

January 4, 2022

## Consolidated Subsidiary Aviation Capital Group to Order 60 Airbus Aircraft

Tokyo Century Corporation announced today (Tuesday, January 4, 2022, Japan time) that its consolidated subsidiary Aviation Capital Group LLC (ACG, headquartered in California, USA) resolved on Thursday, December 30, 2021 (U.S. time) (Friday, December 31, 2021, Japan time) to order a total of 60 aircraft comprising 20 A220 Family and 40 A320 neo Family aircraft from Airbus. The aircraft to be acquired are scheduled for delivery between 2024 and 2028.

### 1. Reason for the Acquisition

ACG is a leading aircraft leasing company that was founded in 1989. Tokyo Century acquired a 20% interest in ACG in December 2017 and turned it into a wholly owned subsidiary in December 2019. ACG owns and manages a total of 348 aircraft as of September 30, 2021, comprising 280 owned aircraft and 68 managed aircraft. Including the aircraft for which orders have been placed, its fleet consists of 404 aircraft (as of September 30, 2021). ACG has a portfolio consisting of a young fleet with a weighted average age of 5.6 years, centered on narrow-body aircraft (accounting for 96% of the portfolio by count), which offer higher liquidity. In accordance with its robust management policy, ACG practices agile portfolio management while addressing various risks, including market fluctuation.

The A220 included in the latest order belongs to the 100–150 seat class of aircraft positioned between larger narrow-body aircraft and regional jets. In addition to consuming 25% less fuel compared to the previous generation, the A220 excels in regard to operating costs and is capable of taking off from relatively short runways. With these advantages, it is being used to expand route networks not only between hub airports but regional airports as well. The A320 neo offers a 20% reduction in fuel consumption compared to the previous generation as well as other premium features. This state-of-the-art, popular model is already widely used around the world and viewed as a driver for expanding the aircraft market.

Due in part to the rise of LCC, demand for narrow-body aircraft is expected to expand on the back of an increase in short- and medium-haul routes. By placing this latest order, ACG will strengthen its own business base while simultaneously contributing to the further development of the airline industry and global reductions in CO<sub>2</sub> emissions by meeting customer needs and upgrading its fleet with next-generation aircraft featuring higher fuel efficiency.

### 2. Overview of consolidated subsidiary

(1)	Company name	Aviation Capital Group LLC
(2)	HQ location	840 Newport Center Drive, Suite 300, Newport Beach, CA USA
(3)	CEO and president	Thomas G. Baker
(4)	Business description	Aircraft leasing

Note: The amount of capital has not been provided since ACG is a Limited Liability Company under U.S. law with no accurate equivalent to the concept of capital stock.

### 3. Information on the A220 Family to be acquired

(1)	Aircraft	A220 Family
(2)	Number of aircraft	20
(3)	Aircraft model	A220-300×20

Note: A memorandum of understanding has been executed; however, based on an agreement with the seller, the actual acquisition cost is undisclosed.

### 4. Information on the A320neo Family to be acquired

(1)	Aircraft	A320 neo Family
(2)	Number of aircraft	40
(3)	Aircraft model	A320neo×15 A321neo×20 A321XLR×5

Note: Contracts for the order have been executed; however, based on an agreement with the seller, the actual acquisition cost is undisclosed. In addition, ACG has signed contracts to purchase aircraft from Boeing, Airbus, and airline companies, including the contract signed for this latest order, which brings the total amount of scheduled payments for aircraft purchases to 582,604 million yen as of December 30, 2021.

### 5. Overview of the Seller

The A220 Family will be purchased from Airbus Canada Limited Partnership and the A320 neo Family from Airbus SAS.

(1)	Name of company	Airbus Canada Limited Partnership	Airbus SAS
(2)	HQ location	13100 Bd Henri-Fabre, Mirabel, Québec J7N 3C6, Canada	1 Rond-Point Maurice Bellonte, Blagnac, 31707 France
(3)	CEO	Benoit Schultz	Guillaume Faury
(4)	Business description	Manufacturing and sales of aerospace products	Manufacturing and sales of aerospace products
(5)	Capital	Not disclosed (Parent company Airbus SE is capitalized at €785 million (approx. ¥102.5 billion)).	
(6)	Year of establishment	2015	2001
(7)	Main shareholder and percentage of shares held	Airbus SAS 75.0%	Airbus SE 95.8%
(8)	Relationship between Tokyo Century Corporation and companies concerned	Capital relationship: Not applicable	Capital relationship: Not applicable
		Personnel relationship: Not applicable	Personnel relationship: Not applicable
		Business relationship: Not applicable	Business relationship: Not applicable
		Applicability to related parties: Not applicable	Applicability to related parties: Not applicable
(9)	Net assets and total assets for the most recent fiscal year	Not disclosed (Net assets and total assets of Airbus SE, the parent company, are as follows) Airbus SE Net assets: €6,456 million (approx. ¥842.6 billion) Total assets: €110,095 million (approx. ¥14,369.6 billion)	

Note: Calculations are based on an exchange rate of 130.52 JPY per 1€(December 30, 2021)

## 6. Schedule

(1)	Resolution by the Board of Directors of ACG	U.S. time: December 30, 2021 (Japan time: December 31, 2021)
(2)	Date of memorandum of understanding and signing	U.S. time: December 30, 2021 (Japan time: December 31, 2021)
(3)	Date of delivery	2024 to 2028 (tentative)

## 7. Future Outlook

This aircraft purchase will not have a significant impact on Tokyo Century's consolidated performance for the fiscal year ending March 2022 since delivery of the aircraft is scheduled to begin in 2024.