

Third Party Opinions on Sustainability Linked Loan to Tokyo Century Corporation Conducted by Sumitomo Mitsui Trust Bank, Limited.

Japan Credit Rating Agency, Ltd. (JCR) provided a third party opinion to a Sustainability Linked Loan (the "SLL" or the "Loan") conducted by Sumitomo Mitsui Trust Bank, Limited. (SMTB) to Tokyo Century Corporation ("Tokyo Century" or the "Company").

<Executive Summary>

This third-party opinion confirmed the conformity of the Sustainability Linked Loan Principles (SLLPs) set forth by Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndication and Trading Association (LSTA), and the Green Loan and Sustainability Linked Loan Guidelines ("Ministry of the Environment Guidelines") (SLLP and Ministry of the Environment Guidelines are collectively defined as "SLLP, etc.") for the Sustainability Linked Loan (SLL) conducted by the SMTB to Tokyo Century. In order to ensure the transparency and objectivity of evaluations recommended by the SLLP, etc., JCR, as an independent third-party organization, implemented the third-party opinion in terms of the following points:

- (1) Tokyo Century's Sustainability Strategy and establishment of the Sustainability Performance Targets (SPTs)
- (2) The terms of the Loan and the monitoring system during the loan period

(1) Tokyo Century's Sustainability Strategy and establishment of the SPTs

Tokyo Century has agreed with SMTB to establish the following SPTs for the Loan:

SPT 1: Achieve annual power generation and CO₂ avoided emissions target from Kyocera TCL Solar LLC (Kyocera TCL Solar)'s solar power generation business. (Goals for the fiscal year ending March 2024 (FY2023) and beyond are set at or above the target level for FY2022.)

SPT 2: Achieve the target (cumulative) for the estimated GHG avoided emissions of the JCM (Joint Crediting Mechanism).

※Specific targets will be disclosed in the ESG Data Book scheduled for publication in FY2021.

SPT 3: Maintain DX Certification (Ministry of Economy, Trade and Industry).

Tokyo Century is one of the leading general leasing companies, with a leading share of domestic lease transaction volume. It has 24 domestic consolidated companies (including equity-method affiliates) and an overseas network that spans more than 30 countries and regions. Balance of segment assets for FY2019 is as follows: Equipment Leasing for 30.8%, Domestic Automobile Financing 13.2%, Specialty Financing (aircraft, ships, environment and energy, real estate and others (structured finance, etc.)) 45.0%, international Business 10.7%, and others 0.3%.

Tokyo Century's management philosophy is "Tokyo Century Group will work alongside customers in pursuit of their growth as a highly specialized and unique financial services company and will contribute to the creation of an environmentally-sound, sustainable economy and society." Under the management philosophy, the Company has expanded its business by providing unique financial and services that are symbolized by the concept "Finance x Services x Business Expertise."

The leasing business operated by Tokyo Century has the function of encouraging resource circulation by striving to

reuse and recycle goods, in addition to allowing borrowers to introduce new equipment without incurring the initial cost of large capital investment. The Company also aims to create unique finance and services by respecting human rights, promoting diversity, and providing diverse work styles in light of the fact that our greatest capital for our financial and service industry is human assets. In addition, it strives to improve the performance of employees by encouraging creative ideas that are in line with the demands of the times and society.

In the Loan, Tokyo Century established three SPTs (Achieving Kyocera TCL Solar's annual power generation and CO₂ avoided emissions from the solar power business and estimated GHG avoided emissions (cumulative) through JCM, and maintaining DX certification) related to the initiatives it emphasizes as key issues on sustainability.

Regarding SPT 1, Tokyo Century jointly established a power generation company Kyocera TCL Solar in 2012 with KYOCERA CORPORATION and is developing the solar power generation business. Kyocera TCL Solar has a power generation of 316 MW with 76 locations as of the end of March 2020. According to the ranking of power producers from renewable energy sources such as solar and wind power, Kyocera TCL Solar is the second largest producer and the largest solar power producer in the country, making a significant contribution to the renewable energy market in Japan. One of the pillars of the government's Green Growth Strategy for realizing a carbon neutral society by 2050 is to promote electrification in all sectors, and the government is aiming at covering 50-60% of that electric power to renewable one. Tokyo Century's target setting for increasing the supply of renewable energy through Kyocera TCL Solar is very meaningful as an effort that contributes to the above policy.

Regarding SPT 2, Tokyo Century utilizes a global network spanning more than 30 countries and regions worldwide to provide Japanese and non-Japanese companies with financial and services that meet various local needs in cooperation with local partner companies. JCM is a meaningful initiative that can contribute to global warming countermeasures in developing countries, support of expansion of low-carbon technologies of Japanese manufacturers and the economic development of partner countries. The Company is contributing to the realization of a recycling-oriented economic society, by promoting the JCM business through its broad network, and the life cycle management service in the leasing business. Its JCM activities and future plans are meaningful and ambitious target setting for both developing countries and Japan.

For SPT 3, Tokyo Century plans to take on the challenge of new business areas and build new business models in order to become "a trusted service/business partner" over the next 10 years based on keywords such as digital, mobility, CASE (Connected, Autonomous, Shared, Electric) and "subscription". In the age of "Society5.0," which is a "people-centered society" that balances economic development and the resolution of social issues through a system that highly integrates cyberspace and physical (real) space, the construction of digital infrastructure from the viewpoint of DX is essential to the provision of services that can contribute to the resolution of social issues, and Tokyo Century is pioneering the industry in this effort.

Based on the above, JCR has evaluated that all SPTs selected for the Loan are both meaningful and ambitious.

(2) The terms of loans and the monitoring system during the period

JCR confirmed that both SMTB and Tokyo Century have established incentives under the terms of the Loan in a convincing way, and that Tokyo Century is scheduled to report annually to SMTB on the status of achievement of SPTs. The final degree of sustainability achievement is planned to be evaluated by the three parties of Tokyo Century, SMTB and JCR in the year of repayment due date.

Based on the above considerations, JCR has confirmed that the Loan, of which the blower is the subject of the third-party opinion, is in conformity with the SLLP, etc.