

For Reference Only

March 5, 2019

Acquisition of additional interest in Aviation Capital Group

Tokyo Century Corporation (“TC”) is pleased to announce that it has acquired newly issued equity interests and increased its ownership in Aviation Capital Group LLC (“ACG”), an equity method affiliate and a leading U.S. based commercial aircraft lessor.

1. Purpose of acquisition of additional interest

Since TC’s investment in December 2017, ACG has steadily expanded its operating assets and reached yet another record total revenues in FY 2018. In pursuing an “enhanced profitability model”, it is essential for TC to expand its investment in aviation related business where further protracted growth is expected. TC has decided to provide growth capital and increase its ownership in ACG, aiming to accelerate ACG’s growth and further expand TC group’s aviation business. Through this investment, TC’s ownership in ACG will increase to 24.5% from the current 20.0%.

2. About Aviation Capital Group

Aviation Capital Group is one of the world’s premier full-service aircraft asset managers with approximately 500 owned, managed and committed aircraft as of December 31, 2018, which are leased to approximately 90 airlines in approximately 45 countries. ACG was founded in 1989 and is an indirect majority-owned subsidiary of Pacific Life Insurance Company.

3. Overview of Aviation Capital Group

(1) Company Name	Aviation Capital Group LLC			
(2) Head Office	840 Newport Center Drive, Suite 300, Newport Beach, CA USA			
(3) Company Representative	Khanh T. Tran, CEO			
(4) Business	Aircraft Leasing			
(5) Year of Establishment	1989			
(6) Percentage of Shareholders	(Before Acquisition)	Pacific Life Insurance Company: 80.0%, Tokyo Century Corporation: 20.0%		
	(After Acquisition)	Pacific Life Insurance Company: 75.5%, Tokyo Century Corporation: 24.5%		
(7) Credit Rating	Kroll: A, S&P: A-, Fitch Ratings: BBB+			
(8) Consolidated U.S. GAAP Financials (Unit: Million USD)				
	Fiscal Year	2016/12	2017/12	2018/12
	Total Revenues	963	950	1,048
	Net Income	78	1,044 (*)	266
	Total Equity	1,908	2,956	3,225
	Total Assets	9,081	9,847	11,317

(*) Includes benefit from provision for income taxes in relation to the LLC conversion at the end of March 2017

4. Forecast

This transaction will have no significant impact on TC's consolidated performance for the fiscal year ending March 2019, and does not change the earnings forecast released on May 9, 2018.

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