IR Presentation for Q1 FY2026

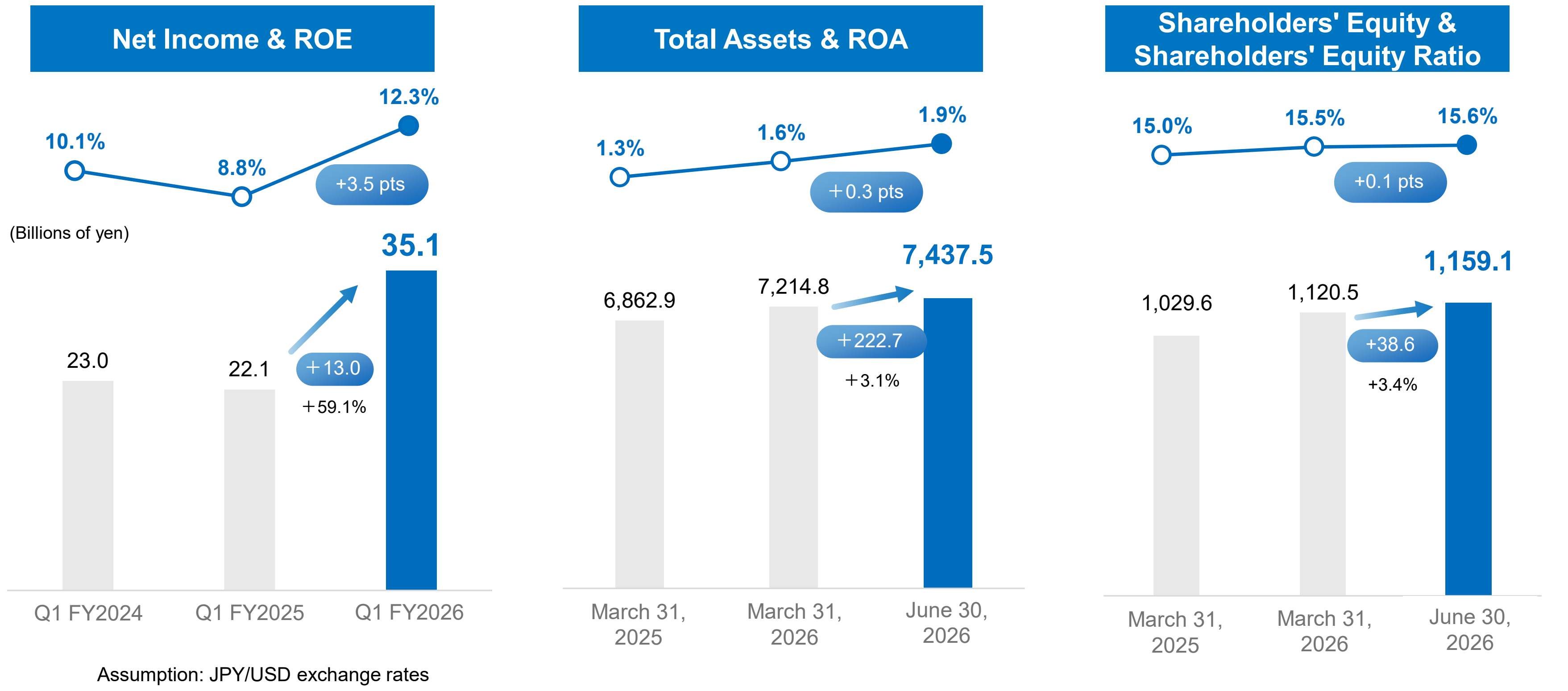
Tokyo Century Corporation (8439)

Q1 FY2026 Earnings Call Presentation
Speaker: Tatsuya Hirasaki, Member of the Board, Senior Managing Executive Officer, Chief Financial Officer, Chief Human Resources Officer, Co-Chief Strategy Officer

This material consists of selected and reordered slides from the original documents to align with the presentation at the earnings call.

Executive Summary

- ✓ **Net Income:** ¥35.1 billion (+¥13.0 billion); **Progress vs. Forecast:** 28.6%; **ROE:** 12.3% (+3.5 pts)
- ✓ **Key Factors:** Gains on sales in Transport (aviation & ships) and earnings growth in Global Business (CSI)
- ✓ **Deconsolidation of ACG (Shift to Equity-Method Affiliate):** Significant progress in business portfolio transformation under Medium-Term Management Plan 2030



Assumption: JPY/USD exchange rates

Average exchange rate (Q1)	FY2024: ¥148.62 FY2025: ¥152.56 FY2026: ¥156.96	Fiscal year-end/quarter-end exchange rate	FY2024: ¥158.17 FY2025: ¥156.54 Q1 FY2026: ¥159.93	FX sensitivity (net income)	Approx. ±¥0.4 billion per ¥1 fluctuation against the USD

Net income was ¥35.1 billion, up ¥13.0 billion year-on-year. This represents progress of 28.6% toward our full-year forecast, marking a strong start to the fiscal year.

The primary drivers of this profit growth were an increase in gains on sales of aircraft and ships in the Transport segment, alongside strong performance from CSI in the Global Business segment.

Annualized ROE rose by 3.5 percentage points year-on-year to 12.3%, while the shareholders' equity ratio stood at 15.6%, up 0.1 percentage points from the end of the previous fiscal year.

Before moving into the details by segment, here is a brief overview of three macro factors (interest rates, inflation, and foreign exchange) as well as the impact of the situation in the Middle East.

Interest Rates
We assess that both yen and US dollar interest rates are moving within our initial expectations. While rising interest rates exert upward pressure on financing costs, we are properly mitigating interest rate risk based on appropriate asset liability management (ALM). The yen interest rate increased by approximately 30 basis points year-on-year, resulting in a ¥2.0 billion increase in financing costs, but we expect the impact on overall business performance to remain within our expectations.

Inflation
Inflation offers positive aspects for our business model. As the market value of our owned assets appreciates, we generate gains on sales that exceed our initial expectations at the time of investment. This demonstrates the strength of holding tangible assets and serves as a factor driving higher profitability and capital efficiency, as reflected in our Q1 results.

Foreign Exchange
Our full-year assumed exchange rate is set at ¥150/USD. However, the average rate during the Q1 period for our subsidiaries with December fiscal year-ends was approximately ¥157/USD, a depreciation of about ¥7, which provided an upside boost to net income.

Regarding FX sensitivity for our overseas subsidiaries, every ¥1 depreciation against the US dollar is estimated to increase annualized net income by approximately ¥400 million. Given recent movements toward a stronger yen, we will closely monitor future trends.

Situation in the Middle East
We observed no direct impact on our operations during the first quarter. We will continue to monitor indirect risks associated with a prolonged conflict, such as potential cost increases, demand slowdowns, and changes in customer credit conditions.

Results by Operating Segment

Results of Domestic Business

(Billions of yen)	FY2025 Q1	FY2026 Q1	YoY
Net income	6.9	8.1	1.2
NTT TC Leasing	1.4	2.4	1.0
Gains on sales & impairment losses [*1]	(0.1)	0.0	0.1
ROE [*2]	21.5%	24.6%	3.1 pts

*1 After-tax basis

*2 Estimated value

FY2026 Forecast	% Progress
25.3	32.1%

Ownership: 50%

	Mar. 31, 2026	Jun. 30, 2026	Change
Segment assets	1,307.7	1,290.6	(17.1)

Key Factors

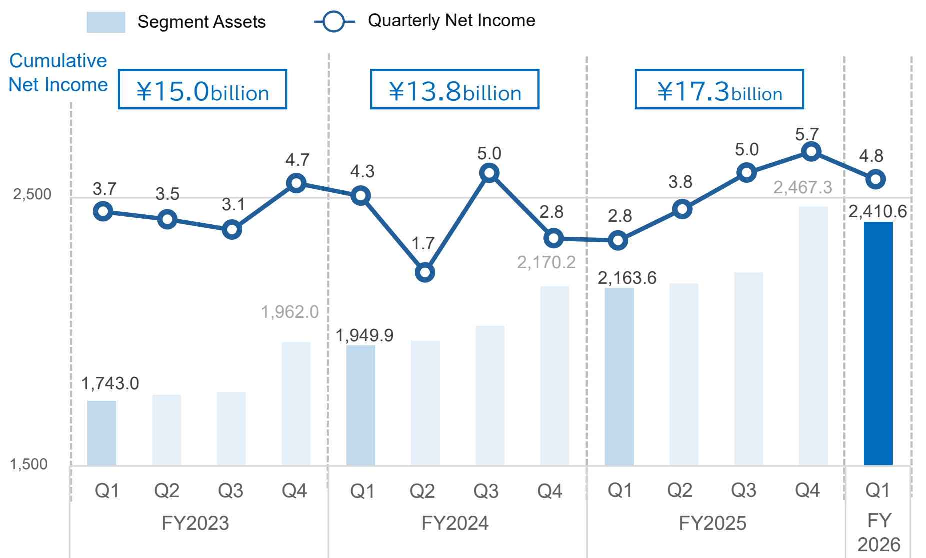
Net income increased; higher earnings from joint ventures with NTL and other partners.

Performance of NTL (TC's equity in earnings of NTL)

Net income increased, primarily driven by an increase in segment assets (up ¥1.0 billion YoY, incl. a ¥0.5 billion FX impact).

NTL Segment Asset Trends & Focus Areas

(Billions of yen)



Aim to build quality operating assets based on **three strategic pillars**

Expansion of Businesses Related to the NTT Group

- Expand collaborative business with the NTT Group and contribute to asset strategies
  ⇒Financing for overseas data centers, ITAD services, etc.

Expansion of Growth Areas

- Strengthen co-creation and collaboration with partners in environment, real estate, education, etc.
  ⇒Air conditioners for schools, public-private partnership projects, GIGA School initiative, etc.

Strengthening of Collaborative Leasing

- Explore new dealers and commercial products
  ⇒Collaboration with dealers referred by TC, deepening tie-ups with the NTT Group

Net income for the Domestic Business segment was ¥8.1 billion, up ¥1.2 billion year-on-year, representing progress of 32.1% toward our full-year forecast.

The primary driver of this profit growth was a ¥1.0 billion increase in earnings contributed by NTT TC Leasing. While ¥0.5 billion of this ¥1.0 billion increase was due to foreign exchange impact, we assess that the Company's underlying earnings power is steadily improving.

The charts at the bottom of the slide show the performance of NTT TC Leasing. The bar chart indicates the trend in segment assets, and the line chart shows the trend in net income.

The strong growth of NTT TC Leasing in recent years has been supported by the steady expansion of its segment assets. In particular, assets have increased at a rapid pace in our strategic areas, such as the NTT Group-related and public sector businesses. Compared to the end of Q1 FY2025 one year ago, segment assets increased significantly by approximately ¥250.0 billion.

Results of Global Business

(Billions of yen)	FY2025 Q1	FY2026 Q1	YoY	FY2026 Forecast	% Progress
Net income	3.6	5.0	1.4	26.5	18.7%
CSI	1.2	3.4	2.2		
Gains on sales & impairment losses *1	1.5	62.6%	(0.8)		
ROE *2	14.4%	23.5%	9.1 pts		

*1 After-tax basis

*2 Estimated value

	Mar. 31, 2026	Jun. 30, 2026	Change
Segment assets	926.1	955.4	29.4
CSI	505.0	528.0	23.0

Key Factors

Net income increased as CSI's solid performance and extraordinary income from settlement proceeds more than offset the absence of prior-year gains on sales.

Gains on Sales & Impairment Losses

FY2026:
- Extraordinary income (settlement proceeds received): ¥0.8 billion

FY2025:
- Gains on sales of operational investment securities: ¥1.5 billion

Business Portfolio Transformation

FY2026 Policy

✓ Enhance capital efficiency by **rationalizing existing locations and selling investment securities**.

Announcement in June 2026
Resolved to **dissolve and liquidate TC Asia** (a wholly-owned Singapore subsidiary established for investment and shareholding in Asia)

Future Outlook

✓ Realization of FX gains through location rationalization: Already factored into current FY plan

Net income for the Global Business segment was ¥5.0 billion, up ¥1.4 billion year-on-year, representing progress of 18.7% toward our full-year forecast.

The primary drivers of this profit growth were higher lease-end revenues, the acquisition of large-scale IT Asset Disposition (ITAD) deals, and the steady expansion of segment assets, all at CSI.

Recently, PC prices have continued to rise due to tight semiconductor supply driven by the surging demand for AI and data centers. As reflected in CSI's Q1 results, this trend has driven up replacement demand for used PCs and their transaction prices, while also leading to an increase in re-lease contracts. This creates a strong tailwind for CSI's earnings growth.

The progress for the Global Business segment in the first quarter was below the standard 25%. This is due to non-recurring gains scheduled for the second half, such as the foreign exchange gains associated with the liquidation of TC Asia announced in June. Therefore, we assess that performance is progressing steadily toward our full-year forecast.

Results of Social Infrastructure

(Billions of yen)	FY2025 Q1	FY2026 Q1	YoY	FY2026 Forecast	% Progress
Net income	2.4	3.3	0.9	18.9	17.4%
Real estate	1.8	2.3	0.5		
Environmental infrastructure	0.0	0.6	0.6		
Gains on sales & impairment losses *1	0.5	0.9	0.4		
ROE *2	3.1%	4.4%	1.3 pts		

*1 After-tax basis

*2 Estimated value

	Mar. 31, 2026	Jun. 30, 2026	Change
Segment assets	1,083.9	1,105.6	21.7
Real estate	859.0	878.1	19.2
Environmental infrastructure	225.0	227.5	2.6

Key Factors

Real Estate
Income increased, primarily driven by higher gains on sales

Environmental Infrastructure
Income increased, primarily driven by strong performance in overseas renewable energy operations

Gains on Sales & Impairment Losses

FY2026:
・Gains/losses on sales in real estate: ¥0.9 billion

FY2025:
・Gains/losses on sales in real estate: ¥0.5 billion

Initiatives for Functional and Geographic Expansion

Promoting Capital-Light Strategy & Partner Collaboration

✓ Enhanced hotel asset management (AM) capabilities through a capital and business alliance with Flat Collaboration

✓ Agreed to jointly acquire Crowne Plaza Changi Airport as the second strategic collaboration with OUE

Consolidating Business Foundations & Expertise in Focus Areas

✓ Consolidating expertise and personnel to strengthen operational structure in the data center business

Net income for the Social Infrastructure segment was ¥3.3 billion, up ¥0.9 billion year-on-year, representing progress of 17.4% toward our full-year forecast.

While higher gains on real estate sales and earnings contributed by overseas renewable energy projects drove profit growth, the progress remains below the standard level. This is due to further real estate sales gains scheduled for the second half.

Results of Transport

(Billions of yen)	FY2025 Q1	FY2026 Q1	YoY
Net income	3.5	12.2	8.7
Aviation	3.8	9.5	5.8
Shipping	0.0	2.9	2.8
Gains on sales & impairment losses [*1]	(0.0)	(0.4)	(0.4)

*1 After-tax basis

	FY2025 Q1	FY2026 Q1	YoY
ROE [*2]	4.6%	14.0%	9.4 pts

*2 Estimated value

FY2026 Forecast	% Progress
35.4	34.6%

	Mar. 31, 2026	Jun. 30, 2026	Change
Segment assets	2,248.7	2,348.7	100.0
Aviation	2,150.6	2,239.3	88.7
Shipping	97.1	108.5	11.3

Key Factors

Aviation
Income increased, primarily driven by higher gains on sales of aircraft at ACG and Tokyo Century amid strong market conditions

Shipping
Income increased, primarily driven by gains on sales of ships at equity-method affiliates

Gains on Sales & Impairment Losses

FY2026:
・Impairment losses on aircraft leasing assets: (¥0.5 billion)

Net income for the Transport segment was ¥12.2 billion, up ¥8.7 billion year-on-year, representing progress of 34.6% toward our full-year forecast.

In the aviation business, gains on sales of aircraft owned by both ACG and Tokyo Century increased, backed by a strong market environment. In the shipping business, gains on sales at equity-method affiliates lifted equity in earnings of affiliates.

Results of Mobility

(Billions of yen)	FY2025 Q1	FY2026 Q1	YoY	FY2026 Forecast	% Progress
Net income	6.5	7.4	0.9	20.6	35.8%
NCS	3.1	3.6	0.5	Ownership: 59.5%	
NRS	3.2	3.7	0.5	Ownership: 88.6%	
Others	0.2	0.1	(0.2)		
Gains on sales & impairment losses *1	0.1	0.4	0.4		
ROE *2	49.6%	51.6%	2.0 pts		

*1 After-tax basis

*2 Estimated value

	Mar. 31, 2026	Jun. 30, 2026	YoY
Segment assets	548.4	571.2	22.8
NCS	399.3	401.3	2.1
NRS	44.5	44.0	(0.5)
Other	104.7	125.9	21.3

Key Factors

NCS

Higher gains on vehicle sales and lease revenue absorbed cost increases (funding and SG&A costs), driving profit growth.

NRS

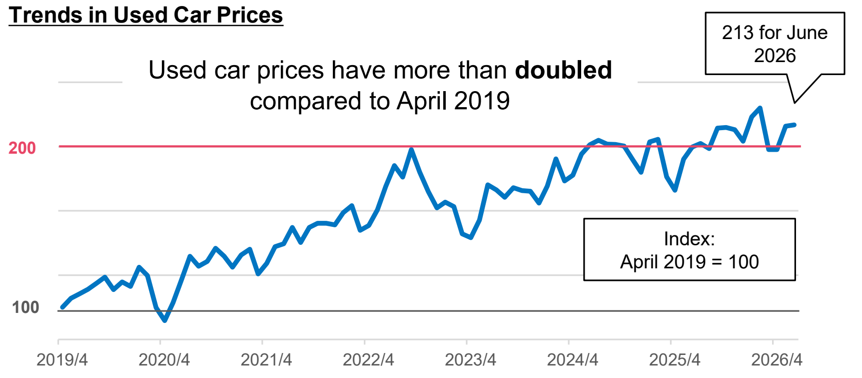
Achieved record-high Q1 profit, as strong inbound demand capture and higher gains on vehicle sales absorbed rising SG&A and other costs.

Gains on Sales & Impairment Losses

FY2026:

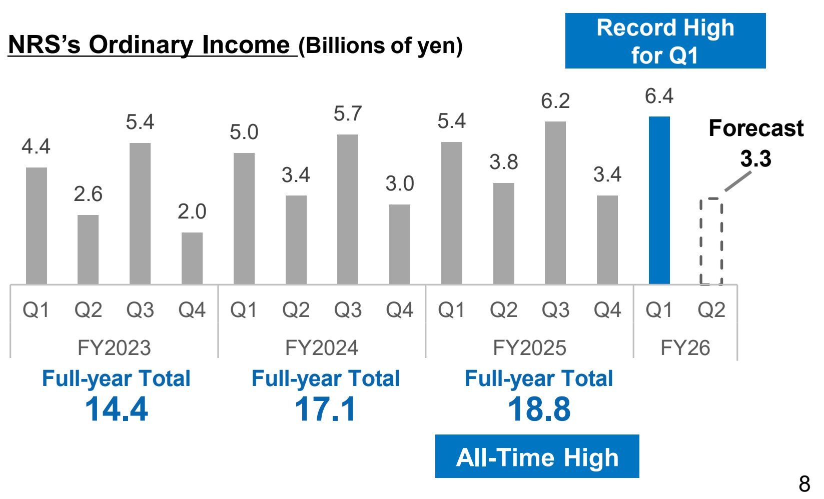
Gains on sales of investment securities etc.: ¥0.4 billion

Trends in Used Car Prices



Source: Created by Tokyo Century based on auction data (prices of vehicles sold) of USS, a leading used car auction provider in Japan

NRS's Ordinary Income (Billions of yen)



Net income for the Mobility segment was ¥7.4 billion, up ¥0.9 billion year-on-year, representing progress of 35.8% toward our full-year forecast.

Although both NRS and NCS experienced higher costs, including funding costs, this profit growth was achieved as lease and rental revenues covered these increases. In addition, vehicle sales gains rose, supported by the continued upward trend in the used car market.

Results of Corporate Investment

(Billions of yen)	FY2025 Q1	FY2026 Q1	YoY
Net income	1.6	1.4	(0.2)
Gains on sales & impairment losses [*1]	1.8	1.5	(0.3)
ROE [*2]	9.1%	5.9%	(3.2 pts)

FY2026 Forecast	% Progress
6.1	22.5%

*1 After-tax basis

*2 Estimated value

	Mar. 31, 2026	Jun. 30, 2026	YoY
Segment assets	92.0	91.9	(0.1)

Key Factors

Net income decreased due to lower capital gains

Gains on Sales & Impairment Losses

FY2026:

・Gains on sales of operational investment securities: ¥1.5 billion

FY2025:

・Gains on sales of operational investment securities: ¥1.8 billion

Collaboration with Advantage Partners (AP)

- Acquired additional shares in the AP Group in September 2025, making it an equity-method affiliate.
- Aim to expand the corporate investment business by further deepening collaboration while maintaining AP's independence.

Latest Developments at the AP Group

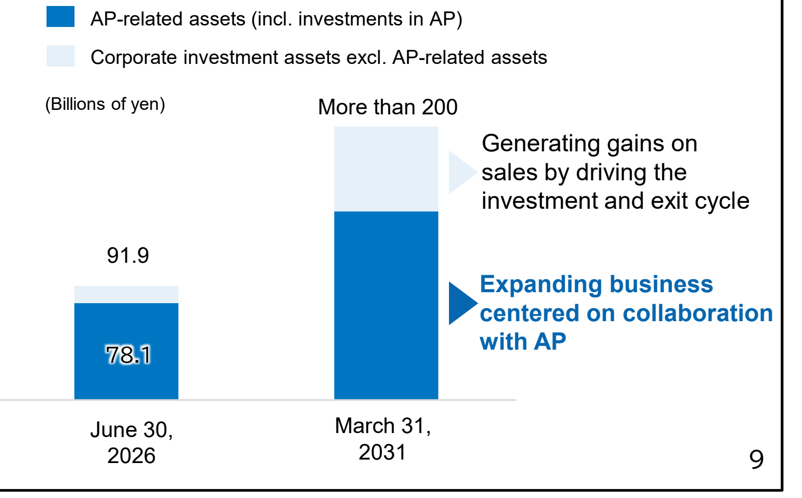
Full-Scale Entry into Real Estate Fund Business

In April 2026, the AP Group launched a full-scale real estate investment strategy—one of the largest among Japanese PE firms—leveraging strengths cultivated in PE buyouts. It plans to invest **¥500** billion over five years.

Launch of One of the Largest Buyout Funds in Japan

In May 2026, the AP Group established a **¥300** billion fund, one of the largest for a Japanese PE firm. It encourages corporate carve-outs of large enterprises and privatization of mid-sized companies, and also handles large-scale investments of several hundred billion yen per transaction.

Corporate Investment Segment Assets (Plan)



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Net income for the Corporate Investment segment was ¥1.4 billion, down ¥0.2 billion year-on-year, due to lower capital gains. This represents progress of 22.5% toward our full-year forecast. While performance appears slightly behind schedule, we expect to achieve our full-year forecast as this segment's results depend on the timing of divestments.

Here is a brief update on the initiatives at Advantage Partners (AP), an equity-method affiliate and major partner in our Corporate Investment segment. In April 2026, AP announced its plan to invest ¥500.0 billion in the real estate business over five years. In May 2026, it also announced the establishment of a ¥300.0 billion buyout fund. Our scenario is that equity in earnings of affiliates will grow in tandem with AP's earnings growth driven by the future expansion of its assets under management (AUM).

Please note that we plan to start incorporating equity in earnings from AP from the second quarter onward.

This concludes our presentation on financial results.

Topics

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

ITOCHU Corporation and Tokyo Century

The following is an explanation of the joint business initiative for Aviation Capital Group (ACG), a U.S. aircraft leasing company, with ITOCHU Corporation, which was announced on August 3. Please note that honorifics are omitted hereafter.

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
Impact on Consolidated Financial Results	**Estimated Impact on Net Income: Approx. ¥30 billion** ✓ As a result of the share transfer, net income attributable to owners of the parent is estimated to increase by approximately ¥30 billion. However, the timing and amount of profit recognition are subject to change depending on factors such as the progress of clearance and approval procedures under competition laws in relevant countries and foreign exchange fluctuations.

We have reached a basic agreement to transition Aviation Capital Group (ACG), currently a wholly owned subsidiary of Tokyo Century, into a joint venture with ITOCHU Corporation, with each party holding a 50% equity stake. We view this transaction as an extremely important strategic initiative that will simultaneously enable ACG to take a leap forward toward becoming a global leader, while realizing the business portfolio transformation set forth in our Medium-Term Management Plan 2030.

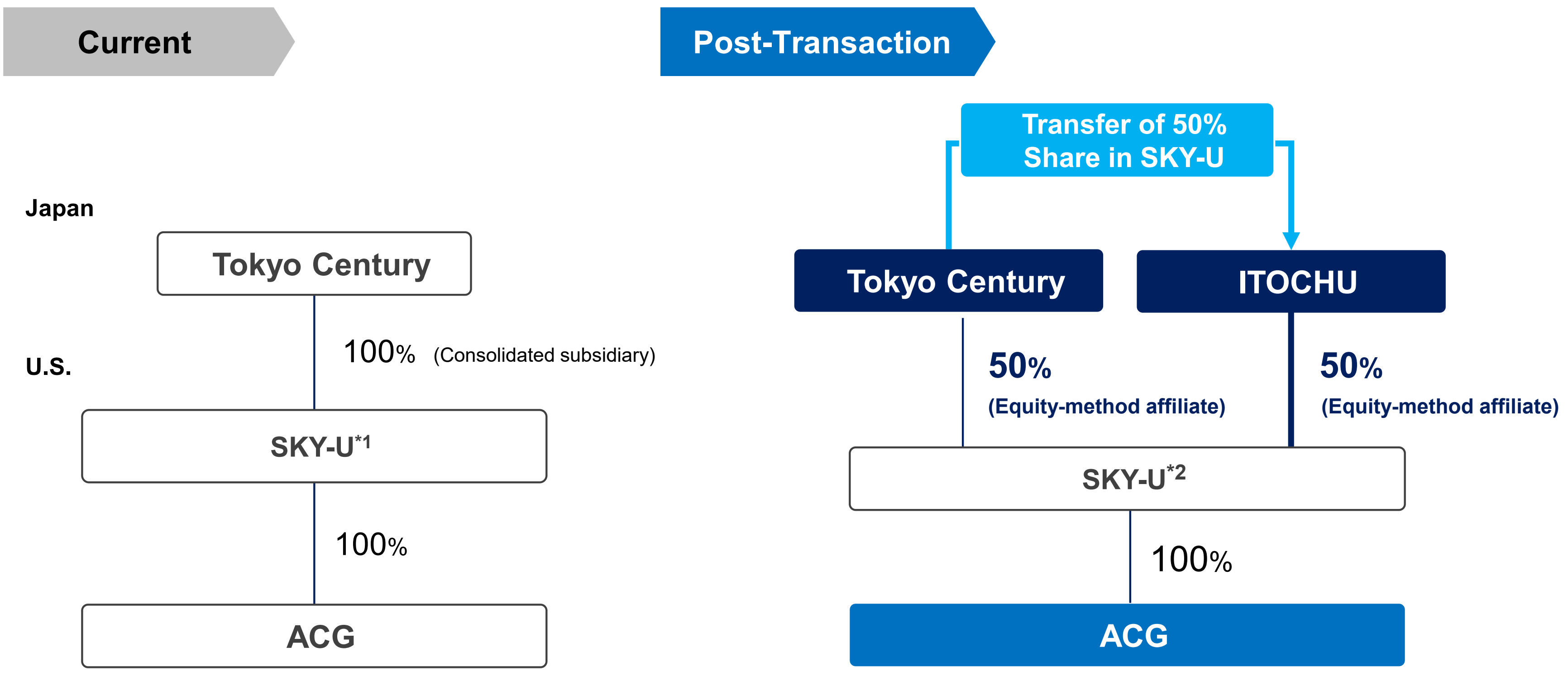
There are two main objectives behind this transaction. The first is scaling up. In the aircraft leasing industry, where consolidation is accelerating and larger scale is increasingly required, expanding ACG's asset size on a standalone basis presented certain constraints. By welcoming ITOCHU Corporation's participation, we will further strengthen ACG's management and financial foundations and pursue growth through agile scale expansion.

The second is generating synergies across the value chain. By combining the various functions within the aviation value chain held by ACG and both parent company groups, we will generate multifaceted synergies, aiming to enhance ACG's presence and further improve its profitability.

In addition, as ACG becomes an equity-method affiliate, the transaction is expected to have an impact of approximately ¥30.0 billion on net income. However, this impact has not been factored into our current earnings forecast due to high uncertainties regarding the timing and amount of profit recognition, including the progress of regulatory approvals under competition laws in relevant countries and foreign exchange fluctuations. Should it become necessary to disclose updates, such as the specific impact on net income or revisions to our financial forecast, we will promptly announce them.

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..

This slide outlines the overview and structure of the share transfer.

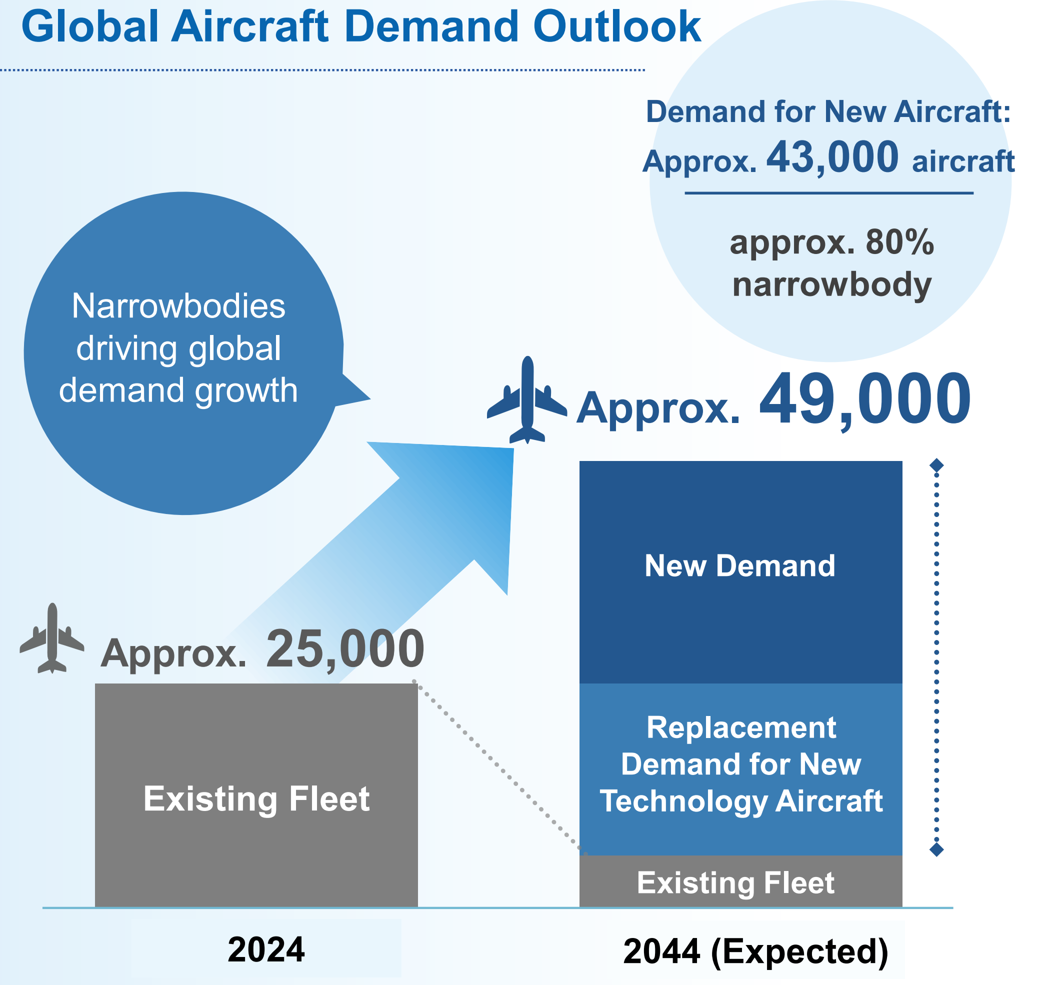
Currently, we hold an equity interest in ACG through TC Skyward Aviation U.S., Inc., a wholly-owned intermediate holding company. Under this transaction, we will transfer a 50% stake in this intermediate holding company to ITOCHU Corporation. As a result, ACG will become an equity-method affiliate for both companies. The closing is scheduled for November 2026, subject to regulatory approvals and other necessary conditions in each jurisdiction.

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



Source: Airbus (released in October 2025)

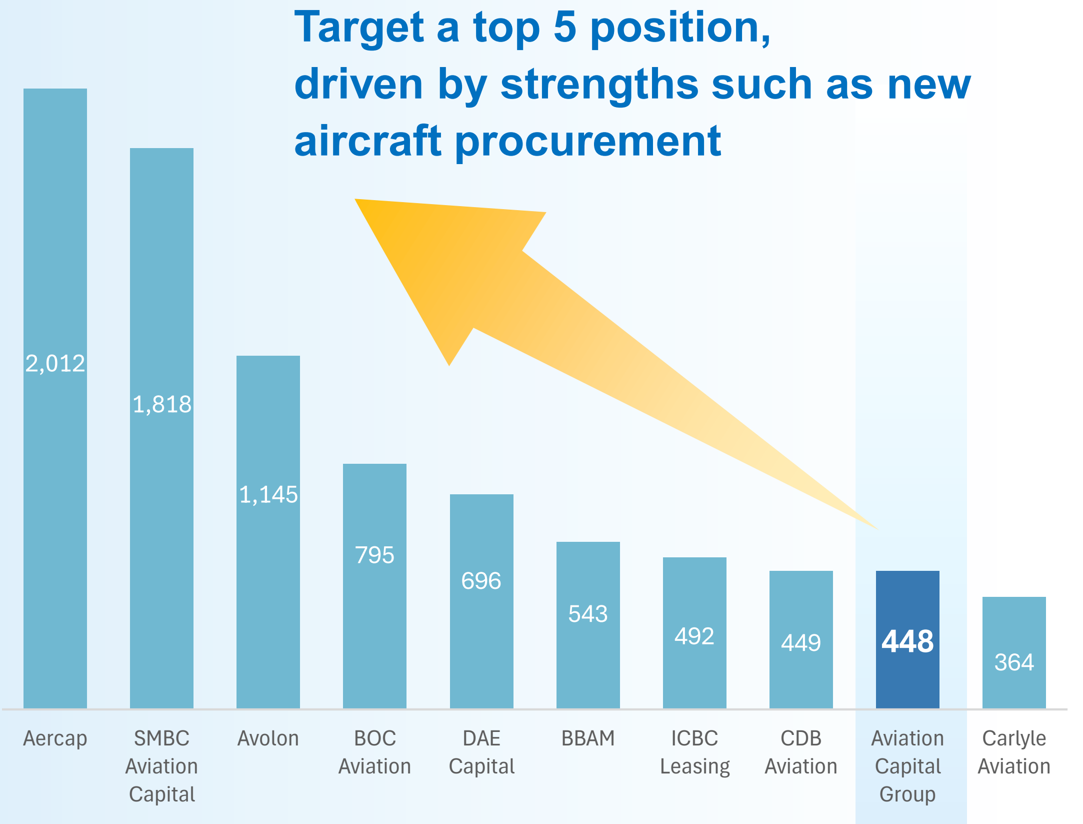
This section presents an overview of the aviation market outlook.

Global air passenger traffic is projected to grow at an average annual rate of 3.8% through FY2044, driven primarily by Asia and Africa, with the world's aircraft fleet expected to nearly double over the next 20 years. Notably, narrowbody aircraft—ACG's primary product—are forecast to account for roughly 80% of the approximately 43,000 new aircraft needed. Narrowbodies already represent about 80% of ACG's portfolio on a book-value basis. ACG's existing orderbook for new deliveries serves as a key strategic strength to reliably capture this future demand.

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)



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"

This section covers the competitive environment of the aircraft leasing business.

The aircraft leasing industry is undergoing accelerated consolidation through a series of large-scale M&As among major players. While ACG ranks among the top 10 as a leading player, a scale gap remains between ACG and the top 5.

Expanding scale provides significant advantages across all areas—including greater bargaining power with airlines, stronger funding capabilities backed by a solid financial base, access to manufacturer orderbooks, risk mitigation through geographical, customer, and fleet diversification, as well as enhanced cost competitiveness driven by fleet management and operational efficiency.

To elevate ACG into the top 5, scaling up is essential. However, ACG's assets already account for over 30% of our segment assets. From the perspective of capital efficiency and risk tolerance, further accumulating assets within ACG has become increasingly challenging.

To simultaneously address these dual challenges of scaling necessity and portfolio concentration—while driving growth for both Tokyo Century and ACG—we determined that transitioning into a joint venture with ITOCHU Corporation is the optimal path forward.

This deal aligns the strategic needs of both companies: Tokyo Century, seeking a co-partner to drive ACG's next stage of growth, and ITOCHU Corporation, aiming to strengthen its aviation business. It represents an ideal framework and agreement for both parties.

This section describes the direction of our collaboration for ACG's further growth.

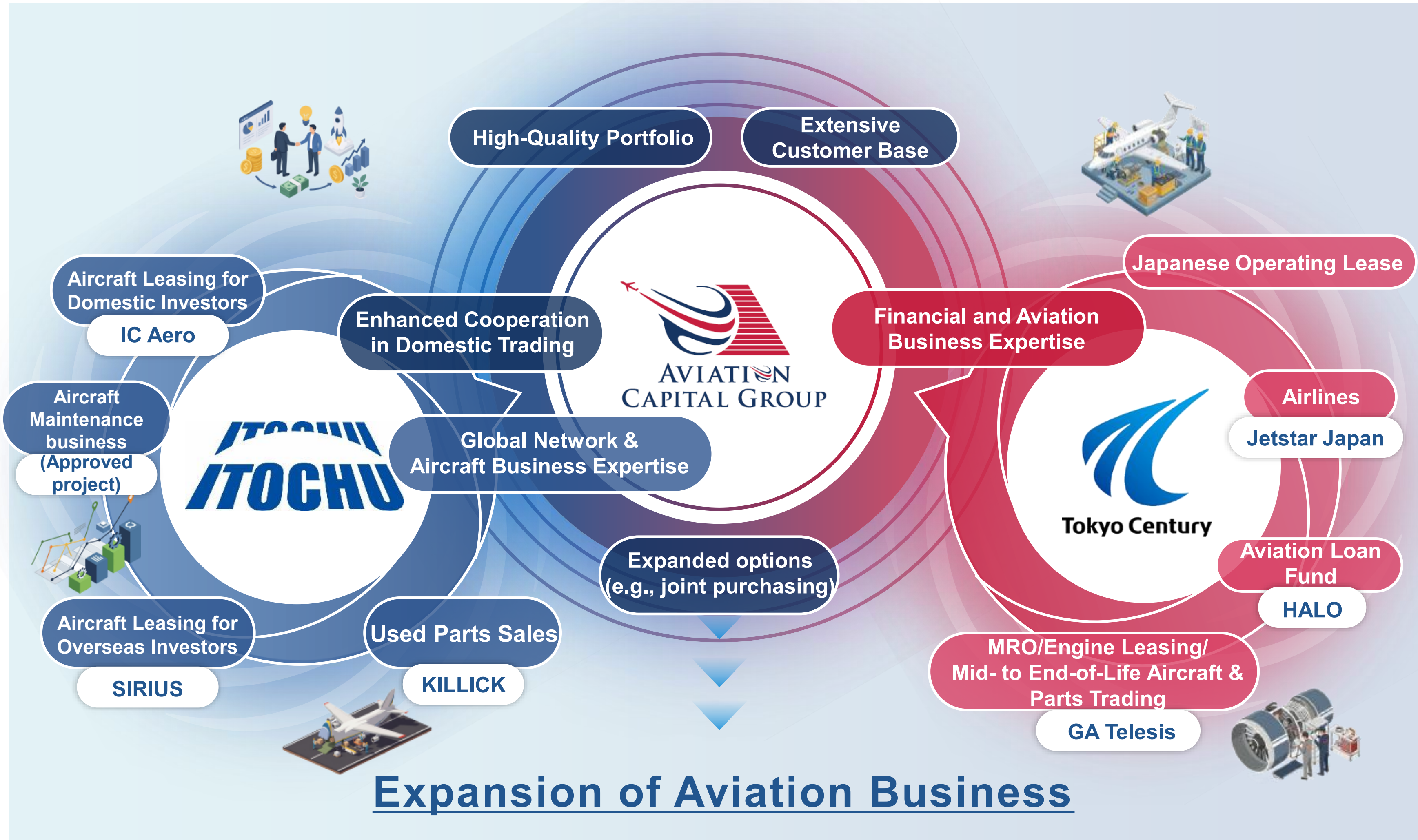
Under a 50:50 equal partnership, the participation of ITOCHU Corporation will significantly strengthen ACG's growth platform, supporting its scale expansion.

In the recent aviation market, airlines and manufacturers increasingly prioritize business partners capable of executing large-lot transactions. Partnering with ITOCHU Corporation—which possesses a robust financial foundation—will enhance ACG's balance sheet strength, drive potential credit rating upgrades, and expand its debt capacity, thereby positioning ACG to capture these large-scale transaction opportunities.

Our concrete approach to expanding scale involves building on ACG's core strength—its manufacturer orderbooks—while capturing favorable opportunities in the market, such as large-scale portfolio acquisitions in the secondary market. By combining asset acquisitions and sales, we aim to steadily build segment assets with a net increase of approximately US$1.0 billion annually.

Collaboration & Synergies Across the Aviation Value Chain

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



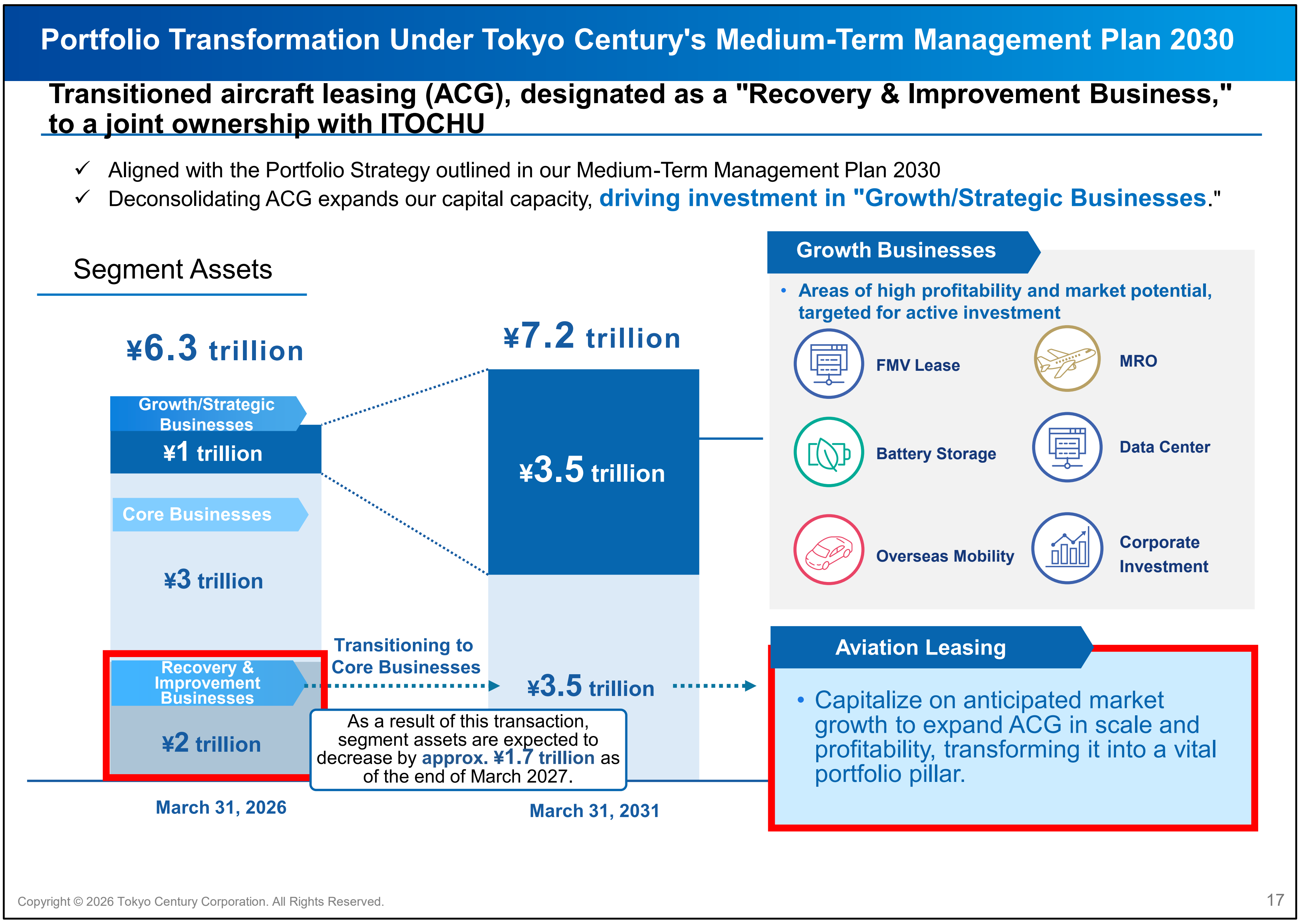
This section focuses on collaboration and synergies across the aviation value chain.

This collaboration extends beyond driving ACG's growth. It will also further expand the entire aviation business that our Group has built over many years, enhancing its value chain. Building on our expertise in this business anchored by aviation finance, we have steadily broadened our functions across the aviation value chain. This ranges from structuring and offering investment products such as Japanese Operating Leases (JOLs), to investing in GA Telesis, which engages in MRO and trading of used aircraft and parts, and ultimately making ACG a wholly owned subsidiary.

Through this joint venture with ITOCHU Corporation, we aim to generate new synergies by combining the strengths of both companies, including strengthening aircraft trading and enhancing competitiveness through joint procurement.

While our share of ACG's earnings will temporarily decrease due to the halving of our equity stake, we expect it to recover to current levels by the final year of our Medium-Term Management Plan, driven by ACG's future growth. Furthermore, we aim to achieve a net income of approximately ¥40.0 billion across our entire aviation business by FY2030, supported by the strengthening of our MRO business through GA Telesis.

Looking further into the medium to long term, we will also focus on expanding capital-light fee businesses, such as asset and fund management, thereby continuing to elevate our earnings foundation.



This slide outlines the strategic positioning of this transaction.

This transaction represents a crucial milestone in achieving our "Portfolio Transformation," a key initiative under our Medium-Term Management Plan 2030. The chart on the left side of the slide shows the breakdown of our segment assets as of the end of March 2026. ACG was previously included in the "Recovery & Improvement Businesses" (businesses seeking profitability improvement or recovery) segment of approximately 2 trillion yen as outlined in the red box. With ACG becoming an equity-method affiliate, this figure is expected to decrease by approximately 1.7 trillion yen to around ¥300.0 billion.

Although the proportion of the aircraft leasing business on our balance sheet will decrease relatively, we will continue to view the aviation business centered on ACG as one of our most vital core businesses, aiming for long-term growth.

Furthermore, the approximately 1.7 trillion yen freed up from our balance sheet will be dynamically reallocated toward "Growth and Strategic Businesses," such as FMV leasing, MRO, and data center businesses, as shown on the slide, where high growth and strong returns are expected.

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.

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