

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

Tokyo Century Corporation (security code: 8439)

<Outlook Change>

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

<Affirmation>

Bonds: AA-
Bonds (Dated subordinated bonds): A
EMTN Program: AA-
Shelf Registration: Preliminary AA-
CP: J-1+

NIPPON CAR SOLUTIONS CO., LTD. (security code: -)

<Outlook Change>

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

<Affirmation>

CP: J-1+

Orico Auto Leasing Co., Ltd. (security code: -)

<Affirmation>

CP: J-1

FLCS Co., Ltd. (security code: -) (Former FUJITSU LEASING CO., LTD.)

<Outlook Change>

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

<Affirmation>

CP: J-1+

IHI Finance Support Corporation (security code: -)

<Assignment>

Long-term Issuer Rating: A+
Outlook: Positive

<Affirmation>

CP: 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 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”). While the recovery of the aircraft leasing business centered on ACG, which is defined as

one of the pillars of business strategies, is taking time, the Equipment Leasing, Mobility & Fleet Management and International Business segments from which fairly steady earnings contribution can be expected have expanded substantially thanks in part to the successful growth strategies that have been implemented to date. Tokyo Century is also making progress in its initiatives to help ensure medium-term earnings growth through collaboration with the NTT Group and so forth. Moreover, its financial position has become stronger with the accumulation of retained earnings on the back of strong performance, and equity ratio is at a relatively high level among major leasing companies. Based on the above, JCR changed the rating outlook to Positive. Future developments will be closely monitored to see whether Tokyo Century can solidify its business portfolio and gain more earnings capacity.

- (2) Ordinary income grew in the fiscal year ended March 2022 (FY2021) to 90.5 billion yen, turning around after two years, and is expected to mark a new high at 100.0 billion yen in FY2022. This growth is driven by the Mobility & Fleet Management segment. The car rental business, which deteriorated temporarily due to the COVID crisis, is improving rapidly thanks to swift efforts to cut fixed costs when demand has yet to fully recover. Moreover, U.S.-based CSI Leasing, Inc., which is central to the International Business segment, is constantly expanding, while in the Equipment Leasing segment equity in earnings of affiliates is increasing with the business expansion of NTT TC Leasing Co., Ltd. However, ACG negatively affected FY2021's consolidated results partly because of a drop in lease sales due to an increase in off-lease aircraft as a result of the cancellation of lease contracts, etc. and the reporting of an impairment loss on the back of the sluggish performance of airline companies amid the COVID crisis. In any case, the business environment is beginning to improve, as indicated by continuous recovery of passenger traffic especially in Western countries. Assuming that ACG's contribution to Tokyo Century's consolidated results will increase over the medium term, JCR will keep an eye on actual development.
- (3) Asset quality is evaluated to be generally good. Credit costs and impairment losses are greater than before, especially for the Specialty Financing segment including the aircraft leasing business, but are nevertheless at a level fully absorbable by periodic income. Tokyo Century expects to record in FY2022 the entire book value of approximately 46.0 billion yen as an extraordinary loss in relation to the aircraft leased to Russian airlines. That said, net income attributable to owners of parent is projected at 20.0 billion yen, and the insurance claims filed are not included in the business forecast. While ongoing attention should be paid to the business conditions of customer airlines, JCR predicts that factors like the diversification of customers and majority of leased aircraft being fairly new narrow body aircraft with high liquidity will continue to help curb the losses.
- (4) Equity ratio as of March 31, 2022 was 13.3% (after consideration of equity content of hybrid financing). Equity capital has increased significantly thanks to the accumulation of retained earnings, capital increases, etc. Therefore, JCR assumes that the amount of price fluctuation risk for aircraft and other assets will remain at the controllable 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%. The ratings are supported by: NCS' close relations with Tokyo Century, high earnings capacity and financial soundness; and the significance of the Mobility & Fleet Management segment in the Tokyo Century Group and the core role NCS plays in that area. Given the change in the outlook on the parent Tokyo Century's long-term issuer rating, JCR changed the rating outlook also for NCS to Positive.
- (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 largely because the used car market surged on the back of restricted new car supply amid the COVID crisis, pushing up gain on sale of end-of-lease properties. Moreover, while the number of units under new leasing contracts decreased, gross profit from leases was underpinned by a rise in needs for highly profitable re-leasing. JCR considers that factors like shift from ownership will keep supporting auto leasing demand into the medium term, but attention must be paid to the status of recovery in new car supply, trends in the used car market, etc.
- (3) Operating assets are highly sound, as indicated by the small amount of substandard assets. Credit costs remain low relative to periodic income even in the midst of the COVID crisis. NCS maintains

non-consolidated equity ratio high, which stood at 18.9% as of March 31, 2022. 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%. Factors reflected in the rating include: OAL’s close relations with the Tokyo Century Group and highly sound operating assets; and the significance of the Mobility & Fleet Management segment in the Tokyo Century Group and the role OAL plays in that area.
- (2) Ordinary income for FY2021 was 3.7 billion yen, falling 7% from the previous year primarily due to a decrease in gain on the securitization of receivables. With no changes in the ever-expanding auto leasing market for individuals, the number of vehicles for lease held by OAL keeps growing. Even so, growth in the number of units under new leasing contracts has been sluggish because of the restricted new car supply amid the COVID crisis. JCR will therefore keep an eye on the status of recovery in new car supply, progress in the efforts aimed at retaining customers whose lease contracts are expiring, etc. and will closely watch the pace of OAL’s business expansion.
- (3) Equity ratio as of March 31, 2022 was 5.4%. 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%. Factors supporting the ratings include: FLCS’ close relations with Tokyo Century and financial soundness; and the significance of information and communication equipment leasing in the Tokyo Century Group. The Tokyo Century Group holds a certain share in lease transactions, mainly through FLCS, for the products and services of Fujitsu, Japan’s largest IT service provider. Acting as a sales finance company of the Fujitsu Group, FLCS has strength in its ability to take advantage of the Fujitsu Group’s sales bases. Given the change in the outlook on the parent Tokyo Century’s long-term issuer rating, JCR changed the rating outlook also for FLCS to Positive.
- (2) Ordinary income for FY2021 was 2.9 billion yen, staying almost flat from the previous year. Its level is a bit lower than the pre-FY2019 level largely because of a decrease in re-leasing revenue. Yet, gross profit from leases, the core of earnings, remains firm and supports overall performance as FLCS maintains its policy of carefully selecting highly profitable projects. Tokyo Century, Fujitsu and FLCS intend to enhance business initiatives in digital domains. They have been supporting the customers’ digital transformation through the specialized section that was set up at FLCS in October 2021, and whether such efforts will lead to concrete results will be closely watched.
- (3) Operating assets are highly sound as they are mostly accounted for by highly creditworthy customers such as public offices and the Fujitsu Group, and credit costs remain low. Equity ratio stays high, standing at 16.5% as of March 31, 2022. 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 factoring services to the IHI Group’s suppliers and 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%. Factors supporting the ratings include: IFS’ close relations with Tokyo Century and operating assets of good quality. Handling the IHI Group’s leases, etc., IFS has strength in its ability to take advantage of the IHI Group’s business bases. Given the significance of IFS’ role in the Tokyo Century Group’s endeavors to expand transactions with IHI and IFS’ contribution to consolidated results, JCR assigned an A+ long-term issuer rating to IFS, one notch below that on Tokyo Century, and placed the Positive outlook in line with the change in the outlook on the parent Tokyo Century’s long-term issuer rating.

- (2) Overall performance has been steady. Ordinary income for FY2021 was 0.76 billion yen, staying almost flat from the previous year. The factoring services business' income has been shrinking due to the revision of implementation standards for the Subcontract Act, and this downtrend is likely to continue for a while. For the leasing business, on the other hand, asset balance is at a higher level than before as IFS captures the capital investment and product sales-related needs of the IHI Group. IFS has been able to absorb leasing demand to a certain extent even in the midst of the COVID crisis, and its performance will be supported by this segment in JCR's view. As regards collaboration projects with Tokyo Century and IHI, they are progressing well, making greater contribution to Tokyo Century's consolidated results.
- (3) IFS' credit is concentrated on the IHI Group. With no credit costs in recent years, JCR assesses the quality of operating assets to be high. Even though equity ratio is low, standing at 4.3% as of March 31, 2022, JCR does not consider it to be 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 Mizuho Bank.

Atsushi Kato, Tsuyoshi Ohishi

Rating

Issuer: Tokyo Century Corporation

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Positive

<Affirmation>

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
Bonds no. 20	JPY 10	Oct. 18, 2017	Oct. 18, 2022	0.190%	AA-
Bonds no. 21	JPY 10	Oct. 18, 2017	Oct. 18, 2024	0.290%	AA-
Bonds no. 23	JPY 20	Apr. 13, 2018	Apr. 13, 2023	0.200%	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-
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
CP: J-1+
Maximum: JPY 800 billion

Issuer: NIPPON CAR SOLUTIONS CO., LTD.

<Outlook Change>
Long-term Issuer Rating: AA- Outlook: Positive

<Affirmation>
CP: J-1+
Maximum: JPY 170 billion

Issuer: Orico Auto Leasing Co., Ltd.

<Affirmation>
CP: J-1
Maximum: JPY 40 billion

Issuer: FLCS Co., Ltd.

<Outlook Change>
Long-term Issuer Rating: AA- Outlook: Positive

<Affirmation>
CP: J-1+
Maximum: JPY 100 billion

Issuer: IHI Finance Support Corporation

<Assignment>
Long-term Issuer Rating: A+ Outlook: Positive

<Affirmation>
CP: J-1
Maximum: JPY 30 billion

Rating Assignment Date: June 15, 2022

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 Perspectives for subsidiary companies" (December 14, 2007) and "Ratings of Hybrid Securities" (September 10, 2012) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

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 20, 2022

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	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	Shelf Registration	February 25, 2022	AA-	
Tokyo Century Corporation	Bonds no.20	October 11, 2017	A+	
Tokyo Century Corporation	Bonds no.20	January 19, 2018	A+	
Tokyo Century Corporation	Bonds no.20	January 25, 2019	AA-	
Tokyo Century Corporation	Bonds no.20	April 1, 2020	AA-	
Tokyo Century Corporation	Bonds no.20	March 17, 2021	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.23	April 6, 2018	A+	
Tokyo Century Corporation	Bonds no.23	January 25, 2019	AA-	
Tokyo Century Corporation	Bonds no.23	April 1, 2020	AA-	
Tokyo Century Corporation	Bonds no.23	March 17, 2021	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.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.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.2(subordinated)	July 22, 2020	A	
Tokyo Century Corporation	Bonds no.2(subordinated)	March 17, 2021	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.27	October 15, 2020	AA-	
Tokyo Century Corporation	Bonds no.27	March 17, 2021	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.29	January 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.29	March 17, 2021	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.31	April 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.32	April 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.33	April 20, 2021	AA-	
Tokyo Century Corporation	Bonds no.34	July 15, 2021	AA-	
Tokyo Century Corporation	Bonds no.35	July 15, 2021	AA-	
Tokyo Century Corporation	Bonds no.36	December 2, 2021	AA-	
Tokyo Century Corporation	Bonds no.37	December 2, 2021	AA-	
Tokyo Century Corporation	Euro Medium Term Note	April 1, 2009	A	
Tokyo Century Corporation	Euro Medium Term Note	September 14, 2009	A	
Tokyo Century Corporation	Euro Medium Term Note	January 12, 2010	A	
Tokyo Century Corporation	Euro Medium Term Note	September 13, 2010	A	
Tokyo Century Corporation	Euro Medium Term Note	February 2, 2011	A	
Tokyo Century Corporation	Euro Medium Term Note	September 12, 2011	A	
Tokyo Century Corporation	Euro Medium Term Note	February 10, 2012	A	
Tokyo Century Corporation	Euro Medium Term Note	September 10, 2012	A	
Tokyo Century Corporation	Euro Medium Term Note	February 18, 2013	A+	
Tokyo Century Corporation	Euro Medium Term Note	September 9, 2013	A+	
Tokyo Century Corporation	Euro Medium Term Note	February 5, 2014	A+	
Tokyo Century Corporation	Euro Medium Term Note	January 19, 2015	A+	
Tokyo Century Corporation	Euro Medium Term Note	January 27, 2016	A+	
Tokyo Century Corporation	Euro Medium Term Note	January 23, 2017	A+	
Tokyo Century Corporation	Euro Medium Term Note	January 19, 2018	A+	
Tokyo Century Corporation	Euro Medium Term Note	January 25, 2019	AA-	
Tokyo Century Corporation	Euro Medium Term Note	April 1, 2020	AA-	
Tokyo Century Corporation	Euro Medium Term Note	March 17, 2021	AA-	

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

I, Shozo Matsumura, 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.

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Shozo Matsumura

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 20, 2022

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.

