

December 26, 2019

To whom it may concern

Sumitomo Mitsui Trust Bank, Ltd.

Notice regarding Signing of Loan Agreement for the Positive Impact Finance
with Unspecified Use of Funds





Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter "SuMi TRUST Bank") hereby announces the signing of a loan agreement with J. FRONT RETAILING Co., Ltd. (President and Representative Executive Officer: Ryoichi Yamamoto; hereinafter "J. FRONT RETAILING"). The loan is in alignment with the Principles for Positive Impact Finance (hereinafter "Principles" (*1)) established by the United Nations Environmental Programme Finance Initiative (hereinafter "UNEP FI" (*2)).






Positive Impact Finance involves a comprehensive analysis and evaluation of the environmental, social, and economic impacts (positive and negative) of corporate activities, and the provision of loans to support these activities on an ongoing basis. The greatest feature is for corporates to disclose the degree to which it contributes to the achievement of corporates' Sustainable Development Goals (SDGs) by specifying and disclosing specific indices using evaluation indicators.

This transaction is the world's first Positive Impact Finance for a department store after the launch of the Principles for Responsible Banking (*3) on September 22, 2019. The holding company of SuMi TRUST Bank, SuMi TRUST Holdings, Inc. (Director, President: Tetsuo Ohkubo), became one of the Founding Signatories of the Principles for Responsible Banking, committing to strategically align its business with the SDGs and the Paris Agreement. We set up the total loan commitment (the credit facility) of JPY50 billion for ESG・SDG's related transactions, which provides our clients with the preferential interest rates, and we will support our clients who promote the activities of ESG/SDG's.

J. FRONT RETAILING is a 'Multi Service Retailer' which main business are department store business, Parco business and real estate business, and it contributes to realize a creation of sustainable society, in particular aiming to achieve 'Low - Carbon Society' with suppliers and 'Coexistence with local communities' throughout replacement with renewable energy, management of the entire stores and implementation of J. FRONT RETAILING's Urban Dominant Strategy.

SuMi TRUST Bank qualitatively and quantitatively assessed the following themes.

Theme	Content	SDGs
Contribution to a low - carbon society	Initiatives to reduce CO2 emission approved by Science Based Targets (*4)	 
Management of the entire supply chain	Initiatives to share Principles of Action for Supplier and to reduce CO2 emission with entire supply chain	 

Coexistence with local communities	Revitalizing local communities and city development in the “Urban Dominant Strategy”	 
Promotion of diversity and realization of work-life balance	Aiming to create a working environment where people from all ages, genders and abilities coexist, and where diversity is respected and accepted, and to realize a true work-life balance that meets changes in lifestyles	  

J. FRONT RETAILING obtained a third-party opinion (*5) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding compliance with the Principles of procedures and the rationality of the evaluation indicators.

Through Positive Impact Finance, we will continue to support clients' business activities that contribute to the achievement of the SDGs and to contribute to the enhancement of their corporate value over the medium to long term.

(*1) United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is a subsidiary body of the United Nations established in 1972 as an implementing agency for the Human Environment Declaration and the International Environmental Action Programme. UNEP FI is a broad and close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, it has been working with financial institutions, policies and regulators to transform itself into a financial system that integrates economic development and environmental, social, and corporate governance considerations.

(*2) Principles for Positive Impact Finance

This is a financial framework for achieving the Sustainable Development Goals (SDGs) formulated by the United Nations Environment Programme Finance Initiative (UNEP FI) in January 2017. By disclosing the contributions to the achievement of SDGs in KPIs and assessing the positive impact of these contributions and providing funds, the funds guide the efforts of fund providers to increase the positive impact and reduce the negative impact.

As a responsible financial institution, the lending bank monitors the indicators to ensure that their impacts are continuing.

(*3) The Principles for Responsible Banking

The Principles for Responsible Banking were developed by a core group of 30 Founding Banks through an innovative global partnership between banks and the UNEP Finance Initiative (UNEP FI).

For more information, please visit

<https://www.unepfi.org/banking/bankingprinciples/>

(*4) Science Based Targets

The Science Based Targets initiative is a partnership between CDP (Carbon Disclosure Project), UN

Global Compact, WRI (World Resources Institute) and WWF (World Wide Fund for Nature) in 2015, which helps companies achieve the scientific based target to cut green house gas emissions below 2 degree rise from pre-industrial levels.

For more information, please visit (Japanese only)

https://www.j-front-retailing.com/_data/news/20191021sbt.pdf

(*5) Independent opinion from Japan Credit Rating Agency, Ltd.

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

For further information, please contact:

IR Department, Sumitomo Mitsui Trust Holdings, Inc.

Telephone : +81-3-3286-8354