March 31, 2021

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Notice Concerning Sustainability Linked Loan

Tsubaki Nakashima hereby announces that it has executed an agreement with Resona Bank, Limited through Sustainability Linked Loan (hereinafter referred to as “SLL”) today.

SLL promotes the growth of environmentally and socially sustainable economic activities by setting Sustainability Performance Targets and linking the performance of these targets to borrowing conditions and other factors.

We have set five material items as a framework for our sustainability activities (improvement of productivity, creation of knowledge, improvement of quality of life, realization of a decarbonized society, and realization of a recycling-oriented society), and this time, we have set the sales of ceramic balls of our group as Sustainability Performance Targets, as we aim to continue to contribute to the global environment by continuously evolving our world-class products and manufacturing technologies.

Ceramic balls are lightweight, strong, long-lasting, highly insulating, wear-resistant, heat-resistant, and corrosion-resistant, contributing to energy conservation in various products, and are expected to grow in the wind power generation, EV, and medical applications. We are committed to increasing our contribution to the environment by developing ceramic balls that improve energy performance and environmental performance.

Overview of the SLL

Execution Date of Agreement	March 31, 2021
Period	7 years
Loan Amount	JPY5 billion
Use of Funds	Long-term business funds
Lender	Resona Bank, Limited

Disclaimer : The English translation is only for reference purposes. When there is any discrepancy between original Japanese version and English translation, the original Japanese version always prevails.

Rating and Investment Information, Inc.(“R&I”) has issued a third-party opinion on the loan's alignment with the SLL Principles established by Loan Market Association and the reasonableness of the targets set. For details, please refer to the second opinion issued by R&I.

(URL: https://www.r-i.co.jp/rating/esg/sustainabilityfinance/index.html)

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