

JCR Green Finance Framework Evaluation
By Japan Credit Rating Agency, Ltd.

The Japan Credit Rating Agency, Ltd. (JCR) announces the following Green Finance Framework Evaluation Results.

JCR Assigns Green 1 (F) to the Green Finance Framework of Japan Prime Realty Investment Corporation

Subject : Japan Prime Realty Investment Corporation Green Finance Framework

<Green Finance Framework Evaluation Results>

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

Chapter 1: Evaluation Overview

Japan Prime Realty Investment Corporation (the "Investment Corporation") is a multi-purpose J-REIT that invests in offices and urban retail properties. In June 2002, it was listed on the Tokyo Stock Exchange (Real Estate Investment Trust Securities Market). The sponsors of Tokyo Real estate Investment Management Co., Ltd. (the "Asset Management Company") are Tokyo Tatemono Co., Ltd. (investment ratio: 52%), Yasuda Realty Co., Ltd. (investment ratio: 18%), Taisei Corporation (investment ratio: 10%), Sompo Japan Nipponkoa Insurance Inc. (investment ratio: 10%), and Meiji Yasuda Life Insurance Company (investment ratio: 10%). The current portfolio is comprised of 63 projects, and the asset size is JPY439.5bn (on an acquisition price basis). The Investment Corporation mainly invests in real estate consisting of offices (urban business facilities), commercial facilities located in locations with a high degree of entertainment value, buildings of complexes, and their sites, as well as asset-backed securities for these properties, etc.

In view of the fact that it is essential to meet the demands of society, such as the environment, society, and governance, in order for the Investment Corporation to grow stably over the medium to long term, The Asset Management Company formulated the Sustainability Policy, and initiatives for the environment is picked up as one of the Policy. In addition, the Investment Corporation regularly discloses the details of specific initiatives to achieve the targets based on the setting of environmental targets, as well as the results of various monitoring data to demonstrate its positive efforts.

The scope of the evaluation is the Green Finance Framework (the "Framework") of the Investment Corporation, which was established to limit funds raised by green bonds and green loans ("Green Finance") to the use of proceeds that have an environmental improvement effect. JCR assess whether the Framework conforms to the Green Bond Principles (2018 edition), the Green Bond Guidelines (2017 edition) and the Green Loan Principles. The Green Bond Principles, the Green Bond Guidelines and the Green Loan Principles are principles or guidelines voluntarily published by the International Capital Markets Association (ICMA), the Ministry of the Environment, the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA), respectively, and are not binding on them, but JCR assesses with reference to those principles and guidelines as globally unified standards at this time.¹²³

The Investment Corporation defines properties subject to the use of proceeds as properties for which 3 stars or more of DBJ Green Building certification and B+ ranks or higher of CASBEE-Building has been acquired or are expected to be acquired. JCR evaluates the use of proceeds specified by the Investment Corporation as having environmental improvement effect.

The Investment Corporation intends to raise Green Finance based on clear environmental objectives. The internal system for dealing with environmental issues has been properly established, and a system has been established to ensure that departments with specialized environmental knowledge are also involved in the selection and process of projects for which funds are to be used. JCR confirmed the strong management and management system and high transparency of the Investment Corporation, since environmental initiatives are being promoted while incorporating opinions of outside experts.

As a result, based on JCR Green Finance Evaluation Methodology, JCR assigns "g1 (F)" for "Greenness Evaluation (Use of Proceeds)" and "m1 (F)" for "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green1 (F)" for overall "JCR Green Finance Framework Evaluation" to the Framework.

The Framework meets the standards for the items required in the Green Bond Principles, the Ministry of the Environment's Green Bond Guidelines, and the Green Loan Principles.

¹ ICMA(International Capital Market Association) Green Bond Principles 2018
<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² Ministry of the Environment's Green Bond Guidelines 2017 http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf

³ LMA (Loan Market Association), APLMA (Asian Market Loan Association) Green Loan Principle 2018
<https://www.lma.eu.com/>

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

Evaluation Phase 1: Greenness Evaluation

Based on the current status described below and JCR's evaluation of the subject, JCR evaluated 100% of the use of proceeds was green project, and assigned "g1 (F)", the highest rank for Phase 1: Greenness Evaluation.

(1) JCR's Key Consideration in This Factor

In this section, JCR first confirms whether the use of proceeds set out in this framework is used for green projects that have a clear environmental improvement effect. Next, in cases where the use of proceeds is expected to have a negative impact on the environment, JCR confirms that the impact is examined sufficiently by an internal specialist department or an external third party and whether necessary measures for avoidance and mitigation have been taken. Finally, JCR confirms the alignment with the Sustainable Development Goals (SDGs).

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

<The Framework for Use of Proceeds>

Funds procured through Green Finance will be appropriated to funds that fall under the following categories.

- Funds to acquire existing or new assets of Green Eligibility Assets (described below)
- Funds to repay borrowings required to acquire Green Eligibility Assets
- Redemption Funds for Investment Corporation Bonds Required for Acquisition of Green Eligibility Assets

[Green Eligibility Assets]

Green Eligibility Assets are selected from those who have obtained or intend to obtain certification under any of the following criteria.

- a) 5 stars, 4 stars, or 3 stars in DBJ Green Building certification

<JCR's Evaluation for the Framework>

a. Environmental Improvement Effects of the Project

i. The use of proceeds is financing or refinancing of buildings (Green Buildings) that have already acquired or are planning to acquire environmental certification for up to the top 3 certification categories in the region, country, or internationally recognized certification levels, and is expected to contribute to the improvement of the environment.

DBJ Green Building Certification

A certification system offered by DBJ (Development Bank of Japan) to evaluate real estate that is environmentally and socially conscious. The evaluation results are expressed by the number of stars, and the evaluation axis is "buildings with consideration for the environment and society." The certification evaluates 3 major categories: Ecology (environment); Amenity (comfort) & Risk Management (crime prevention and

disaster prevention); and Community (regional and landscape) & Partnership (collaboration with stakeholders). They are represented by 5 stars (the best in the country), 4 stars (very good), 3 stars (very good), 2 stars (good), and 1 star (good). Although it is not an evaluation specializing, it has a high level of recognition in Japan and a certain level of evaluation items regarding environmental performance. Therefore, JCR evaluates this certification as equivalent to the "Green Building with Recognized Standards and Certification" in the Green Project Classification as defined in the Green Bond Principles. However, as this certification is not limited to environmental performance, JCR considers desirable to confirm the evaluation of environmental performance on a case-by-case basis.

DBJ Green Building Certification is based not only on the environmental performance of the property to be evaluated, but also on use evaluations, including the comfort of tenants, risk management such as disaster prevention and crime prevention, consideration for the surrounding environment and communities, and cooperation with stakeholders. Designed for scoring while aggregating specific "excellent efforts" for the environment and society, there are many properties that do not reach the target of evaluation in the real estate market. For high evaluation, it is necessary for all stakeholders involved in buildings to be appropriately conscious not only of the environment but also of the building.

By the end of November 2018, only 548 properties had been certified with 3 stars or more. Therefore, the eligibility criteria of the Investment Corporation are considered to be limited to properties with high environmental performance among those aiming to acquire certification.

CASBEE (Comprehensive Building Environment Performance Assessment System)

An acronym for the Building Environment Performance Assessment System (Comprehensive Assessment System for Built Environment Efficiency).

This is a method for evaluating and rating the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for Buildings was established with the support of the Ministry of Land, Infrastructure, Transport and Tourism's Housing Bureau as a joint project between industry, government, and academia. Since then, the committee has been continuously developing and maintaining buildings. Evaluation tools include CASBEE-buildings, CASBEE-districts, and CASBEE-properties developed for the real estate market to provide easy-to-understand environmental performance.

The assessment results are divided into 5 grades: 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). The evaluation method is a reconfiguration and quantification of the performance in the 4 fields of energy efficiency, resource efficiency, outdoor environment, and indoor environment in buildings from the viewpoints of environmental quality of buildings (Q = Quality) and environmental burden of buildings (L = Load). Evaluation is based on the BEE (Built Environment Efficiency) value with L as the denominator and Q as the numerator. In addition to environmental considerations such as energy conservation and the use of materials and equipment with low environmental impact, it is necessary to give consideration to indoor comfort and landscape, and the high quality of comprehensive buildings is required for high evaluation. B+ or higher, which the Investment Corporation has recently designated as an eligible criteria, is a building with a BEE of 1.0 or more, and is regarded as having the effect of improving the environment, since the quality is clearly superior to the environmental impact.

- ii. The use of proceeds falls under the category of "regional, national or internationally recognized standards and certification green buildings" and "energy conservation" among green projects as defined in the Green Bond Principles or the Ministry of the Environment's Green Bond Guidelines.**

According to a survey conducted by the World Green Building Association, carbon dioxide emissions from buildings account for 39% of total emissions. As a measure to prevent global warming in Japan, it is important to further promote green buildings with high energy-saving performance that reduce CO₂ emissions from buildings. In addition, the Basic Energy Plan approved by the Cabinet in July 2018 stipulates that new housing and buildings will be obligated to comply with the Energy Conservation Standards in stages by 2020. Therefore, it is consistent with Japan's energy conservation policy that the Investment Corporation actively acquires and constructions buildings with high environmental certification levels.

b. Negative Impacts on the Environment

The Asset Management Company conducts a variety of investigations on the acquisition of properties by confirming evaluation reports, etc. by experts. In addition, it has been confirmed that the buildings to be acquired do not have a negative impact on the environment, etc., by acquiring them on the term that they satisfy the pre-determined check items, etc., within the Asset Management Company.

Therefore, JCR confirmed that appropriate consideration was given to the negative impact on the environment.

c. Consistency with SDGs

The purpose of the proceeds was classified into energy conservation, regional/national, or internationally recognized standards and certification Green Buildings. JCR evaluated the project as contributing to the following SDGs objectives and targets, while referring to ICMA's SDGs mappings.



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

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



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

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



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

Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Evaluation Phase 2: Management, Operations and Transparency Evaluation

Based on the current situation described below and JCR's evaluation of the subject, JCR evaluated that the management and operational system had been well developed, that transparency was very high, and that it was fully expected that the project would be implemented as planned and that the proceeds would be adequately allocated. In Phase 2, JCR evaluated "m1 (F)" as the highest level in terms of management, operation and transparency.

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

(1) JCR's Key Consideration in This Factor

In this section JCR confirms the objectives to be achieved through green financing, the appropriateness of green 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 Framework for Issuing Green Finance>

The Investment Corporation and the Asset Management Company launched the "JPR Brand Strategy" in 2003, the year after listing, and since then have worked for many years to improve the environment and energy conservation of office buildings and other facilities, and to improve the level of satisfaction with tenants. In recent years, based on the recognition that ESG initiatives are an inseparable theme for the sustainable growth of the Investment Corporation, we have expanded our range of initiatives, including contributing to local communities and strengthening governance, and are actively promoting sustainability activities with various stakeholders.

The Investment Corporation will further promote initiatives for ESG through the implementation of Green Finance. At the same time, by stimulating the demand of investors interested in ESG investments, the Investment Corporation will expand the investor base of the Investment Corporation, and in turn, the Japanese green finance market will expand, thereby contributing to the growth of green finance as a stable means of financing in J-REIT.

<JCR's Evaluation for the Framework>

The Investment Corporation has been implementing the JPR Brand Strategy with the purpose of continuously increasing the value of its assets from the year after its listing to the present day. The aim is to provide facilities and spaces with high amenities at all times by providing high-quality services as well as safe and secure for all users, and by providing environmentally friendly managements.

The Green Finance issued from the Framework is intended for the acquisition of Green Building. JCR assesses that the Framework is consistent with the objectives of the Investment Corporation.

b. Selection standards

The standards for selecting assets subject to the use of funds for the Bonds (Green Eligibility Assets) are as described above in Phase 1.

According to the interviews conducted by the Asset Management Company, they are planning that the properties subject to the use of proceeds of Green Finance will be evaluated and selected by the board of directors and the director of the Finance and Accounting Department after the person in charge of the Finance Department considers compliance with the eligibility criteria. JCR considers that selection standards and project selection are appropriate.

c. Processes

<The Framework for the Selection Process>

The implementation of Green Finance is drafted by the board of directors and general manager of the Finance Department of the Asset Management Company and approved by a majority of the members (the president, the general manager of the Investment Management Department, the general manager of the Finance Department, and the general manager of the Planning and Management Department) after confirming the qualification as a green finance by the Investment Policy Committee. Implementation of Green Finance is taken up as an agenda of the Sustainability Committee prior to issuance and reported after publication.

<JCR's Evaluation for the Framework>

The Asset Management Company established a Sustainability Committee to continuously and systematically promote sustainability initiatives at the Investment Corporation. The committee meets at least twice a year under the chairmanship of the President and Representative Director, and contributes to specific activities related to sustainability.

Implementation of Green Finance has been addressed and discussed in advance as an agenda of the Sustainability Committee. It is then drafted by the director and general manager of the Finance Department and approved by the Investment Policy Committee by a majority of the members of the management team, including the President, after confirming the qualification as a green finance.

In addition, the Investment Corporation is expected to disclose its objectives, selection criteria, and processes for Green Finance in press releases and this evaluation report by the Investment Corporation at the time of issuance of bonds, and it is considered that transparency to investors is ensured.

2. Appropriateness and Transparency of Management of the Proceeds

(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 green 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 under the framework are expected to be used for green 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 Framework for Management of the Proceeds>

We will calculate Green Eligibility Debt by multiplying the total acquisition price of Green Eligibility Assets by the ratio of interest-bearing debt to total assets, and use this amount as the upper limit for Green Finance.

<JCR's Evaluation for the Framework>

Through the interview with the Asset Management Company, JCR confirmed that the following procedures would be implemented.

- The funds procured through Green Finance are expected to be used for the acquisition of Green Building or for the refinancing of the acquisition funds within 2 months after procurement, and it is assumed that there will be no unallocated funds for a long period of time.
- Until all Green Finance is redeemed/repaid, the balance management and unallocated funds will be managed under the portfolio management approach. In the event that a property that is already subject to the use of proceeds in Green Finance is excluded from the use of proceeds due to sell, etc., the Asset Management Company confirms that Green Eligibility Liabilities (total acquisition price of Green Eligibility Assets multiplied by the interest-bearing debt ratio to total assets) exceed the balance of Green Finance.
- Internal and external audits of these procedures are regularly conducted by the Asset Management Company.

JCR evaluates the adequacy and transparency of the Investment Corporation's cash management.

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 green finance, which is implemented with reference to the framework, is planned in detail and in an effective manner.

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

<The Framework for Reporting>

As long as Green Finance remains, the following indicators are published as of the end of December of each year.

- a) Status of appropriation of funds
- b) Number of Green Eligibility Assets
- c) Third-party certification level obtained by each Green Eligibility Asset
- d) Total floor area of Green Eligibility Assets
- e) Energy consumption*
- f) CO₂ emissions*
- g) Water consumption*

* For the e-g indicators, annual aggregate figures for Green Eligibility Assets will be disclosed. In some properties, we will disclose to the extent that we have the energy management authority of them.

<JCR's Evaluation for the Framework>

a. Reporting on the appropriation of funds

In the Framework, the appropriation of Green Financing will be disclosed on the Investment Corporation's website. JCR evaluates that the disclosures on unallocated funds are appropriate.

The Investment Corporation plans to announce in their news release on the sale of the property that was the subject of the use of proceeds if the property is excluded from the use of proceeds due to the sale of the property before the redemption/repayment of the Green Finance.

b. Reporting on environmental improvement effects

In addition to the third party certification levels acquired by the Green Eligibility Assets, the Investment Corporation plans to disclose energy consumption, CO₂ emissions, and water consumption limited to Green Eligibility Assets.

JCR evaluates the disclosure items and frequency based on the Impact Reporting Metrics for Green Building Projects established by the ICMA.

4. Organization’s Environmental Initiatives

(1) JCR's Key Consideration in This Factor

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

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

In view of the fact that it is essential to meet the demands of society, such as the environment, society, and governance, in order for the Investment Corporation to grow stably over the medium to long term, the Asset Management Company formulated the Sustainability Policy, one of which is the environmental initiative.

Sustainability Policy

Based on its corporate philosophy of working with integrity and commitment to responsibilities, TRIM is resolved to contribute to the sustainable development of society and the investment management business through discussion and cooperation with its stakeholders (including investors and tenants), while aiming to maximize value for JPR's unitholders.

i. Initiatives on Behalf of Tenants

We will work with integrity and responsibility in responding to tenants, and endeavor to provide them with new and distinct values as well as enhancing their satisfaction.

ii. Initiatives on Behalf of the Environment

Recognizing the importance of addressing environmental issues, we will aim to reduce environmental load through managing the assets owned by JPR.
 • We will promote energy saving and reduction of greenhouse gas emissions. We will endeavor for effective use of water resources and work on the "3Rs" (reuse, reduce and recycle) of waste.
 • We will strive to proactively disclose information on environmental issues.

iii. Initiatives on Behalf of Local Communities

We will work to coordinate with local communities through managing the assets owned by JPR, in an effort to contribute to enhancing the brand value of the entire area in which such assets are located.

iv. Initiatives on Behalf of Employees

We will respect each one of our employees to realize an employee-friendly workplace, helping them to enhance abilities in their specialties.

v. Initiatives on Behalf of the Society

We will abide by laws and regulations as well as the rules of society, and conduct business operations with a focus on transparency and objectivity while holding on to our high moral standards.

(Source: JPR Sustainability Report)

In addition, the Investment Corporation and the Asset Management Company recognize that consideration for the environment is a key issue in real estate investment management, and set environmental goals of "reducing the consumption unit and CO₂ emission unit of the entire portfolio by 5% or more in 5 years from 2016".

In order to achieve this goal, the Investment Corporation listed activities that should be promoted as specific energy conservation and CO₂ management, and as part of the results of these activities, the Investment Corporation published the results of monitoring energy consumption, water consumption, and CO₂ emissions, including electricity and gases, since FY2016. This information is summarized not only on the website, but also in the Sustainability Report, and disclosure on sustainability is enhanced.

The sustainability activities of the Investment Corporation are promoted mainly by the Sustainability Committee of the Asset Management Company mentioned above. The investment Management Division, which specializes in environmental certification, is also involved in planning Green Finance. In addition, the Investment Company established a system to ensure objectivity in the content of ESG implementation by incorporating the opinions of external experts regarding ESG.

In addition to the above-mentioned goal-setting and execution systems for environmental conservation, the Investment Company has got "Green Star" on GRESB for 5 consecutive years for strengthening relationships with tenants and other stakeholders, and this has also contributed to its high reputation in the international community. In May 2019, the Investment Company signed the Principles for Responsible Investment with the aim of further incorporating ESG perspectives into the investment decision-making process.

As stated above, JCR evaluates that the Investment Company regards environmental issues as a priority management issue and as having concrete and clear goals and steadily addressing the environment.

■Evaluation result

Based on the JCR Green Finance Evaluation Methodology, JCR assigns "g1 (F)" for the "Greenness Evaluation (Uses of Proceeds)" and "m1 (F)" for the "Management, Operation, and Transparency Evaluation." As a result, JCR assigns "Green 1 (F)" for the "JCR Green Finance Framework Evaluation" to the Framework. The framework meets the standards for the items required in the Green Bond Principles, the Green Bond Guidelines, and the Green Loan Principles.

[JCR Green Finance Framework Evaluation Matrix]

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

■ Scope of Subject

Issuer: Japan Prime Realty Investment Corporation (Security Code: 8955)

Assignment

Subject	Evaluation
Green Finance Framework	JCR Green Finance Framework Evaluation :Green 1(F) Greenness Evaluation :g1(F) Management, Operation, and Transparency Evaluation :m1(F)

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Important explanation regarding the evaluation of the Green Finance Framework

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

JCR Green Finance Framework evaluation, which is granted and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the Green Finance Framework, and expresses the overall opinion of JCR at this time regarding the appropriateness of the Green Project as defined by JCR and the extent of management, operation and transparency initiatives related to the use of funds and other matters. Therefore, it is not intended to evaluate the effects of specific environmental improvements, management and operation systems, and transparency of individual bonds and borrowings, etc. to be implemented based on these policies. In the event that an individual bond or individual borrowing based on this framework is subject to a green finance evaluation, it is necessary to conduct a separate evaluation. In addition, the JCR Green Finance Framework evaluation does not demonstrate the environmental improvement effects of individual bonds or borrows implemented under this framework, and does not assume responsibility for environmental improvement effects. In principle, JCR does not directly measure the environmental improvement effects of funds procured under the Green Finance Framework, although JCR confirms the quantitative and qualitative measures by the issuer or a third party requested by the issuer.

2. Method used to perform this evaluation

The methodologies used in this assessment are described in "JCR Green 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

The act of granting and providing an evaluation of JCR Green Finance Framework is conducted by JCR as a related business and differs from the act related to the credit rating business.

4. Relationship with Credit Ratings

The Evaluation is different from the Credit Rating and does not commit to provide or make available for inspection a pre-determined credit rating.

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

There are no capital or personnel relationships that may result in a conflict of interest between the evaluation parties and JCR.

■ Matters of Attention

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■ Glossary

JCR Green Finance Framework Evaluation: The extent to which the funds procured through green finance are appropriated for green projects as defined by JCR, and the degree to which the management, operation, and transparency of the green finance are managed. Evaluations are performed on a 5-point scale, from the top to the top using the Green1 (F), Green2 (F), Green3 (F), Green4 (F), and Green5 (F) symbols.

■ Status of Registration as an External Evaluator of Green Finance

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

■ Other status of registration as a credit rating agency, etc.

- Credit Rating Agency Commissioner (Rating) No. 1
- EU Certified Credit Rating Agency
- NRSRO: JCR is registered in the following 4 classes of 5 credit rating classes (as defined by the NRSRO(Nationally Recognized Statistical Rating Organization of the U.S. Securities and Exchange Commission): (1) Financial institutions, broker-dealers, (2) insurance companies, (3) general business corporations, and (4) governments and municipalities. If we are subject to disclosures under Rule 17g-7(a) of the U.S. Securities and Exchange Commission, such disclosures are attached to news releases appearing on the JCR website (<https://www.jcr.co.jp/en/>).

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