

# **Introduction of JCM and Achievement of Tokyo Century Group**

**July 24, 2018**



Creating new values from  
Finance × Services × Business Expertise  
**Tokyo Century Corporation**

## Summary : Tokyo Century Group with JCM

- **Tokyo Century led a project and propose JCM scheme to our clients with Japanese manufactures.**  
⇒We can cooperate with various Japanese manufactures.
- **Tokyo Century undertook a representative participant and also applied for JCM model project.**  
⇒Representative participant must be a Japanese company.  
We can offer a chance to get subsidy for local companies which do not have relationship with Japanese companies.
- **Local subsidiary of Tokyo Century offered finance.**  
⇒It is easier for clients to install an equipment by our offer, subsidy and finance.

# **1. Company Background – Tokyo Century Corporation**

# Company Background- Tokyo Century

## Company Name

Tokyo Century Corporation

## Founded

July 1, 1969

## Paid-in Capital

¥ 34billion

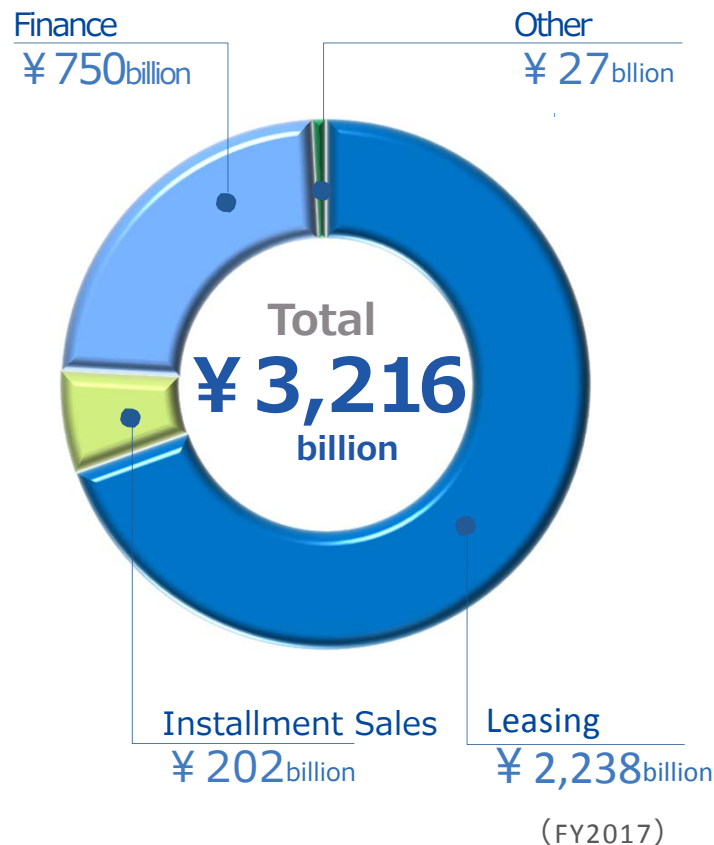
## Stock Listing

Tokyo Stock Exchange,  
First Section



**Tokyo Century**

## Operating Assets



## Employees (As of March 31, 2017)

**5,430**  
(Consolidated)

**1,032**  
(Non-Consolidated)

## Total Assets

¥ 3,580billion

## Revenues

¥ 976billion

## Operating Income

¥ 72billion

# Business Summary by Operating Segment



## Equipment Leasing

Take advantage of our network to provide financial services with wide range of property

- Structuring and providing diverse financing programs in cooperation with manufacturers and dealers in addition to the financing subsidiaries of Fujitsu and IHI
- Developing a marketing strategy incorporating a drastic differentiation approach, and also focusing on establishing joint ventures with prime business partners
- Promoting the reuse and recycle businesses to create an environmentally-sound, sustainable economy and society



## Specialty Financing

Provide financial services for shipping, aviation, environment and energy, real estate, structured finance and other sectors, by utilizing our highly specialized expertise

- **Shipping:** Creating new business opportunities along with core partners and promoting ROA improvements
- **Aviation:** Expanding the aviation business along with ACG, a U.S.-based commercial aircraft lessor through the acquisition of interests in ACG
- **Environment and Energy:** Expanding the solar power generation business through Kyocera TCL Solar. Focus on new energy businesses.
- **Real Estate:** Building a portfolio of prime assets with strategic partners. Entered into the hotel development business



## Domestic Automobile Financing

Serve automobile leasing for corporate customers and individuals and car rental, which boast the leading lineup in the domestic market, to provide the best suited service depending on purpose

- **Nippon Car Solutions Co., Ltd. (mainly for corporate customers):**  
Focusing on promoting top solution business in the industry by improving its service quality
- **Nippon Rent-A-Car Service, Inc. (car rental):**  
Realigned its organization structure to make use of its brand power. Focusing on expanding branch network as well as enhancing corporate sales and capturing inbound demand from foreign visitors
- **Orico Auto Leasing Co., Ltd. (mainly for individuals):**  
Strengthening its Koala Club, an agency organization. Cultivating relationships with large alliance partners



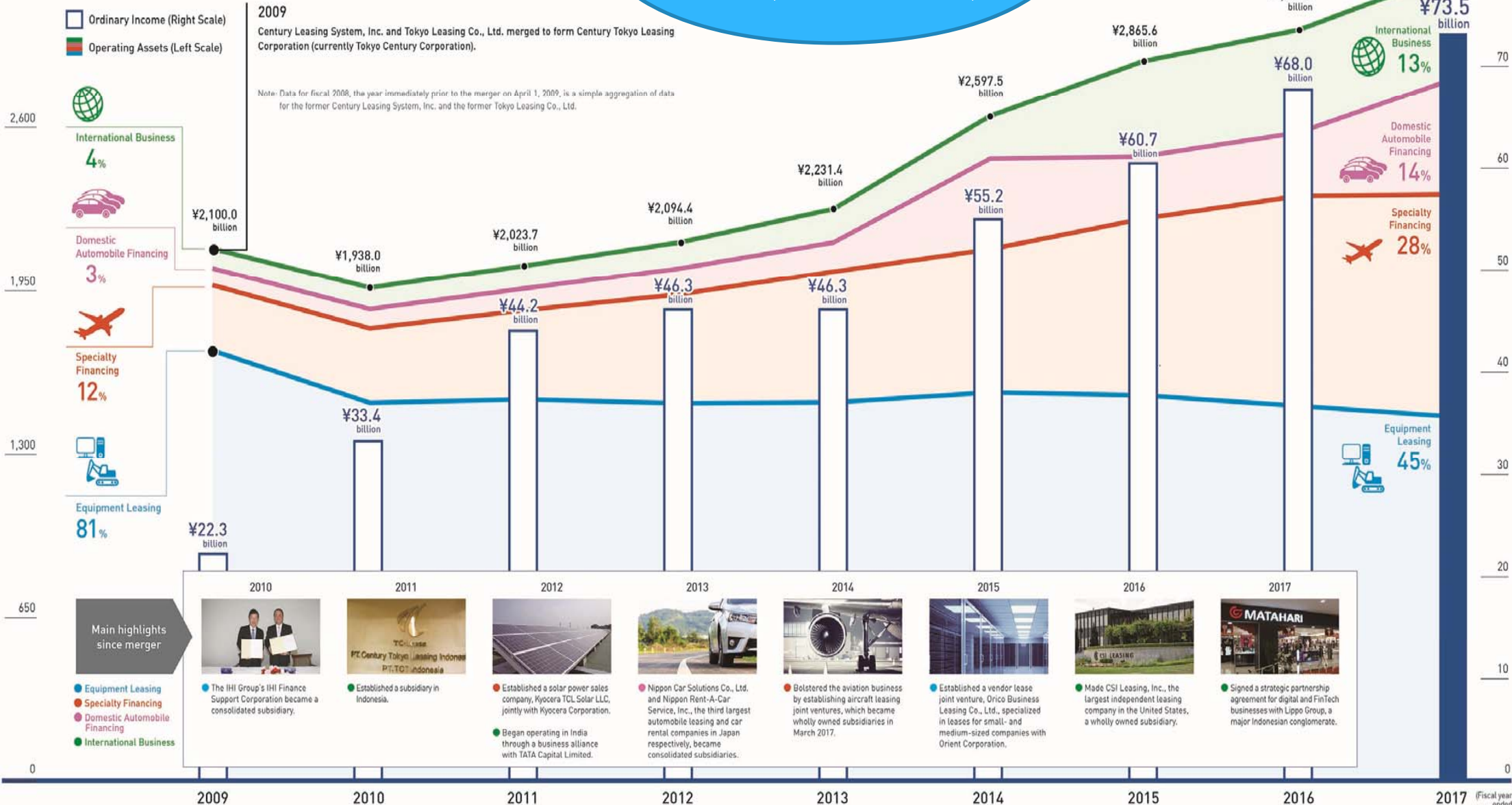
## International Business

Provide specialized services to meet unique needs of each country by promoting alliance strategies with local blue-chip companies and financial institutions and others

- **Expanding overseas networks across 37 countries and regions worldwide, including East Asia and ASEAN, Americas, Europe and other countries**
- **Gaining a foothold by entering into the FinTech and rideshare businesses through partnerships with local blue-chip companies in Asia**  
Indonesia: Tapped into E-commerce business through strategic partnership with Lippo Group  
ASEAN: Strategic partnership with Grab, a ride-hailing platform giant  
China: Strategic business alliance with China UnionPay Merchant Services, the largest card payment service in China

<FY2017>  
13% of total operating assets  
belongs to International  
business (About 420 billion JPY)

(Billions of yen)  
3,250





# Global Network

## Overseas Network

Tokyo Century has 37 subsidiaries and affiliates overseas. In South East Asia countries, Tokyo Century has 7 subsidiaries and affiliates. Tokyo Century provide various finance service depends on clients demand.



(As of October 1, 2016)  
Note: Hong Kong is included in China. Taiwan is counted as a separate country.

## Equity-Method Affiliates

- ❑ President Tokyo Corporation
- ❑ Tong-Sheng Finance Leasing Co., Ltd.
- ❑ Dalian Bingshan Group
- ❑ Hua Hui Da Financial Leasing Co., Ltd.
- ❑ Suzhou New District Furui Leasing Co., Ltd.
- ❑ BPI Century Tokyo
- ❑ Lease & Finance Corporation
- ❑ PT. Hexa Finance Indonesia
- ❑ GA Telesis, LLC

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## Japan Desk

- ❑ TATA Capital Financial Services Limited

## Consolidated Subsidiaries

- ❑ Tokyo Century Leasing China Corporation
- ❑ Tokyo Century Factoring China Corporation
- ❑ Tokyo Century Leasing (Singapore) Pte. Ltd.
- ❑ Tokyo Century Capital (Malaysia) Sdn. Bhd.
- ❑ PT. Century Tokyo Leasing Indonesia
- ❑ PT. TCT Indonesia
- ❑ TISCO Tokyo Leasing Co., Ltd.
- ❑ TC Advanced Solutions Co., Ltd.
- ❑ TC Car Solutions (Thailand) Co., Ltd.
- ❑ HTC Leasing Co., Ltd.
- ❑ Tokyo Leasing (Hong Kong) Ltd.
- ❑ CSI Leasing, Inc.
- ❑ Tokyo Century (USA) Inc.
- ❑ TC Aviation Capital Ireland Ltd.
- ❑ TC Skyward Aviation U.S., Inc.
- ❑ TC Skyward Aviation Ireland Ltd. Tokyo Leasing (UK) Plc

# Partnership of Tokyo Century Group

## Edge of Tokyo Century

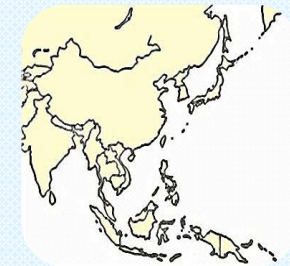
- ✓ Strong relationship with clients in Japan
- ✓ In alliance with Japanese suppliers/manufactures
- ✓ Extensive network in ASEAN countries



**Synergy**

## Edge of Conglomerates

- ✓ Strong relationship with local clients
- ✓ Offer various financial service to local clients





## **2. Case Study – JCM projects of Tokyo Century Group**

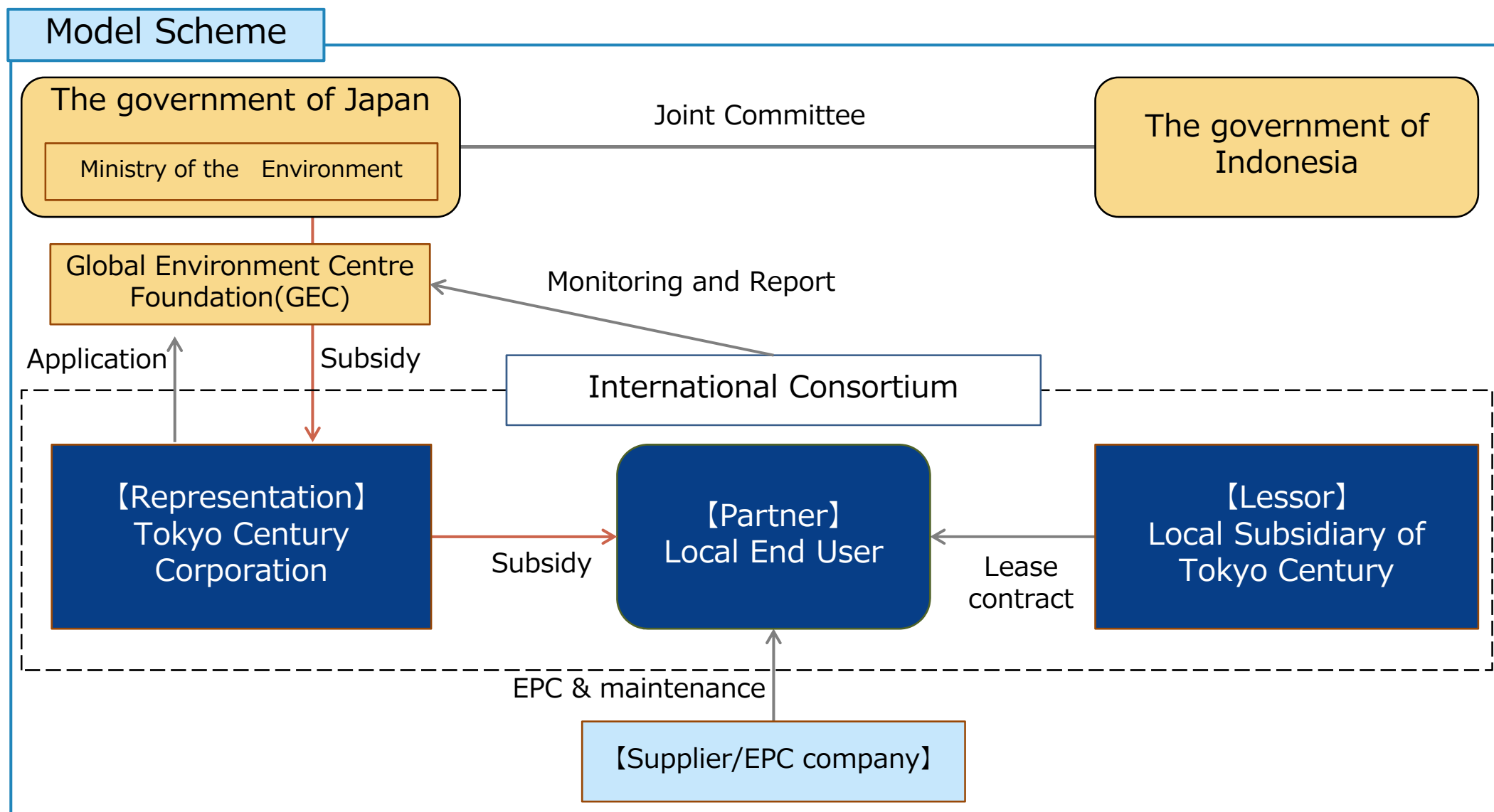
## Tokyo Century Group with JCM

**Under our management philosophy, Tokyo Century Group will work alongside customers in pursuit of their growth as a highly specialized and unique financial services company, and will contribute to the creation of an environmentally-sound, sustainable economy and society.**

**We have been in alliance with excellent corporate partners to accelerate initiatives that have a high social impact, specifically reducing greenhouse gases (GHG) and improving energy self-sufficiency.**

**Tokyo Century Group will continue contributing to development and promotion of low carbon technology to reduce GHG by utilizing the JCM and others in ASEAN countries, while leveraging extensive overseas network and financial services that we can offer.**

# JCM scheme with Tokyo Century Group





# (1) JCM Project in the Philippines

## JCM Projects in FY2017 (1st call) / Host Country : the Philippines

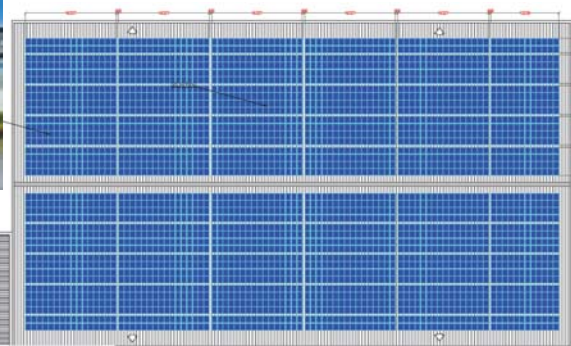
**Name : Introduction of 1.53MW Rooftop Solar Power System in Auto Parts Factories**

◆ **This is one of the first selected JCM model projects selected ever since the Philippines became the JCM's partner country in January 2017**

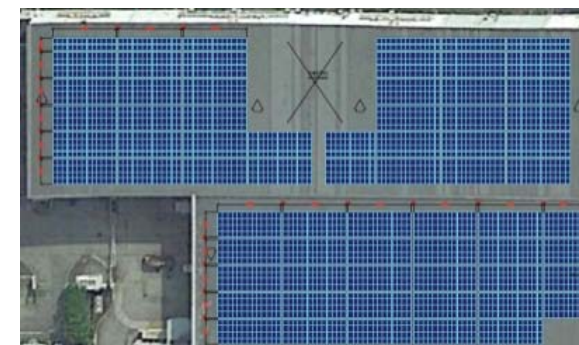
**Participants :** 【Japan】 Tokyo Century Corporation 【Philippines】 Enomoto Philippine Manufacturing, Inc. / Aikawa Philippines, Inc.

## Outline of GHG Mitigation Activity

This project is to install 1.53MW solar panel on the rooftop of the Enomoto Philippine's factory and the Aikawa Philippines's factory in the south of Manila. Electricity generated by solar system is used for their power-consumption and reduce CO2 emissions by displacing part of grid electricity.



Solar Panel Layout for Enomoto Factory  
(175W x 5,408 panel = 946.4kW)



Solar Panel Layout for Aikawa Factory  
(175W x 3,328 panel = 582.4kW)

## Expected GHG Emission Reduction

**1,124 tCO2/year = (Reference CO2 emissions)[tCO2/year] - (Project CO2 Emission) [tCO2/year]**



## (2) JCM Project in the Philippines

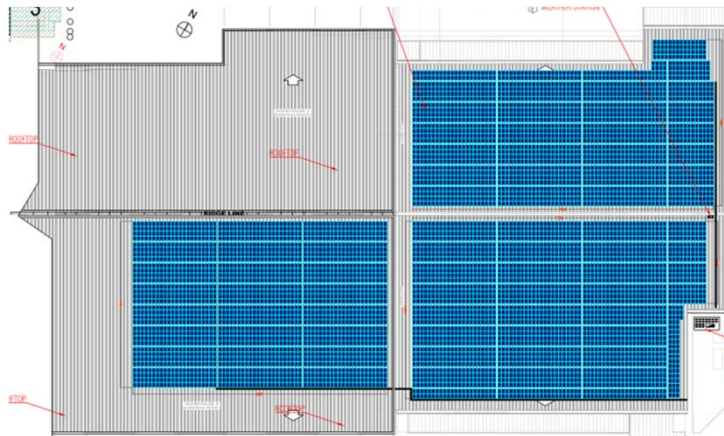
### JCM Projects in FY2017 (2nd call) / Host Country : the Philippines

**Name : Installation of 1.2MW Rooftop Solar Power System to the Cold Storage**

**Participants :** 【Japan】 Tokyo Century Corporation 【Philippines】 Local Company

### Outline of GHG Mitigation Activity

- This project is to install 1.2MW solar panel on the rooftop of the cold storage in Manila.



(Solar Panel Layout)



(Photo of the Project Site)

### Expected GHG Emission Reduction

**838.13 tCO2/year = (Reference CO2 emissions)[tCO2/year] - (Project CO2 Emission) [tCO2/year]**





### (3) JCM Project in Indonesia

#### JCM Projects in FY2017 (2<sup>nd</sup> call) / Host Country : Indonesia

**Name :** Introduction of Absorption Chiller to Chemical Factory

**Participants :** 【Japan】 Tokyo Century Corporation    【Indonesia】 PT. Timuraya Tunggal

#### Outline of GHG Mitigation Activity

- This project is to install an absorption chiller to the chemical factory of PT Timuraya Tunggal in Karawang, West Java Province.
- The absorption chiller produces chilled water from wasted steam, and reduces the power consumption of electric chiller and GHG emission.



(Absorption Chiller)



(PT. Timuraya Tunggal)



(Wasted Steam)

#### Expected GHG Emission Reduction

**917 tCO<sub>2</sub>/year = (Reference CO<sub>2</sub> emissions)[tCO<sub>2</sub>/year] - (Project CO<sub>2</sub> Emission) [tCO<sub>2</sub>/year]**

## (4) JCM Project in Thailand

### JCM Projects in FY2018 (1<sup>st</sup> call) / Host Country : Thailand

**Name :** Installation of 25.0MW Rooftop and Floating Solar Power System to Industrial Park

**Participants :** 【Japan】 Tokyo Century Corporation    【 Thailand 】 Tisco Tokyo Leasing Co., Ltd.

### Outline of GHG Mitigation Activity

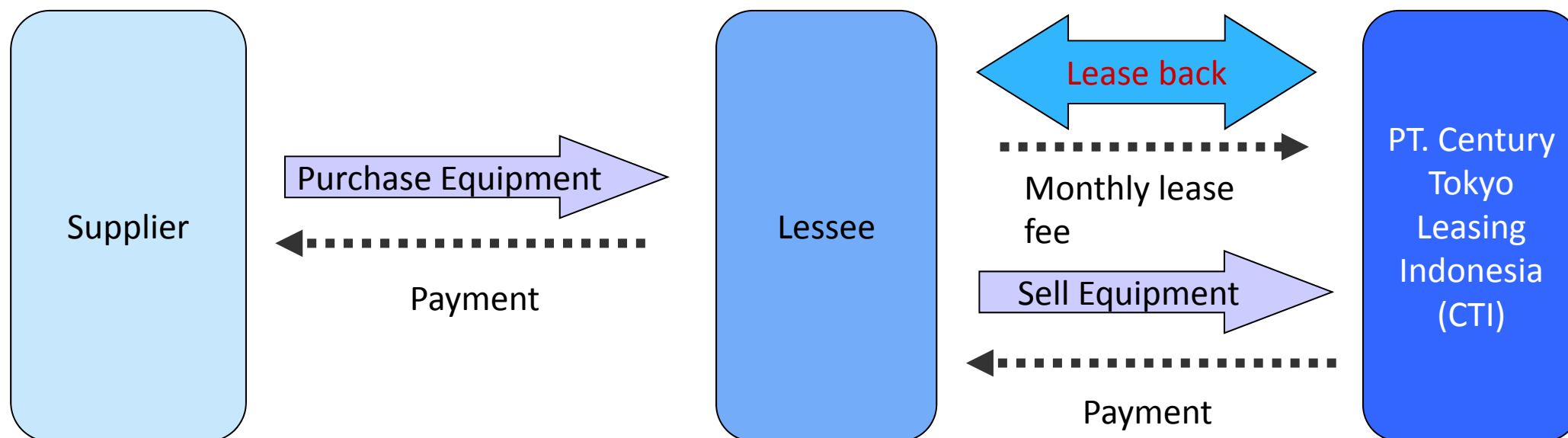
- This project is to install solar power system to the Industrial Park of Thailand's conglomerate. The solar power system reduces the consumption of electricity from thermal power system and GHG emission

### Expected GHG Emission Reduction

**10,625.95tCO<sub>2</sub>/year=(Reference CO<sub>2</sub> emissions)[tCO<sub>2</sub>/year]-(Project CO<sub>2</sub> Emission) [tCO<sub>2</sub>/year]**

# Leasing in Indonesia ①

## Finance Lease (Sale & Lease Back) Transaction



## Remarks

1	Lessee sells equipment to CTI that was sold by supplier(s). Lessee gets into the finance lease (lease back) contract with CTI.
2	CTI pays for the cost of the equipment to lessee or supplier(s).

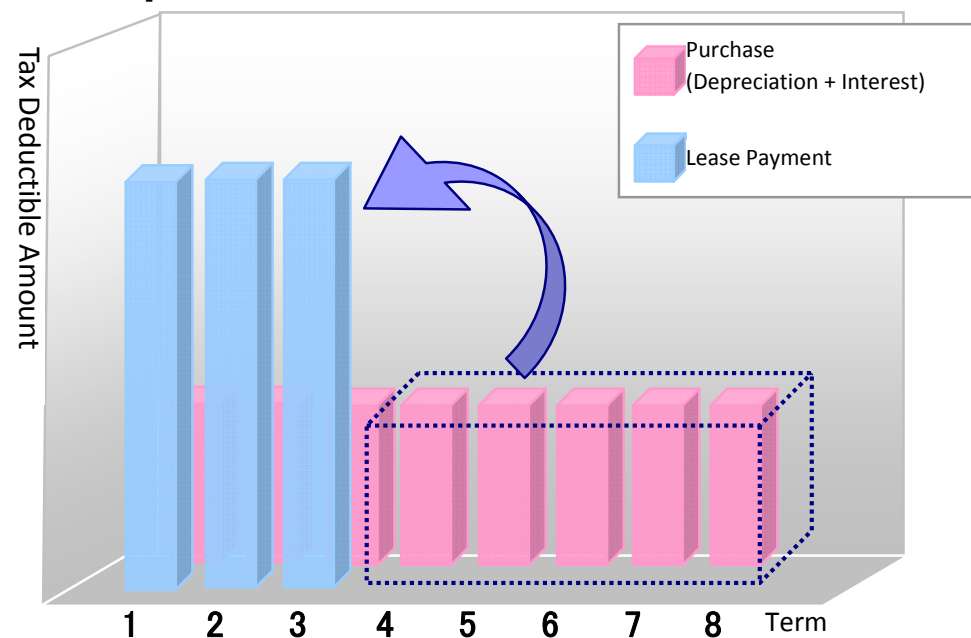
# Leasing in Indonesia ②

## ■ Accounting and Tax

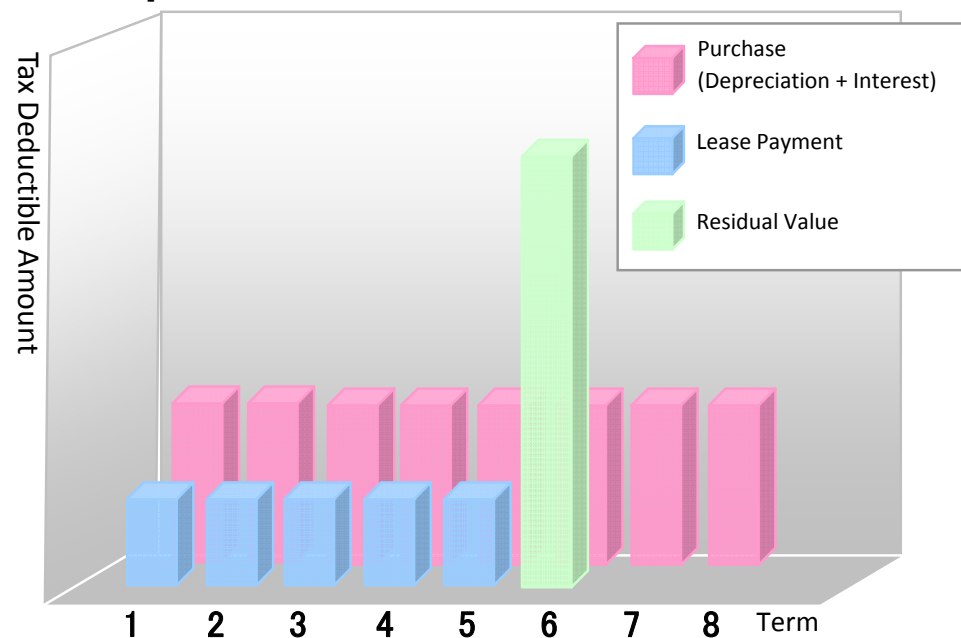
Lease Contract	Accounting Treatment	Tax Treatment
Finance Lease	Asset/Lease Obligation(On B/S) Depreciation and Interest(On P/L)	Lease payment is tax deductible

## ■ Lease Payment Image

### Example 1



### Example 2





**Thank you for your kind attention.**