

MITSUBISHI HC CAPITAL

FOR IMMEDIATE RELEASE

Engine Lease Finance Purchased 25 New Generation Aircraft Engines from Pratt & Whitney

Tokyo, November 16, 2021 --- Mitsubishi HC Capital Inc. (TSE: 8593, Representative Director, President & CEO: Takahiro Yanai, "Mitsubishi HC Capital") hereby announces that Engine Lease Finance Corporation (President & CEO: Tom Barrett, "ELF"), its subsidiary engaging in the aircraft engine leasing business based in Ireland, purchased 25 new generation fuel-efficient aircraft engines from Pratt & Whitney (President: Christopher Calio, "P&W"), a division of Raytheon Technologies Corporation (Chairman & CEO: Gregory J. Hayes) in U.S.A, a leading aircraft engines vendor. The agreement including the engines and associated maintenance is valued at more than USD 400 million.

ELF has expanded its business field and revenue by developing the aircraft engine leasing business mainly in highly liquid narrow-body aircraft^{*1} and by entering the aircraft parts out business^{*2} through making INAV LLC^{*3} its subsidiary in 2017. Recently, existing narrow-body aircraft have been shifting to new aircraft with new generation engines. Therefore, ELF has been vigorously increasing its ownership of new generation engines which will become mainstays of the fleet.

ELF purchased Pratt & Whitney GTF™ engines to power Airbus A220 and Airbus A320neo family aircraft. GTF engines have improved fuel efficiency by approximately 16% compared to existing narrow-body aircraft and reduce CO₂ emissions by the same amount. In addition, the engines have greatly reduced the aircraft noise footprint by controlling the rotation of the engine fan with an advanced gear system. Through this purchase, ELF has enhanced its ownership ratio of new generation engines to approximately 30%. ELF will continue establishing a portfolio which consists of mainly new generation engines, as well as contributing to reducing environmental impact by the aviation industry through its investment in them.

Moreover, the GTF engine for the A320neo family is a collaboration between P&W, Japanese Aero Engines Corporation and MTU Aero Engines AG. Through this transaction, ELF will therefore also contribute to the aircraft market in Japan by increasing the engine type.

"Global Assets" is one of the five areas of focus for Mitsubishi HC Capital group, and it has been developing globally, such as leasing business for aircraft, aircraft engine, marine container and freight car. In the aviation business, Mitsubishi HC Capital invested in Universal Hydrogen Co., a developer of modular capsules for hydrogen storage and the powertrain for hydrogen-powered aircraft based in U.S.A and concluded an MOU with them for the collaboration on hydrogen value chain pilot activities in October 2021^{*4}.

Mitsubishi HC Capital group will contribute to realizing sustainable society by meeting the ever-changing needs of society and customers as well as creating business to resolve social issues including global warming with partner companies.

- more -

- *1 An aircraft arranged along a single aisle, permitting around 100 to 200 passengers.
- *2 A business that reuses parts of aircrafts at retirement, and sells each part to maintenance companies or airlines after maintenance or repair.
- *3 ELF and INAV Group, LLC which engages the aircraft engine part-out business jointly established "INAV LLC" to embark on the aircraft engine part-out business in 2017.
News release on June 2, 2017, "Mitsubishi UFJ Lease & Finance Enters Aircraft Engine Part-out Business"
<https://www.mitsubishi-hc-capital.com/english/investors/mul/library/pressrelease/2017060202.pdf>
- *4 News release on October 15, 2021, "Mitsubishi HC Capital invested in Universal Hydrogen Co., a Hydrogen-Powered Aircraft Start-up"
<https://www.mitsubishi-hc-capital.com/english/investors/library/pressrelease/pdf/2021101502.pdf>

■ About Engine Lease Finance Corporation

Company name	Engine Lease Finance Corporation
Representative	Tom Barrett, President & CEO
Location	Ireland
Establishment	October, 1993
Business description	The aircraft engine leasing business and parts out business

■ About Raytheon Technologies Corporation

Company name	Raytheon Technologies Corporation
Representative	Gregory J. Hayes, Chairman & CEO
Location	U.S.A
Establishment	April 2020 *From the merger of Raytheon Company and United Technologies Corporation.
Business description	Production of aircraft engines and aircraft equipment, the aerospace and defense business *Pratt & Whitney is a division engaged in production of aircraft engines.

###