

Third-party opinion on the Sustainability Linked Loan to Imabari. Yume Village Co., Ltd. conducted by THE IYO BANK, LTD. and Ehime Shinkin Bank

Japan Credit Rating Agency, Ltd. (JCR) submitted a third-party opinion on the Sustainability Linked Loan to be provided by THE IYO BANK, LTD. and Ehime Shinkin Bank (lender) to Imabari. Yume village Inc. (borrower).

<Summary>

This Third-Party Opinion verified the conformity with the Principles of Sustainability Linked Loans (SLLP)¹ and the Ministry of the Environment's Green Loan and Sustainability Linked Loan Guidelines (Ministry of the Environment's Guidelines) (SLLP and Ministry of the Environment's Guidelines collectively, the "SLLP, etc.") for the Syndicated Sustainability Linked Loan (SLL) (the Loan) to be provided by the arranger and lender, THE IYO BANK, LTD. and Ehime Shinkin Bank (the lender) to Imabari. Yume village Inc. (the borrower). In order to ensure the transparency and objectivity of evaluations recommended by SLLP and others, JCR, as an independent third-party organization, conducted (1) a third-party evaluation of FC IMABARI's sustainability strategy and the establishment of key performance indicators (KPIs) and sustainability performance targets (SPTs), and (2) a third-party evaluation of loan terms and the monitoring system during the period.

(1) About the Borrower's Sustainability Strategy and Setting of KPIs and SPTs

The Borrower has agreed with the Lender to establish the following KPIs and SPTs in the Loan:

KPI 1: Stadium Attraction Rate*
SPT 1: Stadium customer attraction rate of 75.0% or more
KPI 2: J League Category
SPT 2: Promotion to J1 in the J League Category
KPI 3: Number of Partners (Sponsors)
SPT 3: Number of partners: 450 or more
KPI 4: Number of FC IMABARI Sailors' Club (Fan Club) paying members
SPT 4: Number of FC IMABARI Sailors' Club paying members : 5,000 or more
KPI 5: Number of participants in events (Earthland environmental education, field training, soccer classes, schools, etc.)
SPT 5: Number of annual event participants: 10,000 or more

* Stadium Attraction Rate = Annual average number of visitors ÷ Number of available visitors × 100

Imabari. Yume village Inc. is a subsidiary of Imabari Yume Sports Inc. (FC IMABARI), which is in the business of managing FC IMABARI, a member of the Japan Professional Football League (J League), and is a company that implements FC IMABARI's stadium/arena reform promotion business. FC IMABARI operates sports clubs, sports facilities, and education-related businesses. FC IMABARI's sales in the fiscal year ended January 2021 reached JPY 833,878,000 and its ordinary income reached JPY 55,462,000. It joined the J-League

¹ Loan Market Association(LMA),Asia Pacific Loan Market Association(APLMA) And Loan Syndication and Trading Association(LSTA) established. Revised: 5/2021.

in 2020, and its current J-League category is J3. At FC IMABARI, Chairman Takeshi Okada has demonstrated leadership not only in the operation of soccer clubs, but also in all aspects, including the construction of educational programs and the conception and construction of new stadiums.

FC IMABARI's corporate philosophy is to "contribute to the creation of a society that values spiritual wealth over material wealth for the next generation." Society that values spiritual wealth means a society that values invisible capital that cannot be expressed in figures, such as wisdom, trust, and empathy, rather than visible capital, such as sales, capital, and GDP. This is based on the idea that sports and culture are like life-preserving devices that are indispensable for the enrichment of the mind and that we need to "value invisible capital" in order to work together with the government, corporations, and local residents to advance our business, while earning their trust. To realize this philosophy, the Mission Statement is composed of the following four items.

1. Starting with our employees, we will continue to bring dreams, courage, hope, excitement and smiles to as many people as possible.
2. Contribute to creating vibrant communities with a diversity of people
3. Contribute to global peace by promoting grassroots exchanges with sports colleagues around the world
4. Conduct business activities with concern for the global environment

FC IMABARI has also set a vision for 2025 in the three fields: company, football, and business. In the football area, the company aims to be promoted from J3 to J1 in the current J-League category in 2025 and become a team that competes for championship. It also aims to be loved by local people, particularly in Imabari City, Ehime Prefecture, where it is based, and to be always cheered on by full supporters, including spectators at the stadium.

The Borrower has selected the KPIs for the Loan and set the SPTs to be measured as described above. Setting contribution to urban development as one of its mission statements, FC IMABARI believes that its value and mission is to contribute to regional revitalization by starting with soccer games. The targets set in the company's vision for 2025 are consistent with KPI 1 and KPI 2 of this loan. According to the Cabinet Secretariat's Comprehensive Strategy for Urban, Human, and Job Creation for Local Development and Regional Revitalization, the company will develop measures based on four basic goals and two cross-sectional goals, aiming to realize vibrant local communities and correct the concentration in the Tokyo area in the future. According to the Imabari City Planning Master Plan, Imabari City is currently facing issues such as a shrinking population, an aging population, and a decline in business establishments and workers. In order to further revitalize regional economies in the future, it is necessary to promote tourism and population movement by improving the attractiveness of Imabari, and to create jobs. According to the economic ripple effect of hosting home games at the Satoyama Stadium estimated by Iyogin Regional Economic Research Center Co., Ltd., if FC IMABARI is promoted to J2 in the J-League category and the average number of visitors to one game is 6,000, the economic ripple effect is estimated to be 1.72 billion yen, and if it is promoted to J1 and the average number of visitors to one game is 8,700, the economic ripple effect is estimated to be 2.32 billion yen.

Among the KPIs set in this loan, KPI 1, Stadium Attraction Rate, and KPI 2, J League Category, significantly contribute to regional economic revitalization in Imabari City, which has a population of approximately 154,000, and are also consistent with the government's policies and targets for local revitalization. Regarding the number of partners for KPI 3, it will support KPI 2 initiatives and contribute to the socio-economic development of the region through not only advertising media, but also collaboration between FC IMABARI and several partners in and outside Ehime Prefecture for various initiatives. In terms of the number of FC IMABARI fan club paying members, KPI 4, JCR evaluates that it is an initiative to boost the Stadium Attraction Rate, KPI 1 and that the number of participants in events, KPI 5, is significant as an indicator of contributing to local communities through participating in soccer classes and environmental education programs from a cultural and environmental perspective.

SPTs of this loan are also ambitious in the following respects.

1. Target setting is highly ambitious compared to the performance of other J league teams
2. Target setting is highly ambitious compared to the company's track record
3. Given that Imabari City, Ehime Prefecture, which is its main location, is a local city with 154,000 people, the impact of regional economic revitalization when achieving SPTs is significant

Based on the above, JCR has evaluated that both the KPIs and SPTs selected in this loan are significant and ambitious.

(2) Loan Terms and Medium-Term Monitoring System

JCR confirmed that the incentives in the loan terms and conditions are set in a manner satisfactory to both the borrower and the lender, that the progress of the SPTs is checked and the interest rate is reviewed multiple times until the maturity date, that the loan terms and conditions are linked to the progress of the SPTs at the time of such checks, and that the ultimate degree of sustainability achievement is confirmed when the loan matured. In addition, the borrower is scheduled to disclose KPI performance to the lender after the end of each fiscal year, and with regard to the progress of the SPTs, stadium attraction rate and J-League category results will be reported to the J-League by the borrower and made available to the public, and the performance from SPT 3 to SPT 5 will be verified by the tax accountant who audits the results. Should a significant change in SPTs occur during the period, JCR will review them to confirm whether they continue to be in compliance with the SLLP and others and whether they maintain the level of ambition and significance that was originally assumed. The borrower, the lender and JCR will conduct a review of the loan in the year of maturity to assess the progress in achieving the SPTs as well as the impact of the loan on the borrower and society.

Based on the above considerations, JCR confirmed that the loan to the borrower, which is the subject of the third-party opinion, conforms to SLLP and others.