

To whom it may concern

March 7, 2024

Sumitomo Mitsui Finance and Leasing Company, Limited
Sumitomo Corporation

"Leases Including Carbon Credits" Service Launched to Offset CO₂ Emissions with J-Credits

The first contract signed with Shinki Kanko Co.

Sumitomo Mitsui Finance and Leasing Company, Limited (President: Masaki Tachibana, hereinafter "SMFL") has announced the launch of the "Leases Including Carbon Credits"¹ service (hereinafter "the Service"), in which J-Credits² purchased from Sumitomo Corporation (President and Chief Executive Officer: Masayuki Hyodo, hereinafter "Sumitomo Corporation") are integrated into leasing agreements to offset CO₂ emissions anticipated during the lease term of an asset.

As a first step, a lease contract was concluded for a sightseeing bus that is used exclusively for tours organized by Shinki Bus Company and operated by Shinki Bus Group's Shinki Kanko Co.

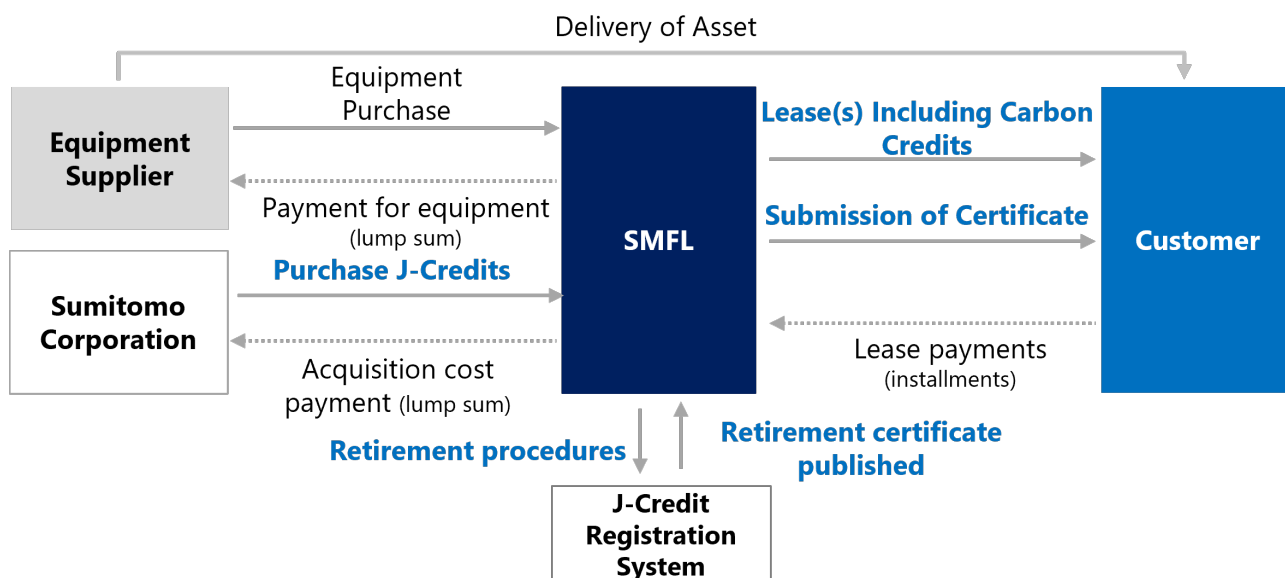
Under the terms of the Service, the company offering the object for lease selects the type and quantity of J-Credits according to the intended usage, and SMFL provides the leased object along with J-Credits purchased from Sumitomo Corporation. The J-credits will be used to offset the expected CO₂ emissions of the leased item throughout its lease term, and SMFL will perform the retirement³ procedures. Sumitomo Corporation, with its expertise in carbon credits and experience in trading them, will supply the carbon credits in the form of J-Credits.

The first contract partnership will be with Shinki Tourism Co., Ltd., which will feature their luxury sightseeing bus "YUI PRIMA OLIVIA", as the exclusive vehicle for their new "Setouchi Excursion Tour" under the premium bus tour brand "YUI." Accordingly, the tours will be conducted using a vehicle that is carbon offset by forest absorption-derived J-Credits generated from forests in the tour area.

SMFL describes itself as a company that "Chosen for its commitment to SDGs." This is part of SMFL's "Our Vision" policy laid out in the "SMFL Way," which expresses SMFL's management philosophy and policies. SMFL has also set "Environment," "Next Generation," "Community" and "Job Satisfaction" as four key issues, with a commitment to the SDGs across the company. SMFL will continue working to support a sustainable society by offering innovative services aligned with the SDGs.

Sumitomo Corporation considers the realization of a sustainable society an important management

theme. To this end, we have established the Energy Innovation Initiative as a sales organization that creates next-generation energy businesses, with the aim of making our business carbon neutral by 2050. In April 2022, we set up the Carbon Solution Team to focus on carbon credits and work to realize a carbon neutral society through the creation and sale of such credits.



YUI PRIMA OLIVIA, a luxury sightseeing bus covered under the lease agreement that includes carbon credits.



(Courtesy of Shinki Bus Co.)

¹ Carbon Credits

Carbon credits are defined as the "carbon dioxide equivalent quota" under Japanese law. The term "Carbon credits" is used here as a generic term for carbon dioxide equivalent quota.

² J-Credits

J-Credits are set based on the reduction of CO₂ and other emissions resulting from the introduction of energy-saving equipment and the use of renewable energy, as well as the amount of CO₂ and other emissions absorbed through appropriate forest management, as certified by the Japanese government's

J-Credit System.

³ Retirement

The process of retiring purchased credits to prevent them from being resold or reused.