

GREEN BOND / GREEN BOND PROGRAMME INDEPENDENT EXTERNAL REVIEW FORM

Section 1. Basic Information

Issuer name:	West Holdings Corporation
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	3rd Unsecured Bond
Independent External Review provider's name:	Japan Credit Rating Agency, Ltd.
Completion date of this form:	February 25, 2020
Publication date of review publication:	February 25, 2020

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF Independent External REVIEW PROVIDER

- | | |
|--|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

West Holdings Corporation (the “Company”), as a total energy solutions company, is a holding company of the West Group, which conducts renewable energy businesses centered on solar power generation, energy-saving businesses, and electric power businesses. The Company was established as Nishi-Nihon Kanesho Corporation in May 1984. The Company changed its name to Seibu House Kogyo Corporation in April 1985 and to West Corporation in June 1989. In March 2006, the Company shifted to a holding company structure. When the Company was first established, it operated a residential services business. After entering the solar power generation business in 2006, in 2012 the Company positioned solar power business as its main business, and in that time it successively embarked on initiatives in all areas of the solar power business, from mega-solar to small and medium sized industrial solar power generation, residential solar, including the solar power business development, installation, and O&M. Since 2014, in addition to these initiatives, the Company has been developing a wide variety of services in order to realize total energy solutions in its renewable energy-centered business domain. Examples of these services are West-ESCO, which aims to provide optimal energy-saving services, new electric power businesses aimed at utilizing renewable energy, regional revitalization utilizing energy solutions, and overseas expansion in Thailand.

The Company has a unique management stance of promoting environmental initiatives in partnership with regional financial institutions and local governments throughout Japan. The main management stance of the Company is to aggressively expand its business through environmental and regional revitalization initiatives. The Private Placement Bonds (the “Bonds”) subject to this evaluation will be used to refinance the construction costs for two solar power generation facilities. The annual reduction of CO2 emissions of these facilities is estimated to be approximately 739 t-CO2, and it has an environmental improvement effect. The Company identifies potential negative environmental effects in the implementation of its businesses through in-house applications for permits and licenses, preliminary explanations, and environmental assessments, and takes appropriate avoidance and mitigation measures. JCR confirmed that the use of proceeds of the Bonds has an environmental improvement effect.

The use of proceeds is allocated in accordance with the process stipulated in the Green Finance Framework, and will be determined by the board of directors of the Company and West Energy Solutions, the Group company. JCR confirmed that the proceeds are fully linked to specific eligible projects, and systems for tracking and internal control are well established. JCR also confirmed that the reporting after the issuance which includes the fund allocation status and the environmental improvement effects are also appropriately designed. Accordingly, JCR evaluates that the Framework as being transparent to investors as well as having established the management and operation structure of funds.

Based on JCR Green Finance Evaluation Methodology, JCR assigns “g1” for “Greenness Evaluation (Use of Proceeds)” and “m1” for “Management, Operation and Transparency Evaluation.” Consequently, JCR assigns “Green1” for overall “JCR Green Bond Evaluation.”

JCR has also evaluated that the Bonds meets the requirements of the Green Bond Principles, the Ministry of the Environment's Green Bond Guidelines.

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.

<https://www.jcr.co.jp/en/greenfinance/>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

a. On the environmental improvement effects of the project

- i. All of the funds will be allocated to refinance of the construction cost for solar power generation facilities, which have the environmental improvement effect.
- ii. The Use of Proceeds falls under the category of "renewable energy" as defined in the Green Bond Principles or the Ministry of the Environment's Green Bond Guidelines.

b. Negative impact on Environment

The Company, based on the Green Finance Framework, applies for permits and approvals, provides advance explanations, and conducts environmental assessments for the construction of the solar power generation facilities in-house. JCR confirmed that the Company identified the negative impact on the environment and implemented avoidance and mitigation measures, referring to the cases of defective construction work at the site described in the civil engineering specifications.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify) : |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Company has established clear environmental objectives, project selection criteria, and processes for the use of proceeds.

Such matters are disclosed in the JCR's evaluation report.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify) : |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify) : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable) :

- a. The funds raised through the Bonds shall be fully allocated to refinance of the construction cost for solar power generation facilities and shall not be allocated to any other purposes. The funds raised through the Bonds shall be allocated in a lump sum at the time of issuance of the Bonds for refinance.
- b. The funds raised through the Bonds are managed in a dedicated account and are fully linked to Green Projects for the use of proceeds. Such fund management is verified based on the job authority standards established by West Holdings and West Energy Solutions.
- c. Documents and electronic files related to fund management, such as vouchers for deposits and withdrawals and contracts with financial institutions, shall be retained until the redemption period of the Bonds.
- d. Management of the funds raised through the Bonds shall be audited in accordance with the annual plan.
- e. Since the funds raised through the Bonds are allocated in a lump sum at the time of issuance of the Bonds, no unallocated funds will be generated. It is also disclosed to investors in interviews, etc.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input checked="" type="checkbox"/> Other (please specify) :
Allocations only to existing investments |

4. REPORTING

Overall comment on section (if applicable):

a. Reporting on proceeds allocation

The Company intends to disclose to investors the status of account management for the solar power generation business, which is the use of proceeds of the Bonds, every six months. In addition, as the funds raised through the Bonds shall be immediately appropriated through full refinance, no unallocated funds will be generated.

b. Impact reporting for environmental benefits

The Company intends to disclose to investors the status of the solar power generation business and the amount of power generated, which is the use of proceeds of the Bonds, every six months.

Use of proceeds reporting:

☒ Project-by-project

☐ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (*please specify*):

Information reported:

☒ Allocated amounts

☐ Green Bond financed share of total investment

☐ Other (*please specify*):

frequency:

☐ Annual

☒ Semi-annual

☐ Other (*please specify*):

Impact reporting:

☒ Project-by-project

☐ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (*please specify*):

frequency:

☐ Annual

☒ Semi-annual

☐ Other (*please specify*):

Information reported (expected or ex-post):

☐ GHG Emissions / Savings

☐ Energy Savings

☐ Decrease in water use

☒ Other ESG indicators (*please specify*):
• electric power generation

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify):
• Disclosure to investors |
| <input checked="" type="checkbox"/> Reporting reviewed
<i>Yes, both use of proceeds and impact reporting are subject to external review.</i> | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

Sustainability activities by Daiwa Securities Group Inc. (the parent company of the issuer)	https://www.west-gr.co.jp/company/outline/
JCR's website about green bond evaluation methodology	https://www.jcr.co.jp/en/greenfinance/

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s): Japan Credit Rating Agency, Ltd.

Date of publication: February 25, 2020

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds. 1.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.