

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

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

## JCR Assigned Green 1(F) to the Green Finance Framework of West Holdings Corporation

Subject : Green Finance Framework of West Holdings Corporation

### <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

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 scope of this evaluation is the Green Finance Framework (the “Framework”) established by the Company in order to limit the use of proceeds of corporation bonds or loans (“Green Finance”) to the projects that have environmental improvement effects. JCR assesses whether the Framework conforms to the International Capital

Markets Association (ICMA) Green Bond Principles 2018<sup>1</sup>, the Loan Markets Association (LMA) and the Asia Pacific Loan Markets Association (APLMA) Green Loan Principles<sup>2</sup> and the Green Bond Guidelines 2017<sup>3</sup> <sup>4</sup>. This evaluation of the Framework relates to the Green Finance Policy of the Company.

The proceeds defined in the Framework shall be used to finance the eligible projects such as the construction and development of solar and wind power plants. The Company will identify potential negative environmental effects by eligible projects covered by the Framework, and take avoidance and mitigation measures. JCR evaluates that the use of proceeds of the Framework has a high environmental improvement effect.

Eligible projects shall be selected in accordance with the process stipulated in the 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 (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 evaluation results are discussed in detail in the next chapter.

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

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<sup>1</sup> ICMA (International Capital Market Association) Green Bond Principles 2018 Edition

<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>2</sup> LMA (Loan Market Association), APLMA (Asian Market Loan Association) Green Loan Principle 2018

<https://www.lma.eu.com/>

<sup>3</sup> [http://greenbondplatform.env.go.jp/pdf/greenbond\\_guideline2017.pdf](http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf), Ministry of the Environment Green Bond Guidelines 2017

<sup>4</sup> The Green Bond Principles, the Green Bond Guidelines and the Green Loan Principles are not binding as they are 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) and are not regulations, but JCR evaluates the Framework in reference to these principles and guidelines as currently globally unified standards.

## 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 assesses whether the proceeds will be allocated to green projects that have explicit improvement effects on environment. Next, 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

<Green Finance Framework of West Holdings Corporation >

##### ■ Outline of the use of proceeds

The proceeds shall be used to finance existing and or new eligible green projects it owns.

(Eligible Green Project)

- Construction and development of solar and wind power plants

##### ■ Negative environmental effects of projects and how to deal with them

#### 1. Basic policies for Possible Risks and the measures to be taken by West holdings

- Negative impacts on the environment and communities caused by the installation of solar power generation facilities (sediment-related disasters, light damage, aesthetics, etc.)

When developing a mega-solar power plant, the company sometimes needs permission to convert agricultural land and to develop forest land under the jurisdiction of local governments. In addition, the cooperation with and understandings of landowners and local residents are necessary for obtaining the permission. The company conducts a preliminary survey and takes necessary measures to obtain permission for land under development. It plans to promote the commercialization of land with the understanding of local residents through briefings for them.

#### 2. Specific Risk Mitigation Measures

When developing and implementing solar power generation facilities, the Company shall identifies possibility of negative impacts on the environment according to Construction Specification Documents and Civil Engineering Specification Documents. Then it establishes necessary measures to avoid, reduce or manage any negative environmental impacts. .

##### (1) Field Survey

Conduct field survey in consideration of the conditions of roads surrounding the construction site, existing buried objects, existing buildings, surrounding environments, etc..

##### (2) Compliance with laws and regulations (environment-related)

It identifies relevant laws and regulations in advance and compliance with them.

Environmental assessments will be conducted for land modifications over a certain scale.

(continued)

(continued)

(3) In the Civil Engineering Specification Documents, the following matters are stipulated as particularly related to the environment.

In the execution of construction work, the Company must comply with various laws and regulations related to environmental preservation (the protection of the surrounding environment, air pollution, soil and water pollution, and the prevention of the lowering of groundwater levels, etc.).

i) The Company makes efforts to prevent pollution during construction, paying attention to the selection of construction methods for preventing pollution such as vibrations, noise and pollution water.

ii) When a construction vehicle moves out of a construction site, etc., the contractor must try to prevent contamination of public roads by not carrying soil and sand from a construction site. In the event of contamination of public roads, the contractor will promptly clean the roads at its own expense and responsibility.

iii) It should be made to protect the surrounding flora and fauna.

iv) In the event that public roads and temporary roads for construction are damaged as a result of construction work (including passage of construction vehicles, etc.), the Company who contract to provide the civil work should restore at its own expense and at in principle. Prior to recovery, however, it is necessary to promptly contact the ordering party and the road manager regarding the extent of damage, and take necessary measures after consultation with the parties concerned.

## <JCR's Evaluation for the Framework>

### a. The environmental improvement effects of the project

#### i. Eligible green projects set out in the Framework are renewable energy projects such as solar and wind power generation, which have a high environmental improvement effect.

Eligible green projects under the Framework cover the construction and development of renewable energy facilities, such as solar and wind power plants. These renewable energy generation facilities not only emit no CO<sub>2</sub> during power generation, but also emit only a few tenths of their thermal power generation CO<sub>2</sub> effects, even if they are compared in terms of life-cycle CO<sub>2</sub> emissions that take into account CO<sub>2</sub> emission during the construction of such power generation plant.

West Holdings owns West Energy Solutions Corporation, which developments and builds solar power generation facilities, and West O&M Corporation, which provides monitoring, management, and maintenance services for solar power generation facilities. After entering the solar power generation business in 2006, The Company positioned solar power as its core business in 2012. It has a wealth of experience in business development and construction, from mega-solar to small and medium sized industrial solar power generation, residential solar. For O&M after the start of power generation, the Company has established a system to provide services that utilize the expertise of a large number of engineers, including the First Class Electric Works Specialist, and the know-how accumulated through numerous construction and management achievements.

Eligible green projects under the Framework are expected to steadily reduce CO<sub>2</sub> emissions because of its high CO<sub>2</sub> emissions reductions effects and business developments, construction, and O&M by the Company and its group companies, which have a wealth of experience and know-how.

JCR evaluates that the use of proceeds of the Framework has a high environmental improvement effect by the reduction of CO<sub>2</sub> emissions.

**ii. The use of proceeds falls under the category of “renewable energy” as defined in the Green Bond Principles, the Green Loan Principles, or the Ministry of the Environment's Green Bond Guidelines.**

The Fifth Strategic Energy Plan approved by the Cabinet in 2018 states that "Japan contributes to the development of the Japanese economy and society, and the sustainable development of the world by providing stable, sustainable and independent energy over the long term." Renewable energy is positioned as an important low-carbon energy source. The plan considers renewable energy to be important for energy security, regional revitalization, and reduction of environmental negative impact, focusing on the fact that renewable energy is produced domestically and does not emit CO<sub>2</sub>, while there are various issues such as stable supplies and costs at present. The plan aims to convert renewable energy sources to mainstay domestic power sources with benchmarks for 2030 and 2050, and to actively promote the introduction of renewable energy sources.

Renewable energy can be used not only as distributed power system for large-scale development, in-house consumption and local consumption, but also as emergency power sources in times of disaster. It is expected to overcome issues such as stable supplies and costs and demonstrate the potential.

Renewable energy is emphasized as a policy issue in Japan from various viewpoints, and it is regarded as a high-quality social capital that should be truly passed on to the next generation. Renewable energy facilities, such as solar and wind power plants, which is the use of proceed under the Framework, fall under the "renewable energy" defined in the Green Bond Principles, the Green Loan Principles, and the Green Bond Guidelines, and contribute to resolving policy issues in Japan.

**b. Negative impact on the environment**

The Company identifies negative environmental effects and implements avoidance and mitigation measures as described in the Framework. JCR confirmed that the Company has established a system for identifying and responding to negative environmental effects through in-house applications for permits and licenses, prior explanations, environmental assessments, and other methods for avoiding or mitigating these impacts. JCR evaluates the system as appropriate.

### c. Consistency with SDGs goals and Targets

This project is classified into renewable energy. JCR evaluated the projects as contributing to the following SDGs goals and targets, while referring to ICMA's SDGs mappings.



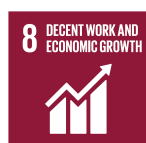
**Goal 3: Ensure healthy lives and promote well-being for all at all ages**

**Target 3.9. By 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil contamination**



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

**Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix**



**Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

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



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

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

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



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

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



**Goal 13: Take urgent action to combat climate change and its impacts**

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

## Evaluation Phase 2: Management, Operation and Transparency Evaluation

Based on JCR's assessment of the current situation described below and the JCR's evaluation of the situation, which is described in more detail below, JCR assessed that the management and operation system was well established, that transparency was extremely high, and that the implementation of projects as planned and the appropriation of funds for procurement were sufficiently expected. Evaluation Phase 2: Management and operation and transparency evaluation were given the highest level of "m1(F)."

### 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 finance, the standards for selecting green projects and the appropriateness of the process, and whether a series of processes are appropriately disclosed to investors.

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

##### a. Goal

<Framework for the Goal>

##### ■ Investment policies based on the long-term vision

Based on our Group Vision of "Creating a Beautiful Future with Total Energy Solutions", we focus on the use of energy, the provision of renewable energy-based power generation and energy-saving services. The project is being promoted with the aim of realizing a virtuous circle of regional economies.

In these business activities, our group provides total energy solutions that take into account the global environment. In particular, centered on solar power generation, our group provides solution to create society with renewable energy and energy conservation. In this way, our group contributes to the realization of a "decarbonizing society" that does not rely on fossil fuels and the creation of a sustainable society, and actively promotes the achievement of SDGs.

< JCR's Evaluation for the Framework >

Under the Framework, the use of proceeds is the construction and development of renewable energy power generation facilities such as solar and wind power plants, which are the main business activities of the Company. JCR confirmed that the Company's Goal to be achieved through green finance is consistent with its Group Vision.

##### b. Selection Criteria

<Framework for the Selection Criteria>

##### ■ Eligibility criteria

The use of proceeds shall be a project that can be expected to perform a sound business operation that has been subjected to risk verification in light of our examination standards (construction specifications and civil engineering specifications), and shall meet the following eligibility criteria.

- When constructing and installing the facility, the necessary procedures for compliance with the Forest Law and other laws and regulations must be implemented.
- When the construction and installation of the facility is carried out overseas, it is required to be certified by the country in which the facility is installed. These procedures include obtaining licenses and for environmental assessment.
- Before constructing and installing the facility, explain it to the local residents.

< JCR's Evaluation for the Framework >

The selection criteria in the framework seek to avoid or mitigate negative environmental effects through appropriate applications for permission, environmental assessments, and preliminary explanations to local residents. JCR evaluates that the selection criteria are appropriate because green finance covers only renewable energy power generation facilities that have environmental improvement effects.

**c. Processes**

<Framework for the Processes >

■ **Project selection processes**

**1. Project Selection Participants**

- The projects for which the use of proceeds are examined, evaluated, and selected by the mega solar business review meeting of West Energy Solution Corporation, the core operating company of our group, in terms of conformity to the eligibility criteria.

**2. Project selection processes**

- The mega solar business review meeting is composed of the development department, business and information management department, sales department, engineering department, and quality control department of the company's mega-solar business division, and it is analyzed and examined comprehensively.
- All projects subject to development are discussed and decided by the Board of Directors of West Energy Solutions Corporation.
- Development projects worth JPY50 million or more are discussed and decided by the Board of Directors of West Holdings Corporation.

< JCR's Evaluation for the Framework >

Eligible Green Projects subject to the use of proceeds will be evaluated and selected in accordance with the process described in the Framework and will be determined by the Board of Directors of the Company or West Energy Solutions Corporation, depending on the amount.

JCR evaluates that these processes are appropriate for the selection process of green projects.

The Company plans to disclose the Goal, Selection Criteria, and processes about green finance through press releases or agreements when implementing green finance to ensure transparency to investors.



## 2. Appropriateness and Transparency of Management of the Proceeds

### (1) JCR's Key Consideration in This Factor

Although it is generally assumed that cash management methods vary widely among issuers, JCR confirms whether funds procured under the framework are securely allocated to green projects and whether mechanisms and internal systems are in place to enable easy tracking and management of the allocation of funds.

In addition, JCR also emphasizes evaluating whether proceeds are scheduled to be used for green projects at an early stage, and the management and operation methods of unallocated funds.

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

<Framework for the Management of Proceeds>

#### ■How to link the proceeds and assets

The Company shall allocate the proceeds to a pre-selected project

#### ■Management of proceeds

Methods of tracking and managing project funding are as follows:

- Commitment lines will be established for the duration of the contract, or bridge financing will be provided on a bill loan on a case-by-case basis. Depending on the progress of construction, construction costs and material costs are paid by borrowing money and evidence such as receipts are submitted to the financial institution.
- A fund pool account is created as necessary and deposit and withdrawal management data is prepared by the Accounting Department.

#### ■Internal and external audit regarding tracking the proceeds

- The Green Bond issuance and a series of procedures relating to capital investment in assets for which are the use of proceeds have been resolved in advance by the Board of Directors in accordance with its standards.
- Matters resolved by the Board of Directors are subject to auditing.

#### ■Management of unallocated funds

- The unallocated fund are managed as cash or the equivalent. It is disclosed to investors or lenders at the time of issuance of the Green Bond or at the time of the Green Loan.
- In the event that the subject of green finance is lost due to a fire or other disaster, the relevant facility will be restored using insurance benefits. In the event of a sale, repayment will be made before the due date.

< JCR's Evaluation for the Framework >

JCR confirmed through interviews that (1)West Holdings or West Energy Solutions will be approved by management depending on the size of the project, (2)the funds raised through the green finance will be audited based on an annual plan, and (3)for ledgers, documents and electronic files will be stored until the redemption or repayment of green finance.

JCR evaluates that the Company's management of the proceeds is appropriate and transparent in light of the fact that the allocation plan is appropriately prepared to secure the proceeds will be allocated to the green projects, the tracking of the fund allocation is expected to properly implemented, the internal control for the tracking is secured, and there are no particular concerns about the operation of unallocated funds. JCR also evaluates that transparency for investors is secured because methods of management of the proceeds are disclosed in this report.

### 3. Reporting

#### (1) JCR's Key Consideration in This Factor

In this section JCR assesses whether a detailed and effective system for disclosing information to investors before and after the implementation of green finance, which will be implemented with reference to framework, has been planned.

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

<Framework for Reporting System>

<p>■ <b>Methods of disclosure on fund allocation</b></p> <ul style="list-style-type: none"> <li>▪ The Company plans to disclose the allocated and unallocated amounts to investors or lenders once a year until the full amount of the funding is allocated.</li> <li>▪ If the asset is sold before the green loan or green bond is redeemed and needs to be reallocated, it will allocate the full amount of the green finance to the project that meets the eligibility criteria. Until that time, it will disclose the allocation status on our website annually.</li> <li>▪ It will disclose fund allocations and environmental improvement effects on its website annually.</li> <li>▪ Until the green loan or green bond is redeemed; it will receive a review of the green loan or green bond evaluation from JCR, mainly on the status of the allocation of funds and reporting on the disclosure of environmental improvement effects.</li> </ul> <p>■ <b>Disclosure methods and frequency of reporting on environmental improvement effects</b></p> <ul style="list-style-type: none"> <li>▪ Scheduled to be disclosed annually on our website.</li> </ul> <p>■ <b>KPIs for reporting on environmental improvement effects (Key Performance Indicator)</b></p> <ul style="list-style-type: none"> <li>▪ Power generation output by eligible green projects</li> </ul>
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< JCR's Evaluation for the Framework >

##### a. Reporting on the fund allocation

The Company plans to disclose on an annual basis the status of green finance allocation. Disclosure methods may be limited to investors or lenders or may be made available to the public on the website, depending on the type of procurement. In the event that there is a change in the assets subject to green finance and an unallocated fund is generated, the details of the change will be disclosed in the same manner. JCR evaluates that reporting on the fund allocation is appropriate.

##### b. Reporting on environmental improvement effects

The Company plans to disclose the environmental improvement effects of its Green Finance assets annually on its website. Periodic reports on the status of electricity generation are planned to investors and lenders according to the form of funding. JCR evaluates that the indicators necessary to calculate the environmental improvement effects are fully disclosed and appropriate for the Company's planned reporting of the 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's management considers environmental issues to be of high priority to management, and whether green finance procurement policies and processes and criteria for selecting green projects are clearly positioned through the establishment of a department that specializes in environmental fields or collaboration with external organizations.

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

The Company's Group Vision is "Creating a Beautiful Future with Total Energy Solutions". The Company focuses on the use of energy, the provision of renewable energy-based power generation and energy-saving services. The project is being promoted with the aim of realizing a virtuous circle of regional economies. 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 the Kingdom of Thailand.

The Company has a wealth of experience in the renewable energy business, particularly in the solar power business as a whole. The Company has constructed 269 mega-solar stations with a total power generation output of over 350MW, and these are realized through its technological capabilities that enable it to develop, implement, and conduct O&M projects tailored to the characteristics of various sites, such as slopes, deformations, mountainous areas, and first floating water mega-solar power stations in Japan. The Company has a track record of installing and selling industrial solar power generation at 10,557 locations, installing and selling solar power for housing at 49,035 properties, and providing O&M services at 415 sites at 433MW. It is steadily accumulating results in each of these fields.

In addition to generating power from renewable energy and providing energy-saving services, the Company is focusing on efforts to realize a virtuous cycle of regional economies centered on energy utilization. One such example is "CoCoLo projects" that donate profits earned by converting renewable energy and energy conservation into environmental value through the J-Credit System to support child-rearing and tree-planting projects. The Company is promoting regional revitalization in cooperation with local financial institutions across the country. The Company is collaborating with local governments on "the Japanese version of the Stadwerke Initiative", which aims to create regions through comprehensive energy management businesses centered on renewable energy. The Company is also actively working on solar sharing, which aims to achieve both agriculture and solar power generation, cooperating with The Norinchukin Bank and JA nationwide. These initiatives aimed at regional revitalization and revitalization has developed in line with the business growth of the Company. The Company has a unique management stance of promoting environmental initiatives in partnership with regional

financial institutions and local governments throughout Japan. The unique management stance forms a virtuous cycle in which the Company's business activities are expanding together through initiatives for the environment, regional revitalization, and revitalization.

The Company itself is positioned as possessing specialized knowledge of the environment. It operates the renewable energy business with many experts from its own group. The company also cooperates with external specialist organizations as necessary, and makes use of their knowledge. Such expertise is fully reflected in the formulation of the Green Finance Framework and the implementation of Green Finance, which are currently being evaluated.

JCR evaluates that the Company's management addresses the environmental issues as a high priority issue, and that the selection criteria for green projects, green bonds procurement policies, and processes are clearly positioned through the establishment of the departments specializing in the environment or through cooperation with external organizations.

#### ■ Evaluation Results

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 Loan Principles, and the Ministry of the Environment's Green Bond Guidelines.

[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/Borrower: West Holdings Corporation (Securities code:1407)

[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)

(Responsible analysts for this evaluation) Atsuko Kajiwara and Hiroya Kakiuchi

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## Important Explanation of the Green Finance Framework Evaluation

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### 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. Methodology used to carry out this assessment

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 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

This evaluation differs from credit ratings and is not intended to provide or guarantee that a predetermined credit rating will be provided or made available for inspection.

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

There are no capital relationships or personnel relationships that could cause conflicts of interest between the subject party and JCR.

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#### ■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

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)
- Members of the Working Group on UNEP FI Positive Impact Finance Principles
- CBI Approved Verifier

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

- Credit Rating Agency Commissioner (Rating) No. 1
- EU Certified Credit Rating Agency
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#### ■For further information, contact

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