlled and assets and corresponding liabilities are recognized in the balance sheet for the factoring services business. In terms of financing, IFS has stable business relations with many financial institutions but mainly with the Mizuho Group.

Atsushi Kato, Tsuyoshi Ohishi

Rating

Issuer: Tokyo Century Corporation

<Rating Change>

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
Bonds no. 21	JPY 10	Oct. 18, 2017	Oct. 18, 2024	0.290%	AA
Bonds no. 24	JPY 10	Apr. 13, 2018	Apr. 11, 2025	0.320%	AA
Bonds no. 25 (green bonds)	JPY 10	Oct. 15, 2018	Oct. 13, 2023	0.200%	AA
Bonds no. 27	JPY 20	Oct. 22, 2020	Oct. 20, 2023	0.020%	AA
Bonds no. 28	JPY 10	Oct. 22, 2020	Oct. 22, 2030	0.440%	AA
Bonds no. 29	JPY 20	Jan. 27, 2021	Jan. 27, 2026	0.150%	AA
Bonds no. 30	JPY 10	Jan. 27, 2021	Jan. 27, 2028	0.290%	AA
Bonds no. 31	JPY 10	Apr. 27, 2021	Apr. 26, 2024	0.010%	AA
Bonds no. 32	JPY 20	Apr. 27, 2021	Apr. 27, 2026	0.090%	AA
Bonds no. 33	JPY 20	Apr. 27, 2021	Apr. 27, 2028	0.280%	AA
Bonds no. 34	JPY 15	July 21, 2021	July 21, 2028	0.220%	AA
Bonds no. 35	JPY 15	July 21, 2021	July 18, 2031	0.330%	AA
Bonds no. 36	JPY 10	Dec. 16, 2021	Dec. 15, 2028	0.280%	AA
Bonds no. 37	JPY 10	Dec. 8, 2021	Dec. 8, 2026	0.170%	AA
Bonds no. 38	JPY 30	Apr. 13, 2023	Apr. 13, 2027	0.550%	AA
1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds					
	JPY 30	Apr. 22, 2019	Apr. 22, 2054	(Note 1)	A+
2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds					
	JPY 100	July 30, 2020	July 30, 2080	(Note 2)	A+
3rd Series Deferrable Interest and Callable Unsecured Subordinated Bonds					
	JPY 30	July 30, 2020	July 30, 2080	(Note 3)	A+

Notes:

1. 1.00% until and including April 22, 2024. 6M Euroyen LIBOR + 2.00% after that date.
2. 1.38% until and including July 30, 2025. 6M Euroyen LIBOR + 1.43% from July 31, 2025 to and including July 30, 2045. 6M Euroyen LIBOR + 2.43% after that date.
3. 1.66% until and including July 30, 2030. 6M Euroyen LIBOR + 1.63% from July 31, 2030 to and including July 30, 2050. 6M Euroyen LIBOR + 2.63% after that date.

Program Name: Euro Medium Term Note Programme
Maximum Issuable Amount: Equivalent of USD 2 billion
Date of Program Established: November 7, 2003
Status: Unconditional, unsubordinated and unsecured debts ranking pari passu with other unconditional, unsubordinated and unsecured debts
Credit Enhancement: NA
Covenants: Negative Pledge and Cross Default Clauses
Rating: AA
Shelf Registration: Preliminary AA
Maximum: JPY 400 billion
Valid: two years effective from February 25, 2022

<Affirmation>

CP: J-1+

Maximum: JPY 800 billion

Issuer: NIPPON CAR SOLUTIONS CO., LTD.

<Rating Change>

Long-term Issuer Rating: AA Outlook: Stable

<Affirmation>

CP: J-1+

Maximum: JPY 170 billion

Issuer: Orico Auto Leasing Co., Ltd.

<Rating Change>

CP: J-1+

Maximum: JPY 40 billion

Issuer: FLCS Co., Ltd.

<Rating Change>

Long-term Issuer Rating: AA Outlook: Stable

<Affirmation>

CP: J-1+

Maximum: JPY 100 billion

Issuer: IHI Finance Support Corporation

<Rating Change>

Long-term Issuer Rating: AA- Outlook: Stable

CP: J-1+

Maximum: JPY 30 billion

Rating Assignment Date: June 26, 2023

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Leasing" (July 1, 2013), "Rating Methodology for Group Companies of Corporate Group" (September 1, 2022) and "Ratings of Hybrid Securities" (September 10, 2012) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.

A program rating is assigned to evaluate the creditworthiness of a program. The credit standing of an individual note issued under the program may be regarded as the same as that of the rated program. However, JCR does not consider the credit standing of the individual note as the same as that of the program, in the cases where the principal and interest payments of the individual note rely on the credit standing of a third party rather than the issuer of the program and notes (e.g. credit linked notes and exchangeable notes). JCR usually does not assign a rating to the individual note issued under the program, unless the issuer solicits a rating.



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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Tokyo Century Corporation
Rating Publication Date:	June 29, 2023

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
- A) Audited financial statements presented by the rating stakeholders
- B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR received in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

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Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

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Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset

quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the order of seniority in repayment of interests and principal. JCR assumes the resultant change of the credit rating is most likely by a notch. The change could be as much as a few notches if the issuer's financial structure differs so much and thereby the balance between debts shifted so greatly. Rating change is also possible in case of the financial products for which non-payment of interest/ principal is contractually permissible, if and when the assumptions made at the time of its determination turns out to be inaccurate. The change of the credit rating is assumed to be by a notch but often as much as a few notches.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

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Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Tokyo Century Corporation	Issuer(Long-term)	January 23, 2006	A-	Stable
Tokyo Century Corporation	Issuer(Long-term)	October 26, 2006	A-	Stable
Tokyo Century Corporation	Issuer(Long-term)	October 16, 2007	A-	Stable
Tokyo Century Corporation	Issuer(Long-term)	September 29, 2008	#A-	Positive
Tokyo Century Corporation	Issuer(Long-term)	March 19, 2009	A	Stable
Tokyo Century Corporation	Issuer(Long-term)	January 12, 2010	A	Stable
Tokyo Century Corporation	Issuer(Long-term)	February 2, 2011	A	Stable
Tokyo Century Corporation	Issuer(Long-term)	February 10, 2012	A	Positive
Tokyo Century Corporation	Issuer(Long-term)	February 18, 2013	A+	Stable
Tokyo Century Corporation	Issuer(Long-term)	February 5, 2014	A+	Stable
Tokyo Century Corporation	Issuer(Long-term)	January 19, 2015	A+	Stable
Tokyo Century Corporation	Issuer(Long-term)	January 27, 2016	A+	Stable
Tokyo Century Corporation	Issuer(Long-term)	January 23, 2017	A+	Stable
Tokyo Century Corporation	Issuer(Long-term)	January 19, 2018	A+	Positive
Tokyo Century Corporation	Issuer(Long-term)	January 25, 2019	AA-	Stable
Tokyo Century Corporation	Issuer(Long-term)	April 1, 2020	AA-	Stable
Tokyo Century Corporation	Issuer(Long-term)	March 17, 2021	AA-	Stable
Tokyo Century Corporation	Issuer(Long-term)	June 20, 2022	AA-	Positive
Tokyo Century Corporation	CP	February 5, 1999	J-2	
Tokyo Century Corporation	CP	April 5, 2000	J-1	
Tokyo Century Corporation	CP	October 26, 2000	J-1	
Tokyo Century Corporation	CP	October 10, 2001	J-1	
Tokyo Century Corporation	CP	November 11, 2002	J-1	
Tokyo Century Corporation	CP	October 16, 2003	J-1	
Tokyo Century Corporation	CP	June 15, 2004	J-1	
Tokyo Century Corporation	CP	September 30, 2004	J-1	
Tokyo Century Corporation	CP	October 25, 2005	J-1	
Tokyo Century Corporation	CP	October 26, 2006	J-1	
Tokyo Century Corporation	CP	October 16, 2007	J-1	
Tokyo Century Corporation	CP	March 19, 2009	J-1	
Tokyo Century Corporation	CP	January 12, 2010	J-1	
Tokyo Century Corporation	CP	February 2, 2011	J-1	
Tokyo Century Corporation	CP	February 10, 2012	J-1	
Tokyo Century Corporation	CP	February 18, 2013	J-1	
Tokyo Century Corporation	CP	February 5, 2014	J-1	
Tokyo Century Corporation	CP	January 19, 2015	J-1	
Tokyo Century Corporation	CP	January 27, 2016	J-1	
Tokyo Century Corporation	CP	January 23, 2017	J-1	
Tokyo Century Corporation	CP	January 19, 2018	J-1	
Tokyo Century Corporation	CP	February 9, 2018	J-1	
Tokyo Century Corporation	CP	January 25, 2019	J-1+	
Tokyo Century Corporation	CP	April 1, 2020	J-1+	
Tokyo Century Corporation	CP	March 17, 2021	J-1+	
Tokyo Century Corporation	CP	June 20, 2022	J-1+	
Tokyo Century Corporation	Shelf Registration	February 25, 2022	AA-	
Tokyo Century Corporation	Shelf Registration	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.21	October 11, 2017	A+	
Tokyo Century Corporation	Bonds no.21	January 19, 2018	A+	
Tokyo Century Corporation	Bonds no.21	January 25, 2019	AA-	
Tokyo Century Corporation	Bonds no.21	April 1, 2020	AA-	
Tokyo Century Corporation	Bonds no.21	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.21	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.24	April 6, 2018	A+	
Tokyo Century Corporation	Bonds no.24	January 25, 2019	AA-	
Tokyo Century Corporation	Bonds no.24	April 1, 2020	AA-	
Tokyo Century Corporation	Bonds no.24	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.24	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.25	October 5, 2018	A+	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Tokyo Century Corporation	Bonds no.25	January 25, 2019	AA-	
Tokyo Century Corporation	Bonds no.25	April 1, 2020	AA-	
Tokyo Century Corporation	Bonds no.25	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.25	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.1(subordinated)	April 16, 2019	A	
Tokyo Century Corporation	Bonds no.1(subordinated)	April 1, 2020	A	
Tokyo Century Corporation	Bonds no.1(subordinated)	March 17, 2021	A	
Tokyo Century Corporation	Bonds no.1(subordinated)	June 20, 2022	A	
Tokyo Century Corporation	Bonds no.2(subordinated)	July 22, 2020	A	
Tokyo Century Corporation	Bonds no.2(subordinated)	March 17, 2021	A	
Tokyo Century Corporation	Bonds no.2(subordinated)	June 20, 2022	A	
Tokyo Century Corporation	Bonds no.3(subordinated)	July 22, 2020	A	
Tokyo Century Corporation	Bonds no.3(subordinated)	March 17, 2021	A	
Tokyo Century Corporation	Bonds no.3(subordinated)	June 20, 2022	A	
Tokyo Century Corporation	Bonds no.27	October 15, 2020	AA-	
Tokyo Century Corporation	Bonds no.27	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.27	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.28	October 15, 2020	AA-	
Tokyo Century Corporation	Bonds no.28	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.28	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.29	January 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.29	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.29	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.30	January 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.30	March 17, 2021	AA-	
Tokyo Century Corporation	Bonds no.30	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.31	April 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.31	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.32	April 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.32	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.33	April 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.33	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.34	July 15, 2021	AA-	
Tokyo Century Corporation	Bonds no.34	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.35	July 15, 2021	AA-	
Tokyo Century Corporation	Bonds no.35	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.36	December 2, 2021	AA-	
Tokyo Century Corporation	Bonds no.36	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.37	December 2, 2021	AA-	
Tokyo Century Corporation	Bonds no.37	June 20, 2022	AA-	
Tokyo Century Corporation	Bonds no.38	April 7, 2023	AA-	
Tokyo Century Corporation	Euro Medium Term Note Programme	April 1, 2009	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	September 14, 2009	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	January 12, 2010	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	September 13, 2010	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	February 2, 2011	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	September 12, 2011	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	February 10, 2012	A	
Tokyo Century Corporation	Euro Medium Term Note Programme	September 10, 2012	A	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Tokyo Century Corporation	Euro Medium Term Note Programme	February 18, 2013	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	September 9, 2013	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	February 5, 2014	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	January 19, 2015	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	January 27, 2016	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	January 23, 2017	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	January 19, 2018	A+	
Tokyo Century Corporation	Euro Medium Term Note Programme	January 25, 2019	AA-	
Tokyo Century Corporation	Euro Medium Term Note Programme	April 1, 2020	AA-	
Tokyo Century Corporation	Euro Medium Term Note Programme	March 17, 2021	AA-	
Tokyo Century Corporation	Euro Medium Term Note Programme	June 20, 2022	AA-	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Tomohiro Miyao, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

宮尾 知浩

Tomohiro Miyao
General Manager of Financial Institution Rating Department

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	NIPPON CAR SOLUTIONS CO.,LTD. Orico Auto Leasing Co., Ltd. FLCS Co., Ltd. IHI Finance Support Corporation
Rating Publication Date:	June 29, 2023

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a i k x g p " f g d v " r c { o g p v " k p " n k i j v " q h " k v t a i n t h e r e l e v a n t t o u " e q p future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional v q " k v u " k u u w g - h o w t h e y d w u k p g u can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

V j g " n k m g n k j q q f " q h " f g d v " r c { o g p v " k u n d e r l i e s s a n d l o s s f g r g p f absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

