

—————JCR Green Finance Evaluation by Japan Credit Rating Agency, Ltd.—————

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

JCR Assigned Green 1 to AEON REIT Green Joint Trust Beneficiary Rights (AEON REIT Green Trust)

Subject	:	AEON REIT Green Joint Trust Beneficiary Rights
Type	:	Trust beneficiary rights
Amount	:	JPY 3.3 billion
Trust Establishment Date	:	October 21, 2019
Trust Termination Date	:	October 20, 2022
Redemption Method	:	Lump-sum payment at maturity
Use of Proceeds	:	Loans to AEON REIT Investment Corporation

<Green Bond Evaluation Results>

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

Chapter 1: Evaluation Overview

Sumitomo Mitsui Trust Bank, Limited (SMTB) was founded both in 1924 as Mitsui Trust Co., Ltd., and in 1925 as Sumitomo Trust Co., Ltd., and is the core company of Sumitomo Mitsui Trust Group. This is a trust bank established by the merger of Sumitomo Trust Co., Ltd., Chuo Mitsui Trust and Banking Co., Ltd., and Chuo Mitsui Asset Trust and Banking Co., Ltd. in 2012. The Sumitomo Mitsui Trust Group to which SMTB belongs is Japan's largest asset management group, and it is a trust banking group with a leading size in the industry centering on asset management and administration.

In response to the climate change issue, the Sumitomo Mitsui Trust Group formulated the Action Guidelines for Mitigating Climate Change, in which it stated in "2. Provision of Products and Services"

“We are working on developing and providing products and services that help mitigate climate change. Our financial functions are being leveraged to promote energy conservation and encourage the use of renewable energy.”

The group aims to contribute to the resolution of climate change issues by utilizing the functions of the trust.

The subjects to be evaluated are the trust beneficiary rights that are delivered by the joint money trusts established by SMTB (the “Trust Beneficiary Rights.”)

SMTB receives money in trust (or borrowing from ABLs) from investors, loan the fund to AEON REIT Investment Corporation (“AEON REIT.”) It is a mechanism that principal and interests paid by AEON REIT to SMTB shall be returned to the profits of investors as dividend income. The long-term loan from SMTB to UUR (the “Loan”), which the use of proceeds of the Trust Beneficiary Rights, shall be used to refinance the funds acquired by AEON REIT for the acquisition of the existing commercial buildings. The Loan received “Green 1,” the highest green loan evaluation from JCR.

JCR confirmed that the fund management for the Trust Beneficiary Rights is highly transparent and has been conducted in an appropriate manner in SMTB’s trust account and that the system for reporting to investors has been properly established.

As a result, based on the JCR Green Finance Evaluation Methodology, JCR assigns “g1” for the “Greenness Evaluation (Use of Proceeds)” and “m1” for the “Management, Operation and Transparency Evaluation.” Consequently, JCR assigns “Green1” for the overall “JCR Green Bond Evaluation.” Detailed evaluation results are discussed in the next chapter.

The Trust Beneficiary Rights are considered to meet the standards for the items required by the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.¹²

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 Green Bond Guidelines 2017 http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf

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

Evaluation Phase 1: Greenness Evaluation

JCR assigns “g1”, the highest grade, to “Evaluation phase 1: Greenness Evaluation”.

Rationale: 100% use of proceeds of the Trust Beneficiary Rights is allocated to green projects, considering the factors described below.

(1) JCR's Key Consideration in This Factor

In this section, JCR first assesses whether the funding money will be allocated to green projects that have explicit improvement effects on environment. With regard to the Trust Beneficiary Rights, the greenness of green eligible asset, which the proceeds of the Loan borrowed by AEON REIT are used for, shall be evaluated. Secondly, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility on use of proceeds have negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

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

Overview of the use of proceeds

a. On the environmental improvement effects of the project

- i. **100% of the proceeds are used for refinancing of existing green buildings, which can be expected to have the environmental improving effect.**

<AEON REIT's Green Finance Framework (excerpt)>

Proceeds from Green Bonds or Green Loans (Green Bonds, etc.) will be used to finance the acquisition, renovation, and refinancing of Green Buildings that meet the following criteria.

[Eligibility Criteria 1]

Properties for which either third-party certification entities (i) to (v) have been acquired or are scheduled to be acquired in the future

- (i) Three stars, four stars, or five stars in DBJ Green Building certification
- (ii) B+ Rank, A Rank, or S Rank in CASBEE certification
- (iii) Three stars, four stars, or five stars in BELS certification
- (iv) Silver, Gold or Platinum in LEED certification
- (v) Three stars, four stars, or five stars in BELS certification

[Eligibility Criteria 2]

Equipment repair work for the real estate which manages to improve the efficiency of energy consumption, water consumption performance, and other environmental benefits (more than 10% reduction in usage compared to the previous.)

The use of proceeds of the Loan, which is subject to the use of the proceeds of the Trust Beneficiary Rights, are refinance of the funds for the acquisition of AEON MALL Kagoshima and AEON MALL Kofu Showa. JCR confirmed that the properties meet the Eligibility Criteria set out in the AEON REIT's Green Finance Framework. JCR assigned "Green 1 (F)" to the Green Finance Framework of AEON REIT.

<Property 1>

Property Name	AEON MALL Kagoshima
Location	Kagoshima City, Kagoshima
Principal Uses	Commercial Building
Site Area	109,318.52m ²
Total Floor Area	132,291.35 m ²
Number of Stories	5 floors
Completion	September, 2007 November, 2013 Extension
Environmental Certification	S Rank in CASBEE Real Estate Certification (2018)
Features and Environmental Performance	<ul style="list-style-type: none"> • This is the largest shopping mall in the region located in Kagoshima City, which has a population of approximately 600,000 people. It is a wide-area commercial facility with 200 stores and 4,000 parking lots. • Located in the coastal area about 8km south of the JR "Kagoshima Chuo" Station, the national roads, which are the main roads that penetrate vertically through Kagoshima City, run together in the neighborhood, and have high transportation convenience. • The facility received S-rank in CASBEE real estate by the energy conservation efforts in cooperation with tenants, the biodiversity conservation efforts by introducing various plants, and the high natural lighting rate.

<Property 2>

Property Name	AEON MALL Kofu Showa
Location	Nakakoma-Gun, Yamanashi
Principal Uses	Commercial Building
Site Area	119,064.22m ²
Total Floor Area	99,680.71m ²
Number of Stories	4 floors
Completion	March, 2011 November, 2017 Extension
Environmental Certification	S Rank in CASBEE Real Estate Certification (2018)
Features and Environmental Performance	<ul style="list-style-type: none"> • It is the area's only full-scale mall-type shopping center covering the Kofu commercial area, and is composed of about 180 specialty shops centered on Aeon Style Kofu Showa. In 2017, renovation with floor expansion was carried out. • The main roads such as the Showa IC of Chuo Motor Kofu and Kofu Bypass are located within 2 km and surrounded by the approach roads in the four directions, and the accessibility is good. • The facility received S-ranking in CASBEE real estate by the efforts to conserve energy in collaboration with tenants, the introduction of many recycled materials for non-structural materials, and the installation of high side lights.

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

b. Negative impact on the environment

Regarding the properties for which the proceeds are to be used, SMTB's Sales Planning Department, Corporate Planning Department, and Asset Finance Department obtained documents on risk surveys, such as the Engineering Report, from Aeon REIT to confirm potential risk factors.

JCR considers that the Trust Beneficiary Rights have little negative impact on the environment.

c. Consistency with SDGs goals and Targets

The project is classified into energy efficiency and green buildings which meet regional, national or internationally recognised standards or certifications. JCR evaluated the project to contribute to the following SDGs goals and targets, referring to ICMA's SDGs mapping.



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

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



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

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



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

Target 11.6. 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.

(Reference) Certification System for Each Green Building

1. DBJ Green Building Certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society." DBJ Green Building evaluates three major categories: Ecology (Environment), Amenity (Comfort) and Risk Management (Crime Prevention and Disaster Prevention) and Community (Region and Landscape) and Partnership (Cooperation with Stakeholders). Result is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), or one star (satisfactory). Although it is not an environmental performance-specific evaluation, it is highly recognized in Japan and has a certain evaluation item regarding environmental performance. Therefore, JCR evaluated this certification as equivalent to "Green buildings which meet regional, national or internationally recognised standards or certifications" in the category of green projects as defined in Green Bond Principle. However, since the certification is not limited to environmental performance, JCR considers that it is desirable to confirm the evaluation of environmental performance individually.

2. CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

CASBEE is a method to evaluate and rate the environmental performance of buildings by referring to the building environmental performance assessment system. In April 2001, with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, the Comprehensive Environmental Evaluation Research Committee for Buildings was established as a joint project between industry, government, and academia, and since then it has been continuously conducting development and maintenance. In addition to CASBEE for Buildings and CASBEE for Urban Development, assessment tools include CASBEE for Real Estate developed to provide easy-to-understand environmental performance to the real estate market. Some municipalities are obligated to submit environmental plans when constructing buildings of a certain size, using CASBEE.

The CASBEE's assessment results are divided into five grades: S rank (excellent), A rank (very good), B+ rank (good), B-rank (slightly poor), and C-rank (poor). CASBEE for real estate is classified into four grades: S rank (excellent), A rank (very good), B+ rank (good), and B rank (satisfying essential items).

3. BELS (Building-housing Energy-efficiency Labeling System)

BELS is an acronym for Building-housing Energy-efficiency Labeling System. BELS is a building energy efficiency performance indicator system under which third-party assessment bodies evaluate and accredit the energy efficiency performance of new and existing buildings. The outer skin performance (performance standards and specification standards) and primary energy consumption (performance standards and specification standards) are subject to evaluation, and the evaluation results are expressed in stars according to the achievement values of the energy efficiency standards. High evaluation requires excellent energy-efficiency performance. In BELS, this ranking is based on BEI (Building Energy Index). The number of stars is divided from one to five by BEI.

Evaluation Phase 2: Management, Operation and Transparency Evaluation

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

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

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

(1) JCR's Key Consideration in This Factor

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

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

a. Goal

JCR has received the following summary responses as a result of SMTB's hearing on the objectives to be realized through the Trust Beneficiary Rights.

"SMTB attaches importance to sustainability initiatives and promotes them based on the following principles.

1. Active promotion of sustainability initiatives as management commitment

As SMTB regards the ESGs as a material management foundation, it is working to identify and manage sustainability issues that need to be addressed as management priorities.

2. Business Sustainability Initiatives

SMTB aims to work with its customers to build a sustainable society by providing total solutions to the social issues that customers face by leveraging the functions of our dedicated trust bank groups. SDGs will use this as a criterion for ascertaining (validating) the social value created by our products and services.

3. Providing value to communities

The provision of value to the community, which is a component of society, leads to the maintenance of a sound business foundation and is therefore considered to be a necessary social license for conducting business. From this perspective, SMTB is working to provide value to communities in a variety of ways while also incorporating SDGs perspectives.

Based on this policy, in order to promote ESG management, we believe that the issuance of green bonds and support for customers in green purchasing are effective entry points not only from a financial point of view, but also from the viewpoint of we and customer knowledge accumulation and improvement of market presence, in order to link our efforts with business development for customers. "

From the above, JCR confirmed that SMTB wants to expand its investments from the perspective of ESGs and green through its own products.

b. Selection Criteria

JCR confirmed that the funds of the Trust Beneficiary Rights are to be used to refinance the funds for acquiring an environmentally certified green building, and that the properties for which the funds are to be used satisfied the Eligibility Criteria in the Green Finance Framework of AEON REIT through the interview with SMTB,.

c. Processes

SMTB recognizes ESG as a critical management foundation, and is considering the provision of ESG-related products in its various business divisions. The greenness of the Trust Beneficiary Rights is checked by the person in charge in the Corporate Business Department in consultation with a specialized department within SMTB. The execution of the Trust Beneficiary Rights is drafted by the Corporate Business Department and decided after the decision by the director in charge in the Credit Department. JCR confirmed that SMTB management is involved and that selection processes are transparent.

JCR evaluates that the objectives, selection criteria, and process are outlined in this evaluation report and that transparency for investors is ensured.

2. Appropriateness and Transparency of Management of the Proceeds

(1) JCR's Key Consideration in This Factor

The management method of the procured funds is usually assumed to be varied depending on the issuer. Confirm whether the procured funds from the issuance of green bonds are allocated to the green projects and whether a mechanism and an internal system are in place so that the appropriation status can be tracked and managed easily.

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

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

- a. The funds for the execution of the Loan, which the proceeds of the Trust Beneficiary Rights are used for, are scheduled to be fully used for refinancing the funds for the acquisition of AEON MALL Kagoshima and AEON MALL Kofu Showa, and are not scheduled to be used for other purposes.
- b. The Asset Finance Department/Trust Team of SMTB, which is responsible for managing trust assets, will transfer funds to AEON REIT as the Loan. SMTB limits the use of the proceeds of the Trust Beneficiary Rights to the Loan to AEON REIT in the materials for investors of the Trust Beneficiary Rights. SMTB will confirm the use of the proceeds of the Loan by checking press releases of AEON REIT.
- c. After the funds are transferred, the above-mentioned Asset Finance Department/Trust Team carries out accounting and a settlement business related to the trust account, pays interest to investors during the term, and repays the principal on the final repayment date. In addition, SMTB plans to provide investors with information on reporting such as the effects of environmental improvements in line with its semi-annual accounting period. JCR confirms whether the trust account is appropriately managed and operated by the Internal Audit Department, which conducts regular audits, and evaluates that the internal control system is in place.
- d. The Loan, which is the use of the proceeds of the Trust Beneficiary Rights, is to be immediately used for refinancing the funds for the acquisition of AEON MALL Kagoshima and AEON MALL Kofu Showa, so no unallocated funds are expected to be generated.
Prior to the full repayment of the Trust Beneficiary Rights, in the event that unallocated funds are generated, such as through the sale of AEON MALL Kagoshima or/and AEON MALL Kofu Showa, JCR confirms that SMTB will disclose what AEON REIT will disclose to investors.

JCR evaluated that the Trust Beneficiary Rights are securely appropriated to the green building, that its account management is managed in the trust account in an appropriate manner, and that the internal management system is in place, and the appropriateness and transparency of fund management is high.

3. Reporting

(1) JCR's Key Consideration in This Factor

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

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

a. Reporting of the proceeds allocations

The management of the Trust Beneficiary Rights shall be recorded in the trust account after the establishment of the trust and managed in the management systems of SMTB. JCR confirms that the trust account is settled every six months and that the report on the status of trust assets is to be delivered to investors.

Since AEON REIT immediately allocates the entire amount of the Loan to refinancing the funds for the acquisition of AEON MALL Kagoshima and AEON MALL Kofu Showa, it is currently not expected to report unallocated funds during the term.

In the event of a major change in circumstances, such as an unallocated funds arising from the sale of AEON MALL Kagoshima or/and AEON MALL Kofu Showa, disclosure is scheduled to be made on AEON REIT's website. SMTB will report the disclosures to investors.

b. Reporting on environmental improvement effects

AEON REIT is scheduled to disclose the following items as environmental improvement effects in the Green Finance Framework. SMTB plans to disclose the information disclosed by AEON REIT to investors of the Trust Beneficiary Rights.

- Status of acquisition of environmental certification
- Energy consumption
- Greenhouse gas (CO₂) emissions
- Details of construction work selected in Eligibility Criteria 2 and expected reduction rate (When Eligibility Criteria 2 is included in the amount of green finance procurement)

JCR evaluated that SMTB plans to disclose to investors both the reporting of the proceeds allocations and the reporting of environmental improvement effects.

4. Environmental Initiatives of the Organization

(1) JCR's Key Consideration in This Factor

In this section, JCR assesses whether the issuer puts a high priority on environmental issues or not, whether the policy for financing green projects and its process, criteria to choose the projects are clearly important, in cooperation with the department which is responsible for environmental issues or external institutions.

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

a. Sumitomo Mitsui Trust Group's Environmental Efforts

Sumitomo Mitsui Trust Group to which SMTB belongs has signed the Principles for Responsible Investment (PRIs) that advocated the ESG since its publication in 2006, and incorporates the concept of ESG into its management.

In 2015, the company identified a theme called "materiality," which affects the corporate value creation process, sorted out the themes that the board of directors should address, and established an internal engagement system in which the department in charge of Sustainability communicates with the department in charge of high-materiality operations, thereby reflecting the evaluation of ESG investors in management. ESG is actively working on this and other issues as it believe it is necessary for the company to improve its corporate value over the long environmental.

In 2017, in addition to the ESG/CSR report, the Company began preparing an integrated report that thoroughly examines the relationship between materiality and financial information by upgrading its existing disclosure. The Group is also placing emphasis on ESG and is steadily implementing initiatives, including reforms on the three materiality themes of "Corporate Governance Reform," "Further Thoroughness of Customer-Oriented Approach," and "Work Style Reform."

Sumitomo Mitsui Trust Group has also established the environmental policies shown in this page and conducts its operations in accordance with them.

(Sumitomo Mitsui Trust Group Environmental Policy)

1. Goods and services

We will strive to reduce the environmental risk and improve the environmental value of society as a whole by providing products and services that contribute to the preservation of the global environment and the realizing a sustainable society.

2. Reduction of environmental burden

We recognize the environmental impact of our business activities, such as the consumption of resources and the discharge of waste, and strive to realize an environmental conservation and sustainable society through energy-saving and resource conservation and resource recycling.

3. Pollution prevention

We work to continuously verify and improvement our response to environmental issues and prevent pollution.

4. Legal Compliance

We comply with all laws, regulations, and agreements related to environmental conservation.

5. Monitoring

We set short-and medium-term environmental targets and periodically review them in order to continually improvement our environmental activities.

6. Education and training

We strive for thorough implementation of this policy and environmental education at each group company.

7. Information disclosure

We will disclose this policy to the public and promote environmental conservation activities through communication with the outside world.

In accordance with the environmental policies, the ESG/CSR Report presents the status of achievement of environmental targets, energy consumption and CO₂ emissions, and performance related to paper, water usage, waste generation, and reduce, reuse, recycle in large-scale office buildings within the Group.

b. SMTB's Environmental Efforts

As a core company of the Sumitomo Mitsui Trust Group, the management of SMTB recognizes the importance of ESGs and environmental issues.

As noted above, the issuance of green bonds is part of an earlier management initiative's proactive approach to ESG.

SMTB has established the Sustainability Management Office within the Corporate Planning Department as an office with expertise in environmental problems. The office is responsible for overseeing SMTB's ESG and supporting ESG activities in each business. JCR also confirmed in hearings with external specialist organizations such as NGOs of various environmental organizations, consulting firms, and accounting firms.

In addition, in real estate business, which is the main business, since 2005, SMTB has been undertaking public initiatives for the dissemination of environmental real estate in national and local governments and committees related to CASBEE, starting with the publication of papers on the added value of environmental real estate. In addition, as pioneers in the field of environmental real estate, it has been developing businesses for the dissemination of environmental real estate, such as CASBEE certification application support consulting.

JCR appreciates that the establishment of a green loans as part of the financial arrangement for J-REIT is also part of the above-mentioned efforts, and that investors can put their money in businesses that have environmental improvement effects through the products created by SMTB.

SMTB promotes initiatives for ESG such as establishment of their Green Bond Framework and obtaining third party certification from external reviewer in August 2018.

JCR evaluates this Green Loans is out of scope of SMTB's Green Bond Framework, but follows Sumitomo Mitsui Trust Group and SMTB's initiative for environment, and contribute to achieve their SDGs target.

■Evaluation Results

Based on JCR Green Bond Evaluation Methodology, JCR assigns "g1" for the "Greenness Evaluation (use of proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation." As a result, JCR assigns "Green 1" for overall "JCR Green Bond Evaluation." The Trust Beneficiary Rights are considered to meet the standards for the items required by the Green Bond Principles and the Green Bond Guideline of the Ministry of the Environment of Japan.

[JCR Green Bond Evaluation Matrix]

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

■Scope of Subject

Issuer: Sumitomo Mitsui Trust Bank, Limited

[Assignment]

Subject	Amount	Trust Establishment Date	Trust Termination Date	Evaluation
AEON REIT Green Joint Trust Beneficiary Rights	JPY 3.3 billion	October 21, 2019	October 20, 2022	JCR Green Bond valuation : Green1 Greenness valuation : g1 Management, Operations and Transparency Evaluation : m1

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

Important explanation of the Green Bond Evaluation

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

JCR Green Bond Evaluation, which is granted and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the funds procured from the issuance of green bonds, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation, and transparency of the use of green bonds are ensured. JCR Green Bond Evaluation does not fully indicate the extent to which the funds procured from such green bonds are allocated and the management, operation, and transparency of the use of the funds are ensured.

JCR Green Bond Evaluation assesses the plan or status of the appropriation of funds at the time of the green bond issuance plan or at the time of issuance, and does not guarantee the status of the appropriation of funds in the future. In addition, JCR Green Bond Evaluation does not prove the environmental effects of green bonds and is not responsible for their environmental effects. JCR confirms that the effects of the funds procured from the issuance of green bonds on the environment are measured quantitatively and qualitatively by the borrower or by a third party requested by the borrower, but in principle it does not directly measure the effects.

2. Methods used in the conduct of this evaluation

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

3. Relationship with Acts Related to Credit Rating Business

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

4. Relationship with Credit Ratings

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

5. Third-party character of JCR

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

■Disclaimers

The information contained in this document has been obtained by JCR from the Issuer and from accurate and reliable sources. Provided, however, that such information may be erroneous due to human, mechanical or other reasons. Accordingly, JCR makes no representation or warranty, express or implied, as to the accuracy, results, accuracy, timeliness, completeness, marketability, or fitness for a particular purpose of such information, and JCR assumes no responsibility for any error, omission, or result of using such information. In no event shall JCR be liable for any special, indirect, incidental or consequential damages of any kind, including opportunity loss, monetary loss, which may arise from any use of such information, whether contractual, tort, negligence or other cause of liability, and whether or not such damages are foreseeable or unforeseeable. JCR Green Bond Evaluation does not express any opinion on the various risks (credit risk, price fluctuation risk, market liquidity risk, etc.) associated with the green bond, which is the subject to the evaluation. JCR Green Bond Evaluation is a comprehensive statement of opinion at the present time of JCR and is not a statement of fact and does not make any recommendations regarding risk judgment or the decision to purchase, sell or hold individual bonds, commercial paper, etc. JCR Green Bond Evaluations may be changed, suspended, or withdrawn due to changes in information, lack of information, or other reasons. All rights to this document, including data from the JCR Green Bond Evaluation, are held by JCR. Reproduction, adaptation, modification or alteration of this document, in whole or in part, including data from the JCR Green Bond Evaluation, without the permission of JCR is prohibited.

■Glossary

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

■Status of registration as an external reviewer of green finance

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

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

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

■ For further information, contact

Information Service Dept. TEL: 03-3544-7013 FAX: 03-3544-7026

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Copyright © Japan Credit Rating Agency, Ltd. All rights reserved.