

August 27, 2020

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

**Notice regarding the Conclusion of a Positive Impact Finance (with unspecified use of funds)  
Loan Agreement (with Toray Industries, Inc.)**

Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) and Toray Industries, Inc. (President and Representative Member of the Board: Akihiro Nikkaku; hereinafter “Toray”) concluded a “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) that is in line with the Principles for Positive Impact Finance (\*1) released by the United Nations Environmental Programme Finance Initiative (hereinafter “UNEP FI”) (\*2).



Positive Impact Finance (hereinafter “PIF”) is a loan intended to provide continuous support to the corporate activities that we comprehensively analyze and evaluate the impacts (both positive and negative) of corporate activities on the environment, society and economy. The most notable feature of the loan is that the degree of contribution from corporate activities, products and services in achieving the corporates’ Sustainable Development Goals (SDGs) is used as evaluation indicators and disclosed as information.

**【Overview of this Agreement (Syndicated Loan)】**

Date of Agreement	August 27, 2020
Arranger/Agent	SuMi TRUST Bank
Lender (listed in order of the Japanese kana syllabary)	The Aichi Bank, Ltd., The Akita Bank, Ltd., The Senshu Ikeda Bank, Ltd., The Kiyō Bank, Ltd., The Bank of Kyoto Ltd., Kiraboshi Bank, Ltd., The Shiga Bank, Ltd., Shinkin Central Bank, Sumitomo Life Insurance Company, Suruga Bank, Ltd., The Chiba Bank, Ltd., The Chūkyō Bank, Ltd., The Hyakujushi Bank, Ltd., The Yamanashi Chuo Bank, Ltd., SuMi TRUST Bank, and others

Based on the core technologies including organic synthetic chemistry, polymer chemistry, biotechnology, and nanotechnology, Toray has continued to develop advanced technologies while creating high-value added products in many segments, such as fibers & textiles, performance chemicals, carbon fiber composite materials, environment & engineering, and life science. Also, Toray formulated its Toray Group Sustainability Vision in July 2018, which presents its vision for the world by 2050 and its specific objectives. Toray continues to strategically promote its CSR activities.

In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of Toray both qualitatively and quantitatively as initiatives that particularly have impact on achieving SDGs.

Theme	Content	KPI (Indicator and goal)	SDGs
Accelerate measures to counter climate change	Materialize a net zero emissions world, where greenhouse gas emissions are completely offset by absorption	<ul style="list-style-type: none"> <li>• Avoid CO<sub>2</sub> emissions in the value chain by expanding supplies of Green Innovation products</li> <li>• Reduce greenhouse gas emissions per unit of sales</li> </ul>	 

Realize sustainable, recycling-based use of resources and production	Materialize a world where resources are sustainably managed	<ul style="list-style-type: none"> <li>Waste recycling rate</li> </ul>	
Provide clean water and air	Materialize a world with a restored natural environment, with clean water and air for everyone	<ul style="list-style-type: none"> <li>Increase sales of Green Innovation products to four-fold by fiscal 2030 from fiscal 2013 levels</li> <li>Reduce water usage per unit of sales</li> </ul>	  
Contribute to better medical care and hygiene for people worldwide	Materialize a world where everyone enjoys good health and hygiene	<ul style="list-style-type: none"> <li>Increase sales of Life Innovation products to six-fold by fiscal 2030 from fiscal 2013 levels</li> </ul>	
Undertake human resources and occupational safety initiatives	Securing and developing human resources Safety and accidents prevention	<ul style="list-style-type: none"> <li>Implementation status of career sheets for non-managerial core members</li> <li>Numbers of major accidents, and rates for occupational accidents resulting in lost work time</li> </ul>	   

This agreement has obtained a third-party opinion (\*4) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding compliance of the procedures related to this agreement’s evaluation to the Principles as well as the rationality of the evaluation indicators.

Through providing PIF and other solution for sustainability businesses, we will continue to support clients’ business activities that contribute to the achievement of the SDGs and to contribute to the enhancement of their corporate value over the medium to long term.

End

(\*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance was developed by UNEP FI in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs that is intended to guide the borrowers to increase positive impact and reduce negative impact.

The lending bank, as a responsible financial institution, will check if the impact is continuing or not by monitoring the indicators.

(\*2) The United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is an executive body for implementing the “Human Environment Declaration” and the “International Environmental Action Programme”, established in 1972 as a subsidiary body to the United Nations system. UNEP FI represents a broad as well as close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, UNEP FI has been working in concert with financial institutions, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(\*3) For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

<https://www.jcr.co.jp/en/>