

December 26, 2024
Tosei Corporation

Notice Regarding Formulation of Sustainability Linked Loan Framework and Acquisition of Second Opinion from Third-Party Evaluation Agency

Tosei Corporation (Head office: Minato-ku, Tokyo; President and CEO: Seiichiro Yamaguchi; Securities code: 8923, “the Company” hereafter) is pleased to announce that it has formulated the sustainability linked loan framework and acquired second opinion from Rating and Investment Information, Inc. (Head office: Chiyoda-ku, Tokyo; President and CEO: Hiroshi Yamazaki, “R&I” hereafter) today.

◆ Background of Framework Formulation

In the basic policies of its medium-term management plan “Further Evolution 2026,” Tosei Group is committed to “expanding the provision of solution to environmental/social issues and promoting sustainability management” and “strengthening funding capabilities for sustainable growth.” As part of these efforts, we have formulated the sustainability linked loan framework and set KPIs for GHG emissions (Scope 1 and 2), which are important indicators for climate change. We will contribute to the realization of a sustainable society by working with financial institutions to achieve these KPIs through financing based on this framework.

◆ Detail of the Framework

This framework was formulated based on “Sustainability Linked Loan Principles (2023)” established by Loan Market Association, which is an international financial industry association, etc., and “Green Loan and Sustainability Linked Loan Guidelines (2024)” established by the Ministry of the Environment.

■ Outline of the Framework

KPI	Scope 1 and 2 reduction rate (compared to FY2022)
SPTs*	Reduce Scope 1 and 2 by 50% by FY2030 (compared to FY2022)
Loan characteristics	Step-down interest rate (interest rate changes based on SPT progress)
Reporting	Until the sustainability linked loan is paid off, the Company shall submit reports to the lender and disclose on the Company's website regarding the annual KPI results. However, if the lender does not require the submission of reports, the information will be disclosed on the website only.
Verification	The Company will get verification from an independent external organization on an annual basis and disclose the results of the verification on the Company's website.

* It stands for Sustainability Performance Targets, which are targets related to sustainability activities to solve environmental and social issues.

◆ Acquisition of Second Opinion from Third-Party Evaluation Agency

This framework has acquired second opinion from R&I that it conforms to “Sustainability Linked Loan Principles (2023)” and “Expected Elements of Sustainability Linked Loans” of “Green Loan and Sustainability Linked Loan Guidelines (2024).” Please refer to the link below for the second opinion from R&I.

→ [R&I website](#)

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