

———— Green Bond Evaluation by Japan Credit Rating Agency, Ltd. ————

Japan Credit Rating Agency, Ltd. (JCR) announces the following preliminary Green Bond Evaluation Results.

JCR Assigned Preliminary Green 1 to DREAM Private REIT Inc. Green Trust Beneficiary Rights

Subject	:	DREAM Private REIT Inc. Green Trust Beneficiary Rights
Type	:	Trust Beneficiary Rights
Issue Amount	:	JPY 2 billion
Trust Setup Date	:	January 31, 2020
Expiration Date of the Trust	:	January 31, 2023
Method of Repayment	:	Bullet
Use of Proceeds	:	Acquisition of loans by MUFG Bank, Ltd. to DREAM Private REIT Inc.

<Green Bond Preliminary Evaluation Results>

Overall Evaluation	Green 1
Greenness Evaluation (Use of Proceeds)	g1
Management, Operation and Transparency Evaluation	m1

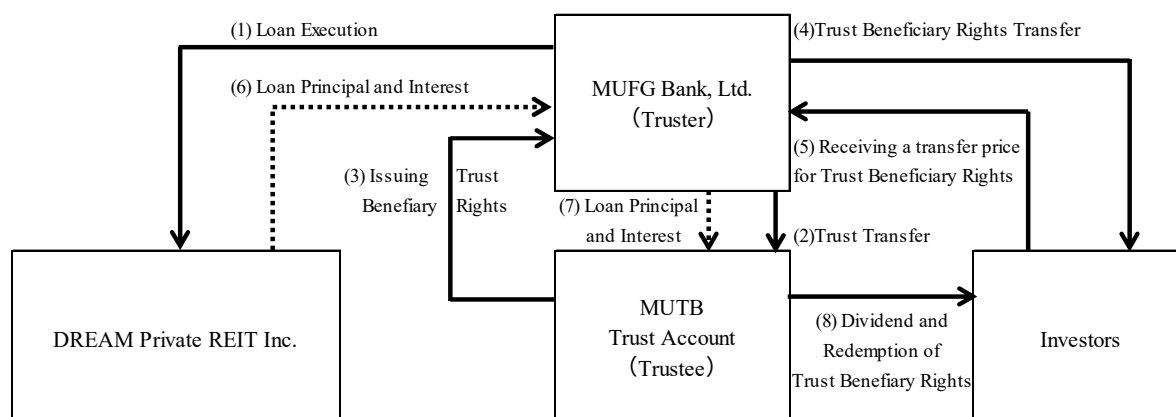
Chapter 1: Evaluation Overview

Mitsubishi UFJ Trust and Banking Corporation (MUTB) was founded in 1927 and merged with UFJ Trust and Banking Corporation in 2005. MUTB is the core company of the Mitsubishi UFJ Financial Group (the “Group”), The Mitsubishi UFJ Financial Group, to which MUTB belongs, is a conglomerate financial group with financial subsidiaries such as MUFG Bank, Ltd., MUTB, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. under the control of the holding company. The Group has the largest consolidated assets in Japan. As the only financial institution with trust functions within the Group, MUTB is actively working to resolve issues related to ESG, particularly environmental issues, based on the Group's environmental policies, such as MUFG Environmental Policy and MUFG Environmental and Social Policy Framework.

The subject of the evaluation is the trust beneficiary rights (equivalent to (4) in the scheme below, the “Trust Beneficiary Rights”) issued by MUTB which are backed by loan (the “Loan”) that MUFG Bank, Ltd. (MUFG Bank)

lends to DREAM Private REIT Inc. (“DPR”). The use of the proceeds of the Loan is the refinance for the acquisition of a logistics facility (DPR Hiratsuka Logistics Center) owned by DPR.¹²

<Scheme Diagram>



MUFG Bank executes the Loan to DPR (1), and immediately transfers it to MUTB (2). MUTB issues the Trust Beneficiary Rights backed by the Loan receivables (3). MUFG Bank transfers the Trust Beneficiary Rights (3) to investors ((4) and (5)). During the term of the Loan, MUFG Bank, as a servicer, collects principal and interest from DPR ((6) and (7)) and MUTB distributes the interest and redeems the principal to investors (8). JCR assigned “Green1”, highest evaluation on JCR’s Green Loan Evaluation to the Loans in (1). MUTB refers this to confirm the greenness of the use of proceeds.

JCR confirmed that the management and operation system was appropriately organized and highly transparent due to the issuance that the proceeds of the Trust Beneficiary Rights was appropriately paid in accordance with the methods stipulated in the various agreements relating to the matter, including the trust agreement, that the fund management for the Trust Beneficiary Rights was conducted in an appropriate manner within the trust account, and that the reporting system for investors was appropriately established.

From the above, based on JCR Green Finance Evaluation Methodology, JCR assigned “g1” for the preliminary evaluation of “Greenness Evaluation (Use of Proceeds)” and “m1” for the preliminary evaluation of “Management, Operation and Transparency Evaluation.” Consequently, JCR assigns “Green 1” as an overall “JCR Green Bond Preliminary Evaluation” to the Trust Beneficiary Rights. Detailed evaluation is discussed in the next chapter.

The Trust Beneficiary Rights meets the standards required by the Green Bond Principles and the Ministry of the Environment’s Green Bond Guidelines.

¹ ICMA(International Capital Market Association) Green Bond Principles 2018

² Ministry of the Environment Green Bond Guidelines 2017

Chapter 2: Current Status of the Project on Each Evaluation Factor and JCR's Evaluations

Evaluation Phase 1: Greenness Evaluation

JCR assigns "g1", the highest grade, to "Evaluation Phase 1: Greenness Evaluation". Rationale: 100% use of proceeds of the Trust Beneficiary Rights will be allocated to a green project, considering the factors described below.

(1) JCR's Key Consideration in This Factor

In this section, JCR first assesses whether the proceeds will be allocated to green projects that have explicit improvement effects on the environment. Regarding the Trust Beneficiary Rights, the greenness of the Green Building held by DPR, which are the borrower of loans as backed assets, shall be assessed. Next, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility on the use of proceeds has negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

(2) Current Status of Evaluation Targets and JCR's Evaluation

Overview of Use of Proceeds

a. On the environmental improvement effects of the project

i. 100% of proceeds will be for refinancing of the loan to acquire an existing "Green Building" which have environmental improvement effect.

MUTB sets the property which has both environmental improvement effects such as reduction of energy consumption environmental certification as the subject of green finance. The use of the proceeds of the Loan which is underlying asset of the Trust Beneficiary Rights issued by MUTB shall satisfy the requirement stated above. The Eligibility Criteria of DPR set out in their Green Finance Framework is as follows.

<Excerpts from the Green Finance Framework of DPR>

Use of Proceeds

I. Eligibility Criteria for investment in green finance

Funds procured through the Green Loan will be used to refinance of the acquisition of Green Buildings that meet the following eligibility criteria.

[Eligibility Criteria]

Properties that have acquired or plan to acquire any of the third-party certification described in (1)-(3) below

- (1) Three to five stars for DBJ Green Building certification
- (2) B+ to S ranks for CASBEE certification
- (3) Three to five stars for BELS certification

The use of proceeds of the Loan, which is the underlying asset of the Trust Beneficiary Rights, is the refinance of the by the Logistic Facility (DPR Hiratsuka Logistics Center) owned by DPR. In addition, JCR assigned "Green 1" to the Loan, and MUTB has referred to the Green Loan Evaluation and confirmed the environmental improvement effects of the property subject to the use of proceeds.

<Properties for use of proceeds>

Property Name	DPR Hiratsuka Logistics Center
Location	6-15 Shinmachi, Hiratsuka, Kanagawa
Principal Uses	Logistic Facility
Site Area	14,676.10m ²
Total Floor Area	29,067.95m ²
Number of Stories	4 Floors
Completion	May, 2016
Environmental Certification	5 stars in BELS Certification (2019)
Features and Environmental Performance	<p>Hiratsuka City is located in the south-central Kanagawa Prefecture, and is a suitable logistic site for both within Kanagawa and long-distance transportation using the Tomei Expressway, etc.</p> <p>The property has an L-shaped truck berth, two elevators for cargo, and four vertical conveyors, making it easy to work in the warehouse.</p> <p>Excellent energy performance from the designing stage has been recognized, and five stars in BELS Certification have been acquired.</p>

In the DPR Hiratsuka Logistics Center, the reduction rate of the designed primary energy consumption (excluding renewable energy) from the standard primary energy consumption is 60%, which is equivalent to ZEB Ready, and therefore the DPR Hiratsuka Logistics Center is a facility with high energy efficiency performance.

The ZEB consists of three stages: (1) ZEB (buildings that have achieved energy efficiency (50% or more) + 100% or more in primary energy efficiency by creating energy; (2) Nearly ZEB (buildings that have achieved energy efficiency (50% or more) + 75% or more in primary energy consumption by creating energy); and (3) ZEB Ready (buildings that have achieved energy efficiency of 50% or more in primary energy consumption). As of the end of November 2019, out of BELS Certifications for non-residential properties, there are 31 ZEB, 61 Nearly ZEB, 238 ZEB Ready, and 858 properties without ZEB marks. As only 27.8% of all non-residential properties have acquired environmental performance above ZEB Ready, JCR evaluates that the environmental performance of DPR Hiratsuka Logistics Center is one of the highest environmental performance among existing non-residential properties.

- ii. **The use of proceeds falls under the category of green projects defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficiency" or "green buildings which meet regional, national or internationally recognised standards or certifications".**

b. Negative impact on the environment

Diamond Realty Management Inc. (DRM), an asset management company of DPR, considers whether to acquire properties by conducting due diligence when acquiring properties at DPR. At the due diligence of the property, risks such as defects, soil contamination, and problems with tenants are examined. DPR Hiratsuka Logistics Center, which is subject to the use of proceeds, has also been acquired through this process, and no negative impact on the environment has been confirmed. MUTB has judged that the negative impact on the environment is small, referring to the results of due diligence by DRM.

c. Consistency with SDGs goals and Targets

The project is classified into "green buildings which meet regional, national or internationally recognised standards or certifications" and "energy efficiency". With reference to ICMA's SDGs mappings, the JCR evaluated the project as contributing to the following SDGs Goals and targets.



Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.

Target 7.3. By 2030, double the global rate of improvement in energy efficiency.



Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, With all countries taking action in accordance with their respective capabilities



Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

Target 11.6. Reduce per capita environmental impacts of cities, including by paying special attention to air quality and general and other waste management, by 2030.

(Reference) Certification System for each Green Building

(1) DBJ Green Building Certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society." Each is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), and one star (satisfactory). Although the evaluation is not specifically focused on environmental performance, it is highly recognized in Japan and has a certain evaluation item with regard to environmental performance. Therefore, JCR considers this certification to be equivalent to the Green Project Classification of "green buildings which meet regional, national or internationally recognised standards or certifications" defined in the Green Bond Principles. However, since the certification is not limited to environmental performance, JCR believes that it is desirable to confirm the evaluation of environmental performance individually.

(2) CASBEE

CASBEE is an acronym for the English name of Comprehensive Assessment System for Built Environment Efficiency.

This is a method for evaluating and rating the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for buildings was established as a joint project with industry, government, and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Since then, the committee has been continuously conducting development and maintenance. In addition to CASBEE for Buildings and CASBEE for Urban Development, assessment tools include CASBEE for Real Estate developed to provide easy-to-understand environmental performance to the real estate market. The evaluation results are divided into five grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), Rank B (Slightly Poor), and Rank C (Poor) (CASBEE-real estate scoring has four grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), and Rank B (Satisfaction of mandatory items)).

(3) BELS

BELS is English acronym for Building-housing Energy-efficiency Labeling System. BELS is a building energy efficiency performance indicator system under which third-party assessment bodies evaluate and accredit the energy efficiency performance of new and existing buildings. The outer skin performance (performance standards and specification standards) and primary energy consumption (performance standards and specification standards) are subject to evaluation, and the evaluation results are expressed in stars according to the achievement values of the energy efficiency standards. High evaluation requires excellent energy-efficiency performance. In BELS, this ranking is based on BEI (Building Energy Index). The number of stars is divided from one to five by BEI. BEI is a measure of energy efficiency performance that uses the designed primary energy consumption as the molecular weight and the standard primary energy consumption as the denominator, and is compared with the standard value. One star is the existing energy saving standard, two stars is the energy saving standard, and three stars are the guiding standard.

Evaluation Phase 2: Management, Operations and Transparency Evaluation

JCR assigns "m1", the highest rating on JCR evaluation Phase 2: Management, Operation and Transparency Evaluation.

Rationale: The project has allocated the funding and implemented the businesses as planned through a firmly equipped management and operation system and high transparency as described below.

1. Appropriateness and Transparency Concerning Selection Standard and Processes of the Use of Proceeds

(1) JCR's Key Consideration in This Factor

In this section, JCR confirms that the objectives to be achieved through the green bond, the criteria for selecting green projects, the appropriateness of the process, and the series of processes are appropriately disclosed to investors.

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Goals

The Mitsubishi UFJ Financial Group, to which MUTB belongs, has formulated "MUFG Environmental Policy Statement" as its policy for conducting CSR activities, and "MUFG Environmental and Social Policy Framework" as its framework for specific initiatives. Each subsidiary of the Group conducts activities in accordance with the above environmental policy.

MUFG Environmental Policy Statement (excerpt)

1. Our Approach to Addressing Environmental Issues

Mitsubishi UFJ Financial Group (hereinafter referred to as MUFG) recognizes that taking actions to address global environmental issues, including protecting the environment and responding to climate change, is the responsibility of all human beings.

(Omission)

3. Environmental Actions through Business Activities

(1) Actions through business activities

MUFG supports clients that actively seek to find solutions to environmental issues and manage their environmental impacts. Additionally, MUFG takes into consideration the environmental impacts associated with our products and services. In the case that potential environmental impacts associated with our products and services are identified, MUFG responds in an appropriate manner. MUFG actively promotes the appropriate management of environmental risks, including climate change.

(Omit the rest)

JCR evaluates that the Trust Beneficiary Rights contributes to the concepts described in "MUFG Environmental Policy Statement".

b. Selection standard

MUTB and MUFG Bank set the selection standard for Green Bond, which has environmental improvement effects such as reduction of energy consumption and has environment certification.

Regarding the case, MUFG Bank, the lender extracted the project and the Structured Finance Division of MUTB planned the entire structure. In the process, JCR confirmed through the interview that the both MUFG Bank and MUTB have checked that the properties subject to the Loan having the green certification and the environmental improvement effects.

c. Processes

MUTB checks the loan contract and verifies that the 100% use of proceeds of the loan for refinancing for green buildings with environment-certified, and that the property subject to the use of the loan satisfies the eligible criteria in the Green Finance Framework of DPR. MUTB has a process for issuance of the Trust Beneficiary Rights. An internal decision proposal submitted with the Structured Finance Operations Division as the drafter and the Corporate Business Planning Division as the approver (who has been assigned the authority from the officer in charge).

JCR confirms that the management of MUTB is involved in the decision process and therefore an appropriate selection process.

Since the goals, selection criteria, and processes are outlined in the evaluation report, JCR evaluates that transparency to investors is secured.

2. Appropriateness and Transparency of Fund Management

(1) JCR's Key Consideration in This Factor

It is generally assumed that the methods of managing procurement funds vary widely among issuers, but it is necessary to confirm that funds procured through green bonds are appropriated for green projects, and that mechanisms and internal systems are in place to easily track and manage the appropriations.

JCR also attaches importance to evaluating the management and operation of the unallocated funds, as well as to confirming that the funds procured from green bonds will be allocated to the green projects at an early stage.

(2) Current Status of Evaluation Targets and JCR's Evaluation

The proceeds of the Trust Beneficiary Rights shall be appropriated to the refinancing of DPR Hiratsuka Logistics Center through the Loan.

As it is clearly stipulated in the loan agreement and the trust agreement that the issuance of the Trust Beneficiary Rights is effectively directed to refinancing the funds for the acquisition of the logistics facility, no traceability management is required.

Transactions until the Trust Beneficiary Rights is delivered and transferred to the investor are clearly stipulated in the agreements. Therefore, JCR evaluates that controls are secured as long as businesses are conducted in accordance with the agreements.

The proceeds of the Trust Beneficiary Rights were paid to the MUFG Bank on the date of the transfer in exchange for the transfer of the loan receivable, and the entire amount was appropriated to acquire the loan receivable, and no unallocated funds were generated. In addition, if the Loan is repaid prior to the final repayment date, the Trust Beneficial Rights will also be redeemed in accordance with the waterfall predetermined in the trust agreement, and therefore, it will not be necessary to reapply the Loan.

3. Reporting

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the disclosure system for investors, etc. before and after the issuance of green bonds is planned in a detailed and effective manner at the time of the issuance of green bonds.

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Reporting on the proceeds allocation

As confirmed in the preceding section, the funds procured through the Trust Beneficiary Rights will be heading toward refinancing of the acquisition funds for the logistics facility, and therefore no reporting of the unallocated funds is anticipated during the period.

The subjects for the use of proceeds during the period will be monitored by the Structured Finance Division of MUTB and the Solution Products Division (Real Estate Finance Department) of MUFG Bank. In the event of a significant change, such as the sale of the property subject to the use of proceeds, DPR will notify the MUFG Bank and MUTB. In addition, MUTB will disclose information to investors as trustees.

b. Reporting on environmental improvement effects

The outline of the logistics facility for which proceeds of the Trust Beneficiary Rights will be used is described in Phase 1 of this report.

DRM plans to disclose the following environmental benefits under its Green Finance Framework. MUTB and MUFG Bank also plan to disclose its environmental improvement report to investors at least once a year.

- Number and type of environmental certification of its assets
- Greenhouse Gases (CO₂) Emissions
- Energy Consumption

JCR evaluates that the reporting planned will appropriately disclose to investors both the allocation of proceeds and the effects on environmental improvement.

4. Environmental Initiatives of the Organization

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the issuer's management positions environmental issues as a high priority management issue, and whether the issuer's policies and processes for issuing green bonds, criteria for selecting green projects, etc. are clearly positioned by establishing a department that specializes in the environmental field or by cooperating with external organizations.

(2) Current Status of Evaluation Targets and JCR's Evaluation

a. Mitsubishi UFJ Financial Group's Environmental Efforts

Mitsubishi UFJ Financial Group has identified "Environmental and Social Issues" that should be prioritized and addressed with the aim of resolving environmental and social issues and achieving sustainable growth. The review process identifies domestic and international environmental and social issues with reference to the United Nations Sustainable Development Goals (SDGs), and identifies seven priority issues in terms of both social expectations and compatibility with MUFG's business domains. Each business group has incorporated these priority issues into their business strategies and is pushing forward with initiatives to address these issues.

Priority Issues MUFG Must Address

- (1) Aging population & low birth rate
- (2) Business incubation & job creation
- (3) Social infrastructure & town planning
- (4) Global warming and climate change
- (5) Financial innovation
- (6) Workstyle reforms
- (7) Cross-sectoral environment and social issues

In order to address the above issues, the Group has established the Sustainability Committee, which is composed mainly of members of the holding company's management committee. In principle, the committee is held once a year. In addition, a similar sustainability or CSR promotion organizations have been established for the banks, trusts, securities, sales finance companies, etc. of each subsidiary business group, and a system has been put in place to enable the Group as a whole to take specific actions for environmental and social issues.

The Group has established "MUFG Environmental Policy Statement", which describes the Group's policies for tackling environmental issues. The Group has also formulated "MUFG Environmental and Social Policy Framework" as a concrete measure to put the content of the Environmental Policy into practice. Each Group subsidiaries have declared their compliance with the Group's policies by adopting what is described in the "MUFG Environmental Policy Statement" and "MUFG Environmental and Social Policy Framework".

Examples of specific actions taken by the subsidiaries within the Group include financing renewable energy projects in the banking sector, providing financing instruments in the environmental field using the government's interest subsidy program, and consulting services related to carbon credits (JCM) in the securities sector.

The issuance of the Trust Beneficiary Rights is conducted by MUTB in cooperation with MUFG Bank, the core subsidiary of the Group, which has a commercial banking department. JCR evaluates that MUFG's financing projects that have an environmental improvement effect is a concrete approach to the environment.

In May 2019, in order to contribute to the realization of a sustainable society and the achievement of SDGs, the Group sets forth a "Sustainable Finance Targets" that aim to implement sustainable finance (finance for businesses that MUFG considers to contribute to environmental and social issues, referring to sustainable finance in reference to Green Loan Principles, Green Bond Principles, and Social Bond Principles (including financing, fund investments, project finance, and syndicated loan origination, underwriting of stocks and bonds, and financial advisory services) totaling JPY 20 trillion (including JPY 8 trillion in the environmental sector) from fiscal 2019 to fiscal 2030.

Sustainable finance in the environmental field is defined as businesses contributing to the adaptation to and moderation of climate change, including renewable energy, energy efficiency improvement, and green buildings. The issuance of the Trust Beneficiary Rights is one of the specific initiatives for the environment mentioned above and one of the specific initiatives for sustainable finance.

As a means of stakeholder engagement, the Group holds stakeholder dialogues and invites experts to hold dialogues with management. Through these dialogues, it gathers opinions from outside the Group on its ESG initiatives. In this way, the Group collaborates with departments and organizations with expertise inside and outside it to engage in and verify ESG initiatives.

Based on these findings, JCR evaluates that the management of the Group regards environmental issues as a high-priority issue.

b. Environmental Initiatives of MUTB

As a core subsidiary of the Group, management of MUTB recognizes the importance of the Group's ESG initiatives and specific issues to them.

MUTB has a Management Committee and a Sustainability Committee to discuss CSR activities in the same way as the holding company. In addition, the Sustainability Planning Department has been established within the Corporate Planning Division as a supervisor department. In the Asset Management & Investor Services Business Unit, the Responsible Investment Promotion Department oversees research, planning, and promotion activities related to ESG in the entire asset management business, conducts public relations and external negotiations related to ESG, and evaluations ESG investment performance. In addition, the ESG Promotion Department engages in dialogue and exercises voting rights on issues related to the environment (E), society (S), and corporate governance (G) in which trustees invest, thereby encouraging sustained increases in corporate value.

By issuing trust beneficiary rights backed by loans to properties that are subject to this evaluation, the Corporate Business Unit is implementing specific initiatives in line with "MUFG Environmental Policy Statement" and "MUFG Environmental and Social Policy Framework".

JCR has confirmed through interviews that the issue of the Trust Beneficiary Rights is part of its environmental efforts and that it intends to contribute to the environmental efforts by providing similar products on the opportunity in the future. It is expected that concrete efforts to address similar ESG issues will continue in the future.

■ Evaluation Result

Based on the JCR Green Bond Evaluation Methodology, JCR assigns "g1" for the preliminary evaluation of "Greenness Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of "Management, Operation and Transparency Evaluation". Consequently, JCR assigns "Green1" as an overall "JCR Green Bond Preliminary Evaluation" to the Trust Beneficiary Rights. The Trust Beneficiary Rights are considered to meet the standards for the items required by the Green Bond Principles and the Green Bond Guideline of the Ministry of the Environment of Japan.

[JCR Green Bond Evaluation Matrix]

		Management, Operation and Transparency Evaluation				
		m1	m2	m3	m4	m5
Greenness Evaluation	g1	Green 1	Green 2	Green 3	Green 4	Green 5
	g2	Green 2	Green 2	Green 3	Green 4	Green 5
	g3	Green 3	Green 3	Green 4	Green 5	Not qualified
	g4	Green 4	Green 4	Green 5	Not qualified	Not qualified
	g5	Green 5	Green 5	Not qualified	Not qualified	Not qualified

■ Subject

Issuer: Mitsubishi UFJ Trust and Banking Corporation

[Assignment]

Subject	Issue Amount	Trust Setup Date	Expiration Date of the Trust	Preliminary Evaluation
DREAM Private REIT Inc. Green Trust Beneficiary Rights	JPY 2 billion	January 31, 2020	January 31, 2023	JCR Green Bond Evaluation :Green1 Greenness Evaluation :g1 Management, Operation and Transparency Evaluation :m1

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Important Explanation of the Green Bond Evaluation

1. Assumptions, Significance, and Limitations of JCR Green Bond Evaluation

JCR Green Bond Evaluation, which is assigned and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the proceeds of green bonds, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation, and transparency of the use of green bonds are ensured. This does not perfectly disclose all the efforts taken by the issuer/borrower to ensure the use of proceeds, administration, management of the proceeds and the transparency.

JCR Green Bond Evaluation is to evaluate the plan or status of the proceeds to green projects at the time of issuing green bonds or planning to issue, and does not guarantee the future actual allocation of the proceeds. JCR does not guarantee the positive environmental effects of green bonds nor is liable for their expected impacts. JCR confirms that the environmental impacts, which will be realized by the allocated proceeds, are calculated quantitatively and qualitatively by the issuer or by a third party requested by the issuer, but in principle JCR does not calculate them by itself.

2. Methodologies used in the conduct of this evaluation

The methodology used in this evaluation are listed on JCR website (Sustainable Finance & ESG in <https://www.jcr.co.jp/en>) as JCR Green Finance Evaluation Methodology.

3. Relationship with Acts Related to Credit Rating Business

JCR Green Bond Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

4. Relationship with Credit Ratings

The Evaluation differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

5. Third-party character of JCR

There is no conflict of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

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■ Glossary

JCR Green Bond Evaluation: JCR Green Bond Evaluation evaluates the extent to which the funds procured from the Green bond are allocated to the Green Project as defined by JCR, and the extent to which the management, operation, and transparency of the Green Bond are ensured. Evaluations are graded on a scale of 5, beginning with the top, using the Green1, Green2, Green3, Green4, and Green5 symbols.

■ Status of registration as an external assessor of green finance

- Environment Ministry's Green Bond Issuance Registration
- Members of the Working Group on Social Bonds (ICMA)
- Members of the Working Group on UNEP FI Positive Impact Finance Principles
- CBI Approved Verifier

■ Status of registration as a credit rating agency, etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO (Nationally Recognized Statistical Rating Organization). (1) Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If we are subject to disclosures under Rule 17g-7(a) of the U.S. Securities and Exchange Commission, such disclosures are attached to JCR's website (<https://www.jcr.co.jp/en>).

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