

## Change in Major Shareholders of Sumitomo Mitsui Trust Loan & Finance—JCR Will Focus on Management Structure, Joint Venture Shape, etc.

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion regarding that Concordia Financial Group, Ltd. (security code: 7186) will acquire 85% of the equity interests in Sumitomo Mitsui Trust Loan & Finance Co., Ltd. from Sumitomo Mitsui Trust Bank, Limited (security code: -) to make the latter a joint venture between Concordia Financial Group, Ltd. and Sumitomo Mitsui Trust Bank, Limited.

- (1) Yesterday, Sumitomo Mitsui Trust Bank, parent company of Sumitomo Mitsui Trust Loan & Finance (the "Company"), and Concordia Financial Group (Concordia FG) agreed to make the Company a joint venture by having Concordia FG acquire 85% of its shares. The closing date for the transfer of shares is scheduled for April 1, 2025.
- (2) The Company is a finance company that provides housing/apartment loans to foreigners, the elderly, etc. and real estate secured loans. Concordia FG positions this transaction as a "strategic M&A that serves as the first step in transitioning from a banking group into a comprehensive financial group," and it is thought that the Company's managerial importance to Concordia FG will become high. Concordia FG plans to pursue synergies through mutual referrals of customers with the Company and referrals of customers, etc. utilizing the regional bank network, and it also aims to leverage the real estate expertise of the Sumitomo Mitsui Trust Group through the joint venture. Along with the share transfer, the Company will repay all borrowings from Sumitomo Mitsui Trust Bank, and the funds necessary for the repayment will be provided by The Bank of Yokohama, Ltd., a wholly-owned subsidiary of Concordia FG.
- (3) The Company's issuer rating is equivalent to the Group creditworthiness of "AA" based on the degree of Sumitomo Mitsui Trust Bank's control over and involvement in the Company and the Company's managerial importance in the Sumitomo Mitsui Trust Group. Concordia FG's Group creditworthiness is also equivalent to "AA," therefore, the impact on the Company's rating is considered to be limited. JCR will confirm the degree of Concordia FG's control over and involvement in the Company and the Company's managerial importance in the Group, such as management structure of the Company after share transfer and the shape of the joint venture, and will incorporate these elements in the rating.

Atsushi Kato, Kei Aoki

### <Reference>

Issuer: Sumitomo Mitsui Trust Loan & Finance Co., Ltd.

Long-term Issuer Rating: AA      Outlook: Stable

Issuer: Sumitomo Mitsui Trust Bank, Limited

Long-term Issuer Rating: AA      Outlook: Stable

Issuer: Concordia Financial Group, Ltd.

Long-term Issuer Rating: AA      Outlook: Stable

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