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May 12, 2025

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

GLP J-REIT

Green Finance Framework

Affirmation

Overall
Evaluation

Green 1(F)

Greenness
Evaluation
(Use of Proceeds)

g1(F)

Management,
Operation and
Transparency Evaluation

m1(F)

Issuer/Borrower

GLP J-REIT (security code: 3281)

Subject

Green Finance Framework of GLP J-REIT

Evaluation Overview

GLP J-REIT is a J-REIT that specializes in logistics facilities sponsored by GLP Japan Inc. GLP J-REIT was established in September 2011 and listed on the Tokyo Stock Exchange (Real Estate Investment Trusts market) in December 2012. As of February 2025, GLP J-REIT has 88 assets with a total acquisition price of JPY 885.1 billion. GLP J-REIT has built a strong cooperative relationship with the sponsor and intends to grow through the sponsor's pipeline, for instance, it acquires properties mainly from those developed and owned by the sponsor. GLP Japan Advisors, GLP J-REIT's asset manager, is 100% owned by GLP Japan Inc.

Ares Management Corporation (NYSE: ARES), the sponsor's parent company, went public on the New York Stock Exchange on May 7, 2014 and is one of the world's leading alternative investment management firms with footprints in North America, Europe, the Asia-Pacific region and the Middle East.

GLP J-REIT shares the approach to sustainability with GLP Japan Advisors, and they work together to promote sustainability initiatives. Embracing its creed that a corporate holistic approach to the environment, society, and governance will result in the greatest benefit for the local community and its unit holders, GLP J-REIT operates business, following its "ESG Policy."

The subject of this evaluation is the Green Finance Framework (the "Framework") formulated by GLP J-REIT to limit the use of proceeds it raises through bonds, loans, or other financial instruments to environmentally beneficial projects. JCR evaluates whether the Framework aligns with *the Green Bond Principles*¹, *the Green Loan Principles*², *the Green Bond Guidelines*³, and *the Green Loan Guidelines*⁴. These principles and guidelines are not legally regulated based on evidence. JCR conducts evaluation, referring to these principles and guidelines at present as unified domestic and global standards.

GLP J-REIT targets two types of projects as the use of proceeds under the Framework as of 2019: green buildings with a certain level or higher levels of certification and renewable energy power generation assets. In October 2019, JCR assigned an overall rating of "Green 1 (F)" to the Framework as the result of its Green Finance Framework Evaluation.

This review comes after the update to the Framework in response to the revision of Building-Housing Energy-efficiency Labelling System ("BELS") effective in April 2024 and the introduction of the new BELS standards. GLP J-REIT has changed the BELS eligible ratings and clarified the Leadership in Energy & Environmental Design ("LEED") version among other green building certifications required by the criteria of the Framework. JCR reviewed the scope of Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") in the Framework. JCR considers that the revised Framework remains environmentally beneficial after any of these changes.

JCR considers that there are no significant changes in "Selection Standards and Processes for Use of Proceeds," "Management of Proceeds," and "Reporting" from the previous evaluation and that the Framework remains appropriate.

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." As a result, JCR assigned "Green 1(F)" for the overall "JCR Green Finance Framework Evaluation." 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 Guidelines*.

¹ International Capital Market Association (ICMA) "*Green Bond Principles 2021*"

<https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

² Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), Loan Syndications and Trading Association (LSTA) "*Green Loan Principles 2023*"

<https://www.lsta.org/content/green-loan-principles/>

³ Ministry of the Environment "*Green Bond Guidelines 2024*"

<https://www.env.go.jp/content/000128193.pdf>

⁴ Ministry of the Environment "*Green Loan Guidelines 2024*"

<https://www.env.go.jp/content/000128193.pdf>

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Review Items

This section provides items to be verified in reviewing the Framework. In this review, JCR focuses on changes from the previous review:

1. Use of Proceeds

The category of eligibility criteria and use of proceeds of green finance remain environmentally conscious after changes.

2. Selection Standards and Processes for Use of Proceeds

The goals to be achieved through green finance, the selection standards and processes of green projects, and a series of the processes remain appropriate.

3. Management of Proceeds

The proceeds from green finance are allocated to green projects without fail, and a scheme and an internal structure to easily track and manage allocations are in place.

4. Reporting

There is a system in place to appropriately disclose allocation reporting and impact reporting associated with green finance in the way designated by the issuer at the time of green finance rating, after the revision of the Framework.

5. Organizational Sustainability Initiatives

The management team of the issuer highly prioritizes sustainability as a material managerial issue on an ongoing basis.

Review Contents

1. Use of Proceeds

The following is the use of proceeds that GLP J-REIT sets forth in the Framework and include only changes in the Framework. (The key changes are in bold and underlined.)

Framework for Use of Proceeds

Categories of Projects Eligible for Green Financing

Eligible Green Projects are assets or projects that satisfy either of the following requirements.

■ Eligible Green Project Criteria

Green buildings (Eligible Green Project category : Green Building)

New, existing or refurbished buildings with at least one certification in the following categories.

i) DBJ Green Building Certification (Japan): five, four or three stars

ii) CASBEE (Japan): S, A or B+

iii) BELS (Japan, FY2016 standard): five, four or three exclude buildings with BEI =under 0.75

iv) BELS (Japan, FY2024 standard): six, five, four

v) LEED BD+C (U.S., v4 and later): Platinum, Gold or Silver

vi) LEED O+M (U.S.): Platinum, Gold or Silver

■ Power generation facilities utilizing renewable energy

JCR's Evaluation for the Framework

GLP J-REIT has changed the BELS eligible ratings and clarified the LEED version among other green building certifications required by the criteria of the Framework. And JCR reviewed the Framework to explore the scope of CASBEE.

The following is an overview of the green building certifications required by the Green Eligibility Criteria, which were updated and explored at the time of reviewing the Framework.

Comprehensive Assessment System for Built Environment Efficiency ("CASBEE")

CASBEE, which stands for Comprehensive Assessment System for Built Environment Efficiency, is a method to assess and rate the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for buildings was established as an industry-academia-government collaboration project with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Since then, CASBEE has been continuously developed and maintained. Other than CASBEE for Building and CASBEE for Urban

Development, the evaluation tools include CASBEE for Real Estate developed for the real estate market as an easy indicator of environmental performance.

CASBEE for Buildings (New Construction) is based on Built Environment Efficiency or BEE, which is calculated from built environment quality ("Q") as the numerator and built environment load ("L") as the denominator after classifying the assessment categories in four assessment fields: energy consumption, resource recycling, regional environment, and indoor environment, into BEE numerator Q and BEE denominator L. Buildings are ranked on a scale of five levels: Rank S (excellent); Rank A (very good); Rank B + (good); Rank B - (slightly inferior); and Rank C (inferior). (As to CASBEE for Real Estate, they are ranked on a scale of four levels: Rank S (excellent); Rank A (very good); Rank B + (good); and Rank B (satisfying the required items).) In order to obtain a higher rank, building constructions are required to pay heed to comfortable indoor environments and landscapes as well as the natural environment, for instance, using materials and equipment that are energy efficient and impose less environmental burdens, and to demonstrate high-quality in all aspects.

CASBEE for Real Estate was developed for the purpose of utilizing its results for real estate valuations, and thus its criteria are focused on real estate valuation. CASBEE for Real Estate assesses properties in terms of 1. energy/GHG, 2. water, 3. resource use/safety, 4. biodiversity/sustainable site, and 5. indoor environment. The evaluation steps are as follows: 1) ensure consistency in weighting among major global evaluation tools; 2) use a points-addition system; 3) add points earned from five required evaluation items and 16 point-adding items, making a perfect score of 100 points; and 4) exclude the building from the scope of the evaluation if it does not meet the requisites.

JCR has confirmed that CASBEE certifications that GLP J-REIT sets as the eligibility criteria in the Framework are CASBEE for Buildings (New Construction) and CASBEE for Real Estate but not the local government version of CASBEE. Under CASBEE-Building (New Construction), BEE of 1.0 or higher is required for properties ranked B+ or above, and their environmental quality must be clearly more significant than their environmental impact. Although CASBEE-Real Estate does not adopt BEE as its measurement standard, properties are required to be ranked equivalent to B+ under the former CASBEE for Buildings. Hence, JCR considers that such buildings are environmentally beneficial. Based on the above, the criteria set out in the Framework offer sufficient environmental benefits. In conclusion, JCR considers that the projects of such buildings are appropriate as the use of proceeds.

Building-Housing Energy-efficiency Labeling System ("BELS")

BELS stands for the Building-Housing Energy-efficiency Labeling System, a system where a third-party assessment organization evaluates and certifies the energy-saving performance of new and existing buildings. BELS evaluates them from the perspectives of envelope performance and primary energy consumption. To receive a higher rank, a building is required to demonstrate excellent energy-saving performance. The evaluation results are ranked based on the Building Energy Index ("BEI"). BEI is a measure of energy-saving performance relative to a standard value, which is calculated from the design primary energy consumption as the numerator and the standard value primary energy consumption as the denominator. The former standards (FY2016 version) ranked buildings on a five-star scale ranging from one-star to five-star. Buildings ranked two-star or higher meet the energy-saving standards.

The building energy saving standard has been tightened for large non-residential buildings whose land area is 2,000 m² or larger since the revised Building Energy Efficiency Act came into effect on April 1, 2024. A new building energy saving standard varies depending upon the building use: 25% or higher reduction for factories, including logistics facilities, and 20% or higher reduction for offices, schools, hotels, or department stores. Based on this revision, the BELS at the time of sale and lease transactions was enhanced in April 2024, and a new standard (FY2024 version) was introduced to BELS. The new standard ranks residential and non-residential buildings with renewable energy systems on a scale of seven levels ranging from six (an energy reduction rate of 50% or higher) to zero (an energy reduction rate of less than 0%), while it rates residential buildings without renewable energy systems on a scale of five levels ranging from four (an energy reduction rate of 30% or higher) to zero (an energy reduction rate of less than 0%). The new standard assigns BELS Level 4 (an energy reduction rate from 30% to below 40%) or higher to buildings that meet the building energy saving standard of all non-residential buildings, while the guidance criteria are applied to some uses. The standard for residential buildings remains unchanged: an energy reduction rate of 0% or higher under the building energy saving standard and an energy reduction rate of 20% or higher under the guidance criteria.

Based on the above, buildings that GLP J-REIT deems eligible under the BELS criteria are energy efficient. Hence, JCR considers that the projects of such buildings are appropriate as the use of proceeds.

Leadership in Energy and Environmental Design ("LEED")

LEED is an environmental performance evaluation system for buildings and urban environments developed and used by the U.S. Green Building Council ("USGBC"), a non-profit organization. LEED stands for Leadership in Energy and Environmental Design. The draft was published in 1996 and has been updated every few years. Currently, v4 and v4.1 are in use, and v5 is scheduled to be released in 2025.

There are six types of certifications: BD+C (Building Design and Construction), ID+C (Interior Design and Construction), O+M (Building Operations and Maintenance), ND (Neighborhood Development), HOMES, and CITIES. Their levels correspond to the total points obtained in each item: Platinum (80 + points), Gold (60-79 points), Silver (50-59 points), and Certified (standard, 40-49 points). The item on energy efficiency requires buildings to earn a high score or achieve the required level, which is often a prerequisite for evaluation. To obtain a higher rank, buildings may need to demonstrate high energy efficiency.

The Silver or higher ranks set by GLP J-REIT as the eligibility criteria may imply likely acquisitions of buildings with high energy efficiency. JCR believes that projects that meet the LEED criteria are appropriate as the use of proceeds.

From the above, JCR considers that the revised eligibility criteria also target properties with a potential to offer high environmental benefits.

2. Selection Standards and Processes for Use of Proceeds

The following is the selection standards and processes for the use of proceeds that GLP J-REIT sets forth in the Framework. (The key changes are in bold and underlined.)

Framework for Selection Standards and Processes for Use of Proceeds

Project Evaluation/Selection Process

Eligible Green Projects are evaluated and selected by **the ESG Committee** of GLP Japan Advisors which is **composed of the President, CFO, CIO and Chief Sustainability Officer (CSO)**.

The Finance Department proposes the green finance, and ESG Committee will consider the selection of properties for funding and the allocation plan for funds procured through green finance.

The ESG Committee, led by CSO, promotes sustainability initiatives such as setting ESG target, monitoring progress and formulating medium- to long-term ESG policies.

As in the case of ordinary finance (taking out loans, issuance of investment corporation bonds), green finance is executed in the following process:

- Green bonds:

Green bonds are issued subject to the adoption of the relevant comprehensive resolution by the Investment Committee of GLP Japan Advisors and the Board of Directors of GLP J-REIT.

- Green loans:

Loan agreements are concluded subject to approval by the Investment Committee.

JCR's Evaluation for the Framework

At the time of the previous evaluation, JCR considered that the selection standards and processes for the use of proceeds set forth in the Framework were appropriate.

The selection of target properties is led by the ESG Committee under the updated Framework instead of the Sustainability Task Force under the previous Framework. JCR believes that the updated Framework remains appropriate.

3. Management of Proceeds

The following is the management of proceeds that GLP J-REIT sets forth in the Framework. (The key changes are in bold and underlined.)

Framework for Management of Proceeds

Management of Green Finance Balance

The upper limit of green finance (limit of the "Debts of Eligible Green Projects") shall be the amount calculated by multiplying the total acquisition cost of the Eligible Green Projects by the ratio of actual interest-bearing debt to total assets as of the end of the latest fiscal period that can be calculated on the payment date or loan date of each investment corporation bond, or as of the end of every February.

Eligible Green Projects that also fall under the definition of Eligible Sustainability Projects under GLP J-REIT's Sustainability Finance Framework are included in the total value of Eligible Green Projects as well as that of Eligible Sustainability Projects. Any amount of funding provided for those projects in the form of sustainability finance or green finance is included in calculating the outstanding balance of sustainability finance as well as that of green finance. The presence of such overlaps, i.e., amounts included in the total value and the outstanding balance of finance for both type of eligible assets, is disclosed in notes.

Appropriation Plan for Fund Raising

GLP J-REIT is committed to allocating all the proceeds from the Green Financing towards funding the acquisition of the Eligible Green Projects or refinancing the relevant fund within one month after the financing.

Tracking Methodologies of Procurement Funds

Once the proceeds from Green finance are received, the person in charge in **the Finance Department** will transfer the entire amount to the seller as the funds for the acquisition of the property or transfer the funds for the redemption and repayment of the investment corporation bonds or loans to the account at a predetermined date. In order to carry out the above process, the President made final internal decisions in advance.

The proceeds received will be held in cash or cash equivalent until they are appropriated for the acquisition.

Internal and External Audits of Fund Procurement

The Asset Management Company regularly conducts internal audits. It also undergoes external audits of its overall accounting of GLP J-REIT.

Management of Documents Relating to Procurement Fund

The passbooks are held by Mitsubishi UFJ Trust and Banking Corporation, which is the asset custodian. **GLP Japan Advisors will check and confirm account activity via electronic banking (GLP Japan Advisors is only authorized to view the account).**

JCR's Evaluation for the Framework

At the time of the previous evaluation, JCR considered that the management of proceeds set forth in the Framework was appropriate. After that, GLP J-REIT formulated a sustainability finance framework in 2020. In this revision, the method for calculating the total acquisition price of eligible green assets and eligible sustainability assets was added to the Green Finance Balance Management section. JCR considers the revision is appropriate. Other than that, there are no major changes to the Framework. JCR believes the Framework remains appropriate.

4. Reporting

The following is the reporting process that GLP J-REIT sets forth in the Framework. (No changes from the previous evaluation.)

Framework for Reporting (Excerpt)

Reporting on Status of Proceeds

GLP J-REIT will publish the allocation status of the fund proceeds from Green financing on its website. Their reports will be published once every year till the outstanding balance of the concerned green financing become zero. Further, as long as there remains any outstanding balance in its Green financing, GLP J-REIT will disclose the following benchmarks as of the end of February of each year on its website.

- Total amount of bond proceeds that has been used
- Number of properties under Eligible Green Projects
- Unused amount of bond proceeds

Reporting on Positive Environmental Impacts

The following information is disclosed on the website:

a. Green Building

- Level of various environmental certificates obtained

b. Power generation facilities utilizing renewable energy

- Annual CO2 reduction effect of the relevant renewable energy-based power generation facility.

JCR's Evaluation for the Framework

At the time of the previous evaluation, JCR considered the reporting process set forth in the Framework was appropriate. In this revision, there are no major changes to the Framework. And JCR believes that the Framework remains appropriate.

JCR has also verified that GLP J-REIT properly performs reporting on its website.

5. Organization's Environmental Initiatives

GLP J-REIT shares the approach to sustainability with GLP Japan Advisors, and they work together to promote sustainability initiatives. Embracing its creed that a corporate holistic approach to the environment, society, and governance will result in the greatest benefit for the local community and its unit holders, GLP J-REIT operates business, following its "ESG Policy" shown in the table below.

Table 1: GLP J-REIT's ESG Policy⁵

1. Initiatives for environment protection	Continue to pursue innovative initiatives and take effort to execute them which are aimed at minimizing environmental impact fall under our corporate actions to protect global environment and achieve sustainable society
2. Promote actions to achieve Net Zero at GLP J-REIT	Promote energy efficiency and implementation of renewable energy to accelerate actions against climate change and achieve Net Zero
3. Obtain third party evaluation on facility	Target to obtain third party certifications based on the initiatives which are to develop environmentally and workers friendly specifications on facilities we manage
4. Treat biodiversity	Promote taking care of plants and wild animals existing around facility, which is important to respect biodiversity and think highly of ecosystem to achieve sustainable society
5. Water management	Recognize water protection as critical issue and promote efficient usage and management of water by co-work with stakeholders
6. Collaboration with stakeholders	Aim to provide more added value through identification of various issues and implementation of initiatives for solution by collaboration with stakeholders
7. Customer support	Make effort to solve issues in society through customer support, which are to response customer's demand, establish efficient business operations, secure employee's health and safety and provide comfortable working spaces and services
8. Coexistence with local community	Promote chain reactive and sustainable initiatives for coexistence with local community through supporting job creation and proactive actions with local community
9. Maximize employee's capability	Aim to maximize each employee's capability through personnel development, establishing appropriate working environment and building culture respecting individual values
10. Support supply chain	Share our ESG policy with business partners on supply chain and provide continuous support
11. Response to disasters	Aim to improve disaster prevention system not only in facility but for local community through providing facilities well-equipped with safety and various services, BCP initiatives and cooperation with local government
12. Improve productivity and efficiency with technology	Improve productivity and efficiency of social infrastructures through investment, development and proactive use on technologies and innovations
13. Proactive involvement on social contribution activities	Proactively involve on social contribution activities to contribute to local community as a member of society with common acknowledgement of our business impact to society
14. Establish ethical corporate culture	Establish ethical and highly transparent corporate culture by following the ethics codes we define
15. ESG prospects built in process of decision makings	Risk and opportunity on ESG are regularly implemented in process of decision makings for our business

GLP Japan Advisors established Sustainability Task Force in 2014 and subsequently ESG Committee in 2021. ESG Committee is composed of the President & CEO, CFO, CIO, and CSO, and promotes sustainability initiatives by formulating medium- to long-term Basic ESG Policy,

⁵ Prepared by JCR based on GLP J-REIT's website

setting ESG goals, monitoring the progress, and deliberating on various projects. ESG Committee formulates medium- to long-term Basic ESG Policy, sets ESG goals, monitors the progress, deliberates on various projects, and decides on their policies.

GLP Japan Advisors expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") in August 2021 and joined the TCFD Consortium, an organization of domestic supporting companies. GLP J-REIT recognizes that climate change is a major global issue and a medium- to long-term risk and is working with GLP Japan Advisors to mitigate climate change by reducing GHG emissions, etc., and to adapt to impacts from climate change for reducing them and turning them into opportunities, in order to achieve carbon neutrality by 2050.

GLP J-REIT is in the process of obtaining third-party environmental certification for its properties and plans to increase the percentage of its properties (on a total floor area basis) with environmental certification (the top three ranks or higher⁶) to more than 90% by 2025.

GLP J-REIT has received the highest rank of "5 Star" rating for the fifth consecutive year in the Global Real Estate Sustainability Benchmark ("GRESB") Rating, which rates entities on a five-level scale based on their global ranking of the overall score in the GRESB Real Estate Assessment. In addition, GLP J-REIT has received a "Green Star" award in the GRESB Real Estate Assessment for 10 years in a row. "Green Star" is an award to recognize companies for their excellence in both the "Management Component," which evaluates policies and organizational structures for promoting ESG, and the "Performance Component," which evaluates the environmental performance of their properties and initiatives in tandem with tenants.

Based on the above, GLP J-REIT positions environmental issues as a high priority issue. JCR takes it as GLP J-REIT continues to have an appropriate system in place to address environmental issues.

⁶ BELS: 3★ or higher; CASBEE for Real Estate or Building (New Construction): B+ or higher; LEED: Silver or higher; and DBJ Green Building Certificate: 3★ or higher

Review Result (Conclusion)

Green 1(F)

Based on its JCR Green Finance Evaluation Methodology, JCR assigned "g1(F)" for the "Greenness Evaluation (Uses of Proceeds)" and "m1(F)" for the "Management, Operation and Transparency Evaluation." As a result, JCR assigned "Green 1(F)" for the "JCR Green Finance Framework Evaluation." 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 Guidelines.

		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

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Important explanations of this Evaluation

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

JCR Green Finance Framework Evaluation, which is determined and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the Green Finance Framework, and expresses JCR's comprehensive opinion 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, JCR Green Finance Framework Evaluation is not intended to evaluate the effects of specific environmental improvements and the management, operation and transparency of individual bonds and borrowings, etc. to be implemented based on these policies. In the event an individual bond or individual borrowing based on this Framework is subject to a green finance evaluation, a separate evaluation is needed. JCR Green Finance Framework Evaluation does not prove the environmental improvement effects of individual bonds or borrowings implemented under this Framework, and does not assume responsibility for their environmental improvement effects. JCR confirms the environmental improvement effects of funds procured under the Green Finance Framework measured quantitatively and qualitatively by the issuer/borrower or by a third party nominated by the issuer/borrower, but in principle it does not directly measure such effects.

2. Method used to conduct this evaluation

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 Acts Concerning Credit Rating Business

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

4. Relationship with Credit Ratings

The Evaluation is different from the Credit Rating and does not assure to provide or browse a predetermined credit rating.

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

There are no capital and/or personnel relationships that may result in a conflict of interests between the subject of this evaluation and JCR.

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■ Glossary

JCR Green Finance Framework Evaluation: This evaluates 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 ensured. Evaluations based on a 5-point scale are given from top to bottom using the Green 1(F), Green 2(F), Green 3(F), Green 4(F), and Green 5(F) symbols.

■ Status of Registration as an External Evaluator of Sustainability Finance

- Registered as an External Reviewer of Green Bonds by the Ministry of the Environment
- ICMA (registered as an observer with the Institute of International Capital Markets)

■ 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 U.S. Securities and Exchange Commission's Nationally Recognized Statistical Rating Organization (NRSRO): (1) financial institutions, broker-dealers, (2) insurance companies, (3) general business corporations and (4) governments and municipalities. If the disclosure is subject to Section 17g-7 (a) of the Securities and Exchange Commission Rule, such disclosures are attached to the news releases appearing on the JCR website (<https://www.jcr.co.jp/en/>).

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