



VERIFICATION REPORT

**Japan Railway Construction, Transport and
Technology Agency**

JRTT Sustainability Finance

**DNV Post-Issuance Verification and Periodical
Review (7th)**

Prepared by: DNV Business Assurance Japan K.K.

Location: Kobe, Japan

Date: 21 October 2025

Ref. Nr.: PRJN-234044-2021-PR-JPN-7

Revision History

Issue Date	Remarks
January 2019	JRTT Sustainability Finance Eligibility DNV GL Pre Issuance Verification Report
October 2019	JRTT Sustainability Finance DNV GL Post Issuance Verification and Periodical Review (1st)
November 2020	JRTT Sustainability Finance DNV GL Post Issuance Verification and Periodical Review (2nd)
June 2021	JRTT Sustainability Finance Eligibility DNV Pre Issuance Verification Report_r1
November 2021	JRTT Sustainability Finance DNV Post Issuance Verification and Periodical Review (3rd)
October 2022	JRTT Sustainability Finance DNV Post Issuance Verification and Periodical Review (4th)
December 2022	JRTT Sustainability Finance Eligibility DNV Pre Issuance Verification Report_r2
November 2023	JRTT Sustainability Finance DNV Post Issuance Verification and Periodical Review (5th)
October 2024	JRTT Sustainability Finance DNV Post Issuance Verification and Periodical Review (6th)
October 2025 (This Report)	JRTT Sustainability Finance DNV Post Issuance Verification and Periodical Review (7th) <ul style="list-style-type: none"> - Allocation status: The proceeds raised in FY2021 (55.05 billion yen in sustainability loans) were fully allocated as of the end of FY2024. Started allocation of the proceeds raised in FY2024 (59.8 billion yen in sustainability bonds and 12.11 billion yen in sustainability loans) as planned. The unallocated amount as of the end of FY2024 was 10.13 billion yen out of 15.8 billion yen (total amount of the 171st bond issued on 28 November 2024). - Environmental benefits: Confirmed CO₂ emissions per transport volume through low-carbon transportation

Disclaimer

Our assessment relies on the premise that the data and information provided by Fundraiser 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)

Scope and Objectives:

Japan Railway Construction, Transport and Technology Agency (hereinafter, “JRJT”) is an incorporated administrative agency and fully invested by government. JRJT is only one incorporated administrative agency who develops and supports transportation networks through railway and ship assets. Its organization is divided into the following five accounts: Construction Account, Maritime Account, Local public transportation Account, Subsidy Account, and Special Operation Account; moreover, this organization has the following five businesses units: Railway construction, Joint Ownership Coastal Shipbuilding, Local Public Transportation Investment etc., Railway Development Subsidy, and Japanese National Railways Settlement Administration.

JRJT determined the basic philosophy indicated below to achieve the goals prescribed in Japan Railway Construction, Transport and Technology Agency Act. Furthermore, JRJT has formulated the environmental consideration policy as “Basic Environmental Policy” (implemented on 1 April 2023) and “Environmental Action Plan” (formulated on 1 April 2023), and executed the specific commitment to reduce the environmental load for its business activities.



【JRJT’s Basic Philosophy】

Contribute to Build Tomorrow's Transportation Networks.

- We contribute to building safe, secure, eco-friendly transportation networks.
- Our transportation network building helps improve people’s lives and further develop economies and societies.
- In the course of building transportation networks, we use our reliable technical capacity, abundant experience, and advanced expertise to the fullest.













The Promotion for the business of Railway Construction and Joint Ownership Shipbuilding through this Sustainability Finance issuance contributes the solution for environmental issues and the social benefits. These activities also contribute the SDGs goals set by the United Nations. Moreover, DNV has confirmed that JRJT captured and linked the relationship widely between SDGs goals and each business of overall organization. The outline of Green (Environmental) / Social Benefits and Contribution to SDGs is described in the following table.

Table-1 JR TT Sustainability Finance for Environmental/Social Benefits and Contribution to SDGs*

Project Portfolio	Green (Environmental) Benefits	Social Benefits	Linkage/Contribution to SDGs
No.01 Railway Construction	Eligible Category: Clean Transportation - Mitigation of environmental load (Greenhouse gas emission reduction etc.)	Eligible Category: - Essential and imperative transportation infrastructure maintenance - Low cost and easy access for various customers	<ul style="list-style-type: none"> •Goal 3: Good Health and Well-being •Goal 7: Affordable and Clean Energy •Goal 8: Decent Work and Economic Growth •Goal 9: Industry, Innovation and Infrastructure •Goal 11: Sustainable Cities and Communities •Goal 12: Responsible Consumption and Production •Goal 13: Climate Action •Goal 15: Life on Land 
No.02 Joint Ownership Shipbuilding	Eligible Category: Clean Transportation, Pollution Prevention and Control - Mitigation of environmental load (Greenhouse gas emission reduction etc.) - Marine environment conservation	Eligible Category: - Essential and imperative transportation infrastructure maintenance and various user convenience - Efficient distribution - Operation of routes to remote island	<ul style="list-style-type: none"> •Goal 8: Decent Work and Economic Growth •Goal 9: Industry, Innovation and Infrastructure •Goal 11: Sustainable Cities and Communities •Goal 13: Climate Action •Goal 14: Life Below Water 

* In addition to the JR TT and Sustainability Finance Project Portfolio contributions to the SDGs goals shown in Table-1, DNV has confirmed that JR TT has organized contribution to SDGs from the perspective of environmental and social benefits based on its governance structure and business content.

Table-2 Relationship between JRTT business content and SDGs

JRTT Governance System/Business Content	Linkage/Contribution to SDGs
Governance system sustaining the business activities	<ul style="list-style-type: none"> •Goal 8: Decent Work and Economic Growth •Goal 16: Peace and Justice Strong Institutions  
Securing/Cultivating human resources Appropriate staff assignment	<ul style="list-style-type: none"> •Goal 5: Gender Equality •Goal 8: Decent Work and Economic Growth  
Activating communities	<ul style="list-style-type: none"> •Goal 9: Industry, Innovation and Infrastructure •Goal 11: Sustainable Cities and Communities  
International cooperation	<ul style="list-style-type: none"> •Goal 3: Good Health and Well-being •Goal 7: Affordable and Clean Energy •Goal 9: Industry, Innovation and Infrastructure •Goal 11: Sustainable Cities and Communities •Goal 13: Climate Action •Goal 17: Partnerships to achieve the Goal      



This report covers post-issuance verification and periodical review based on CBI Program Certification of JRTT Sustainability Finance^{*1} as Climate Finance (bonds and loans) carried out in FY2021 and FY2024.

In FY2024, JRTT procured as JRTT Sustainability Finance through bonds on 30 May, 29 August, 28 November in Year 2024, and 27 February 2025 in total of 59.8 billion yen, and 12.11 billion yen through loan on 27 March 2025.

JRTT has secured program certification from the Climate Bonds Initiative against the Climate Bonds Standard. DNV Business Assurance Japan K.K. (hereinafter, "DNV") conducted post issuance verification against Climate Bond Standards version 3.0 (hereinafter, "CBS v3.0") and periodical review of the Finance Eligibility Assessment by using the Green Bond Principles^{*2} (ICMA; hereinafter, "GBP"), the Social Bond Principles^{*3} (ICMA; hereinafter, "SBP"), the Sustainability Bond Guidelines^{*4} (ICMA; hereinafter, "SBG"), the Green Loan Principles^{*5} (LMA et al.; hereinafter, "GLP"), the Green Bond Guidelines^{*6} (the Ministry of the Environment, Japan; hereinafter, "GBGL"), the Green Loan Guidelines^{*7} (the Ministry of the Environment, Japan; hereinafter, "GLGL"), and the Social Bond Guidelines^{*8} (the Financial Services Agency; hereinafter, "SBGL").

- *1: Financing method that includes contribution to both environmental (green) and social nature, and bond issuance and market borrowing (loan)
- *2: Due to revisions to the principles and framework, the 2021 version has been applied after December 2022, and the 2018 version was applied before then.
- *3: Due to revisions to the principles and framework, the 2021 version has been applied after December 2022, and the 2018 version was applied before then.
- *4: Due to revisions to the guidelines and framework, the 2021 version has been applied after December 2022, and the 2018 version was applied before then.
- *5: Due to revisions to the principles and framework, the 2021 version has been applied after December 2022, and the 2018 version was applied before then.
- *6: Due to revisions to the guidelines and framework, the 2022 version has been applied after December 2022, and the 2017 version was applied before then.
- *7: Due to revisions to the framework, it is applied after December 2022.
- *8: Due to revisions to the framework, it is applied after December 2022.

In addition, JRTT plans to apply a portion of the sustainability finance procured in FY2021 (Sustainability Loan implemented on 30 November 2021) over multiple fiscal years, and the post-implementation verification and periodic review of the allocation status etc. of such sustainability finance in FY2024 are included in the scope of this eligibility assessment.

JRTT determined the Basic Environmental Policy and the Environmental Action Plan based on its Basic Philosophy; "We contribute to build safe, secure, eco-friendly transportation networks." Under this commitment, JRTT executes various business includes sustainability eligible project portfolio "Railway Construction" and "Joint Ownership Shipbuilding." JRTT



defines its sustainable social contribution through its business associating its Finance Eligible Project Portfolios with SDGs.

JRTT has allocated a portion of the unallocated proceeds (loans) raised through JRTT Sustainability Finance in FY2021 to the following projects and assets as planned during FY2024.

“Project 01, Railway Construction”

- R-5 Shinkansen Lines *new allocation

JRTT allocated the proceeds (bonds and loans) raised through JRTT Sustainability Finance in FY2024 to the following projects and assets as new finance and refinance as planned during FY2024.

“Project 01, Railway Construction”

- R-2 Main Line and Interurban Lines in Big Cities *refinance
- R-3 Private Sector Railway *refinance
- R-4 Urban Railway *refinance
- R-5 Shinkansen Lines *new allocation

* Refer to Schedule-1 for the details of projects and allocation status of proceeds.

JRTT has commissioned DNV to provide the pre-issuance verification, post-issuance verification, and periodical review of the JRTT’s eligibility of the Finance against the CBS v3.0 determined by CBI, which is acknowledged as an international Climate Bond Certification Agent. At the same time, they have commissioned DNV to follow criteria of GBP, SBP, SBG, GLP, GBGL, GLGL, and SBGL. Pre-issuance verification which was conducted in January 2019 and additional verification (revised verification report) was conducted in June 2021 and December 2022 concluded the eligibility of railway construction against CBS v3.0 and associated sector technical criteria. Moreover, based on the verification results, JRTT has obtained program certification intended to raise funds that contribute to the environment through continuous Sustainability Finance. DNV will not provide independent assurance or other audit activities.

Our standards and information for achieving the request from JRTT are listed in the “Work Undertaken” below. The post-financing verification and periodic review conducted this time were based on the information (explanations and documents from JRTT stakeholders) provided to DNV by JRTT in an interview with JRTT conducted on 4 September 2025.



This report provides no guarantees regarding the financial performance of sustainability finance, the value of any finance investments, or the long-term environmental benefits of nominated projects. DNV's purpose is to provide an evaluation based on the criteria set out below as to whether the use of proceeds is consistent with the criteria set out below.

Low Carbon Land Transport and the Climate Bonds Standard (Version 1.0)

Land Transport Criteria (Version 2) October 2020

Also, DNV includes other related criteria described in the section "Basis of DNV's Opinion" for annual report review.

Responsibilities of the Management of JRTT and DNV

The management of JRTT 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 JRTT management and other interested stakeholders in the Bond and Loan as to whether the established criteria have been met, based on the information provided to us. DNV is not responsible for any aspect of the projects or 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 JRTT management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

DNV has conducted the verification against the CBS v3.0^{*1} and associated sector technical criteria through the creation and execution of a verification protocol addressing each requirement of those standard and criteria. The detail of areas covered in the DNV verification is summarized in Schedule-2 below.

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 Sustainability Finance should "enable capital-raising and investment for new and existing projects with environmental and social benefits."

As per our Protocol, DNV also considers GBP^{*2}, SBP^{*3}, SBG^{*4}, GLP^{*5}, GBGL^{*6}, GLGL^{*7}, and SBGL^{*8}, as well as the CBS v3.0 above. The criteria against which the Sustainability Finance has been reviewed are grouped under the four Principles as follows:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that a fundraiser of Sustainability Finance must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and/or social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Process for Project Evaluation and Selection criteria are guided by the requirements that a fundraiser of a Sustainability Finance should outline the process it follows when determining eligibility of an investment using Finance 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 Sustainability Finance should be tracked within the fundraiser, 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 finance stakeholders should be made of the use of finance proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Standards/Guidelines	Applicable Version ^{*9}	
	Before December 2022	After December 2022
*1: Climate Bonds Standard v3.0 (Climate Bonds Initiative (CBI))	v2.1 or v3.0	v3.0 (no change)
*2: Green Bond Principles (International Capital Market Association (ICMA))	2018	2021
*3: Social Bond Principles (International Capital Market Association (ICMA))	2018	2021
*4: Sustainability Bond Guidelines (International Capital Market Association (ICMA))	2018	2021
*5: Green Loan Principles (Loan Market Association (LMA), Asia Pacific and Loan Syndication and Trading Association)	2018	2021
*6: Green Bond Guidelines (Ministry of the Environment, Japan)	2017	2022
*7: Green Loan Guidelines (Ministry of the Environment, Japan)	-	2022
*8: Social Bond Guidelines (Financial Services Agency)	-	2021

*9: Due to the revision of the framework, the version of the standards that will be applied from December 2022 has been changed or added for some standards.

Work Undertaken

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

Pre-Issuance Verification and Assessment (completed previously):

- Creation and execution of Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the Finance nominated projects and assets, as described above and in Schedule-2 to this Assessment.
- Assessment of documentary evidence provided by fundraiser on the Finance and supplemented assessment by a high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with fundraiser, and review of relevant documentation and evidence related to the criteria of the Protocol.
- Documentation of findings against each element of the criteria.
- Field survey and inspection against the projects and assets.

Post-Issuance Verification, Periodical Verification, and Assessment:

- Assessment of evidential documents provided by JRTT after the implementation of Sustainability Finance, high-level desktop research, document reviews, and supplemental evidential documents obtained through interviews with key personnel of the fundraiser. These assessments refer to best practices in current assessment and standard methodologies.
- Discussions with key personnel of fundraiser management and review of relevant documentation.
- Review of the nominated projects and assets described in Schedule-2 at the time of the periodical verification.
- Documentation of findings from the periodical review in detail.
- Field research and inspection against the projects and assets, if required.

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



Findings and DNV's Opinion

Of the Sustainability Finance implemented by JRTT in FY2021, DNV conducted assessment on Sustainability Loans (Loan executed on 30 November 2021) with unallocated proceeds at the end of FY2023, and Sustainability Finance implemented in FY2024 (Bonds issued on 30 May, 29 August, 28 November in year 2024 and 27 February 2025, and Loan executed on 27 March 2025). It is DNV's responsibility to provide an independent verification statement on the compliance of the JRTT Sustainability Finance with the CBS v3.0.

DNV conducted the verification in accordance with the CBS v3.0 and International Standard on Assurance Engagements 3000 (excluding other audits or reviews of past information). The verification included i) checking whether the provisions of the CBS v3.0 were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming to the CBS v3.0 and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Sustainability Finance continues to meet the requirements of the CBS v3.0.

Based on the limited assurance procedures conducted, DNV has confirmed that the Sustainability Finance is, in all significant material respects, in accordance with the requirements of the CBS v3.0 and associated technical criteria of Land Transport. Furthermore, DNV has also confirmed that the reported environmental benefits associated with the nominated projects and assets are accurate.

DNV also conducted periodical review, other than post-issuance verification of the JRTT's annual report against to the criteria of GBP, SBP, SBG, GLP, GBGL, GLGL, and SBGL accordingly.

DNV's findings and opinions are listed below:

Principle One: Use of Proceeds

<For proceeds raised in FY2021>

JRTT has reported on its website that the proceeds of 55.05 billion yen raised from sustainability loans on 30 November 2021 have been fully allocated to the following projects.

(1) Sustainability Finance Eligible Project (new allocation): Sustainability Loan

Railway Construction (Project 01 R-5)

Project 01 R-5: Shinkansen Lines

Allocation of FY2021 : 28.71 billion JPY

Allocation of FY2022 : 10.55 billion JPY

Allocation of FY2023 : 10.25 billion JPY

Allocation of FY2024 : 5.54 billion JPY

Total : 55.05 billion JPY (fully allocated)

It has been confirmed that other Sustainability Bonds 82 billion yen and Sustainability Loans (29 March 2022) 10.1 billion yen raised in FY2021 had been allocated within FY2021.

Schedule-1 shows lists and details of sustainability projects.

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

<For proceeds raised in FY2024>

JRTT has reported on its website that the major portion of the proceeds raised in FY2024 (total amount raised: 59.8 billion yen in Sustainability Bonds, 12.11 billion yen in Sustainability Loans) have been allocated to the following businesses as new finance and refinance. JRTT plans to fully allocate 10.13 billion yen of the proceeds from Sustainability Bonds that remain unallocated as of the end of FY2024 during FY2026 based on the allocation plan.

(1) Sustainability Finance Eligible Project (new finance and refinance): Sustainability Bond	
Railway Construction (Project 01 R-2, R-3, R-4, R-5)	
Project 01 R-2: Main Line and Interurban Lines in Big Cities	
Sub-total	: 1 billion JPY (refinance)
Project 01 R-3: Private Sector Railway	
Sub-total	: 24.57 billion JPY (refinance)
Project 01 R-4: Urban Railway	
Sub-total	: 19.43 billion JPY (refinance)
Project 01 R-5: Shinkansen Lines	
Sub-total	: 4.67 billion JPY (new allocation)
Total	: 49.67 billion JPY
Unallocated amount	: 10.13 billion JPY

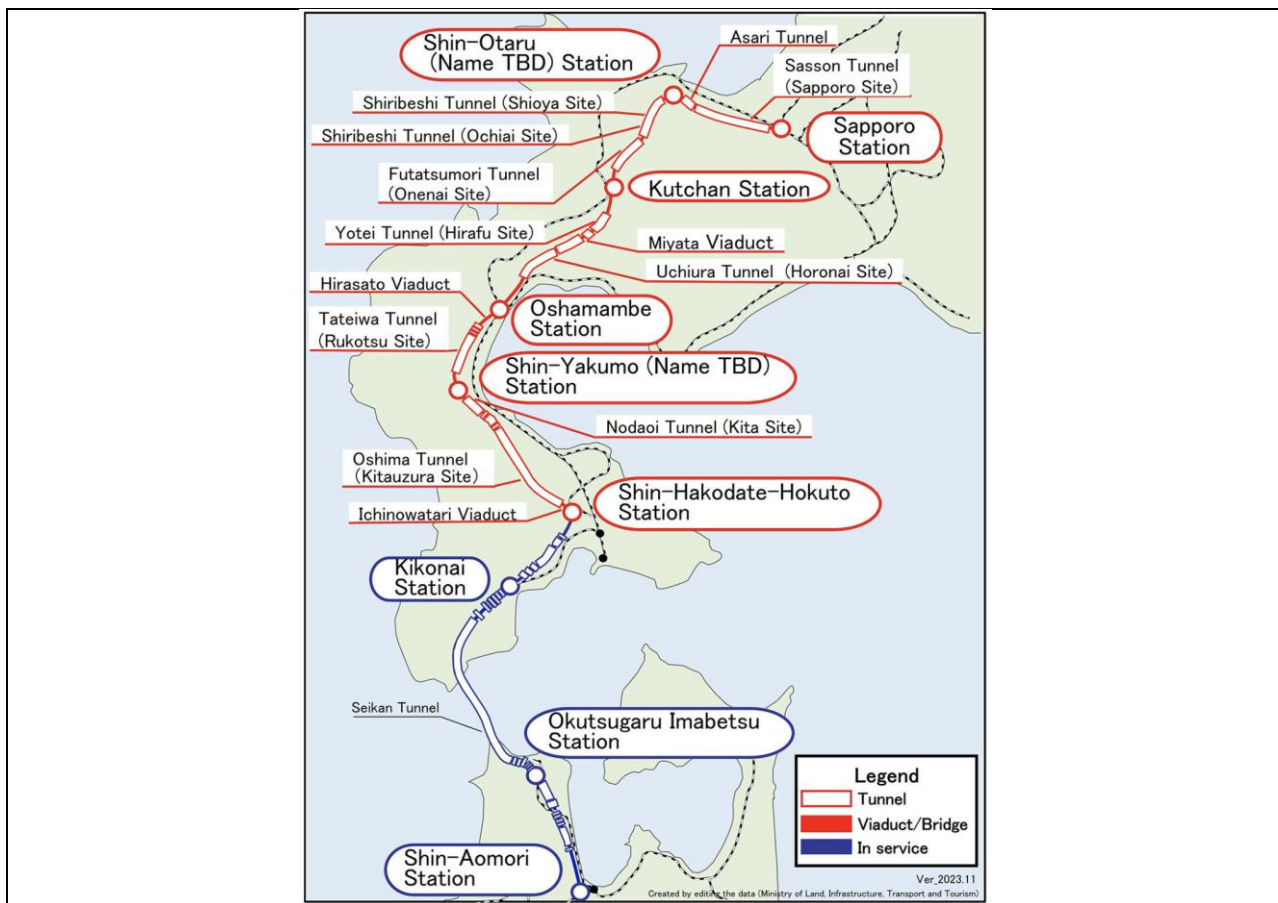
(2) Sustainability Finance Eligible Project (refinance): Sustainability Loan	
Railway Construction (Project 01 R-2, R-3)	
Project 01 R-2: Main Line and Interurban Lines in Big Cities	
Sub-total	: 0.6 billion JPY
Project 01 R-3: Private Sector Railway	
Sub-total	: 11.51 billion JPY
Total	: 12.11 billion JPY (fully allocated)

Schedule-1 shows the detail of Sustainability Projects.

DNV has reviewed the eligible projects and assets classified above for which the proceeds have been allocated.



Fig-1 Project 01 Example of representative railway construction



Construction length	<p>Approx. 211.9 km</p> <p>Earthwork: Approx. 7.4 km (approx. 3%)</p> <p>Bridge: Approx. 5.3 km (approx. 3%)</p> <p>Viaduct: Approx. 30.3 km (approx. 14%)</p> <p>Tunnel: Approx. 168.9 km (approx. 80%)</p>
Line length	Approx. 212 km
Major tunnels	Oshima Tunnel (approx. 32.7 km), Shiribeshi Tunnel (approx. 18.0 km), Sasson Tunnel (approx. 26.2 km)
Major bridges	Saranbe river bridge (188 m), Yurappu river bridge (217 m), Shiribetsu river bridge (267 m)
Municipalities alongside the line	Hokuto, Assabu, Yakumo, Oshamambe, Kuromatsunai, Rankoshi, Toyoura, Niseko, Kutchan, Niki, Akaigawa, Yoichi, Otaru, Sapporo
Stations	Shin-Hakodate-Hokuto, Shin-Yakumo (name TBD), Oshamambe, Kutchan, Shin-Otaru (name TBD), Sapporo

Fig-2 Project 01 R-5 Representative construction example of Shinkansen Line, overview of the Hokkaido Shinkansen (Shin-Hakodate-Hokuto to Sapporo)



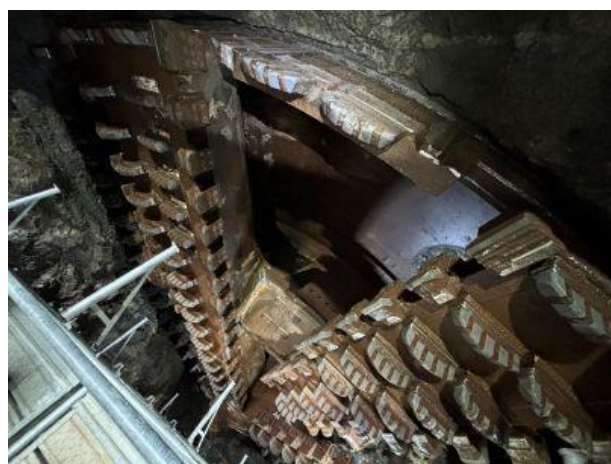
Yotei Tunnel (Arishima) (Niseko)
Status of rock mass removal near the
machine's stop position on the ground
surface



Oshima Tunnel (Minamiuzura) (Hokuto,
Assabu)
Under tunnel excavation



Oshima Tunnel (Daibayama) (Hokuto)
Under tunnel excavation



Yotei Tunnel (Hirafu) (Niseko, Kutchan)
Intermediate vertical pile machine faceplate

Fig-3 Project 01 R-5 Representative construction example of Shinkansen Line, the Hokkaido
Shinkansen (Shin-Hakodate-Hokuto to Sapporo)

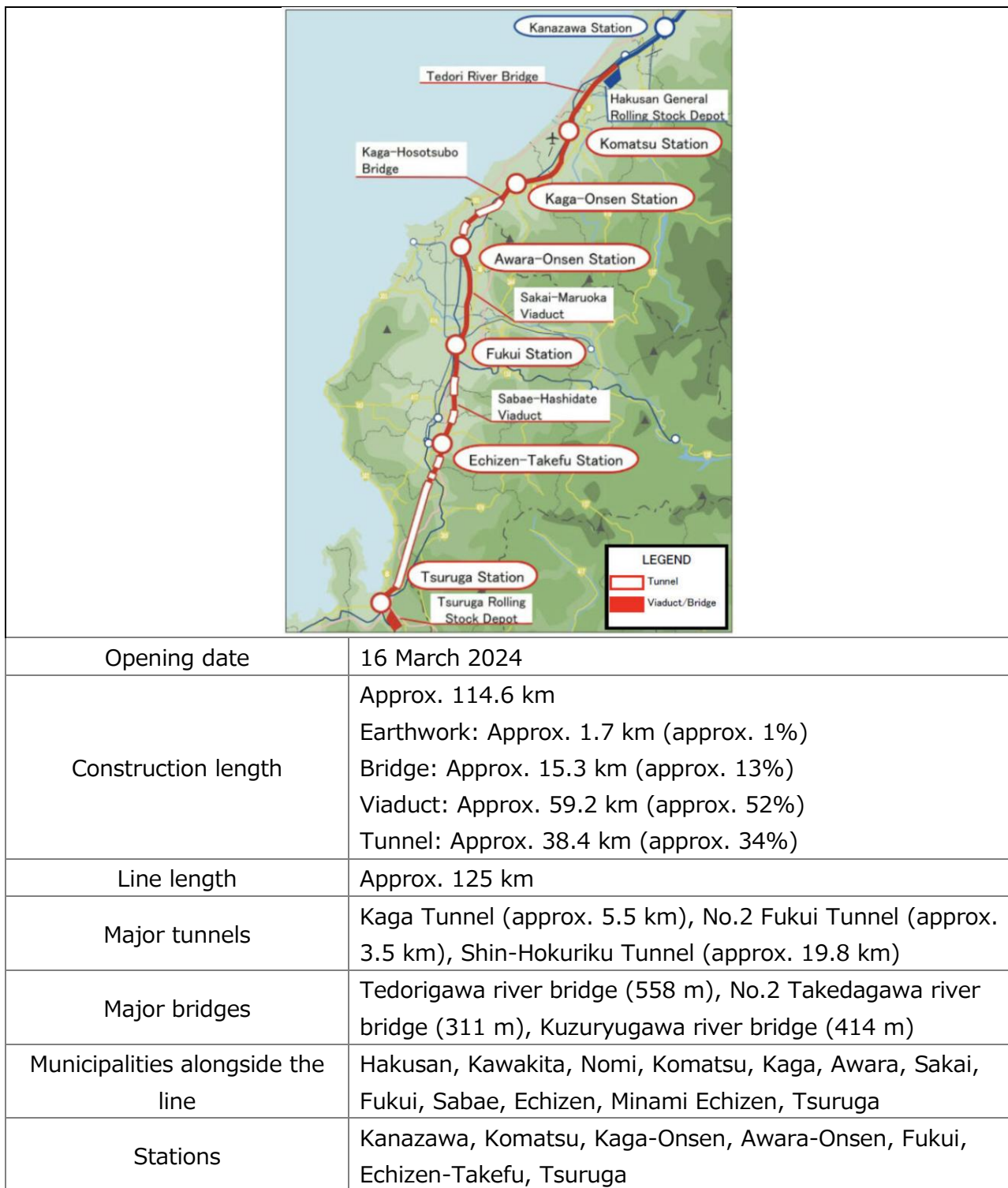


Fig-4 Project 01 R-5 Representative construction example of Shinkansen Line, overview of the Hokuriku Shinkansen (Kanazawa to Tsuruga)

Principle Two: Process for Project Evaluation and Selection

The proceeds have been allocated solely to new allocation and refinance the projects and assets as defined in Schedule-1. As for the negative impact caused by these projects, appropriate countermeasures and practical action plans, which comply with relevant regulations and laws, have been taken and will be taken after the evaluation by JRTT. DNV has confirmed that JRTT resulted that its effect is limited and appropriate action will be taken if required.

Principle Three: Management of Proceeds

DNV has reviewed evidence showing how JRTT traced the proceeds from the Finance (from the time of loan execution or bond issuance to the time of disbursement). Most of the proceeds has been allocated promptly. The details of the disbursement value are tracked using JRTT's internal protocol. At the end of each financial period (fiscal year), JRTT manages the outstanding balance of the Finance.

In the periodic review conducted in September 2025, DNV confirmed the following regarding the management status of proceeds as of the end of March 2025 based on the evidence provided by JRTT.

- Of the proceeds that JRTT raised through sustainability finance in FY2021 (until the end of March 2022), an additional 5.54 billion yen was allocated from the unallocated sustainability loan of 55.05 billion yen (allocated: 49.51 billion yen, unallocated: 5.54 billion yen as of the end of March 2024) during FY2024, and the proceeds were fully allocated.
- All of the 49.67 billion yen of 59.8 billion yen raised by JRTT from sustainability bonds in FY2024 (until the end of March 2025) and 12.11 billion yen in sustainability loans have been allocated as new finance or refinance as planned. Of the proceeds from sustainability bonds raised in FY2024, the unallocated amount of 10.13 billion yen is managed as cash or cash equivalents and will be allocated during FY2026.

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

Principle Four: Reporting

DNV has confirmed that JR TT discloses its annual report on its website for the specific items required by Sustainability Finance. This includes the target projects and the allocation status of proceeds.

As for the construction of the Hokkaido Shinkansen, included in Project 01 R-5 Shinkansen Lines, the construction of several tunnels is delayed by 3 to 4 years as of May 2024 due to difficulties in securing land to receive excavated soil before excavation, the unexpected appearance of huge rocks under excavation, and geological issues beyond expectations. JR TT reported to Minister of Land, Infrastructure, Transport and Tourism that it is significantly difficult to achieve the initial target of completion and opening at the end of FY2030.

In response to this report, the Ministry of Land, Infrastructure, Transport and Tourism held the “Expert Panel on the Development of the Hokkaido Shinkansen (Shin-Hakodate-Hokuto to Sapporo)” to deliberate on the following points:

- 1) Whether the content of the report from JR TT is reasonable
- 2) Whether any measures can be taken, while also drawing on the expertise of the panel members, to re-examine the overall process
- 3) Consideration of the future outlook regarding the opening

Following the above deliberations, the Expert Panel reported the following content.

- Considering the current schedule delays alongside anticipated future delays due to poor geological conditions and labor hour restrictions, JR TT's report that completion and opening by the end of FY2030 is difficult is reasonable, even with schedule shortening measures.
- Based on past construction performance and understood geological conditions, and assuming high-probability risks and feasible schedule shortening measures, completion and opening are currently projected for around the end of FY2038.
- In the event of additional risks with significant schedule impact, the delay possibly extends by several years.

On 14 March 2025, JR TT disclosed on its website that it will continue to work to shorten the construction process and make maximum efforts to determine the opening date as soon as possible, and that it will steadily advance construction work on the tunnel etc., and thoroughly re-examine the overall process once a definite timeline for tunnel breakthrough is established

(<https://www.jr-tt.go.jp/project/202405announcement.html>).

No significant delays or changes have occurred for other projects.

DNV has confirmed that the quantitative and qualitative information on environmental benefits is based on the latest data available from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) at the time of the reporting release.

JRTT also discloses environmental and social benefits and the management status of proceeds on its website.

<https://www.jrtt.go.jp/ir/sustainability-finance.html> (Reporting)

- CO₂ emission per transport volume (FY2023)
- Numbers of passengers of representative lines of the eligible railway project (Railway Construction) (FY2022)
- FY2024 Allocation status of proceeds
- FY2024 Refinancing share (Unit: %)
- FY2024 Project progress by eligible project (allocation results)

Of these, the following information regarding “FY2023 Project progress by eligible project” has been published on JRTT website:

- Environmental report 2024
- FY2024_Annual business report
- FY2024_Annual financial report
- FY2024_Annual financial statement
- FY2024_Project report
- Finance information report (Corporate Information Section, Securities Information Section)

* Above includes other business reporting that are not subject to the Sustainability Finance allocation for FY2024.

Table-3 shows a list of CO₂ emissions per transport volume by transportation method, updated by the Ministry of Land, Infrastructure, Transport and Tourism as the latest version for FY2023. CO₂ emission per unit (passenger and freight) is comparably lower enough than other transportation categories.

Table-3 CO₂ emission per transport volume (FY2023)

Reference : Ministry of Land, Infrastructure, Transport and Tourism, Japan (MLIT)

Category	Passenger: g-CO ₂ /p-km	Freight: g-CO ₂ /t-km
Private light vehicle	127	1,147
Cargo vehicle	-	207
Airplane	94	-
Bus	63	-
Ship	-	42
<u>Railway</u>	<u>17</u>	<u>19</u>



DNV Business Assurance Japan K.K.

21 October 2025

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Akira Tsukasaki

Technical Reviewer

DNV Business Assurance Japan K.K.

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Naoki Maeda

Representative Director /

SCPA Senior Vice President

DNV Business Assurance Japan K.K.

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Masato Kanedome

Project Leader

DNV Business Assurance Japan K.K.

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Kazumasa Terada

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.

1. Schedule-1 JRTT Sustainability Finance nominated project/asset portfolio

Table-1 Sustainability Bond raised in FY2021 Project Portfolio (Project No. 01)

Project No.		Project Portfolio	Sustainability Project Category	Sustainability Project Sub-Category	Allocated amount (end of FY2021)	Remarks
01	R-1	Public railway; Railway Project under the Urban Railway Convenience Improvement	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	—	Railway Construction (Construction Account): Nominated Project •Eastern Kanagawa Line etc.
	R-2	Main Line and Interurban Lines in Big Cities	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation (public)	16.8 billion JPY (All allocated in FY2021)	Railway Construction (Construction Account): the following is project example Nominated Project •Keiyo line, Musashino line, etc.
	R-3	Private Sector Railway	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation (public)	32.35 billion JPY (All allocated in FY2021)	Railway Construction (Construction Account): the following is project example Nominated Project •Minatomirai 21 line, Odakyu Odawara line, etc.
	R-4	Urban Railway	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation (public)	32.85 billion JPY (All allocated in FY2021)	Railway Construction (Construction Account): Nominated Project •Joban new line (TX line)
	R-5	Shinkansen Lines	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation (public)	—	Railway Construction (Construction Account): Nominated Project Shinkansen Lines - Hokkaido Shinkansen (between Shin-Hakodate-Hokuto and Sapporo)

						- Hokuriku Shinkansen (between Kanazawa and Tsuruga) - Nishi Kyushu Shinkansen (between Takeo Onsen and Nagasaki)
The amount of assets: 1,256,497,655,276 JPY (end of FY2021) Sustainability Finance (Sustainability Bond) allocated amount: 82,000,000,000 JPY (FY2021 result) Unallocated proceeds: 0 JPY (end of FY2021)						

Table-2 FY2021 JRTT Sustainability Loan Project Portfolio (Project No. 01)

Project No.	Nominated Project Portfolio	Sustainability Project Category	Sustainability Project Sub-Category	Allocated amount (end of FY2024)	Remarks
01	R-1 Public railway; Railway Project under the Urban Railway Convenience Improvement	<ul style="list-style-type: none"> • Clean transportation • Affordable basic infrastructure 	<ul style="list-style-type: none"> • rail (electric) • transportation(public) 	—	Railway Construction (Construction Account): Nominated Project • Eastern Kanagawa Line etc.
	R-2 Main Line and Interurban Lines in Big Cities	<ul style="list-style-type: none"> • Clean transportation • Affordable basic infrastructure 	<ul style="list-style-type: none"> • rail (electric) • transportation(public) 	6.02 billion JPY (All allocated in FY2021)	Railway Construction (Construction Account): the following is project example Nominated Project • Keiyo line, Musashino line, etc.
	R-3 Private Sector Railway	<ul style="list-style-type: none"> • Clean transportation • Affordable basic infrastructure 	<ul style="list-style-type: none"> • rail (electric) • transportation(public) 	4.08 billion JPY (All allocated in FY2021)	Railway Construction (Construction Account): the following is project example Nominated Project • Minatomirai 21 line, Odakyu Odawara line, etc.
	R-4 Urban Railway	<ul style="list-style-type: none"> • Clean transportation • Affordable basic infrastructure 	<ul style="list-style-type: none"> • rail (electric) • transportation(public) 	—	Railway Construction (Construction Account): Nominated Project • Joban new line (TX line)

	R-5	Shinkansen Lines	<ul style="list-style-type: none"> •Clean transportation •Affordable basic infrastructure 	<ul style="list-style-type: none"> •rail (electric) •transportation(public) 	55.05 billion JPY (Allocated 5.54 billion JPY in FY2024)	Railway Construction (Construction Account): Nominated Project Shinkansen Lines - Hokkaido Shinkansen (between Shin-Hakodate-Hokuto and Sapporo) - Hokuriku Shinkansen (between Kanazawa and Tsuruga) - Nishi Kyushu Shinkansen (between Takeo Onsen and Nagasaki)
<div> <div>The amount of assets:</div> <div>1,256,497,655,276 JPY</div> <div>(end of FY2021)</div> </div> <div> <div>Sustainability Finance (Sustainability Loan) allocated amount:</div> <div>65,150,000,000 JPY</div> <div>(FY2024 result)</div> </div> <div> <div>Unallocated amount:</div> <div>0 JPY</div> <div>(end of FY2024)</div> </div>						

Table-3 FY2024 JRTT Sustainability Bond Project Portfolio (Project No. 01)

Project No.	Nominated Project Portfolio	Sustainability Project Category	Sustainability Project Sub-Category	Allocated amount (end of FY2024)	Remarks
01	R-1 Public railway; Railway Project under the Urban Railway Convenience Improvement	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	–	Railway Construction (Construction Account): Nominated Project •Eastern Kanagawa Line etc.
	R-2 Main Line and Interurban Lines in Big Cities	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	1 billion JPY	Railway Construction (Construction Account): Target Project •Keiyo line
	R-3 Private Sector Railway	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	24.57 billion JPY	Railway Construction (Construction Account): Target Project •Toyo Rapid Railway Line, Tokyo Waterfront Area Rapid Transit Phase II, Saitama Railway Line, Odawara Line, Minatomirai Line, Seibu Ikebukuro Line
	R-4 Urban Railway	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	19.43 billion JPY	Railway Construction (Construction Account): Target Project •Joban new line (TX line)

	R-5	Shinkansen Lines	<ul style="list-style-type: none"> •Clean transportation •Affordable basic infrastructure 	<ul style="list-style-type: none"> •rail (electric) •transportation(public) 	4.67 billion JPY	Railway Construction (Construction Account): Target Project Shinkansen Lines - Hokkaido Shinkansen (Shin-Hakodate-Hokuto to Sapporo) - Hokuriku Shinkansen (Kanazawa to Tsuruga)
<div> <div>The amount of assets:</div> <div>1,097,126,281,366 JPY</div> <div>(end of FY2024)</div> </div> <div> <div>Sustainability Finance (Sustainability Bond) allocated amount:</div> <div>49,667,439,000 JPY</div> <div>(FY2024 result)</div> </div> <div> <div>Unallocated amount:</div> <div>10,132,561,000 JPY</div> <div>(end of FY2024)</div> </div>						

Table-4 FY2024 JRTT Sustainability Loan Project Portfolio (Project No. 01)

Project No.	Nominated Project Portfolio	Sustainability Project Category	Sustainability Project Sub-Category	Allocated amount (end of FY2024)	Remarks
01	R-1 Public railway; Railway Project under the Urban Railway Convenience Improvement	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	–	Railway Construction (Construction Account): Nominated Project •Eastern Kanagawa Line etc.
	R-2 Main Line and Interurban Lines in Big Cities	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	0.6 billion JPY	Railway Construction (Construction Account): Target Project •Keiyo line, Johoku line (Seto line)
	R-3 Private Sector Railway	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	11.51 billion JPY	Railway Construction (Construction Account): Target Project •Minatomirai Line, Tokyo Waterfront Area Rapid Transit Phase II, Hokuso Line, Saitama Railway Line, Odawara Line, Seibu Ikebukuro Line
	R-4 Urban Railway	•Clean transportation •Affordable basic infrastructure	•rail (electric) •transportation(public)	-	Railway Construction (Construction Account): the following is project example •Joban new line (TX line)

	R-5	Shinkansen Lines	<ul style="list-style-type: none"> •Clean transportation •Affordable basic infrastructure 	<ul style="list-style-type: none"> •rail (electric) •transportation(public) 	-	Railway Construction (Construction Account): Nominated Project Shinkansen Lines - Hokkaido Shinkansen (between Shin-Hakodate-Hokuto and Sapporo) - Hokuriku Shinkansen (between Kanazawa and Tsuruga) - Nishi Kyushu Shinkansen (between Takeo Onsen and Nagasaki)
The amount of assets: 1,097,126,281,366 JPY (end of FY2024) Sustainability Finance (Sustainability Loan) allocated amount: 12,107,923,000 JPY (FY2024 all allocated) Unallocated amount: 0 JPY (end of FY2024)						



2. Schedule-2 CBS v3.0 Verification Criteria

Summary criteria for assertions of compliance with the CBS v3.0

Prior to incorporating eligible projects and assets for the Finance, the criteria for reviewing relevant projects and assets are categorized based on CBS v3.0 and technical criteria. The main requirements of CBS v3.0 and technical criteria are roughly categorized into Part A to Part C in the table below.

DNV has verified that JRTT conforms with all requirements here based on the evidence provided JRTT's relevant documents and interview through verification. Hereafter, "bond" also includes loans.

Part A: Pre-Issuance Requirements

Area	Requirements
1. Use of Proceeds	The all Net Proceeds of the Bond shall be allocated to the Nominated Projects & Assets.
2. Process for Evaluation and Selection of Projects & Assets	The Issuer shall document and maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets.
3. Management of Proceeds	The Net Proceeds of the Bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.
4. Reporting (Pre-Issuance)	The issuer shall clarify the disclosure of the framework, eligible criteria, management of allocation (new investment and refinancing) unallocated funds, preparation of update reports including project information and disclosure plans.

Part B: Post-Issuance Requirements

Area	Requirements
5. Use of Proceeds	The all Net Proceeds of the Bond shall be allocated to the Nominated Projects & Assets. Allocated projects and assets should not be mixed with other green bonds, loans, etc. In addition, the value of the target project and assets should be at least equal to or greater than the bond issuance amount (at the time of issuance) or the issued amount.
6. Process for Evaluation and Selection of Projects & Assets	The Issuer shall document and maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets.
7. Management of Proceeds	The Net Proceeds of the Bond shall be credited to a sub account, moved to a sub portfolio, or otherwise identified by the Issuer in an appropriate manner, and documented.
8. Reporting (Post-Issuance)	The Issuer shall prepare and disclose an Update Report at least annually while the Bond remains outstanding. The update report shall include allocation reporting, environmental improvement effect and information about the target project. Information required for eligibility shall be provided to the verifier and to the Climate Bonds Standard Board.

Part C: Eligibility of Projects & Assets

Area	Requirements
9. Climate Bonds Taxonomy	Nominated Projects & Assets shall fall into one or more of the investment areas listed as included in the Climate Bonds Taxonomy.
10. Sector Eligibility Criteria	<p>Nominated Projects & Assets shall meet the specific eligibility requirements provided in the relevant Sector Eligibility Criteria documents.</p> <p>Followings are outline of the sector criteria against the verification.</p> <p>Low carbon land transport</p>

	<p><u>All electrified public transport (infrastructure, infrastructure refurbishment, rail and transport vehicles) meets the standards. For example, electrified railroads, trams, trolleys, buses, and cable cars.</u></p> <p>Land Transport</p> <p><u>The scope of coverage in the land transport sector is as follows, and projects that meet individually set eligibility criteria are eligible.</u></p> <p>(Example of Eligibility Criteria: The mode of transport is electric, Being below the upper limit of CO₂ emissions per unit transportation distance, Manufacture, purchase and leasing business of major parts (batteries etc.) used in eligible vehicles, Construction, development, purchase and operation of railway networks and railway lines, etc., Station buildings and maintenance sites that contribute to the operation of eligible projects, ICT maintenance, etc.)</p> <ul style="list-style-type: none"> • Passenger cars and Commercial vehicles • Public passenger transport and Freight transport by road • Passenger rail transport rolling stock and Freight rail transport rolling stock • Rail transport networks and Rail line • Miscellaneous vehicles for other sectors • Infrastructure for low carbon transport
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3. Schedule-3 Sustainability Finance Eligibility Assessment Protocol

Checklist-1 Sustainability Finance Guideline (SBG) Eligibility Checklist

Sustainability Finance means JRTT's general proceeds instruments including both bond and loan including this checklist. JRTT Sustainability Finance Framework, official bond statement and loan document, etc. will be published for explanation to investor on JRTT's website as follows:

<https://www.jrtt.go.jp/ir/sustainability-finance.html>

Following (1)~(4) are based on Sustainability Bond Guideline (ICMA), Green Bond Principle (ICMA), and Social Bond Principle (ICMA) and DNV describes findings in the checklists based on the evidence provided JRTT's relevant documents and interview through verification.

(1) SBG-1 Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond	<p>The Sustainability Bond must fall in one of the following categories defined by the GBP Principles:</p> <ul style="list-style-type: none"> • Sustainability Bond • Sustainability Revenue Bond • Sustainability Project Bond 	<p>The reviewed evidence confirms that the Bond falls in the category:</p> <p>Sustainability Bond</p>

Ref.	Criteria	Requirements	DNV Findings
		<ul style="list-style-type: none"> Sustainability Securitized Bond 	
1b	Project Categories	<p>The cornerstone of a Sustainability Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.</p>	<p>As identified by the purpose of the loan is to use the proceeds to finance and refinance for projects falling under the following categories;</p> <p>The proceeds of 82 billion yen raised from sustainability bonds in FY2021 were fully allocated within FY2021, and 65.15 billion yen raised from sustainability loans were fully allocated to the following Project No. 01 R-2, R-3, R-4, and R-5 by the end of FY2024.</p> <p>Additionally, as of the end of FY2024, 49.67 billion yen of 59.8 billion yen in bonds and all of the 12.11 billion yen in loans raised through Sustainability Finance in FY2024 have been allocated to the following Project No. 01 R-2, R-3, R-4, and R-5.</p> <p><Project No. 01 Railway Construction></p> <ul style="list-style-type: none"> - R-1 Public railway; Railway Project under the Urban Railway Convenience Improvement - R-2 Main Line and Urban Lines in Big Cities - R-3 Private Sector Railway - R-4 Urban Railway - R-5 Shinkansen Lines <p><Project No. 02 Joint Ownership shipbuilding></p> <ul style="list-style-type: none"> - Joint ownership shipbuilding (freight and passenger ship) <p>DNV's assessment concluded that these asset and project would present eligible project against green and social bond principles, sustainability bond guidelines, and green loan principles. Above information was included in official document about a bond and loan issued by JRTT. DNV concluded that 1b</p>

Ref.	Criteria	Requirements	DNV Findings
			requirement is satisfied. In case that new project is nominated, JRTT will evaluate and its eligibility and disclose it as official document.
1c	Environmental and Social benefits	All designated Sustainability Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	As a CBI verifier, DNV applied the CBS issued by the CBI and technical standards in the necessary fields (low carbon transport and land transport) to confirm the eligibility of the project. In addition, it was confirmed qualitatively and, in some cases quantitatively that it has both environmental and social benefits. DNV confirmed that JRTT evaluates its benefit qualitatively and quantitatively as much. DNV also confirmed that JRTT determines the relationship between those projects and SDGs mapping. DNV reviewed JRTT provided document and explanation that JRTT already identified the environmental risk and addressed appropriate countermeasures. DNV concluded that 1c requirement is satisfied.
1d	Refinancing share	If all or part of the proceeds will be used for refinancing, or there is a possibility that the issuer will accordingly, it is recommended to identify which investments or project portfolios are eligible for refinancing.	The proceeds raised in FY2021 were allocated to new and refinancing railway construction operations included in Schedule-1 (FY2021 and FY2024 results). The proceeds raised in FY2024 were mostly allocated to new finance and refinance railway construction operations included in Schedule-1 (FY2024 results). For details, the official documentation regarding borrowings discloses to investors the distinction between financing and refinancing for each project.

(2) SBG-2 Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Project Selection process	<p>The issuer of a Sustainability Bond should outline the decision-making process it follows to determine the eligibility of projects using Sustainability Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Sustainability Projects categories identified in the Green Bond Principles and Social bond principle; • The criteria making the projects eligible for using the Sustainability Bond proceeds; and • The environmental and social sustainability objectives 	<p>Under the JRTT Sustainability Finance Framework, the issuer (JRTT) selected projects based on the following criteria. Eligible projects are those that are consistent with the JRTT Basic Philosophy and Basic Environmental Policy, and the two operations (railway construction work and Joint Ownership Shipbuilding) carried out by JRTT are eligible for the Green Bond Principles and the Social Bond Principles, as well as the Climate Bond Principles. The following were selected in consideration of their compliance with CBS v3.0 and related field technical standards. Regarding Joint Ownership Shipbuilding, the technical standards for maritime transport (water transportation) as verification standards for climate bond standards were not valid at the time of pre-issuance verification, so verification will be required when implementing the project in the future.</p> <p><Reference criteria></p> <ul style="list-style-type: none"> -Climate Bonds Standard (version 3.0 Low Carbon Land Transport and Land Transport) -Green Bond Principles (ICMA) -Social Bond Principles (ICMA) -Sustainability Bond Guidelines (ICMA) -Green Loan Principles (Loan Market Association) -Green Loan Principles (Asia Pacific Loan Market Association) -Green Loan Principles (The Loan Syndication and Trading Association) -Green Bond Guidelines (Ministry of the Environment) <p>(Reference: Green Bonds, Social Bonds; SDGs Related: High Level Mapping to Sustainable Goals (ICMA))</p> <p><Eligible project></p> <ul style="list-style-type: none"> - Clean Transportation (Railway Construction, Joint Ownership shipbuilding) - Pollution prevention and control (Joint Ownership shipbuilding)

Ref.	Criteria	Requirements	DNV Findings
			<ul style="list-style-type: none"> - Essential and imperative transportation infrastructure (Railway Construction, Joint Ownership shipbuilding) - Low cost and easy access for various customers (Railway Construction, Joint Ownership shipbuilding) - Efficient distribution (Joint Ownership shipbuilding) - Operation of routes to remote island (Joint Ownership shipbuilding) <p>Those nominated project portfolio is discussed with JRTT's related department and responsibilities (JRTT boards). DNV confirmed that JRTT determines the relationship between those projects and SDGs mapping.</p> <p>DNV concluded that 2a requirement is satisfied through interview and document review.</p>
2b	Issuer's environmental and social and governance framework	In addition to information disclosed by an issuer on its Sustainability Bond process, criteria and assurances, Sustainability Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>As per the interview and review documents provided by JRTT, DNV confirmed that JRTT has addressed to achieve both sustainable green and social activities according to environmental action(https://www.jrtt.go.jp/corporate/efforts/environment.html) and domestic marine route for future creative plan published by MLIT (http://www.mlit.go.jp/common/001190904.pdf).</p> <p>DNV also confirmed that JRTT has issued and intends to issue the loan and bonds continuously based on their framework which aligns with CBS requirement and CBI certification with programmatic certification.</p> <p>https://www.climatebonds.net/certification/get-certified https://www.climatebonds.net/programmatic-certification.</p> <p>DNV concluded that 2a requirement is satisfied.</p>

(3) SBG-3 Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure-1	The net proceeds of Sustainability Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Sustainability Projects.	JRTT is stipulated that the proceeds can only be used for purposes approved by the MLIT after applying for individual approval for the use of the proceeds, and this is stipulated in various laws and regulations that have been confirmed. The proceeds are deposited into separate accounts, and balances are managed separately by setting up sub-accounts for each department and individual project (purpose of use) using various management tables. DNV has conducted actual documentation verification and concludes that 3a is satisfied.
3b	Tracking procedure-2	So long as the Sustainability Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible sustainability investments or loan disbursements made during that period.	Various financial statements are used to manage the amount of proceeds allocated to the project and the unallocated balance at least once a year during the bond redemption period (or loan payment). DNV has confirmed the actual documents (fund settlement 2024 and related materials) and concludes that 3b is satisfied.
3c	Temporary holdings	Pending such investments or disbursements to eligible Sustainability Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	According to the Japanese incorporated administrative agency general law, temporary investment instrument is limited to avoid risks. It is clearly described some options of the balance of the bond proceed will be managed safely instrument in framework. DNV concluded that 3c requirement is satisfied. In an assessment conducted on 4 September 2025, DNV found that as of the end of FY2024, there were 10.13 billion yen of unallocated proceeds raised through sustainability bonds in FY2024, and that they are managed in cash or cash equivalents. The proceeds raised in FY2021 were fully allocated as of the end of FY2024.

(4) SBG-4 Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Sustainability Bond proceeds have been allocated including:</p> <ul style="list-style-type: none"> - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally and social sustainable impact. 	<p>JRTT has published the annual report including a dedicated section on the Finance on JRTT website. This includes description of the project and value of the proceeds invested, as well as the associated environmental impact. DNV reviewed that JRTT has already reported them in its website. DNV confirmed it as per report in its website, then concluded that 4a requirement is satisfied.</p> <p>https://www.jrtt.go.jp/ir/sustainability-finance.html (Refer to the reporting section)</p>