

July 8, 2022

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 MinebeaMitsumi Inc.)**

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) and MinebeaMitsumi Inc. (Representative Director, CEO & COO: Yoshihisa Kainuma; hereinafter “MinebeaMitsumi”) 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 (hereinafter “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 an evaluation indicator and monitored based on publicly disclosed information, and that we support corporations’ activities to achieve these goals through engagement.

MinebeaMitsumi set a corporate philosophy, “To contribute to the realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.” Based on the belief that “sustainability” is the essence of management, MinebeaMitsumi has reviewed the expression of its corporate philosophy with the aim of achieving both further growth for the Company and sustainable development for the earth and society in the future.





Through the initiatives for the material issues identified as “management issues” for implementing strategies from a company-wide perspective, MinebeaMitsumi is aiming to “contribute to solutions to environmental issues” and to “create the high-quality precision products that support society.” In particular, MinebeaMitsumi is planning to focus on (1) expanding “MMI Beyond Zero (*3),” that is, the contribution to the reduction of global CO₂ emission volume by working to reduce its own CO₂ emissions as well as by providing products equipped with outstanding environmental performance worldwide such as ball bearings, motors, sensors, and analog semiconductors, (2) establishment of a mass-production and stable supply system and a safe and secure management system of high-quality precision products, (3) promotion of procurement in consideration of environmental and human rights issues.



【Overview of this Agreement (Syndicated Loan)】

Date of Agreement	July 8, 2022
Arranger/Agent	SuMi TRUST Bank
Joint Arranger	Sumitomo Mitsui Banking Corporation, and MUFG Bank, Ltd.

【Overview of Positive Impact Evaluation】

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

Theme	Content	Goals and Indicators (KPI)	SDGs
Contribution to the reduction of CO ₂ emissions	<ul style="list-style-type: none"> ✓ Contribute to achieving carbon neutrality globally and environmental improvement through the development and distribution of products 	<p>a. Increase the contribution to reducing CO₂ emissions from products (Goal)</p> <ul style="list-style-type: none"> ✓ Volume of avoided CO₂ emissions by products: Approx. 2.3 million tons (fiscal year ending March 2031) (Indicator (KPI)) ✓ Volume of avoided CO₂ emissions by products (t-CO₂) <p>b. Development and distribution of Green Products (Goal)</p> <ul style="list-style-type: none"> ✓ Percentage of net sales attributable to Green Products: 90% or more (fiscal year ending March 2029) (Indicator (KPI)) ✓ The ratio of green products sales 	 
Reduction of CO ₂ emissions	<ul style="list-style-type: none"> ✓ Reduce CO₂ emissions through the use of renewable energy and the promotion of energy-saving activities 	<p>a. Strive to achieve carbon neutrality (reduction of CO₂ emissions per unit sales) (Goal)</p> <ul style="list-style-type: none"> ✓ 10% reduction of CO₂ emissions per unit sales compared to the fiscal year ended March 2020 (fiscal year ending March 2026) (Indicator (KPI)) ✓ CO₂ emissions per unit sales <p>b. Strive to achieve carbon neutrality (reduction of total CO₂ emissions) (Goal)</p> <ul style="list-style-type: none"> ✓ 30% reduction of total CO₂ emissions compared to the fiscal year ended March 2021 (fiscal year ending March 2031) (Indicator (KPI)) ✓ Total CO₂ emissions 	
Contribution to society through the stable supply of the high-quality precision components	<ul style="list-style-type: none"> ✓ Supporting manufacturing worldwide through the system for mass and stable supply of ultraprecision components 	<p>(Goals)</p> <ul style="list-style-type: none"> ✓ Build a mass production system for ultra-high-performance ball bearings by significantly improving precision accuracy ✓ Strengthen product safety management system capable of supporting products in new fields through business expansion 	

		(Indicator (KPI)) ✓ The status of initiatives of building mass production system and strengthening product safety management system	
Promotion of procurement in consideration of environmental and human rights issues	✓ Realizing CSR in the supply chain by promoting procurement in consideration of environmental and human rights issues	(Goal) ✓ Introduce RBA standards in CSR procurement guidelines and implement self-audits based on them (fiscal year ending March 2026) (Indicator (KPI)) ✓ The status of introduction of RBA standards in CSR procurement guidelines and implementation of self-audits based on them	 

This agreement has obtained a third-party opinion (*) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding the compliance of the procedures related to this agreement’s evaluation with 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 contribute to the enhancement of their corporate value over the medium to long term.

Ends

(*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance were 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 with the intent to guide the borrowers to increase positive impacts and reduce negative impacts.

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 a 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 and policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(*3) MMI Beyond Zero

MinebeaMitsumi contributes to the reduction of global CO₂ emission volume by working to reduce its own CO₂ emissions as well as by reducing the CO₂ emission volume of customers around the world who use its components. MinebeaMitsumi has defined these initiatives as “MMI Beyond Zero.”

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

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