

For Reference Only

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## Conclusion of Sustainability-Linked Japanese Operating Lease Agreement with Air France

Tokyo Century Corporation, in collaboration with a major European financial institution, has structured and executed a Japanese operating lease agreement (“the lease”), incorporating sustainability values into equity financing and a loan, for Airbus A350-900 aircraft to be introduced by Société Air France (Air France, head office: Paris, France), a major European airline.

Having identified its contributions to a decarbonized society as its SDG-related materiality, Tokyo Century Corporation is expanding its use of clean energy by arranging and providing environmentally sound financial services. Air France, as a party to the lease, has also launched its Air France ACT program, which sets out its strategy for reducing CO<sub>2</sub> emissions toward achieving net-zero emissions by 2050. Tokyo Century believes that the two companies are united in their commitment to realizing a decarbonized society.

In this context, it concluded the lease, which incorporates sustainability values into equity financing and a loan, requiring lower lease payments in accordance with the degree of achieving KPIs for CO<sub>2</sub> emissions reductions that were determined through discussions with Air France. This financial service will contribute to climate change measures being undertaken by airline companies, as reduced CO<sub>2</sub> emissions will also lead to lower lease payments.

Since structuring and executing its first Japanese operating lease in 1988, Tokyo Century has established a track record as one of the leading players in Japan, with a cumulative total of 200 leases and over 450 billion yen in underwritten equity. It is confident that the expertise on environmentally sound finance and services gained through the structuring and execution of the agreement will enable the Company to further expand its Japanese operating lease business.

Tokyo Century will continue to contribute to the realization of a decarbonized and sustainable society by proactively arranging and providing high value-added financial services that help decarbonize the aviation industry.

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