



LETTER OF CONFORMANCE

Statement No.: PRJN- 722384-2024-LOC01-JPN

Tokyo Century Corporation. Transition-Linked Finance

Tokyo Century Corporation (hereinafter, "Tokyo Century") will fund the loan resources raised from Sumitomo Mitsui Trust Bank, Limited (hereinafter, "SMTB") as an Enabler to a low-carbon and decarbonisation business projects implemented by Mitsui O.S.K. Lines, Ltd., and its subsidiaries (hereinafter, the "MOL Group") as lease finance.

DNV Business Assurance Japan K.K. (hereinafter, "DNV") confirmed that the eligibility assessment of this lease finance as Transition-Linked Finance based on Tokyo Century's framework* has been appropriately carried out by Tokyo Century, and that the lease finance to be implemented as an Enabler is aligned with the principles, guidelines, etc. related to Transition-Linked Finance and is eligible as Transition-Linked Finance.

*: The framework has been established by Tokyo Century to act as an Enabler (the entity that raises the proceeds, including investments and loans) of the Transition-Linked Loan, and a second party opinion has been obtained from an independent external reviewer (DNV) on its eligibility (Report No. PRJN- 722384-2024-AST-JPN-01. 7 May 2024).

This letter of conformance is valid for the following scopes (including similar transactions covering and executing scopes 1) to 4) below):

- 1) Target framework: the Tokyo Century Sustainability-Linked Finance and Transition-Linked Finance Frameworks.
- 2) Target transaction: Transition-Linked finance funded by Tokyo Century as Enabler (Tokyo Century Transition-Linked Equity and Transition-Linked Loans financed by SMTB (financing based on the Sustainable Finance Framework developed by Mitsui O.S.K. Lines of Credit, Ltd.))
- ※ Finance characteristics are confirmed in TLL-3 of the evaluation protocol (next section).
- 3) Target counterparty: MOL Group (Date of first transaction: 2 July 2024)
- 4) Target activity: business projects that contribute to low carbon and decarbonisation based on KPIs/SPTs* in accordance with SLLP and SLLGL.

*: KPIs/SPTs are confirmed to be selected and set in TLL-1 and TLL-2 of the evaluation protocol (next section).



Place and date:
Kobe, 2 July, 2024

For the issuing office:
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About DNV

DNV Business Assurance Group, as an independent third-party assessment body, declares that it has no interest in the facts and perceptions of Tokyo Century Corporation in the provision of this service.
DNV's assessment assumes that the information provided by Tokyo Century is accurate and does not audit or test the accuracy of the information provided. The results of this evaluation do not provide any assurance as to the financial performance of any individual investment or loan, the value of any investment or loan, or the long-term environmental benefits.

DNV Transition-Link Finance Assessment Protocol

DNV, through its assessment of Tokyo Century, confirmed that the eligibility assessment for the MOL Group was appropriately carried out by Tokyo Century as an Enabler and that the lease finance was eligible.

The following is a summary of the results of Tokyo Century's eligibility assessment (or MOL Group initiatives, which have already been evaluated as eligible by an external evaluation body).

Item	Keywords	DNV assessment results
CTF-1 Fundraiser's climate transition strategy and governance	a) Climate Transition Strategy	<ul style="list-style-type: none"> DNV confirmed that the MOL Group's MOL Group Environmental Vision 2.2 is consistent with the environmental targets set by the International Maritime Organisation (hereinafter, "IMO") and the Ministry of Land, Infrastructure, Transport and Tourism (hereinafter, "MLIT") as a transition strategy and sets scientifically based long-term and medium-term targets for greenhouse gas (hereinafter, "GHG") emissions reduction. Furthermore, the long-term and medium-term targets for GHG emission reductions are scientifically based.
	b) Governance structure for achieving carbon neutrality	<ul style="list-style-type: none"> DNV confirmed that the MOL Group has established an internal structure and a disclosure process based on the TCFD as governance and disclosure for the implementation of the transition strategy.
CTF-2 Business model environmental materiality	c) Environmental materiality	<ul style="list-style-type: none"> DNV confirmed that the approximately three-quarters of the MOL Group's GHG emissions from its business projects are attributable to its main activity, the operation of ships, confirming that tackling "climate change" through ship operations is an environmental materiality for the MOL Group.
	d) Climate change-related scenarios	<ul style="list-style-type: none"> DNV confirmed that the MOL Group's Transition Strategy has been developed based on the risks and opportunities resulting from the analysis based on the IEA's 2.6°C, Lower-2°C and 1.5°C scenarios, confirming that the Transition efforts will contribute to significant qualitative and quantitative environmental improvement effects (impact).
CTF-3. Climate transition strategy to be 'science-based' including targets and pathways	e) Scientific rationale	<ul style="list-style-type: none"> DNV confirmed that the MOL Group has a science-based transition strategy that is consistent with the Paris Agreement and a transition trajectory that is consistent with the IMO, MLIT, etc.
	f) Consideration of key emission scopes	<ul style="list-style-type: none"> DNV confirmed that the MOL Group's transition strategy includes all scopes and that GHG emissions have been calculated for the main sub-categories - Scope 3.
CTF-4. Implementation transparency	g) Investment plan	<ul style="list-style-type: none"> DNV confirmed that the MOL Group plans to invest approximately JPY 650 billion in environmental investments over the three-year period FY2023-FY2025.
	h) Outcomes and impact (including fair transitions)	<ul style="list-style-type: none"> DNV confirmed that the investments and projects required to implement the MOL Group's transition strategy are carried out in accordance with internal management systems and processes and with appropriate timelines.

Item	Keywords	DNV assessment results
TLL-1. Selection of KPIs	a) KPI – material to core sustainability and business strategy	<ul style="list-style-type: none"> • DNV confirmed that the MOL Group has selected the KPIs that were qualified in the framework assessment as KPIs for this Transition-Linked Finance. • KPI: Energy Efficiency Operational Indicator (EEOI) Unit: g-CO₂ /Tonmile • The KPIs measure the reduction in relative carbon intensity (GHG emissions intensity) of the MOL Group's current and near-term shipping operations and are closely linked to the MOL Group's sustainability and business strategies. • All elements comprising the EEOI are under MOL's control and impact on MOL's own value creation and external stakeholders and are identified as key KPIs.
	b) KPI - Measurability	<ul style="list-style-type: none"> • DNV confirmed that the EEOI, which was selected as a KPI, is a carbon intensity index widely used in the shipping industry that indicates CO₂ emissions per unit cargo weight and transportation distance during ship operation, and its calculation method is specified by IMO. • DNV confirmed that the EEOI as a KPI is measurable based on a consistent methodology, is externally verifiable and can be benchmarked against an external reference, and that the EEOI is a robust and reliable indicator, and that it has been concluded that the EEOI is a robust and reliable indicator for measuring GHG emissions from ships.
	c) KPI – Clear definition	<ul style="list-style-type: none"> • See also a).
TLL-2. Calibration of SPTs	d) Target Setting - Meaningful	<ul style="list-style-type: none"> • SPT: 45% EEOI reduction by FY2035 (compared to FY2019). • DNV confirmed that the SPTs are consistent with industry standards (targets set by the IMO and the MLIT, etc.), based on the Paris Agreement's 'Net Zero in 2050'.
	e) The SPTs should be ambitious	<ul style="list-style-type: none"> • DNV confirmed that the based on MOL's Oceangoing Fleet Composition Transition Plan, the SPT is realistic, the plan is feasible and the SPT targets outlined in MOL's Framework are likely to be achieved. • The 45% EEOI reduction by FY2035 compared to the FY2019 baseline set by MOL is an ambitious target that is consistent with the IMO, MLIT and other targets for the entire period between FY2019-FY2035 when converted to the IMO, MLIT and other baselines, and it is an initiative that goes beyond "Business as Usual."
TLL-3. Finance characteristic	f) Loan characteristics – SPTs Financial/structural impact	<ul style="list-style-type: none"> • Tokyo Century and MOL Group confirm that the financial/structural impact will be clarified in the lease documentation and that, depending on the achievement of the SPTs in a single year, there will be a reduction in lease payments when the SPTs are achieved and no reduction in lease payments when it is not achieved, as stated in the lease documentation. • In line with the above and the TCC framework, equity and loan terms are also confirmed to be varied depending on the achievement of the SPTs. • DNV confirmed that the final SPT attainment determination dates for the lease and loan periods are completed before FY2035, the MOL Group's trigger determination year.
	g) Loan Characteristics – Fallback mechanism	<ul style="list-style-type: none"> • MOL has considered an appropriate fallback mechanism (preliminary alternative) and has confirmed that it will not establish another SPT or calculation method at this time, as the risks that cannot be calculated or observed are extremely small. • DNV confirmed that the MOL has explained to the stakeholders that as a future fallback mechanism, MOL may take in respond to changes in the business environment, business structure reforms, KPI changes, etc., regardless of whether the event is due to



		external factors or the result of MOL's management decisions if there is a reasonable reason to do so.
TLL-4. Reporting	h) Reporting	<ul style="list-style-type: none">• DNV confirmed that the necessary information can be obtained from the MOL Group once a year as stated in the Tokyo Century framework.
TLL-5. Verification	i) External verification	<ul style="list-style-type: none">• DNV confirmed that the MOL Group plans to undergo independent verification of the data related to the KPIs at least once a year by an independent external reviewer with relevant expertise in SPT triggering events.