

GREEN BOND / GREEN BOND PROGRAMME INDEPENDENT EXTERNAL REVIEW FORM

Section 1. Basic Information

Issuer name:	Eurus Energy Holdings Corporation
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Green Finance Framework of Eurus Energy Holdings Corporation
Independent External Review provider's name:	Japan Credit Rating Agency, Ltd.
Completion date of this form:	June 30, 2020
Publication date of review publication:	June 30, 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.

Eurus Energy Holdings Corporation (Eurus) is a company engaged in wind and solar power generation businesses established in November 1, 2001. TOMEN Corporation (Current Toyota Tsusho Corporation) started its power business in 1986, and Eurus has consistently engaged in the power generation business using renewable energy. Eurus has initially conducted power business as TOMEN Corporation Group. In 2002, Tokyo Electric Power Company Holdings, Inc. took an equity stake, then Eurus became a joint venture between Toyota Tsusho Corporation, the successor of TOMEN and Tokyo Electric Power Company Holdings, Inc. Eurus Corporate Philosophy states that "Helping to Preserve the Global Environment by Disseminating and Expanding Clean Energy Technologies" as a leader in renewable energy businesses. Since commencing wind power generation business in the United States in 1986, Eurus has expanded its power generation business into four regions: the United States, Europe, Asia-Pacific, and Africa. As of 2020, it had wind and solar power operations in 13 countries worldwide, with capacity of about 3,120,000 kW.

The scope of this evaluation is the Green Finance Framework ("the Framework") established by Eurus to limit the use of proceeds from bonds or loans to those with environmental improvement effects. JCR evaluates whether the framework complies with the 2018 Green Bond Principles, the Green Loan Principles and the Green Bond Guidelines 2017 Edition. "Green Bond Principles," "Green Bond Principles" and "Green Bond Guidelines 2017 Edition" are not binding in nature because they are principles or guidelines 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 regulatory, but will be evaluated by JCR with reference to such principles and guidelines as a globally unified standard at present.

Under the framework, the proceeds are allocated to (i) wind power generation projects, (ii) solar power generation projects and (iii) transmission projects for renewable energy generation. JCR evaluates that the use of proceeds will contribute to measures to combat global warming as it develops clean energy that reduces CO₂ by replacing fossil fuels. In addition, Eurus has set up a specialized department for environmental assessment and conducts environmental risk management. This system ensures that appropriate measures are taken to avoid negative environmental impacts that may occur when implementing projects. Based on these factors, JCR evaluated the use of proceeds in this framework as having a high environmental improvement effect.

Regarding the management and operation system, the case selection and confirmation of the progress of the project were reported to the management team, and it was confirmed that institutional decisions were made. In addition, JCR confirmed the robust management and operation system and high transparency for Eurus, as the internal control system for cash management was properly established and the disclosure system and the content of reporting prior to issuance were appropriate.

As a result, JCR assigns "g1 (F)" for "Greenness Evaluation (Use of Proceeds)" and "m1 (F)" for "Evaluation on Management, Operation and Transparency". Consequently, JCR assigns "Green1 (F)" as an overall evaluation results to the Framework. JCR also assesses that the framework meets the criteria for the requirements of the Green Bond Principles, Green Loan Principles and Green Bond Guidelines 2017 Edition.

<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. The eligible projects listed in the framework are renewable energy projects, such as wind power generation and solar power generation projects, and are expected to have high environmental improvement effects.
- ii. The proceeds are used for Green Projects defined in the Green Bond Principles and Green Loan Principles that are exemplified in the Renewable Energy and Green Bond Guidelines 2017 Edition.

b. Negative impact on Environment

The positive negative environmental risks of wind power generation facilities include noise and ultra-low frequency noise, effects on animals (particularly birds), deterioration of landscape, damage to the ecosystem due to the development of large-scale land such as shadow flicker. For solar power generation facilities there are possible negative impacts such as turbidity, light pollution, devastation of scenery, noise and vibration from related facilities. And in the case of power transmission facilities, adverse effects on the ecosystem due to the effects on birds and construction.

The framework stipulates that "eligible projects take into consideration of potential negative environmental and social impacts, and that the procedures for acquiring equipment certification, licensing, and environmental assessment required of the installation country, region, and local government for the target systems and projects are appropriate, and that they are carried out in accordance with the procedures for introducing Eurus projects." The framework stipulates that in selecting eligible projects, consideration is given to the negative environmental and social impacts of the case. In this process, a committee was established to regularly report the progress of projects to all directors and general managers, including the president, from a specialized department. JCR confirmed that risks related to environmental issues and reaction to resident are checked on a case-by-case basis in the committee. At the same time, Eurus is considering environmental conservation measures based on the opinions of third parties, such as holding hearings with experts as necessary. JCR has evaluated that Eurus has a system in place to take necessary measures to avoid or mitigate negative impacts.

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 |

- ☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs
- ☐ 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) :

The framework explicitly stipulates that unallocated proceeds should be managed in cash or cash equivalents between the implementation of green finance and the entire amount allocation of eligible projects, and JCR believes that the funding policy is transparent.

In Eurus, proceeds of Green Finance are assumed to be managed using spreadsheets, etc. and cash receipts and disbursements are assumed to be made on a project-by-project basis. JCR confirmed through hearings that an approval system has been established for cash receipts and disbursements with the director in charge of finance as the approver, the internal departments properly audit the cash receipts and disbursements once a year, and that documents related to the management of fund procurement have been appropriately retained.

Based on the above, JCR evaluates that fund management is highly appropriate and transparent.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other (please specify):

Additional disclosure:

☐ Allocations to future investments only

☒ Allocations to both existing and future investments

☒ Allocation to individual disbursements

☐ Allocation to a portfolio of disbursements

☐ Disclosure of portfolio balance of unallocated proceeds

☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

a. Reporting on proceeds allocation

Funding for renewable energy, centered wind and solar, and related facilities under this Framework will generally be used for a long period of time until the full amount of funds procured is fully allocated. Euris intends to report to stakeholders on the allocation status and project progress once a year until all the proceeds are fully allocated.

b. Impact reporting for environmental benefits

In Euris, reporting on environmental improvement effects is planned for projects for which funds have been allocated. JCR evaluates disclosure items and frequency of disclosure as appropriate referring the Green Bond Principles and Green Loan Principles.

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):
*Eliecrility Power output produced from the use of proceeds***Means of Disclosure**☐ Information published in financial report☐ Information published in sustainability report☐ Information published in ad hoc documents☒ Other (please specify):
Disclose to Stakeholders☐ Reporting reviewed

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.)

Corporate Philosophy of Eurus

<http://www.eurus-energy.com/en/about/vision.html>

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:**☐ Second Party Opinion☐ Certification☐ Verification☒ Scoring/Rating☐ Other (please specify):**Review provider(s):****Japan Credit Rating Agency, Ltd.****Date of publication:****June 30, 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.