



September 27, 2023

To whom may it concern,

Name of company: Toyobo Co., Ltd.
Name of representative: Ikuo Takeuchi,
President & Representative Director
(Stock code: 3101, Prime Market of the Tokyo Stock Exchange)
Contact: Yukiko Mochida,
General Manager,
Corporate Sustainability Department
(TEL +81-6-6348-3046)

Hidekazu Takahashi,
General Manager, Finance Department
(TEL +81-6-6348-3137)

Notice regarding the Conclusion of a Positive Impact Finance Loan Agreement

Toyobo Co., Ltd. (hereinafter "Toyobo") and Sumitomo Mitsui Trust Bank, Limited concluded a "Positive Impact Finance (with unspecified use of funds)" loan agreement (hereinafter "the Agreement") that is in line with the Principles for Positive Impact Finance(*1) proposed by the United Nations Environment Programme Finance Initiative (hereinafter "UNEP FI")(*2).


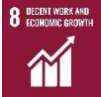



1. Aim and background of Positive Impact Finance






Positive Impact Finance 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 Positive Impact Finance 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.

In May 2022, Toyobo anticipated change in the future business environment and formulated the Sustainable Vision 2030, showing the ideal state of Toyobo Group in 2030, sustainability indicators and action plans, based on its corporate philosophy of "Jun-Ri-Soku-Yu" (Adhering to reason leads to prosperity).

Through the evaluation of Positive Impact Finance, Toyobo's goals established under "Sustainable Vision 2030" and its initiatives for achieving those goals were assessed as being able to contribute to solving social issues, and Toyobo has concluded the Agreement. Toyobo will earnestly work for "Realizing sustainable growth" through the measures established at this time.

2. Measures, goals and KPIs that Toyobo works on through Positive Impact Finance

Theme	Content	Goals and Indicators (KPIs)	SDGs
Employee well-being and human rights in the supply chain	<ul style="list-style-type: none"> •Ensure a safe and secure working environment and the safety of people •Prevent infringement on human rights and respond to climate change in the supply chain 	<p><u>(a) Thorough safety, disaster prevention and quality assurance</u></p> <p>Goals</p> <ul style="list-style-type: none"> i. Achieve zero industrial accidents in workplaces ii. Achieve zero product-related accidents <p>Indicators (KPIs)</p> <ul style="list-style-type: none"> i. Number of serious accidents, number of fires or explosions and number of spill accidents ii. Number of product-related accidents <p><u>(b) Realization of procurement and logistics that involve fair and sincere transactions, respect human rights, are environmentally friendly, and consider impact on both society and the environment</u></p> <p>Goals</p> <ul style="list-style-type: none"> •Maintain a ratio of 90% or above of CSR procurement surveys returned (conducted once every two years) •Maintain 100% engagement with business partners with identified issues <p>Indicators (KPIs)</p> <ul style="list-style-type: none"> •Ratio of CSR procurement surveys returned (conducted once every two years) •Status of implementation of engagement with business partners with identified issues based on the surveys 	   
A healthy lifestyle and health care	Reduce the number of patients with infectious diseases, and improve QOL for dialysis patients	<p><u>(a) Provide solutions in the field of infectious diseases</u></p> <p>Goal</p> <p>By 2030, 10 million tests conducted per year by the provision of infectious disease diagnostics.</p> <p>Indicator (KPI)</p> <p>Number of tests conducted per year by the provision of infectious disease diagnostics.</p>	

		<p><u>(b) Provide materials essential for QOL improvement and medical treatment</u></p> <p>Goal By 2030, 250,000 dialysis patients per year provided with dialysis membranes</p> <p>Indicator (KPI) Number of dialysis patients provided with dialysis membranes</p>	
Smart communities and comfortable spaces	Contribute to the realization of a digital society	<p><u>Provide product materials necessary for advancing digital technology as well as solutions to support the manufacturing process</u></p> <p>Goal By 2030, Sales of product groups supporting DX increased by 50% compared with FY2021</p> <p>Indicator (KPI) Sales of product groups supporting DX</p>	 
A decarbonized and circular society	Realize a decarbonized society and circular society through business operations	<p><u>(a) Achieve carbon neutrality</u></p> <p>Goals</p> <ul style="list-style-type: none"> i. Cutting GHG emissions (Scopes 1 and 2) by 27.0% compared with FY2021 by FY2031 and achieve net zero GHG emissions by FY2051 ii. Cutting GHG emissions (Scope 3 (categories 1 and 11)) by 12.5% compared with FY2021 by FY2031 <p>Indicators (KPIs)</p> <ul style="list-style-type: none"> i. GHG emissions (Scopes 1 and 2) ii. GHG emissions (Scope 3 (categories 1 and 11)) <p><u>(b) Increase green ratio of film products</u></p> <p>Goal Achieve a ratio of 60% of green films by 2030</p> <p>Indicator (KPI) Ratio of green films</p>	  

3. Others

With respect to the procedures related to the evaluation from Japan Credit Rating Agency, Ltd. in concluding the Agreement, Toyobo obtained a third-party opinion concerning compliance with the Principles for Positive Impact Finance and reasonableness of the evaluation indicators. Please refer to the following link for details.

(External link)

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

*In Japanese only

(*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 the positive impact and reduce the 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 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, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.