



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 Meidensha Corporation)**

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) and Meidensha Corporation (President: Takeshi Miida; hereafter “Meidensha”) 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 Environment Programme Finance Initiative (hereafter “UNEP FI”) (*2).



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

For more than 120 years since its founding, Meidensha has been working to create a sustainable world and pursue sustainable value creation for the company through its core business of technologies to both produce and use electricity. In May 2021, Meidensha formulated its ideal state of being/vision for 2030, “Work to build a new society through honesty to the earth, society, and people, and through the power of co-creation.” To realize its ideal state of being/vision, Meidensha established the “Sustainability Partner for realizing the Happiness of People and a Sustainable Global Environment.” As a member of a society that achieves sustainable global relations and as a driving force for realizing sustainability for various stakeholders, Meidensha is working on contributing to “Carbon neutrality” and providing “well-being.”




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

Theme	Content	Goals and Indicators (KPI)	SDGs
Climate change countermeasures (reducing environmental burden through business activities)	Reduce greenhouse gas emissions through the climate change countermeasures	(Goal) ✓ Reduce greenhouse gas emissions through business activities (scope1+2) by 30% by FY2030 (compared with FY2019) (Indicator (KPI)) ✓ Greenhouse gas emissions (scope1+2) (kt- CO ₂)	
Climate change countermeasures (reducing environmental burden through products)	Reduce environmental burden through providing products	a. Reduction of greenhouse gas emissions during product usage (Goal) ✓ Reduce greenhouse gas emissions from product usage (scope3 category11) by 15% by FY2030 (compared with FY2019) (Indicator (KPI)) ✓ The amount of greenhouse emissions reduced	




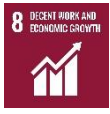
		<p>during product usage (kt- CO₂)</p> <p>b. Reduction of greenhouse gas emissions through providing electronic vehicle (EV) products scope 3 category 11) (Goal) ✓ Reduce greenhouse gas emissions by 1.7MT-CO₂ by FY2024 and 8.7MT-CO₂ by FY2030 through the replacement of gasoline-powered vehicles with EVs of the same grade (Indicator (KPI)) ✓ The amount of reduction of greenhouse gas emissions (MT-CO₂)</p> <p>c. Reduction of SF6 usage through providing SF6-less products (Goals) ✓ Reduce SF6 usage through expanding SF6-less products (Indicators (KPI)) ✓ The amount of reduction of SF6 usage (kg)</p>	
<p>Contribution to the solution of social issues</p>	<p>a. Contribution to infrastructure through providing products</p> <p>b. Contribution to supplying electric power in emergency situations through providing products to energy companies</p>	<p>a-1. Contribution to the construction of the power grid in Singapore (Goal) ✓ Contribute to supplying a certain amount of electric power from FY2021 to FY2024 (4 years) by providing new electricity substations in Singapore with transformers (Indicator (KPI)) ✓ The amount of electric power equipment provided to new electricity substations in Singapore (kVA)</p> <p>a-2. Contribution to transportation infrastructure through providing electric equipment (Goal) ✓ Increase the cumulative railway distance from FY2021 to FY2024 (4 years) to 1.3 times that from FY2016 to FY2020 (5 years) through providing substation equipment, etc. (Indicator (KPI)) ✓ Growth rate of cumulative railway distance due to new construction and extension of railways</p>	 



		<p>b. Supplement of electric power in emergency situations through providing energy companies with products</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Contribute to supplying electric power in emergency situations through providing domestic energy companies with mobile power supply cars <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Total capacity of mobile power supply cars (kVA) 	
Construction of Circular economy	<p>a. Reduction of total waste</p> <p>b. Promotion of Zero emissions</p> <p>c. Proper management of chemicals</p>	<p>a. Reduction of total waste</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Reduce total waste at 4 main sites 4% by FY2021 (compared to FY2017) <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The amount of waste generated (Japan) (kt) <p>b. Promotion of Zero emissions</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Maintain the number of zero emissions sites and zero emissions management practices <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The number of zero emissions sites and the achievement of activities <p>c. Proper management of chemicals</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Reduce VOC emissions to 80 tons or less by FY2021 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The amount of VOC emissions (t) 	
Supply chain management	Improvement of green procurement rate (own standards)	<p>(Goal)</p> <ul style="list-style-type: none"> ✓ Green procurement ratio of 90% or more in FY2021 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Green procurement ratio (%) 	 



PIF × SuMi Trust

Diversity	Promotion of female executives (proper)	(Goal) ✓ Promote female executives (proper) at least 1 by FY2024 (Indicator (KPI)) ✓ The number of female executives (proper)	 
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This agreement has obtained a third-party opinion (*3) 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 solutions for sustainability businesses, we will continue to support clients' business activities that contribute to the achievement of the SDGs and 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/>