

_____ 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 Assigns Green 1 (F) to the Green Finance Framework of Dream Energy Co., Ltd.

Subject : Dream Energy Co., Ltd. Green Finance Framework

<Green Finance Framework Evaluation Results>

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

Chapter 1: Evaluation Overview

Dream Energy Co., Ltd. ("Dream Energy") is a company primarily engages in leasing business centering on environment facilities. It also operates power supply relating business including renewable energy, and telecommunications business under the Telecommunications Business Act. Dream Energy was established in April 2013 with a 100% investment from Japan Eco Life co., Ltd. ("JEL", established in May 1995), which sells, installs, provides maintenance and management services of environment-related products, as well as operates energy solutions, wholesale, and leasing businesses. In addition to its human resources and other management resources, Dream Energy's a variety of policies, including its vision for the environment are identically operated with Japan Eco-Life.

Dream Energy sets out "creating a tough local community" as its common vision with Japan's Eco Life, and recognizes that local production and local consumption of energy is essential to the creation of such a community. Based on the recognition, Dream Energy has cooperated with JEL and carries out the leasing business as its core business to expand renewable energy on a community basis as an initiative toward producing energy locally. In addition, Dream Energy incorporates efforts to consume energy in the region in its business plan going forward, and has drawn up a concrete path to steadily implementing contributes to the community and the environment through its business activities as a guideline to its management.

The subject of this evaluation is the Green Finance Framework (the "Framework") established by Dream Energy to limit the funds procured through Green Bonds or Green Loan (the "Green Finance") to the use of proceeds with environmental improvement effects. JCR will assess whether the Framework complies with the Green Bond Principles¹, the Green

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

Loan Principles², the Green Bond Guidelines³ and the Green Loan Guidelines and the Sustainability Linked Loan Guidelines⁴. These Principles and Guidelines are not binding as they are voluntarily published and are not regulations, but JCR evaluates the Framework in reference to these principles and guidelines as currently globally unified standards

The proceeds procured in line with the Framework will be used for new investments in or refinance the funds for personal residential solar and ancillary facilities for lease. Dream Energy has identified negative environmental impacts and planned appropriate avoidance and mitigation measures with respect to the uses of funds under the Framework. Based on the above, JCR has evaluated the use of the fund under this framework targets the projects with significant environmental improvement effects.

With regard to selecting eligible projects, assessment and selection shall be performed in line with the process defined in this framework, and will be determined by the Executive Committee of Dream Energy. In addition, the projects are required to satisfy the eligibility criteria set out in this framework. The funds procured through green finance are fully linked to each pre-determined project, and the system for tracking management and internal control is well established. The appropriation status of funds and the content of reports on the environmental improvement effects are also appropriate. Accordingly, JCR assessed that the operation and management system for the procured fund has established and is transparent to investors for the Framework.

Based on JCR Green Finance Evaluation Methodology, JCR assigned “g1 (F)” for “Greenness Evaluation (Use of Proceeds)” and “m1 (F)” for “Management, Operation and Transparency Evaluation.” Consequently, JCR assigned “Green1 (F)” for overall “JCR Green Finance Framework Evaluation” to the Framework. Evaluation results are discussed in detail in the next chapter.

The Framework is considered to meet the standards for items required by the Green Bond Principles, the Green Loan Principles, the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan Guidelines.

² LMA (Loan Market Association), APLMA (Asia Pacific Market Loan Association), LSTA (Loan Syndications and Trading Association) Green Loan Principle 2018
<https://www.lma.eu.com/>

³ Ministry of the Environment Green Bond Guidelines 2020
https://www.env.go.jp/policy/guidelines_set_version_with%20cover.pdf (pp.14-47)

⁴ Ministry of the Environment Green Bond Guidelines Green Loan and Sustainability Linked Loan Guidelines 2020
https://www.env.go.jp/policy/guidelines_set_version_with%20cover.pdf (pp.48-89)

Chapter 2: Current Status of the project on each evaluation factor and JCR's Evaluations

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 under the Framework is a 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 use of proceeds set out in the Framework is a green project with clear environmental improvement effects. 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 evaluation

<Framework for Use of Proceeds>

■Outline of Use of Funds

Funds to finance capital expenditures for existing and under construction solar power generation facilities (owned by Dream Energy), storage batteries, V2H and Carport or to refinance expenditures.

<JCR's Evaluation of the Framework>

a. On the environmental improvement effects of the project

i. The use of funds stipulated in this framework is for new investment in or refinancing for residential solar power generation facilities for individuals for lease and the ancillary facilities, and the environmental improvement effects are significant.

The uses of funds set forth in this framework will be for investment in solar PV facilities and ancillary facilities to be leased under the service of "Yume Power" provided by Dream Energy.

Since its foundation in 1995, Japan Eco-Life, the parent company of Dream Energy, has sold solar power generation equipment to be installed on personal roofs, etc. under the service name "Yume Solar." It mainly covers Fukuoka, Oita, and Kumamoto prefectures, and has an annual average sales track record of 500 to 700 units. In the course of providing Yume Solar, JEL took particular note that a cost burden to introduce solar power generation facilities was heavy for individuals and it was one of the reasons why such facilities did not become popular, then in 2019, it began offering Yume Electric Power (the main contractor was transferred from JEL to Dream Energy). Customers who subscribe the Yume Electricity can use solar power generation facility and ancillary facilities including storage batteries, V2H⁵, and related carports only paying lease payment during the lease period of 10 years without paying initial costs.

In addition to the effect of reducing the electricity charge burden through power generation and private consumption by photovoltaic power generation facilities, this service also has advantages for users such as securing an emergency self-supporting power supply in the event of a power failure, and maintenance by JEL in

⁵ V2H (Vehicle to Home) refers to the use of an electric vehicle as a power source for household use. When an electric vehicle is not used as a means of transportation, a large-capacity storage battery mounted on the vehicle is used as an electric power storage facility.

the event of a failure to promote the spread of installation of photovoltaic power generation facilities to private houses.

The purpose of the fund set forth in this framework is to cover the costs of purchasing and installation expenses of solar power generation facilities and ancillary facilities for individuals use under lease contracts under this Yume Electric Power. Since construction and maintenance are conducted by JEL, which has a wealth of track record and know-how in residential solar power generation facilities for individuals in the Kyushu area, it is expected that CO₂ emissions will be steadily reduced.

Therefore, JCRs evaluate the use of funds in this framework has high environment improvement effects through reducing CO₂ emissions.

ii. Projects subject to the use of funds fall under the category of "renewable energy" in the "Green Bond Principles" and the "Green Loan Principles," and among the uses of funds exemplified in the "Green Bond Guidelines" and the "Green Loan Guidelines" and the "Sustainability Link Loan Guidelines," they fall under the category of "projects related to renewable energy" and play an important role as a distributed power source in Japan's new energy policy.

Among renewable energies, residential photovoltaic power generation systems are important from the viewpoint of stability and risk dispersion of electric power supply in Japan as one of dispersed power sources located adjacent to demand areas. There is also a movement to shift the form of future power supply from large-scale centralized to small-scale decentralized type. Under the fifth basic energy plan, penetration of small-scale photovoltaic power generation systems close to individual users, which can also be used as emergency power sources, are further expected in Japan with limited natural resources and frequent natural disasters. In addition, considering the oversupply at peak, it is expected to be being accepted as a long-term stable power source through combination with storage batteries, etc.

The 10-year electricity purchase period for residential solar power systems under the scheme of purchasing excess power generated started from 2009 are coming to the end gradually from 2019 onward. After the purchase period ends, the government intends to promote the sale of surplus electricity through individual contracts with retail electric companies, and also facilitate home consumption with the spread of electric vehicles and an increase in all-electric housing. Demand may temporarily decline immediately after the end of the purchase system, but over the medium term, continuous demand for funds for residential solar power systems are expected due partly to penetration of self-consumed lifestyles and the spread of individual contracts due to the expansion of the scope of retail electric power companies and other businesses.

b. Negative impact on the environment

For the installation of residential solar power generation facilities and ancillary facilities, the checklist is used to confirm that construction is conducted properly. In addition, a maintenance contract for repair in the event of a disorder is concluded. In addition, noise and panel light damage caused by construction work are also managed by informing the neighborhood and adjusting the direction and angle of the panel installation. Moreover, all of the solar and ancillary facilities under this framework are insured, and any damage to the facilities caused by disasters are repaired by insurance money. Furthermore, although it is assumed that individual customers who are contractors will continue to use the solar power generation facilities, etc. that are subject to Yume Electric Power's contracts after the lease term expires, in light of the disposal problem of panels that are no longer in use, Dream Energy plans to explain the disposal of residential solar power generation facilities and ancillary facilities in the future through the description in the lease agreement, etc.

Dream Energy has implemented measures to avoid and mitigate negative impacts arising from the uses of funds described in this framework, as above. With regard to these avoidance and mitigation measures JCR assesses that negative environmental impacts to environment are identified and appropriate actions are taken.

c. Consistency with SDGs goals and Targets

The targets of the use of funds are businesses classified as "renewable energy" in the "Green Bond Principles" and the "Green Loan Principles," and also the businesses classified under "businesses relating to renewable energy" among the uses of funds exemplified in the "Green Bond Guidelines" and the "Green Loan Guidelines and Sustainability Linked Loan Guidelines. While referring to SDGs mapping of ICMA, JCR evaluated that they would contribute to the following SDGs goals and targets.



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, Operations and Transparency Evaluation

Based on the current status described below and the JCR's evaluation, JCR assessed that the management and operation system was well established, that the transparency was extremely high, and that the implementation of projects as planned and the appropriation of funding could be sufficiently expected. JCR assigned "m1 (F)" as the highest ranking to the evaluation phase 2: Management, Operation, and Transparency Evaluation.

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 goals to be achieved through green bonds, the selection criteria for green projects and the appropriateness of the process, and whether the process is properly disclosed to investors and others.

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

a. Goals

<The Framework for Goals>

■ Investment policy based on a long-term vision

We aim to create tough local communities through the spread of solar power and other renewable energy sources.

We aim to contribute to a growth-oriented region that has an economic and resource foundation and is entrusted to the next generation with consideration for the environment and safety.

<JCR's Evaluation of the Framework>

The use of proceeds of green finance under this framework is for new investments in or refinancing funds used for residential solar PV facilities and ancillary facilities for individuals for lease; therefore, the funds are for Dream Energy's core business. Through the green finance, Dream Energy aims to expand the use of solar power systems for individuals under lease agreements, develop into businesses with local communities (municipalities and regional financial institutions) as business partners using PPAs⁶ and VPPs⁷, create local communities through local production and local consumption of energy from the introduction of renewable energy, contribute to revitalization of local resources etc. to build tough local communities (sustainable independent communities) by. JCR confirmed that Dream Energy's objectives to be achieved through green finance are consistent with the above framework.

⁶ Power Purchase Agreement (Electricity Purchasing Contract): One form of installation of solar panels, etc. Third parties (PPA businesses, etc.) install solar panels and other equipment on the roofs of customers and idle lands. The customer does not take ownership of the equipment, but pays the electricity charge used to a third party (such as a PPA operator). Equipment installation and maintenance shall be performed by a third party (PPA operator, etc.).

⁷ Virtual Power Plant: To provide the same functionality as a power plant by integrating and controlling customer-side distributed energy resources such as solar power generation, storage batteries, electric vehicles, and negative watts (electricity saved), including direct-connection facilities to the power system, by the owner or a third party.

b. Selection Standard

<The Framework for Selection Standard>

■Eligibility criteria

Projects to be funded shall be projects on which risk verifications based on the assessment criteria of Dream Energy are conducted, and sound business operations can be expected. The projects shall satisfy the following eligibility criteria.

- Target facility must locate in Japan
- In concluding a lease contract for the facility, it shall have passed the screening by the collection agency/guarantee company.
- Investments in projects shall be the investments, which are made within 24 months of the date of issuance of the related green bonds.

<JCR's Evaluation of the Framework>

The above selection criteria limit the use of proceeds of green finance under this framework to residential solar PV and ancillary facilities for personal use for leases that are expected to generate power in stable and sustainably manner in Japan among the projects, which satisfy the Dream Energy's selection criteria and have green in nature. The above limits to use of proceeds only for the projects with high environment improvement effects; thereby JCR evaluates above appropriate.

c. Processes

<The Framework for Processes>

■Process of selecting qualified projects

1. The lease receivables are the solar power generation systems and accompanied storage batteries installed on the roofs of newly built single-family houses, which are owned by customers introduced by local partner homebuilders.
2. In concluding a lease contract, the collection agency/ guarantee company (APPLUS, Inc., etc.) conducts a screening, and the lease contract will be concluded only for the approved property.

<JCR's Evaluation of the Framework>

Green projects, for which proceeds of green finance are to be used, are selected in line with the processes described in the framework and are decided by the Management Committee, which is composed of in total of three members, the President and Representative Director, and two Directors. In selecting green projects, the projects should also satisfy the eligibility criteria described in this framework. JCR evaluates that these are appropriate selection process for green projects.

Dream Energy plans to disclose its green finance objectives, selection criteria, and processes in this evaluation report, as well as in press releases at the time of execution of the green finance or bond guidelines and attachment to basic loan agreement, etc. to be delivered to investors, thereby transparency to investors is ensured.

2. Appropriateness and Transparency of management of the proceeds

(1) JCR's Key Consideration in This Factor

It is generally assumed that the methods of managing procurement funds vary widely among issuers, but it is necessary to confirm that funds procured through the implementation of green finance are appropriated for green projects, and that mechanisms and internal systems are in place to easily track and manage the appropriations.

In addition, it is important that funds procured through green finance be allocated to green projects at an early stage, and that the management and operation of unappropriated funds be evaluated.

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

<The Framework for proceeds management>

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| <p>■Method of linking procured funds and the assets</p> <ul style="list-style-type: none"> • The proceeds are tied to a pre-selected individual project in full. <p>■Method of fund tracking and management</p> <ul style="list-style-type: none"> • Funds raised are deposited into specific accounts and managed separately from Dream Energy's other funds. • Payments are made from the specific accounts to individual system parts suppliers. • Management Department performs tracking and management by using an independent accounting system. <p>■Internal Control and External Audit for Tracking Management</p> <ul style="list-style-type: none"> • Fund transfers are executed after obtaining the approval by the three board members at the Management Committee. Fund transfer instructions from the director in charge of management to a person in charge of fund transfers are internally audited by the Chief Compliance Officer. <p>■Management method of unappropriated funds</p> <ul style="list-style-type: none"> • The fact that the proceeds will be managed as cash or cash equivalents until the allocation of the funds is confirmed will be informed to lenders through the attachment of the basic loan agreement, etc. at the time of borrowing the green loan. |
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<JCR's Evaluation of the Framework>

In addition to this framework, JCR confirmed the following through interviews: a. an auditing firm is currently being selected for the management of funds procured through green financing and external audits are scheduled to be conducted; and b. a system has been established to retain the documents related to the management of proceeds until the redemption or repayment of the green finance based on the rules for document retention.

With regard to Dream Energy's cash management, JCR has assessed that the cash management system has been properly structured given a plan for appropriation of funds has been formulated and the procurement funds are reliably appropriated to the Green Projects, tracking management is implemented, internal control over tracking management is in place, and there are no particular concerns regarding the operation of unused funds. In addition, the method of managing procured funds is disclosed in this report, and transparency to investors is ensured.

3. Reporting

(1) JCR's Key Consideration in This Factor

In this section JCR assesses whether the system for disclosing green finance to investors before and after implementation is planned in a detailed and effective manner by referring to the Framework.

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

<Framework for Reporting>

■Method of disclosure for the status of appropriation of funds

- Accounts are settled on a monthly basis for the funds transferred to purchase systems from the procured funds and it will be disclosed.
- Where the target asset is sold before redemption of the green bonds and reallocation is required, Dream Energy plans to disclose the status of allocation on its website on an annual basis until the full amount of the green bond proceeds is allocated to a project that satisfies the eligibility criteria.
- Content pre-determined by Dream Energy with regard to the allocation status and environment improvement effects will be disclosed on its website on an annual basis.
- Until the green bond is redeemed, Dream Energy will receive reviews from JCR on the green bond evaluation, focusing on the state of reporting on the items disclosed including the appropriation of funds and environmental improvement effects.

■Impact Reporting Disclosure Methods and Frequency

- To be disclosed annually on Dream Energy's website.
- Until the green bond is redeemed, Dream Energy will receive reviews from JCR on the green bond evaluation, focusing on the state of reporting on the items disclosed including the appropriation of funds and environmental improvement effects.

■KPIs (Key Performance Indicator) in Impact Reporting

The following impact reporting is planned as an environmental improvement effect.

1. CO₂ Emissions Reduced by Qualified Green Projects (Theoretical Values Based on Output Standards)
2. Amount of power generated by Qualified Green Projects (theoretical value based on output standards)

<JCR's Evaluation of the Framework>

a. Reporting on the proceeds allocation

Dream Energy plans to disclose annually on its website the appropriation of proceeds from Green Finance. In addition, in the event that there is a change in the assets subject to green financing and an unappropriated fund arises, it plans to disclose the content in the same way. JCR assesses that Dream Energy's reporting plan for funding appropriations is appropriate.

b. Reporting on environmental improvement effects

Dream Energy plans to disclose annually on its website the theoretical output and CO₂ savings from the solar PV facilities invested through the implementation of green financing as environmental benefits from the assets covered by green financing. JCR assesses Dream Energy's reporting plan for environmental improvement effectiveness as appropriate because indicators of environmental improvement effectiveness are expected to be disclosed sufficiently.

4. Organization's environmental activities

(1) JCR's key consideration in this factor

This section evaluates whether the issuer's management positions environmental issues as a high priority issue for management, and whether the implementation policy of Green Finance and process, Green Project selection criteria, etc. are clearly positioned by establishing a department that specializes in the environmental field or by cooperating with external organizations.

(2) Current status of evaluation targets and JCR evaluation

JEL, the parent company of Dream Energy, was established in 1995 as a sales company for environment-related products based on the founders' awareness of the low energy self-sufficiency rate in Japan and the importance of energy sources on an individual and regional basis in the future. Since its establishment, JEL has been working to expand use of renewable energy centered on solar power, and initially operated its business by focusing on the sale and installation of solar power generation facilities for homes. However, JEL realized, through the sales and installation of the facilities, that eliminating the heavy cost burden to individuals at the time of installation would allow further expansion of use of renewal energy, and has launched Yume Electric Power, a leasing service for solar power generation facilities, in addition to sales and construction. Dream Energy was established in April 2013 as a subsidiary whose main business is Yume Electric Power. Dream Energy's history of establishment has led to management resources, including human resources, as well as a variety of policies, including its vision for the environment, being operated in concert with JEL.

Dream Energy, in common with JEL, has a vision of "creating a tough community." Dream Energy's "tough local communities" refers to sustainable, self-reliant communities. By building small-scale distributed infrastructure in units of communities without relying on large-scale infrastructure, Dream Energy aims to create a region with the growth potential to entrust to the next generation considering environment and safety that has the foundation of economics and resources. Dream Energy recognizes that local production of energy for local consumption is essential to create a "tough community."

As an initiative aiming to expand use of renewable energy on a regional basis toward producing energy locally, Dream Energy and JEL are promoting to facilitate installation of photovoltaic power generation facilities and ancillary facilities to houses through "Yume Electric Power". The solar power generation facilities and ancillary facilities covered by this initiative are to be installed in individual houses, and form the basis of the use of funds stipulated in this framework. Considering this initiative from the viewpoint of local energy supply, it is considered that it will promote the popularization of renewable energy not only for personals but also for regional units.

In addition, Dream Energy and JEL intend to realize a region, for which required energy can be covered by the renewable energy resources generated by the region. To this end, they intend to understand seasonal, climate- and time-based fluctuation in supply and demand depending on the situation to efficient use of power by implementing peak shifts and peak cuts. They also intend to reduce power consumption by eliminating loss in transmission. As a specific initiative to realize such a region, apart from realizing V2H and V2G⁸ through electric vehicles that are recharged using renewable energy, Dream Energy plans to develop businesses through using PPAs and VPPs with local communities, such as municipalities and regional financial institutions as business partners. For some of these initiatives, Dream Energy has started its business development, including participating in verification tests with local governments and other organizations.

⁸ V2G(Vehicle to Grid): Refers to connecting an electric vehicle to a power system and using it as a means of power interchange with the system. Similar to V2H, when an electric vehicle is not used as a means of transportation, a large-capacity storage battery mounted on the vehicle is used as an electric power storage facility.

These initiatives by Dream Energy and JEL are set out not only aimed at achieving the 2°C goal⁹ in the Paris Agreement, but also in view of the movements at home and abroad including the Fifth Basic Plan for Energy, which sets forth the conversion of major power generation resources to renewal energy benchmarking 2030 and 2050 toward "aiming to further develop the Japanese economy and society, improve people's lives, and contribute to the sustainable development of the world through the stable and sustainable supply of energy over the long term."

Dream Energy has specialists suitable for its business and conducts business operations from day to day. In addition, Dream Energy itself is positioned that have specialized knowledge on the environment as it works closely with experts of JEL, its parent company, and utilizes the knowledge. Such expertise is also fully reflected in the formulation of green finance frameworks and the implementation of green finance, which are the subject of this evaluation.

Based on the above, JCR assesses that Dream Energy's management positions environmental issues as a high priority for management, and that Green Finance Procurement Policies and Processes, Green Project Selection Standards, etc. are clearly positioned in cooperation among the departments of Dream Energy and the parent company, which have specialized knowledge.

⁹ Its goals are to "keep global average temperature increases well below 2° C and to keep them at 1.5° C compared to before the Industrial Revolution" and "for this purpose, peak out global greenhouse gas emissions as early as possible and strike a balance between greenhouse gas emissions and (by forests, etc.) removals in the second half of the 21st century."

■ 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, the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan 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 |

■ Subject

Issuer/Borrower: Dream Energy Co., Ltd. (Securities code: -)

[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 for) Rieko Kikuchi, Hiroya Kakiuchi

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

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 degree of management, operation and transparency initiatives related to the use of funds and other matters. Accordingly, it does not undertake specific environmental improvement effects, management and operation systems, and transparency assessments of the use of funds for individual bonds and borrows implemented in accordance with this policy. In the event that green finance assessments are granted for individual bonds or individual borrowings based on this framework, such assessments need to be conducted separately. Furthermore, the JCR Green Finance Framework Evaluation does not demonstrate the improvement effect on the environment of individual bonds or borrows implemented under this Framework and does not assume any responsibility for the environmental improvement effect. 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. Methods used in the conduct of this evaluation

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

3. Relationship with Acts Related to Credit Rating Business

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

4. Relationship with Credit Ratings

The 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 Green Finance Framework Evaluation

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

■Disclaimers

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■Glossary

JCR Green Finance Framework Evaluation is an assessment of the extent to which funds procured through Green Finance are appropriated for Green Projects as defined by JCR and the extent to which such funds are used for management, operation, and transparency of the Green Finance. Evaluations are performed on a five-point scale, from the top to the bottom using the Green1 (F), Green2 (F), Green3 (F), Green4 (F), and Green5 (F) signs.

■Status of registration as an external assessor of green finance

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

■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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