

February 22th, 2016
Sojitz Corporation

Sojitz Expands Aircraft Leasing Business
- Bolstering Aircraft Business through Proposed Joint Venture with
Leading Aircraft Maintenance Company -

Sojitz Corporation (“Sojitz”) has reached an agreement with Singapore Technologies Aerospace Ltd. (“ST Aerospace”) for the acquisition of 50% stock (approx. ¥1.2 billion) in Keystone Holdings (Global) Pte. Ltd. (“Keystone”), an aircraft leasing company under ST Aerospace. With this acquisition, we aim to reinforce our aircraft business.

As one of the world’s largest aircraft maintenance companies, Singapore-based ST Aerospace provides airframe, engine, and parts maintenance to a wide variety of airlines. Sojitz will combine their many years of experience in the aircraft industry with ST Aerospace’s expertise in airframe repair, inspection, and maintenance to develop Keystone together, and further expand the business. By offering leases for airframes and performing necessary maintenance to ensure they retain their asset value and marketing the business to potential customers, Sojitz and ST Aerospace will maximize economic efficiency for airframe and parts buyback.

The aircraft market has exhibited healthy growth in recent years due to the increase in passengers and the spread of LCCs alongside higher incomes in emerging countries. In the next 20 years, it is forecasted that the number of planes servicing flights around the world will double. At the same time, competition between airlines is growing fiercer, and experts predict increased demand for mid-to-end life aircraft due to their lower cost. This will consequently generate demand for leased aircraft, in light of their operational efficiency.

Sojitz hopes to capture aircraft demand around the world through our joint venture with ST Aerospace, and in the future, establish a foundation for stable earnings within the aircraft industry by expanding the business beyond leasing

and aircraft sales to include part-out* and private jet-related businesses. In this way, Sojitz will contribute to the development of Asia's aircraft industry.

*Disassembling decommissioned aircraft and storing usable parts for sale

Related Information:

Singapore Technologies Aerospace, Ltd. – Company Overview

Established:	1975
Total Capitalization:	\$745 million (as of December 31 st , 2014)
Head Office:	Singapore
Main Business:	Maintenance of aircraft, engines, and parts
Ownership:	Singapore Technologies Engineering Ltd (100%)

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