



February 10, 2023

To whom it may concern,

Name of company: Toyobo Co., Ltd.
Name of representative: Ikuo Takeuchi,
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(Stock code: 3101, Prime Market of the Tokyo Stock Exchange)
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Notice of Issuance of Sustainability-Linked Bonds

Toyobo Co., Ltd. (“Toyobo,” hereafter) hereby announces that it plans to issue Sustainability-Linked Bonds (*1) for public offering, and has submitted amended shelf registration statements for corporate bonds to the Kanto Local Finance Bureau today (February 10, 2023) for the issuance of Sustainability-Linked Bonds.

1. Aim and Background of Issuance of Sustainability-Linked Bonds

In May 2022, Toyobo predicted change in the future business environment and formulated the Sustainable Vision 2030, showing the ideal state of the Toyobo Group in 2030, sustainability indices and action plans, based on its corporate philosophy of “Jun-Ri-Soku-Yu” (adhering to reason leads to prosperity). Toyobo has stated that one of the main sustainability indices to be achieved by 2030 is a 46% or higher (compared with FY 3/14) reduction in the volume of greenhouse gas (GHG) emissions.

In order to further promote this initiative, Toyobo has incorporated the targets for FY 3/27 into Sustainability Performance Targets (SPTs *2), and has formulated the Sustainability-Linked Bond Framework. Toyobo will earnestly work to achieve the targets stated in the Sustainable Vision 2030 through the issuance of Sustainability-Linked Bonds.

2. Outline of Sustainability-Linked Bonds

(1) Name of the bonds	Toyobo Co., Ltd. 44th unsecured straight bonds (with limited inter-bond pari passu clause) (Sustainability-Linked Bonds)
(2) Issuance amount	20.0 billion yen (scheduled)
(3) Issuance period	5 years (scheduled)
(4) Condition determination date	Scheduled for early in March
(5) KPI	1) Ratio of reduction of Scope 1 and 2 GHG emission intensity to net sales of Toyobo Group 2) CDP (*3) score (climate change response)
(6) SPTs	1) Ratio of reduction of GHG emission intensity to net sales in FY 3/27 (compared with the base fiscal year FY 3/21): 28.5% 2) CDP (*3) score (climate change response) of “A-” or higher in FY 3/27

(7) Date for judging SPTs	The final day of October 2027
(8) Characteristics of the bonds	In the event that neither SPT 1) nor SPT 2) are achieved by the judgment date, Toyobo will purchase emission credits (credit/bond for the value of CO ₂ reduction) equivalent to 0.1% of the amount of issued bonds by the redemption of the bonds. In the event that Toyobo is unable to select the option of purchasing emission credits due to the occurrence of an inevitable matter, etc. (changes to provisions of the trading system, etc.), it will donate to qualified charities (public interest incorporated association, public interest incorporated foundation, international institution, local government authorized NPO, local government or equivalent organization for the purpose of environmental conservation activities). The emission credit purchase amount or donation amount will be equivalent to 0.07% of the amount of issued bonds if only SPT 1) is not achieved, and equivalent to 0.03% of the amount of issued bonds if only SPT 2) is not achieved.
(9) External evaluation	Toyobo obtained a third party opinion from the independent external institution Japan Credit Rating Agency, Ltd. regarding confirmation that these bonds conform with the Sustainability-Linked Bond Principles set by the International Capital Market Association (ICMA) and the Sustainability-Linked Bond Guidelines set by the Ministry of the Environment.
(10) Lead managers	Mizuho Securities Co., Ltd. Nomura Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc.
(11) Structuring Agent (*4)	Mizuho Securities Co., Ltd.

3. Others

As Toyobo's Sustainability-Linked Bond Framework was announced separately, please refer to that for details.

<https://www.toyobo.co.jp/ir/doc/sustainabilitylinkedbond.pdf> (in Japanese only)

Furthermore, as the third party opinion from Japan Credit Rating Agency, Ltd. is announced, please refer to that for details.

<https://www.jcr.co.jp/greenfinance/> (in Japanese only, external link)

(*1) Sustainability-Linked Bonds

Bonds whose terms vary depending on whether the issuer achieve predetermined sustainability targets. The bond proceeds do not have to be used for specific purposes necessarily, but the bonds are evaluated based on key sustainability indices and SPTs determined beforehand by the issuer. The terms change depending on whether the SPTs have been achieved, thereby motivating the issuer to achieve the SPTs.

(*2) Sustainability Performance Targets

Targets based on the issuer's key sustainability indices that determine the terms for the issuance of Sustainability-Linked Bonds.

(*3) CDP

International NGO that works on collecting information, etc. in the environmental field, such as climate change. An eight-tier evaluation is carried out with "A" as the highest rating, followed by A-, B, B-, C, C-, D and D-, for companies that answer the questionnaires regarding the three activity domains of "climate change," "water" and "forest." From the viewpoint of management risk to companies caused by climate change, information related to the volume of CO₂ emissions and climate change initiatives from major global companies is collected using questionnaires, and the collected responses are analyzed and evaluated. By doing this, information regarding companies' initiatives is published using common criteria.

(*4) Structuring Agent

Entities that provide support for the implementation of sustainable finance through advice, etc. regarding the formulation of the framework and on obtaining external third-party evaluations.