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Sumisho Air Lease Corporation

Q1 2026 Earnings Conference Call

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CORPORATE SPEAKERS:

Jason Arnold
Sumisho Air Lease; Head of Investor Relations

David Swan
Sumisho Air Lease; Chief Commercial Officer

Sabrina Lemmens
Sumisho Air Lease; Chief Financial Officer

PARTICIPANTS:

Mark Streeter
JP Morgan; Analyst

Douglas Runte
Deutsche Bank; Analyst

PRESENTATION:

Operator: Good afternoon. My name is Kate, and I will be your conference operator today. At this time, I would like to welcome everyone to the Sumisho Air Lease Q1 2026 earnings conference call. (Operator Instructions)

I will now turn the call over to Mr. Jason Arnold, Head of Investor Relations. Mr. Arnold, you may begin the conference.

Jason Arnold: Good afternoon, everyone, and welcome to Sumisho Air Lease Corporation's first quarter 2026 earnings call. This is Jason Arnold, and I am joined today by David Swan, our Chief Commercial Officer, and Sabrina Lemmens, our Chief Financial Officer.

Earlier today, we published our first quarter 2026 results. A copy of our earnings release and accompanying presentation are available on the Investors section of our website at sumisho.aero. This conference call is being webcast today, Thursday, May 7, 2026, and a transcript will be available on our website. At this time, all participants to this call are in listen-only mode.

Before we begin, please note that certain statements in this conference call, including certain answers to your questions, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. This includes, without limitations, statements regarding the state of the airline industry, our aircraft sales pipeline, and our future operations and performance.

These statements and any projections as to our future performance represent management's

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current estimates and speak only as of today's date. These estimates involve risks and uncertainties that could cause actual results to differ materially from expectations. Please refer to our filings with the SEC for a more detailed description of risk factors that may affect our results.

Sumisho Air Lease Corporation assumes no obligation to update any forward-looking statements for information in light of new information or future events. In addition, we may discuss certain financial measures such as adjusted net income before income taxes and adjusted diluted earnings per share before income taxes, which are non-GAAP measures.

A description of our reasons for utilizing these non-GAAP measures, as well as our definition of them and the reconciliation to corresponding GAAP measures, can be found in the earnings release presentation and 10-Q we issued today. These materials can be found in the Investors section of our website.

Lastly, as a reminder, unauthorized recording of this conference call is not permitted. I'll now turn the call over to our Chief Commercial Officer, David Swan. David.

David Swan: Thank you, Jason. Good afternoon, everyone, and thank you for joining us for our call today. It is both a pleasure and a privilege to have the opportunity to speak with you on what is our inaugural earnings call for Sumisho Air Lease.

We've had a very positive and productive number of weeks since the acquisition closed on April 8. Overall, we are very pleased with the integration process so far, which is a testament to the level of detailed planning undertaken by the teams over the course of the past six to seven months. We've also taken the opportunity to speak with our customers and to communicate the go-forward plan for managing the platform's different fleets of aircraft.

The response we've received has been resoundingly positive. Our customers see real value in the efficiency of working with a single, large aircraft servicer who can offer bespoke financing solutions and can meet the growing complexity of their fleet financing needs. Through our servicing relationship with SMBC Aviation Capital, our customers benefit from access to greater scale and range of assets and products, which include: new and used aircraft positions, engine leasing, and debt and tax leasing products.

Given the acquisition closed shortly after March quarter end, in addition to the first quarter results, we also want to provide you with some background and insight into our business strategy going forward.

If we turn to slide three in the first quarter results presentation, I will start with a short introduction to our executive management team. For those of you who don't know me, my name is David Swan, and I'm the Chief Commercial Officer of Sumisho Air Lease Corporation. I joined Sumisho Air Lease from SMBC Aviation Capital, where I held the position of Chief Operating Officer and served on its Board for over 20 years.

Joining me for today's call is our Chief Financial Officer, Sabrina Lemmens, who many of you will already know very well. Sabrina stepped into the role of CFO on April 8 at the time of the acquisition closing and prior to this, held the position of Financial Controller at ALC. Sabrina brings

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a wealth of knowledge and experience to the role, which she's accumulated over the past 15 years since she joined the business shortly after its inception.

In addition to Sabrina and I, Nori Hiruta has joined the executive management team as Chief Executive Officer of Sumisho Air Lease. Nori joins us from Sumitomo Corporation, our largest shareholder, where he has held a number of senior financial and aviation-focused roles over the past 40 years. This includes roles within Sumitomo Corporation's aviation and engine leasing divisions.

Nori was also a key figure in the team which led the acquisition of SMBC Aviation Capital from RBS in 2012 and has been intimately involved in that business over the past 14 years. This includes serving as SMBC Aviation Capital's Chairman from 2023 through to his appointment as CEO of Sumisho Air Lease earlier this year.

I know I speak on behalf of my executive management team colleagues when I say we are very excited to lead this outstanding company and drive this business forward as a key pillar of one of the world's largest aviation financing platforms.

Now, turning to slide four. Scale is the key differentiator in this sector and a factor which we believe is becoming increasingly critical to a lessor's long-term success in this expanding and maturing industry. Over 40,000 new aircraft will enter into service over the next 20 years to meet the growth and replacement needs of the world's airlines, based on estimates from both Airbus and Boeing.

As airlines grow, so too does the scale and complexity of the financing solutions they require. Out of necessity, fleet planning teams are increasingly prioritizing efficiency of access to capital, aircraft, and financing options in their marketing campaigns. This is playing to the strengths of those larger, more sophisticated lessors who can deliver both greater scale and a broader range of financing solutions.

We believe Sumisho Air Lease's position as a central pillar within one of the world's largest aviation financing platforms optimally positions us to meet the evolving needs of our customers. The platform's structure, comprising of multiple balance sheets and a single interface with the market through the servicing agreement with SMBC Aviation Capital, affords us the benefit of collective scale, reach, and pricing power, over 1,700 aircraft, \$90 billion of assets, 170 lessees, and 170 trading partners, all of which are either owned, managed, or servicing relationships.

This is in addition to the broad product strength of our shareholders, which comprises commercial debt, Japanese tax leasing structures, and engine leasing, which can all be marketed alongside aircraft operating leases.

Now, turning to slide five. While we intend to focus on deleveraging and portfolio optimization in 2026, our fleet acquisition focus will remain on investing in the youngest, most liquid, and in-demand new technology aircraft types. However, it is the means through which we acquire aircraft that will change. We believe that the channels through which a lessor acquires aircraft, as well as the timing, are of equal importance to the assets chosen and are key to optimizing long-term returns.

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This underpins our strategy of pursuing a flexible approach to capital allocation. We expect to invest across different aircraft procurement channels at different points in this cycle. SMBC Aviation Capital, as servicer, is responsible for originating aircraft investment opportunities on behalf of the broader platform. Its ability to leverage the platform's scale, strength, and broad product offering will enable it to drive greater value in acquisition and trading campaigns.

This will include deals originated across the entire spectrum of typical aircraft acquisition channels, such as the sale-leaseback market, portfolio acquisitions from other lessors, and SMBC Aviation Capital's direct orderbook. We will have the opportunity to evaluate those deals identified by our servicer and participate in these transactions that we deem to be a good fit for our business.

Our focus will not be limited to organic acquisition opportunities. We see real opportunity to leverage the shareholders' access to large-scale capital to execute on further M&A opportunities as consolidation in our sector accelerates. However, our immediate focus following the merger is on portfolio optimization and deleveraging.

Our aim is to bring net leverage back in line with our longer-term target of 3x debt-to-equity. We expect to achieve this by capitalizing on the strong market backdrop for trading aircraft with a view to deploying sales proceeds towards debt reduction. The team has made significant progress so far, originating \$4.6 billion of aircraft sales, which are now under letter of intent.

This takes the total aircraft sales pipeline to \$5.6 billion, which includes \$940 million of aircraft classified as flight equipment held for sale as of March 31, 2026.

Now moving to slide six, Sumisho Air Lease now benefits from the support of four significant shareholders who are committed to the long-term growth and success of our business. This includes Sumitomo Corporation, our single largest shareholder. For those less familiar, Sumitomo Corporation is a major Japanese trading house with a history extending back as far as the 17th century. There's a long track record of investing in aviation, including in aerospace and defense, engine leasing, and aircraft leasing.

Its investment in Sumisho Air Lease represented a unique opportunity to deploy capital towards another high-quality aviation investment and firmly establish its position as a global leader in this space. The long-term nature of its investment in this business is reflected in the alignment of our branding.

In Japanese, Sumitomo Corporation is referred to as Sumitomo Shoji, or Sumisho for short. The Sumisho name is reserved for a limited pool of companies which are of strategic importance to Sumitomo Corporation, including all aviation-related investments.

I am sure you're familiar with industry heavyweight, SMBC Aviation Capital. In addition to being a 24.99% shareholder in our business, SMBC Aviation Capital is now also the servicer to the substantial majority of our fleet. Both Apollo and Brookfield are major global asset managers who both have strong track records and a desire to further expand their presence in the aviation market.

The structured equity nature of their investment offers the opportunity to gain access to a high-quality aviation investment, noting Sumitomo Corporation has the ability through a call option from

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year seven, to acquire Apollo and Brookfield's stakes. Together, we believe the shareholders in Sumisho Air Lease represent a formidable combination of financial strength and expertise.

And with that, I will now hand you over to our CFO, Sabrina Lemmens, to bring you through the details of our first quarter financial performance.

Sabrina Lemmens: Thank you, and good afternoon, everyone. As David mentioned earlier, given the acquisition didn't close until after quarter end, first-quarter results reflect Air Lease's financial performance. I am pleased to say that the company enjoyed strong performance during the period, as reflected by our net income of \$115 million.

We ended the quarter with an owned fleet of 496 aircraft with young new technology equipment, representing 83% of our portfolio by carrying value. We continue to see robust demand for our aircraft in the secondary trading market. We received over \$275 million of aircraft sales proceeds during the quarter, and we have a solid sales pipeline comprising \$5.6 billion of aircraft. These sales will greatly support us in returning to our target leverage ratio of 3x debt to equity.

As part of the acquisition, our strong investment-grade ratings of BBB-flat with S&P and Fitch and A-minus with Kroll were confirmed. Our ratings are highly important to Sumisho Air Lease and to our shareholders. We view them as being integral, not only to our ability to access the market, but to our long-term success as well.

Moving on to financing activities, in connection with the acquisition of Air Lease, Sumisho raised \$4 billion in senior unsecured notes in March. At more than five times oversubscribed at its peak, the very positive reception this bond offering received is testament to the strength of our platform and our long-term position in this market.

Moving now to slide eight, and we'll look at our financial performance in more detail. During the quarter, the company generated total revenues of \$739 million, up slightly over the prior-year period as growth in rental revenue more than offset a decline in sales revenue. Rental revenue grew by approximately 4% year-over-year to \$674 million, driven primarily from the growth of our fleet and a higher portfolio yield.

Maintenance revenue in the quarter came in at approximately \$7 million, down slightly as compared to the prior year. We did not record any end-of-lease revenue in either period. As a reminder, end-of-lease revenue is highly dependent on the timing of aircraft returns. High market demand for commercial aircraft is continuing to limit the number of lease returns versus extensions.

Sales proceeds for the first quarter totaled \$275 million from the sale of six aircraft. This compares to the prior period where we sold 16 aircraft totaling \$521 million in proceeds. Aircraft sales activity was down this quarter due to the timing of closings. As we have said in the past, it is difficult to forecast when aircraft sales will ultimately close due to airline customer, legal and jurisdictional matters. We recorded approximately \$53 million in gains during the quarter.

Beyond aircraft sales, trading and other income was lower year-over-year, primarily driven by lower management fees.

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Moving to expenses, interest expense declined by approximately \$8 million, driven by lower average debt balances, partially offset by a 3-basis point year-over-year increase in our composite cost of funds. We ended the quarter with a composite cost of funds of 4.29%.

Depreciation expense continues to track the growth of our fleet. SG&A expense was relatively flat as compared to the prior year period. Both periods included various non-recurring acquisition and other expenses. Our net income for the quarter decreased to \$115 million from \$365 million from the prior-year period. Last year, we recognized a net benefit of \$322 million in Russia fleet insurance settlements.

Turning now to slide nine, we'll look at our balance sheet in more detail. As you can see from the metrics outlined on this slide, Sumisho Air Lease maintains a strong and robust financial position. Our \$33 billion asset base is largely unencumbered and benefits from approximately \$19 billion of current fleet contracted rentals, both of which are key pillars of financial strength for our business.

Our liquidity position is strong at \$4.1 billion as of April 30. This includes a \$3.5 billion revolving credit facility that was put in place ahead of acquisition closing. This facility was led by SMBC Bank, which is currently our single largest provider of liquidity.

In terms of leverage, our debt-to-equity ratio came in at 2.3x at the end of the quarter. Following the acquisition in April, we expect leverage to remain elevated temporarily, however, we are committed to bringing our net leverage in line with our long-term target of 3x debt-to-equity. Given the complexities of purchase accounting adjustments, we will save further discussion of our post-merger balance sheet metrics until after we complete our numbers for the second quarter.

With that, I'll turn the call back over to David for his closing comments.

David Swan: Thank you, Sabrina. We are delighted to have brought the acquisition to a successful conclusion and look forward to driving this business forward into the next chapter of Sumisho Air Lease. In a sector where scale is increasingly important, our new relationship with SMBC Aviation Capital, as servicer, and the strength of our shareholders truly sets us apart in aircraft leasing.

The enhanced scale, reach, and product strength of the aviation platform we now form a central pillar of, places us in an even stronger position to meet the evolving needs of our customers and reinforces our long-term position in this maturing market. As noted, our focus post-acquisition will be on portfolio optimization and deleveraging, with a view to bringing our net leverage in line with our target rate of three times debt-to-equity. We hope to be in a position to share some further detail around this at the time of our next call.

Over the longer-term, though, we believe that the flexibility of our operating strategy will enable us to leverage the strength of the broader platform and invest in aircraft acquisition opportunities originated by SMBC Aviation Capital from the procurement channels that offer us the greatest value at a given point in the cycle. We believe that this flexibility is going to be key to optimizing the long-term returns of our business.

Thank you for your attention today, and I will now turn it back over to the operator to take any questions that you may have.

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Q&A:

Operator: (Operator Instructions)

Mark Streeter, JPMorgan: Okay, David and Sabrina, thanks very much. And if these questions don't make any sense, I'm one hour out of surgery and still on painkillers. So let's give it a whirl. So first question is on asset sales here. Clearly, that is such a big part of your story over the next several quarters. So wondering, have the events of the Middle East, the Spirit bankruptcy, and I have a second question on Spirit – but just in terms of the asset sales program, any change in the market, given the war in Iran, the run-up in oil, when you think about the number of counterparties you're engaging with, just any sense of movement there in your ability to sell assets?

David Swan: Thanks, Mark. Well, first of all, I hope you're doing okay and the surgery was successful. We really appreciate you making the call and for everyone else on the call – the capital markets, bond markets, analysts like yourself – are very important. And it's great to be back doing these calls and we will be doing them in the future and speaking to you all at conferences as well, Sabrina, Nori and I. Anyway, so the pipeline, \$5.6 billion. It's in a very good place. But obviously, we're monitoring the events in the Middle East very closely. But bottom line is I'm not concerned. I'm quite confident there's very low execution risk on that.

A couple of reasons for that, Mark. It would be, number one: all of the buyers are people that we know very well. They're very well capitalized. And the people that I've traded with over the years, many times at SMBC Aviation Capital and the team here in Sumisho. But secondly, the market backdrop is probably the best sales market I've seen in the past 30 years. And that comes down to the fundamentals of shortage of aircraft, particularly the supply and demand shortfall, particularly for the types of aircraft that we have here in Sumisho and that are in these portfolios, relatively young aircraft, good mix of fleet, et cetera. And we continue to get a lot of incoming interest from a lot of bidders across the piece. So I'm quite confident in terms of the sales demand for the years to come as well. You said you had a question on Spirit?

Mark Streeter: That's helpful. Just wondering if there's been any change, basically, and I think you addressed that. Really, the second question I want to ask, and I'll sort of ask it in two parts and then turn it over, when you think about Spirit exposure, right? At Sumisho, you've got, I think, seven aircraft, and at the mothership over on SMBC AC, you have, again, a handful of exposure over there as well. So one of the questions I know you've had on your roadshow is conflicts of interest and how do you manage that? And Peter likes to talk about one business, two balance sheets. And so we're going to have a good test of that, right? Because combined, there's a little bit of lifting to be done with these Spirit aircraft. So what can you talk about in terms of how you're going to coordinate at Sumisho with SMBC Aviation Capital on the Spirit aircraft that you're in the process of repossessing right now and how that's going to play out?

David Swan: Okay. Thanks, Mark. So first of all, on Spirit, yes. It's unfortunate, but not unexpected. We've been preparing for this for quite some time and working very closely with our colleagues in SMBC Aviation Capital. You're right, we had seven units at Spirit, A321neos and young average age, one and a half years. As of this morning, we have six of the seven aircraft in our control and parked in the maintenance facility in Arizona, Goodyear Maintenance Facility. The one remaining

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aircraft should be there and in our full control by the end of the week.

In terms of the aircraft and their return to revenue service, 13 of the 14 engines are without the powdered metal issue. They're all economy, very young. And I would say, as I said, this was not unexpected. So the conversations about the next home for those aircraft and their return to revenue service have begun in earnest and they're ongoing. There will be lots of options, both for the aircraft and for the engines, given the supply-demand dynamics. And also, there's probably no better aircraft for re-lease at the moment than an A321neo with no engine issues. And we'll be working hand in glove with the SMBC Aviation Capital team across the globe trying to get those back in revenue service. You should hear more about that at the next earnings call.

Mark Streeter: Okay, great. And just in terms of the coordination with them, in terms of their aircraft versus your aircraft, because this is unique and we're sort of testing out this new relationship between the two of you, right? So how do you prioritize, how you deal with customers? Obviously, the aircraft are a little bit different. I think their book is a little bit different than at the Sumisho level. So maybe that's the answer, but you tell me.

David Swan: Well, first of all, I suppose managing other people's assets is not new to SMBC Aviation Capital. I was there 24 years since it started. 20 of those years we were managing other people's assets and making no differentiation between owned and managed. The beauty here is that when you're the central pillar of one of the largest financing platforms in the world, you're talking to every airline at the top-level and you have a range of options.

Ultimately, decisions as to where these go and the yield that we make will be our decision, but we'll be hand in glove. We'll have a lot more options working with SMBC Aviation Capital. And as I said, our aircraft types are going to be top of the list in terms of demand around the world and the engines as well. But it's hand in glove.

Mark Streeter: Well, that's helpful. Welcome to the next evolution of the Sumisho Air Lease platform. We appreciate you doing the call and look forward to hearing from you more in the future. Thanks very much.

David Swan: Look forward to that, too, and get well soon, Mark.

Operator: Douglas Runte, Deutsche Bank.

Douglas Runte: Yes, hi. Thanks very much. I haven't just come out of surgery, so if my questions are a little bit off base, it's simply because they're a little bit off base. A question on the aircraft sales pipeline. Obviously, quite a significant chunk of aircraft being sold. I guess if I did some average pricing, it could be north of 100 airplanes out of a fleet of 500.

I'm wondering what types of aircraft are being sold? Should we assume it's a slice across the portfolio? How is the portfolio going to look after this? And I guess on the flip side, what is your acquisition pipeline with no orderbook to fill on these departures?

David Swan: Thanks, Doug, and good to hear that you're in fine health. Yes, so first of all, on the portfolios, yes, it is a broad mix in terms of asset type and geography. And what I would say is that,

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you'll know this from previous interaction. You look at a couple of metrics, obviously, number one, you want to maximize profitability on trading, but then you want to get the right balance and adjustments in terms of geographical mix, lessee mix, and the age of the aircraft.

And this kind of leads into the second part of your question about the future and what we're going to do. First up, this year, we're going to execute on these sales. This is very low execution risk. It's a very strong market to get our leverage down to 3x. That's year one. However, going forward, it's our stated ambition and committed strategy of both not just the executive management team, but all of our shareholders, that Sumisho Air Lease remains a top-tier global lessor of both scale and quality.

The difference going forward is the means in which we buy and sell. We're going to have a lot more choice on the acquisition side. Being part of that central pillar – one of the largest platforms in the business with multiple products – you're going to get better pricing because of that market strength, you're going to get better terms than average in those situations.

But ultimately, we make the decisions. So each year, we will sit down, as we did this year, with our shareholders, agree on our business plan, what we're going to achieve in terms of yields and profitability, but also the mix of the book going forward, and then work with SMBC Aviation Capital on the buying and selling plans. So, we have a lot more choice both on the sales and trading, and on the acquisition side going forward than we had, Doug. I hope that answers your question.

Douglas Runte: Yeah, that's very helpful. I guess I'll ask a follow-up to Mark and make it a little broader, because I think we're both wrestling with the same question. The relationship between Sumisho Air Lease and SMBC Aviation Capital and the management of the broad portfolio.

How broadly should I think of this? Is there a non-discrimination provision? Is SMBC Aviation Capital effectively managing one portfolio and some airplanes happen to be yours? Should I think of this as a gigantic aircraft ADS, either master trust or not, where the Board of Directors gives broad guidance to the servicer? I'm wondering if you could provide some granularity there and maybe comment on the US-managed airplanes.

David Swan: Yes, I'm happy to. And I mean, what I would say is, the very simple answer, Doug, is that you have one interface to the market, the OEMs, to airlines, and investor community and that's what the market wants. And you have two different balance sheets. And you're going to be hearing more of this because there's going to be more of it.

This industry is consolidating, scale matters, and that's what airlines want, it's what OEMs want. They want to talk to one counterparty and do mega deals with strong counterparties that have the capital and the wherewithal, and that have new, used aircraft, engines, tax leasing products, debt financing products.

That's what airlines want, and if you can do that at scale with certainty, that's going to be attractive. And then that's also super attractive to various investors, not just SMBC and SumiCorp, but also people like Apollo and Brookfield and many others that want to participate. So you're going to see more of this, and we're delighted here at Sumisho to be central and part of this going forward.

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So we sit down, as I said, agree what we want to achieve on our book and then agree how that's going to happen with the team at SMBC Aviation Capital, where I worked for 24 years, and know very well. And the integration, as I said earlier on the call, has gone really well and customer feedback has been really positive. This is what they want. They want that seamless approach, and they've been really open to this approach going forward. Does that answer your question? I mean, are there other elements?

Douglas Runte: I guess just a quick follow-up. If I look at the ratings of each of your owners, they're all higher than Sumisho Air Lease. So I guess as the Board representing the owners makes their decision, what would be the thinking of – we should really put airplanes on the Sumisho Air Lease balance sheet rather than on our own?

David Swan: I don't really follow your question, Doug. So with SMBC Aviation Capital, the majority owner is SMBC Bank and SumiCorp as a 33.33% shareholder. It's the other way around with Sumisho. So you've got common shareholders, and that goes to the question earlier as to how aligned are you. The two main shareholders are the two main shareholders in both businesses, and that's why you'll have alignment both in terms of strategy, but also in terms of getting the best returns for both businesses.

Douglas Runte: I'll follow-up. I apologize that the question wasn't clear, but I'll turn it over to the next caller.

David Swan: I might just bring it to life by example because it's important that everyone, I suppose, kind of gets this. This is about being able to give what airlines and OEMs and traders want, which is more choice, greater efficiency of relationship management, and real pricing power.

So, for instance, in the past two years, SMBC Aviation Capital has done deals with United Airlines for 60 aircraft, 20 A320neos and 40 MAXs. Of those aircraft, 36 of them have been delivered, 15 of them are sitting on the SMBC Aviation Capital book only, 21 are with different investors like La Caisse and different Japanese investors' balance sheets, all managed by SMBC Aviation Capital.

So what do you get in that situation? You get a deal that's very hard to compete against if you're someone that can only do five aircraft or six aircraft. It's very compelling from a United perspective because we had a mix of underwriting for sale-leasebacks and deliveries from orderbooks with rare positions they weren't able to get from their Airbus orderbook.

So it's really compelling for United, and you get a better overall deal than smaller leasing companies that just aren't able to compete with. That's the benefit for people like us at Sumisho that have no United exposure, so that's one of the first aircraft that might be acquired after acquisition, and you get deals that you normally wouldn't see. So there's going to be a lot more of that.

And I do think that the market is going to follow this because it's a growth market. There's more aircraft coming in. This is what airlines want. They can't be dealing with 20 different leasing companies all the time. But this is a way to spread the risk across different balance sheets and different investors. So hopefully, you're going to be hearing more of this and it'll become clearer. And we'll be able to give you more and more examples of how it all works pretty seamlessly on the

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next few calls.

Douglas Runte: The US aircraft, though, continues to be managed by your entity.

David Swan: That's right. So aircraft that are on lease with the US airline are managed by us. So in that case, just to give you an example, we are responsible for the repossession of the aircraft from Spirit and that's been done very efficiently. And once off lease from that US airline and the lease is terminated, SMBC Aviation Capital are the remarketing agent for those aircraft globally around the world. So again, it's hand in glove.

Douglas Runte: Very helpful, thanks so much and congratulations on the launch.

David Swan: Thanks, Doug. I look forward to seeing you later in the year.

Douglas Runte: Agreed.

Operator: That ends the question-and-answer session. Mr. Arnold, I'll turn the call back over to you.

Jason Arnold: Thank you everyone for participating in our first quarter call. We look forward to speaking to you again next quarter. Kate, thank you very much for your help, and please disconnect the line.

Operator: This concludes today's conference call. You may now disconnect.