



SECOND PARTY OPINION

OBAYASHI CORPORATION

GREEN BOND

DNV PERIODIC REVIEW (#4)

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Issue Log	Description
October 15 th , 2018	Second Party Opinion – Green bond eligibility pre-issue assessment report
October 28 th , 2019	Green Bond Periodic Review
June 29 th , 2020	Green Bond Periodic Review (#2)
June 30 th , 2021	Green Bond Periodic Review (#3)
June 30 th , 2022 (This Issue)	Green Bond Periodic Review (#4) <u>Use of Proceeds:</u> Total JPY 10 billion have been allocated by the end of FY2020 (as reported in the last issue). <u>Environmental Benefits:</u> CO ₂ emission reduction of solar power (3 plants) and onshore wind power: 42,005 t-CO ₂ (FY2021) <u>Ongoing Project:</u> The completion and delivery of the new SEP have been put off from initially-planned 2020 to April 2023 in order to increase the crane capacity reflecting the wind turbine market conditions (as reported in the last issue). *SEP: Self Elevating Platform, the vessel to support offshore wind construction

Disclaimer

Our assessment relies on the premise that the data and information provided by Issuer to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.DNV.com)

1 SCOPE AND OBJECTIVES

On October 25, 2018, Obayashi Corporation (hereinafter “Obayashi” or “Issuer”) issued Obayashi Green Bond (hereinafter “BOND”). The issuance value for the BOND is 10.0 billion JPY, and its redemption period is 5 years. DNV Business Assurance Japan Co., Ltd. (hereinafter referred to as “DNV”) conducted a green bond eligibility assessment by using the Green Bond Guidelines (the Ministry of the Environment (Japan), 2017 hereinafter GBGLS) and the Green Bond Principles 2018 (ICMA, hereinafter “GBP”).

Obayashi Green Vision 2050, the medium-to-long-term vision adopted in 2011, was updated to Obayashi Sustainability Vision 2050. Under the new vision, the Obayashi group will work together for the sake of sustainability. This Sustainability Vision expands on the Green Vision by including promotion of ESG management and achievement of the SDGs. Obayashi established action plans to solve the specified 6 material issues; “Promote renewable energy business” and “Promote environmentally friendly business” are the action plans for the materiality “Establish an Environmentally Responsible Society”. These action plans align with the previous action plans which included “Promote renewable energy business” and “Promote environmentally responsible real estate development projects”, established at the issuance of the BOND, based on Obayashi Green Vision 2050.

Obayashi has used the proceeds of the BOND to refinance the nominated projects and assets falling under the following categories, as scheduled:

“Promote renewable energy business”

- Solar PV business
- Wind power business (onshore)

“Promote environmentally friendly business”

- Green building

“Promote renewable energy business”

- Wind power business (offshore) *SEP (Self Elevating Platform)

DNV has been commissioned by Obayashi to provide the initial and periodic reviews of the Obayashi’s eligibility of the BOND. Our criteria and information covered to serve the purpose are described under ‘Work Undertaken’ shown below. The periodic review was made based on the information and documents provided by Obayashi as well as the interview conducted with them on Jun. 3rd, 2022. We do not provide any independent assurance or other type of audit activities.

In this report, no assurance is provided regarding the financial performance of the Issuer, the value of any investments in the BOND, or the long-term environmental benefits arising from the nominated projects. Our objective of these reviews has been to provide an assessment that the usage of the proceeds of the BOND has met the criteria established on the basis set out below.

2 RESPONSIBILITIES OF OBAYASHI AND DNV

The management of Obayashi has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Obayashi management and other interested stakeholders in the BOND as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by Obayashi. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Obayashi used as a basis for this assessment were not correct or complete.

3 BASIS OF DNV'S OPINION

DNV adapted our GBP^{*1}, GBGLs^{*2}, and Climate Bond Standard (for reference at pre-issuance stage)^{*3} assessment methodologies, which incorporate the requirements of the GBP, to create an Obayashi specific Green Bond Eligibility Assessment Protocol (henceforth referred to as "Protocol") for each project. Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a green bond should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per our Protocol, the criteria against which the BOND has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds, and outline any impact objectives it will consider.

- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

*1: Green Bond Principle (June 2018, International Capital Market Association)

*2: Green Bond Guidelines, 2017 (March 2017, Ministry of the Environment, Japan)

*3: Climate Bond Standard | version 2.1 (Climate Bonds Initiative)

4 WORK UNDERTAKEN

Our work constituted a high-level review of the available information, based on the understanding that the information was provided to us by Obayashi in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion includes initial assessment and periodic assessment.

Initial Assessment (pre-BOND issuance):

- Creation of an Obayashi -specific Protocol, adapted to the purpose of the BOND, as described above and in Schedule-2 to this Assessment.
- Assessment of supporting documents provided by Obayashi on the BOND and supplemented assessment by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Obayashi, and review of relevant documentation;
- Documentation of findings against each element of the criteria.

Periodic Assessment (post-BOND issuance):

- Evaluation of the supporting documents provided by Obayashi and related to the BOND issuance, high level desktop research, document reviews, and interviews with key personnel of the Issuer. These checks refer to best practices in current assessment and standard methodologies;
- Discussions with Obayashi management and review of relevant documentation;
- Field survey and inspection, if required;
- Review of the nominated projects and assets as described in Schedule 2;
- Documentation of findings in detail.

Our opinion as detailed below is a summary of these findings.

5 FINDINGS AND DNV'S OPINION

DNV's findings are listed below:

Principle One, Use of Proceeds

Obayashi has reported usage of the proceeds [BOND proceeds: 10.0 billion JPY (*net proceed 9.94 billion JPY)] of the BOND to refinance, and begin finance to the projects and assets including:

(1) Eligibility Criteria of Green Bond (refinanced):

Renewable energy (Project 01-04)

- Project 01-03 : Solar PV project : 3.5 billion JPY
- Project 04 : Onshore wind power : 0.5 billion JPY

Energy efficiency (Project 06)

- Project 06 : Green Building : 3.0 billion JPY
- Sub Total : 7.0 billion JPY ... (A)

(2) Eligibility Criteria of Green Bond (financing):

Renewable energy (Project 05)

- Project 05 : SEP : 2.94 billion JPY

(Self Elevating Platform) construction/building

*as of March 31, 2022

- Sub Total : 2.94 billion JPY ... (B)
- : balance (0.0 billion JPY) ... (C)

Total : 9.94 billion JPY ... (A)+(B)+(C)

Schedule-1 shows lists and details of green project 01-06.

DNV reviewed the eligibility of the nominated projects and assets to meet the criteria for the project categories above.



Project 01 Ashikita Solar Power Station, Solar PV



Project 02 Kushirocho Toritoushigenya Solar Power Station, Solar PV



Project 03 Hyugahichiya Solar Power Station, Solar PV



Project 04 Mitanehamada Wind Power Station



Project 05 SEP (Self Elevating Platform) Image



Project 06 oak kanda kaji-chou (commercial property)

Principle Two, Process for Project Evaluation and Selection

The BOND's proceeds have been allocated solely to refinance and begin finance, as scheduled, the projects and assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that Obayashi regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its construction and operations.

Principle Three, Management of Proceeds

DNV has reviewed evidence showing how Obayashi traced the proceeds from the Bond, from the time of issuance to the time of disbursement. In this periodical review, the management of proceeds documents provided by Obayashi was confirmed at the end of FY 2021 (end of Mar. 2022). The full amount of the proceeds fund is managed in cash or cash equivalents till disbursement. The details of the disbursement and the outstanding value are tracked using Obayashi's internal protocol. At the end of each financial period (fiscal year), Obayashi reviews the outstanding balance of the BOND. DNV confirmed with the evidence provided by Obayashi that 7.0 billion JPY has been allocated at the end of the FY 2019 (Mar. 2020) as refinance, and 2.94 billion JPY has been allocated to the SEP building work at the end of the FY 2020 (end of Mar. 2021), which mean that the raised 10 billion JPY has fully allocated.

As stated above, DNV provides no assurance regarding the financial performance of the Bond, the value of any investments in the Bond, or the effects of the transactions.

Principle Four, Reporting

Obayashi has confirmed that they include and maintain a dedicated section on the Green Bond in its website. This includes detailed descriptions of the projects and value of the proceeds invested, as well as the associated qualitative and quantitative environmental impacts [CO₂ emission reduction from Renewable Energy, Energy Efficiency (Green Buildings)].

DNV confirmed whether the Green Projects have actual environmental benefits and if they were calculated properly by using the methods specified by Obayashi before the issuance of Green Bonds.

Table-1 shows the qualitative and quantitative environmental benefits by Obayashi green bond projects which have started commercial operations.

Table-1 Progress of Environmental Benefits (result of FY2021)

Project		Environmental Benefits
01	Ashikita Solar Power Station	CO ₂ emission reduction : 42,005 t-CO₂/ FY 2021 * calculated according to actual performance ^{※1}
02	Kushirocho Toritouchigenya Solar Power Station	
03	Hyugahichiya Solar Power Station	
04	Mitanehamada Wind Power Station	
05	SEP (Self Elevation Platform)	The number of the bottom mounted wind power facilities supported by SEP (numbers/year): 0 * The completion date of the SEP will be extended from the original plan of October 2020 to April 2023 in order to increase the crane capacity reflecting the wind turbine market conditions. The changes to this plan are posted on the Obayashi website and announced. ^{※2}
06	Green building (oak kanda kaji-chou)	<ul style="list-style-type: none"> · "CO₂ Emission Reduction of Designed & Built Buildings" from "Environmental Achievements" (in Obayashi's web site) · Certified as BELS 5 stars (the highest ranked) as energy efficiency building

※1 : CO₂ emission reduction = Annual performance (kWh) × Published CO₂ emission coefficient (kg-CO₂/kWh)

(Published CO₂ emission coefficient : Ministry of the Environment, Japan)

※2: Implementation of SEP design changes for the construction of offshore wind farms and extension of completion time

(September 17, 2020)

https://www.obayashi.co.jp/news/detail/news20200908_2.html

On the basis of the information provided by Obayashi and the work undertaken, it is DNV's opinion that the BOND meets the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles and Green Bond Guidelines, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

DNV Business Assurance Japan K.K.
30th June, 2022



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE-1 (NOMINATED ASSETS & GREEN BOND PROJECT OUTLINE)

No.	Nominated projects and assets	GBP category (environmental benefit)	GBP Sub category	Funded amount (Total 10 billion JPY, net proceeds 9.94billion JPY)	Remarks (location, output, outline)
01	Ashikita Solar Power Station (refinance)	Renewable energy [Energy source CO ₂ emission reduction]	Solar PV (onshore)	3.5 billion JPY (FY 2018 refinanced)	- Ashikita, Kumamoto, 21.5MW, - Apr 2014 commercial operation
02	Kushirocho Toritoushigenya Solar Power Station (refinance)				- Kushiro, Hokkaido, 17.8MW, - Apr 2017 commercial operation
03	Hyugahichiya Solar Power Station (refinance)				- Hyuga, Miyazaki, 24.5MW, - May 2017 commercial operation
04	Mitanehamada Wind Power Station (refinance)	[*No.05: the number of the bottom mounted of fshore wind power facilities supported by SEP]	Wind Power (onshore)	0.5 billion JPY (FY 2018 refinanced)	- Mitane, Akita, 5.97MW, - Nov 2017 commercial operation
05	SEP (Self Elevation Platform) (new construction)		Dedicated Offshore wind power construction facility	2.94 billion JPY (FY 2020 allocated)	- For bottom-mounted wind power station, made by JMU - Start of allocation from 2019. In 2020, it was decided to extend the plan from the completed delivery in October 2020 to the completed delivery in April 2023 in order to increase the crane capacity reflecting the wind turbine market conditions.
06	oak kanda kaji-chou (refinance)	Energy efficiency (green buildings) [Energy source CO ₂	Certified energy efficiency building (for commercial)	3 billion JPY (FY 2018 refinanced)	- Tokyo, Chiyoda, BELS certification (5 stars) commercial office building

SCHEDULE-2 GREEN BOND ELIGIBILITY ASSESSMENT PROTOCOL

Obayashi Green Bond Framework and Amendment to Shelf Registration Statement and summary of annual reporting (result of FY2021) have been published for explanation to investors.

(1) Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond 	<p>Documents reviewed:</p> <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Amendment to Shelf Registration Statement <p>Discussions with Obayashi management</p>	<p>The reviewed evidence confirms that the BOND falls in the category:</p> <p>Green Use of Proceeds Bond.</p>
1b	Green Project Categories	<p>The cornerstone of a Green Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.</p>	<p>Documents reviewed:</p> <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Amendment to Shelf Registration Statement - Documents of fund allocation records in FY 2018, 2019, 2020 and 2021 	<p>As identified by the purpose of the BOND was to use the proceeds to refinance for projects falling under the following categories:</p> <p><Renewable energy></p> <ul style="list-style-type: none"> -Refinance to the 3 Solar PV Projects <ul style="list-style-type: none"> • Ashikita • Kushirocho toritoushigenya • Hyugahichiya -Refinance to the 1 Wind Power Project (onshore) <ul style="list-style-type: none"> • Mitanehamada

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> - Project documents (including asset specifications) <p>Discussions with Obayashi management</p>	<p><Energy efficiency> -Refinance to Green building (commercial property)</p> <ul style="list-style-type: none"> • oak kanda kaji-chou lease-office building <p>Same as above, Bond proceed has been allocated to the following project categories by the end of FY2020.</p> <p><Renewable energy> -Finance to the 1 Offshore wind power dedicated facilities</p> <ul style="list-style-type: none"> • SEP building <p>DNV’s assessment concluded that these assets would present a low risk of CO₂ emissions and relative to negative effect quantify and qualify for inclusion under the Green Bond Principles 2018 within the Renewable Energy category and Energy Efficiency category. Above information was included in legal documents such as Amendment to Shelf Registration Statement. DNV concluded that 1b requirement is satisfied.</p>
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	<p>Documents reviewed:</p> <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Project documents (including asset specifications) - Renewable energy CO₂ emission reduction evaluation result in FY2018, 2019, 2020 and 2021 <p>Discussions with Obayashi management</p>	<p>DNV notes that solar PV and wind power project can present risks of land use and ecology system through construction and operation. DNV GL reviewed Obayashi’s provided document and confirmed that Obayashi already identified the environmental risk and addressed appropriate countermeasure. Obayashi has clearly demonstrated those projects will contribute benefit for environment such as CO₂ emission reduction. SEP will contribute to the domestic offshore wind power construction market expected the momentum in the future which corresponds with offshore wind power expansion and promotion in the “The 5th Strategic Energy Plan” issued by Japanese government (Jul 2018), METI (Ministry of Economy, Trade and Industry) as well as Japan Wind Power Association’s (JWPA) promotion of offshore wind power installation. ‘oak kanda kaji-chou’ was certified as BELS 5 stars (the highest ranked) as energy efficiency building reducing 40 % of primary energy consumption would result clear environmental benefit.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				DNV concluded that 1c requirement is satisfied.
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Documents reviewed: <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Amendment to Shelf Registration Statement - Documents of fund allocation records in FY 2018, 2019, 2020 and 2021 Discussions with Obayashi management	The proceeds of the BOND, in their entirety (10 billion JPY), will be allocated to green project. Refinance plan is as follows (approx.70% in total amount of proceeds) <ul style="list-style-type: none"> -Refinance to the 3 Solar PV Projects : 3.5 billion JPY (refinanced, FY2018) -Refinance to the 1 Wind Power Project (onshore): 0.5 billion JPY (refinanced, FY2018) -Refinance to Green building (commercial property) : 3 billion JPY (refinanced, FY2018)

(2) Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The issuer of a Green Bond should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds. This includes, without limitation: <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles; 	Documents reviewed: <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Obayashi internal document related to the project selection Discussions with Obayashi management including official e-mail communication.	As per the Obayashi green bond framework, the issuer has set out the eligible project under the GBP 2018 and related criteria.project selection. "Eligible green project" means alignment with their corporate philosophy and environmental policy which fall into Obayashi Sustainability Vision 2050 that has been updated from Obayashi Green Vision 2050 when Obayashi referred its framework Obayashi Sustainability Vision 2050 Action plan in Materiality "Establish Environmentally Responsible Society"

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<ul style="list-style-type: none"> • The criteria making the projects eligible for using the Green Bond proceeds; and • The environmental sustainability objectives 		<p>-Promote renewable energy business</p> <p>-Promote environmentally friendly business</p> <p>Nominated projects and assets were discussed with Obayashi’s related departments and responsibilities (e.g. Financial department, Environmental department, CSR committee representatives (representative director, President))</p> <p>DNV concluded that 1c requirement is satisfied through interview, discussion and document review.</p>
2b	Issuer’s environmental and social and governance framework	In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental sustainability.	<p>Documents reviewed:</p> <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Obayashi corporate philosophy and environmental policy <p>Discussions with Obayashi management</p> <p>https://www.obayashi.co.jp/en/sustainability/environment.html</p> <p>https://www.obayashi.co.jp/renewable_energy/</p>	<p>As per the interview and review of documents provided by Obayashi, DNV confirmed that Obayashi has addressed “sustainable society” through its business based on the Obayashi Sustainability Vision 2050 updated from Obayashi Green Vision 2050, which DNV referred to as its framework at pre-issuance stage. Obayashi has published OBAYASHI Corporate Report and its website including green bond specific requirements and its sustainable activities described above. Obayashi already owns 30 renewable power stations in Japan and contributes to achieve low carbon society</p> <p>https://www.obayashi.co.jp/en/sustainability/vision.html</p> <p>https://www.obayashi.co.jp/en/sustainability/environment.html</p> <p>https://www.obayashi.co.jp/en/special/renewable_energy.html</p> <p>DNV notes that the performance of the nominated projects and assets within the Bond pool is to be reported as a part of Obayashi’s periodic Sustainability reporting as per the Obayashi Green Bond Framework.</p> <p>DNV confirmed that Obayashi updated their Obayashi Green Vision to Obayashi Sustainability Vision, which promotes its initiative to consider environment and society.</p>



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				DNV confirmed and found nothing to suggest that Obayashi's environmental activity is not in line with their activity to contribute to sustainable society through its green projects.

(3) Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure-1	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer’s lending and investment operations for Green Projects.	Documents reviewed: <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Amendment to Shelf Registration Statement - Obayashi’s internal protocol (e.g. accounting management procedure, document control procedure) - Record documents of fund allocation records in FY 2018, 2019, 2020 and 2021 Discussions with Obayashi management	DNV reviewed documents and interviewed that Obayashi has traced the proceeds from the Bond, from the time of issuance to the time of disbursement appropriately. The full amount of the proceeds has been managed by Obayashi’s financial department with existing accounting system and using green bond request for approval document form. DNV confirmed that Obayashi’s internal process can manage and track the outstanding balance of the green bond proceeds. DNV concluded that 3a requirement is satisfied.
3b	Tracking procedure-2	So long as the Green Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	Documents reviewed: <ul style="list-style-type: none"> - Obayashi Green Bond Framework - Obayashi’s internal protocol (e.g. accounting management procedure) - Record documents of fund allocation records in FY 2018, 2019, 2020 and 2021 Discussions with Obayashi management	DNV reviewed documents and interviewed that Obayashi has implemented an appropriate scheme to trace the proceeds from the Bond from the time of issuance to the time or disbursement, and has reduced the net balance of proceeds by amounts in line with the projects and assets debt refinance schedule, as planned. At the end of each financial period (at least every one quarter), the outstanding balance of the Bond has been reviewed by Obayashi financial department. DNV concluded that 3b requirement is satisfied.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects,	Documents reviewed:	The net proceeds of the Bond have been placed in an existing accounting system and managed by financial



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.</p>	<ul style="list-style-type: none"> - Obayashi Green Bond Framework 2(3),2(4) - Amendment to Shelf Registration Statement - Record documents of fund allocation results records in FY 2018, 2019, 2020 and 2021 <p>Discussions with Obayashi management</p>	<p>department using request approval document form for green bond proceeds.</p> <p>The net proceeds of the bond also has been fully and immediately disbursed where possible or held in cash or cash equivalent until disbursement to the nominated projects and assets as per the Obayashi green bond framework. DNV concluded that 3c requirement is satisfied.</p>

(4) Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including</p> <ul style="list-style-type: none"> - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact. 	<p>Documents reviewed:</p> <ul style="list-style-type: none"> - Obayashi Green Bond Framework 2(4) - Fund allocation records in FY 2018, 2019, 2020 and 2021 - Renewable energy CO₂ emission reduction evaluation result (FY2018, 2019, 2020 and 2021) - Obayashi Green Bond Reporting (Obayashi #23 SB in Obayashi’s website) - Environmental data (in Obayashi’s website) <p>*Green building environmental impact was reported as aggregated data. Details are described in Table-1 Project 06.</p> <p>Discussions with Obayashi management</p>	<p>Obayashi has published the annual report “Obayashi Green Bond Report” and “Environmental data”, including a dedicated section on the green bond in its website as per its framework. This includes description of the project and value of the proceeds invested, as well as the associated qualitative and quantitative environmental impacts. Obayashi reported on the total amount of CO₂ emission reduction evaluation based on the operation records (amount of electricity generation per year, MWh/FY). DNV concluded that 4a requirement is satisfied.</p>