

September 3, 2025

Major Investment Project Briefing

Acquisition of Air Lease Corporation

- Sumitomo Corporation-invested aircraft leasing companies collectively rank among the world's largest by fleet size -

Sumitomo Corporation

Contents

01

Alignment with Mid-Term Management Plan 2026

02

Commercial Aviation SBU Strategy and Profit Plan

03

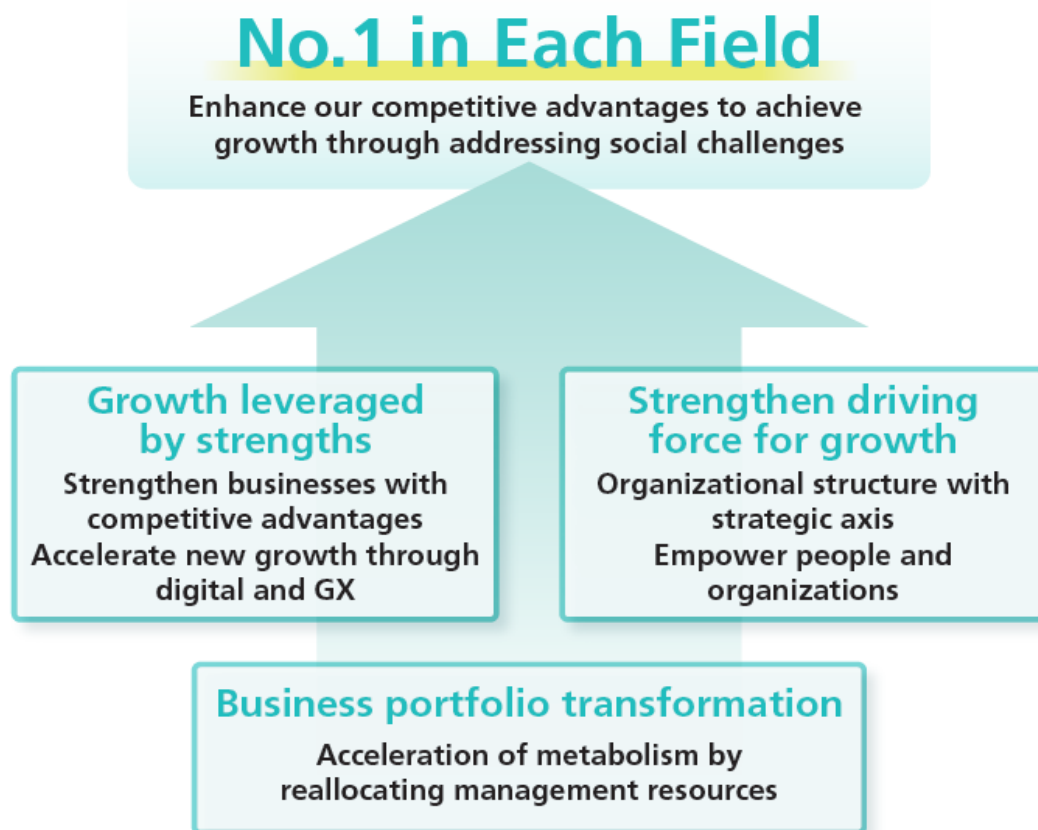
Summery of Acquisition

04

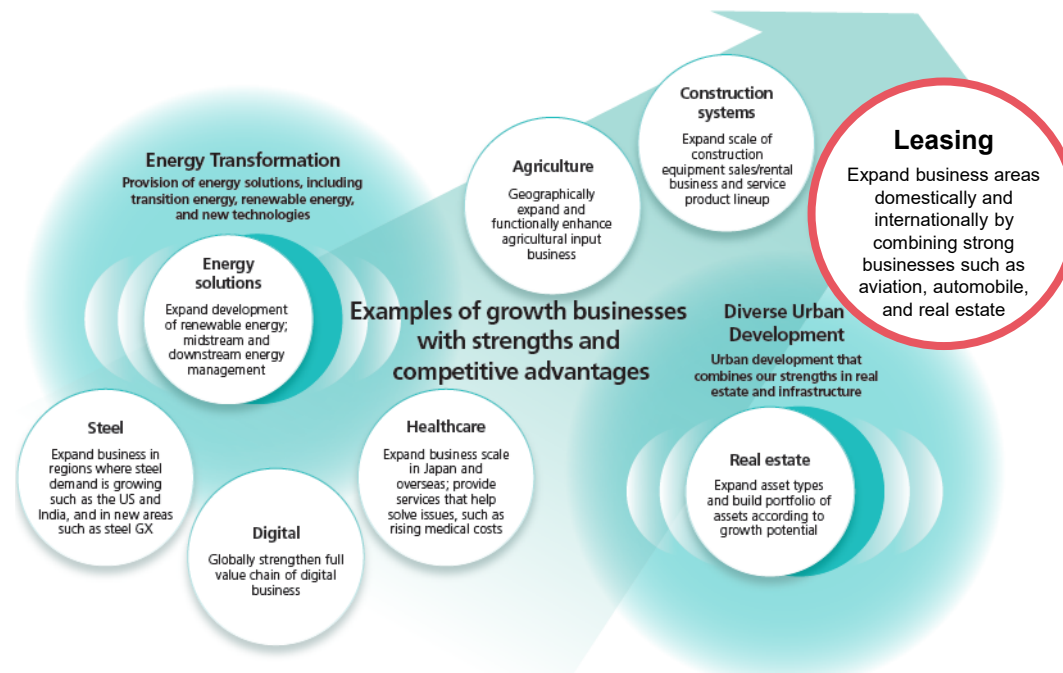
Appendix

Alignment with Mid-Term Management Plan 2026

This transaction represents a strategic investment in the aircraft leasing business, fully aligned with the “Growth leveraged by strengths” theme outlined in Sumitomo Corporation (SC)’s Mid-Term Management Plan 2026. It also enhances competitiveness in the leasing sector—one of the company’s 8 designated growth areas—and strengthens the foundation for stable earnings.



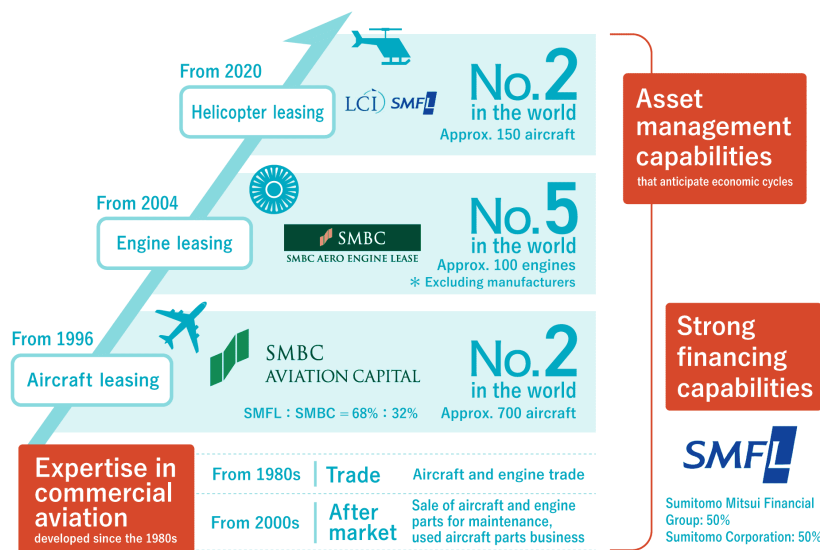
■ Growth Leveraged by Strengths



Commercial Aviation SBU Strategy and Core Capabilities

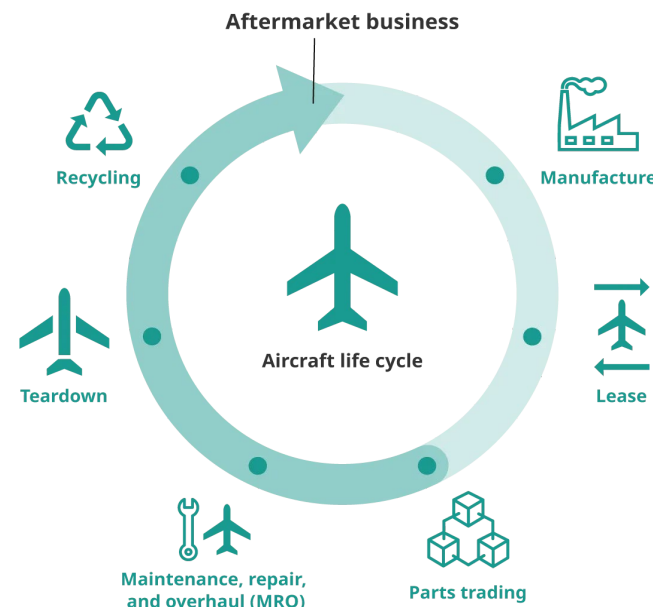
Commercial Aviation SBU has established a leading position domestically, centered on aircraft, engine, and helicopter leasing operations. We aim to become the industry leader by operating one of the world's premier leasing businesses, centered on SMBC AC, while promoting an asset rotation model and contributing to the circular economy.

SBU Core Capabilities



- ✓ SMBC AC's presence as the world's second-largest operator in terms of owned and managed aircraft.
- ✓ Highly liquid portfolio centered on young, new-tech aircraft.
- ✓ Proactive asset replacement through "Buy & Sell" strategy.
- ✓ Expansion of management business through collaboration with institutional investors.

Contributing to the Development of a Circular Economy



- ✓ Advancement of an asset rotation model in aircraft, engine, and helicopter leasing operations.
- ✓ Promotion of parts and material reuse from retired equipment.
- ✓ Entry into the parts-out business through the acquisition of Werner Aero.
- ✓ Reduction of environmental impact through the introduction of next-generation aircraft

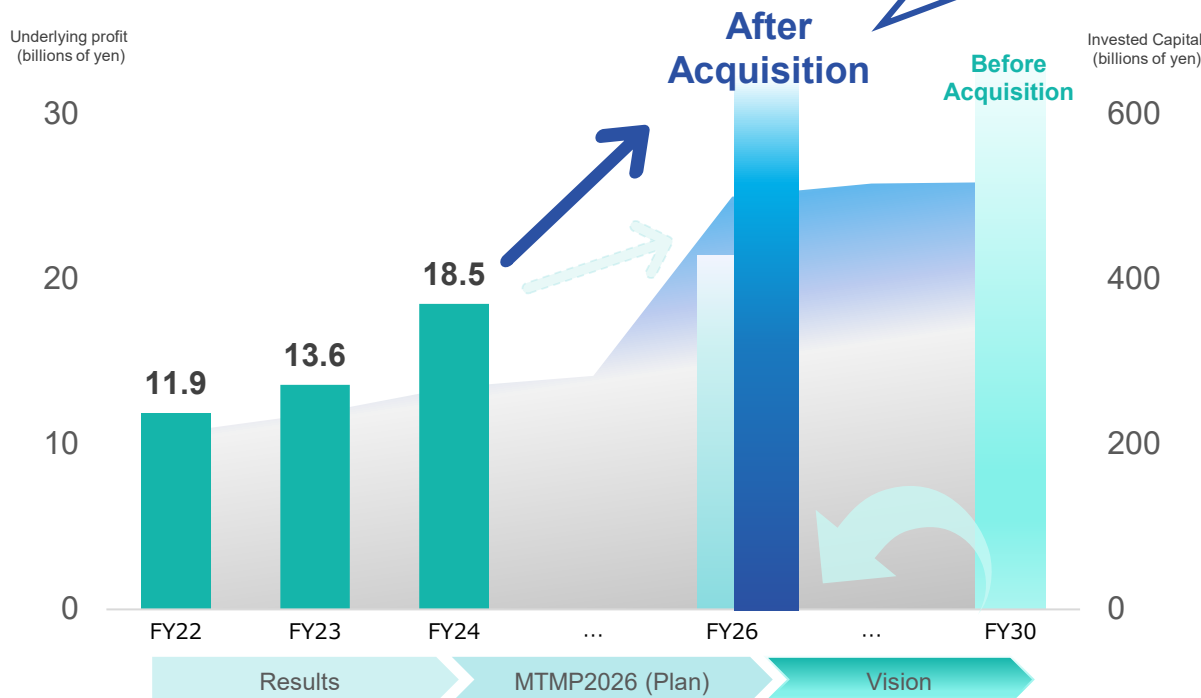
Commercial Aviation SBU Profit Plan

Strengthening the competitive advantage of the Commercial Aviation SBU through a portfolio centered on new type aircraft and securing prime manufacturer order slots. Achieving sustainable profit growth by minimizing balance sheet burdens through deconsolidation.

■ Profit Plan

- ✓ Strengthening the revenue base through rapid expansion of managed aircraft
- ✓ Accelerating revenue generation through gains from selling existing equipment and reinvestment

JPY30bn
Achieved ahead
of schedule



■ Market Overview

Global growth market with sustained long-term expansion.

The civil aviation market had been growing steadily at an annual rate of 5 to 6% even before the COVID-19 pandemic. Global average passenger numbers are projected to increase at an annual rate of 3.8% from 2024 to 2043. This growth is being driven by expanding emerging markets and increased demand for short-haul, high-frequency flights fueled by the rise of low-cost carriers (LCCs).

Highly resilient market even when subjected to external shocks.

Air passenger numbers experience temporary stagnation due to sudden events like war, terrorism, financial crises, and the COVID-19 pandemic, but the industry is cyclical, recovering after a certain period. In 2020, the industry as a whole suffered a net loss of \$120 billion, with 43 companies going bankrupt, but by 2023, it had recovered to record-high profit levels. Leasing companies also faced impacts from delayed lease payments and contract restructuring, but compared to airlines, the effects were limited, demonstrating the leasing industry's relatively high resilience to downturns.

Aircraft demand is expected to continue expanding significantly.

The global fleet size currently stands at approximately 24,000 aircraft but is projected to double to around 48,000 aircraft (with approximately 42,400 being new aircraft) by 2043. Although delays in new aircraft production due to supply chain issues are increasing, the leasing market remains buoyant due to growing demand for aircraft. M&A activity among major leasing companies is progressing, accelerating scale expansion, competitiveness enhancement, and management efficiency.

Summary of Acquisition

We entered into an agreement and plan of merger with SMBC Aviation Capital, Apollo, and Brookfield to acquire all outstanding common stock of Air Lease Corporation (ALC), via major U.S. aircraft leasing company.

Following the acquisition, ALC will be reorganized as “**Sumisho Air Lease Corporation** (Sumisho Air Lease)”.

■ Summary

Acquired Company	Air Lease Corporation (ALC)		
Acquisition Value	Approx. USD 7.4 billion (Approx. JPY 1.0878 trillion) <small>*USD 1 = 147JPY</small>		
Investment Ratio		<u>Voting Rights Ratio</u>	<u>Shareholding Ratio</u>
	①SC	47.505 %	37.505 %
	②SMBC AC	4.99 %	24.99 %
	③Apollo	23.7525 %	18.7525 %
	④Brookfield	23.7525 %	18.7525 %

■ New Company Name



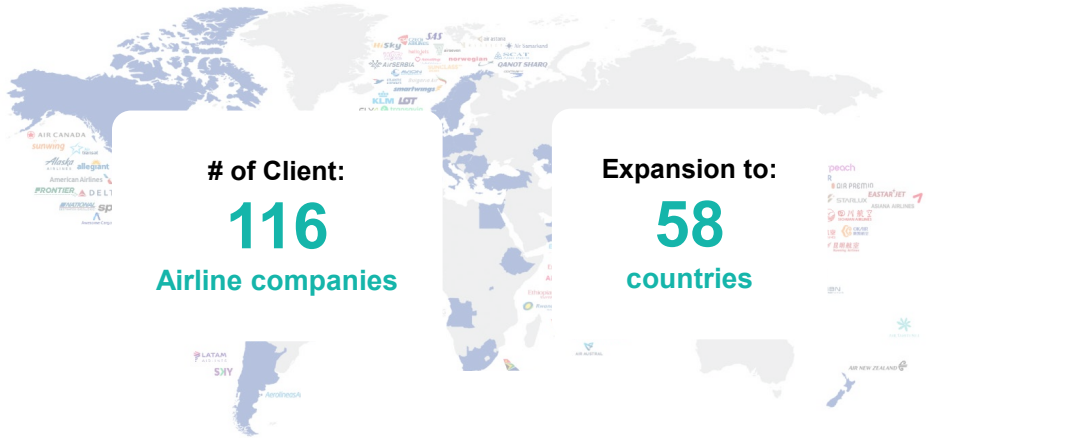
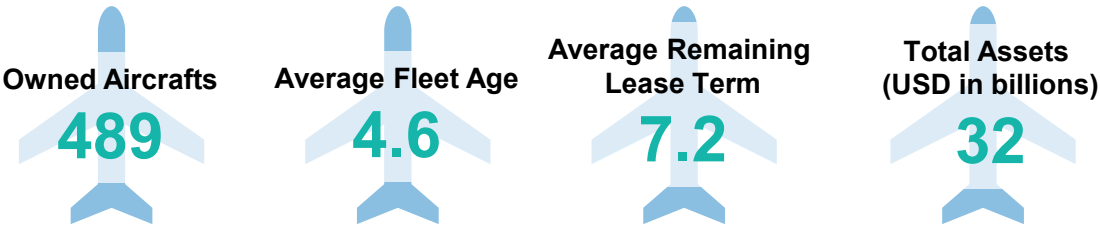
Overview of Air Lease Corporation

ALC is an aircraft leasing company operating in 58 countries worldwide with 116 customers (as of December 2024) . It maintains a highly liquid portfolio centered on young and new aircraft, with an average fleet age of 4.6 years and an average remaining lease term of 7.2 years.

■ Overview of ALC

Location	Headquarter: Los Angeles, U.S. Offices: Dublin, Ireland etc.
Main Business	Aircraft leasing
History	<ul style="list-style-type: none">2010 Founded2011 Listed on NYSE
Number of Employees	Approx. 160
FY24 Actuals	Revenue: Approx. USD 2.7 billion Net Income: Approx. USD 430 million

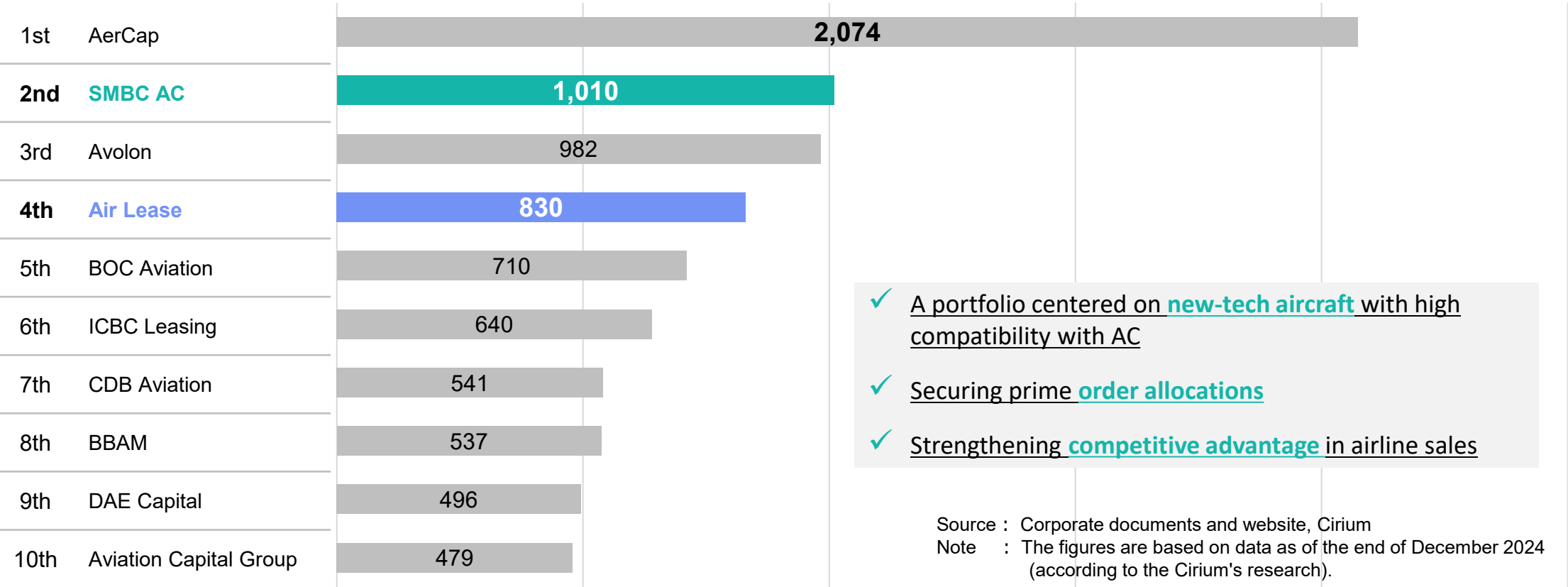
■ Key Assumptions (as of Dec 2024)



Among the World’s Largest Aircraft Servicers

Sumitomo Corporation Group's aircraft leasing business will expand to become one of **the world's largest by scale** through the operations of Sumisho Air Lease, newly joining the group, and SMBC AC. This will further strengthen our presence in the global market.

■ **Major Aircraft Leasing Companies’ Fleet Size (Owned, Serviced and Committed)**



Appendix



Materiality



Build resilient and prosperous society

Support the development of safe, comfortable, and resilient aviation infrastructure

Air transportation is an important social infrastructure used for emergency relief during disasters, medical transport, material supply, etc. By supporting this infrastructure, we contribute to the security and prosperity of local communities.



Overcome climate change

Many of the aircraft owned by ALC are state-of-the-art models with excellent fuel efficiency, contributing to the reduction of CO₂ emissions.

Decarbonizing the aviation industry is an international challenge, and our company will continue to work on establishing a supply system for SAF (Sustainable Aviation Fuel).

Our group contributes to the development of the global air transport network through our aircraft leasing business.

Additionally, by promoting improved accessibility, logistics efficiency, and active exchanges in emerging countries and regional cities, we directly contribute to the development of local infrastructure and support economic growth.