



LETTER OF CONFORMANCE

Statement No.: PRJN- 816326-2025-LOC01-JPN

Daito Corporation Green Loan

Daito Corporation will be received funds from Mizuho Bank, Ltd. as a Green Loan to implement a green project that aligns with the requirements set forth in the Yokohama Port Carbon Neutral Port (CNP) Sustainable Finance Framework (hereinafter, "Framework") and the relevant principles and guidelines.

DNV Business Assurance Japan K.K. (hereinafter, "DNV") has confirmed that the financing is consistent with and qualifies for the principles and guidelines required for Green Loans under the Framework.

*: The Framework was formulated by the Yokohama City Port Authority to promote the decarbonisation of the Port of Yokohama, and a second party opinion has been obtained from an independent external reviewer (DNV) on its eligibility (reporting number: PRJN-816326-2025-AST-JPN-01).

This Letter of Conformance is valid for the scopes below:

- **Organisation:** Daito Corporation
- **Subjected Financing:** Daito Corporation Green Loan
- **Eligible Project:** Construction of an EV Tugboat

Place and Date:
Kobe, 25 March, 2025

Issuing Office:
DNV Business Assurance Japan K.K.
7-1-15, Gokodori, Chuo-ku, Kobe, Hyogo 651-0087, Japan

Masato Kanedome, Project Manager


Naoki Maeda, Representative Director/SCPA
Senior Vice President
DNV Business Assurance Japan K.K.

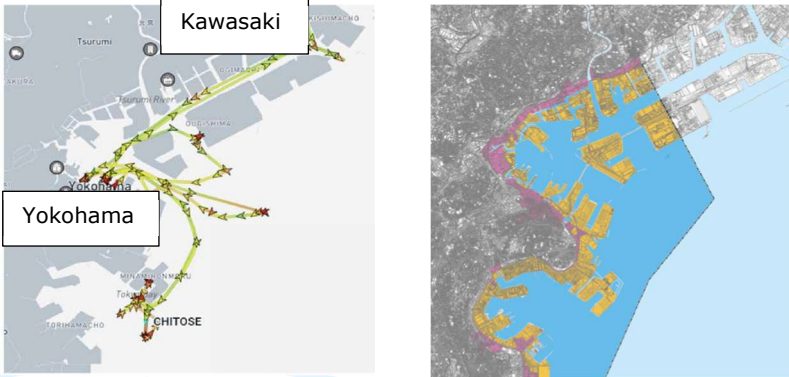
About DNV

DNV Business Assurance Group, as an independent third-party evaluation organisation, declares that it has no interest in the facts and perceptions of Daito Corporation in relation to the provision of this service. In addition, our evaluation is based on the assumption that the information provided by Daito Corporation is accurate, and we do not audit or test the accuracy of the information provided. In addition, the results of this assessment do not provide an assessment of the financial performance of the loan, the value of any investment, or its long-term ESG performance or contribution to the SDGs.

DNV Green Loan Valuation Protocol

Through an assessment with Daito Corporation (hereinafter, the "borrower"), DNV evaluated and confirmed the following:

Element	Keywords*	DNV Assessment Conclusion											
GL-1 Use of Proceeds	a) Alignment with the Port of Yokohama CNP	<ul style="list-style-type: none">• DNV has confirmed that the target activity (EV tugboat built by the borrower) is a green project that is classified as "clean transportation" under the "Framework."• Confirmed that the EV tugboat is a project that meets international green standards for vessels.											
	b) Environmental Benefits	<ul style="list-style-type: none">• DNV has confirmed that the expected environmental benefits of the target activities will be evaluated as a quantitative effect (CO₂ emission reduction rate (%)) with appropriate indicators by the borrower.• Specifically, the battery-electric propulsion system will be used to propel the EV tugboat to maximize the reduction of CO₂ emissions.• Although it is used in combination with a generator, the borrower aims to operate with zero emissions by switching to fuel in the future.											
	c) Project Overview	<p>1. Outline of the Green Project</p> <div><p>Figure 1 EV tugboat (image) https://www.daitocorp.co.jp/blog/environment/2135</p><p>Table 1 Overview of EV tugboats</p><table><tr><td>Ship Type:</td><td>Tugboat (3600PS)</td></tr><tr><td>Gross tonnage/full load displacement:</td><td>199t / 503t</td></tr><tr><td>Ship Size:</td><td>L=33.4m、B=9.60m、D=4.00m</td></tr><tr><td>Areas of Operation:</td><td>Around Yokohama Port and Kawasaki Port</td></tr><tr><td>Propulsion system:</td><td>Battery-electric propulsion system</td></tr><tr><td>Vessel Speed/Towing Force:</td><td>14.0knot / 48.0t</td></tr></table></div> <p>2. Relationship with the Framework The EV tugboat to be built will be a replacement for the tugboat "Chitose" currently owned by the borrower, and the navigation area will be shown on the left in the figure below. Since it is the electrification of vessels whose activities are centred on the scope of the Framework (right in the figure below), it falls under the category of clean transportation and zero-emission coastal vessels specified in the Framework.</p>	Ship Type:	Tugboat (3600PS)	Gross tonnage/full load displacement:	199t / 503t	Ship Size:	L=33.4m、B=9.60m、D=4.00m	Areas of Operation:	Around Yokohama Port and Kawasaki Port	Propulsion system:	Battery-electric propulsion system	Vessel Speed/Towing Force:
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		 <p>Figure 2 Planned EV tug operation area (left figure) and Framework coverage (right figure)</p> <p>3. Greenness Evaluation Results When completed in FY2027, GHG emissions will be reduced by 60% compared to FY2012 (based on CBI Ship Criteria). In the future, the company is considering a plan to reduce emissions through fuel conversion and other measures, aiming for zero GHG emissions by FY2050.</p>
Element	Keywords*	DNV Assessment Conclusion
GL-2 Process for Project Evaluation and Selection	d) Application of established assessment procedures	• DNV has confirmed that the borrower is applying the eligible assessment protocol established in the Framework to assess the eligibility of the project. (The assessment by this letter of conformance is also incorporated into the eligibility assessment process.)
	e) Consideration for the environment and society	• DNV has confirmed that the borrower is properly implementing the various guidelines established by the City of Yokohama to promote environmental consideration when implementing the target project.
GL-3 Management of Proceeds	f) Tracking Management Methods	• DNV has confirmed that the proceeds raised by the borrower through the green loan will be promptly allocated to the green project.
	g) Management and operation of unallocated proceeds	• DNV has confirmed that the borrower does not incur any unallocated proceeds.
GL-4 Reporting	h) Conduct periodic reports	• DNV has confirmed that until the allocation of proceeds for the green loan is completed, the borrower shall report the status of the allocation of proceeds and the environmental benefits to the financial institution at least once a year. Financial institutions will confirm the details.

Element	Keywords*	DNV Assessment Conclusion
CTF-1 Port of Yokohama Climate Transition Strategy and Governance	a) Climate Transition Strategy	• DNV has confirmed that the Framework is consistent with the Paris Agreement and the environmental targets set by the Ministry of Land, Infrastructure, Transport and Tourism as a transition strategy, and that long-term and medium-term targets for the reduction of greenhouse gas (GHG) emissions have been set with scientific grounds.
	b) Governance System for Carbon Neutrality	• DNV has confirmed that the Port of Yokohama regularly holds meetings of the Port of Yokohama Decarbonization Promotion Waterfront Business Establishment Council (hereinafter, the "Council") as governance and disclosure related to the

		implementation of the transition strategy, and confirmed that it has established an information disclosure process.
CTF-2 Business Model Environmental Materiality	c) Environmental Benefits	<ul style="list-style-type: none"> • DNV has confirmed that in order to fulfil its responsibilities as a large city with enormous GHG emissions, Yokohama City has set a goal of achieving decarbonization "Zero Carbon Yokohama" by FY2050. Since the waterfront area accounts for about 40% of the city's total GHG emissions, we confirmed that the creation of decarbonization innovation in the Yokohama waterfront area is an important initiative.
	d) Climate Change-Related Scenarios	<ul style="list-style-type: none"> • DNV has confirmed that the Port of Yokohama's transition strategy has been formulated based on the risks and opportunities obtained from the analysis results based on the Paris Agreement 1.5°C scenario, and it was confirmed that the transition initiatives will contribute to significant environmental benefits (impacts) both qualitatively and quantitatively.
CTF-3 Climate Transition Strategy and Targets to be Science-Based (including targets and pathways)	e) Scientific Basis	<ul style="list-style-type: none"> • DNV has confirmed that the Port of Yokohama has set quantified targets in line with the goals of the Ministry of Land, Infrastructure, Transport and Tourism that are consistent with the science-based Paris Agreement.
	f) Consideration of Critical Emission Scopes	<ul style="list-style-type: none"> • DNV has confirmed that the Port of Yokohama confirmed that GHG emissions from the waterfront area of Yokohama City are centred on the energy transition sector and the industrial sector. • DNV has confirmed that the medium- and long-term targets are reduction plans that include these targets.
CTF-4 Implementation Transparency	g) Investment Plans	<ul style="list-style-type: none"> • DNV has confirmed the Port of Yokohama confirmed that it will compile a budget for each fiscal year based on the "Policy for the Formation of the Port of Yokohama CNP" and work to achieve its GHG reduction targets. • DNV has confirmed that the name of the company etc., and the implementation period will be posted for each project regarding the specific details of investment by each business.
	h) Outcomes and impacts (including just transition)	<ul style="list-style-type: none"> • DNV has confirmed that the Port of Yokohama will implement the investments and projects necessary for the implementation of the transition strategy based on the "Policy for Efforts to Establish a CNP" and take into account the timeline. • DNV has confirmed that the City of Yokohama will proceed in cooperation with local businesses and financial institutions through the council regarding a just transition.
	i) Execution and management of finance	<ul style="list-style-type: none"> • DNV has confirmed that the Port of Yokohama will implement the investments and projects necessary for the implementation of the transition strategy based on the "Policy for Efforts to Establish a CNP" and take into account the timeline.

*Keywords: Describe key items to check based on factors that correspond to the principles and guidelines required for the implementation and management of green/transition/blue finance.