



Accelerating Aviation Capital Group's Growth through Value Co-Creation

ITOCHU Corporation and Tokyo Century

August 3, 2026

Transaction Overview

Agreement Reached on Strategic Partnership Regarding Aviation Capital Group (ACG)

- ✓ Tokyo Century to transfer a 50% stake in ACG, a wholly owned subsidiary, to ITOCHU Corporation
- ✓ ACG to transition to a 50:50 joint management structure between ITOCHU and Tokyo Century

Strategic Objectives

Enhancing ACG's Competitiveness by Combining Strengths and Expanding Scale

- ✓ Consolidation within the aircraft leasing industry accelerating. Major players seeking economies of scale.
- ✓ Further scale expansion is essential for ACG to evolve into a top-tier global leader
- ✓ ITOCHU's participation strengthens ACG's financial base, driving agile scale expansion and enhanced competitiveness

Value Creation

Elevating ACG's Market Presence by utilizing Aviation Value Chains

- ✓ Provide ACG with capabilities across both companies' aviation value chains to generate synergies, boosting presence and expanding business opportunities
- ✓ Drive growth investment for ITOCHU and business portfolio transformation for Tokyo Century through this transaction

Overview of Aviation Capital Group (ACG)

✓ Liquid narrowbody-centric portfolio, spanning 85 airlines across 50 countries

Location	California, U.S.A.
Core Business	Aircraft leasing
History	1989: Established 2017: Tokyo Century acquired a 20% stake (making ACG an equity-method affiliate) 2019: Tokyo Century acquired remaining shares in ACG

Portfolio

(As of December 31, 2025)

Total Fleet: **446** (Owned: 278, Managed: 33, Committed: 135)

Weighted Average Fleet Age: **5.4** years

Narrowbody (% of NBV): **84** % (94% by count)

■ Narrowbody

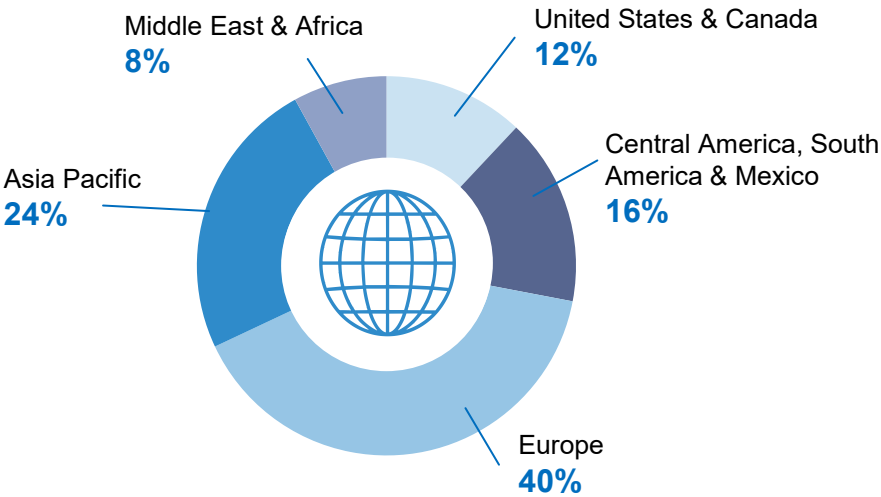


Single-aisle passenger aircraft primarily operated on short- to medium-haul routes

Ex. Airbus A320neo Family, Boeing 737 MAX Family

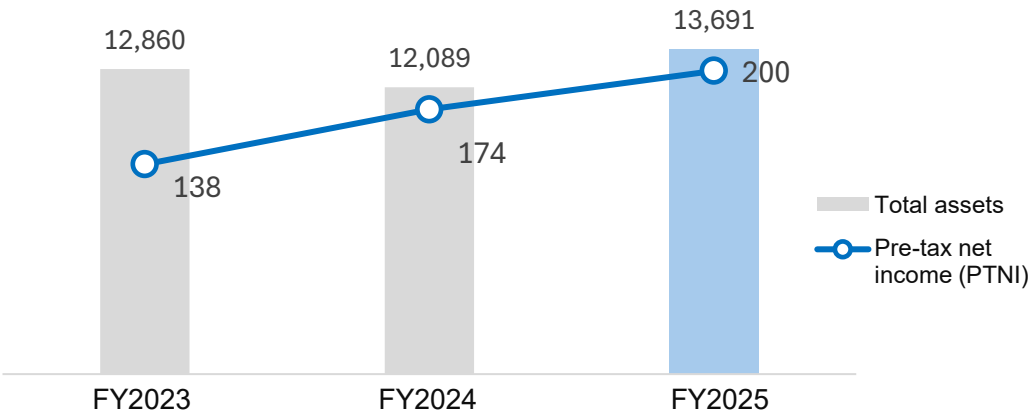
Global Operations

(As of December 31, 2025)



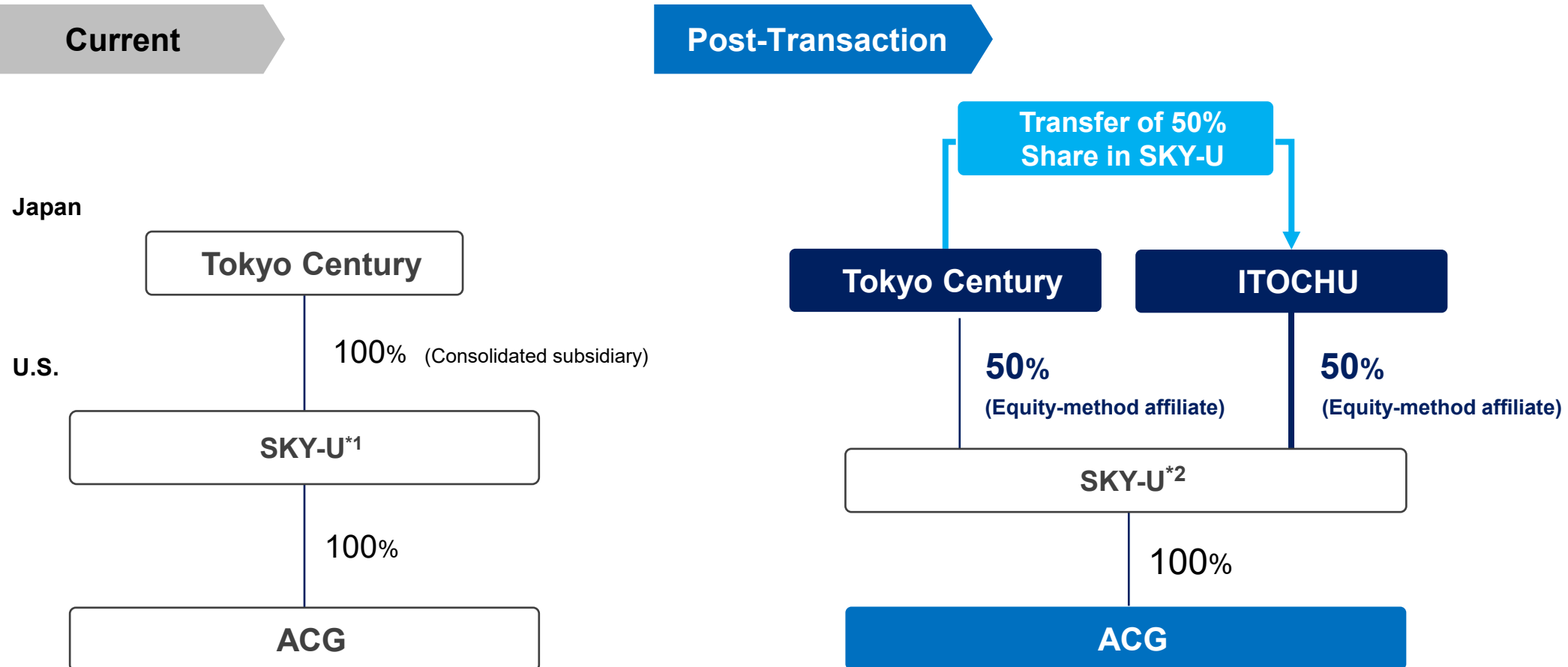
Financial Performance Trends

(USD million)



Overview of the Share Transfer

Post-transaction, ACG will be jointly owned by ITOCHU and Tokyo Century.



ACG to become an equity-method affiliate of Tokyo Century and ITOCHU

*1 TC Skyward Aviation U.S., Inc.

*2 Non-ACG-related assets and businesses held by SKY-U are expected to be carved out prior to execution of the transaction..

Transaction Details

ACG will be deconsolidated and become Tokyo Century's equity-method affiliate.

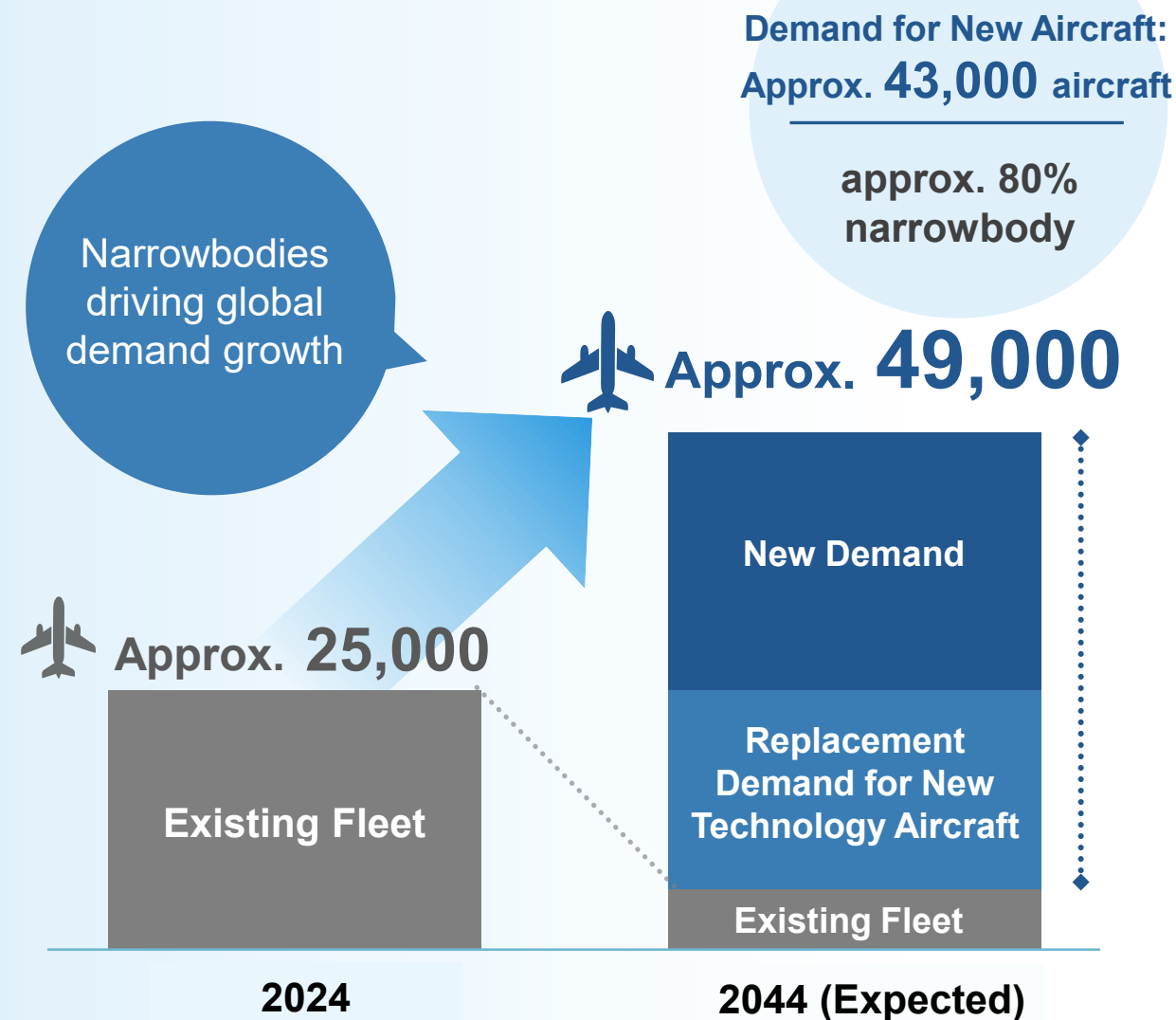
Target	TC Skyward Aviation U.S., Inc. (Tokyo Century's consolidated subsidiary)
Buyer	ITOCHU Corporation
Ownership of ACG	【Pre-Transaction】 Tokyo Century: 100% (Consolidated subsidiary) 【Post-Transaction】 Tokyo Century: 50% (Equity-method affiliate) ITOCHU: 50% (Equity-method affiliate)
Purchase Price	USD 1,946 million (Planned) The purchase price has been mutually agreed upon based on a comprehensive assessment between Tokyo Century and ITOCHU, taking into account ACG's financial condition as of December 31, 2025 (the valuation base date), various adjustments (the special dividend to be paid by ACG to Tokyo Century prior to the Share Transfer and deferred tax liabilities at SKY-U), and ACG's growth potential. Independent valuation reports from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and UBS Securities Co., Ltd., have been obtained to confirm the fairness of the purchase price.
Schedule	August 3, 2026: Resolution by the Boards of Directors of ITOCHU and Tokyo Century August 3, 2026: Execution of the Memorandum of Understanding (MOU) August 2026 (Expected): Execution of the Definitive Agreement November 2026 (Expected): Transfer of shares Note: The above schedule reflects current plans and is subject to change based on future discussions. Any future schedule changes or cancellation of this share transfer will be disclosed promptly.

Aviation Market Outlook

Growing aviation demand is projected to drive further expansion of the aircraft leasing market.

- Air passenger traffic is projected to grow at a CAGR of 3.8% through 2044, driven by expanding demand in Asia and Africa.
- With the rise in passenger traffic, the global aircraft fleet is forecast to double by 2044, supporting the expected continuous growth in the aircraft leasing market.
- Driven by the expanding market share of LCCs and the enhancement of short- to medium-haul routes, liquid narrowbody aircraft are expected to account for approximately 80% of future new aircraft demand.

Global Aircraft Demand Outlook

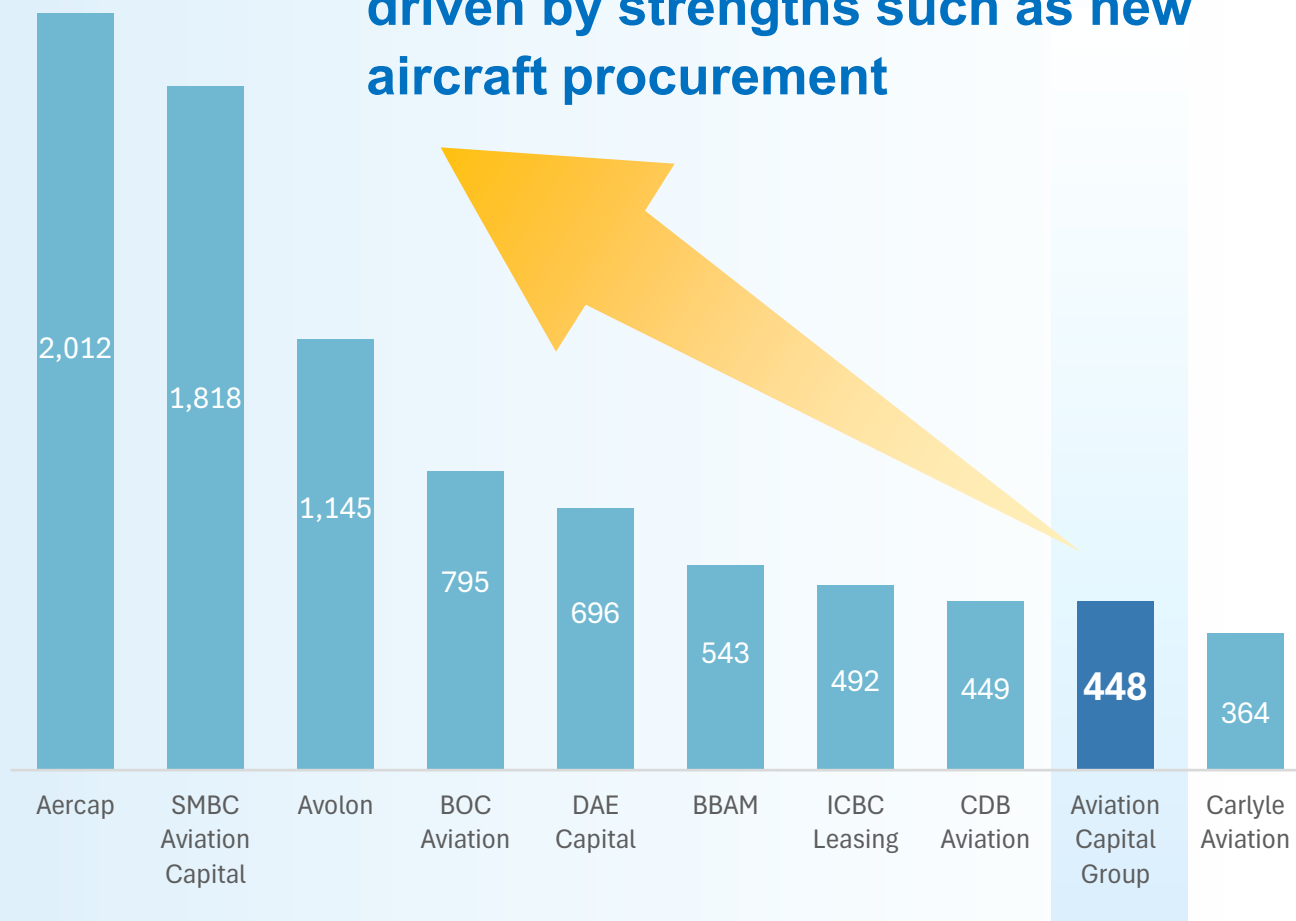


Aircraft Leasing Competition and Tokyo Century's Challenges

Industry consolidation through M&A is advancing, accelerating competition driven by scale

Top 10 Global Aircraft Lessors (by Total Fleet Count)

Target a top 5 position,
driven by strengths such as new
aircraft procurement



Tokyo Century's Challenges in Scaling ACG

- Scaling up is essential in order to rise up the ranks of top tier aircraft lessors amid rapid growth of the aviation market and sector consolidation.
- From the perspectives of capital capacity and risk volume, allocating focused growth capital to the aircraft leasing business presents a challenge for Tokyo Century on a standalone basis.

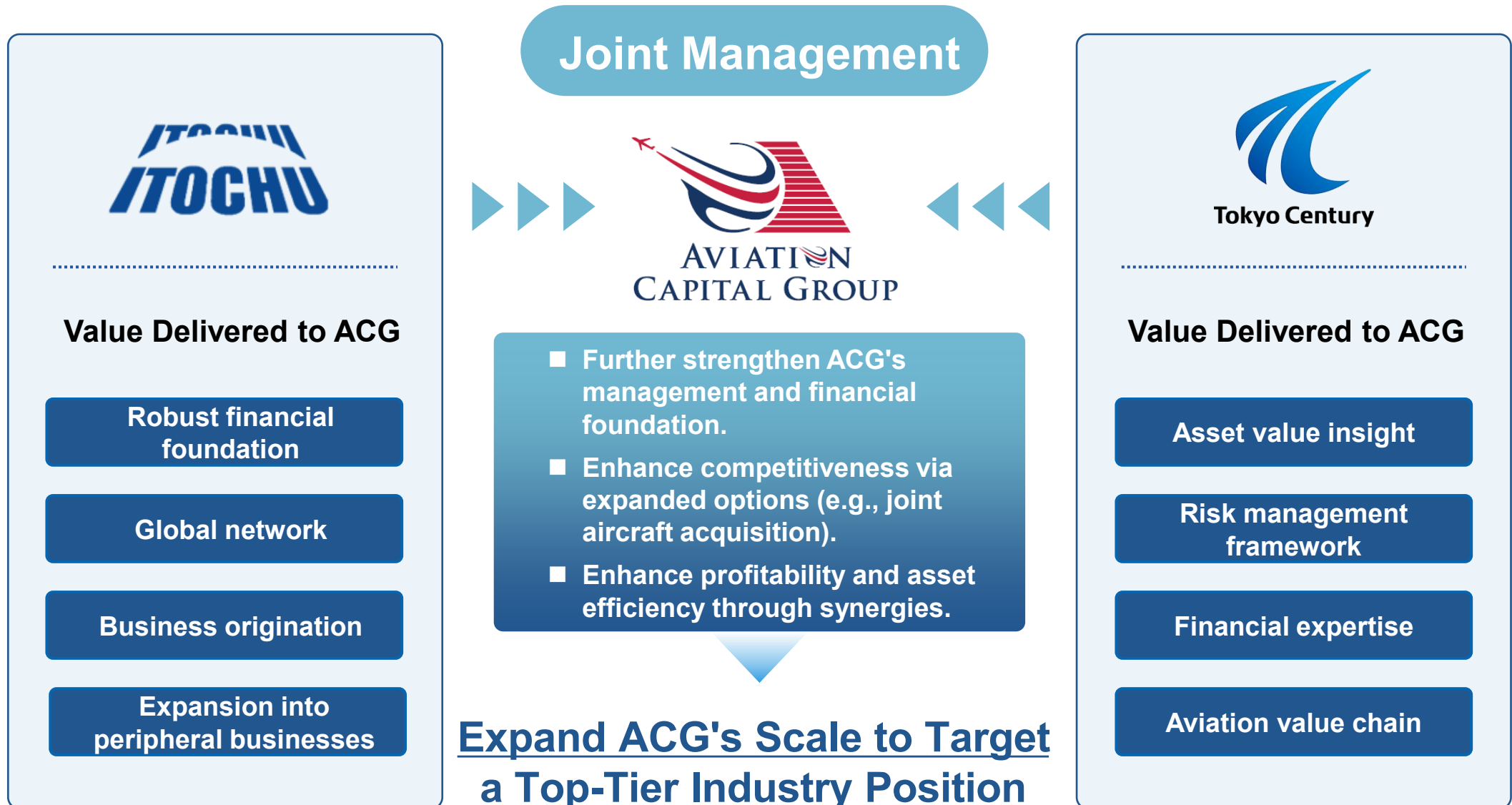
Competitive Advantages of Scaling

- Enhanced financing capabilities backed by a robust financial foundation and high creditworthiness
- Greater access to order slots of major OEMs
- Portfolio diversification (regions, customers, and aircraft types) and risk mitigation
- Stronger originating capability for large-scale transactions

Source: Prepared by Tokyo Century based on KPMG "Aviation Leaders Report 2026"

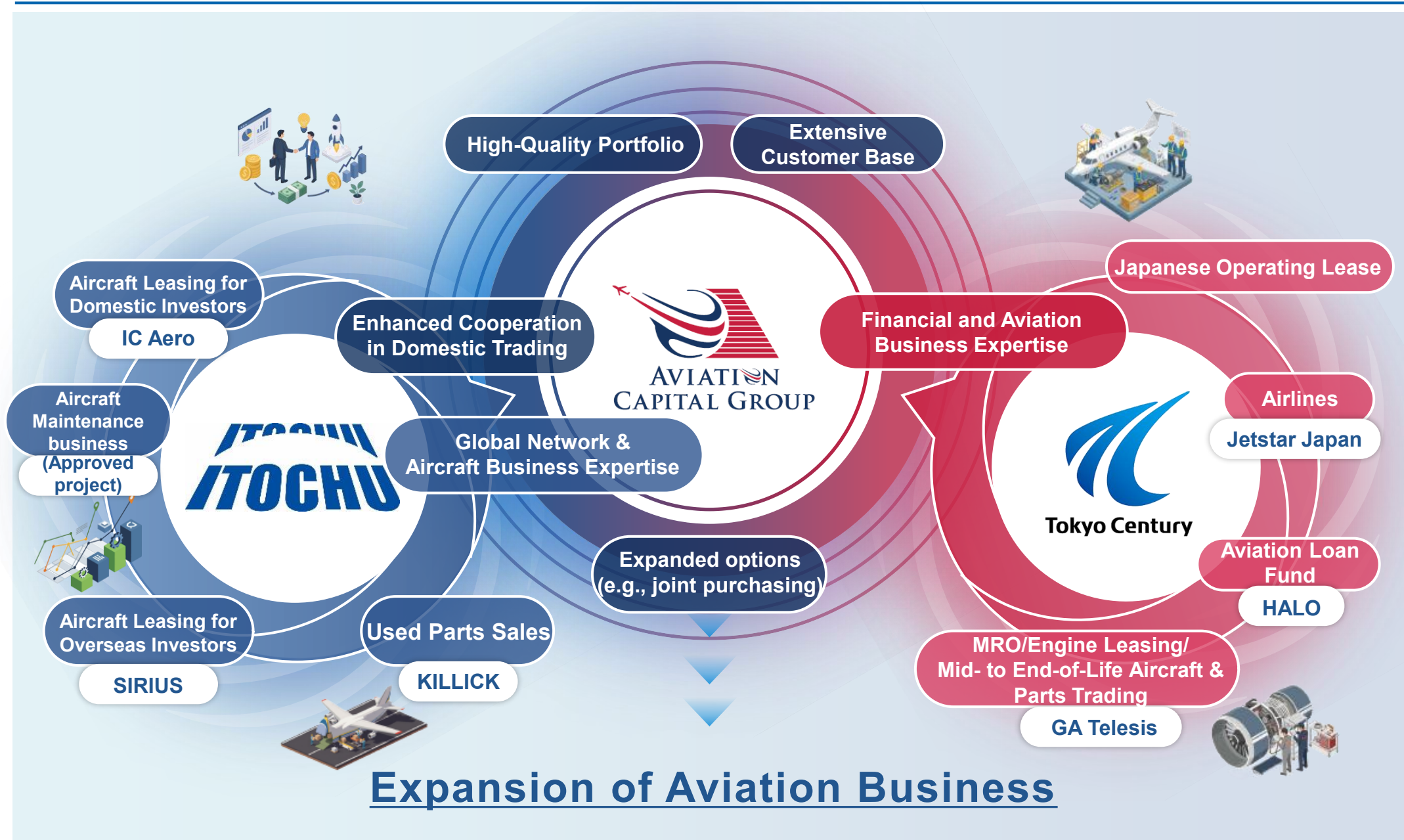
Value Co-Creation for ACG's Accelerated Growth

Fully leverage both companies' strengths, expertise, human resources, and assets to pursue further growth for ACG.



Collaboration & Synergies Across the Aviation Value Chain

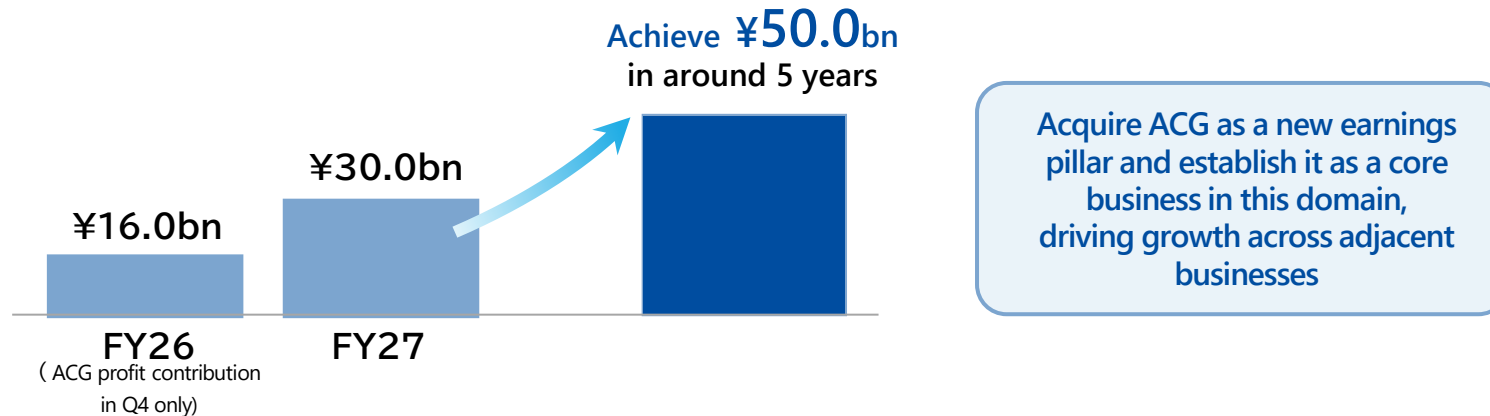
Further enhance ACG's presence by leveraging both shareholders' aviation value chains.



Creating a New Core Business through Growth Investment at ITOCHU

Establish the aerospace business as new earnings pillar with ACG as its core platform

■ Future profit target (aerospace business)



ACG as an “Aircraft Asset Platform”: expanding the value chain

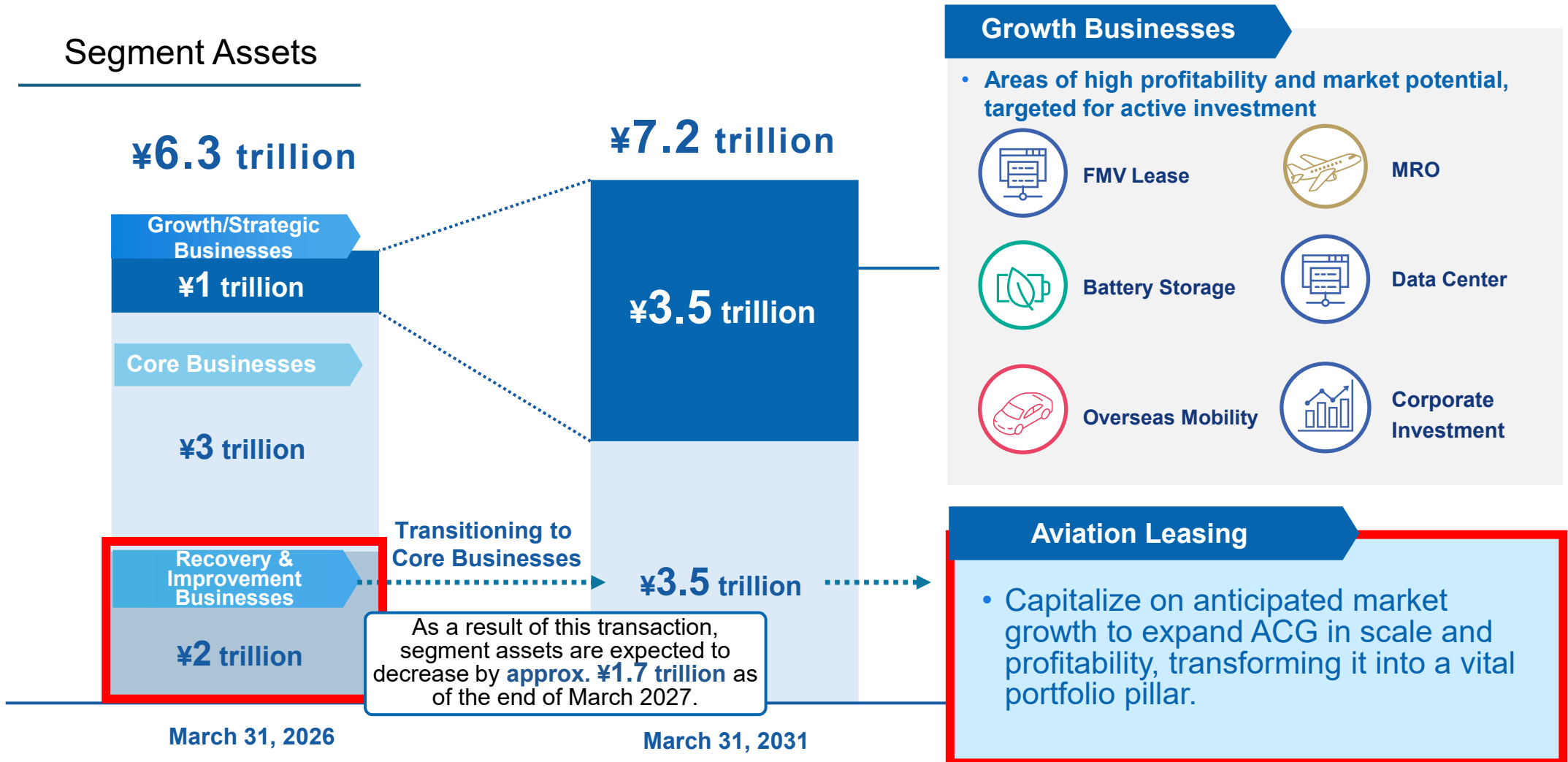


Portfolio Transformation Under Tokyo Century's Medium-Term Management Plan 2030

Transitioned aircraft leasing (ACG), designated as a "Recovery & Improvement Business," to a joint ownership with ITOCHU

- ✓ Aligned with the Portfolio Strategy outlined in our Medium-Term Management Plan 2030
- ✓ Deconsolidating ACG expands our capital capacity, **driving investment in "Growth/Strategic Businesses."**

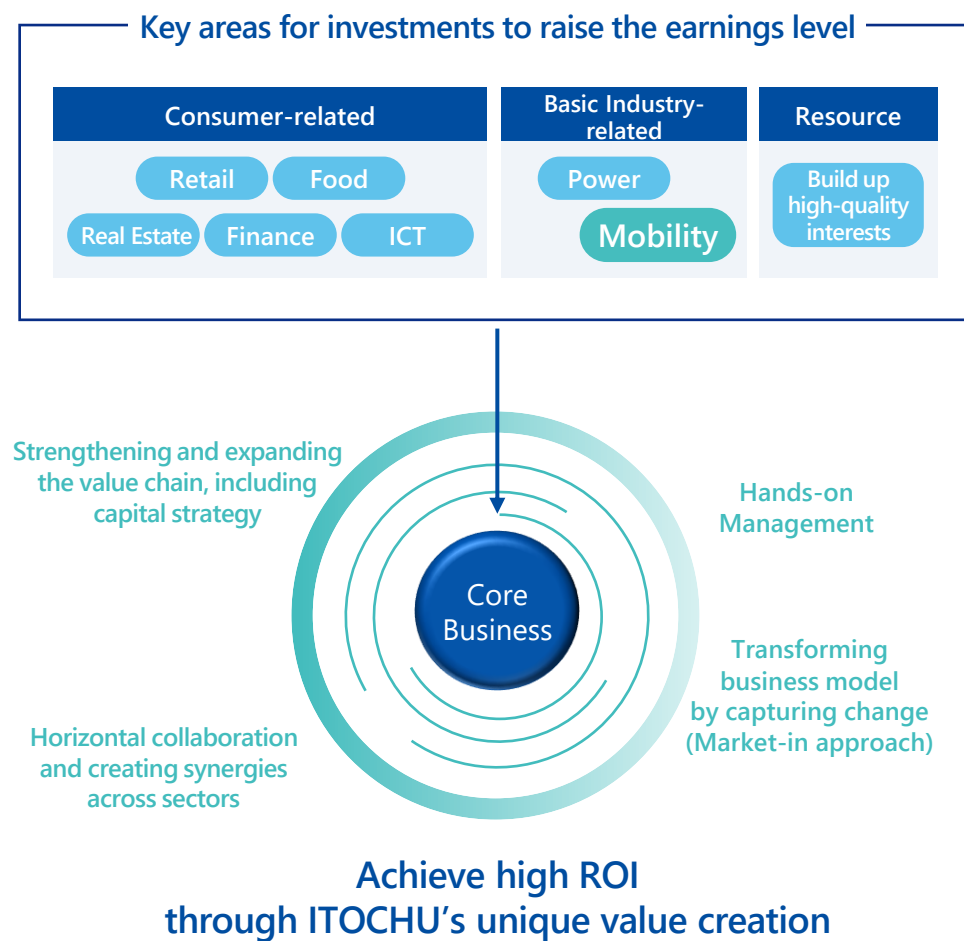
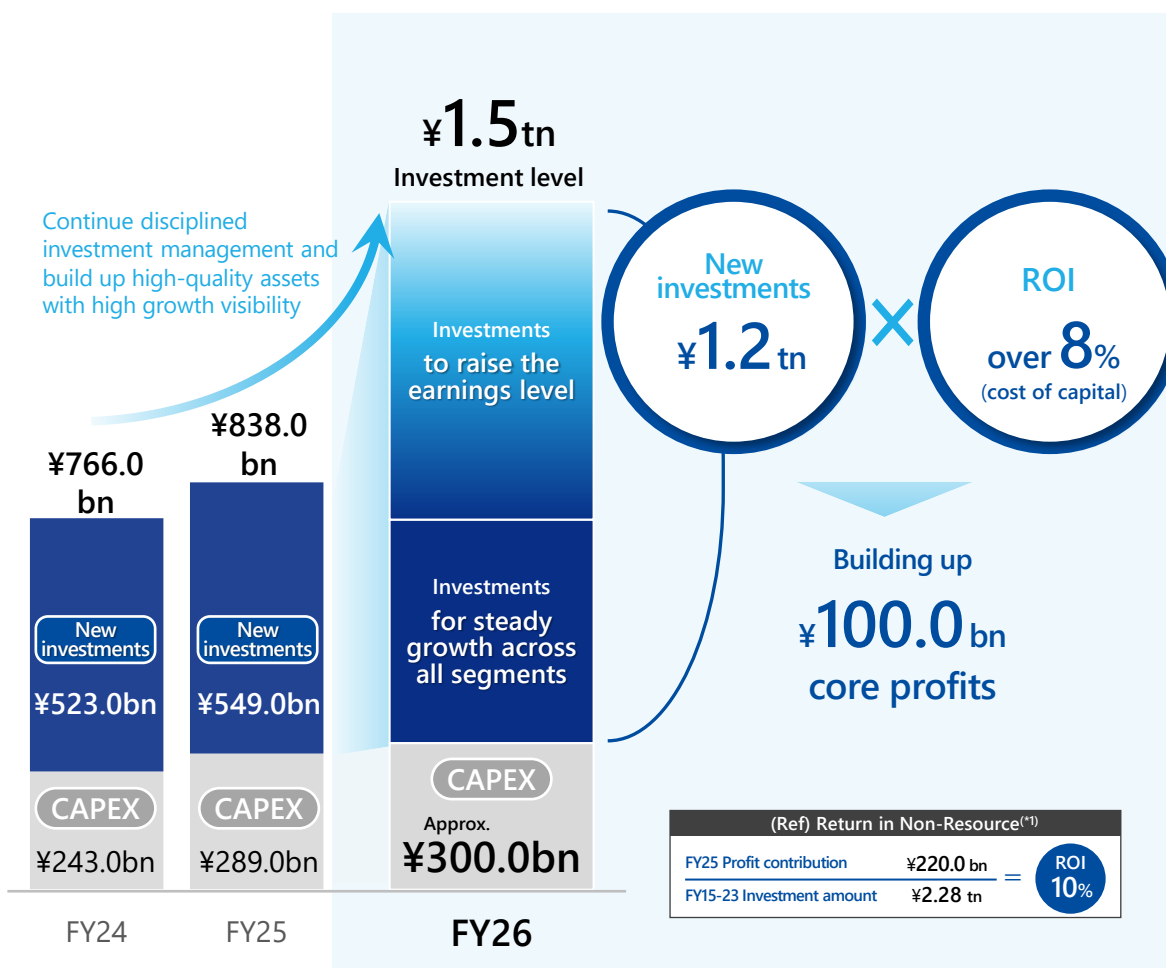
Segment Assets



ITOCHU's Approach to Growth Investments in FY2026

Accelerate growth investments to deliver a step-change in earnings

In addition to investments to strengthen each segment, we will pursue investments to create new core businesses with profit contributions of around ¥10.0 billion



(*) Calculated based on investment projects in Non-Resource sector of over ¥5.0 bn (excluding CAPEX and exited projects). For additional acquisitions related to existing businesses, only the profit attributable to the additional investment amount is included.