

Sustainability Bond / Sustainability Bond Programme

External Review Form

Section 1. Basic Information

Issuer name: Soul of Japan K.K.

Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable: Sustainability Finance Framework

Independent External Review provider's name: Japan Credit Rating Agency Co., Ltd.

Completion date of this form: July 19, 2021

Publication date of review publication: July 19, 2021

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs and the SBPs:

- | | |
|------------------------------------------------------------|----------------------------------------------------------------------------------|
| <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 |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|-----------------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Soul of Japan K.K. was established in 2018 as a Japanese subsidiary of Pure Salmon Group, which is an aquaculture company for Atlantic salmon using a Recirculating Aquaculture Systems (RAS) technology. The RAS technology is a disruptive, non-invasive, land-based aquaculture method that will reshape the fish farming industry. Pure Salmon Group is managed by 8F Asset Management, a global asset management company. 8F Asset Management is headquartered in Singapore with group offices in Hong Kong, London and Frankfurt with the aim of supplying healthier, sustainable protein that will be needed more along with rapidly growing global population.

The salmon aquaculture business carried out by Soul of Japan, ultimately by Pure Salmon Group, is operated to contribute to achieve the SDG goals of 8F Asset Management, therefore, the sustainability efforts of Soul of Japan, Pure Salmon Group and 8F Asset Management are all in line.

Soul of Japan has stated to achieve economic revitalization by improving food self-sufficiency rate, reducing environmental loads, and local production and local consumption as environmental and social issues to be solved through its business activities.

The subject of the assessment is a sustainability finance framework (the Framework) established by Soul of Japan to limit the use of fund procured by bonds issuance, loans, etc. to purposes, which will bring social benefits and environmental improvement effects. JCR evaluates whether the Framework is consistent with the Green Bond Principles (2021 edition), Social Bond Principles (2021 edition), Sustainability Bond Guidelines (2021 edition), Green Loan Principles (2021 edition), Social Loan Principles (2021 edition), Green Bond Guidelines (2020 edition), and Green Loan Guidelines and Green Loan Guidelines (2020 edition) or not. These are respectively published principles or guidelines by the International Capital Markets Association (ICMA), the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA), Loan Syndications and Trading Association (LSTA), and the Ministry of the Environment voluntarily and are not regulations; therefore, not binding. However, JCR carries out evaluations by referring these principles and guidelines as uniform standards both in Japan and abroad at this moment.

The use of proceeds from sustainability financing in this framework is the fully closed-cycle onshore aquaculture project for salmon conducted by Soul of Japan. The project is expected to bring social benefits from the following viewpoints: (1) preventing marine pollution and conserving biodiversity; (2) food security and sustainable food supply for consumers; and (3) revitalization of local industries, mainly targeting areas where production facilities are located and surrounding areas. In pursuing the project, Soul of Japan checked negative impacts given to the environment and society through various surveys, including preliminary pollution examination, and various consultations on contract of corporate location agreements. In the process, Soul of Japan is establish plans for complying with the wastewater quality standards established by Mie Prefecture and Tsu City, reducing CO₂ emission from electricity consumption by installing solar panels at production facilities, minimizing organic waste, appropriate disposal of wastes, etc. As a result of confirming these measures, JCR has assessed that Soul of Japan appropriately identifies environmental and social risks and takes measures to avoid and mitigate them, and also the use of funds set out in this framework is expected to have environmental and social benefits.

As for the selection process of projects for sustainability finance in this framework, it is assumed that the management will make proposal, and then 8F Asset Management, which is a fund management company of Soul of Japan, will select, assess and approve, thereby management and investors are involved in the decision-making process. As for management of the fund procured, an appropriate tracking system has been established. In addition, Soul of Japan plans to report the appropriation of funds, environmental improvement effects, and social benefits once a year on. Therefore, disclosure items are also appropriate. Based on the JCR Sustainability Finance Assessment Methods, "Greenness and Social Beneficial Impacts Evaluation (Use of Proceeds)" and "Management, Operation and Transparency Evaluation" were determined to be "gs1(F)" and "m1(F)" respectively for this Framework. Consequently, the "JCR Sustainability Finance Framework Evaluation" was determined to be "SU1 (F)." This Framework is also considered to meet the criteria for items required by the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, the Green Loan Principles, the Social Loan Principles, the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan Guidelines.

<https://www.jcr.co.jp/en/greenfinance/>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

- Environmental improvement effects or social benefits are expected from full the use of proceeds.
- Soul of Japan appropriately identifies environmental and social risks and takes avoidance and mitigation measures as necessary.

Use of proceeds categories as per GBP:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input checked="" type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation / programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises |
| <input checked="" type="checkbox"/> Food security and sustainable food systems | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

With regard to the selection process for sustainability finance, after the proposal is drafted by Soul of Company's management, and then is selected, evaluated, and approved by 8F Asset Management, the fund management company of Soul of Japan. In preparing the proposal in Soul of Japan, it is discussed and decided by the Sustainability Committee, chaired by the president. In selection, evaluation, and approval in 8F Asset Management and Pure Salmon, discussions and decision-makings are made in Facility Board Meeting, Pure Salmon Board, etc. as shown that management and investors are involved in the decision-making process.

JCR has assessed the above is reasonable as a project selection process.

Evaluation and selection

- | | |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <input 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

Overall comment on section (if applicable):

JCR has evaluated that Soul of Japan has a high level of appropriateness and transparency in fund management.

Tracking of proceeds:

- | |
|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section *(if applicable):*

a. Reporting on the Status of Appropriation of Funds

Soul of Japan plans to disclose on its website on an annual basis its appropriation of funds raised through sustainability financing. In addition, in the event that there is a major change in the target of appropriation of the procured funds, such as a loss, and the unappropriated funds arise, the content of such fluctuations will be disclosed in the same manner.

b. Reporting on Environmental Improvement Effects and Social Benefits

Soul of Japan plans to disclose the contents of the framework annually on its website as a reporting item on environmental improvement effects and social benefits. The report contains concrete and quantitative data on both environmental improvement effects and social benefits, and the effects of sustainability finance can be measured.

Use of proceeds reporting:

- | | |
|--------------------------------------------------------|---------------------------------------------------------|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify):</i> |

Information reported:

- | | |
|---------------------------------------------------------|---------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Frequency:

- | | |
|---------------------------------------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Impact reporting:

- | | |
|--------------------------------------------------------|---------------------------------------------------------|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify):</i> |

Frequency:

- | | |
|---------------------------------------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Information reported (expected or ex-post):

- | | |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators <i>(please specify):</i> |
| | • Water Resource Indicators (Water Recycling Rate) |
| | ■ Social Benefits Related to Social Finance |
| | <Output Indicators> |
| | • Outline of Aquaculture Facilities Subject to Fund Appropriation |

<Outcome Indicators>

- Production and shipment volumes of aquaculture facilities

- FCR*

- Number of jobs created (new hires)

<Impact (qualitative goals)>

- Efforts to Address the Global Food Supply-Demand Gap and issues

- Promoting Employment and Providing Technology in Local Communities

Means of Disclosure

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify):
Show on the website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

Pure Salmon Group's Web site:
<https://www.pure-salmon.com/ja/home-jp/>

JCR's website about green finance evaluation methodology:
<https://www.jcr.co.jp/en/greenfinance/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s): Japan Credit Rating Agency, Ltd.

Date of publication: July 19, 2021

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

1. Second Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second Party Opinion.

It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.

2. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.

3. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

4. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.