



SECOND PARTY OPINION

OJI HOLDINGS CORPORATION GREEN FINANCING FRAMEWORK

Prepared by: DNV Business Assurance Japan K.K.

Location: Kobe, Japan

Date: 24 January 2023

Ref. Nr: PRJN-403835-2022-AST-JPN-01

Contents

Executive Summary	3
I. Introduction	6
II. Scope and Objectives	18
III. Responsibilities of Oji and DNV	20
IV. Basis of DNV’s Opinion	21
V. Work Undertaken	22
VI. Findings and DNV's opinion	23
Schedule-1 Green Financing Nominated Projects	32
Schedule-2 Green Financing Eligibility Assessment Protocol	33

Revision history

Revision number	Date of issue	Remarks
0	24 January 2023	Initial

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)

Executive Summary

Since its founding in 1873, the Oji Group, with Oji Holdings Corporation (hereinafter, "Oji") as its core, has continued to expand business fields. Today, the Group focuses on not only the paper manufacturing business but also businesses that integrate materials and conversion, such as the packaging and pulp businesses, the electric power generation business, including renewable energy, hydroelectric and biomass power generation, and green innovation for the future, such as the development of biomass plastics and cellulose nanofibers. As both the business environment and the Oji Group itself experience substantial change, the Group is striving to enhance its corporate value over the medium to long term based on its management philosophy comprising "Creation of Innovative Values," "Contribution to Future and the World" and "Harmony with Nature and Society."

The Oji Group has formulated "Environmental Vision 2050", which declares to achieve **net-zero carbon** by 2050, and is considered to be in line with international scenarios such as the Paris Agreement and the path towards achieving carbon neutrality in 2050, which is targeted in various policies in Japan.

As a milestone on the way to the "Environmental Vision 2050", the Oji Group has established "Environmental Action Program 2030", which sets a target of at least 70% reduction in GHG emissions in FY2030 (compared to FY2018). This consists of reducing GHG emissions and increasing the net CO₂ absorption by forests owned by the Oji Group. The Group has created a roadmap for achieving its targets and has formed a project team to ensure the achievement. Oji is also continuing its efforts to contribute to the reduction of third-party GHG emissions through the supply of renewable energy electricity, such as biomass and hydroelectric power. DNV Business Assurance Japan K.K. (hereinafter, "DNV"), as an external reviewer, provided the assessment of the eligibility of Oji Holdings Corporation Green Financing Framework. The projects to be implemented under the green finance intend to be used to promote the above initiatives. Through the green finance, the Oji Group will reiterate to its stakeholders, including investors, business partners, local communities, and employees, its commitment to environmental management to achieve the decarbonized society it aims to create.

DNV provides the assessment of the eligibility of framework against Green Bond Principles (ICMA 2021, hereinafter, "GBP"), Green Bond Guidelines (Ministry of the Environment 2022, hereinafter, "GBGLs"), Green Loan Principles (LMA et al. 2021, hereinafter, "GLP"), Green Loan Guidelines (Ministry of the Environment 2022, hereinafter, "GLGLs") and, where applicable, the sector technical criteria of the Climate Bonds Standard (CBS v3.0, hereinafter, "CBS") and EU Taxonomy.



Assessment summary against 4 core components in GBP, GBGLs, GLP, and GLGLs are following.

Principle 1. Use of Proceeds

Oji defines the use of raised proceeds as projects that fall into "Renewable Energy" and "Sustainable Forest Management". This applies to eligible green projects as articulated in the GBP, GBGLs, GLP, and GLGLs. Specifically, it is planned that the proceeds will be allocated to new investments and refinancing related to the projects listed below.

- (a) Renewable Energy: biomass (power generation, heat supply), solar energy, hydropower energy, onshore wind energy
- (b) Sustainable Forest Management: capital and operating expenditures relating to acquisition and conservation of production forests and conservation forests

Principle 2. Process for Project Evaluation and Selection

The green project will be used to promote initiatives such as the "Environmental Vision 2050", which declares to achieve "net-zero carbon" by FY2050, and the "Environmental Action Program 2030", which establishes a target to reduce GHG emissions by 70% (compared to FY2018), as well as initiatives to help third parties reduce GHG emissions through the supply of renewable energy electricity.

The Corporate Financial Division of Oji Management Office Inc. (hereinafter, "Oji MO") which is involved in management support of the Oji Group selects eligible projects after evaluating their eligibility, in cooperation with the Group companies that manage the projects and the Oji Holdings Corporate Sustainability Division that oversees and manages Group environmental governance, and the Group CEO makes the final decision. If a project is expected to have a serious negative impact on the environment or society, it will be excluded from the eligible projects.

Principle 3. Management of Proceeds

All proceeds will be managed by the Corporate Financial Division of Oji MO using an internal accounting system as well as dedicated ledgers, etc. in accordance with the prescribed cash management flow, and the allocation status will be monitored on an ongoing basis. In the case of refinancing, only projects that have been disbursed within three years of funding through green finance will be eligible for refinancing. Allocation period will be within approximately two years of the financing. Unallocated funds will be held as cash or cash equivalents.



Principle 4. Reporting

Until the proceeds are fully allocated, Oji will report the allocated and unallocated funds for each eligible project (including the amount or percentage of new financing and refinancing) on its website at least once a year. In addition, the environmental benefits will, to the extent practicable, be disclosed on the website at least once a year as long as the balance of the proceeds remains available.

DNV confirmed the framework, related documents and information provided by Oji that green finance meets relevant criteria then is supposed to be appropriately planned and executed.

I. Introduction

i. About the Fundraiser

Since its founding in 1873, the Oji Group has continued to grow in step with numerous corporate mergers and the expansion of its fields of business. Today, the Group focuses on not only the paper manufacturing business but also businesses that integrate materials and conversion, such as the packaging and pulp businesses, the electric power generation business, including renewable energy, hydroelectric and biomass power generation, and green innovation for the future, such as the development of biomass plastics and cellulose nanofibers. As both the business environment and the Oji Group itself experience substantial change, the Group is striving to enhance its corporate value over the medium to long term based on its management philosophy comprising “Creation of Innovative Values,” “Contribution to Future and the World” and “Harmony with Nature and Society.”

In May 2022, the Oji Group established its purpose as “Grow and manage the sustainable forest, develop and deliver the products from renewable forest and Oji will bring this world a brighter future filled with hope.” The core of its business is forests, the Oji Group’s cherished assets. The appropriate cultivation and management of forests not only produces renewable forest resources; it also helps to enhance the many functions of forests which are of public benefit, including absorbing and fixing CO₂, conserving biodiversity, cultivating water resources, and preserving soil. In addition, the Oji Group’s principal business is offering a line-up of products utilizing forest resources with the aim of supporting and enriching the lives of people the world over. This same line-up can be used to replace fossil resource-derived materials and products. In response to such environmental challenges as dealing with global warming and conserving biodiversity, the Group believes its purpose is to fully leverage these exceedingly unique characteristics and strengths in its business activities. In the midst of the recent drastically and rapidly changing business environment, the Oji Group reaffirms its commitment towards being a manufacturing company that meets the ever-changing needs of the times and supports its future. The Oji Group will continue advancing forward, aiming towards the development of a sustainable society.

ii. ESG Initiatives of the Fundraiser

Paper manufacturing, which is the foundation of the Oji Group, is supported by three types of recycling.

- ① Forest Recycling: Practice sustainable forest management through growing, harvesting and planting trees
- ② Water Recycling: Tackle the reduction of water intake and purification of wastewater
- ③ Paper Recycling: Recycle recovered paper

The Oji Group is working to deploy this sustainable business model globally and enable its businesses to contribute to building a sustainable society.

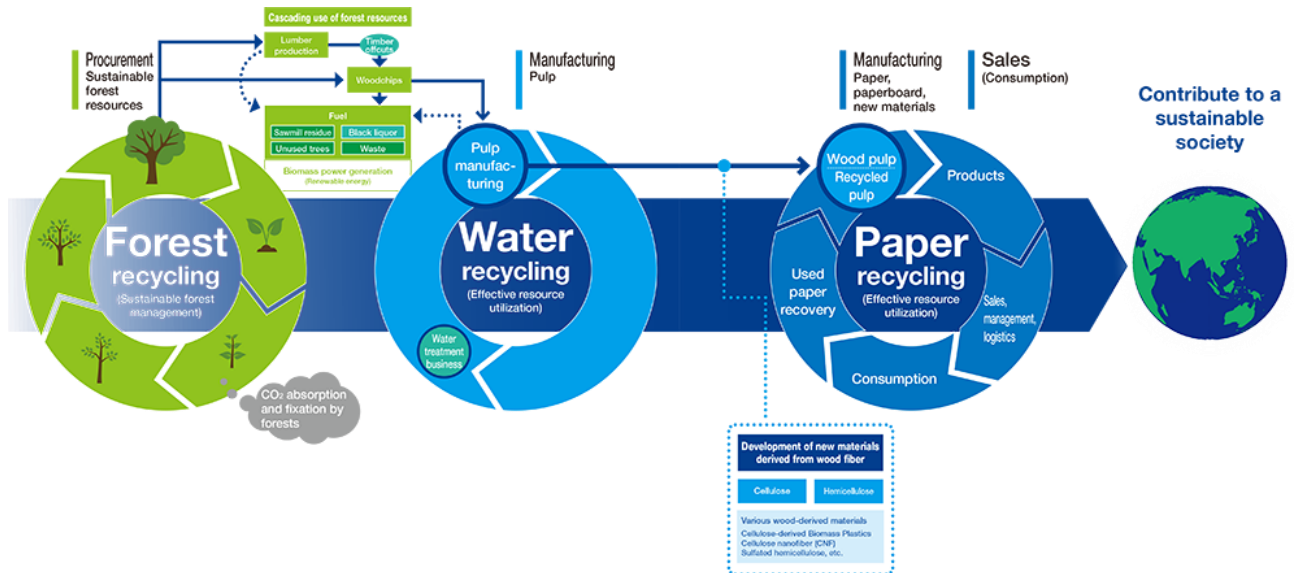


Figure-1 Three recycling

- ① **Forest Recycling:** Under the concept of “those who use trees have the responsibility to plant trees,” the Oji Group is working on sustainable forest management by planting, cultivating and utilizing trees and planting them again while giving due consideration to the local ecosystem in Japan and overseas to create abundant forests.
- ② **Water Recycling:** Paper and pulp manufacturing requires a large amount of water. The Oji Group reduces water intake by treating used water and reusing it in the manufacturing process. The Group also works on purification of wastewater and reduction of environment impact.
- ③ **Paper Recycling:** About 60% of the raw material of the paper is recovered paper and about 40% is wood. The Oji Group is working on the promotion of use of recovered paper by collecting and utilizing various types of recovered paper while maintaining its recycling system.

iii. Environmental Policy of the Fundraiser

The Oji Group believes that *those who use trees have the responsibility to plant trees*. Accordingly, the Group has been working since the Meiji Era to fulfill its corporate social responsibility to society and the environment by planting trees. In 1997, the Group established the Oji Paper Environmental Charter, which adopts as its fundamental principle helping to create a truly enriching and sustainable society by undertaking business activities that harmonize with the environment from a global perspective. The Group has continued to take measures centered on sustainable forest management and paper recycling in accordance with the Oji Group Environmental Charter.

Oji Group Environmental Charter

Basic Policy

The Oji Group Environmental Charter requires the Oji Group to help create a truly enriched and sustainable society by developing business activities that harmonize with the environment from a global perspective. The Charter calls for the Oji Group to make autonomous efforts to achieve further environmental improvement, and aggressively drive its forest recycling, paper recycling, and global warming countermeasures forward.

Action Guidelines

1. Promotion of Forest Recycling
2. Promotion of Paper Recycling
3. Promotion of Global Warming Countermeasures
4. Reinforcement of Environmental Improvement Measures and Environmental Management Systems
5. Development of Production Technologies and Products that Minimize Environmental Impact
6. Reduction and Effective Utilization of Waste
7. Transfer of Environmental Protection Technology to Other Countries
8. Building Relationships of Trust with Stakeholders

iv. Initiative by the Fundraiser for Net-Zero Carbon by 2050

For the Oji Group that utilizes a range of renewable resources, including wood as raw materials, the conservation of the natural environment is essential from the perspective of business continuity. The Group also believes that it will be able to enhance the sustainability of its business activities through proactive measures to address the issue of climate change.

In order to clearly lay out course of action, the Oji Group formulated "Environmental Vision 2050", which declares the aims for 2050, centers around the goal of **net-zero carbon**, and is considered to be in line with international scenarios such as the Paris Agreement and the path towards achieving carbon neutrality in 2050, which is targeted in various policies in Japan.

As a milestone on the way to the "Environmental Vision 2050", the Oji Group has established "Environmental Action Program 2030" in September 2020, which sets a target of a 70% reduction in GHG emissions in FY2030 (compared to FY2018). This consists of reducing GHG emissions and increasing the net CO₂ absorption by forests owned by the Oji Group. The Group has created a roadmap (Figure-2) for achieving its targets and has formed a project team to ensure the achievement.

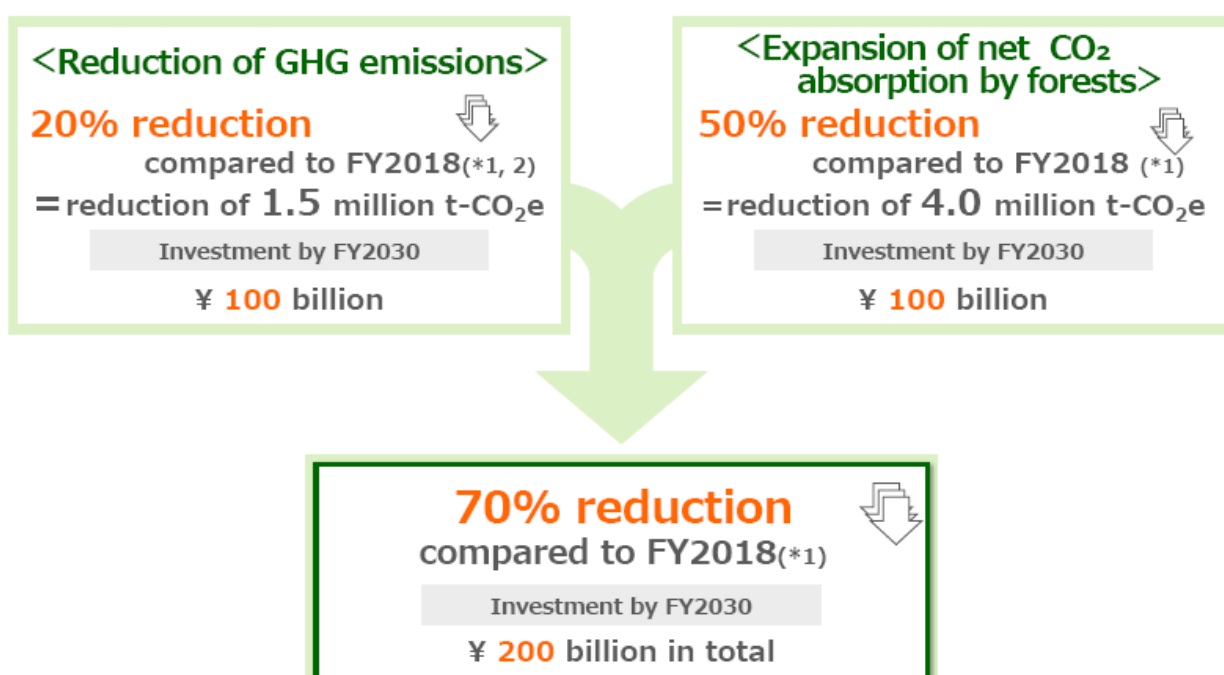
	Category	Sub-category	GHG reduction (kt-CO ₂ e)	GHG reduction		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
GHG emissions reduction	Improve energy efficiency	Maintain energy conservation	200	2.6%		Continue to reduce energy consumption by 1.0% or more per year, averaged over five years									
		Increase the percentage of renewable energy use	Reduce coal consumption	1,007	12.9%		Technological research		Development		Investment decisions		Installations		
	Install private solar power systems, etc.		360	4.5%		Installation planning		Investment decisions		Installations					
	Subtotal		1,567	20.0%		Consider fuel conversion for 12 coal boilers in Japan Consider installation of private solar panels									
Expansion of net increment in carbon stocks by forests	Invest in forest conservation and plantation	Expand forest plantations	3,918	50.0%		Overseas production forests 256,000 ha → 400,000 ha									
		Plant fast-growing trees				Search for sites, land surveys → Assessment of business feasibility → Consideration of acquisition, decision Continue forest tree breeding (breed improvement) and elite trees' plantation									
Total			5,485	70.0%											

Figure-2 Roadmap toward achieving reduction targets for FY2030

The FY2030 reduction target comprises the GHG emissions^{*1} reductions and the expansion of the Net increment in carbon stocks by forests^{*2} owned by the Oji Group and to achieve the target, the Group is planning investments of 100 billion yen each, totaling 200 billion yen by 2030.

*1 Scope 1 (direct emissions from fuel combustion) + Scope 2 (indirect emissions from the purchase of electricity and heat)

*2 The net increment in carbon stocks by forests = CO₂ absorbed per year with the growth of trees - CO₂ emissions per year with felling



*1: Includes CO₂, CH₄, N₂O from renewable fuels and fuels made from waste.

*2: 41% reduction in domestic CO₂ emissions from fossil fuels and purchased energy (compared to FY2013).

Figure-3 FY2030 GHG reduction targets and investments

(a) GHG Emissions Reduction

In Environmental Action Program 2030, the Oji Group has set a target of reducing GHG emissions by 20% (1,567 kt-CO₂e) compared to the base year (FY2018). In order to achieve the target, it takes continuous measures to improve energy efficiency (reducing energy consumption intensity by thorough energy conservation) and increase the renewable energy usage rate (such as reducing coal fuel consumption and installing private solar power systems).

1. Improve Energy Efficiency

The Oji Group has positioned energy conservation as a crucial topic and takes continuous measures to address it. For example, the Group's mills/plants regularly hold energy conservation meetings, attended by personnel from energy management and manufacturing divisions. Various ideas including equipment update and change in equipment operation method are discussed. Although a lower production volume leads to the increase of energy consumption intensity, the Group will take continuous measures to address energy conservation by suspending surplus equipment and ensuring consistent power and steam saving.

2. Increase the Percentage of Renewable Energy Use

- Status of examining ways to reduce coal consumption

The Oji Group owns 15 coal-fired boilers in Japan (actual number at the end of FY2021) and are examining the possibility of fuel conversion for 12 of these, not including backup boilers, etc. The Group implemented equipment and technological research in connection with fuel conversion on 3 coal-only-fired boilers, and expect the fuel conversion will help achieve approximately 1,000 kt-CO₂ reduction.

- New installation of solar power

Installation of private solar power systems

(Installation at Oji Container / Tochigi Plant, Oji Materia / Kushiro, Sobue and Saga Mills are under consideration.)

Further, the Group will continue its efforts to contribute to lowering third-party GHG emissions by providing renewable energy through biomass power generation, hydroelectric power generation, and other forms of production from renewable sources.

(b) Expanding the Net Increment in Carbon Stocks by Forests

In Environmental Action Program 2030, the Oji Group has set a target of absorbing and fixing the equivalent of 50% (3,918 kt-CO₂e) of GHG emissions in the base year (FY2018). Accordingly, the Group are aiming to expand its overseas forest plantations to 400,000 ha by FY2030.

The Group owns a total of 573,000 ha of forests, comprising production forests totaling 432,000 ha in Japan and overseas and conservation forests of 141,000 ha, and practices sustainable forest management taking into consideration the environment, society and economy. The annual average net increment in carbon stocks by forest (the Group's production forests and conservation forests) between FY2018 and FY2021 was 653 kt-CO₂, while the actual carbon stocks in living biomass reached 109,000 kt-CO₂ at the end of FY2021.
























As a future initiatives, in order to expand the net CO₂ absorption, the Group will move forward to further acquire forest plantations in South America, Oceania, Southeast Asia, etc. where it is already operating, and facilitate CO₂ absorption by developing better fast-growing trees while planting and cultivating fast-growing trees suitable for the regions where it operates the forest plantation business.








As of March 2021, preliminary calculations suggest that the expenses associated with expanding the Group's overseas forest plantations to 400,000 ha by FY2030 will amount to approximately 100.0 billion yen. As a result of this expansion, the total area of Oji Forests (production forests and conservation forests) will be 717,000 ha in FY2030.

v. SDGs Initiatives of the Fundraiser

Oji has identified the following material issues and corresponding SDGs. Renewable energy and sustainable forest management, which are the use of proceeds from the green finance, will mainly contribute to achieving the first of the following material issues, Mitigation and adaptation to climate change, and the second, sustainable forest management (forest recycling).

Table-1 Material issues and SDGs of Oji
(extracted from the Oji Group Integrated Report 2022)

Material issues	Qualitative targets	Corresponding SDGs
Mitigation and adaptation to climate change	<ul style="list-style-type: none"> ● Reduce GHG emissions ● Maintain and expand CO₂ absorption and fixation through forest conservation ● Increasing in the usage of renewable energy ● Improving in energy efficiency 	 7.2,7.3, 7.a  9.4,9.5  12.2  13.1,13.2, 13.3
Sustainable forest management (forest recycling)	<ul style="list-style-type: none"> ● Increase forest certification acquisition rate ● Maintain and expand overseas forest plantation 	 6.6  8.7  14.2  15.1,15.2, 15.3,15.4, 15.5,15.c
Responsible raw materials procurement	<ul style="list-style-type: none"> ● Manage the supply chain thoroughly 	 8.7  12.1,12.4, 12.6  15.1,15.2
Reduction of environmental burdens (air, water and waste)	<ul style="list-style-type: none"> ● Promote purification of wastewater and exhaust gases ● Increase effective waste utilization ratios 	 3.9  6.1,6.3,6.4  11.6  14.1,14.2, 14.3  17.7,17.8
Effective resource utilization (paper and water recycling)	<ul style="list-style-type: none"> ● Improve the recovered paper utilization ratio ● Reduce water intake intensity 	 6.4,6.5  12.4,12.5, 12.6  14.1  15.1,15.2, 15.3,15.4, 15.5,15.c
Stable supply of safe and secure products	<ul style="list-style-type: none"> ● Continue zero product liability accidents 	 9.4,9.b  12.4,12.6  17.7





<p>Respect for human rights</p>	<ul style="list-style-type: none"> ● Provide education and training in human rights 	 <p>5.1,5.4 5.5,5.c</p>  <p>8.5,8.7 8.8</p>  <p>10.2,10.3 10.4</p>
<p>Ensuring workplace safety and health</p>	<ul style="list-style-type: none"> ● Achieve zero fatal and serious work-related accidents ● Reduce lost time injury frequency rate ● Reinforce safety management systems, safety risk management systems, and safety education 	 <p>8.8</p>
<p>Inclusion & diversity</p>	<ul style="list-style-type: none"> ● Raise the percentage of female managers ● Raise the employment rate of people with disabilities 	 <p>5.1,5.4 5.5,5.c</p>  <p>8.2,8.5 8.8</p>  <p>10.2,10.3</p>



* The relevance of the SDGs is complementary to the green finance, referring to Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals published by ICMA, which defines the Green Bond Principles. This is a complementary to the green financing and is not directly related to the purpose for the use of proceeds.

vi. External Initiatives

Oji is actively participating in the following external initiatives to strengthen its ESG efforts.

Table-2 External initiatives in which the Oji Group is participating

	Initiatives	Descriptions
1	United Nations Global Compact	The Oji Group has been a member of the United Nations Global Compact, supporting the 10 principles related to “human rights, labor, environment, and anti-corruption”, and striving to put them into practice in its daily business activities.
2	The Task Force on Climate-related Financial Disclosures (TCFD) 	TCFD is a task force established by the Financial Stability Board at the request of the G20 to reduce the risk of financial market instability related to climate change. The Oji Group announced its endorsement of the TCFD in December 2020 and is working to enhance disclosure based on the TCFD recommendations.
3	CDP 	In December 2022, Oji was recognized with an ‘A’ score in CDP “Forests (Timber)” for its sustainable forest management, and a leadership-level score of ‘A-’ in the two categories of “Climate Change” and “Water Security”.
4	30by30 Alliance for Biodiversity 	In April 2022, Oji joined the 30by30 Alliance for Biodiversity, which was voluntarily started by companies, local governments, and organizations to promote initiatives aimed at reaching the 30by30 target (goal of protecting 30% of land and sea by 2030) across Japan.
5	Dow Jones Sustainability Asia Pacific Index Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	In December 2022, Oji was selected as member of the Dow Jones Sustainability Asia Pacific Index, a globally representative ESG investment index, which is part of the Dow Jones Sustainability Index (“DJSI”) for three years in a row.
6	FTSE4Good Index Series, FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index 	In April 2022, Oji has been selected for inclusion in the FTSE Blossom Japan Sector Relative Index. In July 2022, Oji has also been selected for inclusion in the FTSE4Good Index Series and the FTSE Blossom Japan Index for the fourth consecutive year.

7	<p>SOMPO Sustainability Index</p> 	<p>In June 2022, Oji was selected for the fourth consecutive year as a member of the SOMPO Sustainability Index, which comprises approximately 300 companies with outstanding ESG-related initiatives.</p>
8	<p>SUSTAINA ESG AWARDS</p> 	<p>Since September 2021, Oji has been awarded Gold in the Pulp and Paper category of the SUSTAINA ESG AWARDS, an annual award program that honors companies actively involved in ESG.</p>

vii. About the Green Financing Framework

For the purpose of implementing green financing, Oji has established a framework based on the Green Bond Principles (GBP, 2021) set forth by the International Capital Markets Association (ICMA), the Green Bond Guidelines of Ministry of the Environment (GBGLs, 2022), the Green Loan Principles (GLP, 2021) set forth by Loan Market Association (LMA) et.al., and the Green Loan Guidelines of Ministry of the Environment (GLGLs, 2022).

The entire amount of proceeds from the Green Financing are planned to be allocated to one or more of the following green project categories, which will be managed and implemented in accordance with an established framework.

- (a) Renewable Energy: biomass (power generation, heat supply), solar energy, hydropower energy, onshore wind energy**
- (b) Sustainable Forest Management: expenditure on acquisition and conservation of production forests and conservation forests**

Fundraiser Name: Oji Holdings Corporation

Framework Name: Oji Holdings Corporation Green Financing Framework

Name of External Review Organization: DNV Business Assurance Japan K.K.

Date of Report: 24 January 2023

II. Scope and Objectives

Oji has commissioned DNV to provide an assessment on framework of the "Oji Holdings Corporation Green Financing". The objective of the framework assessment of DNV is to conduct an assessment to confirm that Oji meets the criteria such as GBP, GBGLs, GLP, GLGLs, related technical standards of CBS, which will be described later, and other related standards or guidelines (see the table below), and to provide a second party opinion on the eligibility of this Green Financing.

DNV, as an independent external reviewer, has identified no real or perceived conflict of interest associated with the delivery of this second-party opinion for Oji.

In this paper, no assurance is provided regarding the financial performance of the Green Financing, the value of any investment in the Green Financing, or the long-term environmental benefits of the transaction.

(1) Scope of Review

The review assessed the following elements and confirmed their alignment with four core elements in GBP/GLP.

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

(2) Role(s) of Review Provider

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input checked="" type="checkbox"/> Other (please specify): Providing review as a green financing issuance supporter (External Review Division) | |

(3) Standards/Guidelines to be Applied

No.	Standards/Guidelines	Scheme owner	Applied level*1*2
1.	Green Bond Principles	International Capital Market Association (ICMA), 2021	Apply
2.	Green Bond Guidelines	Ministry of the Environment, 2022	Apply
3.	Green Loan Principles	Loan Market Association (LMA) et.al. 2021	Apply
4.	Green Loan Guidelines	Ministry of the Environment, 2022	Apply
5.	Climate Bonds Standard 3.0v (Sector Criteria)	Climate Bonds Initiative, 2019	Refer (applicable technical criteria)
6.	Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals	International Capital Market Association (ICMA), 2018	Refer
7.	Handbook Harmonized Framework for Impact Reporting	International Capital Market Association (ICMA), 2019	Refer



8.	EU Taxonomy	The European Commission (EC)	Refer (applicable technical criteria)
----	-------------	------------------------------	---------------------------------------

*¹ Apply: Eligibility for all four core common elements to each principle or guideline was assessed.

*² Refer: Based on the green financing and implementation plans, relevant contents were partially considered.



III. Responsibilities of Oji and DNV

Oji has provided the information and data used by DNV during the delivery of this review. DNV's second party opinion represents an independent opinion and is intended to inform Oji and other interested stakeholders in the bond or loan 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 Oji. DNV is not responsible for any aspect of the selected 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 Oji and used as a basis for this assessment were not correct or complete.

IV. Basis of DNV's Opinion

To provide as much flexibility as possible for the fundraiser, DNV has adapted our green financing assessment methodologies, which incorporates the requirements of GBP, GBGLs, GLP, and GLGLs, to create Oji-specific Green Financing Eligibility Assessment Protocol (DNV's Protocol). Please refer to Schedule-2. The Protocol is applicable to Green Financing under GBP, GBGLs, GLP, and GLGLs.

DNV's 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 financing should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per DNV's Protocol, the criteria against which the Green Financing 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 a fundraiser of a green financing must use the proceeds to 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 a fundraiser of a green financing should outline the process it follows when determining eligibility of an investment using green financing 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 financing should be tracked within the fundraising 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 and loan investors should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

V. Work Undertaken

Our work constituted a high level of review of the available information, based on the understanding that this information was provided to us by the fundraiser 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 included:

i. Pre-Fundraising Assessment of Green Financing

- Creation of the fundraiser-specific Protocol, adapted to the purpose of the Green Financing, as described above and in Schedule-2 to this Assessment.
- Assessment of documentary evidence provided by the fundraiser on the Financing and supplemented assessment by a comprehensive desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with the fundraiser, and review of relevant documentation.
- Documentation of findings against each element of the criteria.

ii. Post-Fundraising Assessment of Green Financing (**not included in this report*)

- Assessment of evidential documents provided by the fundraiser after the Financing, and supplemental assessment by desktop survey from a higher perspective.
- Interview with key personnel of the fundraiser, and review of the relevant documentation.
- Field research and inspection (if necessary).
- Review of the nominated projects and assets at the time of the post-fundraising verification (update of the details mentioned in Schedule-1).
- Document creation of post-fundraising verification result.

VI. Findings and DNV's opinion

DNV's findings and opinions are as follows.

(1) Use of Proceeds

DNV has confirmed that all of the net proceeds from Oji Green Financing, excluding expenses, are planned to be allocated to new investment and refinancing of construction/installation, operation, and maintenance of one or more of the green nominated projects that meet the following typical eligible project categories as identified in the GBP, GBGLs, GLP, and GLGLs.

"Renewable Energy"

- **Biomass (power generation, heat supply):** The nominated project is a biomass power generation project that refers to Climate Bond Standard. DNV has confirmed that the project meets the green eligibility criteria, including the biomass fuel procurement process, GHG reduction ratio compared to fossil fuels and equipment specifications. DNV has also confirmed that the local authorities and the surrounding area are taken into consideration in accordance with relevant laws and regulations, and that even if the facilities are not subject to environmental assessment as stipulated by law, a simplified environmental assessment is carried out by a specialized agency to assess the impact of the construction on the surrounding environment, and appropriate measures are taken according to the results.
- **Solar energy:** This is an onshore solar power generation project (including associated facilities) that refers to the Climate Bond Standard. In the selection and implementation of eligible projects, DNV has confirmed that the project is related to construction/installation, operation, and maintenance of onshore solar power generation facilities connected to the existing grid, and that no fossil fuel-based back-up power sources are incidental to the project.
- **Hydropower energy:** This is a hydroelectric power generation project that refers to the Climate Bond Standard. Depending on the type of hydroelectric power plant in question, it is confirmed that the output (W) per unit reservoir/regulating reservoir area (m²) meets the standard values according to the commencement time of operation. DNV also confirmed that the local authorities and the surrounding area are taken into consideration in accordance with relevant laws and regulations, and that even if the facilities are not subject to environmental assessment as stipulate by law, a simplified assessment is carried out to assess the impact of the construction on the surrounding environment, and appropriate measures are taken according to the results.
- **Onshore wind energy:** This is an onshore wind power generation project (including associated facilities) that refers to the Climate Bond Standard. In the selection and implementation of eligible projects, DNV has confirmed that the project includes construction/installation, operation, and maintenance of onshore wind power generation



facilities as well as dedicated transmission infrastructure, and not offshore wind power facilities.

"Sustainable Forest Management"

- Capital and operating expenditures on acquisition and conservation of production forests and conservation forests: This is a project related to acquisition and conservation of forests that refers to the Climate Bond Standard. DNV has confirmed that the targeted forests have basically been or are planned to be acquired with sustainable certifications such as FSC, and an assessment has been carried out for the acquisition to ensure that the impact on the surrounding environment is assessed and appropriate measures are taken according to the results.

Use of Proceeds categories as per GBP/GLP

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency (energy saving) |
| <input type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Sustainable management of living natural resources |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient products, production technologies and processes | <input type="checkbox"/> Green buildings with regional, national or internationally recognized standards and certifications |
| <input type="checkbox"/> Other (please specify): | |
| <input type="checkbox"/> It is undecided at the time of fundraising, but is expected to be in line with the GBP/GLP classification or other eligible areas not listed in the GBP/GLP at this time. | |

(2) Process for Project Evaluation and Selection

Through the review, DNV has confirmed that the green projects listed in Schedule-1 contribute to the Oji Group's initiatives to meet the CO₂ emission reduction targets set forth in its "Environmental Vision 2050" and "Environmental Action Program 2030", as well as initiatives to help third parties reduce GHG emissions through the supply of renewable energy electricity.

DNV has confirmed that the Corporate Financial Division of Oji MO which is involved in management support of the Oji Group selects eligible projects after evaluating their eligibility, in cooperation with the Group companies that manage the projects and the Oji Holdings Corporate Sustainability Division that oversees and manages Group environmental governance, and that the Group CEO makes the final decision.

DNV has also confirmed that upon implementation of green projects, Oji has established following systematic procedures against environmental and social impacts.

1. The Environmental Management Office which is part of the Corporate Sustainability Division oversees the environmental audits specified in the Group Environmental Management Regulations, identifies and reduces environmental group-wide risks to prevent environmental accidents from occurring and recurring by environmental audits.
2. The Oji Group established the Oji Group Partnership Procurement Policy. When procuring raw materials for use by the Oji Group, the Group conducts CSR procurement with the cooperation of suppliers and other business partners, and works to confirm compliance with laws and regulations and the impact on the environment and society.

DNV has confirmed that the selection of projects is in line with the eligibility criteria shown in "(3) Standards/Guidelines to be Applied in Section II Scope and Objectives" and that if a project is expected to have a serious negative impact on the environment or society, it will be excluded from the eligible projects.

Evaluation and Selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Conforms to the fundraiser's achievement of environmental contribution goals | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> The project is eligible for use of proceeds by green financing and transparency is ensured | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> The project is evaluated and selected based on the published standard summary | <input type="checkbox"/> Other (please specify): |

Information on Responsibility and Accountability

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

(3) Management of Proceeds

DNV has confirmed how Oji will track and manage the proceeds from fundraising to redemption/repayment period.

DNV has confirmed that Oji plans to allocate the proceeds to financing (new investment and financing) and refinancing to the eligible projects in a timely manner after raising the proceeds. In the case of refinancing, only projects that have made expenditures within three years of the green financing are eligible for refinancing. The raised proceeds are expected to be allocated within approximately two years from the date of procurement.

The allocation status of proceeds will be managed by the Corporate Financial Division of Oji MO through internal systems such as CMS and be monitored through a dedicated ledger or other means.

Unallocated proceeds will be managed as cash or cash equivalents until they are fully allocated to eligible projects.

Tracking of Proceeds:

- Some or all of the proceeds by green financing that are planned to be allocated are systematically distinguished or tracked by the fundraiser.
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional Disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input checked="" type="checkbox"/> Other (please specify): The amount of existing investments and new financing of projects covered by the green financing will be disclosed in the annual report. |

(4) Reporting

DNV has confirmed that Oji will report specific information related to green financing required by the GBP, GBGLs, GLP, and GLGLs in its website at least once a year.

The following items are planned to be disclosed on the allocation status of proceeds until the full amount of the proceeds has been allocated. In addition, the following items related to environmental benefits are planned to be disclosed to the extent practicable. While disclosure is basically planned on a project basis, depending on the circumstances, disclosure will be made on a category basis. It is also planned to disclose any material changes in the projects in a timely manner.

<Allocation Status>

- Allocated amount for each eligible project (including amount or percentage of new financing and refinancing)
- Unallocated amount

<Environmental Benefits>

Project Category	Eligible Projects	Reporting details
Renewable Energy	<ul style="list-style-type: none"> • Biomass (power generation, heat supply) • Solar energy • Hydropower energy • Onshore wind energy 	<ul style="list-style-type: none"> • Brief description of projects • Electricity generated (MWh) or capacity (MW) (In the case of heat supply, capacity of boilers) • CO₂ emission reduction (estimated)
Sustainable Forest Management	<ul style="list-style-type: none"> • Capital and operating expenditures relating to acquisition and conservation of production forests and conservation forests 	<ul style="list-style-type: none"> • Brief description of projects • Area of forests subject to sustainable forest management (ha) • Amount of carbon fixed (t-CO₂) or net increment in carbon stocks by forests (t-CO₂)

Use of Proceeds Reporting:

- Project-by-project
- Linkage to individual bond(s)
- On a project portfolio basis
- Other (please specify):

Information reported:

- Allocated amount
- Amount allocated to green financing out of the total investment
- Other (please specify): Unallocated amount and percentage of proceeds that have been allocated to refinancing

Frequency:

- Annual
- Semi-annual
- Other (please specify):

Impact Reporting (environmental benefits):

- Project-by-project
- Linkage to individual bond(s)
- On a project portfolio basis
- Other (please specify):

Frequency:

- Annual
- Semi-annual
- Other (please specify):

Information reported (expected or post-fundraising):

- GHG emissions / fixed or net absorption
- Energy savings
- Other ESG indicators (please specify): Electricity generated (MWh) or capacity (MW), area of forests (ha)

Means of Disclosure

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

Assessment Conclusion

On the basis of the information provided by Oji and the work undertaken, it is DNV's opinion that Oji meets the criteria established in DNV's Protocol and that it is aligned with the stated definition or purpose of green financing within GBP, GBGLs, GLP, and GLGLs, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

DNV Business Assurance Japan K.K.

24 January 2023



Mark Robinson
Manager, Sustainability Services
DNV Business Assurance, Australia



Naoki Maeda
Managing Director
DNV Business Assurance Japan K.K.



Masato Kanedome
Project Leader
DNV Business Assurance Japan K.K.



Jun Chokai
Assessor
DNV Business Assurance Japan K.K.

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.

Disclaimer

Responsibilities of the Management of the Issuer and the Second-Party Opinion Providers, DNV: The management of Issuer 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 the Issuer 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 the Issuer. 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 the Issuer's management and used as a basis for this assessment were not correct or complete.

Schedule-1 Green Financing Nominated Projects

Oji Holdings Corporation Green Financing will be allocated to one or more of the projects listed in Schedule-1. The projects selected for allocation will be disclosed in the Annual Report. In the case of green project categories that are currently under development or planning and for which there are no specific candidate projects, only those projects that are evaluated and confirmed by Oji in the future will be eligible for allocation.

No.	Category	Sub Category	Project Overview
1	Renewable Energy	Biomass energy	Planning, construction, operation, and revamping of biomass power projects
2		Solar energy	Planning, construction, operation, and revamping of solar power projects
3		Hydropower energy	Planning, construction, operation, and revamping of hydropower projects
4		Onshore wind energy	Planning, construction, operation, and revamping of onshore wind power projects
5	Sustainable Forest Management	Production forests, conservation forests	Capital and operating expenditures relating to acquisition and conservation of production forests and conservation forests



Schedule-2 Green Financing Eligibility Assessment Protocol

The following GBP/GLP-1 – GBP/GLP-4 are DNV's Green Financing Eligibility Assessment Protocol created for Oji based on the requirements of Green Bond Principles (GBP) and Green Loan Principles (GLP).

GBP/GLP-1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of funds	<p>The types of green finance are classified into one of the following types defined by GBP/GLP:</p> <ul style="list-style-type: none"> • (Standard) Green Bond/Loan • Green Revenue Bond/Loan • Green Project Bond/Loan • Others 	<ul style="list-style-type: none"> • Framework • Interviews 	<p>The reviewed evidence confirms that the Green Financing falls in the category:</p> <ul style="list-style-type: none"> • (Standard) Green Bond/Loan
1b	Green project classification	<p>The key to a green finance is that the proceeds will be used for a green project, which should be properly stated in the legal documents relating to the security.</p>	<ul style="list-style-type: none"> • Framework • Interviews 	<p>DNV confirmed that the net proceeds from the Green Financing will be allocated to new investment and refinancing of green eligible projects, which will be properly described in the Amended Shelf Registration Statement. Specifically, the proceeds will be allocated to one or more of the following Green Financing nominated projects.</p> <ul style="list-style-type: none"> - Renewable energy (biomass (power generation, heat supply), solar energy, hydropower energy, onshore wind energy - Sustainable forest management (capital and operating expenditures on acquisition and conservation of production forests and conservation forests)
1c	Environment	<p>All green projects to which the funds are used should have clear</p>	<ul style="list-style-type: none"> • Framework 	<p>DNV confirmed that green projects have</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
	al benefits	environmental benefits, the effects of which should be assessed by the issuer/borrower and, where possible, quantitatively demonstrated.	<ul style="list-style-type: none"> • Interviews 	environmental benefits as the increase of renewable energy, and that the environmental benefits are quantitatively assessed such as the amount of CO ₂ emissions reduction and carbon fixed.
1d	Refinancing rate	If all or part of the proceeds are used or may be used for refinancing, the issuer/borrower will indicate the estimated ratio of the initial investment to the refinancing and, if necessary. Therefore, it is recommended to clarify which investment or project portfolio is subject to refinancing.	<ul style="list-style-type: none"> • Framework • Interviews 	DNV confirmed that the issuer plans to disclose the percentage of the proceeds allocated for refinancing on its website at least once a year.

GBP/GLP-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Project Selection process	Green finance issuer/borrower should provide an overview of the process of qualifying projects for which green finance funding will be used. This includes (but is not limited to): <ul style="list-style-type: none"> • The process by which the issuer/borrower determines that the project in question is included in the business category of a qualified green project. • Creation of criteria for eligibility of projects for which green finance funding will be used. • Environmental sustainability goals. 	<ul style="list-style-type: none"> • Framework • Interviews 	DNV confirmed through the framework that Oji has a process for evaluating the eligibility of projects for which the raised proceeds are used. Specifically, a process has been established in which the Corporate Financial Division of Oji MO selects eligible projects after evaluating their eligibility, in cooperation with the Group companies that manage the projects and the Oji Holdings Corporate Sustainability Division that oversees and manages Group environmental governance, and the Group CEO makes the final decision. As a goal related to environmental sustainability, fuel procurement for biomass power generation is



Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				limited to FSC and other certified sources. In addition, it is planned that production forests and conservation forests to be acquired overseas will basically have FSC, PEFC, or other certifications.
2b	Issuer's/borrower's environmental, social governance framework	In addition to criteria and certifications, the information published by issuers/borrowers regarding the green finance process also considers the quality of performance of the issuer's/borrower's framework and environmental sustainability.	<ul style="list-style-type: none"> • Framework • Interviews 	<p>DNV confirmed that the green projects implemented by Oji are in line with the "Environmental Vision 2050," which declares to achieve "net-zero carbon" in FY2050, and the "Environmental Action Program 2030," which establishes a target to reduce GHG emissions by 70% by 2030.</p> <p>DNV also confirmed that the environmental aspects of the project will be fully considered and appropriately addressed based on the "Environmental Management System (EMS)" and "Environmental Audits".</p>

GBP/GLP-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure-1	The net proceeds from of green finance should be managed in sub-accounts, included in sub-portfolio, or otherwise tracked. It should also be certified by the issuer/borrower in a formal internal process related to the issuer's/borrower's investment and financing operations for the Green Project.	<ul style="list-style-type: none"> • Framework • Interviews 	DNV confirmed that the net proceeds of the Green Financing are managed through internal systems such as CMS and are traceable through a dedicated ledger or other means.
3b	Tracking procedure-2	During the green finance redemption/repayment period, the balance of funds raised that is being tracked should be adjusted at regular intervals to match the amount allocated to eligible projects undertaken during that period.	<ul style="list-style-type: none"> • Framework • Interviews 	DNV confirmed that it is planned to monitor the balance of the Green Financing on a regular basis from its execution to redemption/repayment using a dedicated ledger or other means.
3c	Temporary holding	If no investment or payment has been made in a qualified green project, the issuer/borrower should also inform the investor/lender of the possible temporary investment method for the balance of unallocated proceeds.	<ul style="list-style-type: none"> • Framework • Interviews 	DNV confirmed that unallocated proceeds will be managed in cash or cash equivalents until the full amount of proceeds are allocated to eligible projects, and that the balance of unallocated proceeds will be disclosed through reporting on the allocation status.

GBP/GLP-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, the issuer/borrower will consider each project at least once a year for projects to which the Green finance proceeds have been allocated, taking into account the following: A list of each project should be provided.</p> <ul style="list-style-type: none"> -Confidentiality and competitive considerations -Outline of each project, expected sustainable environmental and social effects 	<ul style="list-style-type: none"> • Framework • Interviews 	<p>DNV confirmed that Oji plans to disclose the allocation status and environmental benefits at least once a year on its website, until all proceeds are allocated to eligible projects.</p> <p><u>Allocation status</u></p> <ul style="list-style-type: none"> - Allocated amount for each eligible project (including amount or percentage of new financing and refinancing) - Unallocated amount <p><u>Impact reporting</u></p> <p><u><Renewable Energy></u></p> <ul style="list-style-type: none"> • Brief description of projects • Electricity generated (MWh) or capacity (MW) (In the case of heat supply, capacity of boilers) • CO₂ emission reduction (estimated) <p><u><Sustainable Forest Management></u></p> <ul style="list-style-type: none"> • Brief description of projects • Area of forests subject to sustainable forest management (ha) • Amount of carbon fixed (t-CO₂) or net increment in carbon stocks by forests (t-CO₂)