

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

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

JCR Assigned SU 1 to the Bonds of Tokyu Fudosan Holdings Corporation

Subject	:	Tokyu Fudosan Holdings Corporation Second Unsecured Bonds with Interest Deferral Provision and Prepayment Provision (Subordinated Provision) (Sustainability Bonds)
Type	:	Unsecured bonds
Issue Amount	:	JPY 30 million
Interest Rate	:	From December 18, 2020 to December 18, 2030 : 1.24% From December 18, 2030 : 6 months Euro Yen Libor + 2.20%
Issue Date	:	December 17, 2020
Redemption Date	:	December 17, 2060
Method of Repayment	:	Bullet * Early redemption clause after 10 years from the issuance
Use of Proceeds	:	1. Tokyo Port City Takeshiba 2. Kudan-Minami 1-chome Project (tentative name) 3. Membership-based shared-office business "Business-Airport" 4. Startup support and co-creation business 5. Senior housing business

<Sustainability Bond Evaluation Results>

Overall evaluation	SU1
Greenness and Social Beneficial Impacts Evaluation (Use of proceeds)	gs1
Management, Operation and Transparency Evaluation	m1

Chapter 1: Evaluation Overview

Tokyu Fudosan Holdings Co., Ltd. (Tokyu Fudosan HD) is a pure holding company established on October 1, 2013 through a joint stock transfer of 3 listed companies: Tokyu Fudosan Co., Ltd., Tokyu Community Co., Ltd., and Tokyu Livable Corporation. As of the end of March 2020, Tokyu Corporation (Tokyu) is the largest shareholder (15.90% stake), and Tokyu Fudosan HD is an equity-method affiliate of Tokyu.

Its operating companies include Tokyu Fudosan, Tokyu Community, Tokyu Livable, and Tokyu Hands. The business portfolio consists of 7 segments, including the city business, which includes the development, leasing, and operation of office buildings and commercial facilities, and the sale of buildings, as well as the residential business, which includes condominium sales and detached house sales, and the management and repair work of condominiums and buildings.

Tokyu Fudosan HD has established a sustainability vision: "We will solve social issues through our business activities and work with our stakeholders to realize sustainable society and growth." As a social issue facing us through our business activities, Tokyu Fudosan HD defines SDGs to be addressed, identifies 7 items of materiality, and aims to solve materiality by providing facilities and services as outputs by leveraging the strengths of the Group's broad business portfolio, diverse assets, diverse customer bases, and human resources with expertise.

The subject of this evaluation is unsecured bonds (with a subordination rider) (the "Bonds") that Tokyu Fudosan HD is scheduled to issue in December 2020. All of the proceeds of the Bonds will be used to fund construction and capital expenditures on properties that meet Tokyu Fudosan HD's eligible criteria in the Sustainability Finance Framework and to refinance such funds.

The funds raised by the Bonds will be used for 5 projects: 1) Takeshiba, Tokyo Port, 2) (tentative name) Kudan-Minami 1-chome Project, 3) Membership-based shared-office business "Business-Airport," 4) Startup support and co-creation business, and 5) Senior Housing Business. Through a series of businesses, the following contributions can be considered; 1) and 2) are for green buildings and access to essential services targeting local residents; 3) and 4) are for socio-economic improvement and empowerment for startups; and 5) is for access to essential services for the elderly, and thereby, environmental improvement effects and social benefits are clearly expected. Based on the above, JCR has evaluated that the use of proceeds subject to this evaluation is a project with environmental improvement effects and social benefits.

The targets of the use of proceeds were selected through an appropriate process involving specialized departments; cash management is planned to be appropriately conducted using an internal system; appropriate indicators are established for reporting and necessary matters are scheduled to be disclosed; therefore, JCR confirmed that the management and operation system for the Bonds has been established and is highly transparent, and that Tokyu Fudosan HD's management has positioned environmental and social issues as high priority issues.

Based on the JCR Sustainability Finance Assessment Methodology, JCR assigned "gs1" for the "Greenness and Social Beneficial Impacts Evaluation (Use of proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation." Consequently, JCR assigned "SU 1" for the "JCR Sustainability Bond Evaluation." Evaluation results are discussed in detail in the next chapter. The Bonds are considered to meet the standards for items required by the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, and the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan Guidelines issued by the Ministry of the Environment.¹²³⁴

¹ ICMA (International Capital Market Association) Green Bond Principles 2018 Version
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf>

² Social Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

³ ICMA Sustainability Bond Guidelines 2018
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Sustainability-Bonds-Guidelines-June-2018-270520.pdf>

⁴ Green Bond Guidelines 2020 <https://www.env.go.jp/press/files/jp/113511.pdf>

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

Evaluation Phase 1: Greenness and Social Beneficial Impacts Evaluation

JCR assigned "gs1", the highest grade, to "Evaluation Phase 1: Greenness and Social Beneficial Impacts Evaluation"

Rationale: The proceeds under the Framework will be allocated 100% to a green or social project, considering the factors described below.

(1) JCR's Key Consideration in This Factor

In this section, JCR begins by checking whether proceeds are used for projects with clear environmental improvement effects or projects with social benefits. Next, in cases where the use of proceeds is expected to have a negative impact on the environment and society, the impact is fully examined by an internal specialized department or an external third-party organization to confirm whether necessary measures for avoidance and mitigation have been taken. 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

Tokyu Fudosan HD has set the following uses of funds in its Sustainability Finance Framework.

Funds raised by us under this Sustainability Finance Framework are expected to be used to fund expenditures or investments in new or existing assets that meet the following social projects and/or green projects (eligible Criteria 1-3). In addition, all social projects and/or green projects satisfy our "Value Provided through Project," and are measures/initiatives to realize our sustainable growth.

When we procure funds through Green Bonds or Green Loans, we select the use of proceeds from projects that satisfy the Green Eligible Criteria, if we procure funds through Social Bonds or Social Loans, projects that satisfy the Social Eligible Criteria, or, if we procure funds through Sustainability Bonds or Sustainability Loans, projects that satisfy both the Green Eligible Criteria and the Social Eligible Criteria.

- Value provided through business (output)
- Comfortable urban life
- Safe and reliable housing
- Physical and mental health
- Enhanced leisure
- Clean energy

Social projects

Projects that contribute to the provision of either 1 or 2 below

1. Basic infrastructure development and access to essential services
2. Socioeconomic Improvement and Empowerment

Green Projects

[Eligible Criteria 1: Green building]

The proceeds will be used to fund expenditures (such as land acquisition costs, planning and development costs, construction costs, and renovation costs) or investments in new or existing assets that meet any of the following eligible criteria:

- i. Objects for which any of the following certifications has been obtained or renewed within the past 36 months from the payment date of the Green Bond concerned
- ii. Properties for which any of the following third-party certifications is to be acquired or renewed in the future
- iii. Of the properties for which either of the following certifications is within the valid period, those completed within the past 36 months from the payment date of the relevant Green Bond
 - S rank or A rank in CASBEE-building or CASBEE-real estate
 - Platinum or Gold in LEED-BD+C and LEED-O+M certification
 - 5 or 4 stars in BELS
 - 5 or 4 stars in DBJ Green Building certification

[Eligible Criteria 2: Renewable energy (solar, wind power generation)]

Funds raised through sustainability finance will be used to create clean energy and to fund new or existing investments in renewable energy businesses that contribute to regional job creation and economic revitalization through the development and management of power plants.

Specifically, this is the cost required for the purchase, design, and land development of facilities related to solar and wind power generation projects (*) in which we or our group companies invest in our funds to contribute to the de-carbonization

※ The Act on the Promotion of the Utilization of Non-fossil energy Sources and the Effective Use of Fossil Energy Resources by Energy Suppliers stipulated in the Act on the Promotion of Renewable Energy Generation Projects that can be permanently used as energy

Eligible criteria for Investment

- i. To be undertaken in Japan
- ii. Equipment accreditation (METI) and authorization have been obtained for the Object Equipment and the Case, and the Environmental Assessment (only applicable) has been properly completed.
- iii. Potentially negative environmental and social impacts should be considered. Specifically,

risk mitigation measures described below should be implemented.

- iv. Commencement of operations (commencement of business) within 36 months from the date of issuance of the related green bonds or scheduled to commence operations (commence business) after the date of issuance of the related green bonds

[Eligible Criteria 3: Initiatives for forest conservation]

Funds procured through sustainability finance will be used for new or existing assets (construction costs, renovation costs, etc.), equipment purchases and upgrades, etc. related to projects involving the creation of a community-recycling-oriented environment through the construction of a land consumption cycle for forest resources.

<List of Eligible Projects as of November 2020>

- i. Tokyo Port City Takeshiba
- ii. Kudan-Minami 1-chome Project (tentative name)
- iii. Membership-based shared-office business "Business-Airport"
- iv. Startup support and co-creation business
- v. Senior housing business
- vi. Renewable Energy Business "ReENE"
- vii. Logistics Facilities Business "LOGI'Q"
- viii. Tokyu Resort Town Tateshina "Morigurashi"

The proceeds of the Bonds will be used in full for new funding and refinancing of the following five projects of 1) Tokyo Port City Takeshiba, 2) (tentative name) the Kudan-Minami 1-chome Project, 3) membership-based shared-office business, "Business-Airport", 4) startup support and co-creation business, and 5) the senior housing business.

1) Tokyo Port City Takeshiba

Property name	Tokyo Port City Takeshiba
Address	7-1, Kaigan1-chome, Minato-ku, Tokyo
Major use	Offices, exhibition areas, meeting places, restaurants, merchandise stores, parking lots, bicycle parking lots
Site Area	Approx. 12,156.65 m ²
Total floor area	Approx. 182,052.01 m ²
Floors	40 aboveground floors and 1 basement floor
Completed	May 29, 2020
Environmental certification	DBJ Green Building Certification 5 Stars CASBEE S Ranking (Self-Assessment)

This complex is located four minutes from JR Hamamatsucho Station, two minutes on foot from Yurikamome Takeshiba Station, and five minutes on foot from Daimon Station on the Toei Subway Asakusa Line and Oedo Line. This consists of office towers, residence towers and port decks.

The redevelopment plan for the Takeshiba area where this property is located was approved by the Prime Minister in 2015 as a specific project of the National Strategy Special Zone Plan. In this plan, Alberoglande

Co., Ltd. (an operating company established by Tokyu Fudosan and Kajima Corporation to develop this property) leased the land owned by Tokyo Metropolitan Government located in the Takeshiba district under a fixed-term lease for about 70 years, and develops a highly competitive international business base in harmony with the rich greenery of the Hama Rikyu Onshi garden and the former Shiba Rikyu Onshi garden and the landscape resources of Tokyo Bay. The main policies of the plan are to promote industry in collaboration with the Tokyo Metropolitan Industrial Trade Center and other organizations, to build a network of walkers that enhances the turnover of the Takeshiba district and creates bustling prosperity, to strengthen disaster preparedness, to form bases for environmental education, and to tackle environmental burdens.

In addition to providing space to accommodate people who find it difficult to return home in the event of a disaster, this property is implementing disaster mitigation measures by establishing a disaster prevention stockpiling warehouse, storing about 6,300 people worth of stockpiles for 3 days, and supplying power in an emergency using a cogeneration system and emergency generators. The port deck developed by this project is a 500-meter deck that seamlessly connects Hamamatsu-cho Station to Takeshiba Station and Takeshiba-Futo Station to Takeshiba-Futo. In addition, Takeshiba Area Management, which was established in conjunction with this redevelopment, collaborates with the Takeshiba Area Town Development Council, which is composed of local stakeholders and administrative stakeholders, to promote initiatives for the progress and improvement of attractiveness of the Takeshiba Area.⁵

Smart City Takeshiba Project, which is jointly promoted in the Takeshiba district by five organizations, including Tokyu Fudosan, Kajima Corporation, and SoftBank Corp., has been adopted as a project publicly solicited by the Tokyo Metropolitan Government to realize "Smart Tokyo." In the Takeshiba area, the CiP Council, a general incorporated association, aims to form an international business base through the integration of digital and content industries in cooperation with a plurality of businesses. In addition, in the areas subject to this redevelopment, Tokyu Fudosan and SoftBank have been working since July 2019 to build a model case for smart cities that utilize cutting-edge technology across the entire town, and Smart City Takeshiba is expected to be promoted as an extension of these initiatives.^{6,7}

2) Kudan-Minami 1-chome Project (tentative name)

Development business in Kudan, Chiyoda-ku, Tokyo. Focusing mainly on a complex building with 17 floors above ground and 3 floors below ground, whose main use is an office, it consists of the old Kudan Hall, a square with nature, a terrace along the ditch, and a walkway. The use of proceeds raised by the Bonds issue is for a complex building.

The former Kudan Hall has been designated as a registered tangible cultural property as a building with historical value that was completed in 1934. Through this project, the preserved portion of the Kudan Hall will be preserved and restored when it was created, and the interior will be restored to the shape when it was created, and it will be used for conference facilities and other facilities that can be used for general use.

The complex building has high-performance equivalent to 5 stars of DBJ Plan certification and S rank of CASBEE certification (self-evaluation), which contributes to reducing environmental impact. In the event of a disaster, an agreement has been reached with Chiyoda Ward regarding the provision of drinking water and food and the place for evacuation to those who find it difficult to return home, and the specifications are planned to provide the functions that contribute to social benefits. Completion of the complex building is scheduled for July 2022.

⁵ Decks to Hamamatsu-cho will be completed in the future.

⁶ In addition to the above 3 companies, it includes Takeshiba Area Management and the CiP Council.

⁷ An effort by Tokyo to extract the potential of Tokyo using digital technology.

3) Membership-based shared-office business "Business-Airport"

Tokyu Fudosan provides a shared office business. The company opened 13 offices including ones in Shibuya, Ebisu, and Marunouchi, and airport Takeshiba in Tokyo Port City Takeshiba, which opened in September 2020. Any of these is located within walking distance from the nearest stations that allows users to access to major stations in Tokyo in a short period of time, so they are highly convenient for business.

It looks like of an international airport lounge, and its brand name embodies the desire of startup companies to start business here and help them jump to higher levels. Rather than just a co-working space, it has established an "Address Member" that allows startups to use the lounge to register, use addresses, and receive mail so that they can use the service to facilitate their business. To enable startups to use this service to smoothly run their businesses, the company has established an "Address Member" allowing the members to register and use the addressee as the business address, and receive mail while using a lounge. Service offices offer several types of services depending on the space required and expected number of users. The members can register the address under any of the services and flexibly switch the service type as the scale of the business expands. The provision of these services allows startups to start their businesses in well-located urban locations with relatively low initial costs and monthly office maintenance costs incurred as a result of starting a business. It also conducts events, etc. for members within the business airport, which also contributes to the provision of business opportunities.

4) Startup support and co-creation business

Tokyu Fudosan developed facilities for startups include Plug and Play Shibuya powered by Tokyu Fudosan and GUILD in a greater Shibuya area.

Plug and Play Shibuya powered by Tokyu Fudosan is a co-working space and event space operated by Tokyu Fudosan with the purpose of supporting the creation of open innovation primarily through the provision of programs to startups by Plug and Play Japan Corporation (an accelerator with Silicon Valley in roots).⁸

In addition to Plug and Play Shibuya powered by Tokyu Fudosan, GUILD was newly opened in 2018 as an office to support startups. GUILD series is deployed at 5 locations in the greater Shibuya area including Shibuya and Aoyama. GUILD mainly offers furnished small-lot offices spaces for startups. In addition, the facility is mainly occupied by venture capitals, etc. related to Tokyu Fudosan HD, and it constantly provides an environment that helps start-up to grow through providing a place for communication, know-hows, consultation for fund procurement, etc.

Support for startups is one of the activities of the "Greater Shibuya Area Concept" being promoted by Tokyu Fudosan HD, and has been promoted since 2017 as an indispensable element for Shibuya to become a mature international city. It aims to collaborate with partner companies that are powerful in supporting startups, gather promising startups in Shibuya, and use them to improve the value of Shibuya's area.

In July 2019, Tokyu Corporation, Tokyu Fudosan, and Tokyu Agency Co., Ltd. were selected as representatives and secretariats for the Shibuya area of the Accreditation Regional Councils, a project to support the formation of innovation and ecosystems in Tokyo.⁹

5) Senior housing business

⁸ Organization to support fund investments and know-how focused on business expansion of start-up companies.

⁹ A business environment in which various players from industry, academia, and government, such as venture companies, large enterprises, investors, and research institutes, gather and cooperate to coexist and prosper together and create a virtuous cycle such as the fostering of cutting-edge technologies and economic growth, is adapted to the ecosystem of the natural environment.

Tokyu Fudosan's senior housing business (for independent individuals) and nursing-care housing business (for people in need of nursing care), which are developed under the brand names “Grand Clare” and “Grand Care.” Tokyu Fudosan mainly operates 15 senior housing buildings and 6 nursing care housing buildings along the Tokyu line. Some facilities in senior housing provide programs to prevent locomotive syndrome, which weakens the foot and waist and makes walking difficult, and dementia (co-development with Juntendo University and Tokyu Sports Oasis) The business provides support to increase the healthy life expectancy of residents and the surrounding residents in senior housing. When nursing care is required for residents in the senior housing, it is also possible to relocate to nursing care facilities.

Senior housing and nursing homes are operated by the Tokyu E-Life Design, Inc., which is a company of Tokyu Realty. The Tokyu E-Life Design determines companies providing services in nursing homes such as medical treatment and meals.

a. On the environmental improvement effects and social benefits of the project

i. The proceeds will be 100% allocated to projects that meet the eligible criteria of Tokyu Fudosan HD, and high environmental improvement effects and social benefits are expected.

Environmental Improvement Effects of the Use of Proceeds

Of the uses of proceeds raised through the Bonds, Tokyo Port City Takeshiba and the Kudan-Minami 1-chome Project (tentative name) have each acquired 5 stars of DBJ Green Building certification and 5 stars of DBJ Plan certification, and both meet Tokyu Fudosan HD's green eligibility criteria set forth in the Sustainability Finance Framework.

Accordingly, JCR evaluated the use of proceeds raised through the Bonds issue have a high environmental improvement effect.

Social Benefits of the Use of Proceeds

Of the uses of proceeds raised through the Bonds, the following projects contribute to solving social issues from the respective perspectives of each and meet the eligibility criterion for social projects set forth by Tokyu Fudosan HD in the Sustainability Viewpoint Framework.

- Tokyo Port City Takeshiba is (1) (i)(ii) and (2)
- (tentative name) the Kudan-Minami 1-chome Project is (1)(i) and ②(ii)
- Membership-based shared-office business "Business-Airport" and Startup support and co-creation business are (2)(i)
- Senior housing business: (1)(iii)

(1) Access to essential services

(i) Provide of evacuation sites in the event of a disaster

According to estimates by the Cabinet Office, approximately 3.52 million people in Tokyo, approximately 670 thousand in Kanagawa, approximately 520 thousand in Chiba, approximately 330 thousand in Saitama, approximately 100 thousand in Ibaraki Prefecture centered on the south, approximately 5.15 million people in total in the Tokyo metropolitan area were unable to return home on the day of the Great East Japan Earthquake on March 2011, 2011. Due to the suspension of public transport operations, there were a limited number of spaces for accepting people who found it difficult to return home, so some of the evacuation areas for local residents accepted not only local residents but also many people who found it difficult to return home.¹⁰

In light of these circumstances, the Tokyo Metropolitan Government has established disaster prevention and mitigation measures based on the Disaster Prevention Guidelines and the Tokyo Metropolitan Government's Ordinance on People who have difficulty returning home.

Tokyu Fudosan, in collaboration with some of local governments and other entities where the real estate to be developed in some properties is located, is implementing measures not only for hardware perspective such as earthquake-resistance measures for buildings owned, but also software perspective such as securing

¹⁰ Survey results on measures for people who have difficulty returning home <http://www.bousai.go.jp/jishin/syuto/kitaku/2/pdf/4.pdf>

stockpiles for disaster prevention, and is promoting initiatives to provide evacuation sites in the event of disasters.

Among the targets of use of proceeds this time, the Takeshiba Tokyo Port City and the Kudan-Minami 1-chome Project (tentative name) are implementing disaster mitigation measures to provide facilities as evacuation areas for those who have difficulty returning to their homes in the event of a disaster, and to provide disaster prevention stockpiles to those who have difficulty returning to their homes. From this, JCR evaluates that there is a social benefit as a provision of basic infrastructure facilities for victims in the event of a disaster.

(ii) Childcare Support Facilities

The Japanese government formulated the "Accelerated Elimination Plan for Standing Children" in April 2013 to address the issue of children on waiting lists (a problem where children are unable to enter day care centers despite the fact that applications have been made for entry into day care centers and the conditions for entry have been met). The government has been supporting initiatives undertaken by local governments to improve day care centers with the aim of increasing the number of child care centers accepted by about 500 thousand over the 5-year period from FY2013 to FY2017. Since FY2018, the "Child-rearing Reliability Plan" has been announced as a measure of the "Nippon 100 million Total Active Participation Plan." Based on the results of the "Plan to Accelerate Elimination of Standing Children," this plan is to prepare for accepting about 320 thousand children in the 5-year period to the end of FY2022.

Among the targets for the use of proceeds, Takeshiba, Tokyo Port City has a child-rearing support facility in its residential tower. This is an initiative designed to help local people balance work and parenting, and it is thought to contribute to solving the problem of waiting-list children in Japan.

(iii) Senior housing business

Japan is now faced with the problem of a sharp decline in birthrate and an aging population. According to the projected future population (estimated in April 2017) by the National Institute of Social Policies and Population Issues, the population aged 75 years or older in 2025 is approximately 21.8 million, and approximately 1 in 5 people in the country will be aged 75 years or older. The number of people aged 65 or older, which was 26% of the total population as of 2015, is estimated to reach about 30% of the total population, about 36.77 million nationwide, and about 3,32 million in Tokyo as of 2025.

According to a future estimate of the number of households by the National Institute of Population and Social Security Research (estimated in April 2017), the total number of general households with a head of household aged 65 or older will increase by 3.24million from 19.18 million in 2015 to 22.42 million in 2040. Households with a head age of 75 years or older will increase by 3.29 million households from 8.88 million households in 2015 to 12.17 million households in 2040.

As of 2015, 37.9% of households aged 75 or older were single-person households due to unmarried, divorced, separate residence, or death. By 2040, however, almost half of the households will be single-person households, at 42.1%. For the elderly's single-person households, even those who can live independently without the need for nursing care, from the viewpoint of the support system in the event of an emergency and the prevention of isolated death, it is important to develop residential facilities with ancillary services such as a 24-hour management system and collaboration with external nursing care and medical facilities as necessary for the future super-aged society.

There are 2 considerations for housing for seniors, which Tokyu Fudosan HD is funded for, in addition to individual facilities such as barrier-free facilities, which are indispensable for the elderly, and nursing and nursing care systems (nursing homes) for 24 hours a day, 365 days a year.

The first is that the elderly can continue to live without a major change in the environment by adjoining healthy elderly housing and housing in a direction that requires nursing care. The other is that as a realization of "recycling-oriented urban development," housing for seniors is not only independently developed, but is also installed in conjunction with general condominiums to create an environment that enables elderly people and their families to visit frequently each other, and that it is an inclusive urban development that provides lifestyle support services, childcare services, nursing care services, and other services in daily life areas.

The concept of generational recycling-oriented urban development is considered important for saving the elderly who fall out of the watch network due to the decrease in neighborhood affiliation and the dilution of local communities, and is also consistent with the Ministry of Land, Infrastructure, Transport and Tourism's Compact City initiative.

Based on the above, JCR has evaluated that the senior housing business provided by Tokyu Fudosan has social benefits from the viewpoint of providing essential basic services for the elderly.

(2) Socioeconomic Improvement and Empowerment

(i) Support for startups

According to the 2019 White Paper on Small and Medium Enterprises, the entry rate in Japan was 5.6% in 2018, still low despite the fact that more than 10% were found in all other developed countries. In comparison with venture investment by VCs, etc. (actual in 2017), Japan is only JPY197.6 billion, compared to JPY9.5336 trillion in the U.S., JPY3.363 trillion in China, and JPY814 billion in Europe. It can be said that the promotion of innovation by excellent startups is an important issue in the future sustainable development of Japan in the medium to long term.

The Innovation (Venture) Ecosystem is the idea of aiming at the rearing of the excellent small and medium enterprises by the following cycle.¹¹

- 1) Angel investors and large corporations actively provide startups with funds, human resources, and venues, as well as through information dissemination, to create a performance record of collaboration.
- 2) Rapid growth due to smooth financing and alliances with a dramatic increase in the corporate value of startups thanks to the announcement of cooperative performances.
- 3) Startups that succeeded in achieving IPOs and M&A with large companies when corporate value was maximized reentered as cereal entrepreneurs, or become angel investors to support the development of next-generation startups.
- 4) The creation of new business models accelerates with the creation of outstanding startups based on such successful examples.

Such ecosystem bases have progressed in Silicon Valley, New York, Beijing, Shanghai, etc., and unicorn corporates are being created 1 after another. 80% of Unicorn in the U.S. and 83% of Unicorn in China are created from the urban startup ecosystem, and the implementation of this project is expected to form an ecosystem base that will create more unicorn corporates in Tokyo.¹²

¹¹ From the Japan Startup Support Association website.

¹² Unicorn companies are unlisted startups with a valuation of \$1 billion or more and have 4 terms: "within 2010 years of startup,"

Among the targets of the current use of proceeds, Business-Airport membership-based shared-office business and the startup support and co-creation business all play key roles as basic infrastructures for the acquisition and growth of business opportunities for startups. They also include soft support in the form of information exchange and collaboration between startups and the provision of opportunities for interactions with large enterprises and investors. JCR evaluates these projects as contributing to socioeconomic improvement and empowerment for SMEs and other enterprises.

(ii) Barrier-free facilities

With regard to the importance of providing universal services in public transportation, the significance of facilitation of mobility is stated as follows in the Basic Policy on Facilitation of Movement, etc. (Basic Policy) established under the Law on Facilitation of Movement, etc. of Elderly Persons and Persons with Disabilities.

"(excerpt from the basic policy) In Japan, there is a full-fledged aging society that no country in the world has experienced, and further aging is expected in the future. Therefore, the realization of a healthy and vibrant society is required through the independence of the elderly and social participation. In addition, today, the spread of the normalization philosophy to society, which aims for a society in which persons with disabilities live and act on the same basis as persons with no disabilities, progresses, and under the philosophy of independence and coexistence, the realization of a "coexistence society" is required in which everyone respects and supports each other's personality and individuality regardless of whether they have disabilities.

In order to realize such a society, it is important to build a society in which the elderly, the disabled, etc. can operate their independent daily life and social life, and it is necessary to promote the development of the environment for that purpose as soon as possible. Since the use of travel and facilities is an important means for the elderly and the disabled to participate in society, facilitating movement, etc. is of great significance for the realization of such a society.

In addition, the promotion of mobility, etc. not only promotes social participation by the elderly and the disabled, but also contributes to the maintenance of a vibrant society in which the people can live with vitality and safety through the development of facilities and rolling stocks that are easy to use for all users, based on the concept of universal design, which is "easy for anyone, anywhere, freely, and usable." (Excerpt End)

The port deck, which is a walker deck maintained at Tokyo Port City Takeshiba, is a barrier-free facility and it contributes to convenience not only for the relevant property but also for users in the surrounding area. In addition, since the Kudan-Minami 1-chome Project (tentative name) provides barrier-free facilities, etc. that consider convenience of elderly, disabled people, etc. This can be said that essential services for elderly, disabled people, etc. are provided. The project meets the above-mentioned basic concept and is a project with a high social benefit.

Based on the above, JCR evaluated the use of proceeds for the Bonds as having a high social benefit.

- ii. Use of proceeds is applicable to “Green Building related Business” and “Energy Conservation Business” among the use of proceeds exemplified under the "Green Bond Principles”, “green buildings, which met the standards and obtained certification recognized by region, nation and worldwide” under the “Green Loan Principles”, “Energy Conservation”, “Green Bond Guidelines”, and “Green Loan and Sustainability Linked Loan Guidelines. Of the social benefits, (1) is applicable to "access to essential**

"valuation of \$1 billion or more," "unlisted," and "technology companies."

services (evacuation sites, child care, and senior facilities)" for the affected people, local residents, and the elderly people, and (2) is applicable to "socioeconomic improvement and empowerment" for startups, the elderly, and the disabled, respectively, among the projects defined in the "Social Bond Principles."

b. Environmental and Social Risks

When acquiring or selecting a project, Tokyu Fudosan HD conducts a careful examination of the negative impact that the project may have on the environment and society, and confirms that the likelihood is low. Regarding renewable energy, in addition to the above, it is also subject to confirmation that necessary procedures such as permits and environmental assessments are being carried out. From this, JCR confirmed that Tokyu Fudosan HD is giving due consideration to the negative impacts on the environment and society of projects subject to the use of proceeds.

c. Consistency with SDGs

i. Consistency with ICMA's SDGs mapping

Projects eligible for the use of proceeds were assessed to contribute to the following SDGs goals and targets in light of ICMA's SDGs mapping.



Goal 5: Gender Equality

Target 5.4. Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.



Goal 7: Affordable and Clean Energy

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



Goal 8: Decent Work and Economic Growth

Target 8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.



Goal 9: Industry, Innovation and Infrastructure

Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

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.



Target 11: Sustainable Cities and Communities

Target 11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

Goal 13: Climate Action



Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



Target 15: Life on Land

Target 15.4. By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development.

ii. Consistency with measures to achieve Japan SDGs

JCR confirmed that the projects targeted for the use of proceeds are consistent with the following items in the "Specific Measures for Achieving SDGs" set forth by the Government of Japan as SDGs goals.¹³

Implementation Guideline 1. Promoting the Active Participation of Everyone




SDGs and Japan's Priority Issues, which seem to be particularly closely related: 11 (Town Development that can be Continued to Live)			
Domestic measures			
Strategy Overview		Target	Indicators
Accessibility of Public Transportation	Based on the universal design concept of "freedom and ease of use for anyone, anywhere," the Government will promote barrier-free operations based on the Law on Promotion of Smooth Transfer of the Elderly, Persons with Disabilities, etc. (Barrier-free Act).		Status of follow-up based on the Basic Policy for Facilitating Movements, etc.

Implementation Guidelines 2. Promotion of health and longevity

SDGs that seem to be particularly closely related: 3 (insurance and welfare for everyone), etc.			
Domestic measures			
Strategy Overview		Target	Indicators
Realization of a Society with 100 million Total Activities: Social Security Connecting to Security	By advancing reforms to a social security system that ensures the "security" of the working generation with a clear goal of "zero nursing care turnover," which allows people to continue to work while caring for long-term care, we will create a society in which people can use the desired nursing care services, work without anxiety about nursing care, balance nursing care and work, maintain their health for a long period of time, and so on, and live with peace of mind.	 	Indicators of the "Japan 100 million Gross Activity Plan" ① Until the early 2020s Development of nursing care infrastructure Volume expansion: 0.5 million people or more (including about 2000 serviced elderly housing) ② Until the early 2020s Eliminate resignations with a reason of family care due to unavailability of long-term care facilities and services. Eliminate home waiters for special nursing care home for those rated 3 or higher for requiring long-term care

¹³ Specific measures of the Sustainable Development Goals (SDGs) Implementation Guidelines established by the Sustainable Development Goals (SDGs) Promotion Headquarters, which is composed of the national ministers.

Implementation Guidelines 3. Creation of growth markets, regional revitalization, and scientific and technological innovation

SDGs and Japanese Priority Issues that appear to be particularly relevant: 8. (Work satisfaction, economic growth), 9. (Create the foundation for industrial and technological innovation), 11. (building communities that can continue to live in)			
Domestic measures			
Strategy Overview		Target	Indicators
Strong economy that creates hope	1) Support the demonstration of diverse human resources (social loss, employment support, education, etc.) 2) Establish an integrated system that strengthens the discovery of venture companies, including local ones, and connects them to the global market. 3) The Government will promote the development of social infrastructure, create a country resilient to disasters, transition to a sustainable urban structure, and promote PPP/PFI in the development and management of public facilities.	  	Indicators listed in the Nippon 100 million Active Participation Plan

(Reference) Certification System for Each Green Building

CASBEE

An acronym for the English-language name of the Comprehensive Architectural Environmental Performance Assessment System (Comprehensive Assessment System for Built Environment Efficiency).

This is a method to evaluate and rate the environmental performance of buildings, and it established the Comprehensive Environmental Evaluation Research Committee for buildings as a joint project between industry, government, and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism in April 2001, and has been continuously developing and maintaining it since then. In addition to CASBEE-buildings and CASBEE-districts, valuation tools include CASBEE-real estate developed with the purpose of showing environmental performance in an easy-to-understand manner for the real estate market.

The assessment results are divided into 5 scales: S rank (excellent), A rank (excellent), B+ rank (good), B-rank (slightly inferior), and C-rank (inferior). CASBEE-real estate is classified into 4 grades: S rank (excellent), A rank (excellent), B+ rank (good), and B rank (satisfying essential items).

DBJ Green Building Certification

Certification system provided by DBJ (Development Bank of Japan) to evaluate real estate 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 5 stars (1 of the highest domestic excellence), 4 stars (extremely excellent), 3 stars (very excellent), 2 stars (excellent), and 1 star (satisfactory). Although this is not an evaluation specializing in environmental performance, it is highly recognized in Japan, and it also has certain evaluation items in terms of environmental performance. Therefore, JCR evaluates this certification as also equivalent to the "green building" of the green project classification defined in the Green Bond Principles, which is recognized as a "standard or certified internationally recognized in the region, country, or country." However, since the certification is not limited to the environmental performance, it is considered desirable to confirm the evaluation for the environmental performance individually.



Evaluation Phase 2: Management, Operation and Transparency Evaluation

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

Rationale: These projects have allocated the funding and implemented the business as planner through a firmly equipped management and operation system and high transparency as described below.

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

(1) JCR's Key Consideration in This Factor

In this section JCR confirms the objectives to be achieved through sustainability finance, the appropriateness of sustainability project selection standards and processes, and whether or not a series of processes are properly disclosed to investors and others.

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

a. Goals

The Tokyu Fudosan HD Group has set the following targets for the issuance of sustainability bonds.

We have established the following sustainability vision and policies.

Sustainability Vision

We resolve social issues through our business activities and work with our stakeholders to realize a sustainable society and growth.

Sustainability Policy

- We will strive to harmonize the environment and the economy through our business activities.
- We will strive to maintain and strengthen relationships with stakeholders in an appropriate manner.
- We will conduct our business in a sound and transparent manner and actively disclose information.

The purpose of fund raised through the Bonds is to contribute widely to the environment and society. JCR evaluated that the issuance of the Bonds is consistent with the Sustainability Vision and Sustainability Policies.

b. Selection Standards

The standards for selecting the use of proceeds in Tokyu Fudosan HD's sustainability financing is already described in Phase 1 of this evaluation, and JCR evaluated the selection criteria as being expected to have high environmental improvement effects and social benefits.

JCR confirmed that Tokyu Fudosan HD's finance department and Sustainability Promotion Department, which specializes in sustainability judged the projects whether they satisfy the eligible criteria.

c. Processes

The targets of the use of proceeds are selected by the persons in charge of the Finance Department and the Sustainability Promotion Department of Tokyu Fudosan HD, and are approved by the officers in charge of the Finance Department and the Sustainability Promotion Department. JCR evaluated that management is involved in the selection process and that the institutional decision-making process is clear.

2. Appropriateness and Transparency of Fund Management

(1) JCR's Key Consideration in This Factor

It is usually assumed that the management of the funds varies widely depending on the issuer, but JCR confirms whether the funds procured by the framework are properly allocated to sustainability projects and whether a mechanism and an internal system are in place to ensure that the funds are easily tracked and managed by the issuer.

JCR also emphasizes assessing whether the funds procured through the bonds are expected to be used for sustainability projects at an early stage, as well as how to manage and operate the funds that have not yet been allocated to them.

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

The proceeds by the issuance of the Notes will be used to fund new or refinance of the projects described in Phase 1 and are not expected to be used for any other purposes.

The proceeds are expected to be appropriated within 24 months. The tracking of the proceeds of the Bonds is conducted by Tokyu Fudosan HD's Treasury Department by using an internal treasury system. As the documents related to the issuance of the Bonds are also stored appropriately, the internal control system is also properly established.

From the above, JCR evaluated that the appropriateness and transparency of the fund management by Tokyu Fudosan HD is high.

3. Reporting

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the disclosure system for investors before and after the issuance of sustainability finance, is planned in detail and in an effective manner at the time of execution of the sustainability finance.

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

a. Reporting on the Status of Appropriation of Funds

Tokyu Fudosan HD will disclose on its website the status of fund allocation. In the event that the project subject to the use of proceeds no longer meets the eligible criteria due to sale or other reasons before the redemption of the Bonds, Tokyu Fudosan HD intends to use the funds to acquire alternative projects that satisfy the eligible criteria or to refinance the acquisition funds.

b. Reporting on Environmental Improvement Effects and Social Benefits

In its Sustainability Finance Framework, Tokyu Fudosan HD plans to disclose the following items on its website once a year as reporting items related to environmental improvement effects and social benefits.

Green Project

- Property or project name for which sustainability financing was appropriated
- Type and level of certification obtained by the appropriated project
- Energy Consumption (GJ)
- CO₂ savings (t-CO₂)
- Reduced CO₂ per Floor Area (kg-CO₂/m²)
- Water usage quantities (m³)

Social projects

a) Output

No.	Target project	Output
1	Tokyo Port City Takeshiba	<ul style="list-style-type: none"> - Overview of initiatives for smart cities and smart buildings - Business support in the digital and content areas, and the status of various events - Overview of Space Accepted for Difficult to Return Homes - Overview of the warehouse for stockpiling of emergency supplies - Overview of Barrier-Free Walker Network - Overview of child-rearing support facilities capable of handling foreigners' infants - Establishment of all-gender toilets - Installation of pray rooms
2	(tentative name) Kudan-Minami 1-chome Project	<ul style="list-style-type: none"> - Overview of Space Accepted for Difficult to Return Homes - Overview of the warehouse for stockpiling of emergency supplies - Overview of emergency power supply in case of power failure - Establishment of all-gender toilets - Installation of worship rooms - Preservation of historical buildings - Overview of the walker network
3	Membership Shared Office Business “Business-Airport”	<ul style="list-style-type: none"> - Facility Overview - Overview of ancillary services (welfare services, health programs, startup subsidy services, etc.) - Overview of Exchange Events among Tenants
4	Startup support and co-creation business	<ul style="list-style-type: none"> - Facility Overview - Overview of Exchange Events among Tenants
5	Senior housing business	<ul style="list-style-type: none"> - Overview of buildings and facilities - Overview of tenants - Operational Overview

b) Outcome indicators

- Number of accreditation incubation facilities in Tokyo*No.3
- Trends in the number of events held *No.4
- Trends in the number of rooms provided *No.5

- Trends in the number of properties provided *Total of No. 3 to No. 5

c) Impact

Creating New Lifestyles through Solving Social Issues

- Contributing to the creation of vibrant towns by enhancing the value of real estate and building stable social infrastructures
- Promotion lifestyle propose-based urban development, area management, and community formation with housing as the starting point
- Contributing to the local economy through the creation of local employment and tourism demand
- Elimination of densely wooden areas and expansion of urban functions resilient to disasters
- Promotion Health Management and Realizing a Healthy Society
- Realization of digital society through smart cities, smart offices, etc. utilizing IoT
- Conservation of the natural environment and reduction of environmental impact
- Promotion of people-friendly town development through universal design (social inclusion)

JCR evaluates that the disclosure items and frequency of disclosure related to the Bonds specified by Tokyu Fudosan HD are appropriate.

4. Organization's Sustainability Initiatives

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the management of the issuer regards sustainability issues as a high priority issue for management, and whether the sustainability finance policy, process, and selection criteria for the projects are clearly positioned through the establishment of a department specializing in environmental and social issues or collaboration with external organizations.

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

Tokyu Fudosan HD strives to create and propose lifestyles that go beyond the framework of hako (buildings) and goods, with the aim of "becoming a corporate group that continues to create value." Tokyu Fudosan Holdings' origins, Tokyu Fudosan, and its predecessor, Den-en Toshi (garden city) Co., Ltd., have since their founding in 1918, faced social issues through their business activities and can be said to be evolving in a manner that is in line with the modern era while inheriting the stance of "Challenging DNA," which has been the company's approach to tackling and resolve social issues through its business activities.

Tokyu Fudosan HD has established a sustainability vision: "We will solve social issues through our business activities and work with our stakeholders to realize sustainable society and growth."

Tokyu Fudosan HD has established SDGs to tackle as a social issue to be faced through its business activities, and has identified seven items of materiality. Materiality has been selected based on the management plan and SDGs of Tokyu Fudosan Holdings and issues recognized by the Japanese government and economic organizations, taking into account the views of external experts and considering its importance to society and the Tokyu Fudosan Holdings Group. In addition to the properties provided by Tokyu Fudosan HD, a wide range of issues have been identified not

only for the properties provided by Tokyu Fudosan HD, but also for the software and services provided by the property, as well as for users and local communities.

Tokyu Fudosan HD aims to resolve materiality by providing facilities and services as outputs by leveraging the Group's broad business portfolio, its diverse assets and diverse customer base, and its human resources with expertise. The outcomes realized by the services provided by Tokyu Fudosan HD, etc. are defined as social value, and are considered to contribute to the resolution of one of the seven materiality factors. Tokyu Fudosan HD aims to achieve sustainable growth for society as a whole, including not only corporates but also stakeholders, through social value through the provision of diverse values.

In its sustainability initiatives, Tokyu Fudosan HD utilizes experts from inside and outside the company. External experts are invited to formulate materiality, and third-party opinions are incorporated to ensure fairness. Projects eligible for use of proceeds are selected based on confirmation of environmental improvement effects and social benefits, center by the Sustainability Promotion Department, which is a department with expert knowledge. Decisions on policies and information sharing for the entire Group are made by the Sustainability Committee, which is composed of the presidents of major Group companies and key management teams of Tokyu Fudosan HD.

Based on the above, JCR evaluated that Tokyu Fudosan HD regards sustainability as a management priority and is vigorously working to resolve issues through the business activities of itself and Group companies.

■ Evaluation Result

Based on JCR Sustainability Finance Evaluation Methodology, JCR assigned “gs1” for the "Greenness and Social Beneficial Impacts Evaluation (Uses of proceeds)" and “m1” for the "Management, Operation and Transparency Evaluation." As a result, JCR assigned “SU 1” on the overall "JCR Sustainability Bond Evaluation." In addition, the Bonds are considered to meet the standards for the items required in the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines, and the Ministry of the Environment's Green Bond Guidelines.

[JCR Sustainability Finance Evaluation Matrix]

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

■ Scope of Subject

Issuer: Tokyu Fudosan Holdings Corporation (Security Code: 3289)

Assignment

Subject	Issue amount	Date of issuance	Redemption date	Interest rate	Evaluation
Second Unsecured Bonds with Interest Deferral Provision and Prepayment Provision (Subordinated Provision) (Sustainability Bonds)	JPY 30 million	December 17, 2020	December 17, 2060	*	JCR Sustainability Bond Evaluation: SU1 Greenness and Social Beneficial Impact Evaluation : gs1 Management, Operation and Transparency Evaluation : m1

*: From December 18, 2020 to December 18, 2030 : 1.24%. From December 18, 2030 : 6 months Euro Yen Libor + 2.20%

(Responsible analysts for this evaluation) Rieko Kikuchi and Hiroya Kakiuchi

Important explanation of sustainability bond Evaluation

1. Assumptions, Significance, and Limitations of JCR Sustainability bond Evaluation

JCR Sustainability Bond Evaluation, which is granted and provided by Japan Credit Rating Agency, Ltd. (JCR), is a comprehensive opinion of JCR's current status on the extent to which the proceeds procured through the issuance of the Sustainability Bond to be evaluated will be appropriated for Green Projects and Social Projects as defined by JCR, as well as the extent to which management, operation and transparency initiatives related to the use of the proceeds of the Sustainability Bond are undertaken. JCR Sustainability Bond Evaluation does not fully represent the appropriation of the proceeds procured through the Sustainability Bond and the extent to which management, operation and transparency efforts are undertaken in relation to the use of the proceeds.

JCR Sustainability Bond Evaluation evaluates plans and conditions, such as the appropriation of proceeds at the time of issuance or at the time of issuance of the Sustainability Bond, and does not guarantee the appropriation of proceeds in the future. In addition, JCR Sustainability Bond Evaluation does not prove the effectiveness of the Sustainability Bond on environmental and social issues, and does not assume responsibility for its effects on environmental and social issues. In principle, JCR does not directly measure the impact of proceeds procured through the issuance of sustainability bonds on environmental and social issues, although JCR confirms that they are quantitatively and qualitatively measured by the issuer or a third party requested by the issuer.

2. Methods used in the conduct of this evaluation

The methods used in this evaluation are listed on JCR website (Sustainability finance and ESG in <https://www.jcr.co.jp/en>) as JCR Sustainable Finance Evaluation Method.

3. Relationship with Acts Related to Credit Rating Business

JCR Sustainability 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 Evaluation of JCR Sustainability bond

There is no capital or personnel relationship between the subject of this evaluation and JCR that may give rise to conflicts of interest.

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■Glossary

JCR Sustainability Bond Evaluation evaluates the extent to which the proceeds procured from the issuance of the Sustainability Bond are appropriated for Green Projects or Social Projects as defined by JCR, as well as the level of management, operation, and transparency initiatives related to the use of proceeds for the relevant Sustainability Bond. Evaluations are performed on a five-point scale, from the top to the top, using SU1, SU2, SU3, SU4, and SU5 valuation symbols.

■Sustainable finance of registration as an external assessor of sustainable finance

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)

■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 the disclosure is subject to Section 17g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on JCR website (<https://www.jcr.co.jp/en/>).

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