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To whom it may concern

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Notice Concerning the Issuance of Sustainability-Linked Bonds

Okamura Corporation (hereinafter the "Company") hereby announces that it has submitted today an amended shelf registration statement of sustainability-linked bonds*¹ (hereinafter the "Bonds"), which the Company will issue for the first time to the Kanto Local Finance Bureau for the purpose of resolving social issues and giving consideration to the environment.

1. Purpose and background of the issuance of the Bonds

Under its mission of "contributing to society by creating environments where people can thrive with rich ideas and reliable quality," the Group aims to enhance its corporate value further and resolve social issues, while promoting its transformation to a total solution company and globalization.

Under the new value proposition that requires the realization of a sustainable society, we believe that the vitality of every individual will lead to solutions to social issues. In July 2021, the Company partially revised its management philosophy to reorganize it systematically as the Okamura Way.

In order to realize this mission, the Company has identified priority sustainability issues from four perspectives to promote sustainability initiatives: creating environments where people can thrive; pursuing employee satisfaction; implementing global environmental initiatives; and conducting responsible corporate activities.

In terms of global environmental initiatives, we will work toward the realization of a carbon neutral society toward 2050 by focusing on these priority issues: responses to climate change; effective utilization of resources; and provision of environment-conscious products and services throughout the product lifecycle. As a milestone for this goal, we have set a reduction target for greenhouse gas emissions for FY2030 of 50% as compared with FY2020.

Under such circumstances, as part of our efforts to realize a carbon neutral society, the Company has decided to issue the Bonds, whose terms and conditions change depending on whether the predetermined sustainability target is met.

We will actively promote initiatives to contribute to the realization of a carbon-free society by 2050.

2. Outline of the Bonds

Tenor	5 years (planned)
Issuance amount	5.0 billion yen (planned)
Issuance date	June 2022 (planned)
Sustainability performance target (hereinafter "SPT") (*2)	A reduction of greenhouse gas emissions by 25% in FY2025 as compared with FY2020
Bond characteristics following the determination date	<p>If it is determined that the SPT is not met as of the determination date (October 1, 2026), an amount equivalent to 0.15% of the issuance amount of the Bonds shall be donated by the redemption date of the Bonds to public interest incorporated associations, public interest incorporated foundations, international organizations, NPO corporations authorized by local governments, local governments, and other organizations whose purpose is to conduct environmental protection activities.</p> <ul style="list-style-type: none">• The names of the organizations to which such donations have actually been made and the amounts of such donations will be announced on the Company's website.• The latest performance in terms of KPI and the progress toward the SPT will be announced on the Group's sustainability report or website at least annually.
Lead underwriter	Nomura Securities Co., Ltd.
Sustainability-linked bond structuring agent (*3)	Nomura Securities Co., Ltd.

3. Selection of SPT

Toward the realization of a carbon neutral society, the Group aims to reduce its greenhouse gas emissions to substantially zero by 2050. As a milestone for this goal, the Group has set a reduction target of greenhouse gas emissions for 2030 of 50% as compared with 2020. In line with this milestone target for the reduction of greenhouse gas emissions that the Group is pursuing, we have set the SPT of the Bonds as "the reduction of greenhouse gas emissions by 25% in FY2025 as compared with FY2020."

4. External evaluation (second party opinion)

In order to prepare for the issuance of the Bonds, the Company has established a sustainability-linked bond framework and obtained a third-party opinion from Japan Credit Rating Agency, Ltd. (JCR) on the framework's conformance with the Sustainability-Linked Bond Principles of the International Capital Market Association (ICMA) and the Green Loan and Sustainability Linked Loan Guidelines of the Ministry of the Environment.

5. Reference information

Sustainability-linked bond framework

https://www.okamura.co.jp/company/ir/library/sustainabilitylinkedbonds_fw/

Third-party opinion on the sustainability-linked bond framework (JCR)

<https://www.jcr.co.jp/greenfinance/>

(*1) Sustainability-linked bonds

Bonds whose terms and conditions change depending on whether the predetermined sustainability target is met. The use of the raised funds does not need to be limited to a specific use. The key performance indicator (KPI) and the sustainability performance target (SPT) (*2) predetermined by the issuer are used for evaluation. An SPT is set as a numerical target to be achieved in terms of KPI. The issuer is motivated to achieve the SPT as the terms and conditions of the bonds change depending on whether the KPI meets the SPT.

(*2) Sustainability performance target (SPT)

A target set based on the management strategy of the issuer, which determines the product characteristics of the sustainability-linked bonds.

(*3) Sustainability-linked bond structuring agent

A party that support the execution of sustainable finance through such services as the product design of sustainability-linked bonds and the provision of advice on obtaining external third-party evaluation, such as a second party opinion.