

August 24, 2022

DIC Corporation

Notice Regarding Sustainability-Linked Loan Agreement

Tokyo, Japan—DIC Corporation announced today that it has entered into a sustainability-linked loan (SLL) agreement with The Norinchukin Bank. This is DIC's second SSL agreement with the bank and comes two months after its first, in June 2022.

An SLL is a loan that encourages borrowers to set ambitious sustainability performance targets (SPTs) that reflect their management strategies and incentivizes them to work toward those SPTs by linking loan conditions to degree of achievement, thereby supporting business activities and growth that are both environmentally and socially sustainable.

DIC has positioned sustainability, including environmental issues, as a principle management priority, and is actively working to expand its portfolio of products and services that contribute to decarbonization with the goal of playing a pivotal role in lowering CO₂ emissions across markets and society. In DIC NET ZERO 2050, published in June 2021, and in its DIC Vision 2030 long-term management plan, announced in February 2022, the DIC Group set forth a target for reducing CO₂ emissions by 50% from the fiscal year 2013 level by fiscal year 2030, with the aim of achieving carbon neutrality—net zero CO₂ emissions—by fiscal year 2050, thereby clarifying its commitment to helping realize decarbonization. Against this backdrop, DIC's decision to enter into a second SLL agreement was taken with the objective of using proceeds to further advance its sustainability strategy.

Having redefined its purpose as “Dedicated to sustaining all life,” The Norinchukin Bank works together with its stakeholders to foster the agriculture, forestry and fisheries industries and create a prosperous future for food and lifestyles, thereby contributing to a sustainable global environment. The bank promotes a variety of sustainable management initiatives and has committed to providing sustainable finance in the amount of ¥10 trillion by 2030 as one of its medium- to long-term goals announced in May 2021. Seeing affinity with the philosophy of the DIC Group's sustainability strategy, the bank once again agreed to extend an SLL to DIC based on its assessment that this loan will help resolve climate change-related issues, including by lowering CO₂ emissions.

In the 2022 edition of its integrated report (DIC Report 2022), DIC redefined one of its four priority materiality themes, “response to climate change,” as “contribution to the realization of a carbon-neutral society.” The Company is advancing various initiatives aimed at reducing emissions (Scope 1 and 2) by 50% from the fiscal year 2013 level by fiscal year 2030. This target has been selected as the SPT for this SLL.

DIC has obtained a third-party opinion from the Japan Credit Rating Agency (JCR) regarding the loan's conformity with the Sustainability-Linked Loan Principles, as well as the rationality of the SPT chosen. This opinion affirmed that the SPT is both meaningful and ambitious, and from that perspective that the loan adheres to the aforementioned principles.

Overview of the Loan

- Date of implementation: August 24, 2022
- Loan term: 10 years
- Use of proceeds: Long-term working capital

Main SDGs contributed by the SLL



Going forward, DIC will continue working to help ensure the achievement of the United Nations' Sustainability Goals (SDGs), a key global initiative, by addressing a variety of related themes and with the aim of evolving as a unique global company that is trusted by society.

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Related information

JCR's website

<https://www.icr.co.jp/en/greenfinance/>

Sustainability section of DIC's global website

<https://www.dic-global.com/en/csr/>

DIC Vision 2030 long-term management plan

<https://www.dic-global.com/en/ir/management/plan.html>

For more information, please contact the Corporate Communications Department of DIC Corporation at +81-3-6733-3033 or dic-press@ma.dic.co.jp.