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

ITOCHU Corporation and Tokyo Century

August 3, 2026

Speakers Introduction

Tokyo Century Corporation	Director and Senior Managing Executive Officer President, Transport Unit Executive Chair, Aviation Capital Group LLC **Mahoko Hara** Director and Senior Managing Executive Officer Chief Financial Officer Chief Human Resources Officer Co-Chief Strategy Officer **Tatsuya Hirasaki**
ITOCHU Corporation	Senior Operating Officer General Manager, Planning & Administration Department, Machinery Company **Toshio Okudera** Executive Officer, Chief Operating Officer, Plant Project, Marine & Aerospace Division **Eiichiro Higashiyama** General Manager, Aerospace Department **Yu Takahashi**

Executive Summary

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

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(Tokyo Century Hirasaki)
I will first explain the overview and rationale of this transaction.
Today, with respect to ACG, our wholly owned subsidiary, we reached a basic agreement to transition to a new collaborative structure with ITOCHU under which ACG, in pursuit of further growth and evolution into a global leader, will become a 50:50 equity-method affiliate of both companies.

There are two main objectives behind this transaction.
The first is scale expansion. In the aircraft leasing industry, where consolidation is accelerating and greater scale is increasingly required, there were certain constraints on expanding ACG's asset base through our standalone efforts. With ITOCHU's participation, we will further strengthen ACG's management foundation and pursue its growth through agile scale expansion.
The second is the creation of synergies across the two companies' aircraft value chains. By providing ACG with the capabilities that both companies possess across the aircraft value chain, we aim to further enhance ACG's presence and improve its profitability.

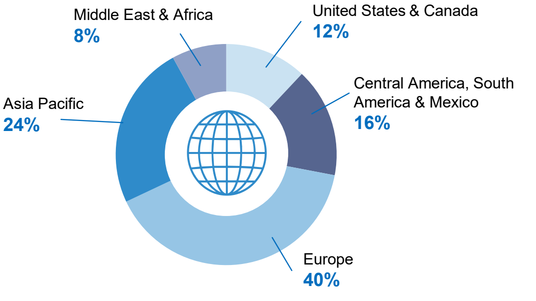
This transaction represents a major growth opportunity for all three parties: ACG's further advancement toward becoming a global leader, an expansion of growth investments for ITOCHU, and a transformation of our own business portfolio for our company. We are therefore very pleased to have reached this agreement today.
Ms. Hara will now explain ACG's profile and the strategic significance of 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

Global Operations (As of December 31, 2025)



Portfolio (As of December 31, 2025)

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

Weighted Average Fleet Age: **5.4** years

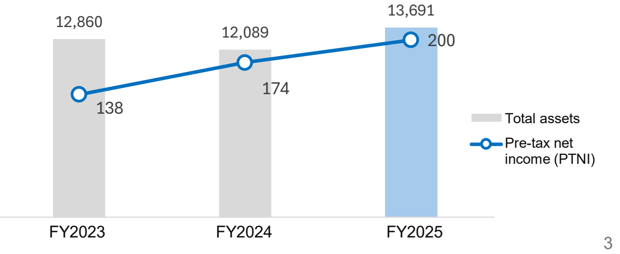
Narrowbody (% of NBV): **84** % (94% by count)

■ **Narrowbody**

Single-aisle passenger aircraft primarily operated on short- to medium-haul routes
Ex. Airbus A320neo Family, Boeing 737 MAX Family

Financial Performance Trends

(USD million)



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(Tokyo Century Hara)

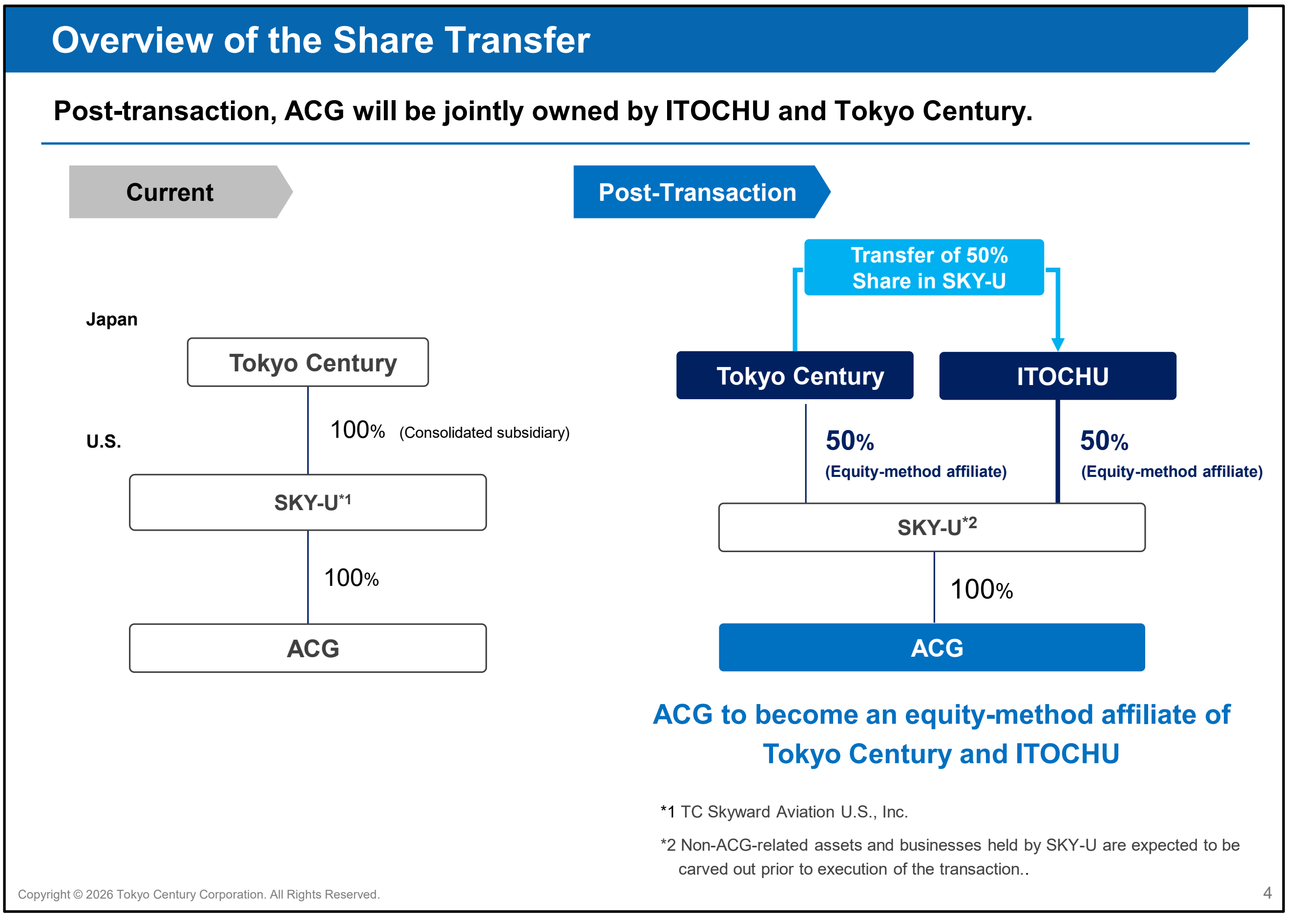
Since Tokyo Century acquired ACG as a wholly owned subsidiary in 2019, I have been directly involved in its management for approximately seven years as Executive Chair of ACG. Having seen first-hand ACG's strengths and potential, I strongly believe that this joint initiative with ITOCHU will enable the company to fully unlock its capabilities.

Let me begin with an overview of ACG.

ACG is a world-class aircraft leasing company headquartered in California, U.S., with a history of more than 35 years. As of the end of December 2025, it had approximately 450 aircraft owned, managed, and committed, and relationships with approximately 85 airlines across 50 countries.

ACG's key strength lies in its high-quality portfolio, consisting of highly liquid aircraft and offering excellent diversification by region and customer. Its main products are narrowbody aircraft, which enjoy stable demand primarily on short- and medium-haul routes, and these account for approximately 80% of its portfolio by book value.

At present, amid ongoing global supply chain disruptions and other factors, aircraft shortages continue despite robust demand. In this operating environment, ACG’s existing orderbook for new aircraft provides an important foundation for securing future business opportunities.



(Tokyo Century Hara)

Let me briefly explain the transaction structure.

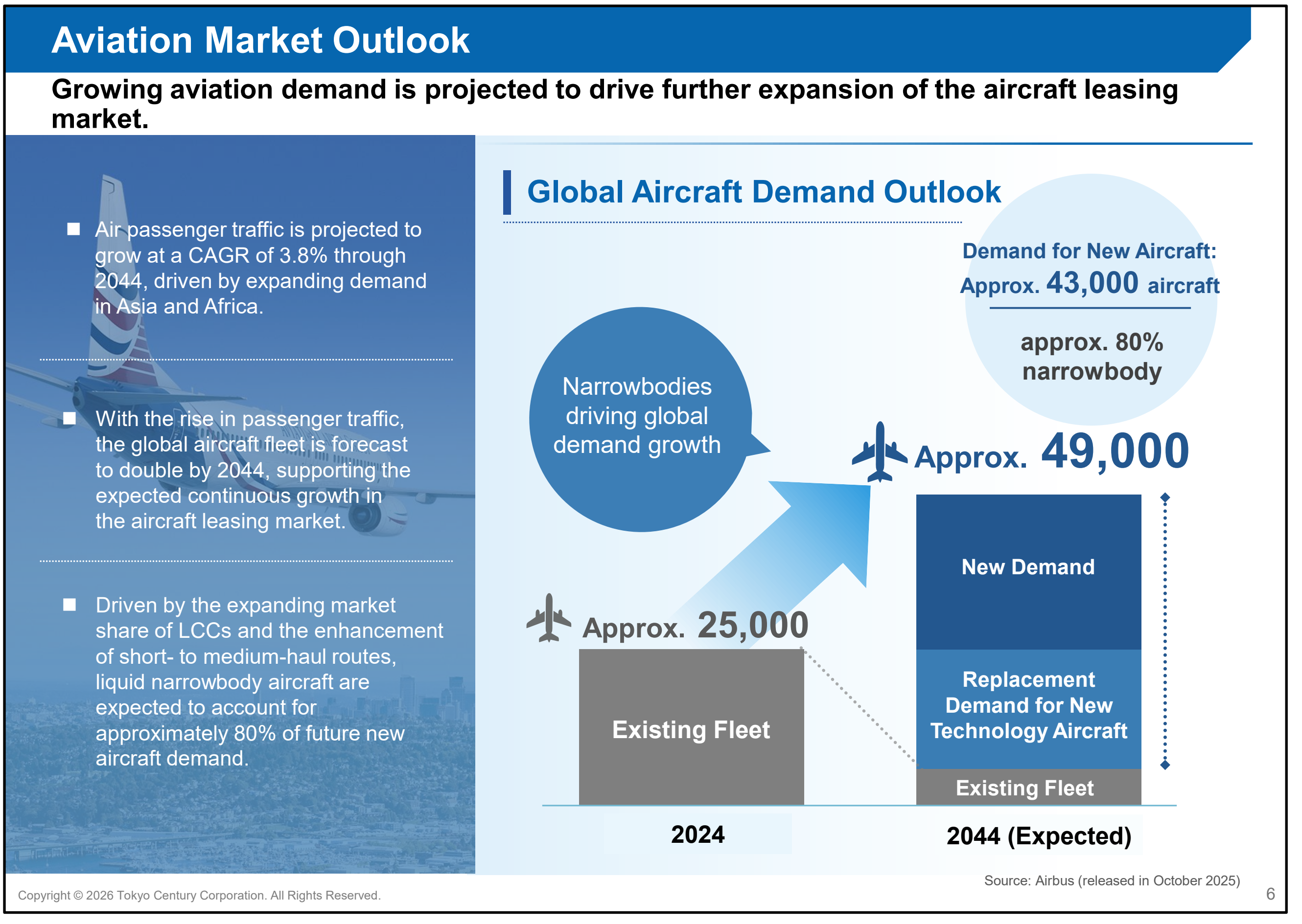
ACG is currently a wholly owned subsidiary of TC Skyward Aviation U.S., an intermediate holding company that is 100% owned by us. Under this transaction, 50% of the common shares of the intermediate holding company, TC Skyward Aviation U.S., will be transferred to ITOCHU. As a result, ACG is expected to become an equity-method affiliate of both Tokyo Century and ITOCHU.

Closing is scheduled for November 2026, subject to the satisfaction of customary conditions precedent, including the receipt of required approvals under competition laws and other applicable regulations in relevant jurisdictions.

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.



(Tokyo Century　Hara)

Let me now turn to the outlook for the aviation market.

Global passenger demand exceeded pre-pandemic levels in 2024, and is projected to enter a further expansion phase going forward, led primarily by Asia and Africa. In line with this growth in passenger demand, Airbus statistics indicate, as shown in the graph on the right, that aircraft demand is expected to nearly double over the next 20 years, which should also drive continued expansion of the aircraft leasing market.

Of the approximately 43,000 aircraft representing new demand, around 80% are expected to be narrowbody aircraft, which are ACG’s core focus. We therefore believe ACG has very significant growth potential.

(Tokyo Century　Hara)
Next, I would like to discuss the operating environment surrounding the aircraft leasing industry.
In recent years, the macro environment has changed rapidly, reflecting factors such as heightened geopolitical risks associated with the Russia-Ukraine situation and persistently high interest rates amid global inflation. Against this backdrop, the aircraft leasing industry has been undergoing rapid consolidation, including large-scale M&A led by major players.

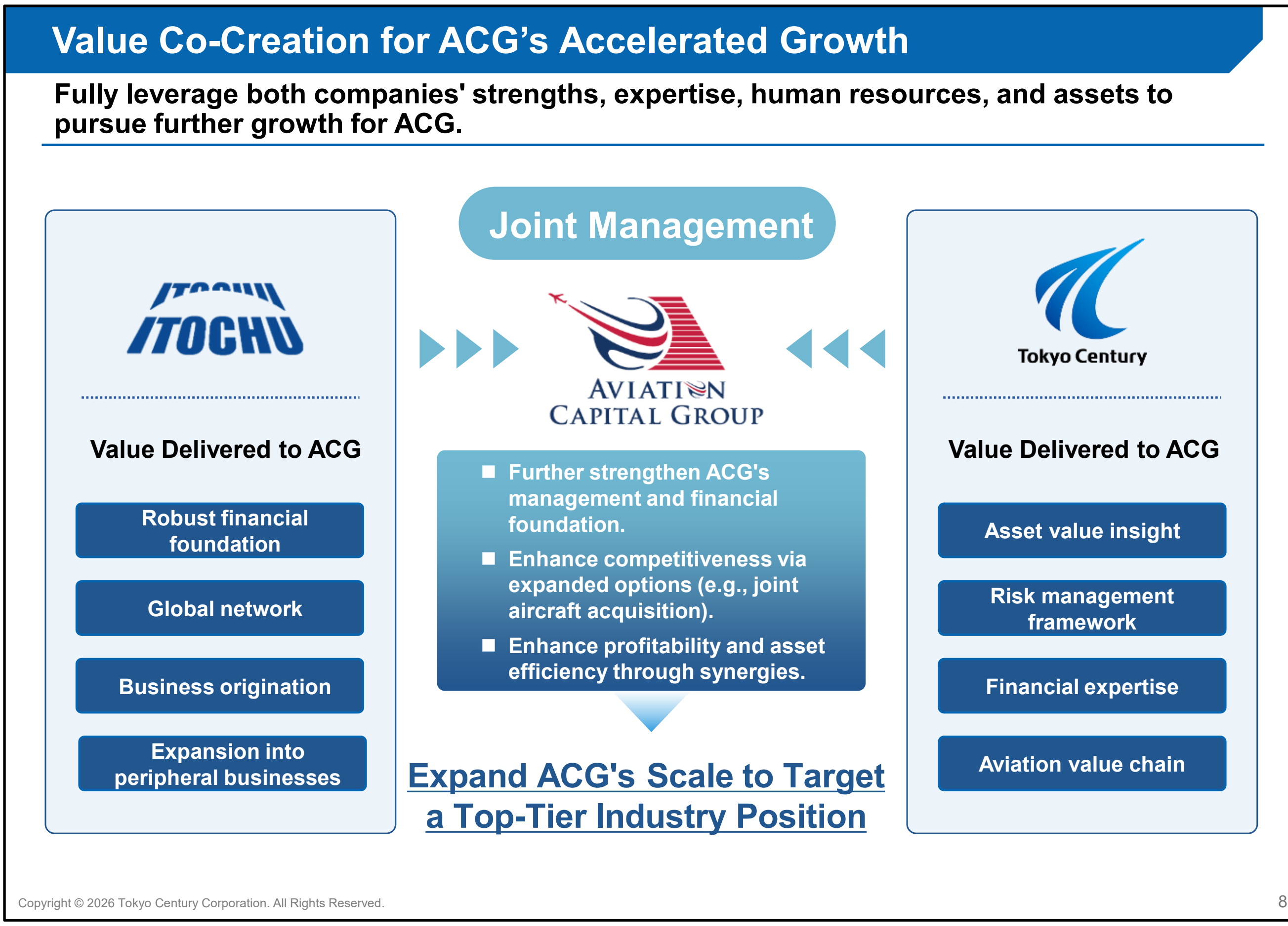
In the aircraft leasing market, ACG currently ranks ninth and remains a top-tier player. However, there is still a substantial gap in fleet size between ACG and the top five players.

In the aircraft leasing business, scale merits are a critical factor in establishing competitive advantage.

Pursuing greater scale enhances competitiveness across every dimension, including stronger negotiating power with customers such as airlines, greater funding capability backed by a solid financial foundation, improved access to manufacturers' orderbooks at Boeing and Airbus, lower risk through diversification by region, customer, and aircraft type, and improved cost competitiveness through more efficient fleet management and business operations overall.

For ACG to take the next step and advance into the industry's top five, further scale expansion is essential.

At the same time, as Mr. Hirasaki explained earlier, from the standpoint of our own capital capacity and risk-asset tolerance, it would have been difficult for us to continue allocating growth capital to the aircraft leasing business on a concentrated basis on our own. We were therefore seeking a reliable strategic partner that could help us grow ACG together.
In order to address both of these challenges simultaneously—ACG's need for scale expansion and the capital constraints we face on a standalone basis—we concluded that a joint investment with ITOCHU, with whom we have built a relationship of trust over many years and which possesses substantial know-how in the aircraft business, was the best possible decision. That conviction led to today's agreement.



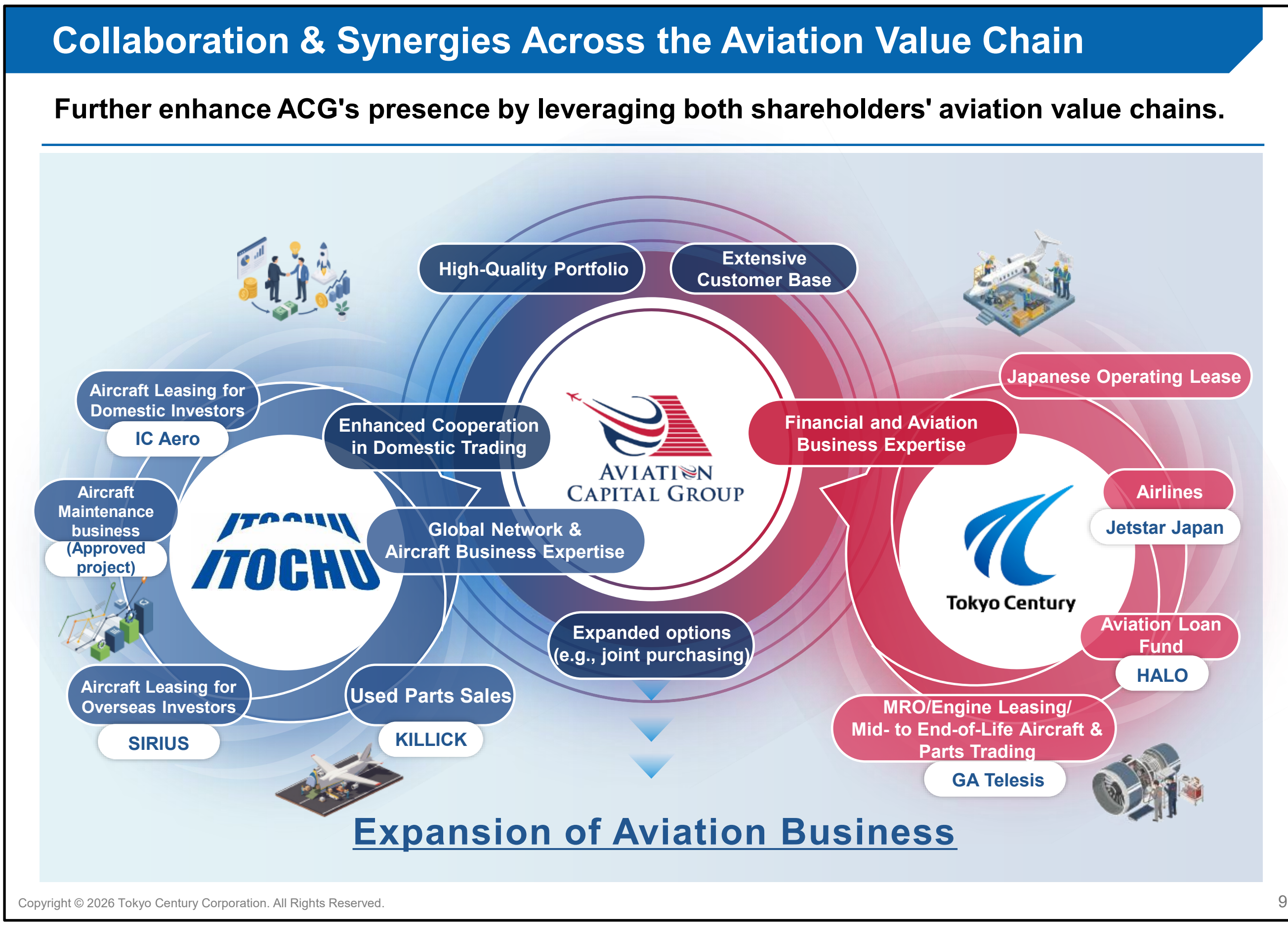
(Tokyo Century　Hara)

By transitioning to a structure under which ACG is supported equally by both companies as a 50:50 equity-method affiliate, we will establish a strong management foundation that enables us to support ACG's growth in a powerful way while reducing the balance sheet burden and risk borne by each company.

Under this new collaborative framework, each company will provide ACG with its respective strengths and added value.

From our side, we intend to support ACG's highly specialized management team by contributing the operating know-how we have accumulated over many years through ACG in the aircraft leasing business, our deep expertise in asset value, a rigorous risk management framework that underpins sophisticated asset management, and the capabilities of our broader group across the aircraft value chain.

(ITOCHU Higashiyama)
From our side, I would like to explain the rationale for ITOCHU's participation in ACG and our joint management framework with Tokyo Century.
ITOCHU has built up knowledge and expertise in aerospace businesses over many years, including aircraft trading. In an aviation market that is expected to expand further, we intend to leverage our domestic and international networks to broaden our options, including joint procurement, and pursue scale expansion not only in ACG itself but also in adjacent areas. We will also work to further strengthen ACG's financial foundation under this joint management framework with Tokyo Century.



(ITOCHU Higashiyama)

Next, I would like to explain how this collaboration can expand our aerospace business.

We believe that ITOCHU’s participation in ACG will not only support ACG’s further growth, but also drive expansion of the aerospace businesses of both groups and strengthen the overall value chain.

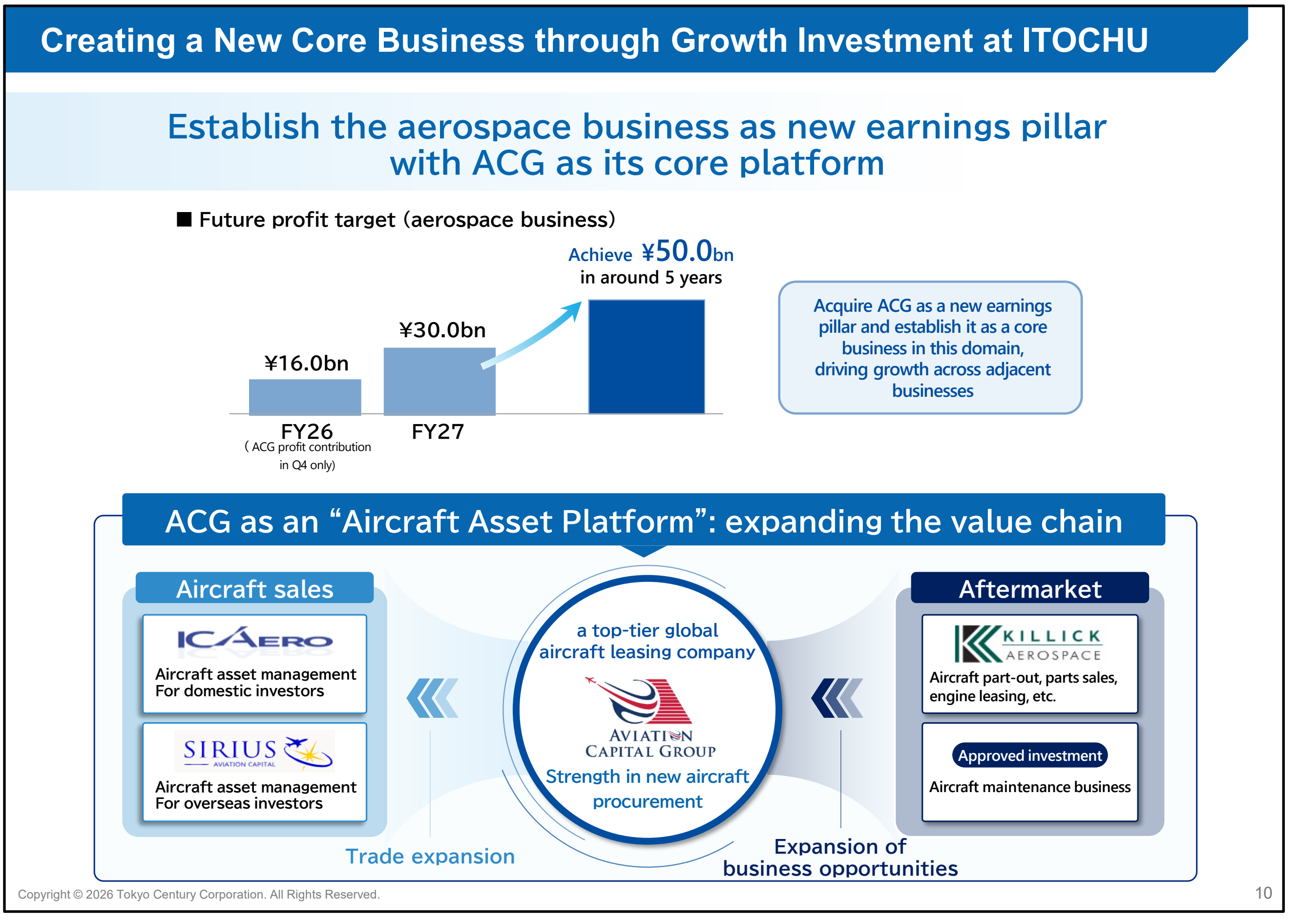
There are three major areas of opportunity arising from this collaboration.

First, we will strengthen and expand aircraft trading for Japanese customers in collaboration with Tokyo Century, including by leveraging ACG’s portfolio.

Second, we will broaden aircraft sale options in the secondary market, including by promoting trading for overseas customers through ITOCHU’s global network and ACG’s portfolio.

Third, we will strengthen businesses in the aftermarket field, including used parts sales and aircraft maintenance, by leveraging the networks of both groups.

On the next slide, I will explain ITOCHU’s civil aviation business in greater detail.



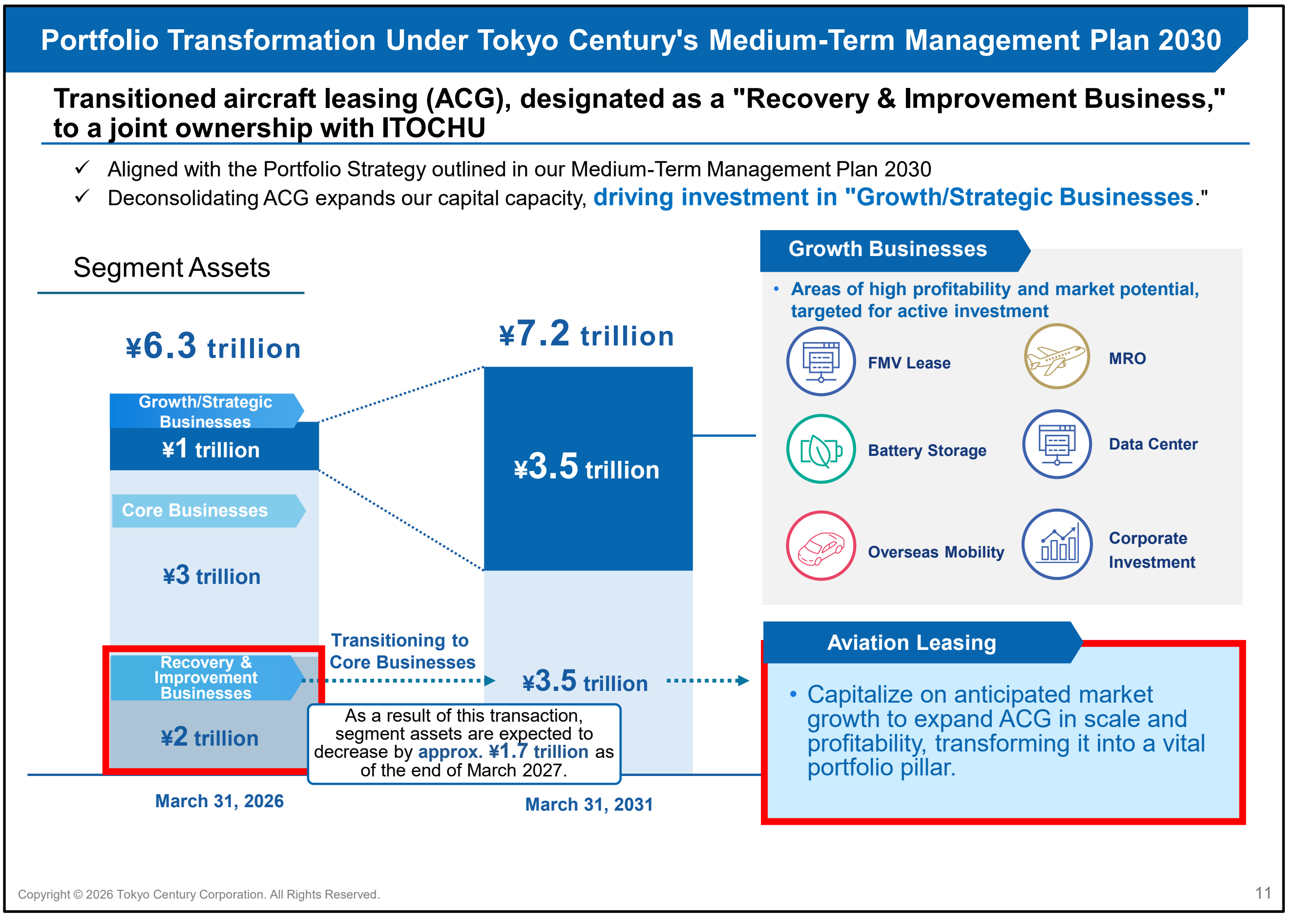
(ITOCHU Higashiyama)

ITOCHU has been engaged in the aircraft leasing business since the 1970s, and over the years we have developed in-house capabilities spanning aircraft procurement, lease origination, and aircraft sales and management.

Today, we lease more than 90 aircraft and engines to airlines around the world. In 2025, as part of our business expansion, we established IC Aero Co., Ltd., a dedicated aircraft leasing company in Japan. In May of this year, we also joined the management of Sirius Aviation Capital Holdings Limited, which operates an asset management business for mid-life aircraft investments based in Abu Dhabi, UAE, and Ireland.

In addition, we have expanded our value chain into the aftermarket field, including aircraft parts sales. In 2024, we invested in Killick Aerospace Limited in Ireland and have been promoting its used aircraft parts sales and OEM distributor business. We have also internally approved entry into the aircraft maintenance business.

Going forward, we will position ACG as ITOCHU's aircraft asset platform. By leveraging the know-how and global network we have built in the aircraft business, and by collaborating with group companies such as Sirius and Killick, we will strengthen and expand our aerospace-related value chain across areas ranging from new aircraft procurement to mid-life aircraft investment and the aftermarket, thereby driving further earnings growth.
Specifically, in our aerospace business, we aim to grow net profits from ¥16.0 billion this fiscal year to ¥30.0 billion in FY2027, and ultimately to establish it as a ¥50.0 billion core business in around five years.



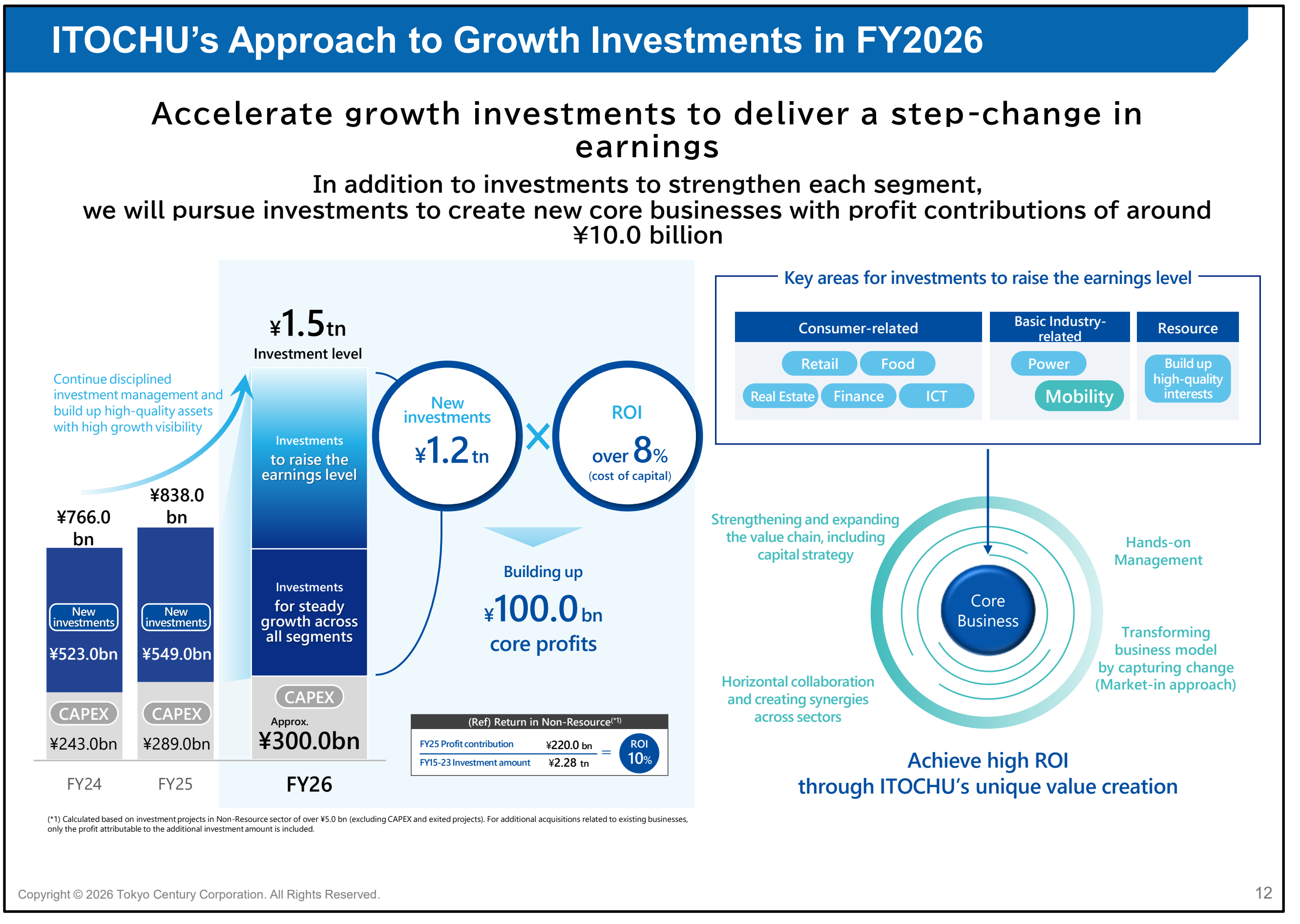
(Tokyo Century　Hirasaki)

This transaction is an extremely important milestone in achieving the business portfolio transformation set out as a key initiative in our Medium-Term Management Plan 2030 announced in May of this year.

Please look at the graph on the left side of the slide. It shows the breakdown of our segment assets as of the end of March 2026. ACG had been included in the approximately ¥2 trillion of recovery and improvement businesses highlighted in red. However, by becoming an equity-method affiliate through this transaction, that balance is expected to decline by approximately ¥1.7 trillion, to roughly ¥300 billion.

While the relative weight of the aircraft leasing business on our consolidated balance sheet will decline, we will continue to position aviation-related businesses centered on ACG as one of our most important businesses and pursue long-term growth in this area.

In addition, the capital capacity created by this approximately ¥1.7 trillion balance sheet slimming will be reallocated in an agile manner to our growth and strategic businesses, including FMV leasing, MRO, and the data center business.
This transaction is a highly significant strategic initiative that will meaningfully transform the Group's earnings structure and move us forward powerfully toward achieving the KPI of ROE of 12.5% or higher under Medium-Term Management Plan 2030. Through further growth investments going forward, we are committed to meeting your expectations.



(ITOCHU Okudera)

Finally, I would like to explain ITOCHU's approach to growth investments.

Under our long-term management policy, "The Brand-new Deal," announced in FY2024, we have been accelerating growth investments under the principle that "No growth without investments," with the aim of driving further earnings growth.

This fiscal year, under the theme of "Gear Shift," we have positioned a step-change in our earnings level as our highest management priority. As explained in our initial plan, we view this fiscal year as one in which we will further accelerate growth investments, and through that acceleration, we are working to create new core businesses.

Over the past two years, we have executed investments on the order of ¥700 billion to ¥800 billion annually. In FY2026, we plan to raise that level to approximately ¥1.5 trillion, roughly double the previous level. Of this, approximately ¥1.2 trillion will be allocated to new investments, excluding CAPEX of around ¥300 billion.

This does not simply mean increasing the amount invested. Rather, we intend to build an investment portfolio that delivers ROI above our 8% cost of capital. There are several fields we are targeting as investments that will raise our earnings level, but within the basic industry-related sector, we position power and mobility as core areas. This investment to ACG is precisely one of the most important investments in the mobility field, and we intend to establish the aerospace business, centered on ACG and including adjacent businesses, as a new core business.

Going forward, through strengthening and expanding the value chain, hands-on management, horizontal collaboration and synergy creation across business fields, and business model transformation that captures change, we will continue to deliver steady profit growth and enhance corporate value through value creation unique to ITOCHU.

This concludes our presentation.