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

ITOCHU Corporation and Tokyo Century

August 3, 2026

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

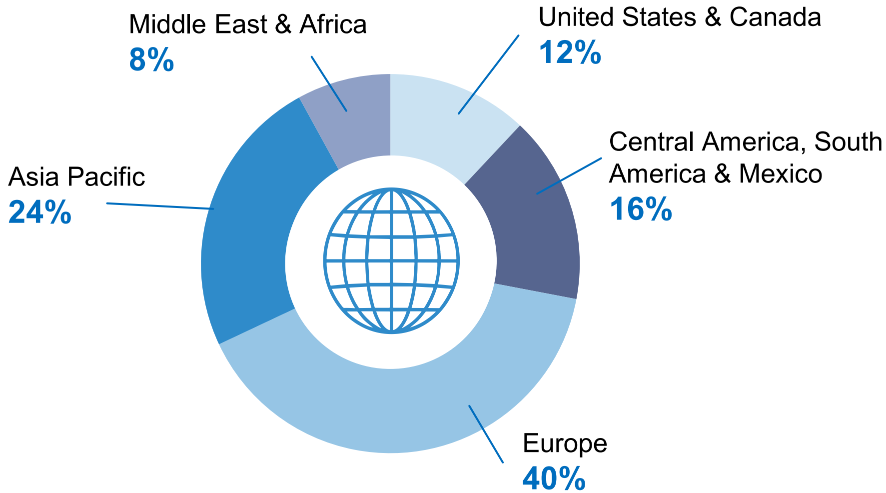
Overview of Aviation Capital Group (ACG)

✓ **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

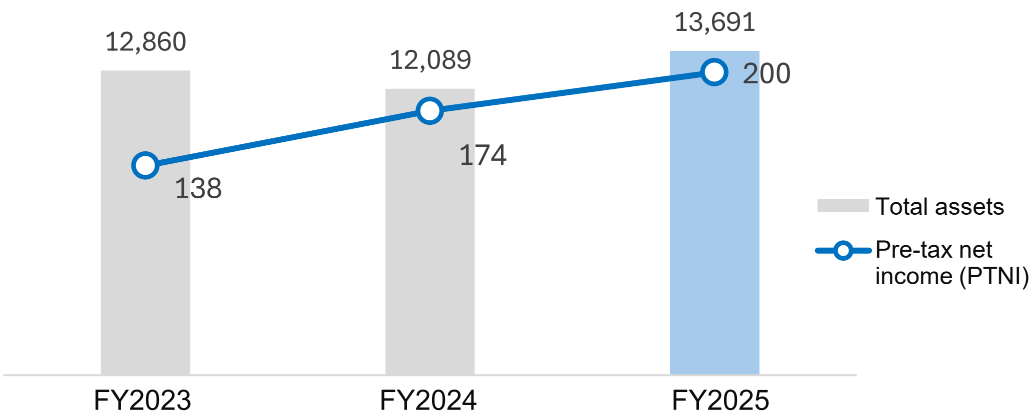
Narrowbody (% of NBV): **84** % (94% by count)

■ **Narrowbody**

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

Financial Performance Trends

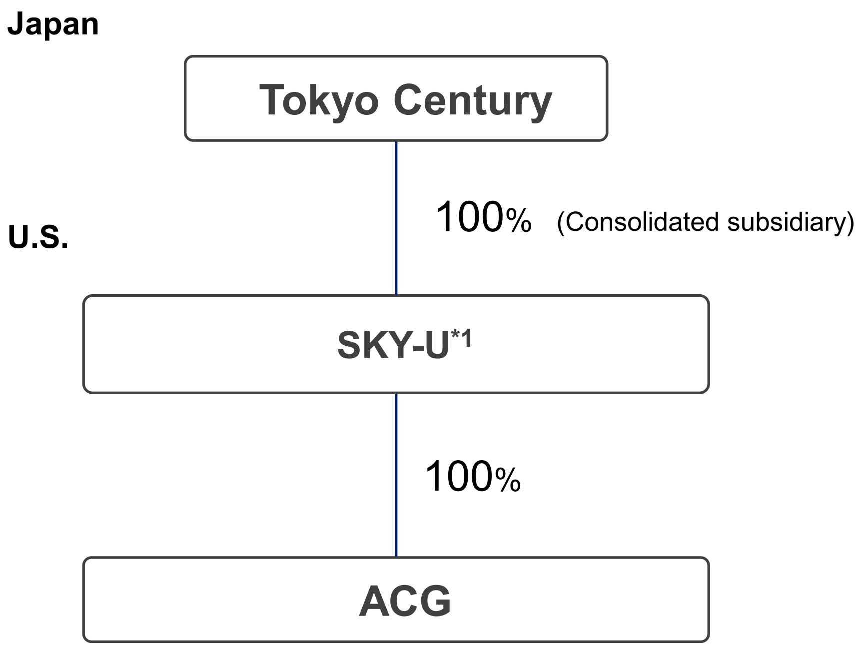
(USD million)



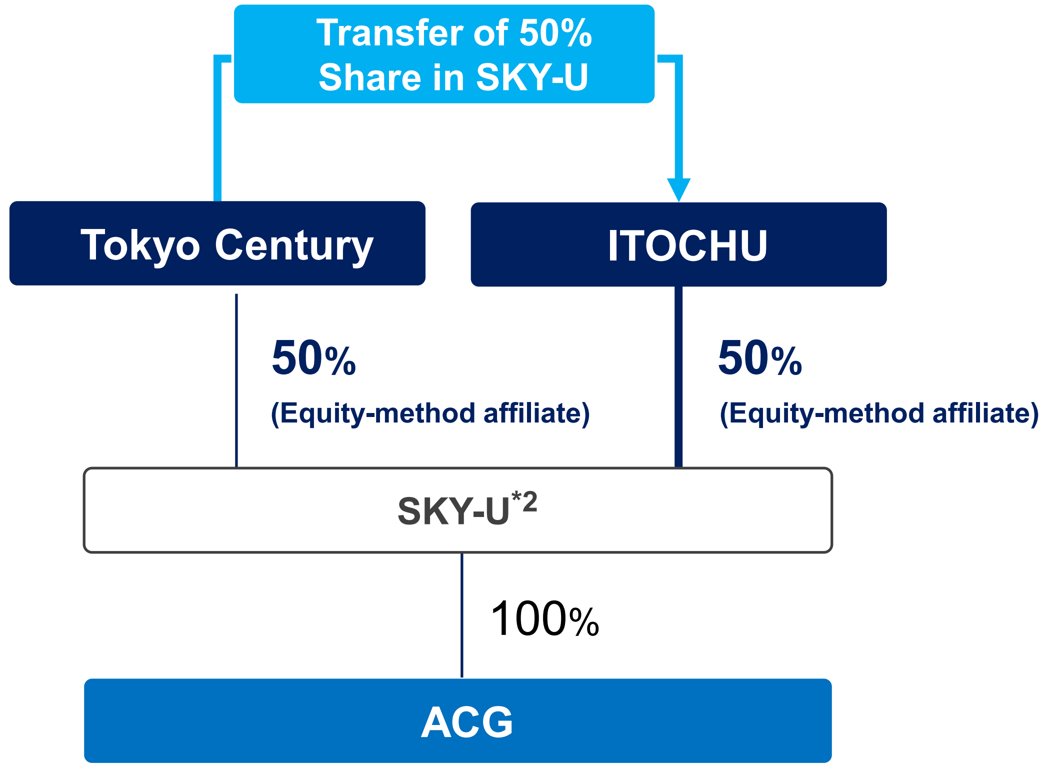
Overview of the Share Transfer

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

Current



Post-Transaction



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

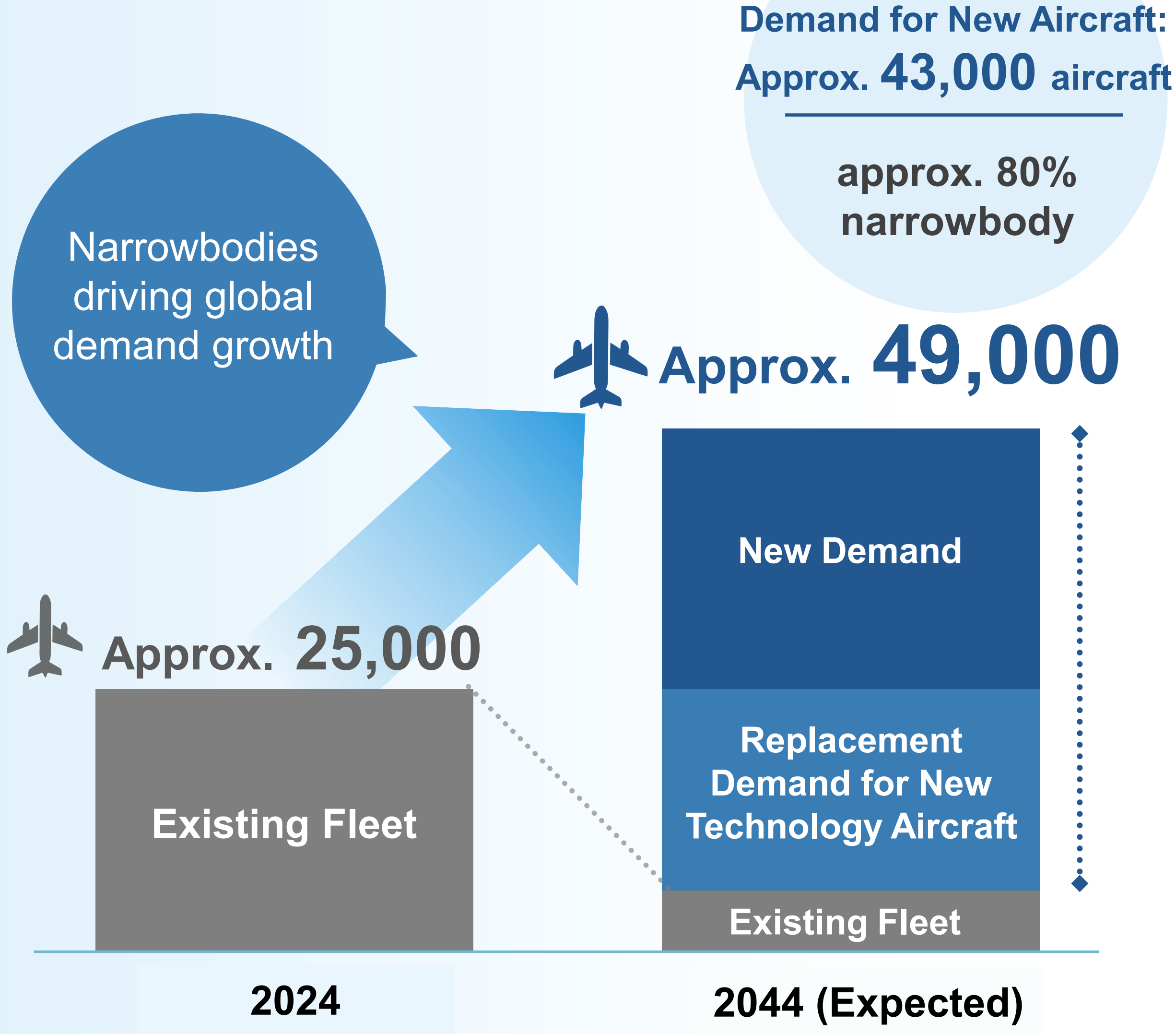
Growing aviation demand is projected to drive further expansion of the aircraft leasing market.

- 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



Source: Airbus (released in October 2025)

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"

Value Co-Creation for ACG's Accelerated Growth

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

Joint Management

ITOCHU

Value Delivered to ACG

- Robust financial foundation
- Global network
- Business origination
- Expansion into peripheral businesses

Aviation Capital Group

- Further strengthen ACG's management and financial foundation.
- Enhance competitiveness via expanded options (e.g., joint aircraft acquisition).
- Enhance profitability and asset efficiency through synergies.

Expand ACG's Scale to Target a Top-Tier Industry Position

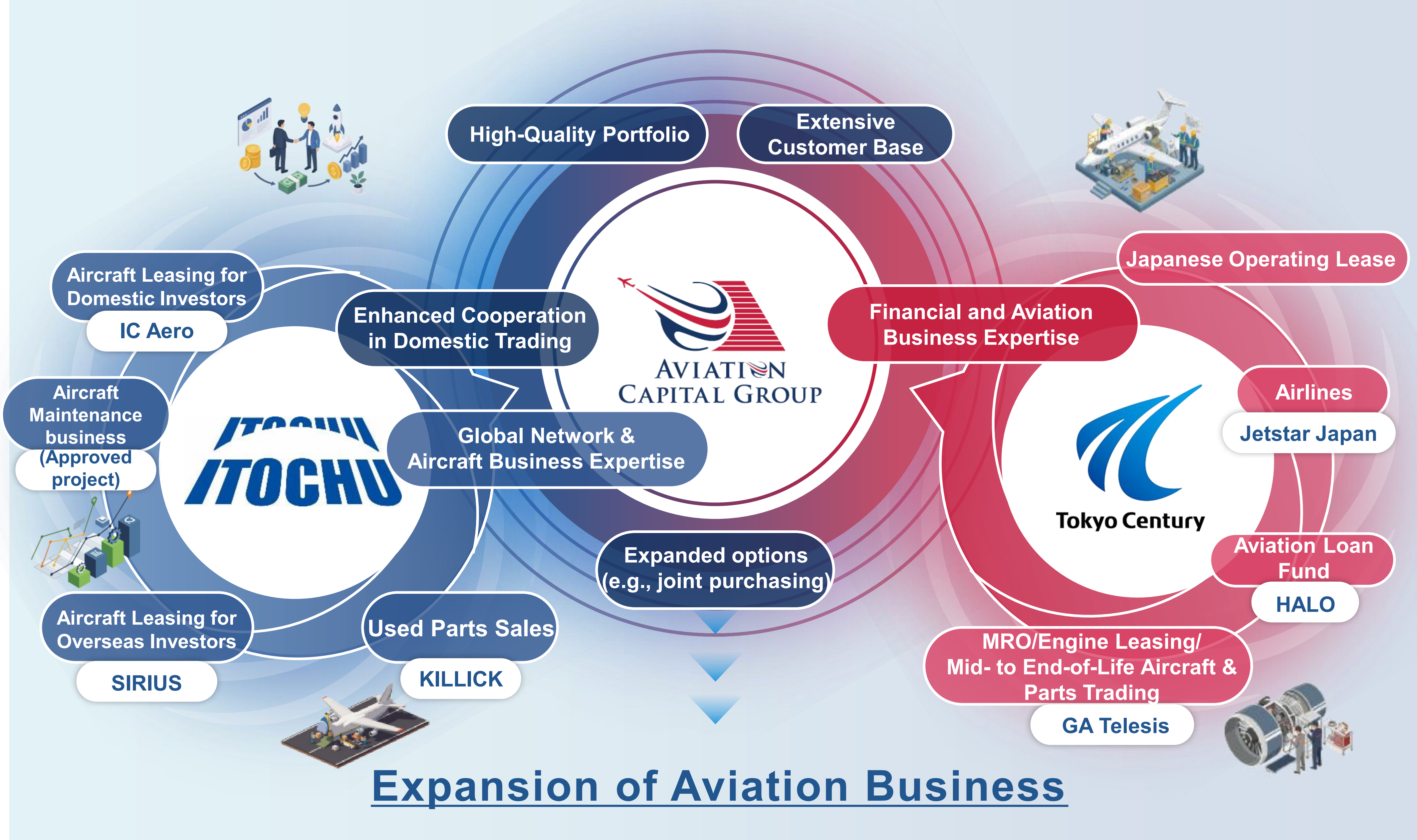
Tokyo Century

Value Delivered to ACG

- Asset value insight
- Risk management framework
- Financial expertise
- Aviation value chain

Collaboration & Synergies Across the Aviation Value Chain

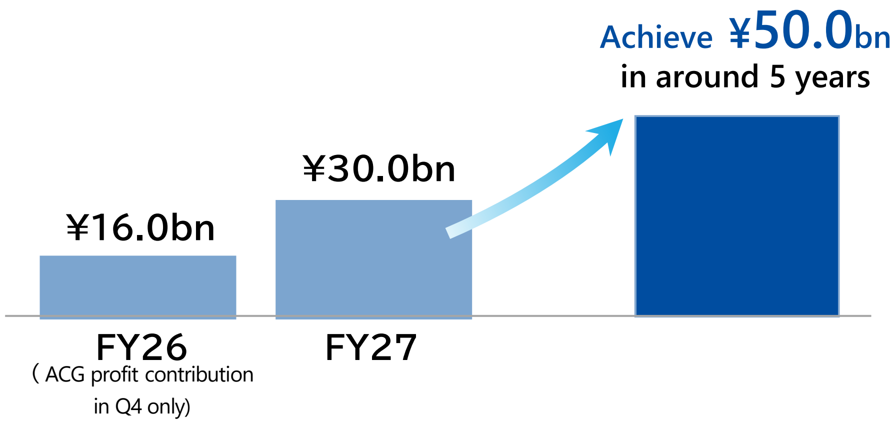
Further enhance ACG's presence by leveraging both shareholders' aviation value chains.



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)



Acquire ACG as a new earnings pillar and establish it as a core business in this domain, driving growth across adjacent businesses

ACG as an "Aircraft Asset Platform": expanding the value chain

Aircraft sales

- ICAERO: Aircraft asset management For domestic investors
- SIRIUS AVIATION CAPITAL: Aircraft asset management For overseas investors

Trade expansion

a top-tier global aircraft leasing company

AVIATION CAPITAL GROUP

Strength in new aircraft procurement

Expansion of business opportunities

Aftermarket

- KILLICK AEROSPACE: Aircraft part-out, parts sales, engine leasing, etc.
- Approved investment: Aircraft maintenance business

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

¥6.3 trillion (March 31, 2026)

- Growth/Strategic Businesses: **¥1 trillion**
- Core Businesses: **¥3 trillion**
- Recovery & Improvement Businesses: **¥2 trillion**

Transitioning to Core Businesses

As a result of this transaction, segment assets are expected to decrease by **approx. ¥1.7 trillion** as of the end of March 2027.

¥7.2 trillion (March 31, 2031)

- **¥3.5 trillion**
- **¥3.5 trillion**

March 31, 2026

March 31, 2031

Growth Businesses

- **Areas of high profitability and market potential, targeted for active investment**

FMV Lease

MRO

Battery Storage

Data Center

Overseas Mobility

Corporate Investment

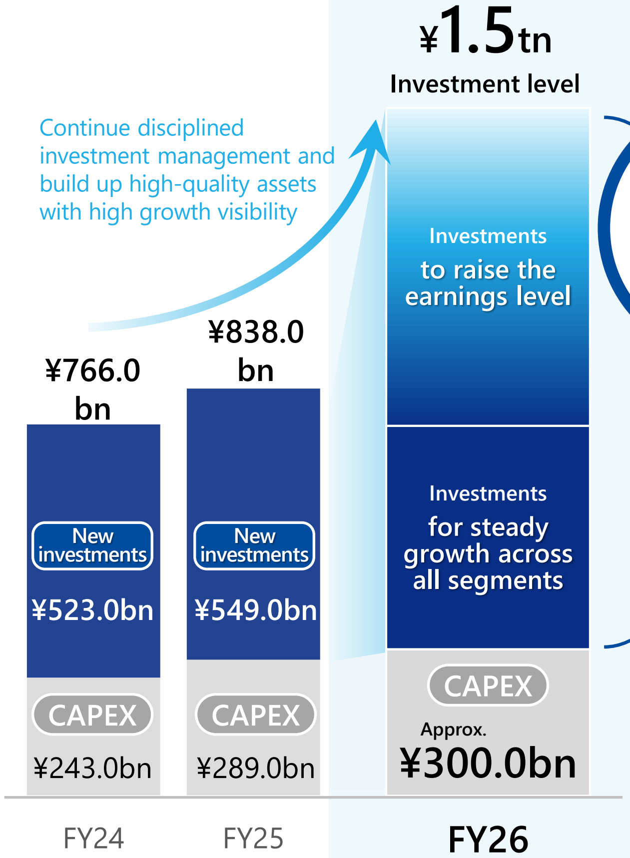
Aviation Leasing

- Capitalize on anticipated market growth to expand ACG in scale and profitability, transforming it into a vital portfolio pillar.

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



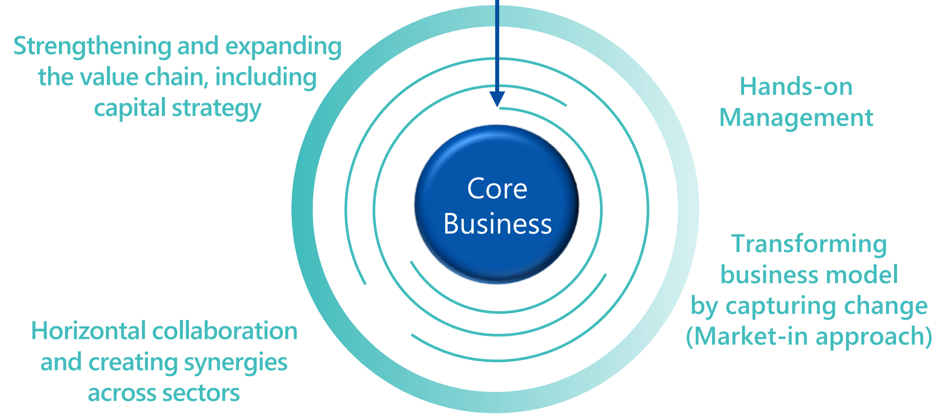
New investments ¥1.2tn × ROI over 8% (cost of capital)

Building up ¥100.0bn core profits

(Ref) Return in Non-Resource[*1]			
FY25 Profit contribution	¥220.0 bn	=	ROI 10%
FY15-23 Investment amount	¥2.28 tn		

Key areas for investments to raise the earnings level

Consumer-related	Basic Industry-related	Resource
Retail, Food, Real Estate, Finance, ICT	Power, Mobility	Build up high-quality interests



Achieve high ROI through ITOCHU's unique value creation

(*1) 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.