



25-D-0185
May 12, 2025

Japan Credit Rating Agency, Ltd. (JCR) announces the following Sustainability Finance Framework Review Results.

GLP J-REIT

Sustainability Finance Framework

Affirmation

Overall
Evaluation

SU 1(F)

Greenness and
Social Beneficial
Impacts Evaluation
(Use of Proceeds)

gs1(F)

Management,
Operation and
Transparency Evaluation

m1(F)

Issuer/Borrower

GLP J-REIT (security code: 3281)

Subject

Sustainability Finance Framework of GLP J-REIT

Evaluation Overview

GLP J-REIT is a J-REIT that specializes in logistics facilities sponsored by GLP Japan Inc. GLP J-REIT was established in September 2011 and listed on the Tokyo Stock Exchange (Real Estate Investment Trusts market) in December 2012. As of February 2025, GLP J-REIT has 88 assets with a total acquisition price of JPY 885.1 billion. GLP J-REIT has built a strong cooperative relationship with the sponsor and intends to grow through the sponsor's pipeline, for instance, it acquires properties mainly from those developed and owned by the sponsor. GLP Japan Advisors, GLP J-REIT's asset manager, is 100% owned by GLP Japan Inc.

Ares Management Corporation (NYSE: ARES), the sponsor's parent company, went public on the New York Stock Exchange on May 7, 2014, and is one of the world's leading alternative investment management firms with footprints in North America, Europe, the Asia-Pacific region and the Middle East.

GLP J-REIT shares the approach to sustainability with GLP Japan Advisors, and they work together to promote sustainability initiatives. Embracing its creed that a corporate holistic approach to the environment, society, and governance will result in the greatest benefit for the local community and its unit holders, GLP J-REIT operates business, following its "ESG Policy."

The subject of this evaluation is the Sustainability Finance Framework (the "Framework") formulated by GLP J-REIT to limit the use of proceeds it raises through bonds, loans, or other financial instruments to socially and environmentally beneficial projects. JCR evaluates whether the Framework aligns with *the Green Bond Principles*¹, *the Social Bond Principles*², *the Sustainability Bond Guidelines*³, *the Green Loan Principles*⁴, *the Social Loan Principles*⁵, *the Green Bond Guidelines*⁶, *the Green Loan Guidelines*⁷ and *the Social Bond Guidelines*⁸. Although these are principles and guidelines with no legally binding power rather than regulations, JCR conducts evaluation, referring to these principles and guidelines at present as unified domestic and global standards.

GLP J-REIT targets buildings to meet the Green Eligibility Criteria as the use of proceeds under the Framework as of 2020. The criteria require buildings to earn any of the following certificates: three stars or higher of DBJ Green Building Certification, B+ or higher of CASBEE Certification, three stars or higher of BELS Certification or Silver or higher of LEED Certification. They also require buildings to serve as evacuation shelters or reconstruction support centers in times of a disaster and to contribute to the sustainable growth of local communities as childcare facilities, etc. JCR believes that the projects that GLP J-REIT selects as the use of proceeds are environmentally and socially beneficial and thus assigns an overall rating of "SU 1(F)" to the Framework.

This review comes after the update to the Framework in response to the revision of Building-Housing Energy-efficiency Labelling System ("BELS") effective in April 2024 and the introduction of the new BELS standards. GLP J-REIT has changed the BELS eligible ratings and clarified the Leadership in Energy & Environmental Design ("LEED") version among other green building certifications required by the criteria of the Framework. Having reviewed the scope of Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") in the Framework, JCR considers that the revised Framework remains environmentally beneficial after any of these changes and socially beneficial as well with the stricter social eligibility criteria. The revised Framework will be applied to properties to be additionally acquired in and after April 2025.

¹ International Capital Market Association (ICMA) (2021) *"the Green Bond Principles"*
<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

² International Capital Market Association (ICMA) (2023) *"the Social Bond Principles"*
<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

³ International Capital Market Association (ICMA) (2021) *"the Sustainability Bond Guidelines"*
<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

⁴ Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) (2023) *"the Green Loan Principles"*
<https://www.lsta.org/content/green-loan-principles/>

⁵ Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) (2023) *"the Social Loan Principles"*
<https://www.lsta.org/content/social-loan-principles-slp/>

⁶ Ministry of the Environment (2024) *"the Green Bond Guidelines"*

<https://www.env.go.jp/content/000128193.pdf>

⁷ Ministry of the Environment (2024) *"the Green Loan Guidelines"*

<https://www.env.go.jp/content/000128193.pdf>

⁸ Financial Services Agency (2021) *"the Social Bond Guidelines"*
<https://www.fsa.go.jp/en/news/2021/001.pdf>

JCR considers that there are no significant changes in "Selection Standards and Processes for Use of Proceeds," "Management of Proceeds," and "Reporting" from the previous evaluation and that the Framework remains appropriate.

Based on JCR Green Finance Evaluation Methodology, JCR assigned "gs1(F)" for "Social Beneficial Impacts Evaluation (Use of Proceeds)" and "m1(F)" for "Management, Operation and Transparency Evaluation." As a result, JCR assigned "SU1(F)" for the overall "JCR Sustainability Finance Framework Evaluation." The Framework meets the standards for the items required in *the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, the Green Loan Principles, the Social Loan Principles, the Green Bond Guidelines, the Green Loan Guidelines and the Social Bond Guidelines*.

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■ Review Results (Conclusion)

Review Items

This section provides items to be verified in reviewing the Framework. In this review, JCR focuses on changes from the previous review:

1. Use of Proceeds

The category of eligibility criteria and use of proceeds of sustainability finance remain environmentally and socially conscious after changes.

2. Selection Standards and Processes for Use of Proceeds

The goals to be achieved through sustainability finance and the selection standards and processes of sustainability projects remain applicable.

3. Management of Proceeds

The proceeds from sustainable finance are allocated to sustainability projects without fail, and a scheme and an internal structure to easily track and manage allocations are in place.

4. Reporting

There is an applicable reporting system in place on a continual basis.

5. Organizational Sustainability Initiatives

The management team of the issuer highly prioritizes sustainability as a material managerial issue on an ongoing basis.

Review Contents

1. Use of Proceeds

The following is the use of proceeds that GLP J-REIT sets forth in the Framework and include only changes in the Framework. (The key changes are in bold and underlined.)

Framework for Use of Proceeds (Excerpt)

Types of Projects Eligible to Sustainability Finance Investment

Projects that satisfy the Eligible Green Project Criteria and the Eligible Social Project Criteria are eligible to sustainability finance investment (Eligible Sustainability Projects).

■ Eligible Green Project Criteria

Green buildings (Eligible Green Project category : Green Building)

New, existing or refurbished buildings with at least one certification in the following categories.

- i) DBJ Green Building Certification (Japan): five, four or three stars
- ii) CASBEE (Japan): S, A or B+
- iii) BELS (Japan, FY2016 standard): five, four or three exclude buildings with BEI =under 0.75**
- iv) BELS (Japan, FY2024 standard): six, five, four**
- v) LEED BD+C (U.S., v4 and later): Platinum, Gold or Silver**
- vi) LEED O+M (U.S.): Platinum, Gold or Silver**

■ Eligible Social Project Criteria

Contribution to the sustainable growth of local communities

(Eligible Social Project category: Access to essential services)

New, existing, or renovated buildings that contribute to two or more of the following a-d:

- a. Safety of local residents in times of disaster
- b. Development of the local living environment
- c. Revitalization of the local community
- d. Provision of parenting support

JCR's Evaluation for the Framework

GLP J-REIT has changed the BELS eligible ratings and clarified the LEED version among other green building certifications required by the criteria of the Framework. And JCR reviewed the Framework to explore the scope of CASBEE.

In addition, GLP J-REIT made a minor change to the Eligible Social Project Criteria under the Framework and made them stricter. The Eligible Social Project Criteria "a. Safety of tenants, users and local communities in case of disaster, etc." was changed to "a. Safety of local residents in times of disaster," and "any of the following a-d" was tightened to "two or more of the following a-d."

The following is an overview of the green building certifications required by the Eligible Green Project Criteria, which were updated and explored at the time of reviewing the Framework.

Comprehensive Assessment System for Built Environment Efficiency ("CASBEE")

CASBEE, which stands for Comprehensive Assessment System for Built Environment Efficiency, is a method to assess and rate the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for buildings was established as an industry-academia-government collaboration project with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Since then, CASBEE has been continuously developed and maintained. Other than CASBEE for Building and CASBEE for Urban Development, the evaluation tools include CASBEE for Real Estate developed for the real estate market as an easy indicator of environmental performance.

CASBEE for Buildings (New Construction) is based on Built Environment Efficiency or BEE, which is calculated from built environment quality ("Q") as the numerator and built environment load ("L") as the denominator after classifying the assessment categories in four assessment fields: energy consumption, resource recycling, regional environment, and indoor environment, into BEE numerator Q and BEE denominator L. Buildings are ranked on a scale of five levels: Rank S (excellent); Rank A (very good); Rank B + (good); Rank B - (slightly inferior); and Rank C (inferior). (As to CASBEE for Real Estate, they are ranked on a scale of four levels: Rank S (excellent); Rank A (very good); Rank B + (good); and Rank B (satisfying the required items).) In order to obtain a higher rank, building constructions are required to pay heed to comfortable indoor environments and landscapes as well as the natural environment, for instance, using materials and equipment that are energy efficient and impose less environmental burdens, and to demonstrate high-quality in all aspects.

CASBEE for Real Estate was developed for the purpose of utilizing its results for real estate valuations, and thus its criteria are focused on real estate valuation. CASBEE for Real Estate assesses properties in terms of 1. energy/GHG, 2. water, 3. resource use/safety, 4. biodiversity/sustainable site, and 5. indoor environment. The evaluation steps are as follows: 1) ensure consistency in weighting among major global evaluation tools; 2) use a points-addition system; 3) add points earned from five required evaluation items and 16 point-adding items, making a perfect score of 100 points; and 4) exclude the building from the scope of the evaluation if it does not meet the requisites.

JCR has confirmed that CASBEE certifications that GLP J-REIT sets as the eligibility criteria in the Framework are CASBEE for Buildings (New Construction) and CASBEE for Real Estate but not the local government version of CASBEE. Under CASBEE-Building (New Construction), BEE of 1.0 or higher is required for properties ranked B+ or above, and their environmental quality must be

clearly more significant than their environmental impact. Although CASBEE-Real Estate does not adopt BEE as its measurement standard, properties are required to be ranked equivalent to B+ under the former CASBEE for Buildings. Hence, JCR considers that such buildings are environmentally beneficial. Based on the above, the criteria set out in the Framework offer sufficient environmental benefits. In conclusion, JCR considers that the projects of such buildings are appropriate as the use of proceeds.

Building-Housing Energy-efficiency Labeling System ("BELS")

BELS stands for the Building-Housing Energy-efficiency Labeling System, a system where a third-party assessment organization evaluates and certifies the energy-saving performance of new and existing buildings. BELS evaluates them from the perspectives of envelope performance and primary energy consumption. To receive a higher rank, a building is required to demonstrate excellent energy-saving performance. The evaluation results are ranked based on the Building Energy Index ("BEI"). BEI is a measure of energy-saving performance relative to a standard value, which is calculated from the design primary energy consumption as the numerator and the standard value primary energy consumption as the denominator. The former standards (FY2016 version) ranked buildings on a five-star scale ranging from one-star to five-star. Buildings ranked two-star or higher meet the energy-saving standards.

The building energy saving standard has been tightened for large non-residential buildings whose land area is 2,000 m² or larger since the revised Building Energy Efficiency Act came into effect on April 1, 2024. A new building energy saving standard varies depending upon the building use: 25% or higher reduction for factories, including logistics facilities, and 20% or higher reduction for offices, schools, hotels, or department stores. Based on this revision, the BELS at the time of sale and lease transactions was enhanced in April 2024, and a new standard (FY2024 version) was introduced to BELS. The new standard ranks residential and non-residential buildings with renewable energy systems on a scale of seven levels ranging from six (an energy reduction rate of 50% or higher) to zero (an energy reduction rate of less than 0%), while it rates residential buildings without renewable energy systems on a scale of five levels ranging from four (an energy reduction rate of 30% or higher) to zero (an energy reduction rate of less than 0%). The new standard assigns BELS Level 4 (an energy reduction rate from 30% to below 40%) or higher to buildings that meet the building energy saving standard of all non-residential buildings, while the guidance criteria are applied to some uses. The standard for residential buildings remains unchanged: an energy reduction rate of 0% or higher under the building energy saving standard and an energy reduction rate of 20% or higher under the guidance criteria.

Based on the above, buildings that GLP J-REIT deems eligible under the BELS criteria are energy efficient. Hence, JCR considers that the projects of such buildings are appropriate as the use of proceeds.

Leadership in Energy and Environmental Design ("LEED")

LEED is an environmental performance evaluation system for buildings and urban environments developed and used by the U.S. Green Building Council ("USGBC"), a non-profit organization. LEED stands for Leadership in Energy and Environmental Design. The draft was published in 1996 and has been updated every few years. Currently, v4 and v4.1 are in use, and v5 is scheduled to be released in 2025.

There are six types of certifications: BD+C (Building Design and Construction), ID+C (Interior Design and Construction), O+M (Building Operations and Maintenance), ND (Neighborhood Development), HOMES, and CITIES. Their levels correspond to the total points obtained in each item: Platinum (80 + points), Gold (60-79 points), Silver (50-59 points), and Certified (standard, 40-49 points). The item on energy efficiency requires buildings to earn a high score or achieve the required level, which is often a prerequisite for evaluation. To obtain a higher rank, buildings may need to demonstrate high energy efficiency.

The Silver or higher ranks set by GLP J-REIT as the Eligible Green Project Criteria may imply likely acquisitions of buildings with high energy efficiency. JCR believes that projects that meet the LEED criteria are appropriate as the use of proceeds.

From the above, JCR considers that the revised Eligible Green Project Criteria also target properties with a potential to offer high environmental benefits.

JCR considers that the Framework will continue to offer social benefits as GLP J-REIT's revised Eligible Social Project Criteria have become stricter.

2. Selection Standards and Processes for Use of Proceeds

The following is the selection standards and processes for the use of proceeds that GLP J-REIT sets forth in the Framework. (The key changes are in bold and underlined.)

Framework for Selection Standards and Processes for Use of Proceeds

Project Evaluation/Selection Process

Eligible Sustainability Projects are evaluated and selected by **the ESG Committee** of GLP Japan Advisors, which is **composed of the President, CFO, CIO and Chief Sustainability Officer (CSO).**

The Finance Department proposes the sustainability finance, and ESG Committee will consider the selection of properties for funding and the allocation plan for funds procured through sustainability finance.

The ESG Committee, led by CSO, promotes sustainability initiatives such as setting ESG target, monitoring progress and formulating medium- to long-term ESG policies.

As in the case of ordinary finance (taking out loans, issuance of investment corporation bonds), sustainability finance is executed in the following process:

- Sustainability bonds

Sustainability bonds are issued subject to the adoption of the relevant comprehensive resolution by the Investment Committee of GLP Japan Advisors and the Board of Directors of GLP J-REIT.

- Sustainability loans

Loan agreements are concluded subject to approval by the Investment Committee.

JCR's Evaluation for the Framework

At the time of the previous evaluation, JCR considered that the selection standards and processes for the use of proceeds set forth in the Framework were appropriate.

The selection of target properties is led by the ESG Committee under the updated Framework instead of the Sustainability Task Force under the previous Framework. JCR believes that the decision-making process remains appropriate as the ESG Committee is a meeting body composed of the President, CFO, CIO and CSO.

3. Management of Proceeds

The following is the management of proceeds that GLP J-REIT sets forth in the Framework. (The key changes are in bold and underlined.)

Framework for Management of Proceeds

Management of Sustainability Finance Balance

The upper limit of sustainability finance (limit of the "Debts of Eligible Sustainability Projects") shall be the amount calculated by multiplying the total acquisition cost of the Eligible Sustainability Projects by the ratio of actual interest-bearing debt to total assets as of the end of the latest fiscal period that can be calculated on the payment date or loan date of each investment corporation bond, or as of the end of every February.

Eligible Sustainability Projects that also fall under the definition of Eligible Green Projects under GLP J-REIT's Green Finance Framework are included in the total value of Eligible Sustainability Projects as well as that of Eligible Green Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included in calculating the outstanding balance of sustainability finance as well as that of green finance. The presence of such overlaps, i.e., amounts included in the total value and the outstanding balance of finance for both type of eligible assets, is disclosed in notes.

Appropriation Plan for Fund Raising

GLP J-REIT is committed to allocating all the proceeds from the Sustainability Financing towards funding the acquisition of the Eligible Sustainability Projects or refinancing the relevant fund within one month after the financing.

Tracking Methodologies of Procurement Funds

Once the proceeds from sustainability finance are received, the person in charge in **the Finance Department** will transfer the entire amount to the seller as the funds for the acquisition of the property or transfer the funds for the redemption and repayment of the investment corporation bonds or loans to the account at a predetermined date. In order to carry out the above process, the President made final internal decisions in advance.

The proceeds received will be held in cash or cash equivalent until they are appropriated for the acquisition.

Internal and External Audits of Fund Procurement

The Asset Management Company regularly conducts internal audits. It also undergoes external audits of its overall accounting of GLP J-REIT.

Management of Documents Relating to Procurement Fund

The passbooks are held by Mitsubishi UFJ Trust and Banking Corporation, which is the asset custodian. **GLP Japan Advisors will check and confirm account activity via electronic banking. (GLP Japan Advisors is only authorized to view the account).**

JCR's Evaluation for the Framework

At the time of the previous evaluation, JCR considered that the management of proceeds set forth in the Framework was appropriate. JCR has verified that the management of proceeds remains unchanged in the revised Framework and thus considers that the Framework remains appropriate.

At the time of the previous evaluation, JCR considered that the management of proceeds set forth in the Framework was appropriate. JCR considers that the Framework remains appropriate as there are no major changes to the Framework revised this time around.

4. Reporting

The following is the reporting process that GLP J-REIT sets forth in the Framework. (No changes from the previous evaluation.)

Framework for Reporting (Excerpt)

Reporting on Status of Proceeds

GLP J-REIT will publish the allocation status of the fund proceeds from sustainability financing on its website. Their reports will be published once every year till the outstanding balance of the concerned sustainability financing become zero. Further, as long as there remains any outstanding balance in its sustainability financing, GLP J-REIT will disclose the following benchmarks as of the end of February of each year on its website.

- Total amount of bond proceeds that has been used
- Unused amount of bond proceeds

Reporting on Positive Environmental Impacts and Social Benefits

The following information is disclosed on the website:

- a. Positive environmental impacts
 - Level of ratings awarded in environmental certifications
- b. Social benefits

Output indicators	-Number of properties under Eligible Sustainability Projects
Outcome indicators	<ul style="list-style-type: none"> - Emergency shelter for people affected by disasters - Standby station for Disaster Relief Teams and Emergency Fire Response Teams in the event of a disaster - Stockpile volume of fuel - Groundwater facility
Impact	- Harmonious relationship with the local community by contributing to the safety and security of the community

JCR's Evaluation for the Framework

At the time of the previous evaluation, JCR considered the reporting process set forth in the Framework was appropriate. In this revision, there are no major changes to the Framework. And JCR believes that the Framework remains appropriate.

JCR has also verified that GLP J-REIT properly performs reporting on its website.

5. Organization's Environmental Initiatives

GLP J-REIT shares the approach to sustainability with GLP Japan Advisors, and they work together to promote sustainability initiatives. Embracing its creed that a corporate holistic approach to the environment, society, and governance will result in the greatest benefit for the local community and its unit holders, GLP J-REIT operates business, following its "ESG Policy" shown in the table below.

Table 1: GLP J-REIT ESG Policy¹

1. Initiatives for environment protection

Continue to pursue innovative initiatives and take effort to execute them which are aimed at minimizing environmental impact fall under our corporate actions to protect global environment and achieve sustainable society

2. Promote actions to achieve Net Zero at GLP J-REIT

Promote energy efficiency and implementation of renewable energy to accelerate actions against climate change and achieve Net Zero

3. Obtain third party evaluation on facility

Target to obtain third party certifications based on the initiatives which are to develop environmentally and workers friendly specifications on facilities we manage

4. Treat biodiversity

Promote taking care of plants and wild animals existing around facility, which is important to respect biodiversity and think highly of ecosystem to achieve sustainable society

5. Water management

Recognize water protection as critical issue and promote efficient usage and management of water by co-work with stakeholders

6. Collaboration with stakeholders

Aim to provide more added value through identification of various issues and implementation of initiatives for solution by collaboration with stakeholders

7. Customer support

Make effort to solve issues in society through customer support, which are to response customer's demand, establish efficient business operations, secure employee's health and safety and provide comfortable working spaces and services

8. Coexistence with local community

Promote chain reactive and sustainable initiatives for coexistence with local community through supporting job creation and proactive actions with local community

9. Maximize employee's capability

Aim to maximize each employee's capability through personnel development, establishing appropriate working environment and building culture respecting individual values

10. Support supply chain

Share our ESG policy with business partners on supply chain and provide continuous support

11. Response to disasters

Aim to improve disaster prevention system not only in facility but for local community through providing facilities well-equipped with safety and various services, BCP initiatives and cooperation with local government

12. Improve productivity and efficiency with technology

Improve productivity and efficiency of social infrastructures through investment, development and proactive use on technologies and innovations

13. Proactive involvement on social contribution activities

Proactively involve on social contribution activities to contribute to local community as a member of society with common acknowledgement of our business impact to society

14. Establish ethical corporate culture

Establish ethical and highly transparent corporate culture by following the ethics codes we define

15. ESG prospects built in process of decision makings

Risk and opportunity on ESG are regularly implemented in process of decision makings for our business

¹ Created by JCR based on GLP J-REIT's website

GLP Japan Advisors established Sustainability Task Force in 2014 and subsequently ESG Committee in 2021. ESG Committee is composed of the President & CEO, CFO, CIO and CSO, and promotes sustainability initiatives by formulating medium- to long-term Basic ESG Policy, setting ESG goals, monitoring the progress, and deliberating on various projects. ESG Committee formulates medium- to long-term Basic ESG Policy, sets ESG goals, monitors the progress, deliberates on various projects, and decides on their policies.

GLP Japan Advisors expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") in August 2021 and joined the TCFD Consortium, an organization of domestic supporting companies. GLP J-REIT recognizes that climate change is a major global issue and a medium- to long-term risk and is working with GLP Japan Advisors to mitigate climate change by reducing GHG emissions, etc., and to adapt to impacts from climate change for reducing them and turning them into opportunities, in order to achieve carbon neutrality by 2050.

GLP J-REIT is in the process of obtaining third-party environmental certification for its properties and plans to increase the percentage of its properties (on a total floor area basis) with environmental certification (the top three ranks or higher¹⁰) to more than 90% by 2025.

GLP J-REIT has received the highest rank of "5 Star" rating for the fifth consecutive year in the Global Real Estate Sustainability Benchmark ("GRESB") Rating, which rates entities on a five-level scale based on their global ranking of the overall score in the GRESB Real Estate Assessment. In addition, GLP J-REIT has received a "Green Star" award in the GRESB Real Estate Assessment for 10 years in a row. "Green Star" is an award to recognize companies for their excellence in both the "Management Component," which evaluates policies and organizational structures for promoting ESG, and the "Performance Component," which evaluates the environmental performance of their properties and initiatives in tandem with tenants.

Based on the above, GLP J-REIT positions sustainability and ESG issues as a high priority issue. JCR takes it as GLP J-REIT continues to have an appropriate system in place to address sustainability and ESG issues.

¹⁰ BELS: 3★ or higher; CASBEE for Real Estate or Building (New Construction): B+ or higher; LEED: Silver or higher; and DBJ Green Building Certificate: 3★ or higher

Review Result (Conclusion)

SU 1(F)

As a result of the review as in the previous sections, JCR has verified that there are no changes to the Framework. Hence, JCR considers that the Framework meets the requirements of the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, the Green Loan Principles, the Social Loan Principles, the Green Loan Principles, the Green Bond Guidelines, the Green Loan Guidelines and the Social Bond Guidelines.

		Management, Operation, and Transparency Evaluation				
		m1(F)	m2(F)	m3(F)	m4(F)	m5(F)
Greenness and Social Beneficial Impacts Evaluation	gs1(F)	SU 1(F)	SU 2(F)	SU 3(F)	SU 4(F)	SU 5(F)
	gs2(F)	SU 2(F)	SU 2(F)	SU 3(F)	SU 4(F)	SU 5(F)
	gs3(F)	SU 3(F)	SU 3(F)	SU 4(F)	SU 5(F)	Not qualified
	gs4(F)	SU 4(F)	SU 4(F)	SU 5(F)	Not qualified	Not qualified
	gs5(F)	SU 5(F)	SU 5(F)	Not qualified	Not qualified	Not qualified

(Responsible analysts for this evaluation) Fuyuki Tamagawa, Daisuke Sato

Important explanations of this Evaluation

1. Assumptions, Significance and Limitations of JCR Sustainability Finance Framework Evaluation

JCR Sustainability Finance Framework Evaluation, which is determined and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the Sustainability Finance Framework, and expresses JCR's comprehensive opinion at this time regarding the appropriateness of the Green Project and/or Social Project as defined by JCR and the extent of management, operation and transparency initiatives related to the use of funds and other matters. Therefore, JCR Sustainability Finance Framework Evaluation is not intended to evaluate the effects of specific environmental improvements and social benefits the management, operation and transparency of individual bonds and borrowings, etc. to be implemented based on these policies. In the event an individual bond or individual borrowing based on this Framework is subject to a sustainability finance evaluation, a separate evaluation is needed. JCR Sustainability Finance Framework Evaluation does not prove the environmental improvement effects and social benefits of individual bonds or borrowings implemented under this Framework, and does not assume responsibility for their environmental improvement effects and social benefits. JCR confirms the environmental improvement effects and social benefits of funds procured under the Sustainability Finance Framework measured quantitatively and qualitatively by the issuer/borrower or by a third party nominated by the issuer/borrower, but in principle it does not directly measure such effects.

2. Method used to conduct this evaluation

The methodologies used in this assessment are described in "JCR Sustainability Finance Evaluation" on the "Sustainable Finance ESG" section of the JCR website (<https://www.jcr.co.jp/en>).

3. Relationship with Acts Concerning Credit Rating Business

JCR Sustainability Finance Framework Evaluation is determined and provided by JCR as a related business, which is different from its activities related to the credit rating business.

4. Relationship with Credit Ratings

The Evaluation is different from the Credit Rating and does not assure to provide or browse a predetermined credit rating.

5. Third-Party Evaluation of JCR Sustainability Finance Framework Evaluation

There are no capital and/or personnel relationships that may result in a conflict of interests between the subject of this evaluation and JCR.

■Matters of Attention

The information contained in this document was obtained by JCR from the issuer/borrower and from accurate and reliable sources; however, such information may be mistaken for human and/mechanical errors or other reasons. Therefore, JCR makes no representation or warranty, whether express or implied, as to the accuracy, result, appropriateness, timeliness, completeness, marketability or fittingness for any particular purpose of such information, and assumes no responsibility for any errors, omissions or consequences of using such information. JCR shall not be liable for any loss of opportunity and extraordinary, indirect, incidental or consequential damages of any kind, including any loss of money, which may result from any use of such information under any circumstances, whether contractual liability, tort liability, negligence or other causes of liability, and whether or not such damages are foreseeable or unforeseeable. JCR Sustainability Finance Framework Evaluation does not express any opinion on various risks (credit risk, price fluctuation risk, market liquidity risk, price fluctuation risk, etc.) related to sustainability finance based on the sustainability finance framework, which is the target of the evaluation. Furthermore, it is an expression of JCR's opinion at the present time and does not represent facts nor does it make any recommendation regarding risk assessment or decisions on the purchase, sale or holding of individual bonds, commercial paper, etc. JCR Sustainability Finance Framework Evaluation may be modified, suspended or withdrawn due to changes in information, lack of information or other reasons. All rights pertaining to this document, including data from JCR Sustainability Finance Framework Evaluation, are held by JCR. All or part of this document, including data from JCR Sustainability Finance Framework Evaluation, is prohibited from being reproduced, modified or otherwise altered without the permission of JCR.

■ Glossary

JCR Sustainability Finance Framework Evaluation: This evaluates the extent to which the funds procured through Sustainability Finance are appropriated for green projects and/or social projects as defined by JCR and the degree to which the management, operation and transparency of the Sustainability Finance are ensured. Evaluations based on a 5-point scale are given from top to bottom using the SU 1(F), SU 2(F), SU3 (F), SU4 (F), and SU5 (F) symbols.

■ Status of Registration as an External Evaluator of Sustainability Finance

- Registered as an External Reviewer of Green Bonds by the Ministry of the Environment
- ICMA (registered as an observer with the Institute of International Capital Markets)

■ 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
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