



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 Nankai Electric Railway Co., Ltd.)

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) and Nankai Electric Railway Co., Ltd. (President: Teruhiko Achikita; hereinafter “Nankai Group”) 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, and that we support corporations’ activities to achieve this goals through engagement.

In addition to railways, buses and other transportation businesses, Nankai Group has advanced in other fields, including real estate and logistics, that are close to the lives of local residents and endeavored to increase value along its railway lines. With stations as their bases, transportation services that are safe, comfortable and provide peace of mind are Nankai Group’s standard. Nankai Group is working to create communities that are good for the global environment and for all people around the world while being resistant to natural disasters, through the development of residences, offices and commercial buildings, for example, as well as by incorporating a variety of services, including those that revitalize tourism and local industry as well as that support entrepreneurs. Together with local governments along Nankai Group’s train lines and elsewhere, the company is promoting “development together with communities,” increasing their value as “places to live, work and visit.” Therefore, Nankai Group is seeking both “the increase of value as a sustainable company” and “the realization of a sustainable society.”

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

Theme	Content	Goals and Indicators (KPI)	SDGs
Further seek safety, security, and satisfaction	✓ Assure safety in the railway business	(Goal) ✓ Achieve zero liability-accidents in the railway business (Indicator (KPI)) ✓ The number of liability-accidents in the railway business	 
	✓ Increase customer satisfaction	(Goal) ✓ Japanese Customer Satisfaction Index (JCSI) continuously exceeds previous fiscal year	



		(Indicator (KPI)) ✓ The score of customer satisfaction survey	
Create a future full of dreams	✓ Realize smart cities	(Goal) ✓ Advance Semboku New Town revitalization and the Izumigaoka Station Front Vitalization Project (Indicator (KPI)) ✓ The status of advancement of Semboku New Town revitalization and the Izumigaoka Station Front Vitalization Project	   
Develop workplaces and staff in a way that enables each person to put their abilities to use	✓ Promote diversity and inclusion (advance active participation by women)	(Goals) a. Raise the percentage of managers who are female to about 10% (by FY2030) b. Raise the new hire female ratio to about 30% (by FY2030) (Indicators (KPI)) a. The percentage of managers who are female b. The new hire female ratio	  
Contribute to preserving the global environment	✓ Reduce CO ₂ emissions	(Goal) ✓ Reduce the Nankai Group's CO ₂ emissions 46% or more by FY2030 compared to FY2013 (Indicator (KPI)) ✓ The Nankai Group's CO ₂ emissions (total basis, Scope1,2)	   

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



PIF × SuMi Trust

Ends

(*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/>