

September 9, 2021

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

**Notice regarding the Conclusion of the Transition Loan Contract for Mitsui O.S.K. Lines
by our Subsidiary**

-First transition loan in Japan to be selected as a Climate Transition Finance Model Project
by the Ministry of Economy, Trade and Industry-

Please be informed that Sumitomo Mitsui Trust Bank, Limited, a subsidiary of Sumitomo Mitsui Trust Holdings, Inc. today announced the attached press release.

For further information, please contact:

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Sumitomo Mitsui Trust Bank, Limited

Conclusion of the Transition Loan Contract for Mitsui O.S.K. Lines

-First transition loan in Japan to be selected as a Climate Transition Finance Model Project
by the Ministry of Economy, Trade and Industry-

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama, hereinafter “SuMi TRUST Bank”) has arranged a syndicated transition loan(*1) for Mitsui O.S.K. Lines, Ltd. (“MOL”; head office: Minato-ku, Tokyo; President and CEO: Takashi Hashimoto) in collaboration with Development Bank of Japan Inc. (“DBJ”)and with the participation of ten regional banks and other financial institutions.

MOL is one of the leading shipping companies in Japan, handling domestic shipping and ferries as well as all aspects of ocean shipping. In June 2021, the firm announced its MOL Group Environmental Vision 2.1, which set an industry-leading goal of achieving net zero emissions for the entire MOL Group by 2050 by introducing ninety LNG-fueled vessels by 2030.

For this project, a transition loan will be provided to MOL and one of its group companies, Ferry Sunflower Limited (head office: Oita City, Oita Prefecture; President: Kojiro Akasaka), to finance the introduction of Japan's first two LNG-fueled ferries (“the vessels”), scheduled to operate between Osaka and Beppu. SuMi TRUST Bank, in collaboration with DBJ, has arranged this loan with the principal participation of regional banks based in western Japan, close to where the vessels will be built and launched.

The vessels have received the highest rating of five stars from the Ministry of Land, Infrastructure, “Transport and Tourism's Energy Saving Rating System for Domestic Vessels”. Their introduction is expected to reduce sulfur oxide emissions to almost zero, and CO2 emissions by more than 20 percent, compared with heavy oil-fueled ships. In addition to contributing to the vital maritime infrastructure that supports the movement of people and goods in western Japan, the vessels are also expected to promote a more eco-friendly modal shift in Japanese transport.

This is the first transition loan in Japan to be selected by the Ministry of Economy, Trade and Industry (“METI”) as a Climate Transition Finance Model Project(*2). In regard to the loan’s qualifications, the Japan Credit Rating Agency, Ltd. (“JCR”; President: Shokichi Takagi) states that it complies with “the International Capital Market Association’s Climate Transition Finance Handbook”(*3) and “the Green Loan Principles” established by the Loan Market Association and so on, among other third-party evaluations(*4).

Through offering sustainable solutions such as transition loans, we will continue to support our clients' business activities toward the achievement of Sustainable Development Goals(SDGs), and contribute to the improvement of their corporate value over the medium to long term.

End

<Outline of the Vessels>

Name of ship; scheduled delivery date	Sunflower Kurenai :December 2022 Sunflower Murasaki :March 2023
Shipbuilder	Mitsubishi Shipbuilding Corp., Shimonoseki Shipyard
Number of passengers	714
Truckload capacity	136 vehicles (13m equivalent)
Cruising speed	22.5 knots
Total length	199.9m
Total tonnage	Approx. 17,300 tons



<Outline of the Syndicated transition loan >

Borrower	MOL
Arrangers	DBJ, SuMi TRUST Bank
Co-arranger	Sumitomo Mitsui Banking Corporation
Transition structuring agents	DBJ, SuMi TRUST Bank, Sumitomo Mitsui Banking Corporation
Agent	SuMi TRUST Bank
Lenders	DBJ, SuMi TRUST Bank, Sumitomo Mitsui Banking Corporation, Yamaguchi Bank, Higo Bank, Oita Bank, Kitakyushu Bank, Bank of Yokohama, San-in Godo Bank, Hiroshima Bank, Iyo Bank, Ehime Bank, Bank of Kyoto
Use of funds	Two LNG-fueled ferries
Third-party evaluation agency for transition certification	Japan Credit Rating Agency

(*1) Transition loans are a financing framework intended to support companies working to reduce greenhouse gas emissions in accordance with a long-term transition strategy aimed at realizing the low-carbon society which is the goal of the Paris Agreement.

(*2) Please visit the METI website:

https://www.meti.go.jp/shingikai/energy_environment/climate_transition/002.html (Japanese only)

(*3) ICMA issued a “Climate Transition Finance Handbook” in 2020. Climate Change Transition Finance is one of the frameworks for sustainable finance that supports CO2-intensive industries, which have previously received few financing cases in sustainable finance markets, in their efforts to reduce CO2 emissions in line with long-term strategies.

(*4) Please visit the JCR website:

<https://www.jcr.co.jp/en/greenfinance/>