

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

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

## JCR Assigned Green 1 to Green Loans for Private Placement Investment Corporation Bonds issued by Advance Residence Investment Corporation

Subject	:	Green Loans for acquiring Private Placement Investment Corporation Bonds issued by Advance Residence Investment Corporation
Type	:	Loan
Amount	:	JPY 3 billion
Interest Rate	:	0.3285 %
Closing Date	:	July 25, 2019
Final Repayment Date	:	July 25, 2029
Redemption Method	:	Lump-sum payment at maturity
Use of proceeds	:	Acquisition of private placement bonds issued by the Advanced Residence Investment Corporation

### <Green Loan Evaluation Results>

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

## Chapter 1: Evaluation Overview

Sumitomo Mitsui Trust Bank, Limited (SMTB) was founded both in 1924 as Mitsui Trust Co., Ltd., and in 1925 as Sumitomo Trust Co., Ltd., and is the core company of Sumitomo Mitsui Trust Group. This is a trust bank established by the merger of Sumitomo Trust Co., Ltd., Chuo Mitsui Trust and Banking Co., Ltd., and Chuo Mitsui Asset Trust and Banking Co., Ltd. in 2012. The Sumitomo Mitsui Trust Group to which SMTB belongs is Japan's largest asset management group, and it is a trust banking group with a leading size in the industry centering on asset management and administration.

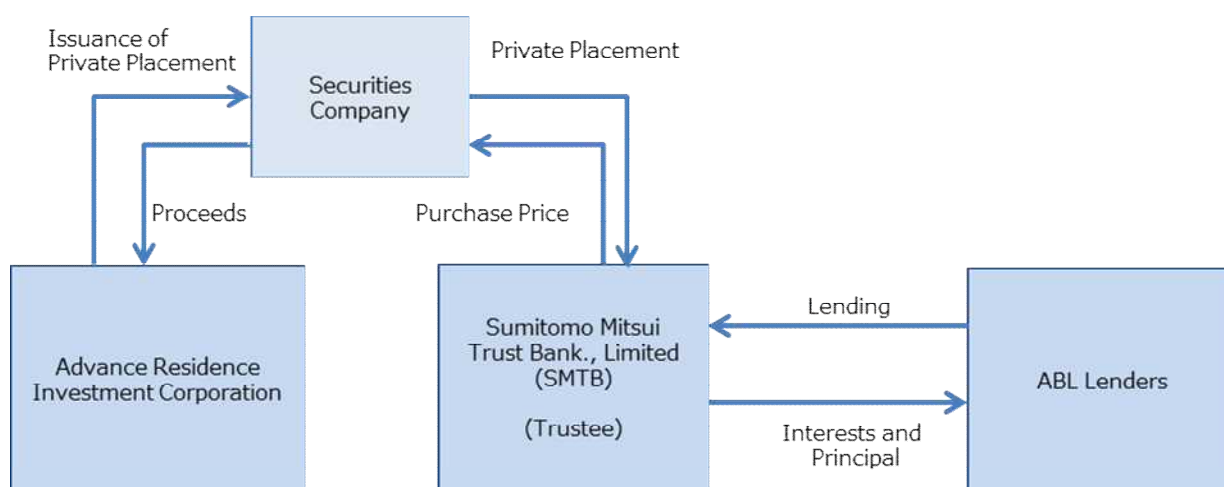
In response to the climate change issue, the Sumitomo Mitsui Trust Group formulated the Action Guidelines for Mitigating Climate Change, in which it stated in "2. Provision of Products and Services"

"We are working on developing and providing products and services that help mitigate climate change. Our financial functions are being leveraged to promote energy conservation and encourage the use of renewable energy."

The group aims to contribute to the resolution of climate change issues by utilizing the functions of the trust.

The loans to be evaluated are those borrowed by SMTB's trust account (the "Loans"). JCR evaluates whether the loan complies with the Green Loan Principles established by Loan Market Association and Asia Pacific Loan Market Association in March 2018.<sup>1</sup>

< Schematic Diagram >



SMTB acquires private placement investment corporation bonds issued by Advance Residence Investment Corporation ("ADR") with money borrowed from investors. During the existence of the Loans, the principal and interest of the Loan are paid on the basis of the principal and interest paid by ADR to SMTB. The proceeds from the issuance of private placement investment corporation bonds of ADR will be used to refinance the funds for the acquisition of existing residential condominiums acquired by ADR. SMTB confirmed that the residential condominiums meet eligibility criteria in the ADR Green Finance Framework, which enables SMTB to verify the greenness of its use of proceeds.

JCR confirmed that the fund management for the Loans is highly transparent and has been conducted in an appropriate manner in SMTB's trust account and that the system for reporting to investors has been properly established.

As a result, based on the JCR Green Finance Evaluation Methodology, JCR assigns "g1" for the "Greenness Evaluation (Use of Proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green1" for the overall "JCR Green Loan Evaluation." Detailed evaluation results are discussed in the next chapter. The Loans are also considered to meet the standards required under the Green Loan Principles.

<sup>1</sup> LMA(Loan Market Association/Asia Pacific Loan Market Association) Green Loans Principles 2018 <https://www.lma.eu.com/>

## Chapter 2: Current Status of the Project on Each Evaluation Factor and JCR's Evaluations

### Evaluation Phase 1: Greenness Evaluation

JCR assigns “g1”, the highest grade, to “Evaluation phase 1: Greenness Evaluation”.

Rationale: 100% use of proceeds of the trust beneficiary rights is allocated to green projects, considering the factors described below.

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

In this section, JCR first assesses whether the funding money will be allocated to green projects that have explicit improvement effects on environment. With regard to the Loans, the greenness of green eligible asset, which the proceeds of private placement investment corporation bonds of ADR are used for, shall be evaluated. Secondly, 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

Overview of the use of proceeds

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

- i. **100% of the proceeds are used for refinancing of an existing green building, which can be expected to have the environmental improving effect.**

<ADR Green Finance Framework (excerpt)>

#### 1. Use of proceeds

##### I. Eligible criteria for investment in green finance

Proceeds from Green Bonds or Green Loans (Green Bonds, etc.) will be used to finance the acquisition, renovation, and refinancing of Green Buildings that meet the following criteria.

##### [Eligibility Criteria 1]

Properties for which either third-party certification entities (i) to (iii) have been acquired or are scheduled to be acquired in the future

- (i) Three stars, four stars, or five stars in DBJ Green Building certification
- (ii) B+ Rank, A Rank, or S Rank in CASBEE certification
- (iii) Three stars, four stars, or five stars in BELS certification

##### [Eligibility Criteria 2]

Equipment repair work for the real estate which manages to improve the efficiency of energy consumption, water consumption performance, and other environmental benefits (a 10% reduction in usage to convention).

The use of proceeds of the private placement investment corporation bonds, which the proceeds of the Loans are used to, are refinance of the funds for the acquisition of RESIDIA TOWER Meguro-Fudomae. JCR confirmed that the property meets the Eligibility Criteria set out in the ADR's Green Finance Framework. JCR assigned "Green 1 (F)" to the ADR Green Finance Framework.

<Property>

Property Name	RESIDIA TOWER Meguro-Fudomae
Location	3-7-6 Nishi-Gotanda, Shinagawa-ku, Tokyo
Principal Uses	Residence
Site Area	2,929.35m <sup>2</sup>
Total Floor Area	29,561.91 m <sup>2</sup>
Number of Stories	30 floors and 3 basement floors
Completion	January. 2007
Environmental Certification	DBJ Green Building Four Stars (2018)
Features and Environmental Performance	<ul style="list-style-type: none"> <li>• Consideration for the environment such as introducing energy-saving-efficient equipment such as LED lighting and water-saving toilets is planned.</li> <li>• In addition to creating comfortable living spaces by designing facilities that are comfortable within each house, it is also created as convenient houses, such as concierges and lounges in common areas.</li> <li>• Through "RESIDIA Customer Support," a 24-hour troubleshooting service is established, and property management that contributes to the safety and security of residents is carried out in cooperation with management companies.</li> </ul>

**ii. The use of proceeds falls under the category of green projects defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficiency" or "green buildings which meet regional, national or internationally recognised standards or certifications."**

**b. Negative impact on the environment**

ADR's asset-management company, AD Investment Management Co., Ltd. ("ADIM"), conducts due diligence when acquiring properties under ADR, and examines the possibility of acquiring properties. RESIDIA TOWER Meguro-Fudomae, which is the subject of the use of proceeds, has also been acquired through this process, and no negative impact on the environment has been confirmed. Based on the results of the due diligence conducted by ADIM mentioned above, SMTB judges that the negative impact on the environment is minimal.

**c. Consistency with SDGs goals and Targets**

The project is classified into energy efficiency and green buildings which meet regional, national or internationally recognised standards or certifications. JCR evaluated the project to contribute to the following SDGs goals and targets, referring to ICMA's SDGs mapping.



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

**Target 7.3. By 2030, double the global rate of improvement in energy efficiency.**



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

**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. With all countries taking action in accordance with their respective capabilities.**



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

**Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.**

(Reference) Certification System for Each Green Building

#### 1. DBJ Green Building Certification

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society." DBJ Green Building evaluates three major categories: Ecology (Environment), Amenity (Comfort) and Risk Management (Crime Prevention and Disaster Prevention) and Community (Region and Landscape) and Partnership (Cooperation with Stakeholders). Result is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), or one star (satisfactory). Although it is not an environmental performance-specific evaluation, it is highly recognized in Japan and has a certain evaluation item regarding environmental performance. Therefore, JCR evaluated this certification as equivalent to "Green buildings which meet regional, national or internationally recognised standards or certifications" in the category of green projects as defined in Green Bond Principle. However, since the certification is not limited to environmental performance, JCR considers that it is desirable to confirm the evaluation of environmental performance individually.

#### 2. CASBEE (Comprehensive Assessment System for Built Environment Efficiency)

CASBEE is a method to evaluate and rate the environmental performance of buildings by referring to the building environmental performance assessment system. In April 2001, with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, the Comprehensive Environmental Evaluation Research Committee for Buildings was established as a joint project between industry, government, and academia, and since then it has been continuously conducting development and maintenance. In addition to CASBEE for Buildings and CASBEE for Urban Development, assessment tools include CASBEE for Real Estate developed to provide easy-to-understand environmental performance to the real estate market. Some municipalities are obligated to submit environmental plans when constructing buildings of a certain size, using CASBEE.

The CASBEE's assessment results are divided into five grades: S rank (excellent), A rank (very good), B+ rank (good), B-rank (slightly poor), and C-rank (poor). CASBEE for real estate is classified into four grades: S rank (excellent), A rank (very good), B+ rank (good), and B rank (satisfying essential items).

### 3. BELS (Building-housing Energy-efficiency Labeling System)

BELS is an acronym for Building-housing Energy-efficiency Labeling System. BELS is a building energy efficiency performance indicator system under which third-party assessment bodies evaluate and accredit the energy efficiency performance of new and existing buildings. The outer skin performance (performance standards and specification standards) and primary energy consumption (performance standards and specification standards) are subject to evaluation, and the evaluation results are expressed in stars according to the achievement values of the energy efficiency standards. High evaluation requires excellent energy-efficiency performance. In BELS, this ranking is based on BEI (Building Energy Index). The number of stars is divided from one to five by BEI.

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

JCR assigns “m1”, the highest rating on JCR evaluation Phase 2: Evaluation on Management and Operation and Transparency.

Rationale: The project has allocated the funding and implemented the businesses as planned through a firmly equipped management and operation system and high transparency as described below.

### 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 that the objectives to be achieved through the green loans, the criteria for selecting green projects, the appropriateness of the process, and the series of processes are appropriately disclosed to investors.

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

##### a. Goal

JCR has received the following summary responses as a result of SMTB's hearing on the objectives to be realized through the Loans.

"SMTB attaches importance to sustainability initiatives and promotes them based on the following principles.

##### 1. Active promotion of sustainability initiatives as management commitment

As SMTB regards the ESGs as a material management foundation, it is working to identify and manage sustainability issues that need to be addressed as management priorities.

##### 2. Business Sustainability Initiatives

SMTB aims to work with its customers to build a sustainable society by providing total solutions to the social issues that customers face by leveraging the functions of our dedicated trust bank groups. SDGs will use this as a criterion for ascertaining (validating) the social value created by our products and services.

##### 3. Providing value to communities

The provision of value to the community, which is a component of society, leads to the maintenance of a sound business foundation and is therefore considered to be a necessary social license for conducting business. From this perspective, SMTB is working to provide value to communities in a variety of ways while also incorporating SDGs perspectives.

Based on this policy, in order to promote ESG management, we believe that the issuance of green bonds and support for customers in green purchasing are effective entry points not only from a financial point of view, but also from the viewpoint of we and customer knowledge accumulation and improvement of market presence, in order to link our efforts with business development for customers. "

From the above, JCR confirmed that SMTB wants to expand its investments from the perspective of ESGs and green through its own products.

**b. Selection Criteria**

JCR confirmed that the funds of the Loans were used to refinance the funds for acquiring an environmentally certified green building, and that the property for which the funds were used satisfied the Eligibility Criteria in the ADR Green Finance Framework through the interview with SMTB,.

**c. Processes**

SMTB recognizes ESG as a critical management foundation, and is considering the provision of ESG-related products in its various business divisions. The greenness of the Loans is checked by the person in charge in the Corporate Business Department II in consultation with a specialized department within SMTB. The execution of the Loans is drafted by the Corporate Business Department II and decided after the decision by the director in charge in the Credit Department. JCR confirmed that SMTB management is involved and that selection processes are transparent.

JCR evaluates that the objectives, selection criteria, and process are outlined in this evaluation report and that transparency for investors is ensured.



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

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

The management method of the procured funds is usually assumed to be varied depending on the issuer. Confirm whether the procured funds from the issuance of green loans are allocated to the green projects and whether a mechanism and an internal system are in place so that the appropriation status can be tracked and managed easily.

JCR also attaches importance to evaluating the management and operation of the unallocated funds, as well as to confirming that the funds procured from the loans will be allocated to the green projects at an early stage.

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

- a. The funds for the issuance of private placement investment corporation bonds, which the proceeds of the Loans are used for, are scheduled to be fully used for refinancing the funds for the acquisition of RESIDIA TOWER Meguro-Fudomae, and are not scheduled to be used for other purposes.
- b. The Asset Finance Department/Trust Team of SMTB, which is responsible for managing trust assets, will transfer funds to the securities company, which is the seller of private placement investment corporation bonds. SMTB confirms that ADR, the issuer of the bonds, will report their funding plans after restricting the use of their funds in accordance with the Investment Corporation Bonds Guidelines for the bonds.
- c. After the funds are transferred, the above-mentioned Asset Finance Department/Trust Team carries out accounting and a settlement business related to the trust account, pays interest to investors during the term, and repays the principal on the final repayment date. In addition, SMTB plans to provide investors with information on reporting such as the effects of environmental improvements in line with its semi-annual accounting period. JCR confirms whether the trust account is appropriately managed and operated by the Internal Audit Department, which conducts regular audits, and evaluates that the internal control system is in place.
- d. The private placement investment corporation bonds, which are the use of the loan funds, are to be immediately used for refinancing the funds for the acquisition of RESIDIA TOWER Meguro-Fudomae, so no unallocated funds are expected to be generated.

Prior to the full repayment of the Loans, in the event that unallocated funds are generated, such as through the sale of RESIDIA TOWER Meguro-Fudomae, JCR confirms that SMTB will take appropriate measures after confirming with the ADIM.

JCR evaluated that the Loans are securely appropriated to the green building, that its account management is managed in the trust account in an appropriate manner, and that the internal management system is in place, and the appropriateness and transparency of fund management is high.

### 3. Reporting

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

In this section JCR evaluates whether the disclosure system for investors, etc. before and after the execution of green loans is planned in a detailed and effective manner at the time of the execution of green loans.

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

##### a. Reporting of the proceeds allocations

The management of the Loans shall be recorded in the trust account after the establishment of the trust and managed in the management systems of SMTB. JCR confirms that the trust account is settled every six months and that the report on the status of trust assets is to be delivered to investors.

Since ADR immediately allocates the entire amount of the Loans to refinancing the funds for the acquisition of RESIDIA TOWER Meguro-Fudomae, it is currently not expected to report unallocated funds during the term.

In the event of a major change in circumstances, such as an unallocated funds arising from the sale of the RESIDIA TOWER Meguro-Fudomae, disclosure is scheduled to be made on ADR's website. SMTB will report the disclosures to investors.

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

An outline of the use of proceeds for the issuance of private placement investment corporation bonds to be acquired with the Loan funds is as described in evaluation phase 1 of this report. JCR confirms that SMTB expects to disclose the information disclosed by ADR to investors of the Loans.

In its Green Finance Framework, ADR plans to disclose the following items as environmental improvement effects. SMTB will also disclose reports on the effects of these improvements to investors once a year.

- Energy consumption
- Greenhouse gas (CO<sub>2</sub>) emissions
- Water consumption
- Waste weight
- Status of acquisition of environmental certification  
(number of properties, floor space, acquisition date and type of certification)

JCR evaluated that SMTB plans to disclose to investors both the reporting of the proceeds allocations and the reporting of 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 puts a high priority on environmental issues or not, whether the policy for financing green projects and its process, criteria to choose the projects are clearly important, in cooperation with the department which is responsible for environmental issues or external institutions.

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

#### a. Sumitomo Mitsui Trust Group's Environmental Efforts

Sumitomo Mitsui Trust Group to which SMTB belongs has signed the Principles for Responsible Investment (PRIs) that advocated the ESG since its publication in 2006, and incorporates the concept of ESG into its management.

In 2015, the company identified a theme called "materiality," which affects the corporate value creation process, sorted out the themes that the board of directors should address, and established an internal engagement system in which the department in charge of Sustainability communicates with the department in charge of high-materiality operations, thereby reflecting the evaluation of ESG investors in management. ESG is actively working on this and other issues as it believe it is necessary for the company to improve its corporate value over the long environmental.

In 2017, in addition to the ESG/CSR report, the Company began preparing an integrated report that thoroughly examines the relationship between materiality and financial information by upgrading its existing disclosure. The Group is also placing emphasis on ESG and is steadily implementing initiatives, including reforms on the three materiality themes of "Corporate Governance Reform," "Further Thoroughness of Customer-Oriented Approach," and "Work Style Reform."

Sumitomo Mitsui Trust Group has also established the environmental policies shown in this page and conducts its operations in accordance with them.

#### (Sumitomo Mitsui Trust Group Environmental Policy)

---

##### 1. Goods and services

We will strive to reduce the environmental risk and improve the environmental value of society as a whole by providing products and services that contribute to the preservation of the global environment and the realizing a sustainable society.

##### 2. Reduction of environmental burden

We recognize the environmental impact of our business activities, such as the consumption of resources and the discharge of waste, and strive to realize an environmental conservation and sustainable society through energy-saving and resource conservation and resource recycling.

##### 3. Pollution prevention

We work to continuously verify and improvement our response to environmental issues and prevent pollution.

##### 4. Legal Compliance

We comply with all laws, regulations, and agreements related to environmental conservation.

##### 5. Monitoring

We set short-and medium-term environmental targets and periodically review them in order to continually improvement our environmental activities.

##### 6. Education and training

We strive for thorough implementation of this policy and environmental education at each group company.

##### 7. Information disclosure

We will disclose this policy to the public and promote environmental conservation activities through communication with the outside world.

---

In accordance with the environmental policies described above, the ESG/CSR Report presents the status of achievement of environmental targets, energy consumption and CO<sub>2</sub> emissions, and performance related to paper, water usage, waste generation, and reduce, reuse, recycle in large-scale office buildings within the Group.

**b. SMTB's Environmental Efforts**

As a core company of the Sumitomo Mitsui Trust Group, the management of SMTB recognizes the importance of ESGs and environmental issues.

As noted above, the issuance of green bonds is part of an earlier management initiative's proactive approach to ESG.

SMTB has established the Sustainability Management Office within the Corporate Planning Department as an office with expertise in environmental problems. The office is responsible for overseeing SMTB's ESG and supporting ESG activities in each business. JCR also confirmed in hearings with external specialist organizations such as NGOs of various environmental organizations, consulting firms, and accounting firms.

In addition, in real estate business, which is the main business, since 2005, SMTB has been undertaking public initiatives for the dissemination of environmental real estate in national and local governments and committees related to CASBEE, starting with the publication of papers on the added value of environmental real estate. In addition, as pioneers in the field of environmental real estate, it has been developing businesses for the dissemination of environmental real estate, such as CASBEE certification application support consulting.

JCR appreciates that the establishment of a green loans as part of the financial arrangement for J-REIT is also part of the above-mentioned efforts, and that investors can put their money in businesses that have environmental improvement effects through the products created by SMTB.

SMTB promotes initiatives for ESG such as establishment of their Green Bond Framework and obtaining third party certification from external reviewer in August 2018.

JCR evaluates this Green Loans is out of scope of SMTB's Green Bond Framework, but follows Sumitomo Mitsui Trust Group and SMTB's initiative for environment, and contribute to achieve their SDGs target.

## ■Evaluation Results

Based on the JCR Green Finance Evaluation Methodology, JCR assigns “g1” for “Greenness Evaluation (Use of Proceeds)” and “m1” for the “Management, Operation and Transparency Evaluation.” Consequently, JCR assigns “Green 1” for overall “JCR Green Loan Evaluation.” The Loans are also considered to meet the standards required under the Green Loan Principles.

[JCR Green Loan Evaluation Matrix]

		Management, Operation, and Transparency Evaluation				
		m1	m2	m3	m4	m5
Greenness Evaluation	g1	Green 1	Green 2	Green 3	Green 4	Green 5
	g2	Green 2	Green 2	Green 3	Green 4	Green 5
	g3	Green 3	Green 3	Green 4	Green 5	Not qualified
	g4	Green 4	Green 4	Green 5	Not qualified	Not qualified
	g5	Green 5	Green 5	Not qualified	Not qualified	Not qualified

## ■Scope of Evaluation

Borrower: Sumitomo Mitsui Trust Bank, Limited

[Assignment]

Subject	Amount	Closing Date	Final Repayment Date	Interest Rate	Evaluation
Green Loan for Private Placement Investment Corporation Bonds issued by Advance Residence Investment Corporation	JPY 3 billion	July 25, 2019	July 25, 2029	0.3285%	JCR Green Loan Evaluation: Green1 Greenness Evaluation :g1 Management, Operation, and Transparency Evaluation :m1

(Responsible analysts for this evaluation) Rieko Kikuchi and Kosuke Kajiwarra

---

## Important Explanations Regarding the Green Loan Evaluation

---

### 1. Assumptions, significance and limitations of JCR Green Loan Evaluation

JCR Green Loan Evaluation, which is granted and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the funds procured from the issuance of green loans, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation, and transparency of the use of green loans are ensured. JCR Green Loan Evaluation does not fully indicate the extent to which the funds procured from such green loans are allocated and the management, operation, and transparency of the use of the funds are ensured.

JCR Green Loan Evaluation assesses the plan or status of the appropriation of funds at the time of the green loan borrowing plan or at the time of issuance, and does not guarantee the status of the appropriation of funds in the future. In addition, JCR Green Loan Evaluation does not prove the environmental effects of green loans and is not responsible for their environmental effects. JCR confirms that the effects of the funds procured from the issuance of green loans on the environment are measured quantitatively and qualitatively by the borrower or by a third party requested by the borrower, but in principle it does not directly measure the effects.

### 2. Methodology used to carry out this evaluation

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

### 3. Relationship with Credit Rating Business

JCR Green Loan 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's Green Finance Assessment

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

---

#### ■ Notes

The information contained in this document has been obtained by JCR from the Issuer and from accurate and reliable sources. Provided, however, that such information may be erroneous due to human, mechanical or other reasons. Accordingly, JCR makes no representation or warranty, express or implied, as to the accuracy, results, accuracy, timeliness, completeness, marketability, or fitness for a particular purpose of such information, and JCR assumes no responsibility for any error, omission, or result of using such information. In no event shall JCR be liable for any special, indirect, incidental or consequential damages of any kind, including opportunity loss, monetary loss, which may arise from any use of such information, whether contractual, tort, negligence or other cause of liability, and whether or not such damages are foreseeable or unforeseeable. JCR Green Loan Evaluation does not express any opinion on the various risks (credit risk, price fluctuation risk, market liquidity risk, etc.) associated with the green loan, which is the subject to the evaluation. JCR Green Loan Evaluation is a comprehensive statement of opinion at the present time of JCR and is not a statement of fact and does not make any recommendations regarding risk judgment or the decision to purchase, sell or hold individual bonds, commercial paper, etc. JCR Green Loan Evaluations may be changed, suspended, or withdrawn due to changes in information, lack of information, or other reasons. All rights to this document, including data from JCR Green Loan Evaluation, are held by JCR. Reproduction, adaptation, modification or alteration of this document, in whole or in part, including data from JCR Green Loan Evaluation, without the permission of JCR is prohibited.

#### ■ Glossary

JCR Green Loan Evaluation: JCR Green Loan Evaluation evaluates the extent to which the funds procured from the Green loan are allocated to the Green Project as defined by JCR, and the extent to which the management, operation, and transparency of the Green Loan are ensured. Evaluations are graded on a scale of 5, beginning with the top, using the Green1, Green2, Green3, Green4, and Green5 symbols.

#### ■ Registration as an External Evaluator of Green Finance

- Registration of external reviewers of the Ministry of the Environment's Green Bond
- ICMA (registration as an observer in the International Capital Markets Association as an external evaluator)

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

- Credit Rating Agency Commissioner of the Financial Services Agency (Credit Rating Agency) No. 1
- EU Certified Credit Rating Agency
- NRSRO: JCR is registered in the following 4 of the 5 credit rating classes defined by the NRSRO(Nationally Recognized Statistical Rating Organization of the U.S. Securities and Exchange Commission. (1) Financial institutions, broker-dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. When subject to disclosure pursuant to Section 17g-7(a) of the U.S. Securities and Exchange Commission Regulations, such disclosure is attached to a news release posted on the JCR website (<https://www.jcr.co.jp/en/>).

#### ■ For further information, contact

Information Service Department TEL: 03-3544-7013 FAX: 03-3544-7026

### Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Copyright © Japan Credit Rating Agency, Ltd. All rights reserved.