Niterra

NEWS RELEASE

Niterra Co., Ltd.

Announcement Regarding the Establishment of Sustainable Finance Framework

NAGOYA, JAPAN, September 7, 2023 — Niterra Co., Ltd. (“the Company”) (President: Takeshi Kawai, Headquarters: Higashi-ku, Nagoya) is pleased to announce that in order to further promote efforts towards achieving a sustainable society and to procure the necessary funds for relevant projects through sustainable finance, the Company have developed the Sustainable Finance Framework ("the Framework").

The implementation of sustainable finance, based on the Framework, will be determined separately, taking into account market conditions and so forth, etc.

1. The purpose and background of the Framework

With a strong commitment to solve social issues through our businesses, which leads to sustainability, the Company formulate their corporate philosophy, CSR and Sustainability Charter includes the terms such as "offering new value" and "contributing" to the people over the world. With this in mind, the Company recognize that the mission and raison d'etre is to create products and services that contribute to finding solutions for various social issues.

This mission has been passed down within the Company from the early days of venturing into spark plug production during the dawn of the domestic automotive industry to the present. While our core business of spark plug production has grown to the world's NO.1, since the significant changes occurring in the world, including once-in-a-century transformations in the automotive industry and increased focus on climate change and ESG issues, the Company recognized the necessity of creating the new businesses for realizing a sustainable society.

In order to contribute and grow sustainably in the situation of rapid evolving automotive industry, on the premise of aiming for carbon neutrality in 2050, the Company have established "Eco Vision 2030," which shows the vision (or goal) of what the Company want to be by 2030 and the vision of what the Company will pursue until 2040. For Eco Vision 2030, the impacts that our businesses and products would have on society and our Company were analyzed, and 13 issues that would have a large impact were selected. Among them, the four issues that were considered to have a greater impact - "Responding to Climate Change", "Expanding Environmentally Friendly Products", "Conserving Water Resources", and "Waste Management" -were positioned as the four important issues, and numerical goals were set for them. Through the practice of Eco Vision 2030, our group will work together to contribute to the realization of global carbon neutrality and zero emissions.

Currently, the Company have centered on products for internal combustion engines businesses and has been responding for the customers’ requirements through technology development, realizing stable supply, and improving the energy efficiency of its main product - internal combustion engines parts.

In such condition, at the meeting of the board of directors held on July 2023, the Company resolved and concluded a memorandum of understanding to start the discussions and considerations regarding the acquisition of the Spark Plug business and the Exhaust Gas Oxygen Sensor business, from DENSO CORPORATION. Through the Acquisition, the Company expects a stable supply by optimizing the production system of internal combustion engine products, and further reduction of environmental impact in the entire industry during the production process due to economies of scale.

In addition, not only the internal combustion engines businesses, but also the "new business challenges" and undertake "business structural transformations" is necessary for sustainable growth. With our Long-term Management Plan, to expand the scale of our non-internal combustion engine businesses, the Company are aiming to focus on four fields of business as Environment & Energy, Mobility, Medical, and Communication. The Company have begun the challenge of building a sustainable society alongside

sustainable business operations. Based on the internal combustion engines businesses, which will enhance in the future, the Company implement sustainable growth and activate initiatives for future. By doing so, the Company consider that the business portfolio conversion which stated in our Long-term Management Plan will be promoted.
Furthermore, on April 2023, the Company has changed its English trade name from "NGK SPARK PLUG CO., LTD. " to "Niterra Co., Ltd." The Idea behind "Niterra" is to be a company that brightens the earth. Moving forward, with this idea, the Company will continue to address various global challenges and contribute to a sustainable society. In order to become a company which brighten the earth, the Company will procure the necessary funds for these efforts through sustainable finance based on this framework. Through this, the Company aim to create products and services that meet the needs of society.

2. Summary of the Framework

Feasible financing models based on the Framework	・ Green Bonds / Green Loans ・ Social Bonds / Social Loans ・ Sustainability Bonds / Sustainability Loans
Third-party evaluation	The framework is complies with the ICMA※1 Green Bond Principles 2021 and the ICMA Social Bond Principles 2023 and so forth, etc. Details are published in the second party opinion which the Company obtained from an external reviewer, Rating and Investment Information, Inc. (R&I).
Structuring Agent※2	Nomura Securities Co., Ltd.

※1 International Capital Market Association

※2 A party which helps issuance of Sustainable Finance Framework through providing advice on developing Sustainable Finance Framework and acquisition of external review.

Framework Evaluation provided by R&I :

Second Party Opinion

Details of the Framework :

Sustainable Finance Framework

Note: This disclosure document is a statement to publicly announce the formulation of this framework, and was not prepared for the purpose of soliciting investment or similar acts.

About Niterra
Founded in Nagoya, Japan in 1936, Niterra Co., Ltd. (formerly NGK Spark Plug Co., Ltd.) is renowned for its

NGK-branded spark plugs and NTK-branded ceramic products. Niterra, a coined word combining the Latin words "niteo" (shine) and "terra" (Earth), was introduced in April 2023 to express the reborn company's commitment to sustainability through an evolving portfolio focused on ceramics and beyond. Under the corporate message "IGNITE YOUR SPIRIT," Niterra is now expanding into the growth fields of mobility, healthcare, environment and energy, and communications. The company's consolidated revenues in fiscal 2022 (to March 2023) totaled 562.6 billion yen (4,167 million USD). Niterra has 33 bases in Japan and 59 overseas, and more than 16,000 employees worldwide. Please visit https://www.ngkntk.co.jp/english/.