

Social Bond Framework Evaluation by Japan Credit Rating Agency, Ltd.

Japan Credit Rating Agency, Ltd. (JCR) announces the following Social Bond Framework Evaluation results.

JCR Assigned Social 1(F) to Social Bond Framework of National University Corporation, the University of Tokyo

Subject : Social Bond Framework of National University Corporation, the University of Tokyo

<Social Bond Framework Evaluation Results>

Overall Evaluation	Social 1(F)
Social Impact Evaluation (Use of Proceeds)	s1(F)
Management, Operation, and Transparency Evaluation	m1(F)

Chapter 1: Evaluation Overview

National university corporation, the University of Tokyo was established in 1877 as the first university in Japan, and it has led academia while contributing to Japan's history of modern national construction. In 2003, looking ahead to incorporation designed to expand scope of discretion in an autonomous environment, it established "The University of Tokyo Charter" and decided to aim for "an institution that serves the global public". Then, it formulated "The University of Tokyo: Vision 2020" in October 2015 and the "University of Tokyo Application for Designated National University Status" in June 2017, and it intends to reinforce its functions of leading transition to a knowledge-intensive society by utilizing the United Nations' Sustainable Development Goals ("SDGs") to become a truly "operational entity". Becoming an "operational entity" means that a university transforms into an organization which can generate valuable knowledge and resources and obtain diverse funds as reward. In July 2017, the "Future Society Initiative (FSI)", headed by the president, was established as a control tower to realize the designated national university corporation plan. In 2020, at the "Review Conference on Strategic Management of National University Corporations" in the Ministry of Education, Culture, Sports, Science and Technology, the president Gonokami, who is a member of the conference, argued that requirements for long-term borrowing and bond issuance by national university corporations should be relaxed as a means of increasing freedom of management discretion and expanding functions of national universities which will be driving forces for social transformation. As a result, a relevant regulation was revised in June of the same year, and the requirements were relaxed.

The subject is the social bond framework which the University of Tokyo established to limit use of proceeds from bond issuance to projects with a high degree of social contribution ("the framework"). JCR evaluated whether the

framework is suitable for the Social Bond Principles ("SBP") (2020 edition)¹ and the SDGs. Since the SBP isn't a regulation but a "principle" voluntarily published by the International Capital Markets Association ("ICMA"), it doesn't bind at all. However, JCR evaluated the framework by referring to the SBP and a High-Level Mapping to the SDGs published by ICMA because there isn't any other global principle/standard to define social impacts.

In the framework, the University of Tokyo will allocate funds from social bond proceeds to new investments identified as "The University of Tokyo FSI Project", utilizing the relaxation of requirements for long-term borrowing and bond issuance by national university corporations. In the project, the University of Tokyo will promote research and education which will contribute to a knowledge-intensive society and the SDGs. In addition, the University of Tokyo's raising funds by utilizing the above relaxation of requirements means to diversify financial resources of a national university corporation, which will increase the degree of freedom of management discretion and lead to improvement of research and education functions. From these, JCR evaluated the use of proceeds in the framework will have a high degree of social contribution. The use of proceeds falls under "access to essential services (education)" within the project categories of the SBP, and the target populations are researchers and students at the University of Tokyo and beneficiaries of the University of Tokyo's research results contributing to the SDGs, etc. Concerning the SDGs, JCR evaluated the use of proceeds would contribute to the goal 4 "Quality education", the goal 9 "Industry, innovation and infrastructure", and the SDGs as a whole. The use of proceeds is also consistent with the Japanese government's policy on science, technology, and innovation. Considering the use of proceeds is mainly construction of education and research facilities and renovation of buildings, JCR evaluated the use of proceeds wouldn't create any environmental and social risks. In addition, JCR confirmed appropriate consideration would be given to safety of workers during construction work.

JCR evaluated that the University of Tokyo's intention to promote "The University of Tokyo FSI Project" and to reinforce its functions of research and education which would contribute to a knowledge-intensive society and the SDGs by utilizing the above relaxation of requirements is consistent with "The fundamental goals of academic pursuits" and "an institution that serves the global public", which "The University of Tokyo Charter" holds up. In addition, the selection process is appropriate because an internal organization with expert knowledge will select candidate projects and the management will make final decision. The management of proceeds is also appropriate because receipts and expenditures of funds from social bond proceeds will be properly managed by internal financial accounting systems and audited by an auditing firm and there isn't any particular concern about the operation of unallocated funds. The key performance indicators to be disclosed by the University of Tokyo are divided into three stages: output, outcomes, and impacts, of which output and outcomes are quantitative, so they are appropriate for showing the social improvement effects of "The University of Tokyo FSI Project". Furthermore, the University of Tokyo, whose management considers social issues as high priorities, has established the clear selection criteria, etc. for the framework on the basis of consultation with its expert department. From the above, JCR evaluated the management and operation system is appropriate and the transparency is secured in raising funds under the framework.

As a result, on the basis of JCR Social Finance Evaluation Methodology, JCR assigned "s1(F)" for the "Social Impact Evaluation (Use of Proceeds)" and "m1(F)" for the "Management, Operation, and Transparency Evaluation". Consequently, JCR assigned "Social 1(F)" for the overall "JCR Social Bond Framework Evaluation". The evaluation results are detailed in the next chapter. JCR also evaluated the framework meets the requirements of the SBP and is consistent with the SDGs and the Japanese government's specific measures for the SDGs.

¹ International Capital Market Association (ICMA), Social Bond Principles 2020.

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

Evaluation Phase 1: Social Impact Evaluation

On the basis of the current status described below and the JCR's evaluation, JCR assessed that 100% of the use of proceeds in the Framework is eligible as social projects.

As a result, JCR assigned "S1(F)", the highest grade, to the "Evaluation Phase 1: Social Impact Evaluation".

(1) JCR's key consideration in this factor

In this section, JCR first confirms whether the procured funds will be allocated to social projects that have clear social improvement effects. Next, JCR confirms consistency with the SDGs. Finally, in case the use of proceeds is supposed to have negative impacts on society and the environment, JCR confirms whether an internal specialized department or a third party agency examines the impacts sufficiently and whether necessary measures are taken to avoid and mitigate them.

(2) Current status of evaluation targets and JCR's evaluation

<The framework for use of proceeds>

The University of Tokyo anticipates that the proceeds from the social bonds will be used for new projects that meet the following eligibility criteria:

- Investments related to research that contributes to a knowledge-intensive society and SDGs.
- Those that fall under the Article 8, item 4 newly established under the "Cabinet Order for Partial Revision of the Order for Enforcement of the National University Corporation Act" in 2020.
- It is identified as "The University of Tokyo FSI Project", which is derived from the University of Tokyo's FSI concept.

(Project Overview)

In light of the mission of "an institution that serves the global public" held up in "The University of Tokyo Charter", FSI aims to effectively promote cooperative creation toward contributing to the future of the planet and the human society, and makes the best use of its direction-consistent SDGs to activate cooperative creation activities for contributing to the future.

In pursuit of SDGs, a shared goal of the international community, "The University of Tokyo FSI Project" not only serves as a guide to a global that continues to grow for inclusiveness with diversity as a vitality, but also represents the role of universities in the post-coronavirus era.

(Project)

As part of the "New Global Strategy for the Post-Coronavirus Era," the project will develop large-scale, cutting-edge research facilities to maintain and strengthen the international cohesiveness in physical (real) spaces even in the post-coronavirus era when cyberspace and physical convergence will be fused. In addition, as part of the "promotion of thorough smartization of campuses", the project will develop campuses in with-coronavirus and post-coronavirus societies, including the development of network environments and the improvement of environments to increase the value of places for real exchanges.

- Development of large-scale, cutting-edge research facilities (Hyper-Kamiokande, etc.)
- Campus development in with-coronavirus and post-coronavirus societies
(Renovation of facilities such as expansion of in-school online lecture space, improvement of secure networks and data utilization environment, utilization of land adjacent to the campus by acquisition, etc.)

<JCR's evaluation of the framework>

a. Social benefits of projects

- i. In the project which the framework holds up as the use of proceeds, the University of Tokyo will promote research and education which will contribute to a knowledge-intensive society and the SDGs. In addition, the University of Tokyo's raising funds by utilizing the article 8, item 4 of the enforcement order means to diversify financial resources of a national university corporation, which will increase the degree of freedom of management discretion and lead to improvement of research and education functions. From these, JCR evaluated the project will have a high degree of social contribution.**

The Japanese Government's "SDGs Implementation Guiding Principles Revised Edition" (decided by the Executive Board of SDGs Promotion Headquarters in 2019) states that "academic research and science, technology and innovation carried out by research institutions play important roles in and of themselves as tools for the achievement of the SDGs". Meanwhile, the "5th Science and Technology Basic Plan" (decided by the Cabinet in 2016) defines a "super smart society" as "a society where the various needs of society are finely differentiated and met by providing the necessary products and services in the required amounts to the people who need them when they need them, and in which all the people can receive high-quality services and live a comfortable, vigorous life that makes allowances for their various differences such as age, sex, region, or language". In order to achieve this goal, it intends to vigorously promote "Society 5.0", which indicates "the new society created by transformations led by science, technology, and innovation, after hunter-gatherer society, agricultural society, industrial society, and information society".

Concerning these SDGs, Society 5.0, and science, technology, and innovation, "SDGs Action Plan 2020" (decided by SDGs Promotion Headquarters in 2019), which will be referred later again, intends to "accelerate the development of Japanese SDGs models centered on three pillars". On the basis of this, it holds up "I. Business and Innovation: Promotion of Society 5.0 linked to SDGs", and intends to "promote the science, technology, and innovation for SDGs (STI for SDGs) in order to contribute to the achievement of SDGs in developing countries and other countries by making use of Japan's excellent scientific and technological expertise". In addition, it intends to "create a core base for demonstration and problem-solving of Society 5.0" for "universities and colleges with advanced knowledge, information, technology, and human resources" by the "Support Program for Research Bases for Realizing Society 5.0".

Similarly, the "Integrated Innovation Strategy 2020" (decided by the Cabinet in 2020) states as "The Future Vision" that "the STI required for realizing Society 5.0 will be used to promote the world's highest level of efforts toward achieving 17 goals of SDGs set by the United Nations". It also states that "Japan's STI will be deployed internationally to drive the world's STI for SDGs activities". In addition, it states that "universities and national institutes will improve and strengthen their organizations and management through their own efforts to become the core of the innovation ecosystem that creates knowledge-intensive industries".

The "Action Plan for Growth Strategy" (decided by the Cabinet in 2019) states that "whether the organization and human resource can undergo reforms in line with the Fourth Industrial Revolution will determine whether an increase in labor productivity through the creation of added value can be realized". Regarding human resource reform, it states that "universities possess diverse knowledge that is the source of added value in a knowledge-intensive society" and intends to "expand the role of universities and utilize it as the driving force for transformation".

The University of Tokyo is expected to contribute to the development of Japanese science and technology and the resolution of global social and environmental issues by playing a leading role in realizing SDGs, Society 5.0, and a knowledge-intensive society through the promotion of "The University of Tokyo FSI Project" by

utilizing the relaxation of requirements for long-term borrowing and bond issuance by national university corporations.

- ii. **The use of proceeds falls under "access to essential services (education)" within the project categories of the SBP, and the target populations are researchers and students at the University of Tokyo and beneficiaries of the University of Tokyo's research results contributing to the SDGs, etc.**

b. Consistency with SDGs

Referring to ICMA's High-Level Mapping to the SDGs, the JCR evaluated that the use of proceeds would contribute to the following SDGs goals and targets:



Goal 4: Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Target 4.3

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university



Goal 9: Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.5

Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

In addition, the "University of Tokyo FSI bonds", which are scheduled to be issued from 2020, are expected to contribute to SDGs as a whole.

JCR confirmed that the social project is consistent with the following items in "SDGs Action Plan 2020", which the Japanese government has set as its SDGs objective.

List of Initiatives to Promote Government SDGs			
Measures to materialize and expand initiatives in eight areas of "SDGs Implementation Guiding Principles"			
Outline of the measures		Target	Indicator
3. Creating Growth Market, Revitalization of Rural Areas, and Promoting Technological Innovation	STI for SDGs and international collaboration on STIs and industrialization in developing nations		Ministry of Education, Culture, Sports, Science and Technology Researchers (in full-time equivalent) per million inhabitants

c. Response to environmental and social risks

<The framework for environmental and social risks>

The University of Tokyo's main use of proceeds is the construction of education and research facilities and the renovation of buildings. No serious negative impact on the environment or society is anticipated. Provided, however, that when implementing construction or renovation work, etc., the contractor shall endeavor to carry out the work safely and the University of Tokyo shall ask the contractor to give necessary consideration to the safety management of the workers.

<JCR's evaluation of the framework>

Considering the use of proceeds is mainly construction of education and research facilities and renovation of buildings, JCR evaluated the use of proceeds wouldn't create any environmental and social risks. In addition, JCR confirmed appropriate consideration would be given to safety of workers during construction work.

Evaluation Phase 2: Management, Operation, and Transparency Evaluation

JCR evaluated the Bonds based on the current situation described below and JCR's evaluation on each item. JCR evaluated that the management and operation systems were well established, and that the implementation of the planned projects and the appropriation of funds to be procured would be sufficient. As results, JCR concluded that the evaluation phase 2: Management, Operation and Transparency Evaluation were designated as "m1," which is the top level of this phase.

1. Appropriateness and Transparency Concerning Selection Criteria and Processes for Use of Proceeds

(1) JCR's key consideration in this factor

In this section, JCR confirms that the objectives to be achieved through the social bond, the criteria for selecting social 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. Objectives

<The framework for objectives>

National university corporation, the University of Tokyo was established in 1877 as the first university in Japan, and it has led academia while contributing to Japan's history of modern national construction. In 2003, looking ahead to incorporation designed to expand scope of discretion in an autonomous environment, it established "The University of Tokyo Charter" and decided to aim for "an institution that serves the global public".

According to "The fundamental goals of academic pursuits" in the charter, the goals of the University of Tokyo, based on academic freedom, lie in the pursuit of truth, creation of knowledge, and maintaining as well as developing the highest level of education and research in the world. Being deeply aware of the influence research can exert on society, the University shall strive to secure broad links with society in response to social dynamism, and to contribute to the development of humanity, as well. In addition to promoting education and thereby repaying to society the expertise it has accumulated since its founding, the University of Tokyo shall develop international education and research and accomplish bilateral exchanges with the world.

The University of Tokyo formulated this framework with the purpose of procuring funds through social bonds necessary for the renovation and renewal of campuses, etc., which are academic research infrastructures, and for the development of advanced education and research environments. Through the implementation of the selected eligible projects, the University of Tokyo aims to play an important role in transforming to a knowledge-intensive society, to lead higher education and research in Japan, and to return its research outcomes to the society broadly.

<JCR's evaluation of the framework>

JCR evaluated that the University of Tokyo's bond issuance for the purpose of strengthening research and education function to contribute to a knowledge-intensive society and SDGs by promoting "The University of Tokyo FSI Project", utilizing the ease of requirements regarding national universities' long-term borrowings and

bond issuance is consistent with "The fundamental goals of academic pursuits" and "an institution that serves the global public" in The University of Tokyo Charter.

b. Selection criteria

As discussed in Phase 1, JCR evaluates that all the selection criteria indicated in Phase 1 are appropriate as criteria for selecting social projects with high social benefits.

c. Process

<The framework for selection process>

The FSI shall select candidate eligible social projects, which will be discussed by the Budget Committee and the Management Council and resolved by the Board of Directors. In the selection process, it shall check whether the project meets pre-determined eligibility criteria.

<JCR's evaluation of the framework>

The "Institute for Future Initiatives", which is positioned as the core organization of FSI, makes policy and social recommendations on future society issues and pursues research in collaboration with society toward those ends to create a sustainable future society. The selection process is appropriate because the internal organization with expert knowledge will select candidate projects and the management will make final decision.

2. Appropriateness and Transparency of Management of Proceeds

(1) JCR's key consideration in this factor

While it is generally assumed that funds to be procured will be managed in a wide variety of ways depending on the issuer, confirm that funds procured based on this framework are certainly appropriated to social projects, and whether or not mechanisms and internal systems are in place so that the appropriation can be easily tracked and managed.

It also emphasizes evaluating whether funds raised under this framework will be appropriated to social projects at an early stage or how to manage and manage unallocated funds.

(2) Current status of evaluation targets and JCR's evaluation

<The framework for management of proceeds>

The proceeds shall be managed by the University of Tokyo's financial accounting system. Deposits and withdrawals are entered into the system by the responsible person in finance, and approved by the responsible person of accounting. In addition, the books related to the allocation status of funds by social bonds are scheduled to be kept for many years after outputting them once a year from the financial accounting system.

The accounting manager shall reports the monthly financial status of each department to the general manager of the Finance Department. In addition, the overall financial statements, including deposits and withdrawals of social bonds, is subject to accounting audits by an auditing firm once a year.

It maintains unallocated funds in cash or cash equivalents. In the event the facilities covered by social bonds are lost due to fire or other disasters, the facilities will be restored by the insurance benefits.

<JCR's evaluation of the framework>

JCR evaluated the management of proceeds is appropriate because receipts and expenditures of funds from social bond proceeds would be properly managed by internal financial accounting systems and audited by an auditing firm and there wasn't any particular concern about the operation of unallocated funds.

3. Reporting

(1) JCR's key consideration in this factor

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

(2) Current status of evaluation targets and JCR's evaluation

<The framework for reporting>

The University of Tokyo shall implement the following reporting.

(1) Reporting on the status of allocating funds

The allocation status is scheduled to be disclosed with the below items.

- List of projects allocated
- Amount allocated
- Unallocated balance (including the case where the equipment subject to allocating funds needs to be sold and re-allocated before redemption)

The status of allocating funds will be disclosed to investors and others annually on the University of Tokyo website.

(2) Impact reporting

The University of Tokyo has identified the following items as key indicators (Key Performance Indicators) for measuring the impact of businesses realized through social bonds.

<Output Indicators>

- Land acquired, facilities installed and equipped in the target project, and equipment installed

<Outcome Indicators>

- Number of researchers and students involved in social projects
- Number of scientific papers and unit acquisition related to social projects

<Impact (Qualitative Targets)>

- Contributing to a Knowledge-Intensive Society and SDGs

As an impact reporting including the above indicators, the University of Tokyo plans to publish the details of its research activities once a year in its business reports and on its website.

<JCR's evaluation of the framework>

The key performance indicators to be disclosed by the University of Tokyo are divided into three stages: output, outcomes, and impacts, of which output and outcomes are quantitative, so they are appropriate for showing the social improvement effects of "The University of Tokyo FSI Project". The University of Tokyo prepares and publishes business reports on an annual basis. In addition, the content of research projects related to FSI is published on the website, and impact reporting will also be conducted among them.

4. Organization's Strategies on Addressing Social Issues

(1) JCR's key consideration in this factor

In this section, JCR evaluates whether the issuer's management positions social issues as high priority issues for management, and whether the procurement policies and processes based on the framework, criteria for selecting social projects, etc. are clearly positioned by establishing a department that specializes in promoting sustainability, including social issues, or by cooperating with external organizations.

(2) Current status of evaluation targets and JCR's evaluation

The University of Tokyo was established in 1877 as the first university in Japan, and it has led academia while contributing to Japan's history of modern national construction. In 2003, looking ahead to incorporation designed to expand scope of discretion in an autonomous environment, it established "The University of Tokyo Charter" and decided to aim for "an institution that serves the global public".

In June 2015, the Minister of Education, Culture, Sports, Science and Technology disseminated the "National University Management Capability Strategy," which stated that against the backdrop of severe national finances, university management shall be conducted from a managerial perspective, and that the dependence on subsidies for operating expenses shall be overcome. In response, the University of Tokyo created and released "The University of Tokyo: Vision 2020" in October 2010 and the "University of Tokyo Application for Designated National University Status" in June 2017, and launched various reforms aimed at becoming a truly "operational entity". Becoming an "operational entity" means that a university transforms into an organization which can generate valuable knowledge and resources and obtain diverse funds as reward.

"The University of Tokyo: Vision 2020" is a guideline of conduct during the term of office of the President Gonokami until fiscal 2020. The University of Tokyo's basic philosophy for carrying out its mission as a "Global Base for Knowledge Collaboration" is the "Synergy between Excellence and Diversity". It is composed of four "Visions" of research, education, cooperation with society, and operations, and "Actions" to realize them. By making maximum use of the University of Tokyo's diverse knowledge accumulation and human resource network, the company is strengthening its functions to take the lead in transforming into a knowledge-intensive society by leveraging Japan's strengths, such as its manufacturing capabilities and basic academic abilities.

Upon the establishment of the designated national university corporation system under the Act for Partial Amendment of the National University Corporation Act (Act No. 38 of 2016), the University of Tokyo applied to expand "The University of Tokyo: Vision 2020" on the occasion of the process of formulating the concept. On June 30, 2017, the University of Tokyo received the designation of the Minister of Education, Culture, Sports, Science and Technology. The subject matter of the initiative is to contribute to the future of the planet and human societies by utilizing SDGs of the United Nations. In order to create a driving force for a better society through the collaboration of a diverse group of people inside and outside the university, a highly sympathetic vision of society and economic is required, and the University of Tokyo decided to utilize SDGs as its vision.

In July 2017, the FSI headed by the president was established as a control tower to realize the designated national university corporation plan. The FSI is a new mechanism that utilizes SDGs to expand a shared vision for the future society both within and outside the university, and effectively promotes the creation of interdisciplinary convergence fields and new fields, the globalization of campuses, and collaboration with diverse sectors. Under FSI's "SDGs Projects", which visualizes internal research and educational activities based on SDGs, as of July 30, 2020, 199 projects had been registered.

The University of Tokyo is advancing various reforms to become a truly "operational entity". On the other hand, the legislative system supporting national university corporations remains old, and in addition to this, the

reduction of subsidies for operating expenses has been progressing, resulting in the loss of the international competitiveness of national universities.

In order to improve the current situation, the president Gonokami, who is a member of the conference, argued that requirements for long-term borrowing and bond issuance by national university corporations should be relaxed as a means of increasing freedom of management discretion and expanding functions of national universities which will be driving forces for social transformation. at the "Review Conference on Strategic Management of National University Corporations" in the Ministry of Education, Culture, Sports, Science and Technology, held in 2020. The president claimed that the use of proceeds of long-term borrowings and bond issuance should be expanded to include the acquisition of land, etc. that is expected to be redeemed from the university's overall income. Those proceeds such as acquisition of land should be necessary for dramatically improving the world's highest level of education and research functions at national universities, in addition to projects for which direct income can be reliably expected.

As a result, the "Cabinet Order for Partial Revision of the Order for Enforcement of the National University Corporation Act" was promulgated and enforced in June 2020, and the establishment of article 8, item 4 of the enforcement order relaxed the requirements for long-term borrowing and bond issuance.

President Gonokami stated in the "Message from the President" as follows.

"In the midst of rapid globalization, the presence of problems that should be tackled by humankind as a whole, including the depletion of natural resources, damage to the environment, world financial insecurity and poverty, is becoming ever more apparent. Handling such global-scale issues requires that a wide range of people share their knowledge and subsequently utilize their shared knowledge to cooperate and take action. Cultivating the talented individuals who will take the lead in this sharing and utilization of knowledge is the most important duty of the University of Tokyo. In this regard, we must never cease to face challenges with courage, wisdom and a sense of responsibility."(omitted) The University of Tokyo regards the current paradigm shift as a good opportunity and believes that wisdom should lead the game change to a society where value is produced and the individual can be utilized in order to realize a future society in which the entire human race can move toward a harmonious development while acting freely and with enthusiasm. (omitted) What universities are required to do now is to take the initiative in creating a better society together by combining diverse wisdom and building a new system of wisdom. By fulfilling its own role better, I am determined to contribute to the Japanese people and the world, and to become a university that earns the trust of society."

The JCR confirmed that the University of Tokyo is strengthening its research/educational functions that contribute to a knowledge intensive society and SDGs in order to create a better society in cooperation with all sectors of industry, academia, government, and private sector in order to address global social and environmental challenges through strong initiatives by the President of the University of Tokyo. In addition, it was confirmed that the FSI was established with the "Institute for Future Initiatives" at its core, which possesses expert knowledge, and is promoting the "SDGs Projects" and "The University of Tokyo FSI Project".

From the above, JCR evaluated the University of Tokyo, whose management considers social issues as high priorities, had established the clear selection criteria, etc. for the framework on the basis of consultation with its expert department.

■ Evaluation Results

Based on JCR Social Finance Evaluation Methodology, JCR assigned "s1(F)" for the "Social Impact Evaluation (Use of Proceeds)" and "m1(F)" for the "Management, Operation and Transparency Evaluation." Consequently, JCR assigned "Social 1(F)" for the overall "JCR Social Bond Framework Evaluation." The Framework meets the standards for the requirements of the Social Bond Principles and the SDGs Objectives and specific measures for the SDGs Goals of the Government.

[JCR Social Bond Framework Evaluation Matrix]

		Management, Operation, and Transparency Evaluation				
		m1(F)	m2(F)	m3(F)	m4(F)	m5(F)
Social Impact Evaluation	s1(F)	Social 1(F)	Social 2(F)	Social 3(F)	Social 4(F)	Social 5(F)
	s2(F)	Social 2(F)	Social 2(F)	Social 3(F)	Social 4(F)	Social 5(F)
	s3(F)	Social 3(F)	Social 3(F)	Social 4(F)	Social 5(F)	Not qualified
	s4(F)	Social 4(F)	Social 4(F)	Social 5(F)	Not qualified	Not qualified
	s5(F)	Social 5(F)	Social 5(F)	Not qualified	Not qualified	Not qualified

■ Subject

Issuer: National University Corporation, the University of Tokyo

[Assignment]

Target	Evaluation
Social Bond Framework	JCR Social Bond Framework Evaluation :Social 1(F)
	Social Impact Evaluation :s1(F)
	Management, Operation, and Transparency Evaluation :m1(F)

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Important explanation of Social Bond Framework Evaluation

1. Assumptions, Significance, and Limitations of JCR Social Bond Framework Evaluation

JCR Social Finance Framework Evaluation provided by the Japan Credit Rating Agency, Ltd. (JCR) evaluates the policies set out in the social finance framework and presents JCR's overall opinion at this time on the suitability of social projects as defined by JCR and the extent of efforts to ensure management, operation, and transparency regarding the use of funds. Therefore, it is not intended to evaluate the specific degree of social contribution, management and operational system, and transparency of the use of funds for individual bonds or borrows, etc. implemented based on the policy. If social finance evaluations are granted for individual bonds or individual borrowings based on the framework, they need to be evaluated separately. The JCR Social Finance Framework Evaluation does not demonstrate the improvement effect on society of individual bonds or borrows, etc. implemented under this framework, and does not assume responsibility for the improvement effect on society. In principle, JCR does not directly measure the impact of social frameworks funded funding on society, although JCR confirms quantitative and qualitative measures by the issuer or a third party requested by the issuer.

2. Methods used in the conduct of this evaluation

The methodology used in this evaluation is disseminated on the Sustainable Finance ESG section of JCR's website (<https://www.jcr.co.jp/en/>) as JCR Social Finance Evaluation Method.

3. Relationship with Acts Related to Credit Rating Business

JCR Social Bond Framework Evaluation is determined and provided by JCR as an ancillary 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. Independence in JCR Social Bond Framework Evaluation

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■Glossary

JCR Social Bond Framework Evaluation is an evaluation of the extent to which funds procured under the framework will be used for social projects as defined by JCR and the extent to which such funds will be used for management, operation, and transparency. The evaluations are graded on a five-point scale, from the top to the bottom using the Social1(F), Social2(F), Social3(F), Social4(F), and Social5(F) rating symbols.

■Status 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 17 g-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/>).

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