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横浜川崎国際港湾株式会社
YOKOHAMA-KAWASAKI INTERNATIONAL PORT CORPORATION

Press Release

March 29, 2018

Uyeno Transtech Ltd.

Sumitomo Corporation

Yokohama-Kawasaki International Port Corporation

**Memorandum concluded on joint study on Ship-To-Ship LNG bunkering
in Tokyo Bay**

Uyeno Transtech Ltd. (Head Office: Yokohama, Kanagawa Prefecture; Chairman & President: Takashi Ueno; hereinafter, “Uyeno Transtech”), Sumitomo Corporation (Head Office: Chuo-ku, Tokyo; Representative Director, President and Chief Executive Officer: Kuniharu Nakamura), and Yokohama-Kawasaki International Port Corporation (Head Office: Yokohama, Kanagawa Prefecture; President & CEO: Masamichi Morooka; hereinafter, “YKIP”) (hereinafter collectively referred to as “the three companies”) have concluded a memorandum on conducting a joint study on Ship-To-Ship liquefied natural gas (hereinafter, “LNG”) bunkering(Note 1) in Tokyo Bay (hereinafter, “the Joint Study”).

LNG as ship fuel is notable for generating lower emissions of sulfur oxides (SO_x), nitrogen oxides (NO_x) and carbon dioxide (CO₂) than the heavy fuel oil conventionally used as marine fuel oil. Expectations are high worldwide that it will serve as a more eco-friendly alternative fuel able to comply with tighter global cap on sulphur emissions from international shipping due to go into effect in 2020. It is even forecast that about one-fourth of the world’s ship fuel use will be switched over to LNG by 2030, producing a global rise in the demand for LNG fuel. At the same time, inadequate LNG bunkering infrastructure is among the reasons that Japan and the rest of Asia lag far behind such leading regions as Europe and the US in widely adopting LNG as marine fuel.

In hoping to turn Tokyo Bay, a gateway to Asia for ships sailing in the Pacific Ocean, into a LNG bunkering hub, the three companies will jointly study the commercial feasibility of Ship-To-Ship LNG bunkering services using LNG bunkering vessels all the while remaining open to possible participation in such a business venture by LNG-related companies.

Uyeno Transtech is a Uyeno Group company responsible for maritime transport and, in the nearly 150 years since its founding in 1869, the Group has been involved in transporting,

storing, and selling petroleum and chemical products essential to domestic industry and people's day-to-day lives as well as in solar and maritime environmental projects. As a maritime transport company involved with the energy industry, Uyeno Transtech will be examining LNG bunkering in Tokyo Port with its partner companies to ensure the Group's future by continuing to promote the use of LNG as a next-generation alternative fuel for maritime transport and to broadly contribute to efforts to address global warming and advance society.

Sumitomo Corporation has for a period of 66 years supplied primarily client maritime transport companies with safe, reliable and low-cost shipping fuel, thereby helping to develop global maritime transport and trade. Together with its partner companies, Sumitomo Corporation will be building an industrial platform for procuring and supplying eco-friendly and low-cost LNG, complementing its conventional shipping fuel supply operations by meeting new customer demand for LNG. Sumitomo Corporation will be aiming through the Joint Study to encourage greater use of LNG as a ship fuel across the globe and to achieve sustained growth in harmony with the global environment.

YKIP, the port operating company for Keihin Port, manages and operates the container terminals for Yokohama Port and Kawasaki Port in an integrated fashion, and undertakes measures in pursuit of a policy of establishing strategic international container ports to further bolster the international competitiveness of Japan's ports. As one of those measures, YKIP has endeavored to set up a LNG bunkering hub in Tokyo Bay, centered on Yokohama Port, to comply with SOx emission restrictions in general sea areas scheduled to go into effect in 2020. In cooperation with its partners, YKIP will be creating an environment to encourage port calls by LNG-fueled vessels to ensure that this eco-friendly hub port in East Japan supports sustained social development.

(Note 1) Ship-To-Ship LNG bunkering: A method for supplying LNG-fueled vessels at the berth or anchorage area with LNG by LNG bunkering vessels

<Reference>

■ Profile of Uyeno Transtech

Company name: Uyeno Transtech Ltd.

Head office: Yokohama, Kanagawa Prefecture

Description of business: Domestically, the company's primary business is maritime transport of petroleum and chemical products, and it operates about 70 vessels. Overseas, it does business in Southeast Asia

principally from its subsidiaries in Singapore and the Philippines.

Year established: 1869

■ Profile of Sumitomo Corporation

Company name: Sumitomo Corporation

Head office: Harumi, Chuo-ku, Tokyo

Description of business: The company engages in multifaceted business activities by making the most of its Integrated Corporate Strength. These business activities include sales of a variety of products and services within Japan, import and export, trilateral trade, and domestic and international business investment.

Year established: 1919

■ Profile of YKIP

Company name: Yokohama-Kawasaki International Port Corporation

Head office: Minato Mirai, Nishi-ku, Yokohama, Kanagawa Prefecture

Description of business: Construction, leasing, management, operation, etc., of container terminal and affiliated facilities

Shareholder composition: Government of Japan: 50%, Yokohama City: 45%, Kawasaki City: 4.5%, Sumitomo Mitsui Banking Corporation: 0.5%

Year established: 2016

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