

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

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Good morning, everyone, and thank you for joining us today.

My name is Kusaka from the Transportation & Construction Systems Group at Sumitomo Corporation.

We are pleased to announce that Sumitomo Corporation, together with SMBC Aviation Capital, a subsidiary of Sumitomo Mitsui Finance & Lease, Apollo managed funds, and Brookfield, has agreed to acquire 100% of the shares in Air Lease Corporation, a leading U.S.-based aircraft leasing company.

Following this acquisition, our group's aircraft leasing business will become the global leader in terms of owned and serviced fleet size, improving our position in the steadily growing aircraft leasing market.

Aircraft leasing is one of the core growth areas identified in our Medium-Term Management Plan 2026, and this acquisition represents a major step toward expanding our earnings base and accelerating growth. We remain committed to contributing to the global aviation infrastructure.

Let me now walk you through the details of the transaction.

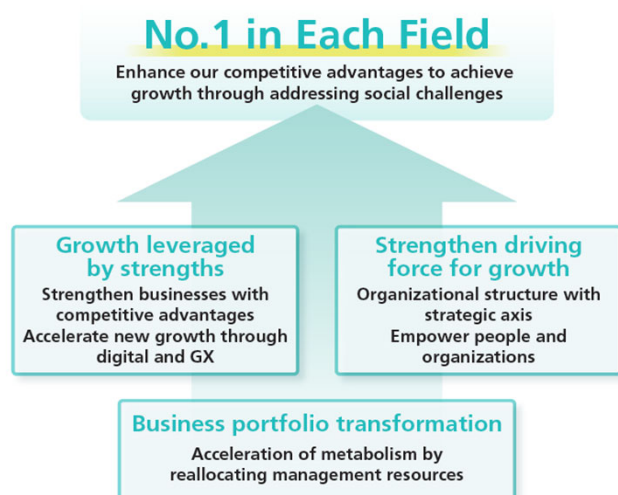
# Contents

01	Alignment with Mid-Term Management Plan 2026
02	Commercial Aviation SBU Strategy and Profit Plan
03	Summery of Acquisition
04	Appendix

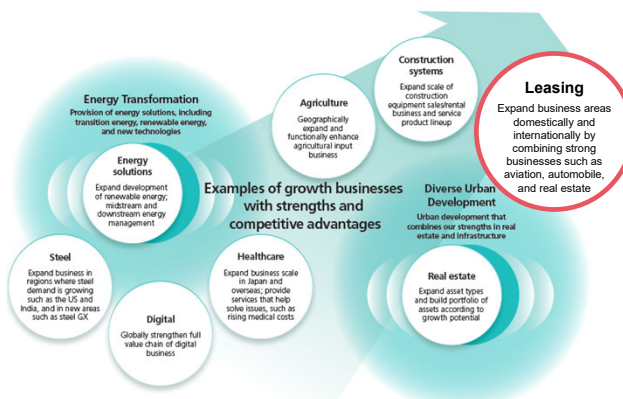
Today’s presentation will cover the following three topics.

# 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



This page is an excerpt from our Medium-Term Management Plan 2026, published on May 2, 2024.

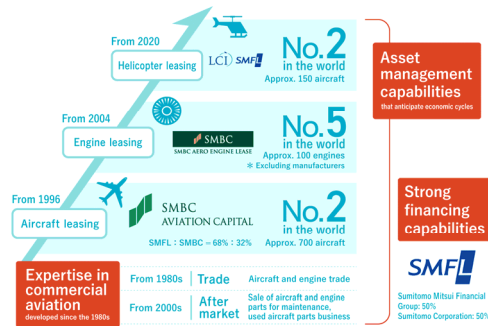
Under the theme of growing our “No.1 in Each Field,” we are focused on strengthening the driving force for growth and growth leveraged by strength businesses where we have strong capabilities and competitive advantages. As shown on the right, leasing business has been identified as one of these strategic areas.

This acquisition aligns with that strategy and is expected to start contributing to earnings within the current mid-term plan, following the closing anticipated in the first quarter of FY2026.

# 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

Sumitomo Corporation has established a leading position in the aircraft-related business among Japanese trading companies, particularly through aircraft leasing.

In 2012, our consortium with SMBC and SMFL acquired an aircraft leasing company formerly owned by RBS, leading to the establishment of SMBC Aviation Capital. Since then, we have steadily expanded our operations. Today, our aircraft leasing business ranks second globally with approximately USD22 billion in assets and 700 aircraft under management. Our engine leasing business (SMBC Aero Engine Lease) ranks 5th globally, and our helicopter leasing business (SMFL LHI) ranks 2nd, reflecting our scale and competitiveness.

Another competitive strength lies in our asset management capabilities across economic cycles, and by combining scale and operational excellence, we aim to become the global leader in aviation leasing. Our ability to manage assets across market cycles is a key differentiator. We aim to become a global leader by combining scale and asset management capabilities.

We are also enhancing profitability by promoting economizing initiatives throughout the aircraft lifecycle. In 2022, we entered the part-out business by acquiring Werner Aero in the U.S., enabling the reuse of retired aircraft and parts.

Furthermore, we are addressing environmental challenges by supporting the adoption of next-generation aircraft and expanding solutions such as SAF (Sustainable Aviation Fuel) and carbon credits.

This acquisition will reinforce our core aviation strategy and further enhance our competitiveness.

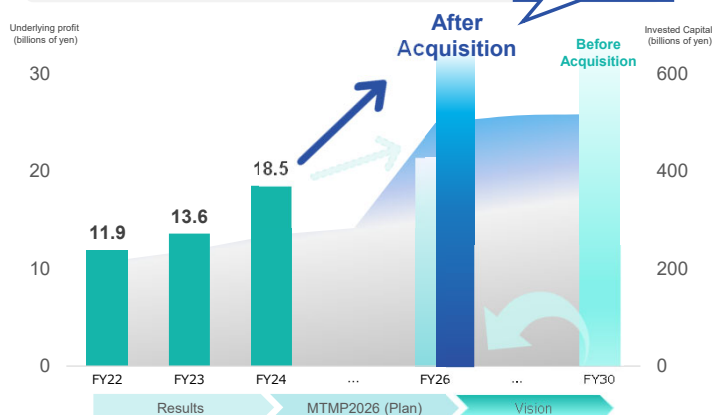
# Commercial Aviation SBU Profit Plan

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



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## ■ 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.

This slide shows the profit trajectory of our Commercial Aviation SBU.

As illustrated on the left, profits grew from JPY13.6 billion in FY2023 to JPY18.5 billion in FY2024. In last year's IR Day, we announced a target of exceeding JPY30 billion by 2030. This transaction will allow us to reach that milestone more than three years ahead of schedule.

This outlook is supported by the strong performance of the commercial aviation market. Driven by growth in emerging markets and the expansion of low-cost carriers, global demand for aircraft has been steadily increasing, with the market maintaining an annual growth rate of 5–6% even before the COVID-19 pandemic. While temporary downturns have occurred due to external shocks such as wars, financial crises, and pandemics, the aviation industry has consistently demonstrated cyclical recovery. Although the market stagnated in 2020 due to the pandemic, it rebounded strongly and reached record profit levels by 2023. Aircraft demand is expected to remain robust going forward, and through this acquisition, we aim to expand our leasing business and capture the full benefit of this sustained market growth.

Amid ongoing supply chain disruptions and delays in new aircraft production, the transaction will improve our ability to meet strong market demand with the addition of high-quality assets and existing order positions.

The transaction also brings key advantages, including enhanced purchasing power and negotiating leverage with OEMs through increased scale, as well as improved risk diversification, earnings stability, and cost efficiency. This transaction is therefore a critical step toward positioning our aviation business as a global leader.

Now, I would like to hand it over to Mr. Tatara to explain the transaction overview.

# 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		Voting Rights Ratio	Shareholding Ratio
	① SC	47.505 %	37.505 %
	② SMBC AC	4.99 %	24.99 %
	③ Apollo	23.7525 %	18.7525 %
	④ Brookfield	23.7525 %	18.7525 %

## ■ New Company Name



**Sumisho Air Lease Corporation**

I'm Tatara from Commercial Aviation Strategic Business Unit. Let me now walk you through the overview of this acquisition.

As Kusaka explained, we have agreed to jointly acquire Air Lease Corporation with SMBC Aviation Capital, Apollo, and Brookfield for a total consideration of approximately USD7.4 billion. The company will be renamed "Sumisho Air Lease Corporation" after closing.

Our ownership will be 47.505% on a voting-rights basis and 37.505% on an economic interest basis. SMBC AC will hold 24.99%, and Apollo and Brookfield will each hold 18.7525% on the economic basis.

Closing is expected in Q1 FY2026, subject to merger filings, foreign investment approvals, and shareholder approval at Air Lease Corporation.

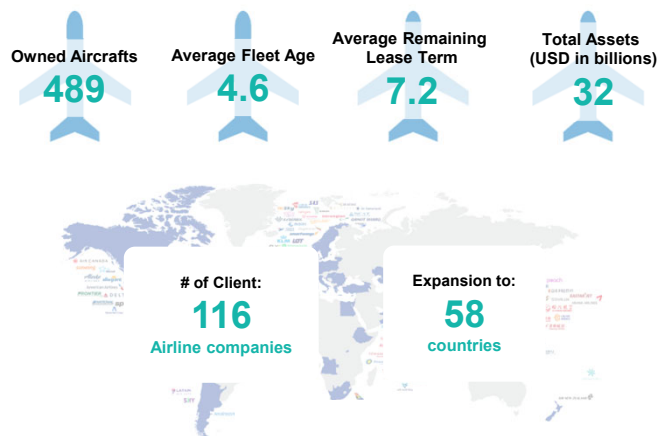
# Overview of Air Lease Corporation

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"> <li>2010 Founded</li> <li>2011 Listed on NYSE</li> </ul>
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)



Next, a brief overview of Air Lease Corporation (ALC).

Headquartered in Los Angeles, ALC has been listed on the NYSE since 2011 and employs approximately 160 people, primarily in the U.S. and Ireland. In FY2024, the company posted revenue of approximately USD2.73 billion (JPY401.3 billion) and net income of approximately USD430 million (JPY63.2 billion).

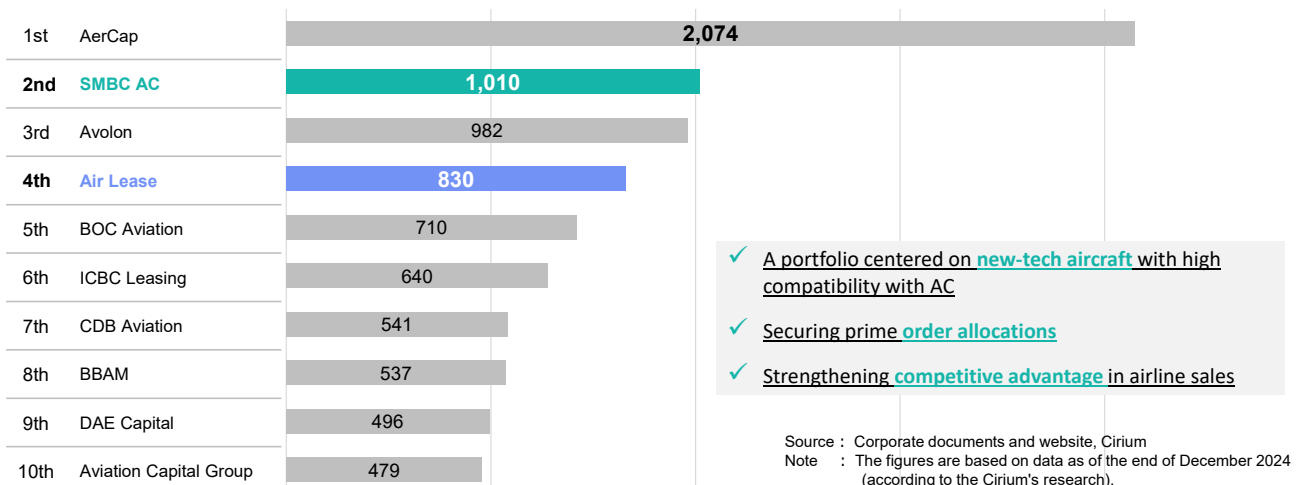
As of year-end, ALC had 116 customers in 58 countries and owned a fleet of 489 aircraft focused on young, next-generation models—similar to SMBC AC's portfolio. Including aircraft under management and on order, ALC's total fleet size is 830 aircraft, making it the fourth largest in the world.

The target company possesses an aircraft portfolio with young fleet age and a high proportion of new-tech aircraft. This acquisition is therefore well-aligned with our overall strategy for our aircraft leasing business.

# 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)



Finally, we would like to highlight the strategic value of the acquisition. This chart compares the combined owned, serviced, and ordered fleets of major players.

Currently, SMBC AC ranks second globally with 1,010 aircraft. ALC ranks fourth with 830. Following this acquisition, most of ALC's assets will be serviced by SMBC AC. As a result of its investments in SMBC AC and ALC, Sumitomo Corporation Group will be among the world's largest aircraft lessors by fleet size.

The acquisition will provide access to high-quality assets and forward purchase contracts with OEMs, further enhancing our ability to meet demands.

Reinforcing aircraft leasing—the core of our aviation leasing business—will allow us to execute our strategy with even greater momentum and contribute to the development of global transportation infrastructure.

That concludes my presentation. Thank you for your attention.

[END]



# 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 CO<sub>2</sub> 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.