

June 3, 2022

To Whom It May Concern:

Company Name: NAGASE & CO., LTD.
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Notice Regarding Sustainability Linked Bonds Terms of Issuance

NAGASE & CO., LTD. today determined the following terms for the issuance of Sustainability Linked Bonds*¹ (“Bonds”) announced May 10, 2022.

Title	NAGASE & CO., LTD. Unsecured Bond Series 8 (with inter-bond pari passu clause) (Sustainability Linked Bonds)
Total Amount	10 billion yen
Value of Each Bond	100 million yen
Interest Rate	0.640% per annum
Payment Amount	100 yen per 100 yen of each bond amount
Redemption Amount	100 yen per 100 yen of each bond amount
Redemption Date	June 9, 2032 (10-year bonds)
Offering Period	June 3, 2022
Payment Date	June 9, 2022
Offering Method	Public offering
Interest Payment Dates	June 9 and December 9 of each year
KPIs	KPI 1: Greenhouse gas emissions of the group (Scope 1 and 2* ²) KPI 2: Greenhouse gas emissions of the group (Scope 3 * ²)
SPTs * ³	SPT 1 : Reduce the group's greenhouse gas emissions by 46% in FY2030 (compared to FY2013) (Scope 1 and 2) SPT 2 : Reduce the group's greenhouse gas emissions by more than 12.3% in FY2030 (compared to FY2020) (Scope 3)

Bond Characteristics	<p>SPTs will be established as SPT1 and SPT2. If it is confirmed that any of the SPTs have not been achieved as of the judgment date, emission credits (credits/certificates of CO₂ reduction value) will be purchased in an amount corresponding to the achievement status of the SPTs before the redemption of the Bonds in order to accelerate efforts to address climate change. When emission credits are purchased, the name of the credits, the date of transfer, and the amount purchased will be disclosed in the company's integrated report or website. As of this time, the company has identified J-Credit, renewable energy certificates, and non-fossil fuel certificates as candidates. However, the company will make a final decision after careful review of the factors contributing to the non-achievement of the SPTs. If SPT 1 is not achieved, an amount equivalent to 0.10% of the bond issue amount will be purchased. If SPT 2 is not achieved, an amount equivalent to 0.05% of the bond issue amount will be purchased. (If neither SPT is achieved, a total amount equivalent to 0.15% will be purchased.)</p> <p>However, in the event of force majeure, etc., under the emission rights purchase agreement (e.g., changes in trading system rules and regulations, system failures related to the transfer of emission rights, etc.), the company will provide public interest incorporated associations, public interest foundations, international organizations, local government authorized NPOs, local governments and similar organizations that are engaged in environmental conservation activities with an amount equivalent to the amount of the Bonds (for the amount of donation based on the achievement of SPTs, please refer to the description in the emission credits section above). The company will make a final decision of which institution to donate to after careful review of the factors contributing to the non-achievement of the SPTs.</p>
Collateral and Guarantees	Bonds are not secured or guaranteed, and no assets have been reserved specifically reserved for Bonds.
Lead Manager	Nomura Securities Co., Ltd. (administrator), Daiwa Securities Co., Ltd., Mizuho Securities Co., Ltd.
Structuring Agent* ⁴	Nomura Securities Co., Ltd.
Agent Treasurer	Mizuho Bank, Ltd.
Bond Rating	A (Rating and Investment Information, Inc.)
Use of Proceeds	The entire proceeds from the issuance of Bonds will be used to fund in part the redemption of the Company's 5th series of unsecured bonds of 10 billion yen scheduled to be redeemed on June 16, 2022.

*1 A Sustainability Linked Bond is a bond whose terms vary depending on whether it meets predetermined sustainability and/or ESG objectives. The issuer of a Sustainability Linked Bond commits to improving future sustainability outcomes within an initially defined time horizon. Specifically, the instrument is based on the issuer's assessment of future performance using predetermined key performance indicators (KPIs) and sustainability performance targets (SPTs). The terms of the bond change depending on whether the SPTs, established as target figures with respect to the KPIs, are achieved.

*2 Scope 1, 2, and 3 refer to the categories of greenhouse gas emissions defined in the GHG Protocol, which was developed as an international standard for calculating and reporting greenhouse gas emissions. The company will consider updating the target values for Scope 3 based on future dialogue with entities involved in the supply chain.

Scope 1: Direct GHG emissions by the business itself

Scope 2: Indirect emissions resulting from the use of electricity, heat, and steam supplied by other companies

Scope 3: Indirect emissions other than Scope 1 and 2 (emissions by other companies related to the activities of the business)

*3 Sustainability performance targets (SPTs) are targets based on the management strategy of the issuer who determines the terms of issuance of Sustainability Linked Bonds.

*4 Structuring agents are entities that provide support for the execution of Sustainability Linked Bonds through the development of the Sustainability Linked Bond framework and advice on obtaining second-party opinions.

The following is a list of investors who have made representations regarding investment in Bonds.

(As of June 3, 2022, in Japanese alphabetical order)

Iizuka Shinkin Bank, THE ICHII SHINKIN BANK, THE OITA SHINKIN BANK, The Ohtawara Shinkin Bank, The Gamagori Shinkin Bank, KANONJI SHINYOKINKO, The Kuwanamie Shinkin Bank, KOTO SHINKIN BANK, The Sawayaka Shinkin Bank, THE SANJO SHINKINBANK, The Dai-ichi Life Insurance Company, Limited, Daitokyo Shinkumi Credit Cooperative, Takanabe Shinkin Bank, Takamatsu Shinkin Bank, Tajima Shinkin Bank, Tokio Marine Asset Management Co., Ltd., THE TOYOTA SHINKIN BANK, NAGANO SHINKIN BANK, Nakahyogo Shinkin Bank, Nishihyogo Shinkin Bank, JA NISHIMIKAWA, Nissay Asset Management Corporation, Numazu Shinkin Bank, Hagi Yamaguchi Shinkin Bank, The Banshu Shinkin Bank, HYOGO SHINKIN BANK, Fukushima Shinkin Bank, The Fukusen Credit Cooperative, HOKKAIDO SHINKIN BANK, THE MISHIMA SHINKIN BANK, The Yamanashi Chuo Bank, Ltd.

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