



Second Opinion

Maruha Nichiro Corporation

September 29, 2022

Blue Finance Framework

ESG Division
Senior Analyst: Keisuke Moriyasu

Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the Blue Finance Framework of Maruha Nichiro Corporation (Maruha Nichiro) dated September 2022 with Green Bond Principles 2021 of the International Capital Market Association (ICMA), Green Loan Principles 2021 of the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association, and Green Bond Guidelines 2022 and Green Loan Guidelines 2022 of the Ministry of the Environment (MOE). R&I has also confirmed that the use of proceeds is blue activities identified in the International Finance Corporation (IFC)'s Guidelines for Blue Finance. This opinion is based on the following views.

■ Overview of the Opinion

(1) Use of Proceeds

The proceeds are expected to be allocated to investments in a land-based Atlantic salmon aquaculture facility in Nyuzen town of Toyama prefecture through a joint venture company with Mitsubishi Corporation (MC). The project aims to commercialize Atlantic salmon farmed from eyed egg to harvest using land-based systems, while avoiding offshore aquaculture that may cause adverse environmental impacts. It corresponds to the project category of "Pollution prevention and control (prevention of ocean pollution)" from the perspective of ocean pollution prevention and the project category of "Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)" from the perspective of environmental management in aquaculture operations. Thanks to Maruha Nichiro's industry-leading technological foundation and the facility's location that mitigates adverse environmental impacts, expectations are high that the project will contribute to sustainable marine resource conservation and management. Environmental and social risks associated with project implementation are appropriately addressed. The project falls under the blue project category of "F. Fisheries, aquaculture, and seafood value chain: sustainable production and waste management and reduction measures that meet, keep, or exceed the Marine Stewardship Council certification standards or equivalent" provided in the IFC's guidelines. The use of proceeds is reasonable.

(2) Process for Project Evaluation and Selection

Eligible projects are consistent with Maruha Nichiro's management policies such as its group vision and medium-term management plan. The company has an organizational process in which the finance department selects project candidates through coordination with relevant business units and the executive officer in charge of finance makes a final decision after approval by the head of the finance department. The process for project evaluation and selection is clear and reasonable.

(3) Management of Proceeds

The proceeds will be managed and allocated using an internal accounting system. Unallocated funds will be managed in cash and cash equivalents. If unallocated funds are generated for reasons other than delayed allocation, other projects that satisfy the eligibility criteria will be selected. The management of proceeds is appropriate.

(4) Reporting

Maruha Nichiro will report the allocation of proceeds until all proceeds are allocated, and environmental benefits until the proceeds are fully redeemed, on its website, etc. annually. The first reporting will take place within one year of funds being raised. As environmental benefit metrics, Maruha Nichiro plans to disclose the amount (or estimated amount) of farmed fish shipped from the project to be funded, in addition to a project summary. The reporting is appropriate.

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Outline of the Issuer

- The predecessor of Maruha Nichiro was formed through the 2007 business integration of Maruha Group Inc. (formerly Taiyo Fisheries Co., Ltd.), a major company founded in Akashi City, Hyogo Prefecture in 1880 and engaged in high-sea fishing, whaling and seafood processing operations, and Nichiro Corporation (formerly Nichiro Gyogyo Kaisha Ltd.), a major northern sea fishing and seafood processing company founded upon the first departure for fishing in Kamchatka in 1907. After business reorganization in 2008 and a merger on April 1, 2014, it became the current Maruha Nichiro.
- Over 140 years since its foundation, the Maruha Nichiro Group has been operating with the group philosophy of "Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food." As a beneficiary of the ocean's bounty, it has corporate responsibilities that go beyond mere improvements in productivity and profitability. The world's marine resources are not limitless. It must help ensure that they are used sustainably, keeping the seas and the rest of the environment healthy and beautiful for future generations.
- To promote sustainability, the Maruha Nichiro Group established the Sustainability Committee, which is chaired by the President & CEO and Representative Director. Members consist of Executive Officers who also serve as Directors of Maruha Nichiro, Executive Officers in charge of related departments, and related Department Heads, with outside directors and auditors acting as observers. The Sustainability Committee is responsible for planning and setting targets for overall group sustainability management and evaluates the activities of group companies

Maruha Nichiro

Basic Policy

The Maruha Nichiro Group will work to reduce the environmental impact of our global business activities and strive to create a sustainable society in order to contribute to the enrichment of people's lives and their happiness.

Principles

We will use sustainable resources effectively and work to minimize our environmental impact and mitigate climate change.

We will actively engage in environmental conservation efforts, taking biodiversity into consideration.

We will provide environmentally friendly products and services.

We will implement our environmental management system effectively and work on continuous improvements to boost our environmental performance.

We will observe environmental laws and regulations.

We will disclose company information related to environmental management as appropriate and work on our communication with society.



[Source: Maruha Nichiro's website]

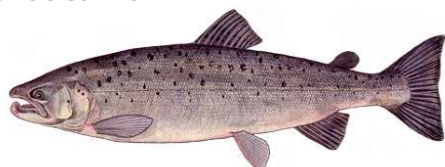
1. Use of Proceeds

(1) Eligible Projects

- The proceeds from blue finance will be allocated to projects that satisfy the following eligibility criteria:
- Overview of Eligible Projects

Eligibility Criteria	Example of Eligible Projects	Project Category
<p>[Blue Projects] Environmentally sustainable fisheries and aquaculture projects</p>	<p>Land-based salmon aquaculture project</p>	<ul style="list-style-type: none"> • Pollution prevention and control (prevention of ocean pollution) • Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)

Atlantic salmon



- Maruha Nichiro is considering allocating the proceeds from blue finance to, among others, investments in land-based Atlantic salmon ¹ aquaculture project conducted in Nyuzen town of Toyama prefecture through a joint venture company, ATLAND Corporation, owned 51% by MC and 49% by Maruha Nichiro. A land-based aquaculture facility with a capacity of 2,500 tons (live weight equivalent) will be constructed in Nyuzen town, with the aims of starting operations in FY2025 and completing the first delivery in FY2027. Note that completion of the establishment of the joint venture company is subject to the approval of the relevant regulatory authorities, and necessary procedures will be undertaken going forward.

¹ Atlantic salmon is a species of salmon found primarily in the Atlantic Ocean and farmed mainly in Norway and Chile. It is often used for meuniere or deep-fried, and fresh one can be eaten raw. In Japan, it is popular in sashimi and sushi. Most Atlantic salmon sold in Japan is farmed.

- Maruha Nichiro and MC have been discussing the joint promotion of this project since March 2021. The project is expected to help develop a sustainable and stable land-based production system, efficient digital-tech-based operations, local production for local consumption, and progress in decarbonization. The two companies are dedicated to leveraging their strengths and businesses to simultaneously generate economic, environmental and societal value.
- At present, it is common that salmon is farmed on land until smolts (a growth stage in which salmon can survive in seawater) and subsequently transferred to offshore farms. Land-based aquaculture projects that are currently progressing around the world, including this project, use land-based closed aquaculture systems even in post-smolt production. That said, land-based aquaculture using a large-scale RAS² has so far accomplished annual production of only around 1,000 tons or less. One of the project's objectives is to commercialize 2,500 tons of salmon annually that are farmed from eyed egg to harvest using land-based systems, while considering business profitability.
- In 1999, the Japanese government enforced the Sustainable Aquaculture Production Assurance Act to ensure sustainable aquaculture production by maintaining aquaculture areas in good condition and preventing the spread of infectious diseases. It also established a basic policy encompassing standards for the water and sediment quality of aquaculture areas (aquaculture environment standards). In accordance with these laws and regulations, fish farmers must prepare aquaculture area improvement plans that specify measures to mitigate aquaculture areas' environmental impacts, obtain authorization of the governor concerned, and strive to prevent deterioration in the aquaculture environment in line with their aquaculture area improvement plans.
- For general offshore aquaculture, appropriate environmental measures are considered to be in place in compliance with the laws and regulations mentioned above. Given the use of oceans in the natural environment, however, such farming may potentially have more-than-expected adverse impacts on the environment. In the past, growing water pollution in areas with many offshore aquaculture businesses in Japan did cause ocean pollution including red tides.
- On the other hand, land-based aquaculture using closed systems can artificially control the farming environment, and appropriate management can reduce adverse impacts on the surrounding environment. In fact, egg-to-harvest aquaculture of salmon, etc. in land-based facilities is underway across the globe. Maruha Nichiro's project also aims to farm Atlantic salmon in a land-based aquaculture facility from egg to harvest. Meanwhile, land-based aquaculture poses challenges such as the high initial cost of system installation and large electricity consumption for water temperature control and other system operations.
- Access to favorable water resources that supply affluent clean, cold water, such as ground water from the Kurobe River and deep seawater from the Toyama bay, makes it relatively easy to keep water temperature in a suitable range for Atlantic salmon farming, which translates into a smaller amount of energy required for land-based salmon aquaculture. Maruha Nichiro is also considering introducing renewable energy-derived electricity to cover part of the energy consumption.

(2) Environmental Benefits

- Amid the continuous growth in global demand for seafood, the project contributes to the restoration and appropriate management of marine resources. It is also likely to reduce adverse environmental impacts (e.g., ocean pollution) from conventional salmon aquaculture.
- This local-production-for-local-consumption business model is expected to produce fewer greenhouse gas emissions compared to the practice of importing fresh salmon to Japan by air from salmon-farming countries such as Norway.

(3) Consideration for Negative Environmental and Social Impacts











- The contemplated eligible project addresses potentially negative environmental and social impacts by taking appropriate measures for the surrounding environment and local residents in accordance with relevant laws and regulations.

² A recirculating aquaculture system, or RAS, removes sediment and water-soluble organic substances and uses circulated water to reduce new water brought in for aquaculture.

Risk of Causing Negative Impacts	Mitigation Measures
Noise and vibration from facility construction work	<ul style="list-style-type: none"> ➤ Comply with the Noise Regulation Act and the Vibration Regulation Act ➤ Provide sufficient explanation to local residents
Soil contamination and spread of asbestos and other harmful waste	<ul style="list-style-type: none"> ➤ Confirm that such substances are appropriately treated in accordance with applicable laws and regulations including the Air Pollution Control Act, the Industrial Safety and Health Act, the Waste Management Act, the Ordinance on Industrial Safety and Health, and the Ordinance on Prevention of Asbestos Hazards
Water quality deterioration	<ul style="list-style-type: none"> ➤ Control water quality by bringing in new seawater from outside constantly ➤ Discharge water in compliance with laws and regulations
Adverse influence on ecosystems	<ul style="list-style-type: none"> ➤ If there is a concern about endangered species, etc., conduct a habitat survey and cancel construction work in their habitat or do construction work outside a breeding season

<Contribution to the SDGs>

- R&I confirmed the project's contribution to the SDGs based on the ICMA's mapping table between project categories and the SDGs.

SDGs	Targets
 <p>2 ZERO HUNGER</p>	<p>2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round</p> <p>2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors</p> <p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>
 <p>13 CLIMATE ACTION</p>	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>
 <p>14 LIFE BELOW WATER</p>	<p>14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>
 <p>15 LIFE ON LAND</p>	<p>15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems</p>

<Alignment with the Guidelines for Blue Finance>

- In January 2022, IFC published the Guidelines for Blue Finance to promote financing aimed at enhancing ocean and coastal preservation and increasing clean water resources, building on the Green Bond Principles and Green Loan Principles. The guidelines identify ocean-friendly projects and clean water resources protection as blue activities and present assessment criteria with reference to the SDGs. Based on this criteria, IFC provides a list of blue activity examples and shows how they relate to green projects. R&I confirmed that Maruha Nichiro's project is a blue activity that is consistent with the Guidelines for Blue Finance.

Assessment Criteria	Maruha Nichiro's Project
1. Is the project type consistent with the Green Bond Principles' and Green Loan Principles' eligible project categories and does it make a substantial contribution to Sustainable Development Goals 6 or 14 beyond compliance with applicable laws and regulations?	<ul style="list-style-type: none"> • The project is consistent with the Green Bond Principles' and Green Loan Principles' eligible project categories. • The project contributes to SDG 14.
2. Does the project type introduce risk that may affect progress on other environmental priorities, such as Sustainable Development Goals 2, 7, 12, 13 and 15?	<ul style="list-style-type: none"> • The project contributes to SDGs 2, 3, 6, 7, 8, 9, 12, 13 and 15. • Risk that may affect progress on other environmental priorities has not been identified at present.
3. Are Environmental, Social, and Governance (ESG) safeguards and standards, such as the IFC Performance Standards, applied in the implementation of the project if there are material environmental and social risks?	<ul style="list-style-type: none"> • Material environmental and social risks have not been identified at present. • The project minimizes negative environmental impacts by introducing cutting-edge RAS technology appropriately and implementing industry-leading water discharge management.

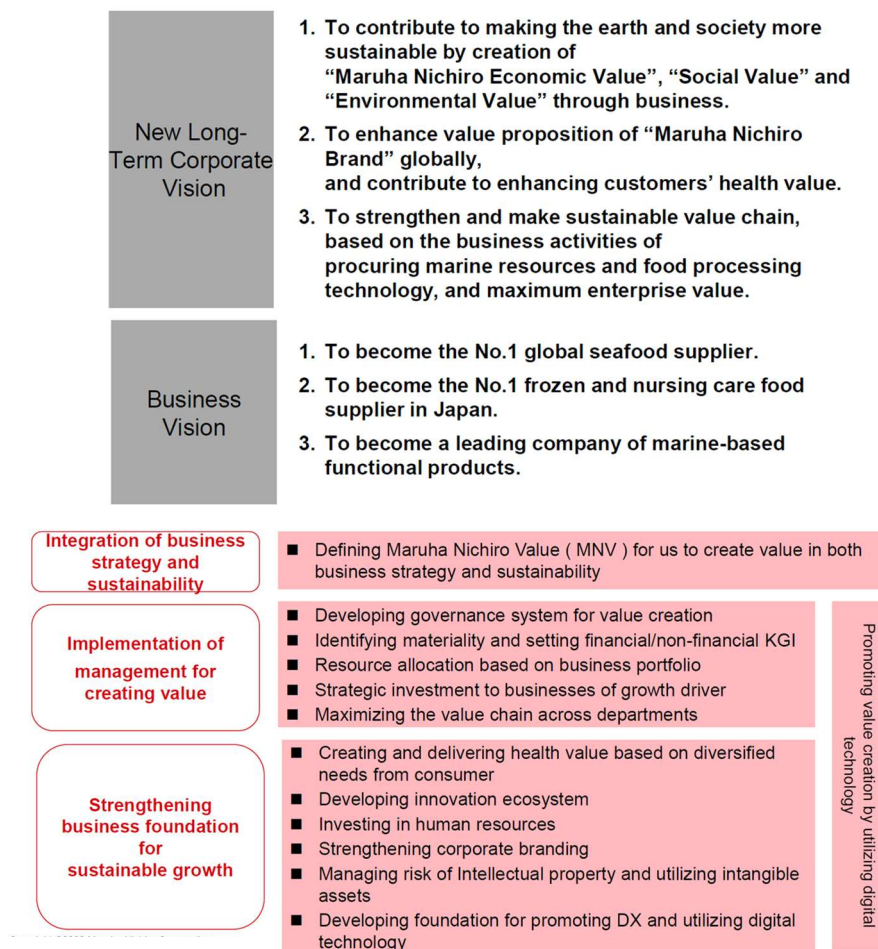
- The project aims to farm Atlantic salmon from eyed egg to harvest using land-based systems and implement water intake and discharge management in compliance with environmental regulations required by local governments, etc. governing the project site. Therefore, it falls under the blue project category of "F. Fisheries, aquaculture, and seafood value chain: sustainable production and waste management and reduction measures that meet, keep, or exceed the Marine Stewardship Council certification standards or equivalent" illustrated in the Guidelines for Blue Finance. As regards relevance to green projects, the guidelines indicate that this activity has a very strong primary impact on "Pollution prevention and control (prevention of ocean pollution)" and a substantial secondary impact on "Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)."

The proceeds are expected to be allocated to investments in a land-based Atlantic salmon aquaculture facility in Nyuzen town of Toyama prefecture through a joint venture company with MC. The project aims to commercialize Atlantic salmon farmed from eyed egg to harvest using land-based systems, while avoiding offshore aquaculture that may cause adverse environmental impacts. It corresponds to the project category of "Pollution prevention and control (prevention of ocean pollution)" from the perspective of ocean pollution prevention and the project category of "Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)" from the perspective of environmental management in aquaculture operations. Thanks to Maruha Nichiro's industry-leading technological foundation and the facility's location that mitigates adverse environmental impacts, expectations are high that the project will contribute to sustainable marine resource conservation and management. Environmental and social risks associated with project implementation are appropriately addressed. The project falls under the blue project category of "F. Fisheries, aquaculture, and seafood value chain: sustainable production and waste management and reduction measures that meet, keep, or exceed the Marine Stewardship Council certification standards or equivalent" provided in the IFC's guidelines. The use of proceeds is reasonable.

2. Process for Project Evaluation and Selection

(1) Incorporation into Comprehensive Objectives, Strategies and so on

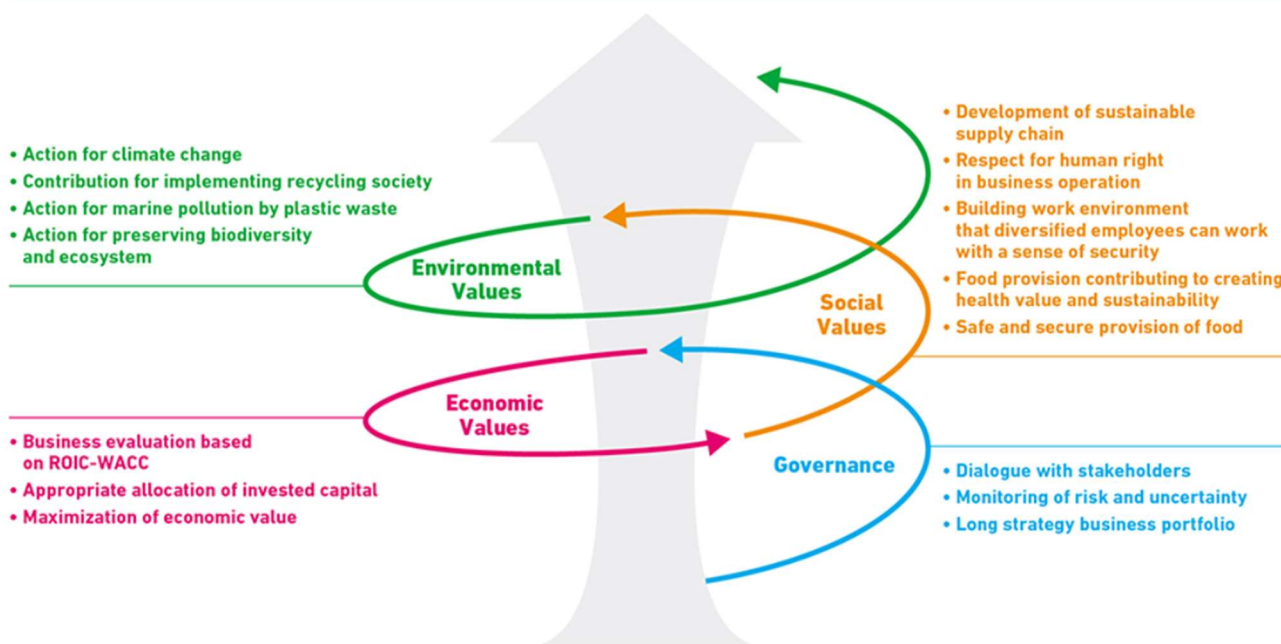
- The Maruha Nichiro Group fulfills its social responsibility by practicing the group philosophy of "Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food." To pursue a long-term corporate vision redefined for enhanced enterprise value and sustainable growth toward 2027, the group is committed to "integration of business strategy and sustainability," "implementation of management for creating value" and "strengthening business foundation for sustainable growth."














[Source: Maruha Nichiro's website]

- Through integration of business strategy and sustainability, the group will create Maruha Nichiro Value (MNV) to all stakeholders and enhance enterprise value and generate sustainable growth. On the environmental and social fronts, it aims to create Environmental Values and Social Values by clarifying the role that the Maruha Nichiro Group should play as the No.1 Global Seafood Supplier, including coexisting with the global environment based on abnormal weather and risk of depletion of fishery resources and identifying and assessing human rights risks in the supply chain, as well as by reviewing and re-identifying its materiality.
- As regards ocean resource conservation, the group has been focusing its efforts on developing aquaculture technologies to manage the entire process from fertilized eggs to fully grown fish. For bluefin tuna and yellow tail, it has made progress in egg-to-harvest farming and already begun commercial shipments to domestic and overseas markets in earnest. In 2020, the group also conducted a survey to understand the volume of seafood used for group companies' products as raw materials. As a sustainable corporate group, it pursues the sustainable procurement of seafood.

Maruha Nichiro Value



• Materiality regarding the creation of Environmental Value

	Materiality	KGI (ideal state by 2030)	KPIs	Target		Relevant SDGs
				Values	Year	
Environmental Value	1. Action for Climate Change	Establish a leading position in the industry for decarbonization and action for climate change	Formulation of CO2 emission reduction roadmap (domestic G *)	—	2022	 
			CO2 emission reduction rate (compared to 2017: domestic G)	Over 30%	2030	
			Achieve carbon neutrality (global G *)	—	2050	
	2. Contributing to a recycling-oriented society	Circular economy through efficient use of resources is prevalent and practiced within the Group	Reduction rate of plastic usage (including switching to bioplastic, recycled materials, etc.) (MN *)	Over 30%	2030	   
			Food loss (product waste) reduction rate (domestic G)	Over 50%	2030	
			Recycling rate of food waste (domestic G)	Over 99%	~2024	
	3. Action for Marine Pollution by marine plastics	Practice zero discharge of plastics into the ocean by the company & supply chain	Establishment of fishing gear management guidelines and operational rates (global G)	100%	2024	  
			Employee participation rate in coastal cleanup (domestic G)	Over 30%	2030	
	4. Action for preserving biodiversity and ecosystem	Confirm that there is no risk of resource depletion in the fish stocks we handle	Resource status confirmation rate of handled seafood products (global G)	100%	2030	 
			Conduct biodiversity risk assessment (Domestic G)	—	2024	
			Implementation of certification level management of aquaculture farms (domestic G)	—	2024	

[Source: Maruha Nichiro's website]

(2) Criteria for Project Evaluation and Selection

- Eligible projects are selected based on their contribution to SDGs 2, 3, 6, 7, 8, 9, 12, 13, 14 and 15 as environmentally sustainable fisheries and aquaculture projects. It is confirmed that eligible projects correspond to the green project category of "Pollution prevention and control (prevention of ocean pollution)" from the perspective of ocean pollution prevention and the green project category of "Environmentally sustainable management of living natural sources and land use (environmentally sustainable fishery and aquaculture)" from the perspective of environmental management in aquaculture operations. As mentioned above, due consideration is given to potentially negative environmental impacts.

(3) Process for Project Evaluation and Selection

- The finance department selects project candidates through coordination with relevant business units. To assess their environmental benefits, the business units collaborate with the sustainability group of the corporate planning department and other related departments to share expertise. The executive officer in charge of finance makes a final decision after approval by the head of the finance department.

Eligible projects are consistent with Maruha Nichiro's management policies such as its group vision and medium-term management plan. The company has an organizational process in which the finance department selects project candidates through coordination with relevant business units and the executive officer in charge of finance makes a final decision after approval by the head of the finance department. The process for project evaluation and selection is clear and reasonable.

3. Management of Proceeds

- The finance department will allocate and manage the proceeds using an internal accounting system.
- The proceeds will be managed in cash and cash equivalents until allocated to eligible projects.
- If it turns out that unallocated funds will be generated for reasons other than delayed allocation to eligible projects, other projects that satisfy the eligibility criteria will be selected and funded.

The proceeds will be managed and allocated using an internal accounting system. Unallocated funds will be managed in cash and cash equivalents. If unallocated funds are generated for reasons other than delayed allocation, other projects that satisfy the eligibility criteria will be selected. The management of proceeds is appropriate.

4. Reporting

(1) Overview of Disclosure

- Reporting will be made as shown below. The first reporting will take place within one year of funds being raised. Timely disclosures will be made when a significant change occurs in the proceeds allocation plan or when a change materially affecting eligible projects is made after proceeds are allocated.

	Items	Timing	Method
Allocation of Proceeds	The amount raised, the amount allocated and the balance of unallocated funds with information on how it is managed and when it will be allocated	Annually until all proceeds are allocated	On Maruha Nichiro's website, etc.

Environmental Benefits	<p>The following environmental benefit metrics, etc. will be disclosed to the extent practicable:</p> <p><Environmentally sustainable fisheries and aquaculture projects></p> <ul style="list-style-type: none"> • Project summary • The amount (or estimated amount) of products shipped from fisheries and aquaculture projects 	Annually until the proceeds are fully redeemed	
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(2) Indicators to Show Environmental Benefits and Calculation Method, etc.

- As environmental benefit metrics, Maruha Nichiro plans to disclose the amount of farmed fish shipped from the project to be funded, in addition to a project summary. Depending on the progress of the project, however, the estimated shipment amount based on the status of fish growth may be disclosed. The company aims to complete the first delivery in FY2027.

Maruha Nichiro will report the allocation of proceeds until all proceeds are allocated, and environmental benefits until the proceeds are fully redeemed, on its website, etc. annually. The first reporting will take place within one year of funds being raised. As environmental benefit metrics, Maruha Nichiro plans to disclose the amount (or estimated amount) of farmed fish shipped from the project to be funded, in addition to a project summary. The reporting is appropriate.

[Disclaimer]

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As a general rule, R&I issues a Second Opinion for a fee paid by the issuer.

Japanese is the official language of this material and if there are any inconsistencies or discrepancies between the information written in Japanese and the information written in languages other than Japanese the information written in Japanese will take precedence.

[Expertise and Third-Party Characteristics]

R&I has launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment.

The R&I assessment method and results can be found on the R&I website (<https://www.r-i.co.jp/en/rating/esg/index.html>).

There is no capital or personal relationship between R&I and the fundraiser that could create a conflict of interest.



Green Bond / Green Bond Programme Independent External Review Form

Section 1. Basic Information

Issuer name: Maruha Nichiro Corporation

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

Maruha Nichiro Blue Finance Framework

Independent External Review provider's name: Rating and Investment Information, Inc. (R&I)

Completion date of this form: September 29, 2022

Publication date of review publication: September 29, 2022

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

Latest update: June 2018

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

<Second Party Opinion: Second Opinion>

R&I has provided a second opinion that the Blue Finance Framework is aligned with the Green Bond Principles 2021 and the Green Bond Guidelines 2022 by Ministry of the Environment of Japan, as well as the Green Loan Principles 2021 and the Green Loan Guidelines 2022 by Ministry of the Environment of Japan.

For details, please refer to the report above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

For details, please refer to "1. Use of Proceeds" in the report above.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings (Environmentally Responsible Building) |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

For details, please refer to “2. Process for Project Evaluation and Selection” in the report above.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

For details, please refer to “3. Management of Proceeds” in the report above.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

For details, please refer to “4. Reporting” in the report above.

Use of proceeds reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information reported:

- | | |
|---|--|
| <input type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other <i>(please specify)</i> : | |

The amount raised, the amount allocated and the balance of unallocated funds with information on how it is managed and when it will be allocated

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Impact reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Information reported (expected or ex-post):

- | | |
|--|---|
| <input type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators <i>(please specify)</i> :
<Environmentally sustainable fisheries and aquaculture projects> <ul style="list-style-type: none">• Project summary• The amount (or estimated amount) of products shipped from fisheries and aquaculture projects |

Means of Disclosure

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (please specify): Issuer's website
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

- 1. The evaluation methodology and services
<https://www.r-i.co.jp/en/rating/products/esg/index.html>
- 2. Evaluation performance
 - (1) Green Finance
<https://www.r-i.co.jp/en/rating/esg/greenfinance/index.html>
 - (2) Sustainability Finance
<https://www.r-i.co.jp/en/rating/esg/sustainabilityfinance/index.html>
 - (3) Social Finance
<https://www.r-i.co.jp/en/rating/esg/socialfinance/index.html>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Second Party Opinion
- Certification
- Verification
- Scoring/Rating
- Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.