



Conclusion of Sustainability Linked Loan Agreement with NTN

The Norinchukin Bank (President & CEO: Kazuto Oku; hereinafter "the Bank") has supported NTN Corporation (President, Executive Officer: Eiichi Ukai; hereinafter "NTN") in developing its Sustainability Linked Finance Framework (hereinafter "the Framework"), and has concluded a loan agreement for a sustainability linked loan (hereinafter "SLL") based on the Framework.

SLL refers to a loan that links the loan terms with the borrower's achievement of certain Sustainability Performance Targets ("SPTs") set in accordance with the borrower's management strategy. The aim of an SLL is to motivate the borrower to achieve the targets, thereby supporting environmentally and socially sustainable economic activity and growth.

NTN has developed the Framework in anticipation of its ongoing SLL efforts with financial institutions. The Framework provides consistent definitions for the SPTs, reporting, and other requirements related to the SLLs in which NTN will engage, so that NTN can apply these generally when it engages in individual SLLs with each financial institution in the future.

Since its foundation in 1918, NTN has developed its business globally based on a corporate philosophy guided by the two spirits of its founder: the Frontier Spirit to keep tackling ambitious challenges and the Coexistence and Co-prosperity Spirit to develop together with society. NTN is committed to achieving a "Nameraka Society" in which people can easily lead a secure and fulfilling life in harmony with nature. To that end, NTN strives to create environmental and social value through its products, such as bearings that make machinery rotate smoothly and reduce energy waste to the utmost limit, and through the advancement of ESG management, to achieve the materiality targets corresponding to the SDGs.

The Bank has defined its Purpose as "Dedicated to sustaining all life - Work together with our stakeholders to foster the agriculture, forestry and fisheries (AFF) industries and to create a prosperous future for food and lifestyles, and thereby contribute to a sustainable global environment." In its medium- to long-term goals

announced in May 2021, the Bank set a target of ¥10 trillion in new sustainable finance transactions by 2030, as part of its efforts to implement sustainable management. The Bank empathizes with NTN's corporate philosophy. Like NTN, the Bank aims to contribute to solving environmental and social issues, including climate change issues, as these are closely related to the agriculture, forestry, and fisheries industries that form the Bank's foundation. To this end, the Bank supports the formulation of the framework and provides funds through this loan to support NTN's efforts.

Contributing to a decarbonized society is one of NTN's key sustainability initiatives. The SPTs in the Framework call on NTN to reach its medium-term decarbonization target of "carbon neutrality by FY2035*."

*The goal of "carbon neutrality by FY2035" targets reduction of total Scope 1 and 2 CO₂ emissions by 50% (compared to FY2018) by FY2030, carbon neutrality in Scope 1 and 2 CO₂ emissions by FY2035, and carbon neutrality in Scope 3 CO₂ emissions by FY2050.

With respect to the Framework, the Company received a third-party opinion from Rating and Investment Information, Inc., on October 6, 2023 regarding conformity with the SLL Principles and the reasonableness of the SPTs established. Conformity of the SPTs to the SLL Principles was evaluated in terms of factors such as ambition and significance.

Summary of the Loan

- Date of execution: October 6, 2023
- Loan term: 5 years/6 years
- Loan amount: 10 billion JPY

Reference links

- 1 NTN's ESG website
<https://www.ntn.co.jp/japan/index.html>
- 2 NTN's efforts on sustainability
<https://www.ntn.co.jp/japan/csr/index.html>
- 3 NTN's Framework
https://www.ntnglobal.com/en/news/press/pdf/news202300076_1.pdf
- 4 Third-party opinion from Rating and Investment Information
<https://www.r-i.co.jp/rating/esg/index.html>