

April 30, 2024

Sumitomo Mitsui Banking Corporation

Green Loan for AESC Ibaraki Co., Ltd.

Sumitomo Mitsui Banking Corporation (“SMBC”, President and Chief Executive Officer, Akihiro Fukutome) has signed an agreement for a green loan (“This Loan”) with AESC Ibaraki Co., Ltd. (CEO, Shoichi Matsumoto), a wholly-owned subsidiary of AESC Group (CEO, Shoichi Matsumoto). This Loan is based on the Green Finance Framework (“the Framework”) formulated by AESC Group.

Green loan is a form of financing that enables companies to raise funds for projects that contribute to solving environmental problems and creating environmental benefits (“Green Projects”) and is specifically designed to ensure that (i) the proceeds are allocated exclusively to Green Projects, (ii) the funds raised are securely tracked and managed, and (iii) transparency is ensured through post-financing reporting.

AESC Group is a leading manufacturer specializing in the development, production, and sales of lithium-ion batteries mainly for use in EVs. Their mission is “To Solve the Challenges for a Sustainable Future,” and they are committed to contributing to global decarbonization by providing high-quality batteries. They formulated the Framework in September 2023 as a fundraising framework to promote these sustainability-related initiatives. The funds raised through This Loan will be used for the construction and expansion of an electric vehicle battery manufacturing plant among the eligibility criteria set forth in the Framework.

AESC Group have obtained a second party opinion from S&P Global for the Framework for its alignment with the Green Bond Principles and the Green Loan Principles.

【Overview of This Loan】

Date of conclusion of the contract	March 29, 2024
Loan Amount	JPY 70.3 billion yen
Loan Term	79 months
Lender	Sumitomo Mitsui Banking Corporation
Use of Proceeds	Construction and expansion costs of electric vehicle battery manufacturing plant

SMBC will further contribute to achieving sustainable society by providing solutions and engaging in dialogue for our clients’ sustainable management.

(Reference)

AESC Group Website:

<https://www.aesc-group.com/jp/aboutus.html>

S&P Global Website for details about the second party opinion:

<https://www.spglobal.com/ratings/en/research/pdf-articles/second-opinion-cicero-shades-of-green-aesc-group-green-finance-230907>

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This announcement is not intended as a recommendation to invest or solicit.