

Third party opinions to Positive Impact Finance Evaluation by Sumitomo Mitsui Trust Bank to Fuji Oil Holdings, Inc.

Japan Credit Rating Agency, Ltd. (JCR) provided a third party opinions to Positive Impact Finance provided by Sumitomo Mitsui Trust Bank to Fuji Oil Holdings, Inc.

<Executive Summary>

This Third-Party Opinion examines the suitability of Sumitomo Mitsui Trust Bank, Limited (hereinafter, "SMTB") to the Project Impact Finance Principles (hereinafter, "PIF") and the PIF Model Framework established by the United Nations Environment Program Finance Initiative (hereinafter, "UNEP FI") for the PIF to be implemented by Sumitomo Mitsui Trust Bank, Limited for Fuji Oil Holdings, Inc. Pursuant to Principle 4 of the PIF, to ensure the transparency and objectivity, JCR, as an independent third-party organization, reviewed (1) the Positive Impact Assessment Framework and the rationality of the established Impact Indicators prepared by Fuji Oil Holdings, Inc., which procures funds through the PIF, and (2) the compliance of the PIF Principles for the structuring of PIF products prepared by Sumitomo Mitsui Trust Bank.

(1) Framework and Impact Indicators for Positive Impact Assessment of Fuji Oil Group Headquarters

Fuji Oil Holdings Inc. has established a management philosophy of contributing to a sustainable society as a member of society through solutions using plant-based foodstuffs to address the issues of human and global health. The Group Constitution sets out the details of these philosophies and disseminates them to all employees worldwide. JCR confirmed that the Fuji Oil Group has a system in place to ensure adequate information and value sharing, from management to employees, in order to consider sustainability in the execution of business activities. The main themes of Fuji Oil Holdings Inc. contribute to the resolution of society issues of high importance to the business strategy and stakeholders in our core CSR domains. Therefore, the selection of impact centers and impact categories is appropriate, and themes that contribute to the resolution of important social issues are identified.

JCR verified the appropriateness of holistic impact analyses and identified individual impacts in accordance with the confirmation items set out in the model framework developed by the UNEP FI (the "Framework"). As a result, JCR believes that Fuji Oil's impact analysis is a reasonable result by using this framework.

(2) Compliance of SMTB's PIF Principles for Private Finance Initiatives

Regarding SMTB's PIF evaluation framework, we confirmed the appropriateness of SMTB's product origination, internal regulations and systems, and the appropriateness of the PIF evaluation procedures in line with the PIF Principles. As a result, we confirmed that all items met the requirements.

*For more details, please see the third party opinion report attached below.



Third-Party Opinions

on

Positive Impact Finance (PIF) Evaluation Report for Fuji Oil Holdings, Inc.,
produced by Sumitomo Mitsui Trust Bank, Limited

March 25, 2019

Japan Credit Rating Agency, Ltd.

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Executive Summary

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(1) Framework and Impact Indicators for Positive Impact Assessment of Fuji Oil Group Headquarters

Fuji Oil Holdings Inc. has established a management philosophy of contributing to a sustainable society as a member of society through solutions using plant-based foodstuffs to address the issues of human and global health. The Group Constitution sets out the details of these philosophies and disseminates them to all employees worldwide. JCR confirmed that the Fuji Oil Group has a system in place to ensure adequate information and value sharing, from management to employees, in order to consider sustainability in the execution of business activities. The main themes of Fuji Oil Holdings Inc. contribute to the resolution of society issues of high importance to the business strategy and stakeholders in our core CSR domains. Therefore, the selection of impact centers and impact categories is appropriate, and themes that contribute to the resolution of important social issues are identified.

JCR verified the appropriateness of holistic impact analyses and identified individual impacts in accordance with the confirmation items set out in the model framework developed by the UNEP FI (the "Framework"). As a result, JCR believes that Fuji Oil's impact analysis is a reasonable result by using this framework.

(2) Compliance of SMTB's PIF Principles for Private Finance Initiatives

Regarding SMTB's PIF evaluation framework, we confirmed the appropriateness of SMTB's product origination, internal regulations and systems, and the appropriateness of the PIF evaluation procedures in line with the PIF Principles. As a result, we confirmed that all items met the requirements.

I. Positioning and Purpose of the Third-Party Opinions

JCR conducted a third-party review of PIF conducted by SMTB to Fuji Oil Group, Ltd. in accordance with PIF Principles formulated by UNEP FI and PIF Model Framework, which does not specify the use of funds. PIF refers to the operation of a financial institution that implements and monitors loans after identifying and evaluating the positive impacts (PIs) of its corporate activities, with the aim of promoting corporate activities aimed at achieving the SDGs's goals through screening and evaluation as a financial institution, and thereby contributing to the realization of a sustainable society.

The PIF Principles consist of four principles. Principle 1 is to identify and address positive or negative impacts on the three pillars of SDGs (environmental, social, and economic); Principle 2 is to create an assessment framework that includes adequate processes, methodologies, and evaluation tools in the implementation of PIF; Principle 3 is to ensure transparency of the evaluation and monitoring processes and positive impacts of projects that measure positive impacts; and Principle 4 is to ensure that positive impact products are evaluated internally or by third parties.

In order to ensure the transparency and objectivity of the evaluation as recommended in Principle 4 of the PIF, JCR, as an independent third-party organization, aims to review the Positive Impact Assessment Framework prepared by Fuji Oil Group, Ltd., which procures funds through the PIF, the rationality of the established Impact Indicators, and the compliance of the PIF's product originations prepared by SMTB with the PIF Principles.

II. Subject Matter of Third-Party Opinion

This report covers PIF with unspecified use of funds, which SMTB and Fuji Oil Holdings Inc. concluded on March 27, 2019. JCR provides third-party opinions to Fuji Oil Holdings Inc. who receives PIF and SMTB, a lender of PIF.

<Evaluation items related to Fuji Oil Holdings Inc.>

1. Building a governance system for sustainability initiatives and promotion
2. Appropriateness of holistic impact analysis (Zoom-Out) and individual impact specification (Zoom-In)
3. Validity and accuracy of key impact measurement indicators (KPIs)
4. Appropriateness of the content and methods of monitoring impact indicators
5. Use of the PIF Framework

<Evaluation items related to SMTB>

1. Whether the bank's product (PIFs) complies with UNEP FI PIF principles and related guidelines (including whether processes and product origination methods are appropriate and whether they are defined in internal documents) or not
2. Whether SMTB appropriately evaluates the positive impact framework created by the Fuji Oil Group or not.

III. Positive Impact Assessment of Fuji Oil Group Inc.

In this section, JCR reviews whether the impact analysis has been performed in accordance with the procedures that conform to the UNEP FI model framework when establishing a PIF for Oil Group, and whether it is appropriate to identify the impact, as well as the degree of impact (i) diversity, ii) effectiveness, iii) efficiency, iv) magnification, and v) additionality of the impact extracted as monitoring indicators.

1. Evaluation of Governance System for Sustainability Initiatives and Promotion

1-1. Summary of Fuji Oil Holdings, Inc.

Fuji Oil Holdings Inc., consists of 37 subsidiaries and 6 affiliates. Its main business is the manufacture and sale of oils and fats, confectionery and bakery products, and soybean products.

In the oils and fats segment, the company manufactures and sells oils and fats, such as refined oils and chocolate oils, by FUJI OIL CO., LTD. (hereinafter "FUJI OIL"). In addition that the company manufactures and sells these oils and fats, its group companies in Singapore, the U.S., Belgium, China, Malaysia, Thailand, and other countries also manufacture and sell them to its group companies and the global market.

In the Confectionery and Baking Materials Division, FUJI OIL manufactures and sells chocolate, cream, margarine, shorting, and cheese-flavored ingredients. In Singapore, the company manufactures preparations and sells them to the FUJI OIL and Asian markets. Its manufacturing facilities in Indonesia, Malaysia, China and Brazil manufacture commercial chocolate and sell it to the Asian, Chinese and Brazilian markets. In the soybean division, FUJI OIL and its group companies manufacture and sell soybean protein foods and soy milk products. It also manufactures and sells soybean protein foods in China.

1-2. Sustainability Initiatives at Fuji Oil Holdings Inc.

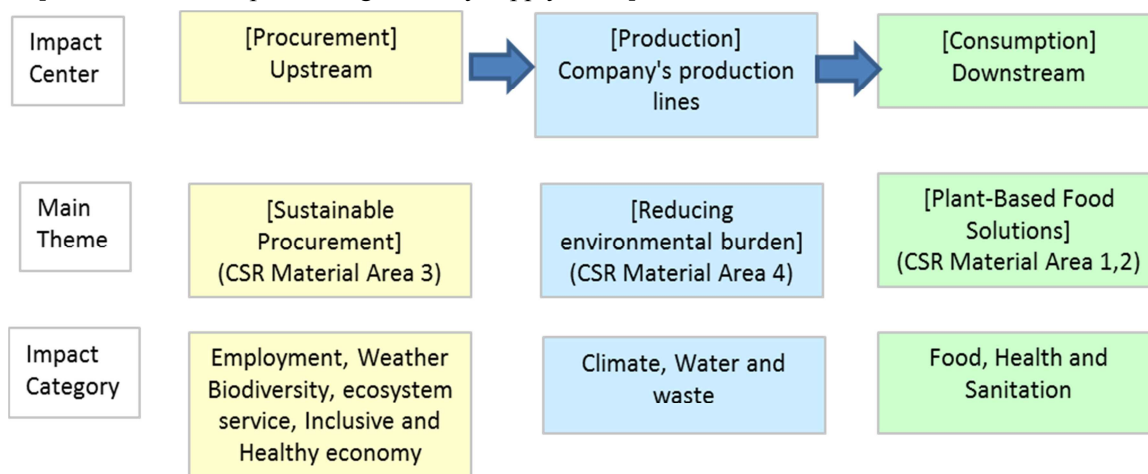
The Fuji Oil Holding's Integrated Report clearly states that its corporate value is "to solve people's issues and contribute to society." Its management philosophy is to contribute to a sustainable society as a member of society by providing solutions based on plant-based food ingredients to address the issues of human and global health. It has established the Group Constitution to provide detailed information on these issues, and the Company makes all employees around the world familiarize with them. Under the Group Constitution, policies and strategies related to sustainability are clearly defined. The ESG Committee is positioned as an advisory body to the Board of Directors at the Fuji Oil Holdings, and the identification of prioritized CSR themes needs an approval of the Board of Directors after consideration by the committee. JCR confirmed that the Fuji Oil Group has a system in place to ensure adequate information and value sharing, from management to employees, in order to consider sustainability in the execution of business activities.

2. Holistic Impact Analysis and Evaluation of Impact Identification

2-1. Summary of Holistic impact Analysis

In its holistic impact analysis, Fuji Oil Holdings Inc. analyzes the factors that generate impacts for the entire Group from a variety of perspectives, including segments, areas, and supply chains. This provides a comprehensive analysis of the business activities of the entire group. As a result of this analysis, the Impact Center was identified by supply chain upstream (raw material procurement), midstream (production and sales activities) and downstream (consumption). Potential positive and negative impacts have been identified for each impact centre in one of the three aspects of sustainable development (economy, environment, and society) (see table below).

[Table: Holistic Impacts categorized by supply chain]



2-2. Evaluation by JCR

As shown in the table above, the main themes contribute to the resolution of society issues of high importance to business strategies and stakeholders in our core CSR domains. Therefore, the selection of impact centers and impact categories is appropriate, and themes that contribute to the resolution of important social issues are identified.

In addition, JCR verified the appropriateness of holistic impact analyses and confirm individual impacts, as follows, in accordance with the items identified in the UNEP FI framework. As a result, we believe that our impact analysis is a reasonable result of using this framework.

Framework Confirmation Items	JCR confirmation results
Consideration of the operating context of the Corporate given its sector and type of activity, including the key relevant sustainability challenges in its operating location/ countries of	The sector and activity impacts of operating companies are comprehensively considered by analysis across all operations and affiliated companies, by business segment, and by supply

<p>operations and whether the Corporate's activities contribute to these.</p>	<p>chain stage.</p>
<p>Consideration of relevant market practices and standards</p>	<p>Fuji Oil examines CSR priorities and SDGs objectives from a comprehensive perspective based on the supply chain. Compliance with the following international initiatives is also ensured. Participation in NDPE (zero deforestation, zero peat development, zero exploitation) activities and RSPO (Sustainable Palm Oil Roundtable), non-financial disclosure by CDPs, FSSC22000 or ISO2200 acquire, etc.</p>
<p>Consideration of the Corporate's strategic intent and/or commitments to deliver positive impacts and/or manage negative impacts, as publicly expressed in corporate social responsibility (CSR) reports, integrated reports or other public information</p>	<p>As a result of formulating and comparing materiality mappings for prioritized CSR themes, we have made a commitment to strategic responses for important matters. For example, in order to mitigate the negative impacts on the sustainable procurement of palm oil, Japan has established the Grievance Mechanism for the first time among Japanese companies, receiving complaints from workers and local residents at the time of sustainability procurement, and request improvements to suppliers. At present, 98% of palm oil traceability has been achieved up to the oil mill, but the goal of raising this to 100% has been set and efforts are being made to improve the sustainability of the palm oil supply chain.</p>
<p>Use of taxonomies, as drawn up by global initiatives</p>	<p>When identifying individual impacts, Fuji Oil identifies procurement, production, and consumption processes in the value chain as impact centers. In particular, from the viewpoint of sustainable procurement, Fuji Oil is participating in the RSPO and makes continuous efforts for NDPE.</p>

	In addition, as part of efforts to reduce the environmental burden, it has set and endeavored to set reduction targets by disclosing them to the CDPs. All domestic and overseas offices are informed of the series of measures.
Consideration of the Corporate's involvement in sensitive activities, i.e. activities that can trigger significant negative impacts when not conducted in a sustainable way. ¹	Especially upstream of the supply chain, operating companies take the lead in carrying out "sustainable procurement" and contribute to preventing environmental degradation and deterioration of the working environment in palm oil plantations.
Screening of available information regarding possible controversies to identify possible negative impacts linked to the Corporate's activities, and/or apparent contradictions between its communicated intents and its actual practice	Based on the PIF Evaluation Report prepared by SMTB and on interviews with Fuji Oil Holdings, Inc., JCR confirms that the content of disclosure and the actual activities are consistent and there is no contradiction.

3. Assessment of Key Impact Measurement Indicators (KPIs)

3-1. Setting Individual Impact Indicators

In the process of extracting individual impacts from holistic impacts, Fuji Oil Holdings, Inc. conducted an exhaustive review using impact radars, and then identified the positive impacts desired to be realized or the negative impacts desired to be reduced and the key impact indicators (Key Performance Indicator (KPIs)) to be monitored in the future, according to the three supply chain stages, as follows.

(1) Individual Impact on Upstream Supply Chain (Raw Material Procurement)

<ul style="list-style-type: none"> ✓ Impact category "Employment," "Climate," "Biodiversity and Ecosystem Services" and "Inclusive and Sound Economies" ✓ Content Sustainable Procurement with Consideration for the Environment and Human Rights Supply chain improvement activities and RSPO activities aimed at NDPE in the procurement process (zero deforestation, zero peat land development, and zero exploitation) ✓ Response Policy: Enhance traceability, communicate the intentions of the Oil Group through third-party
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audits and two-party audits, and promote activities for human rights and the environment in suppliers.

- ✓ KPI:
Palm oil traceability to oil mill factories score
Number of cases registered in the Grievance Mechanism

(2) Individual impacts in the midstream (production and processing) of the supply chain

- ✓ Impact category
"Climate," "Water" and "Waste"
- ✓ Content
To reduce the amount of energy, water and other utilities used in the manufacturing processes of Group companies, as well as the amount of CO₂, water and wastes emitted
- ✓ Response Policy:
Promote initiatives to achieve the targets of Environmental Vision 2020 and subsequent Environmental Vision 2030 (to be formulated in 2019).
- ✓ KPI:
CO₂ emissions,
Annual water supply unit,
Total waste emissions per unit of production
Recycling rate (domestic)

(3) Individual impacts on downstream (consumption) of the supply chain

- ✓ Impact category
Food, Health and Sanitation
- ✓ Content
Initiatives to Promote plant-based food solutions (Solving Global Society Issues with Plant-Based Food Materials) and Ensure Food Safety, Security, and Quality
- ✓ Response Policy:
We will further enhance our unique sorting and separation technologies, which are the source of value creation, and our rework processing technologies. At the same time, we will strengthen collaboration with outside parties to accelerate global co-creation.
Contribute to healthy life expectancy with delicious foodstuffs.
Establish a system to ensure food safety and quality, and obtain certification.
- ✓ KPI:
Contributing to the resolution of food resource shortages by plant proteins with low global environmental impact.

Establish a system to enable consumers to understand the significance of pursuing delicious tastes and choosing from among consumers in order to spread the use of plant protein sources.

Promote development of healthy oils and fats (stabilized DHA and EPA) and soybean peptides.

Building a Group-wide quality assurance system and acquiring FSSC22000 or ISO2200 for all Fuji Oil Mills' plants by the end of March 2020.

3-2. Evaluation by JCR

The degree of impact (KPI) extracted as a monitoring indicator for confirming output was examined based on the five factors (Diversity, Effectiveness, Efficiency, Magnification and Additionality) presented in the PIF Principles.

Variety: Is there a variety of positive impacts delivered?
The Fuji Oil Group has identified the expected positive and negative impacts of its overall business activities by sorting down its business activities into upstream, midstream, and downstream parts of the supply chain. It consists mainly of social outcomes (sustainable procurement, safe food provision, etc.) in the upstream and downstream sectors and reduction of negative impacts on the environment in the midstream sectors. It is identified as an impact category in nine categories and is rich in diversity.
Efficacy: Magnitude of the impacts delivered
Each KPI is highly likely to be achieved and can be expected to achieve effective results by clarifying specific response policies and giving appropriate consideration through business activities.
Efficiency: Scale of impacts delivered relative to amount of funds spent
Impact indicators extend to the entire supply chain, and particularly for sustainable procurement and environmental considerations, it is expected to have a relatively large impact on invested capital, as it reduces the global impact, including in developing countries.
Multiplicity: Degree of leverage of private funds relative to public funds and/or donations
This item is outside the scope of our evaluation for the development of impacts.
Additionality: Is there additional impact?
Are the impacts contributing to SDGs areas where they are unable to achieve or respond poorly?
Is it a major step forward in realizing the SDGs goals?
Indicators are considered to have additional impacts on multiple goals and targets, as listed below, out of the SDGs17 goals and 169 targets.

(1) Sustainable Procurement:



Goal 8: Decent Work and Economic Growth

Target 8.5, 7, 8



Target 12: Responsible Consumption and Production

Target 12.2, 6



Objective 14: Life Below Water

Target 14.1,



Goal 15: Life on Land

Targets 15.1, 2, a, c

(2) Reducing environmental burden in its production lines



Objective 6: Clean Water and Sanitation

Target 6. 3, 4, a,



Goal 11: Sustainable Cities and Communities

Target 11. 6



Target 12: Responsible Consumption and Production

Target 12.2, 6



Objective 13: Climate Action

Target 13. 1, b

(3) Plant Based Food Solutions



Goal 1: No Poverty

Target 1.4, 5

**Target 2: Zero Hunger**

Target 2.3, 5, a,**Objective 3: Good Health and Well-being**

Target 3.2, 4, 8**Goal 9: Industry, Innovation and Infrastructure**

Target 9.5, b**4. Appropriateness of the content and methods of monitoring impact indicators**

Fuji Oil Holdings, Inc. will disclose its achievement of KPIs in the Integrated Report, Sustainability Report, website, etc. SMTB will periodically review the status of achievement of these disclosures and holds hearings as necessary. Based on the above, JCR finds that the content and methodologies of monitoring are appropriate.

5. Use of the PIF Framework

As detailed in Items 1-4 above, Fuji Oil Holdings Inc. conducts a positive impact assessment in accordance with the framework of the Positive Impact Financial Principles. Therefore, the PIF framework is considered to be fully utilized.

IV. Sumitomo Mitsui Trust Bank's Private Finance Initiative (PIF) product origination and framework

Regarding SMTB's PIF evaluation framework, we confirmed the appropriateness of product origination, internal regulations and systems, and the appropriateness of this PIF evaluation procedure by checking the consistency with the PIF Principles based on the following items, and confirmed that all items met the requirements.

1. Principle 1 Define

Principle	JCR confirmation results
Positive Impact Finance is that which serves to finance Positive Impact Business.	This PIF will be implemented by SMTB to support Fuji Oil's positive impact business.
It is that which serves to deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated.	Sustainable procurement and reduction of environmental impacts have been confirmed to have positive impacts, particularly on the environmental and social aspects of the three sustainable aspects. Negative aspects have also been identified and mitigated. We also confirmed that we can expect qualitative positive impacts on consumption (PBFS). It is desirable that SMTB will consider setting scale of impacts of each indicator comparably in the future after implementing several cases.
By virtue of this holistic appraisal of sustainability issues, Positive Impact Finance constitutes a direct response to the challenge of financing the Sustainable Development Goals (SDGs).	The relevance to the SDGs is defined by the issuer and it is a measure that can directly contribute to that goal.
The Principles are intended to be applicable across all categories of financial instruments and the business activities that underpin them.	The financing provided by SMTB will support the whole business activities of Fuji Oil Group, Ltd.
The Principles for Positive Impact Finance are not sector based.	SMTB does not have standards for sector extraction. It has examined the overall business activities of Fuji Oil Holdings Inc., extracted the materiality from them, and found its positive impact. (However, the sectors excluded as lending policies by the Bank are excluded.)

<p>The Positive Impact Principles recognise the interrelatedness of sustainability issues and assess both the positive and negative aspects of impact on a global scale as well as on a single area.</p>	<p>In its analysis, the Bank focuses on the positive and negative aspects of impact, and rather set activity goals that attempt to make improvements to bring positive impacts on items that are currently potentially negative.</p>
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2. Principle 2 Framework

Principle	JCR confirmation results
<p>To promote the delivery of Positive Impact Finance, entities (financial or non-financial) need adequate processes, methodologies, and tools, to identify and monitor the positive impact of the activities, projects, programmes, and/or entities to be financed or invested in.</p>	<p>SMTB has confirmed that it has developed processes, methods and tools to identify and monitor positive impacts. Regarding the above points, detailed provisions have been established as operational guidelines, which are effective for ensuring thorough awareness among staff and maintaining consistency in evaluation.</p>
<p>Implement specific processes, criteria and methodologies to identify Positive Impact. The analysis should cover activities, projects and programmes but also underlying companies</p>	<p>SMTB has established standards for holistic impact analysis and identification of individual impacts in line with the Positive Impact Framework.</p> <p>Regarding the above points, detailed provisions have been made in the Operational Guidelines, which are effective for ensuring that staff is thoroughly informed of the matters and for maintaining consistency in the evaluation.</p>
<p>Apply regular ESG risk management before determining Positive Impact eligibility.</p>	<p>SMTB uses the impact traders published by the UNEP FI as tools to measure its impact.</p> <p>In addition, the Taxonomies and the International Initiative, which are referred to as references, are also explicitly stated.</p>
<p>Implement specific processes, criteria and methodologies to monitor the achievement of intended impacts throughout the life-time of the financial instrument</p>	<p>SMTB has confirmed that it is a contract to monitor the progress of the financing until the repayment date. We also confirmed that we have established internal regulations regarding the methods, standards, and methods for specific verification, as well as their appropriateness.</p>
<p>Allocate and equip staff with relevant mandates</p>	<p>We confirmed that SMTB has departments and</p>

and skill sets to enforce the above processes	staff with the necessary skills to implement the above process.
Seek second opinions and/or third-party assurances on the implementation of the above processes as appropriate	The Fuji Oil Group recently asked JCR for a second opinion.
Review and update processes as appropriate on an on-going basis	SMTB's internal regulations revise and update the process from time to time.
Can make use of existing and recognized tools, standards and initiatives where applicable (for instance, in the case of project finance, the Equator Principles provide a recognized risk management standard)	The indicators and reference criteria used in impact assessment are specified in the Impact Radar.

3. Three principles of transparency

Principle	JCR confirmation results
<p>Entities (financial or non-financial) providing Positive Impact Finance should provide transparency and disclosure on:</p> <ul style="list-style-type: none"> • The activities, projects, programs, and/or entities financed considered Positive Impact, the intended positive impacts thereof (as per Principle 1); • The processes they have in place to determine eligibility, and to monitor and to verify impacts (as per Principle 2); <p>The impacts achieved by the activities, projects, programs, and/or entities financed (as per Principle 4).</p>	<p>This third-party opinion is obtained and disclosed to ensure transparency.</p> <p>With regard to the impact achieved, Fuji Oil Holdings Inc. is planning to disclose the impact achieved every year in the Integrated Report, Sustainability Report and its website, etc. SMTB will also confirm its achievement periodically. Consequently, the transparency is firmly ensured.</p>

4. Principle 4 Evaluation

Principle	JCR confirmation results
The assessment of Positive Impact Finance delivered by entities (financial or non-financial), should be based on the actual impacts achieved	SMTB evaluates the impact of the PIF based on five factors (i) diversity, ii) effectiveness, iii) efficiency, iv) magnification, and v) additionality,

	<p>as set out in Principle 4.</p> <p>When providing a third party opinion, JCR has received enough information to confirm four out of five factors raised above, qualitatively, although it was difficult to compare each KPI's impact scale clearly.</p>
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V. Conclusion

Based on the above discussions, JCR confirmed that the Positive Impact Finance for Fuji Oil Holdings, Inc., which is the subject of the third-party opinion, aligns with (1) the Positive Impact Financial Principles and the Model Framework established by the United Nations Environment Programme Finance Initiative, and (2) SMTB has made its financing decisions through appropriate evaluation procedures.

Important Explanation of this Third-Party Opinion

1. Assumptions, Significance, and Limitations of JCR Third-Party Opinion

The third-party opinions granted and provided by Japan Credit Rating Agency, Ltd. (JCR) are the overall opinions of JCR at this time regarding the conformity to the Positive Impact Financial (PIF) Principles formulated by the United Nations Environment Programme Finance Initiative, and do not fully represent the extent of the positive impacts of the evaluation.

This third-party opinion evaluates current plans or circumstances based on information provided by the Client and information independently collected by JCR, and does not guarantee an assessment of future status. In addition, this third-party opinion does not quantitatively prove the positive effects of PIF, and we assume no responsibility for their effects. JCR confirms that the funds procured from this project are quantitatively and qualitatively measured by the Borrower or a third party requested by the Borrower as to the degree to which the impact indicators set by JCR have been achieved, but in principle, JCR does not directly measure the funds procured from this project.

2. International Initiatives and Principles Referenced in the Implementation of this Evaluation

In implementing this evaluation, JCR refers to the following principles and guidelines developed by the United Nations Environment Programme Finance Initiative.

Positive Impact Financial Principles

Positive Impact Finance Model Framework

3. Relationship with Acts Related to Credit Rating Business

The act of providing this Third Party Opinion is conducted by JCR as a related business and differs from the act related to the Credit Rating Business.

4. Relationship with Credit Ratings

The Assessment differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

5. Third-party character of JCR

There is no conflicts of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

■ Disclaimers

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■ Glossary

Independent Opinions: This Report, at the request of the Client, provides an independent, neutral, and impartial opinion on the relevance of the Bank's Positive Impact Financial Assessment Report to the Positive Impact Finance Principles of the United Nations Environment Programme Finance Initiative.

■ Status of Registration as an External Evaluator of Sustainable Finance

- Member of the Positive Impact Working Group of the United Nations Environment Programme Finance Initiative
- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association) Member of the Social Bond Principles Working Group

■ Status of registration as a credit rating agency, etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No. 1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO (Nationally Recognized Statistical Rating Organization). (1) Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on JCR website (<https://www.jcr.co.jp/en/>).

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