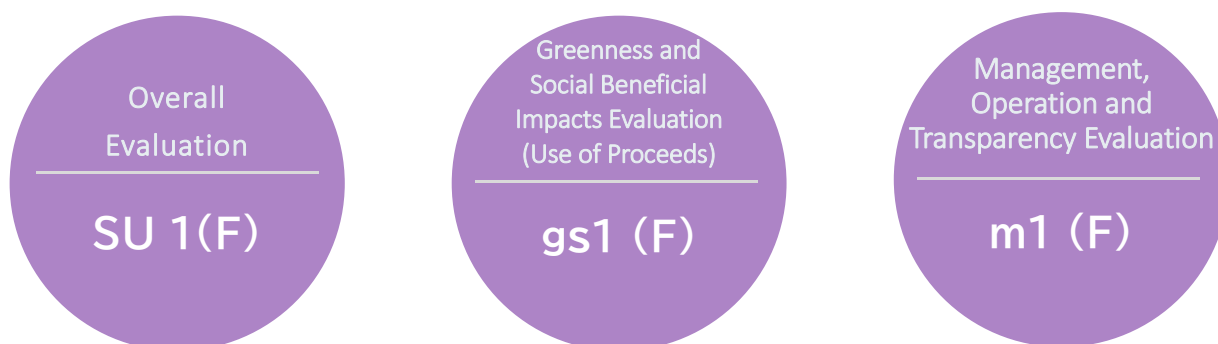


Japan Credit Rating Agency, Ltd. (JCR) announces the review results of the Sustainability Finance Framework evaluation as follows.

Morinaga & Co., Ltd.

Sustainable Finance Framework

Affirmation



Issuer/Borrower	Morinaga & Co., Ltd. (Security code: 2201)
Subject	Morinaga & Co., Ltd. Sustainable Finance Framework

Evaluation overview

▶▶▶ 1. Overview of Morinaga & Co., Ltd.

Founded in 1899, Morinaga & Co., Ltd. is a confectionery and food manufacturer with a history of over 120 years, and has many long-selling products that have been created over its long history.

Representative brands include "Milk Caramel," "Morinaga Biscuits," "HI-CHEW," "DARS," "Koeda," "Chocoball," and "Ottotto" in the confectionery category, "Choco Monaka Jumbo" in the frozen confectionery category, and "in Jelly" in the health category.

For the fiscal year ending March 31, 2024, the segment sales composition is 95.5% for Food Manufacturing, 3.2% for Food Merchandise, 0.9% for Real Estate and Services, and 0.3% for Other.

Food Manufacturing is the mainstay of profits, but the other segments are also stable, albeit on a small scale.

They are actively working on overseas expansion, and in the United States, they are expanding sales of "HI-CHEW" and "Chargel" jelly drink.

▶▶▶ 2. Morinaga's Sustainable Finance Framework

In May 2021, the Morinaga Group has formulated its "2030 Business Plan" for the long term up to 2030. In this plan, the Morinaga Group has set forth its 2030 Vision, which reads: "The Morinaga Group will change into a Wellness Company in 2030," and is working to provide three values: "Health of the mind," "Health of the body," and "Health of the environment."

Morinaga started sustainable funding as a part of their initiatives. In 2022, Morinaga has stipulated the sustainable finance framework (the Framework). At that time, JCR has evaluated whether the Framework complies with the Green Bond Principles (2021 edition), the Green Loan Principles (2021 edition), the Social Bond Principles (2021 edition), the Social Loan Principles (2021 edition), the Sustainability Bond Guidelines (2021 edition), the Green Bond Guidelines (2022 edition), the Green Loan Guidelines (2022 edition) and the Social Bond Guidelines. These principles and others are not binding, as they are voluntarily published principles or guidelines by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA), the Loan Syndications and Trading Association (LSTA), the Ministry of the Environment (MOE) and the Financial Services Agency (FSA), and are not regulations, but JCR evaluates the Framework by referring to these principles and guidelines as the unified standards in Japan and abroad.

JCR confirmed that Morinaga plans to use the proceeds from sustainable finance to finance or refinance green projects and/or social projects that meet predetermined eligibility criteria. JCR also assesses that all uses of proceeds have environment improvement effects and/or social benefits.

JCR confirmed that projects for which the proceeds are to be used were selected with the involvement of management and departments with specialized knowledge, that proceeds management are clearly defined and are scheduled to be properly managed, and that matters required for reporting are scheduled to be disclosed. Given these facts, JCR confirmed that the management of Morinaga has established a system for managing and operating sustainable finance under this framework and that highly transparent. JCR also confirmed that the management of Morinaga positions sustainability as a high-priority issue with high importance.

As a result, JCR assigned "SU1" for the Morinaga's Sustainable Finance Framework.

JCR has confirmed that the contents of the framework have not changed since its development.

JCR has been confirmed that the reporting content of bonds issued under the framework meets the factors stated in the framework.

Based on the above review and JCR Sustainability Finance Framework Evaluation Methodology, JCR assigned "gs1 (F)" to the "Greenness and Social Beneficial Impacts Evaluation (Use of Proceeds)," "m1

(F)" to the "Management, Operation and Transparency Evaluation," and "SU 1 (F)" to the "JCR Sustainability Finance Framework Evaluation." The Framework is also considered to meet the standards for items required by the Green Bond Principles¹, the Green Loan Principles², the Social Bond Principles³, the Social Loan Principles⁴, the Sustainability Bond Guidelines⁵, the Green Bond Guidelines⁶, the Green Loan Guidelines⁷, and the Social Bond Guidelines⁸.

¹ ICMA (International Capital Market Association) Green Bond Principles 2021

<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>

² LMA, APLMA, LSTA Green Loan Principles 2023

<https://www.lsta.org/content/green-loan-principles/>

³ ICMA Social Bond Principles 2023

<https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

⁴ LMA, APLMA, LSTA Social Loan Principles 2023

<https://www.lsta.org/content/social-loan-principles-slp/>

⁵ Sustainability Bond Guideline 2021

<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

⁶ MOE Green Bond Guidelines 2024 (Japanese)

<https://www.env.go.jp/content/000264120.pdf>

⁷ MOE Green Loan Guidelines 2024(Japanese)

<https://www.env.go.jp/content/000264120.pdf>

⁸ FSA Social Bonds Guidelines

<https://www.fsa.go.jp/en/news/2021/001.pdf>

Table of Contents

■ Review Items

■ Review Contents

1. Use of proceeds (eligibility criteria)
2. Criteria and process for selecting the use of proceeds
3. Management of proceeds
4. Reporting
5. Organizational sustainability initiatives

■ Review Results (Conclusion)

Review Items

In this section, JCR describes the items to be confirmed in the review of the framework. The review focuses on items, which content is changed compared with that of the previous evaluation.

1. Use of proceeds (eligibility criteria)

JCR evaluates if the use of proceeds or eligible criteria categories for Sustainability Finance remain the same from the methods stipulated by the issuer/borrower when assigning the Sustainability Finance Framework Evaluation.

2. Criteria and process for selecting the use of proceeds

JCR evaluates if there have been no changes to the objectives to be achieved through the Sustainability Finance, the criteria for selecting Sustainability projects, the adequacy of the process, and the series of processes to be implemented since assigning the Framework Evaluation.

3. Management of proceeds

JCR evaluates whether the proceeds are certainly allocated for Sustainability projects or not. JCR also evaluates if there is a structure and internal system in which the allocation status can be easily tracked and managed.

4. Reporting

JCR evaluates if the environmental improvement effects /social benefits resulting from the Sustainability project financed by Sustainability finance are appropriately calculated according to the method stipulated by the issuer/borrower when assigning the Framework Evaluation.

5. Organizational sustainability initiatives

JCR evaluates if the issuer's/borrower's management highly prioritizes sustainability issues.

Review content

1. Use of proceeds (eligibility criteria)

Morinaga has stipulated the use of proceeds in the framework as follows,

Morinaga Sustainable Finance Framework (excerpt)

2.1 Use of proceeds

The net proceeds based on the Framework will be used for financing and refinancing new and existing projects ("Eligible Projects") that fall within the following eligible project categories that have been confirmed to have environmental or social impacts. Refinancing of existing investments will be limited to expenditures made within 36 months from the execution of Sustainable Finance.

The net proceeds will be allocated to the projects of the following project categories, subject to the type of sustainable finance

Green Finance: Green Projects

Social Finance: Social Projects

Sustainability Finance: Green Projects and Social Projects

2.1.1 Eligibility Criteria

Eligible Project Categories	Eligible projects	SDGs
Green Projects		
GBP : Green Buildings / Energy efficiency Environmental objectives : Climate change mitigation GLP : Green Buildings / Energy efficiency Environmental objectives : Addressing climate change concerns	Expenditures for development, construction, interior and equipment work, retrofits and acquisition of the buildings that was able to receive or will be able to receive any of the following third-party green building certifications or recertifications. <ul style="list-style-type: none"> • ZEB Certification : ZEB, Nearly ZEB, ZEB Ready or ZEB Oriented • DBJ Green Building Certification : 5 Stars, 4 Stars or 3 Stars • CASBEE Certification : S Rank, A Rank or B+ Rank • BELS Certification : 5 Stars, 4 Stars or 3 Stars • LEED Certification : Platinum, Gold or Silver 	7. Affordable and clean energy 9. Industry, innovation, infrastructure 11. Sustainable cities and communities 13. Climate action

Social Projects		
SBP/SLP : Affordable basic infrastructure	Setting up evacuation sites <ul style="list-style-type: none"> evacuation space for stranded people of not only the company staffs but of neighboring businesses and local residents A warehouse for stockpiling emergency supplies 	3. Good Health and Well-Being 11. Sustainable cities and communities
SBP/SLP : Socioeconomic advancement and empowerment	Projects to promote diversity <ul style="list-style-type: none"> Installation and maintenance of barrier-free facilities (ramps, accessible restrooms) for the elderly and disabled people, etc. Installation and maintenance of gender-free restrooms Setting up nursing rooms Setting up prayer rooms 	3. Good Health and Well-Being 5. Gender Equality 10. Reduced Inequalities

Social Projects defined in the Framework will contribute to solving below social issues and are expected to have positive social impacts on the Target Populations.

Eligible Business Categories	Target Populations	Social Issues
Setting up evacuation sites <ul style="list-style-type: none"> evacuation space for stranded people of not only the company staffs but of neighboring businesses and local residents A warehouse for stockpiling emergency supplies 	<ul style="list-style-type: none"> Victims of natural disasters, etc. Local companies and residents 	Sustainable and resilient national land (disaster prevention and mitigation measures)
Projects to promote diversity <ul style="list-style-type: none"> Installation and maintenance of barrier-free facilities (ramps, accessible restrooms) for the elderly and disabled people, etc. Installation and maintenance of gender-free restrooms Setting up nursing rooms 	<ul style="list-style-type: none"> Elderly and disabled people Sexual and gender minorities Working women Worshippers, etc. Local residents 	Promoting Barrier-Free, Gender-Free and Diversity

- | | | |
|---------------------------|--|--|
| ・ Setting up prayer rooms | | |
|---------------------------|--|--|

2.1.2. Exclusion Criteria

The net proceeds raised based on the Framework will not be allocated to the projects related to:

- Unfair transactions that do not comply with the laws and regulations of the jurisdictions and/or inappropriate relationships such as bribery, corruption, blackmail, embezzlement, etc.
- Transactions that can cause social problems such as human right abuse and the environmental issues

At the time of the previous evaluation, JCR evaluated that the procurement of proceeds and eligibility criteria described in this framework were appropriate. In this review, JCR confirmed with Morinaga and confirmed that there was no change in the content from the previous evaluation.

This framework is used only for the eligibility of the 15th Unsecured Bonds of Morinaga & Co., Ltd. issued on December 8, 2022. Therefore, JCR evaluated it appropriate.

Morinaga and JCR have also confirmed that in the case of green financing by Morinaga in the future, JCR will review this framework including the eligibility criteria for Green Building.

2. Criteria and process for selecting the use of proceeds

Morinaga has stipulated the criteria and process for selecting the use of proceeds in the framework as follows,

Morinaga Sustainable Finance Framework (excerpt)

2.2 Process for Project Evaluation and Selection

The Board of Directors will make the final decision on the eligible projects to which the net proceeds from sustainable finance based on the Framework, after consultation with the Accounting Division, Sustainable Management Division, and other relevant divisions, and deliberation by ESG Committee. Through project assessment process, we confirm that the projects takes into account potentially negative environmental and social impacts and addresses the followings.

- Compliance with environmental laws and regulations required by the national government or the local government where the project is located, and implementation of environmental assessment as necessary
- Provide adequate explanations to local residents ahead of a project implementation

At the time of the previous evaluation, JCR evaluated that the criteria and process for selecting the use of proceeds described in this framework were appropriate. In this review, JCR confirmed with Morinaga and confirmed that there was no change in the content from the previous evaluation.

3. Management of proceeds

Morinaga has stipulated the management of proceeds in the framework as follows,

Morinaga Sustainable Finance Framework (excerpt)

2.3 Management of Proceeds

Accounting Division will manage the net proceeds from sustainable finance using an internal management system, on an annual basis, until full allocation. The proceeds will be allocated to eligible projects within 36 months from the execution of the applicable sustainable financing. Any portion of the net proceeds of sustainable finance that has not been allocated to eligible projects will be held in cash or cash equivalents.

In the case of any unforeseen event or sales of the eligible projects to which the proceeds have been allocated, even after the completion of the allocation of the proceeds, we will make a necessary and timely disclosure of such event and the status of unallocated proceeds on our website and other media.

At the time of the previous evaluation, JCR evaluated the validity and transparency of the management of the proceeds described in this framework as appropriate. In this review, JCR confirmed with Morinaga and confirmed that there was no change in the content from the previous evaluation.

4. Reporting

Morinaga has stipulated the reporting in the framework as follows,

Morinaga Sustainable Finance Framework (excerpt)

2.4 Reporting

2.4.1 Allocation Reporting

Until the proceeds have been fully allocated to eligible projects, the company will disclose the following items on its website or any other means annually. In the event of any material situation where an allocation plan has to be reconsidered, we will disclose such even in a timely manner.

- The list and overview of eligible projects to which proceeds have been allocated (including progress of the projects)
- The amount of net proceeds allocated
- The amount of net proceeds pending allocation and expected timing for allocation
- The amount or share of refinancing

2.4.2 Impact Reporting

The company will report on the project overview and the following indicators of each Eligible Project on its website and elsewhere, to the extent practicable, until the net proceeds from sustainable finance based on the Framework have been fully allocated.

[Green Project]

Eligible Projects	Indices
Green Buildings/ Energy efficiency	<ul style="list-style-type: none"> • Acquisition of third-party green building certifications • CO₂ emissions avoided (t-CO₂)

[Social Project]

Eligible Projects	Output	Outcome	Impact
Setting up evacuation sites <ul style="list-style-type: none"> • evacuation space for stranded people of not only the company staffs but of neighboring businesses and local 	<ul style="list-style-type: none"> • Setting up space for stranded people of not only the company staffs but of neighboring businesses and local residents • Setting up a 	<ul style="list-style-type: none"> • Capacity (number of people) who can be accepted • Stockpiles in disaster prevention stockpile warehouses 	Sustainable society resilient to natural disasters

residents • A warehouse for stockpiling emergency supplies	warehouse for stockpiling emergency supplies		
Projects to promote diversity • Installation of barrier-free facilities (ramps, accessible restrooms) for the elderly and disabled people, etc. • Installation of gender-free restrooms • Setting up nursing rooms • Setting up prayer rooms	• Installation of barrier-free facilities (ramps, accessible restrooms) for the elderly and disabled people, etc. • Installation of gender-free restrooms • Setting up nursing rooms • Setting up prayer rooms	• Number of ramps and accessible restrooms installed • Number of gender-free restrooms installed • Number of nursing rooms installed • Number of prayer rooms set up	Barrier-free and gender-free environment and inclusive-society with respect for diversity

At the time of the previous evaluation, JCR evaluated that the reporting described in this framework was appropriate. In this review, JCR confirmed with Morinaga and confirmed that there was no change in the content from the previous evaluation.

Proceeds allocation reporting

JCR has confirmed the reporting regarding the allocation status of proceeds for the bonds issued by Morinaga based on this framework (Morinaga & Co., Ltd. Limited 15th unsecured straight bonds (with specific inter-bond pari passu clause for short) (Sustainability bond)). JCR have confirmed that the construction completion and operation commencement of the Morinaga Shibaura Building on the reporting material and the other three items have also met that described on the next page. JCR evaluated these reporting materials as appropriate.

Morinaga Shibaura Building

Completion and Start of operations; March 2024

Projects	The amount of proceeds	The amount of net proceeds allocated (The amount or share of refinancing)	The amount of net proceeds pending allocation (Expected timing for allocation)
Expenditure for rebuilding the Morinaga Shibaura Building ⁹	JPY 8.945 billion	JPY 8.945 billion ¹⁰ (0)	0

Table 1: Morinaga's proceeds Allocation Reporting¹¹

Impact reporting

JCR confirmed the impact reporting content of the bonds issued by Morinaga based on this framework (Morinaga & Co., Ltd. Limited 15th unsecured straight bonds (with specific inter-bond pari passu clause for short) (Sustainability bond)), and JCR confirmed that the reporting stuffs were sufficient and evaluated it as appropriate.

[Green Project]

Eligible project	Indices
Green Buildings/ Energy efficiency	<ul style="list-style-type: none"> - Acquisition of third-party green building certifications : ZEB Ready - CO₂ emissions avoided: About 386 (t-CO₂) (Theoretical values)¹² <p>※The Morinaga Shibaura Building normally uses only electricity, and the Company has introduced a renewable energy-derived electricity plan as the source of this energy supply. The actual emissions from the building are zero.</p>

⁹ The name of the building was "the Morinaga Shibaura Building (tentative name)" at the time of the Sustainability Bond issuance, but it has been changed

¹⁰ In June 2024, the amount of proceeds has been fully allocated.

¹¹ Source: Morinaga's reporting materials

¹² The actual emissions from the Morinaga Shibaura Building are zero, but CO₂ emissions avoided is calculated using adjusted emission factors for electricity companies published by the Ministry of the Environment (2024), reference and design values for primary energy consumption in order to demonstrate the energy efficiency of the building.

[Social project]

Eligible Projects	Output	Outcome	Impact
Setting up evacuation sites - evacuation space for stranded people of not only the company staffs but of neighboring businesses and local residents - A warehouse for stockpiling emergency supplies	- Setting up space for stranded people of not only the company staffs but of neighboring businesses and local residents - Setting up a warehouse for stockpiling emergency supplies	- Capacity (number of people) who can be accepted (186 people) - Stockpiles in disaster prevention stockpile warehouses (For a minimum of 3 days)	- Sustainable society resilient to natural disasters
Projects to promote diversity - Installation of barrier-free facilities (ramps, accessible restrooms) for the elderly and disabled people, etc. - Installation of gender-free restrooms - Setting up nursing rooms - Setting up prayer rooms	- Installation of barrier-free facilities (ramps, accessible restrooms) for the elderly and disabled people, etc. - Installation of gender-free restrooms - Setting up nursing rooms - Setting up prayer rooms	- Number of ramps (in various locations) and number of accessible restrooms installed (7 places) - Number of gender-free restrooms installed (3 places) - Number of nursing rooms installed (1 place) - Number of prayer rooms set up (1 place)	Barrier-free and gender-free environment and inclusive-society with respect for diversity

Table 2: Morinaga's Impact Reporting¹³

¹³ Source: Morinaga's reporting materials

5. Organizational sustainability initiatives

In 2021, Morinaga formulated its important corporate policies, including its Corporate Philosophy, 2030 Vision, and Materiality.

In its Corporate Philosophy, Morinaga has defined its mission (Purpose) and as a message that expresses the Purpose in a concise manner, it has set forth a corporate message "Delicious, Fun, and Healthy."

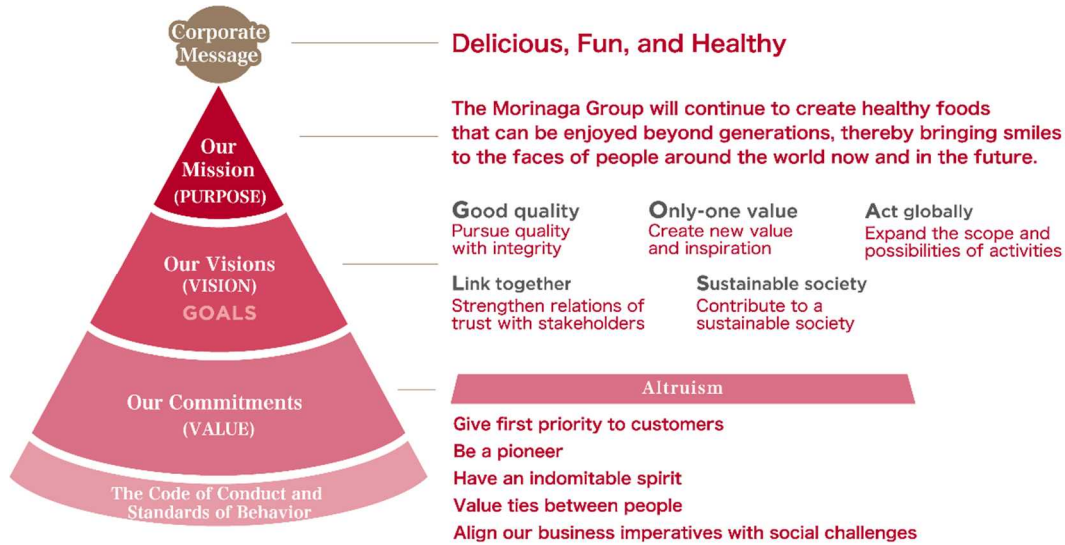


Figure 1: The Morinaga Group's Corporate Philosophy¹⁴

In May 2021, Morinaga also formulated the 2030 Business Plan, a long-term management plan for 2030, and set forth its vision for 2030 "The Morinaga Group will change into a wellness company in 2030."



Figure 2: Overview of the 2030 Business Plan¹⁵

¹⁴Source: Morinaga's website <https://www.morinaga.co.jp/company/english/ir/policy/strategy.html>

¹⁵Source: Morinaga's website <https://www.morinaga.co.jp/company/english/ir/policy/strategy.html>

The Morinaga Group is advocating its purpose of "The Morinaga Group will continue to create healthy foods that can be enjoyed beyond generations, thereby bringing smiles to the faces of people around the world now and in the future"

In order to realize the purpose and 2030 vision, Morinaga & Co., Ltd. reviewed the materiality that was previously identified in 2024, and is re-identifying the materiality.

The review of materiality has been confirmed through interviews to be a change in the internal and external environment, including external factors such as the outbreak of COVID-19, the manifestation of geopolitical risks, soaring prices of resources such as raw materials and energy, the rise of generative AI, and internal factors such as the expansion of overseas businesses and an increase in growth investment (advertisement, Research and Development, Digital Transformation investment).

When reviewing materiality, a matrix is created by scoring the results of evaluations inside and outside Morinaga regarding the importance of the theme of the initiative.

Based on this, discussions were conducted thoroughly, including with officials, and these themes, which received high scores in both axes, were classified as "Very Important".

Regarding the changes from the previous materiality, "Corporate Governance," "Risk Management," and "Human Rights" have been added as "theme of Particular importance".

JCR has confirmed that Morinaga has increased the need to maintain and improve corporate value since the previous materiality identification, and that it has been added as a necessary item to realize its purpose.

In addition, "Health Management," "Sustainable Use of Water Resources," and "Natural Capital and Biodiversity" have been newly identified as important initiatives.

In light of changes in the labor market and the importance of the natural environment, which is essential for the procurement of raw materials necessary for Morinaga's products, this has been added to Morinaga's focus

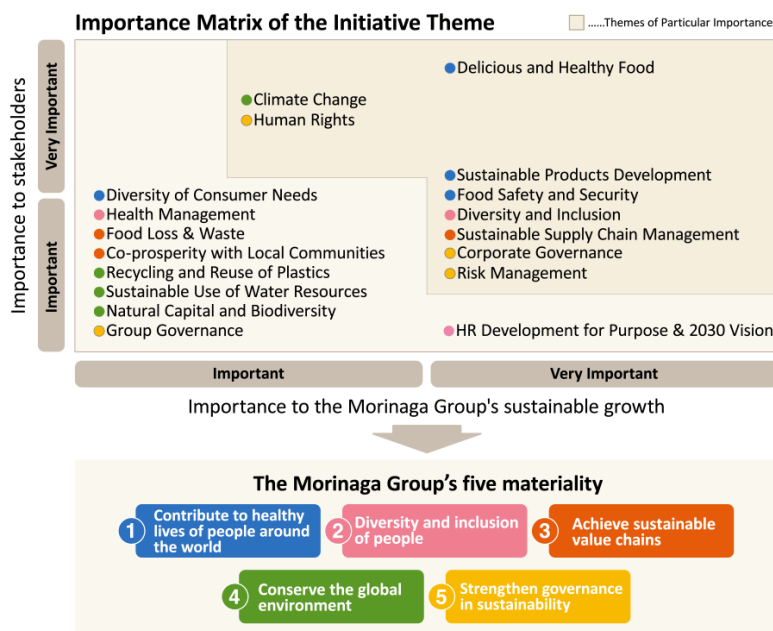


Figure 3: Morinaga's Materiality and Importance Matrix¹⁶

¹⁶Source: Morinaga's website <https://www.morinaga.co.jp/company/english/sustainability/materiality/>

The Sustainable Management Division is comprised of the Planning Group, which is responsible for planning and promotion of sustainable management in general and ESG-related information disclosure, and the Environmental Promotion Group, which is responsible for setting and promoting company-wide environmental targets. The Sustainable Management Division serves as the secretariat for the ESG Committee and as the contact point for the Sustainability Advisory Board, which is composed of external experts with specialized knowledge on sustainability, and is also involved in the formulation of eligibility criteria for this framework. The Sustainable Management Division also oversees company-wide ESG initiatives.

The ESG Committee has five subcommittees, each chaired by the director in charge of the subcommittee, and discussions are held by members in accordance with the respective themes.

(Subcommittees under the ESG committee)

- 1 Health of Mind Subcommittee
- 2 Sustainable Procurement Subcommittee
- 3 Environmental Subcommittee
- 4 TCFD/TNFD Subcommittee
- 5 Human Rights Subcommittee

In April 2022, Morinaga endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD consortium. Morinaga believes that its business is based on natural capital and maintaining and conserving nature is an important initiative in carrying out corporate activities, and in August 2023, Morinaga participated in and endorsed the Task Force on Nature-related Financial Disclosures (TNFD) forum. Discussions regarding climate change, natural capital, and biodiversity are conducted by the above-mentioned "TCFD/TNFD Subcommittee."

Morinaga has formed a "Human Rights Subcommittee" in fiscal 2023 for the above subcommittee.

Up until now, Sustainable Management Promotion Department has been in the midst of promoting human rights. The reason why Morinaga has established the above subcommittee is increasing opportunities to consider and collaborate with relevant departments.

JCR confirmed that Morinaga receives consulting and advice from an outside third-party organization with expertise in undertaking these initiatives and that it is working with outside experts on its sustainability initiatives. In addition JCR has also confirmed that Morinaga's General Affairs Division, as well as its design and construction companies and construction management companies, have provided their expertise in the eligible green projects of the bond issued under the framework.

On the social front as well, Morinaga has set "Diversity & Inclusion of People" as one of its basic policies in the "2030 Management Plan," and is strengthening its efforts to promote diversity by placing a department to promote diversity directly under the control of the Corporate Strategy Division. Morinaga is fostering a culture of diversity within the Company by holding training sessions for management and subcommittee meetings at each workplace. The Morinaga Group Human Rights Policy which was composed in 2018 has also been completely revised in April 2023 in light of the Guiding Principles on Business and Human Rights under the consultation of external experts. In addition, it is strengthening management to realize a sustainable value chain by switching its main raw materials, cocoa beans, palm oil, and paper, to sustainable raw materials by 2030, and by formulating supplier guidelines on human rights, labor, and environmental issues in the supply chain as the Morinaga Group and informing suppliers of these guidelines.

JCR evaluates that the management continuously positions sustainability related issues as high priority issues and that departments with expertise are involved in the sustainable finance policies and processes and project selection as an organization.

Review results(Conclusion)

SU1(F)

As a result of confirming the matters described in the previous section regarding this framework, JCR have confirmed that there are no changes to the content. Furthermore, JCR confirmed that reporting was conducted appropriately for bonds issued under this framework.

		Management/operation/transparency evaluation				
		m1(F)	m2(F)	m3(F)	m4(F)	m5(F)
Greenness/social beneficial impacts evaluation	gs1(F)	SU 1(F)	SU 2(F)	SU 3(F)	SU 4(F)	SU5(F)
	gs2(F)	SU 2(F)	SU 2(F)	SU 3(F)	SU 4(F)	SU5(F)
	gs3(F)	SU 3(F)	SU 3(F)	SU 4(F)	SU5(F)	Not qualified
	gs4(F)	SU 4(F)	SU 4(F)	SU5(F)	Not qualified	Not qualified
	gs5(F)	SU5(F)	SU5(F)	Not qualified	Not qualified	Not qualified

(Responsible Analyst for this evaluation) Kosuke Kajiwara, Shintaro Arai

Important explanation regarding the evaluation of the Sustainability Finance Framework

1. Assumptions, Significance, and Limitations of JCR Green Finance Framework Evaluation

JCR Sustainability Finance Framework Evaluation, which is granted and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the sustainability finance framework, and expresses the overall opinion of JCR at this time regarding the appropriateness of the sustainability project as defined by JCR and the degree of management, operation and transparency initiatives related to the use of proceeds and other matters. Accordingly, it does not undertake specific environmental improvement effects, management and operation systems, and transparency assessments of the use of proceeds for individual bonds and loans implemented in accordance with this policy. In the event that Sustainability Finance Evaluation is granted for individual bonds or individual loans based on the framework, such evaluations need to be conducted separately. Furthermore, the JCR Sustainability Finance Framework Evaluation does not demonstrate the improvement effect on the environment and social impacts of individual bonds or borrows implemented under this framework and does not assume any responsibility for the environmental and social improvement effect. In principle, JCR does not directly measure the environmental and social improvement effects of process procured under the sustainability finance framework, although JCR confirms the quantitative and qualitative measures by the issuer or a third party requested by the issuer.

2. Methods used in the conduct of this evaluation

The methods used in this evaluation are listed on JCR website (Sustainable Finance and ESG in <https://www.jcr.co.jp/en/>) as JCR Sustainability Finance Evaluation Methodology.

3. Relationship with Acts Related to Credit Rating Business

JCR Sustainability Finance Framework Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

4. Relationship with Credit Ratings

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

5. Independence in JCR Sustainability Finance Framework Assessment

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

■Disclaimers

The information contained in this document has been obtained by JCR from the Issuer and from accurate and reliable sources. Provided, however, that such information may be erroneous due to human, mechanical or other reasons. Accordingly, JCR makes no representation or warranty, express or implied, as to the accuracy, results, accuracy, timeliness, completeness, marketability, or fitness for a particular purpose of such information, and JCR assumes no responsibility for any error, omission, or result of using such information. In no event shall JCR be liable for any special, indirect, incidental or consequential damages of any kind, including opportunity loss, monetary loss, which may arise from any use of such information, whether contractual, tort, negligence or other cause of liability, and whether or not such damages are foreseeable or unforeseeable. The JCR Sustainability Finance Assessment does not express any opinion on various risks (credit risk, market liquidity risk, price fluctuation risk, etc.) related to Sustainability finance, which is subject to the assessment. Furthermore, the JCR Sustainability Finance Evaluation represents JCR's comprehensive opinion as of the date of this report and is not a representation of the facts. It does not constitute a recommendation in any way as to the decision of risk or the purchase, sale or holding of individual bonds, commercial paper, etc. The JCR Sustainability Finance Assessment may be changed, interrupted, or withdrawn due to changes in information, a lack of information, or other reasons. All rights to this document, including data from JCR Sustainability Finance Assessment, are reserved by JCR. Any reproduction, translation, modification, etc. without the permission of JCR is prohibited, regardless of the part or all of this document, including data from JCR Sustainability Finance Evaluation.

■Glossary

JCR Sustainability Finance Framework Evaluation is an assessment of the extent to which funds procured through Green Finance are appropriated for Green Projects as defined by JCR and the extent to which such funds are used for management, operation, and transparency of the Green Finance. Evaluations are performed on a five-point scale, from the top to the bottom using the symbols of SU1 (F), SU2 (F), SU3 (F), SU4 (F), and SU5 (F).

■Status of registration as an external assessor of sustainable finance

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)
- Climate Bonds Initiative Approved Verifier (Climate Change Initiative Accreditation Verification Organization)
- Members of the Working Group on UNEP FI Positive Impact Finance Principles

■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 17 g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

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