

# **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

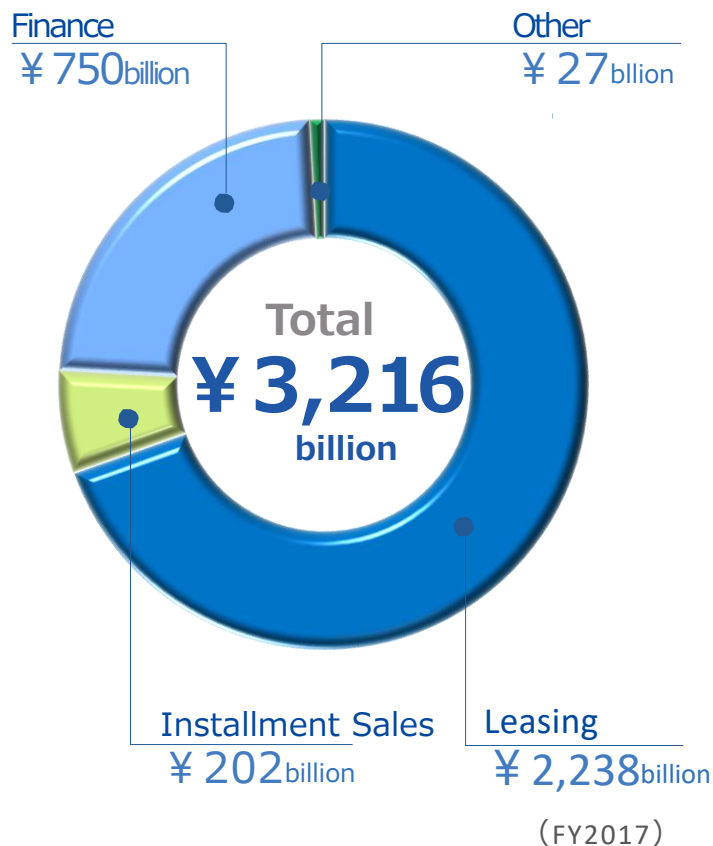
## Stock Listing

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)

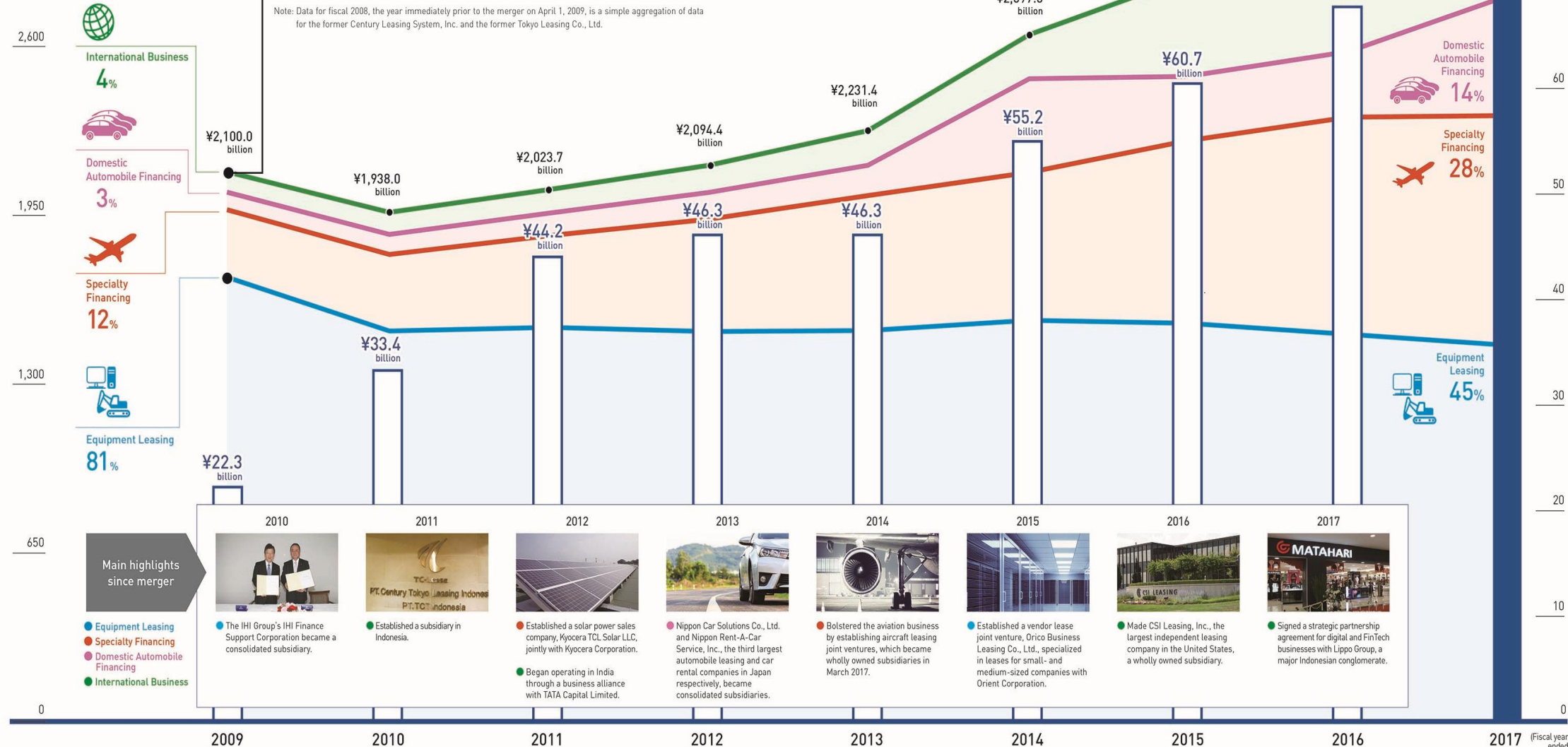
(Billions of yen)  
3,250

□ Ordinary Income (Right Scale)  
■ Operating Assets (Left Scale)

2009

Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. merged to form Century Tokyo Leasing Corporation (currently Tokyo Century Corporation).

Note: Data for fiscal 2008, the year immediately prior to the merger on April 1, 2009, is a simple aggregation of data for the former Century Leasing System, Inc. and the former Tokyo Leasing Co., Ltd.



Main highlights since merger

- Equipment Leasing
- Specialty Financing
- Domestic Automobile Financing
- International Business

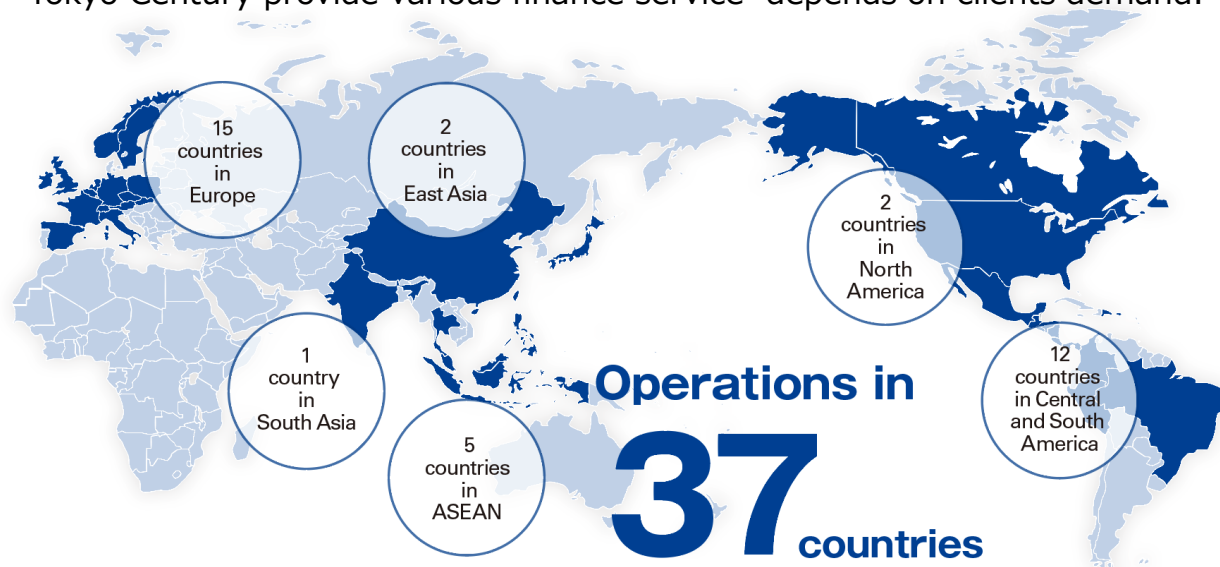
- 2010** The IHI Group's IHI Finance Support Corporation became a consolidated subsidiary.
- 2011** Established a subsidiary in Indonesia.
- 2012** Established a solar power sales company, Kyocera TCL Solar LLC, jointly with Kyocera Corporation.
- 2013** Nippon Car Solutions Co., Ltd. and Nippon Rent-A-Car Service, Inc., the third largest automobile leasing and car rental companies in Japan respectively, became consolidated subsidiaries.
- 2014** Bolstered the aviation business by establishing aircraft leasing joint ventures, which became wholly owned subsidiaries in March 2017.
- 2015** Established a vendor lease joint venture, Orico Business Leasing Co., Ltd., specialized in leases for small- and medium-sized companies with Orient Corporation.
- 2016** Made CSI Leasing, Inc., the largest independent leasing company in the United States, a wholly owned subsidiary.
- 2017** Signed a strategic partnership agreement for digital and FinTech businesses with Lippo Group, a major Indonesian conglomerate.



# 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



## Edge of Conglomerates

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





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

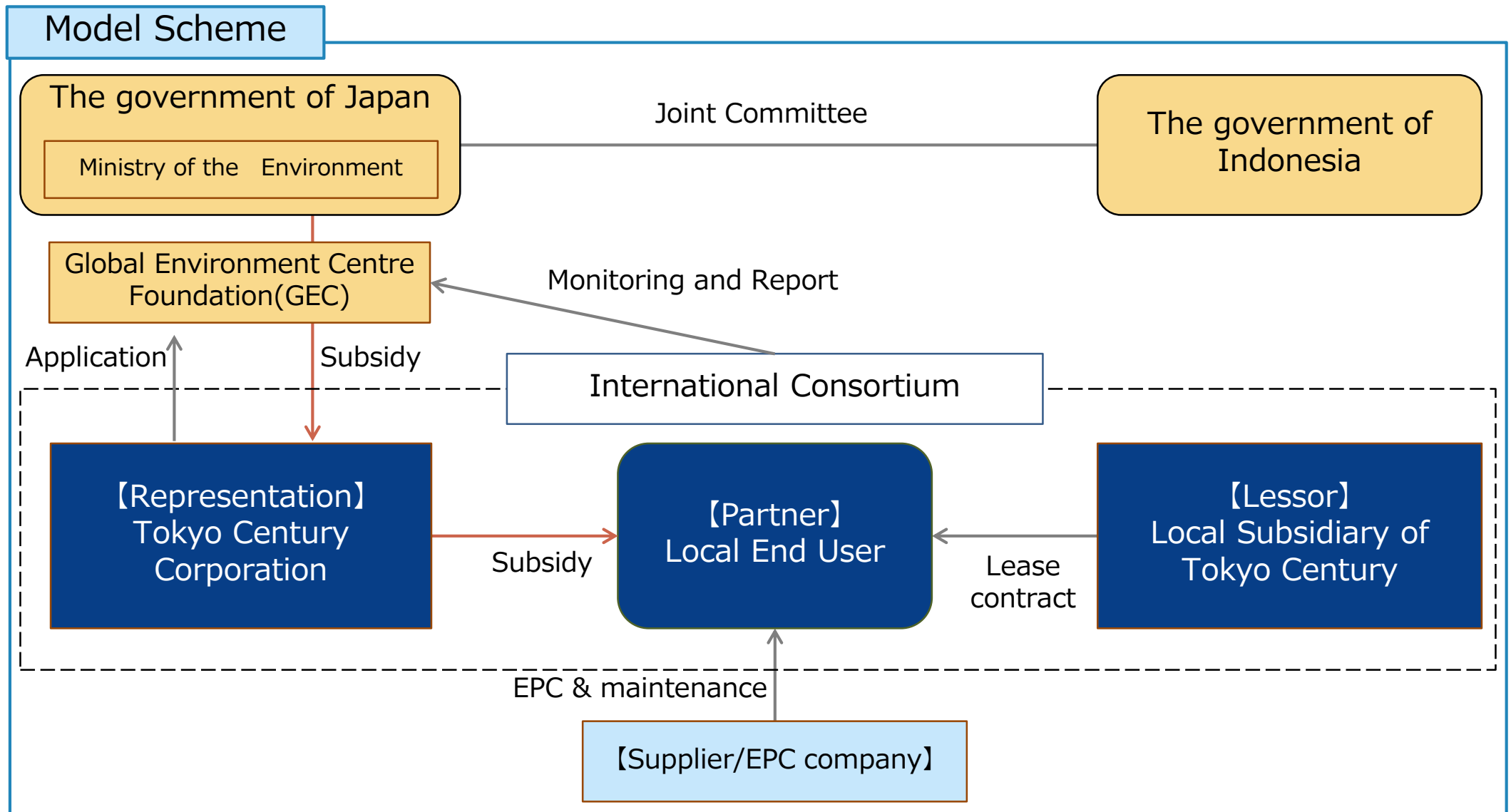
## Tokyo Century Group with JCM

**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

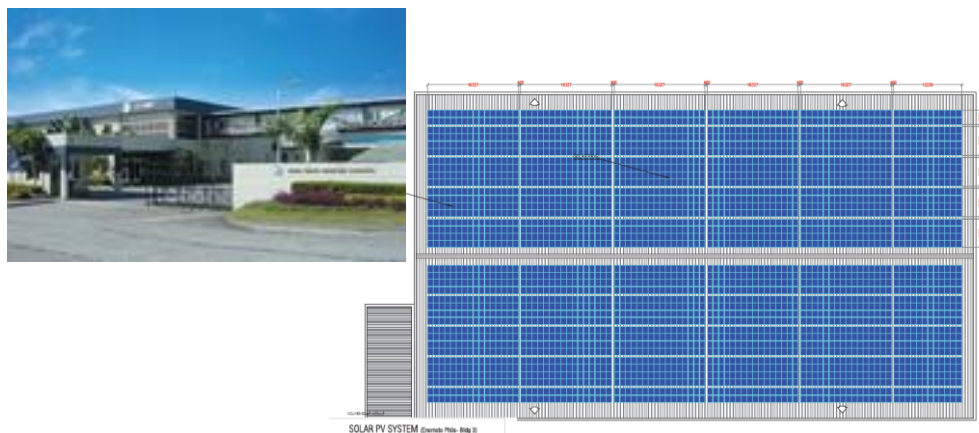
**Name : Introduction of 1.53MW Rooftop Solar Power System in Auto Parts Factories**

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

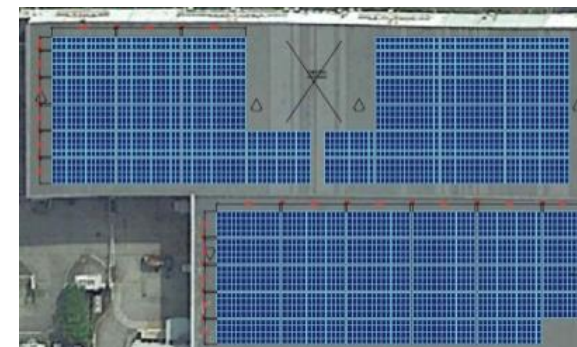
**Participants :** 【Japan】 Tokyo Century Corporation 【Philippines】 Enomoto Philippine Manufacturing, Inc. / Aikawa Philippines, Inc.

## 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

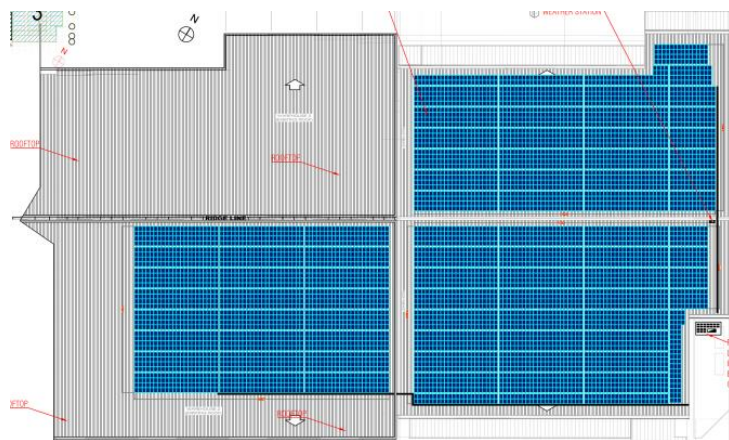
### JCM Projects in FY2017 (2nd call) / Host Country : the Philippines

**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 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]**





### (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]**



# Project Schedule in Indonesia

Year	2018													
Month	Feb	Mar	April	May	June	July	Aug	Sep	Oct	Nob	Dec	Jan	Feb	Mar
Offical Approval by GEC	Official Approval					←Current								
Ordering/Contract		Order												
Manufacture			Manufacture											
Shipping Installment							Shpping Installment							
Commisioning Test								Commisioning Test						
Recipt and Inspection									Recipt Inspection					
Monitoring											Monitoring			
Annual Report to GEC		Report												Report

※GEC:Global Environment Centre Foundation

## (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]**

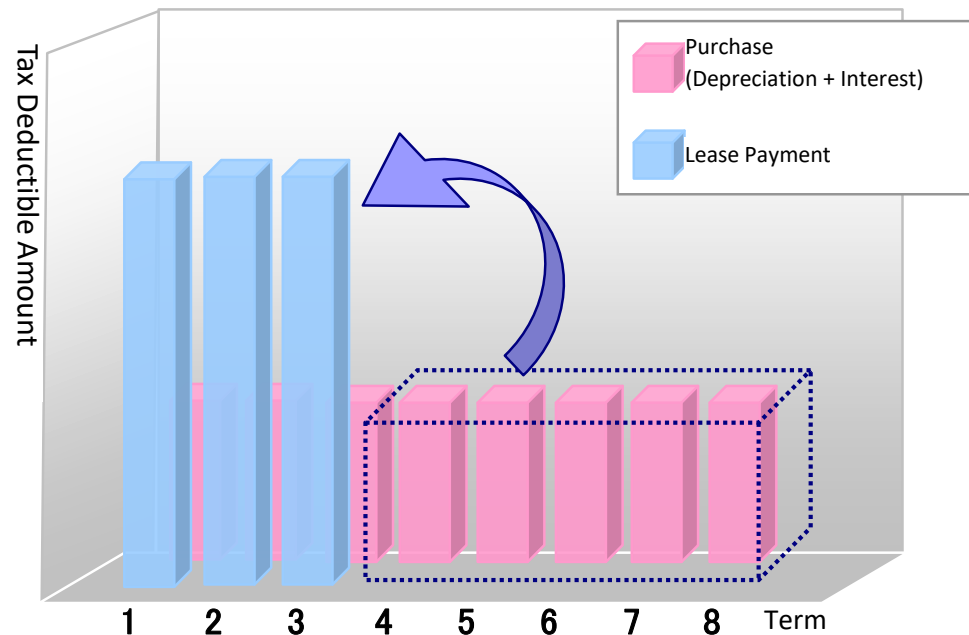
# Leasing in Indonesia

## ■ Accounting and Tax

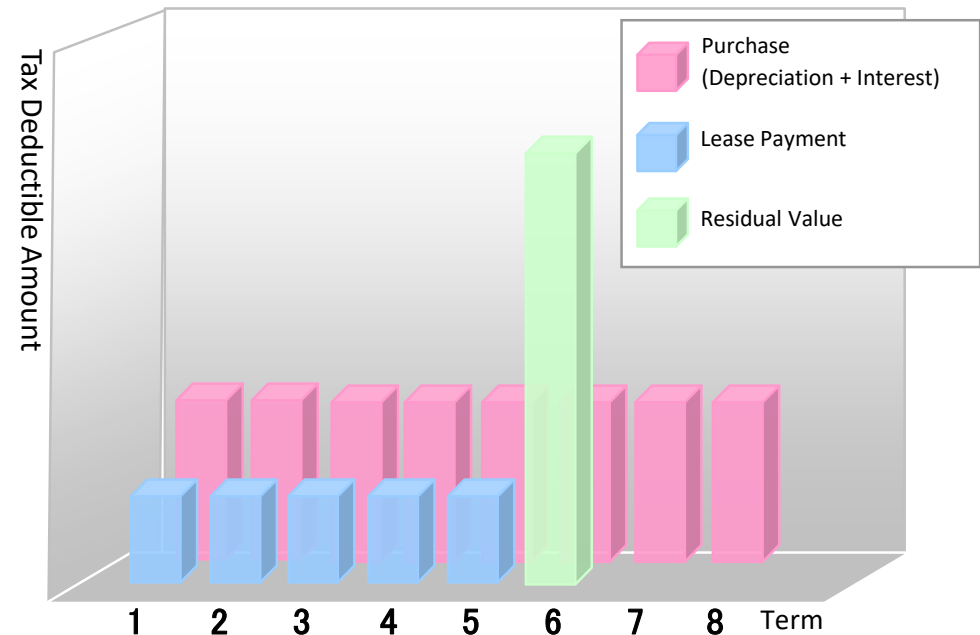
Lease Contract	Accounting Treatment	Tax Treatment
Finance Lease	Asset/Lease Obligation(On B/S) Depreciation and Interest(On P/L)	Lease payment is tax deductible

## ■ Lease Payment Image

### Example 1



### Example 2



# JCM + Leasing Scheme in Indonesia

別添2 類似技術の分類 各パートナー国における採択実績件数 (Categorization by applied technology type, Number of JCM model project by each country)

6 April 2018

同一の設備補助事業に複数技術を導入する場合はそれぞれ件数をカウントしています。(If one JCM model project applies several technologies, the numbers are counted for each technology)

補助率 (Percentage of Financial Support) : White 0 project = Up to 50% Yellow 1-3 project(s) = Up to 40% Orange more than 4 projects = Up to 30%

分野 (Sector)	技術 (Technology)		JCM方法論 JCM Methodology	モンゴル	バングラ	エチオピ	ケニア	モルディ	ベトナム	ラオス	インドネ	コスタリ	パラオ	カンボジ	メキシコ	サウジア	チリ	ミャン	タイ	フィリ	合計 (Total)
				Mongolia	Bangladesh	Ethiopia	Kenya	Maldives	Viet Nam	Lao PDR	Indonesia	Costa Rica	Palau	Cambodia	Mexico	Saudi Arabia	Chile	Myanmar	Thailand	Philippine	
				MN	BD	ET	KE	MV	VN	LA	ID	CR	PW	KH	MX	SA	CL	MM	TH	PH	
1. 省エネルギー (Energy efficiency)	ボイラ	Boiler	MN_AM002	1					1		2				1			2	1		8
	リジェネレーター	Regenerative Burners	ID_AM009								1										1
	天然ガス焼成炉	Gas Fired Furnace							1												1
	空調機 (エアコン)	Air Conditioning System	VN_AM006, ID_AM004						2		1								1		4
	冷凍機 (空調用)	Chiller	BD_AM001, ID_AM002, CR_AM002, TH_AM003, TH_AM005		2				3		4	1		1					3		14
	冷凍機 (冷蔵・冷凍用)	Refrigerator	ID_AM003								1							2	3		6
	吸収式冷凍機 (廃熱利用)	Absorption Chiller Using Waste Heat									3								1		4
	旋回流誘引型成層空調システム	Swirling Induction Type Air-conditioning System	TH_AM006																1		1
	空調制御システム	Air Conditioning Control System							1										1		2
	ヒートポンプ	Double Bundle-type Heat Pump	ID_AM010						1		1								1		3
	冷蔵・冷凍ショーケース	Fridge and Freezer Showcase	ID_AM008								1								1		2
	コンプレッサー	Air Compressor	TH_AM002						1										1		2
	織機	Loom	BD_AM003, ID_AM011, TH_AM004		1						2								1		4
	段ボール古紙処理設備	Old Corrugated Cartons Process	ID_AM012								1										1
	電槽化成設備	Battery Case Forming Device	VN_AM009						1												1
	食塩電解槽	Electrolyzer in Chlorine Production	SA_AM001													1			1		2
	変圧器	Transformer	VN_AM005						4	1											5
	LED照明	LED Lighting	ID_AM005								2								2		4
	LED街路灯(調光システム含む)	LED Street Lighting with Dimming System	KH_AM001								1			1							2
	ポンプ	Pump							1												1
	ポンプ制御用インバーター	Frequency Inverter for Pump												1							1
	曝気システム	Aeration System									1										1
	廃熱回収温水器	Water Heater Using Waste Heat	CR_AM003									1									1
	廃熱回収システム	Waste Heat Recovery System																1			1
	ワイヤー擦り線機	Wire Stranding Machines							1												1
	自己蒸気機械圧縮型濃縮機	Evaporator with Mechanical Vapor Recompression																	1		1
	ガントリークレーン	Gantry crane																	1		1
	電動フォークリフト	Electric Forklift																	1		1
2. エネルギー生産 (Energy industries (renewable /non renewable sources))	太陽光発電	Solar Power Plant	MN_AM003, BD_AM002, KE_AM002, MV_AM001, VN_AM007, ID_AM013, CR_AM001, PW_AM001, KH_AM002, MX_AM001, CL_AM001, TH_AM001	5	2		1	1	1	1	2	1	3	2	1		1		6	3	30
	太陽光発電+蓄電池	Solar Power Plant with Battery									1										1
	小水力発電	Small Hydropower Plant	KE_AM003				1				2									2	5
	風力発電	Wind Power Plant													1						1
	廃熱利用発電	Power Generation by Waste Heat Recovery	ID_AM001								1								1		2
	バイオマス発電	Biomass Power Plant																1			1
	ガスコジェネレーション	Gas Co-generation									3								2		5
3. 廃棄物 (Waste handling and disposal)	バイオマスコジェネレーション	Biomass Co-generation	ET_AM003				1												1		2
	廃棄物発電	Waste-to-Energy Plant																1			1
4. 交通 (Transportation)	メタン回収発電	Power Generation by Methane Recovery													1						1
	デジタルタコグラフ	Digital Tachograph System	VN_AM001						1												1
合計 (Total)	技術の件数 (Number of technology) : 39件		方法論の件数 (No. of Methodology) : 40件	6	5	1	2	1	19	2	30	3	3	5	4	1	1	7	31	5	126



**Thank you for your kind attention.**