

June 25, 2020

To whom it may concern

Sumitomo Mitsui Trust Holdings, Inc.

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

Please be informed that Sumitomo Mitsui Trust Bank, Limited, a subsidiary of Sumitomo Mitsui Trust Holdings, Inc. today announced the attached press release.

For further information, please contact:

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Sumitomo Mitsui Trust Bank, Limited

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

Sumitomo Mitsui Trust Bank, Limited (President: Masaru Hashimoto; hereinafter “SuMi TRUST Bank”) and Mitsui Chemicals, Inc. (President and CEO: Osamu Hashimoto; hereafter “Mitsui Chemicals 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 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	June 25, 2020
Arranger/Agent	SuMi TRUST Bank
Sum	15 billion yen
Purpose of Loan	Working capital
Lender (listed in order of the Japanese kana syllabary)	The Senshu Ikeda Bank, Ltd., The Shiga Bank, Ltd., The Chukyo Bank, Ltd., The Hyakugo Bank, Ltd., The Hyakujushi Bank, Ltd., The Bank of Yokohama, Ltd., SuMi TRUST Bank and other 1 bank

The Mitsui Chemicals Group is actively incorporating elements of sustainability into its management and strategies, aiming to realize a cohesive society in harmony with the environment, health and happiness in an aging society and industrial platforms in harmony with local communities. In particular, Mitsui Chemicals is contributing to the achievement of SDGs by creating social value via business activities that see delivery of Blue Value™ and Rose Value™ (*3) – yardsticks for assessing the Group’s contributions to the environment and quality of life, respectively.

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

Theme	Content	KPI (Indicator and goal)	SDGs
Contribution to society, the environment and the economy through Blue Value™ products	Use of natural energy and non-fossil materials, reduction of greenhouse gas (GHG) emissions through lighter-weight and longer-lasting products, conservation of energy and resources	<ul style="list-style-type: none"> •Blue Value™ products sales ratio: 30% or more •New Blue Value™ certifications •Investment associated with Blue Value™ products 	    
Contribution to society, the environment and the economy through Rose Value™ products	Responding to the declining birthrate and aging population, extending healthy life expectancy, addressing food problems	<ul style="list-style-type: none"> •Rose Value™ products sales ratio: 30% or more •New Rose Value™ certifications •Investment associated with Rose Value™ products 	   
Environmental protection (GHGs and energy, reducing emissions of chemical substances) and chemicals management	Promotion of energy efficiency, fuel switching, creation of process innovation technologies	<ul style="list-style-type: none"> •GHG emissions reduction rate: 25.4% or more compared with FY 2005 (FY2030) •Energy intensity reduction: Continue at 1% or above (5-year annual reduction rate) •Provision of latest product safety information: Continue at 100% 	   
Health, safety and prevention in the workplace	Unstinting pursuit of zero accidents and occupational injuries	<ul style="list-style-type: none"> •Incidence of major accidents: Continue at zero •Significant occupational injury frequency: Continue at or below 0.15 	 
Effective use of personnel	Maximizing human productivity and satisfaction	<ul style="list-style-type: none"> •Ratio of women in management positions (manager-level or above): 10% or more •Increase in employee engagement 	  

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) Blue Value™ and Rose Value™

Yardsticks used to help visualize the contributions that the Mitsui Chemicals Group's products and services make to the environment and society and enable the Group to share those values with stakeholders, with the goal of realizing a cohesive society that is in harmony with the environment, and achieving health and happiness in an aging society. Mitsui Chemicals uses these distinctive yardsticks to evaluate its products and services according to application. Those that make significant contributions to the environment are certified as Blue Value™ products, while those that substantially enhance QOL are certified as Rose Value™ products.

https://jp.mitsuichemicals.com/en/sustainability/mci_sustainability/contribution_value/index.htm

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

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