



Second Opinion

NIPPON PILLAR PACKING Co., Ltd. Green Bond Framework

November 16, 2023

ESG Division
Tatsushi Oishi

Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the Green Bond Framework of NIPPON PILLAR PACKING Co., Ltd. formulated in November 2023 with the International Capital Market Association (ICMA)'s Green Bond Principles (GBP) 2021 and the Ministry of the Environment (MOE)'s Green Bond Guidelines 2022. This opinion is based on the following views:

■ Overview of the Opinion

(1) Use of Proceeds

The proceeds will be allocated to the construction/acquisition and capital expenditures of buildings (including refinancing) that have obtained or are scheduled to obtain green building certifications. The use of proceeds corresponds to the project category of "Green buildings" or "Energy efficiency" illustrated in the Green Bond Principles. Eligible projects are expected to produce environmental benefits because the eligibility criteria require a certain level of certifications. The two properties scheduled to be allocated proceeds this time have obtained the CASBEE's certification system. The Fukuchiyama Second Factory is ranked S, the highest rank, and the Research and Development Center in Sanda is ranked A, the second highest rank, and thus meets the eligibility requirements. Besides, appropriate measures and considerations have been taken for negative environmental and social impacts associated with the project. The use of proceeds is reasonable.

(2) Process for Project Evaluation and Selection

The Nippon Pillar Packing Group considers climate change to be an important social issue and hopes to further enhance its contribution to decarbonization of the market and society through its technologies and products. A three-year medium-term management plan, "One2025," launched in fiscal 2023, has nine priority targets for non-financial items. One of the three environmental contribution targets is reducing GHG (greenhouse gas) emissions. The two properties to be allocated funds are advanced and clean factories and facilities. The products and research they manufacture will contribute to realizing a decarbonized society, as well as their own environmental policies and measures. In selecting projects, the Group also considers environmental and social risk reduction and follows appropriate procedures to determine investment projects. The project evaluation and selection processes are reasonable.

(3) Management of Proceeds

Most of the proceeds will be allocated to project costs (including refinancing) at the time of the financing. The company's Accounting & Financial Department of the Administration Headquarters will track and monitor the proceeds using an internal control system. The proceeds will be managed in cash or cash equivalents until allocated to eligible projects. Vouchers, etc. that serve as evidence related to the proceeds shall be appropriately managed in accordance with internal regulations. Management of proceeds is reasonable.

(4) Reporting

Nippon Pillar Packing will report the allocation of proceeds to projects and environmental benefits until all

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proceeds are allocated to the extent practicable on its website annually. When a significant change occurs in the allocation status after proceeds are allocated, the Company will also disclose on its website. The content of reporting is reasonable.

Outline of the Issuer

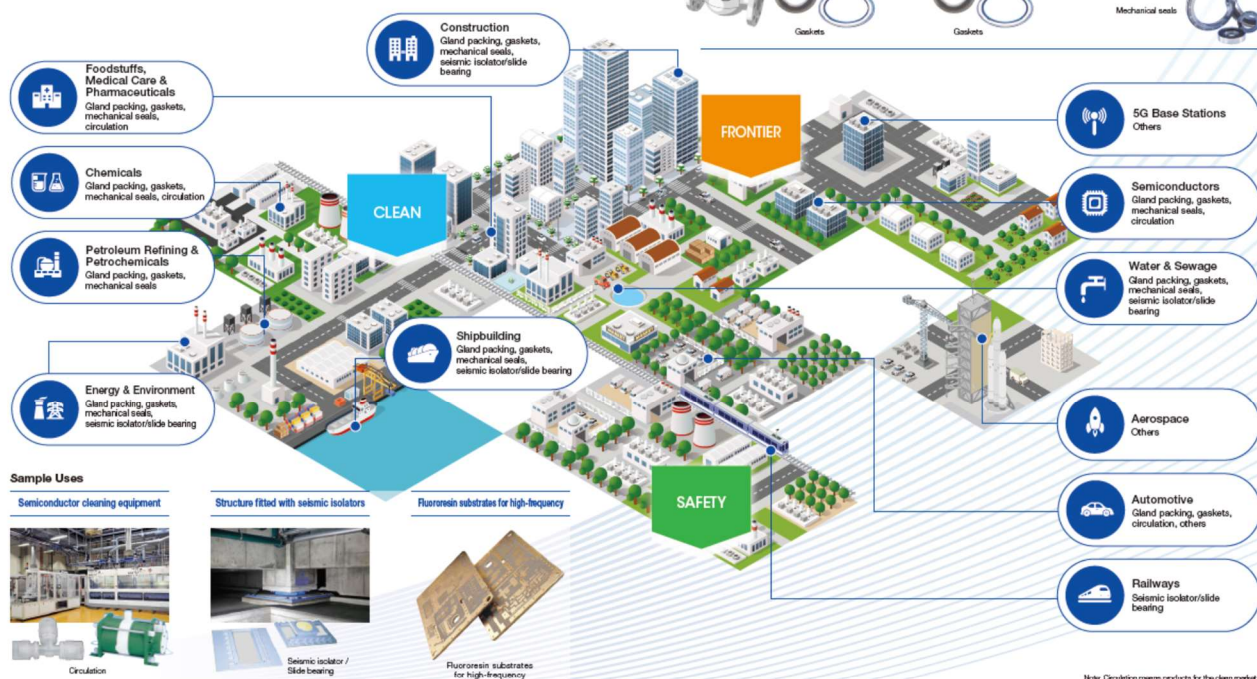
(1) Business Outline

- Nippon Pillar Packing, established in 1924, is a comprehensive manufacturer of fluid control seals headquartered in Osaka. The products are used in various industrial machines such as fittings, gland packings, gaskets, and mechanical seals.
- The Company offers creative and high-quality products such as mechanical seals, gland packings, gaskets, and PILAFロン (fluororesin) products. Many of them are used in a wide range of fields, including electricity, petroleum, automobiles, chemicals, marine vessels, semiconductors, and pharmaceutical products, and play important roles as highly functional products.
- Nippon Pillar Packing's purpose is "creating a future that supports society." Under this purpose, the Company aims to continue contributing to "realizing a sustainable society" and "creating economic value" with its unique "fluid control technologies" and cutting-edge products, technologies, and services based on CLEAN, SAFETY, and FRONTIER. Looking ahead to the 100th anniversary of its founding in 2024, the Company will remain committed to delivering products that offer greater contentment and contribute to the emergence of a society committed to sustainability in the spirit of its corporate principles: "Quality First, Cooperation and Harmony, Steady Research."

Business Areas of Nippon Pillar Packing

Contributing to the Safety and Security of Society and the Environment through the Control of a Wide Range of Fluids

We are a manufacturer skilled in the design, development, and manufacture of equipment to control fluids such as water, oil, toxic gases and chemicals, and more. Our products are used in facilities that are essential to the functioning of daily life. Moreover, they contribute to environmental preservation, resource conservation, and the protection of lives and property.



[Source: Nippon Pillar Packing Company]

(2) Sustainability Policy

- The Nippon Pillar Packing Group has established the Sustainability Policy outlined below according to its corporate principles and management philosophy. Moreover, the Group is strengthening its efforts to contribute to the realization of a society committed to sustainability through its business and achieve sustainable enhancement of corporate value.

Sustainability Policy

In accordance with the Corporate Principles and Management Philosophy of Nippon Pillar Group, we will contribute to the realization of a society committed to sustainability through our business and achieve sustainable enhancement of corporate value.

1 Contribution to the global environment through business

We will contribute to the creation of a flourishing global environment by being a source of innovative, high-quality products for society. We will also strive to reduce emissions of substances with environmental impacts in the course of business activities.

2 Responsibility and contribution to society

As a corporate citizen, we will contribute to the resolution of social issues. We will also aim to be an enterprise that continues to earn trust through dialogue with all stakeholders.

3 Strengthening of corporate governance

We will establish a robust corporate governance system to ensure compliance with the Group Code of Conduct and laws and regulations as the starting point of our business activities and to promote sound and transparent management.

(3) Environmental Policy

- The Nippon Pillar Packing Group considers climate change to be an important social issue. Decarbonization/carbon neutral initiatives are being quickly rolled out by the Group's customers and in markets as well. The demand for semiconductors, which are indispensable for conversion to new clean energy and higher efficiency of energy use, is expected. The Group hopes to further contribute to the decarbonization of the market and society through its technologies and products. The Environmental Policy was formulated on the occasion of ISO 14001 acquisition in 1999. The current policy, which was updated in March 2023, is as follows:

(1) Compliance with laws and regulations

In addition to complying with domestic and international environmental laws and regulations, we pledge to establish and adhere to our own voluntary standards that take into account the needs of society.

(2) Development of products that contribute to environmental protection

As a manufacturer of fluid control equipment, we develop technologies and products that contribute not only to improved performance but also to the emergence of a society committed to sustainability through environmental protection initiatives.

(3) Controlling environmental pollution in our business operations

We strive to prevent pollution and protect the environment by reducing the amount of waste generated, recycling the waste generated, reducing the use of environmentally hazardous

substances, while complying with pollution control regulations intended to protect the environment.

(4) Improvement of environmental management system

Recognizing the environmental impact of our business operations, we continuously improve our environmental management system.

(5) Cooperation with society

We develop environmental conservation initiatives in cooperation with stakeholders in an effort to meet the expectations of society.

1. Use of Proceeds

(1) Eligible Projects

- The proceeds will be allocated to new financing and refinancing for projects that meet the following eligibility criteria. Refinancing covers projects implemented within two years prior to the financing.

ICMA GBP Category	Eligible Criteria
Green building Energy efficiency	<ul style="list-style-type: none"> ■ Construction/acquisition and capital expenditures of buildings that have obtained or are scheduled to obtain any of the following certifications <ul style="list-style-type: none"> · LEED: SILVER or higher · BREEAM: Very good or better · CASBEE: B+ or higher (including municipal version) · DBJ Green Building Certification: 3 stars or higher · BELS: 3 stars or higher · ZEB/ZEH-M/ZEH (including nearly, ready, oriented)

Examples of allocation of funds

<Overview of Capital Investment>

Investment case	Fukuchiyama Second Factory
Location	17-6, Osadano-cho 3-chome, Fukuchiyama-shi, Kyoto
Business outline	Production of products for the semiconductor manufacturing equipment industry (the maximum production capacity is expected to increase by up to 80% relative to the Company's total production capacity, including the Kyushu Factory)
Total project cost	10.5 billion yen
Completion schedule	September 2023
Certification	CASBEE: S

Conceptual drawing of Fukuchiyama Second Factory's exterior



福知山第2工場外観完成予想図

[Source: Nippon Pillar Packing Website]

Investment case	Research and Development Center in Sanda
Location	541-1, Aza-Utsuba Shimouchigami, Sanda-shi, Hyogo
Business outline	Strengthen product development capabilities through the establishment of a new technology development system (gathering knowledge of technology and development staff), and work on advanced technologies through the strengthening of industry-government-academia collaboration
Total project cost	3.8 billion yen
Completion schedule	October 2023
Certification	CASBEE: A

- The purpose of the construction of the Fukuchiyama Second Factory is mainly for the following four reasons. (i) Fulfill the responsibility to provide a stable supply to the semiconductor manufacturing equipment industry, which is expected to grow further in the future; (ii) strengthen cost competitiveness by establishing a new production system; (iii) make the factory "enchant" to visitors and promote the Company's technologies such as high cleanliness and analysis centers; and (iv) make the factory highly environmental, BCP, and expandable, and position it as a factory celebrating the 100th anniversary of the Company's founding and assuming the next 100 years.
- The Research and Development Center in Sanda is a base for "promoting product development with an eye on the future market" and has the following three objectives. (i) Strengthen product development capabilities through the establishment of a new technology development system (gathering knowledge of technology and development staff), (ii) strengthen the promotion of technical capabilities to visitors (visualization of technology to customers), and (iii) work on advanced technologies through the strengthening of industry-government-academia collaboration.

Exclusion Criteria

- The proceeds will not be allocated to projects related to the following transactions: unfair transactions that do not comply with the laws and regulations of the country of residence; and transactions that may cause human rights, environmental or other social problems, such as bribery, corruption, blackmail, and embezzlement.

(2) Environmental Benefits

- The proceeds will be allocated to acquiring buildings that have obtained or renewed, or will obtain or renew, green building certifications (including refinancing). The use of proceeds corresponds to the project category of "Green buildings" or "Energy efficiency" illustrated in the Green Bond Principles. Eligible projects are expected to produce environmental benefits, such as CO2 reduction, because the eligibility criteria require a certain level of certifications.
- The two properties scheduled to be allocated proceeds this time have obtained the CASBEE's certification system. The Fukuchiyama Second Factory is ranked S, the highest rank, and the Research and Development Center in Sanda is ranked A, the second highest rank, and thus meets the eligibility requirements.
- The environmental certifications that serve as benchmarks in the eligibility criteria (LEED, BREEAM, CASBEE, DBJ Green Building, BELS, ZEB, ZEH-M, ZEH Certifications) are widely used in Japan. Eligible projects must satisfy the highest, second highest or third highest level in one of the certification systems, which suggest that sufficient environmental benefits can be expected. These certification systems are outlined on the next page.

※Overview of Certification Systems

LEED Certification (Certification body: US Green Building Council)
<p>LEED stands for Leadership in Energy and Environmental Design. A certification programme for Green Buildings that started in the U.S. It assesses the energy efficiency and other comprehensive environmental load of buildings through various systems covering everything from planning and design to construction, operation and maintenance of the buildings. For buildings that satisfy the required conditions, there are <u>four certification levels—standard, silver, gold, and platinum—that are granted according to the points earned.</u></p>
BREEAM certification system (Certification Body: Building Research Establishment)
<p>BREEAM stands for Building Research Establishment Environmental Assessment Method. This certification system was developed by the Building Research Establishment (BRE) and an energy and environment consultancy ECD Energy and Environment in 1990. Assessment is conducted on a maximum of ten category issues: management, health and wellbeing, energy, transport, water, materials, land use, waste, pollution, innovation. Assessment results are given on a five-point scale ranging from Outstanding to Pass. It is the world's first environmental performance assessment indicator and is used widely in and out of 125 the United Kingdom.</p>
CASBEE Certification (Certification body: Institute for Building Environment and Energy Conservation)
<p>CASBEE stands for the Comprehensive Assessment System for Built Environment Efficiency. Buildings are evaluated and rated according to their environmental performance.</p> <p>This system evaluates building quality comprehensively, evaluating not only the use of energy efficient and environmentally friendly materials, but also interior comfort and harmony with the surroundings.</p> <p>The evaluation results are rated on a scale of one to five levels ranging from S rank (excellent) to C rank (inferior).</p>
DBJ Green Building Certification (Certification body: Development Bank of Japan and Japan Real Estate Institute)
<p>A certification system which makes, not only an evaluation on the environmental performance of the property, but a comprehensive evaluation including the wellbeing of tenants, risk management regarding disaster reduction and crime prevention, consideration for community and surrounding environment, and cooperation with stakeholders.</p> <p>The evaluation results are rated <u>between five stars (building with excellent considerations, and nationally top of the class) and one star (building with sufficient considerations).</u> If the evaluation regarding the environmental performance items can be confirmed in the total evaluation, it is considered to be effective as an environmental certification.</p>
BELS Certification (Certification body: Association for Housing Performance Evaluation & Labeling)
<p>BELS stands for Building-Housing Energy-efficiency Labeling System.</p> <p>This certification system is based on the Guidelines for Building Energy Efficiency Labeling (guidelines for labeling the energy consumption of buildings) developed by the Ministry of Land, Infrastructure, Transport, and Tourism. Based on their primary energy consumption, a third-party organization evaluates the energy efficiency of buildings and ranks their results <u>on a five-star scale.</u></p>
ZEB Certification (Certification body: Association for Evaluating and Labeling Housing Performance)
<p>A net zero energy building (ZEB) is a building that aims to reduce the annual primary energy consumption balance to zero. It achieves energy savings of at least 50% and reduces energy consumption further through renewable energy generation and other means. There are categories based on the amount of reduction, including ZEB (energy savings of 100% or more), Nearly ZEB (energy savings of 75% or more and less than 100%) and ZEB Ready (energy savings of 50% or more and less than 75%). In addition, ZEB Oriented is defined as a building of 10,000 m² or more that achieves energy savings of at least 30-40% and adopts technologies that are expected to save energy but are not evaluated at present by the energy consumption performance calculation program under the Act on Improvement of Energy Consumption Performance of Buildings.</p>
ZEH-M,ZEH Certification (Certification body: Association for Evaluating and Labeling Housing Performance)
<p>Net Zero Energy House Mansion (ZEH-M) and Net Zero Energy House (ZEH) are condominiums and houses that aim to reduce the annual primary energy consumption balance to zero. They are compatible with the enhanced envelope standard, and they achieve energy savings of at least 20% and reduce energy consumption further through renewable energy generation and other means. There are categories based on the amount of reduction, including ZEH-M, ZEH (energy savings of 100% or more), Nearly ZEH-M, Nearly ZEH (energy savings of 75% or more and less than 100%) and ZEH-M Ready, ZEH Ready (energy savings of 50% or more and less than 75%) and ZEH-M Oriented, ZEH Oriented (less than 50%).</p>



(3) Consideration for Negative Environmental and Social Impacts

- Projects for which funds are allocated take appropriate measures, such as compliance with environmental laws and regulations, as well as implementation of surveys on environmental impacts when necessary.
- Regarding noise, vibration, etc., in the construction of factories and centers, construction work is conducted by enclosing them with soundproof sheets, etc. to avoid noise and other environmental impacts during construction. In addition, the construction is planned to avoid noise at night.
- In factories and centers, there is no drainage from facilities using solvents, and there is no drainage or water pollution risk.
- There is no risk of air pollutants being generated under normal conditions.
- Waste shall be sorted and recycled whenever possible.
- The site to be constructed is an industrial park, and although there are no residents in the neighborhood, explanatory meetings based on construction work, etc., are also held.

The proceeds will be allocated to the construction/acquisition and capital expenditures of buildings (including refinancing) that have obtained or are scheduled to obtain green building certifications. The use of proceeds corresponds to the project category of "Green buildings" or "Energy efficiency" illustrated in the Green Bond Principles. Eligible projects are expected to produce environmental benefits because the eligibility criteria require a certain level of certifications. The two properties scheduled to be allocated proceeds this time have obtained the CASBEE's certification system. The Fukuchiyama Second Factory is ranked S, the highest rank, and the Research and Development Center in Sanda is ranked A, the second highest rank, and thus meets the eligibility requirements. Besides, appropriate measures and considerations have been taken for negative environmental and social impacts associated with the project. The use of proceeds is reasonable.

<Contribution to SDGs>

- The projects to be funded under the Framework will contribute to the following SDGs.

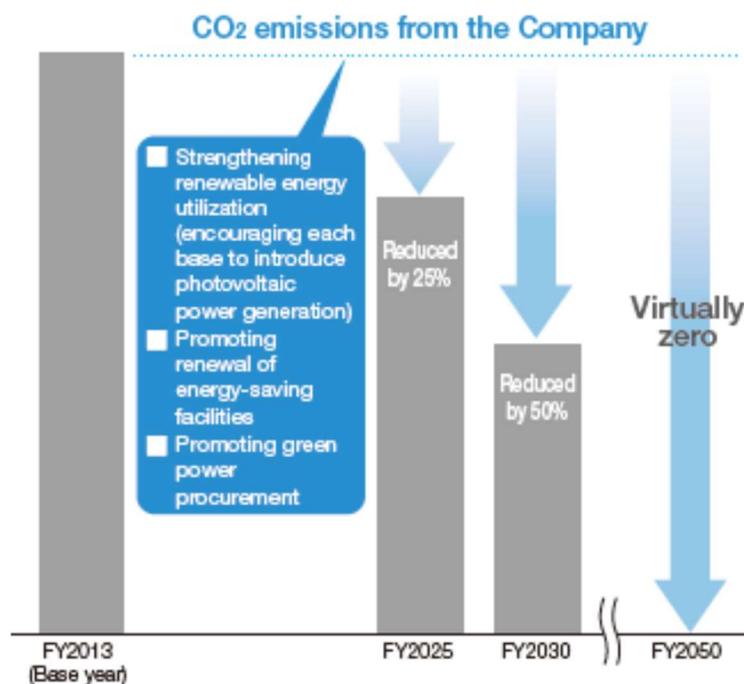
SDGs	
	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

2. Process for Project Evaluation and Selection

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

- Basic policies and matters of importance related to sustainability are deliberated and decided by the ESG/SDGs Promotion Committee, a decision-making body for social issues that Nippon Pillar Packing addresses, and related information is regularly reported to the Board of Directors. In this way, it has a system in place to ensure proper supervision by the Board of Directors. The ESG/SDGs Promotion Committee reports on the policies, action plans, and initiatives of each sustainability-related committee, such as the CSR Committee, the Decarbonization and Global Environment Committee, and the Risk Management Committee.
- The Nippon Pillar Packing Group considers climate change to be an important social issue. The Group thinks that the role that companies should play in mitigating and adapting to climate change is becoming increasingly important. Amid the rapid progress of decarbonization/carbon neutral initiatives, the demand for semiconductors, which are indispensable for conversion to new clean energy and higher efficiency of energy use, is expected to increase. The Group hopes to further contribute to the decarbonization of the market and society through its technologies and products.
- At this turning point marked by the 100th anniversary of the Company's founding, the Company commenced its new three-year medium-term management plan, "One2025" in fiscal 2023. The purpose of this is to pursue further improvement of corporate value (economic value x social value) and lay the foundation to make a leap forward toward the next 100 years. "One2025," has nine priority targets for non-financial items, of which the following three were set as environmental contribution targets.
 1. Reducing Scope 1 and Scope 2 greenhouse gas emissions by 25% compared with fiscal 2013
 2. Abolishing the use of three of the chemical substances specified by the Pollutant Release and Transfer Register (PRTR) Act
 3. Obtaining and maintaining at least CDP score "B"

■Nippon Pillar Packing's CO2 Emissions Reduction Target



[Source: Nippon Pillar Packing Website]

- Nippon Pillar Packing considers environmental targets (environmental benefits to be realized through green bonds) and related environmental benefits as follows.
 - Celebrating its 100th anniversary in 2024, the Company aims to build a sustainable new factory for the next 100 years.
 - Creating advanced and clean factories to enchant
 - Creating a comfortable and healthy working environment
 - Implementing design and construction with the aim of realizing "decarbonized architecture" that contributes to the global environment (Fukuchiyama Second Factory)

(2) Criteria for Project Evaluation and Selection

- For all eligible project candidates, R&I confirmed that the following measures have been taken to reduce environmental and social risks.
 - Compliance with environmental laws and regulations required by the national government or the local government where a project is to be implemented, and implementation of environmental impact studies as necessary
 - Providing adequate explanations to local residents when conducting a project
 - Implementing procurement of materials, prevention of environmental pollution, and consideration of the working environment and human rights in accordance with the Nippon Pillar Packing Group's Environmental Policy and Human Rights Policy

(3) Process for Project Evaluation and Selection

- The Accounting & Financial Department and Corporate Planning Department of the Administration Headquarters select projects to which proceeds are to be allocated based on their compliance with the eligibility criteria, and the Director, Senior Executive Officer/General Manager of the Administration Headquarters makes the final decision.

The Nippon Pillar Packing Group considers climate change to be an important social issue and hopes to further enhance its contribution to decarbonization of the market and society through its technologies and products. A three-year medium-term management plan, "One2025," launched in fiscal 2023, has nine priority targets for non-financial items. One of the three environmental contribution targets is reducing GHG (greenhouse gas) emissions. The two properties to be allocated funds are advanced and clean factories and facilities. The products and research they manufacture will contribute to realizing a decarbonized society, as well as their own environmental policies and measures. In selecting projects, the Group also considers environmental and social risk reduction and follows appropriate procedures to determine investment projects. The project evaluation and selection processes are reasonable.

3. Management of Proceeds

- Most of the proceeds will be allocated to project costs (including refinancing) at the time of the financing.
- The Accounting & Financial Department of the Administration Headquarters is responsible for the allocation and management. The department will track and monitor the proceeds annually using an internal control system so that the amount equal to the proceeds raised under the Framework will be allocated to eligible projects.
- The proceeds will be managed in cash or cash equivalents until allocated to eligible projects. In the Framework, the allocation is scheduled to be completed within two years of issuance. However, the allocation is expected to be completed early for the properties that are planned to be allocated.
- Vouchers, etc. that serve as evidence related to the proceeds shall be appropriately managed in accordance with internal regulations.

Based on the above, management of proceeds is reasonable.

4. Reporting

■ Overview of Disclosure

- Nippon Pillar Packing will report the allocation of proceeds to projects and environmental benefits until all proceeds are allocated to the extent practicable on its website annually. The reporting items are the following items related to the allocation of proceeds to eligible projects.
- When a significant change occurs in the allocation status after proceeds are allocated, the Company will disclose on its website.

	Items	Timing	Method
Allocation of proceeds	<ul style="list-style-type: none"> • Allocation of proceeds (allocated amounts to eligible projects on a project-by-project basis and unallocated amount) • Expected timing of allocation and how to manage unallocated funds in case there remain unallocated proceeds • Percentage of financing and refinancing 	<ul style="list-style-type: none"> • Annually until the proceeds are allocated in full 	<ul style="list-style-type: none"> • Disclosed on website
Environmental Benefits	<ul style="list-style-type: none"> • Overview of the property • Type of certification and acquired rank 	<ul style="list-style-type: none"> • Annually until the proceeds are allocated in full 	<ul style="list-style-type: none"> • Disclosed on website

Based on the above, the content of reporting is reasonable.

[Disclaimer]

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Second Opinions are R&I's opinions on the alignment of a framework, formulated by companies etc. to raise funds for the purpose of environmental conservation and social contribution, with the principles etc. compiled by public organizations or private organizations related to the relevant financing as of the date of assessment. Second Opinions do not address any matters other than the alignment (including but not limited to the alignment of a bond issue with the framework and the implementation status of the project subject to financing). Second Opinions do not certify the outcomes and other qualities of the projects subject to the financing. Hence, R&I will not be held responsible for the effectiveness of the projects, including their outcomes. Second Opinions are not, in any sense, statements of current, future, or historical fact and should not be interpreted as such, and Second Opinions are not a recommendation to purchase, sell, or hold any particular securities and do not constitute any form of advice regarding investment decisions or financial matters. Second Opinions do not address the suitability of an investment for any particular investor. R&I issues Second Opinions based on the assumption that each investor will investigate and evaluate the securities which they plan to purchase, sell, or hold for themselves. All investment decisions shall be made at the responsibility of the individual investor.

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

R&I Green Bond Assessment is R&I's opinion regarding the extent to which the proceeds from the issuance of green bonds are used to invest in projects with environmental benefits. In R&I Green Bond Assessment, R&I may also provide a second opinion on a green bond framework. R&I Green Bond Assessment does not certify the environmental benefits and other qualities of the eligible projects. Hence, R&I will not be held responsible for the effectiveness of the projects, including their environmental benefits. R&I Green Bond Assessment is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business.

R&I Green Bond Assessment is not, in any sense, statements of current, future, or historical fact and should not be interpreted as such, and R&I Green Bond Assessment is not a recommendation to purchase, sell, or hold any particular securities and does not constitute any form of advice regarding investment decisions or financial matters. R&I Green Bond Assessment does not address the suitability of an investment for any particular investor. R&I issues R&I Green Bond Assessment based on the assumption that each investor will investigate and evaluate the securities which they plan to purchase, sell, or hold for themselves. All investment decisions shall be made at the responsibility of the individual investor.

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As a general rule, R&I issues R&I Green Bond Assessment for a fee paid by the applicant.

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[Expertise and Third-Party Characteristics]

R&I 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. In 2022, R&I was designated as an external reviewer for transition finance in the global warming countermeasures promotion project of the Ministry of Economy, Trade and Industry.

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

In December 2022, R&I expressed its support for the intent of and its endorsement of the "Code of Conduct for ESG Evaluation and Data Providers" (ESG Code of Conduct) published by the Financial Services Agency. Disclosures on R&I's compliance with the six Principles of the ESG Code of Conduct and the Guidelines for their implementation are available on the R&I website at <https://www.r-i.co.jp/en/rating/products/esg/index.html> (Disclosures on Compliance with the ESG Code of Conduct).

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

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