

November 14, 2024

To whom it may concern,

Sumitomo Mitsui Trust Bank, Limited
Concordia Financial Group, Ltd.

**Sumitomo Mitsui Trust Loan & Finance to Become a Joint Venture
between Concordia Financial Group and Sumitomo Mitsui Trust Bank**

Concordia Financial Group, Ltd. (President: Tatsuya Kataoka; hereinafter “CFG”) and Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”; collectively with CFG, “Both Companies”) today hereby announce that Both Companies have agreed and executed the Share Purchase Agreement and the Shareholders' Agreement, under which CFG will acquire 85% of the equity interests in Sumitomo Mitsui Trust Loan & Finance Co., Ltd. (President: Takashi Kameda, hereinafter “SuMi TRUST L&F”), a wholly owned subsidiary of SuMi TRUST Bank, from SuMi TRUST Bank to make SuMi TRUST L&F a joint venture between Both Companies (hereinafter the “Transaction”).

1. Background and Objectives

SuMi TRUST L&F is a specialized real estate finance company offering personal home loans, rental property loans, and real estate secured loans. Originating from the former Life Housing Loan, Ltd. and former First Credit Corporation, SuMi TRUST L&F has developed thorough credit processes based on its proprietary debtor evaluation and property assessment expertise cultivated over many years to meet diverse financial needs related to borrower attributes (foreigners, the elderly, etc.), property characteristics (older properties, etc.), and use of funds (inheritance-related, etc.) that banks are not always able to fully address, while leveraging its creditworthiness as a bank-affiliated institution and the real estate expertise of Sumitomo Mitsui Trust Group (hereinafter “SuMi TRUST Group”; collectively refers to the entire trust banking group with SuMi TRUST Bank as its core).

CFG, a regional financial group that owns three regional banks; The Bank of Yokohama, Ltd. (hereinafter “BoY”), The Higashi-Nippon Bank, Ltd., and THE KANAGAWA BANK, LTD, has a long-term vision of becoming “A solution company rooted and selected as a partner in communities”. The business environment surrounding CFG, which is closely tied to the local communities, is expected to be affected by accelerating changes in social structures caused by population decline, leading to an increase in inheritances, vacant and older properties, and foreign workers. CFG believes it is its duty to meet the diversifying financial needs that accompany these social changes, and to fulfill its mission and role of contributing to the sustainable development of local communities through its financial intermediation function more than ever before. This is important from the perspectives of both revenue base enhancement and social responsibility as a regional financial institution. In light of these considerations, CFG has engaged in discussions with SuMi TRUST Bank about

purchasing stakes in SuMi TRUST L&F which has its proprietary expertise and customer base.

SuMi TRUST Bank has placed “balancing the creation of social and economic value” at the core of its management and aims to create a “virtuous circulation of funds, assets, and capital.” in accordance with SuMi TRUST Group's purpose of “Trust for a flourishing future: Creating new value with the power of trusts and let prosperous future for our clients and society bloom”. SuMi TRUST Bank has been discussing how to strengthen the business portfolio set out in its current medium-term management plan, looking ahead to a future in which social structures and business environments will change dramatically. From the perspective of further enhancing the corporate value of SuMi TRUST L&F and optimally allocating the management resources of SuMi TRUST Group, SuMi TRUST Bank has been reviewing the best partner for SuMi TRUST L&F. Even after the Transaction, the importance of real estate secured loan functions in SuMi TRUST Group's real estate value chain will remain unchanged. Going forward, SuMi TRUST Group will accelerate the pursuit of collaboration opportunities with CFG, based on a mutually complementary relationship through this joint venture. SuMi TRUST Group will provide a wide range of trust functions that are unique to SuMi TRUST Group and meet the needs of its clients.

Based on the above, Both Companies have discussed and agreed that CFG, a regional financial group with a high affinity with the customer base of SuMi TRUST L&F, should become the largest shareholder of SuMi TRUST L&F. Both Companies agree that making SuMi TRUST L&F a joint venture between Both Companies will lead to increased corporate value in the medium to long term for CFG, SuMi TRUST Bank, and SuMi TRUST L&F. Both Companies will commit to the sustainable growth of SuMi TRUST L&F by leveraging its creditworthiness as a bank-affiliated institution, the real estate expertise of SuMi TRUST Group, and CFG's business base and relationships with other regional financial institutions. Both companies believe that this will further improve the quality of the services and products that SuMi TRUST L&F provides to the society and customers.

2. Schedule

- i. Signing date: November 14, 2024
- ii. Closing date: April 1, 2025 (planned)

(Note) As a result of considerations regarding business operations after the Transaction, including business collaboration, the entity acquiring equity interests in SuMi TRUST L&F may change from CFG to BoY.

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