

## JCR conducted evaluation of conformity of the bonds issued by Meiji Holdings Co., Ltd. to the sustainability finance framework

Japan Credit Rating Agency, Ltd. (JCR) has submitted a second-party opinion on conformity of the bonds issued by Meiji Holdings Co., Ltd. to its sustainability finance framework.

\*Please refer to the following pages for the details of the written opinion.

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## **Second Party Opinion**

Evaluation Target: Alignment of Bonds Issued by Meiji Holdings Co., Ltd. with the Sustainability  
Finance Framework (Review after the Issuance)

July 31, 2025

Japan Credit Rating Agency, Ltd.

## Table of Contents

<b>I. Positioning and Objectives of this Second Party Opinion.....</b>	<b>3 -</b>
<b>II. Items to be Confirmed in this Opinion .....</b>	<b>3 -</b>
<b>III. List of this Evaluation Target .....</b>	<b>3 -</b>
<b>IV. Verification of Alignment with this Framework .....</b>	<b>4 -</b>
1. Use of Proceeds .....	4 -
2. Selection Criteria and Processes of Use of Proceeds.....	6 -
3. Management of Proceeds.....	6 -
4. Reporting .....	8 -
<b>V. Conclusion .....</b>	<b>12 -</b>

## I. Positioning and Objectives of this Second Party Opinion

In January 2021, JCR has evaluated the Sustainability Finance Framework (hereinafter referred to as "this Framework") formulated by Meiji Holdings Co., Ltd. (hereinafter referred to as "Meiji HD" or "the Company") and consequently has assigned SU 1 (F). This Opinion has intended to confirm whether the Bonds issued by Meiji HD (hereinafter referred to as "this evaluation target") have been assigned with this Framework established by the Company beforehand.

## II. Items to be Confirmed in this Opinion

The items that should be confirmed in this Opinion are as described below.

### 1. Use of Proceeds

JCR will confirm whether the project for which the proceeds of this evaluation target will be used has been aligned with the eligibility criteria defined in the Framework. JCR will also confirm the negative impacts that may wield on the environment and society by the project for which the proceeds will be used.

### 2. Selection Criteria and Processes of Use of Proceeds

JCR will confirm that the process to issue this evaluation target has been as prescribed in this Framework.

### 3. Management of Proceeds

JCR will confirm whether the proceeds raised through the evaluation target have been allocated to the project for which the proceeds will be used in accordance with the plan stipulated in this Framework and whether the proceeds have been properly tracked and managed in line with this Framework.

### 4. Reporting

JCR will confirm whether the allocation of proceeds and impact reporting details for this evaluation target have been in line with this Framework and whether the contents have been adequately disclosed (whether it is clearly planned to be disclosed).

## III. List of this Evaluation Target

This evaluation target refers to the bonds issued on April 23, 2021 in the table below, based on the pre-established Sustainability Finance Framework by Meiji HD.

Evaluation Target	Issue Amount	Issue Date	Redemption Date	Coupon Rate
10th Series of Unsecured Corporate Bonds (Sustainability Bonds)	JPY 10 billion	April 23, 2021	April 23, 2026	0.050%

#### **IV. Verification of Alignment with this Framework**

##### **1. Use of Proceeds**

The use of proceeds subject to this evaluation target is as shown in the table below. JCR confirmed that the projects eligible for the use of proceeds remain unchanged from the previous fiscal year and continue to meet the eligibility criteria.

JCR has confirmed through interviews with Meiji HD that it has added the target project to the proceeds after carefully examining negative impacts that may exercise on the environment and society of the projects for which the proceeds will be used and determining there is no adverse impacts.

Accordingly, JCR has evaluated that the use of proceeds subject to this assessment has been aligned with this Framework.

<Summary of Use of Proceeds (List of Assets Acquired) >

■ Use of proceeds for the 10th series of unsecured corporate bonds (Sustainability Bonds)

Theme	Applicable Project	Project Category	Use of Proceeds
Sustainable Procurement	Meiji Sustainable Cocoa Bean procurement	<u>Green</u> Sustainable environmental management of biological natural resources and land use	Procurement of Meiji Sustainable Cocoa Beans
Caring for the Earth	Energy efficiency and energy creation at domestic and overseas plants	<u>Green</u> Renewable energy	Solar panels at its own plants
		<u>Green</u> Pollution prevention and management	Measures toward CFC-free (Installation of energy-saving and CFC-free refrigerators and freezers)
	Securing and conserving domestic and overseas water resources	<u>Green</u> Sustainable water resource and wastewater management	Improve water quality by installing RO membrane systems
	Switching to environmentally friendly packaging (plastic-paper)	<u>Green</u> Prevent pollution (creating a circular society)	Procurement of bioplastics straws (e.g. straws used for Zavas - Protein drink)
Healthier Lives	Capital investments and R&D for initiatives related to infant nutrition (General infant formulas and special formulas)	<u>Social</u> - Access to necessary services (health) - Food safety	Developing and manufacturing cube-type infant formula, a highly convenient product that helps reduce labor for working parents raising infants
	R&D and capital investments in infectious disease prevention	<u>Social</u> Access to necessary services (health)	Contributing to healthier lives by developing and manufacturing vaccines and pharmaceuticals in response to concerns of new and recurring infectious disease epidemics attributable to global warming and other environmental changes.

## 2. Selection Criteria and Processes of Use of Proceeds

JCR has confirmed through interviews with Meiji HD that the process conducted in issuing this target evaluation has been aligned with this Framework.

The goals/criteria and processes have been explained to investors in advance by disclosing the framework upon issuance of the bonds on the Company's website.

Accordingly, JCR has evaluated that the processes for the bonds have been aligned with this Framework.

## 3. Management of Proceeds

The allocation of proceeds for this evaluation target is as shown in the table below. JCR has evaluated that Meiji HD allocated all of the JPY 10 billion it had financed by FY 2022 to eligible projects in its alignment evaluation (23-D-0392) conducted in FY 2023. JCR has also confirmed through interviews with the Company that there have been no change to the projects to which the proceeds are to be allocated since the evaluation made in the previous fiscal year.

Similarly, JCR has confirmed that this evaluation target was tracked and managed in a manner stipulated in this Framework in the alignment evaluation carried out.

Consequently, JCR has evaluated that the proceed management structure of this evaluation target has been aligned with this Framework.

■10th Series of Unsecured Corporate Bonds: Allocation of Proceed

Theme	Applicable Project	Use of Proceeds	Allocations (JPY 100 million)		
			FY 2021	FY 2022	Total
Sustainable Procurement	Meiji Sustainable Cocoa Bean procurement	Procurement of Meiji Sustainable Cocoa Beans	14.7	14.2	28.9
Caring for the Earth	Energy efficiency and energy creation at domestic and overseas plants	Installing solar panels at its own plants, measures to reduce CO2	1.3	5.8	7.1
		Expense for measures toward CFC-free, including expenses to switch to natural refrigerant, CFC substitutes)	2.3	4.0	6.3
	Securing and conserving domestic and overseas water resources	Installing RO membrane systems	7.5	0.7	8.2
	Switching to environmentally friendly packaging (plastic-paper)	Costs of purchasing bioplastics straws (e.g. straws used for SAVAS - Protein drink)	4.3	4.6	8.9
Healthier Lives	Capital investments and R&D for initiatives related to infant nutrition (General infant formulas and special formulas)	Investment in manufacturing facilities at Saitama Plant	22.9	27.2	50.1
	R&D and capital investments in infectious disease prevention	Development of vaccine for Dengue virus	4.3	0.3	4.6
Grand total			57.3	56.8	114.1

\* Of the total allocations, JPY 10 billion was allocated to the proceeds related to this evaluation target.

#### 4. Reporting

##### **a. Reporting on the proceeds allocation**

Meiji HD will disclose the following items as the appropriation of proceeds for this evaluation target on its website.

- Outline of the project subject to the use of proceeds
- Amount allocated

As stated earlier, the proceeds were fully allocated and the results have been disclosed on the Company's website.

JCR has evaluated that the above-cited disclosure items have been aligned with the contents mentioned in this Framework.

##### **b. Reporting on Environmental and Social Benefits**

Meiji HD disclosed the following items as impact reporting on its website.

As same as the appropriation of proceeds, the results from FY 2021 to FY 2023 have been already disclosed on the Company's website and the performance results for FY 2024 in addition to these results were disclosed.

JCR has evaluated the disclosures aforesaid have been aligned with the details contained in this Framework.

■ 10th Series of Unsecured Corporate Bonds: Impact Reporting

Applicable Project	Impact Reporting						Impact
	Output	Outcome	FY 2021	FY 2022	FY 2023	FY 2024	
Meiji Sustainable Cocoa Bean procurement	Procurement of cocoa beans with sustainable programs	Procurement of Meiji Sustainable Cocoa Beans as a percentage of total cocoa beans procured	42%	62%	62%	100%	- Improvement in producer livelihoods - Ensure food quality and safety for consumers
Energy efficiency and energy creation at domestic and overseas plants	Reduce CO2 emissions by at least 50% compared with FY 2019 by FY 2030	Reduce CO2 emissions through energy conservation measures at new and existing plants	1,329t-CO2	3,709t-CO2 (FY 2021-2022)	7,625t-CO2 (FY 2021-2023)	11,011t-CO2 (FY 2021-2024)	-Reduce CO2 emissions -Protect the ozone layer
	Expand use of electricity derived from renewable energy sources to at least 50% by FY 2030	Reduce CO2 emissions through solar power generation	1,669t-CO2	2,358t-CO2 (FY 2021-2022)	3,014t-CO2 (FY 2021-2023)	3,679t-CO2 (FY 2021-2024)	
	Eliminate use of specified fluorocarbons at domestic production sites by FY2030.	Number of facilities switched to natural refrigerants or fluorocarbons alternatives	446 unit	565 unit (FY 2021-2022)	717 unit* (FY 2021-2023)	810 unit* (FY 2021-2024)	

Applicable Project	Impact Reporting						Impact
	Output	Outcome	FY 2021	FY 2022	FY 2023	FY 2024	
Securing and conserving domestic and overseas water resources	Upgrade equipment at existing plants and offices	Reduction rate of water consumption (basic unit)					Reduce environmental impact through efficient use of water and appropriate wastewater management, etc.
	Introduce water-saving equipment at new plants, etc.	*Reduce water consumption compared with FY2020 (From FY2022)					
	Reduce water consumption by at least 15% compared with FY2020 by FY2030 globally	(Unit of sales after applying the Accounting Standard for Revenue Recognition and other standards)	8.4% (compared with FY 2017)	13.3%	15.7%	27.1%	
Switching to environmentally friendly packaging (plastic-paper)	Reduce plastic used for one-way plastic containers and packaging by at least 30% compared with FY 2017 by FY 2030	Plastic reduction	13% (FY 2020)	16% (FY 2021)	18.3% (FY 2022)	22.1% (FY 2024)	Solve the issues of marine pollution caused by plastic waste

Applicable Project	Impact Reporting						Impact
	Output	Outcome	FY 2021	FY 2022	FY 2023	FY 2023	
Capital investments and R&D for initiatives related to infant nutrition (General infant formulas and special formulas)	Develop and produce cube-type infant formula	Investment in production facilities for cube-type infant formula				Since the facilities were already in operation in FY2023, there was no new investment in this fiscal year.	<ul style="list-style-type: none"> <li>- Achieve healthy growth of infants and toddlers</li> <li>- Reduce childcare burden on caregivers</li> </ul>
		High-speed line production facility construction	JPY 1,300 M	JPY 2,360 M	JPY 850 M*		
		Utilities construction	JPY 990 M	JPY 360 M	JPY 260 M*		
R&D and capital investments in infectious disease prevention	Product development	Status of projects in development	During Phase I trials (overseas)	Phase II clinical trial in preparation	Phase II clinical trial in preparation	Phase II clinical trial in preparation	<ul style="list-style-type: none"> <li>- Decrease the number of patients suffering from infectious diseases</li> <li>- Support domestic medical systems</li> <li>- Prevent severe disease through the impact of vaccines</li> </ul>

\*It is a reference value as the proceeds were already appropriated by FY 2022.

## **V. Conclusion**

From the foregoing insight, JCR has confirmed that this evaluation target has been aligned with respective elements of this Framework.

(Responsible analysts for this evaluation) Rieko Kikuchi, Tomohiko Inamura

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## Important Explanation of this Second Party Opinion

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### 1. Assumptions, Significance and Limitations of Second Party Opinion Provided by JCR

The Second Party Opinion assigned and provided by Japan Credit Rating Agency, Ltd. (hereinafter referred to as "JCR") represents a comprehensive statement of the JCR's current opinions on whether the evaluation target has been aligned with the Sustainability Finance Framework formulated by the issuer, and it therefore does not express environmental and social benefits to be brought about by the said evaluation target.

This Second Party Opinion is to evaluate the plans or circumstance at present based on information provided by the client and independently collected by JCR and does not guarantee the evaluation on circumstances in the future. This Second Party Opinion does not quantitatively demonstrate environmental and social benefits through the Sustainability Bonds, and JCR assumes no responsibility for its effects. JCR will confirm that the issuer or the third party requested by the issuer has quantitatively and qualitatively measured the effect exerted on the environment and society by the proceeds financed through the issuance of the Sustainability Bonds; however, JCR, in principle, does not directly measure it.

### 2. International Initiatives or Principles Referred in Conducting this Evaluation

JCR has referred to the following principles and guidelines developed by ICMA, LMA, APLMA, LSTA, Ministry of the Environment and Financial Services Agency in carrying out this evaluation.

- Green Bond Principles (2025)
- Social Bond Principles (2025)
- Sustainability Bonds Guidelines (2021)
- Green Bond Guidelines (2024)
- Social Bond Guidelines (2021)

### 3. Relations with Conduct on Credit Rating Business

This Second Party Opinion is provided by JCR as its related business and differs from any conduct of its credit rating business.

### 4. Relations with Credit Ratings

This Evaluation differs from credit rating and is not committed to providing a predetermined credit rating or making available for inspection.

### 5. Impartiality of JCR

There is neither capital nor personal relations that cause conflicts of interest between this evaluation target and JCR.

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#### ■ Glossary

Second Party Opinion: This report has provided a second opinion for the alignment of the Sustainability Bonds issued by the issuer with the Sustainability Finance Framework formulated by the issuer from the independent, neutral and impartial standpoint in response to a request from the client.

#### ■ Status of Registration as an External Evaluator of Sustainable Finance

- United Nations Environment Programme, Financial Initiative, Positive Impact Working Group Members
- Registered as an external reviewer of Green Bonds by Ministry of the Environment
- Climate Bonds Initiative Approved Verifier
- ICMA (registered as an observer to the International Capital Markets Association), Social Bond Principles, Climate Transition Finance Working Group Members

#### ■ Status of Registration as a Credit Rating Agency

- Credit Rating Agency: FSA Commissioner (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has been registered in the following four of the five credit rating classes of NRSRO (Nationally Recognized Statistical Rating Organizations) defined by the U.S. Securities and Exchange Commission: (1) Financial institutions, brokers and dealers; (2) Insurance companies; (3) Corporate issuers; and (4) Issuers of government securities, municipal securities and foreign government securities. In cases where any information is required to be disclosed under Rule 17g-7(a) of the U.S. Securities and Exchange Commission, such disclosure will be attached to the news release posted on JCR's website at <http://www.jcr.co.jp/en/>.

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