

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

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

JCR Assigned Green 1 to the Bonds of Daiwa Office Investment Corporation

Subject	:	Daiwa Office Investment Corporation 7th Unsecured Investment Corporation Bond 8th Unsecured Investment Corporation Bond (with limited inter-bond pari passu clause) (Green Bonds)
Type	:	Investment Corporation Bonds
Issue Amount	:	7th Unsecured Investment Corporation Bond: JPY 1.5 Billion 8th Unsecured Investment Corporation Bond: JPY 2.4 Billion
Interest Rate	:	7th Unsecured Investment Corporation Bond: 0.310% 8th Unsecured Investment Corporation Bond: 0.600%
Date of Issuance	:	September 11, 2020
Redemption Date	:	7th Unsecured Investment Corporation Bond: September 11, 2025 8th Unsecured Investment Corporation Bond: September 11, 2030
Method of Redemption	:	Bullet
Use of Proceeds	:	Refinancing of funds to acquire assets

<Green Bond Evaluation Results>

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

Chapter 1: Evaluation Overview

Daiwa Office Investment Corporation (the Investment Corporation) is a J-REIT, which was established in July 2005 and listed on the Tokyo Stock Exchange (the TSE REIT Market) in the same year in October. It mainly invests in medium-sized office buildings, with floor size of 2,000m² or larger in general, located in the five major wards of Tokyo. The current portfolio consists of 60 properties with a total acquisition price of 463.1 billion yen. Daiwa Real Estate Asset Management Co. Ltd. (the Asset Management Company), the asset management company of the Investment Corporation, was established by K.K. Davinci Holdings as its sponsor then. Following the acquisition of all shares of Davinch Select by Daiwa Securities Group Inc. in July 2009, it changed its name from Davinch Select to its current name.

Based on the belief that focusing on ESG is important to increase value for investors over the medium- to long-term, the Investment Corporation is working on initiatives for environmental issues while referring to the three environmental policies established by the Daiwa Securities Group, which are the environmental vision, the environmental philosophy, and the basic environmental policy.

The subject of this evaluation is the Investment Corporation Bonds (the Investment Corporation Bonds) planned to be issued by the Investment Corporation. The proceeds in lieu of the issuance of the Investment Corporation Bonds will be used to refinance the acquisition funds relating to a property held by the Investment Corporation.

The Asset Management Company defines the "Eligibility Criteria" in the Investment Corporation's Green Finance Framework as properties that have been or will be certified either of DBJ Green Building 3 stars or more, CASBEE Building (New Building) Certification B+ or higher, 3 stars or more of BELS Certification, or LEED Certification Silver or more. Since Daiwa Harumi Building, which is the subject of the use of funds this time satisfied the eligibility criteria set by the Investment Corporation as it has been ranked Gold by LEED certification. JCR verified the environmental performance of the property, the subject of the use of funds, and confirmed that it had environmental improvement effects.

With regard to the management of the procured funds, JCR will be able to evaluate that the management and operation system for the Investment Corporation Bonds has been established because the entire amount will immediately be appropriated for the refinancing of the Green Project, tracking management is implemented, and there are no special concerns regarding the management of the unappropriated funds. In addition, the status of appropriation of funds and the content of reports on the effects of environmental improvement are appropriate; therefore, it can be evaluated that transparency of the Investment Corporation Bonds have been secured for investors.

Based on the JCR Green Finance Evaluation Methodology, JCR assigned "g1" for the "Greenness Evaluation (use of proceeds)" and "m1" for the "Management, Operation and Transparency Evaluation." As a result, JCR assigned "Green 1" for overall "JCR Green Bond Evaluation." The evaluation results are described in detail in the next chapter.

The Bonds are considered to meet the standards for items required by the Green Bond Principles¹ and Ministry of the Environment's Green Bond Guidelines².

¹ ICMA(International Capital Market Association) Green Bond Principles 2018 Edition
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Green-Bond-Principles---June-2018-140618-WEB.pdf>

² Ministry of the Environment Green Bond Guidelines 2017
http://greenbondplatform.env.go.jp/pdf/greenbond_guideline2017.pdf

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 are for green projects, and assigned "g1", the highest rank for Phase 1: Greenness Evaluation.

(1) JCR's Key Consideration in This Factor

In this section, JCR confirms whether the proceeds are used for green projects that have clear environmental improvement effects. Next, JCR confirms 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 use of proceeds has 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

a. On the environmental improvement effects of the project

i. The funds are 100% used for refinancing the acquisition funds for the property that satisfied the eligibility criteria of the Investment Corporation, and it has the effects of improving the environment.

The Investment Corporation defines the eligibility criteria in the Green Finance Framework as follows. With respect to the level of environmental certification indicated by the relevant eligibility criteria, JCR has evaluated all of them have environmental improvement effects.

The proceeds from the Green Bonds or Green Loan will be used to fund the acquisition of, or to refinance the Green Building that satisfies the following eligibility criteria:

[Eligible Criteria]

Properties, which has been certified or will be certified any one of the following third-party certification bodies from (1) to (4):

- (1) Three Stars to Five Stars in DBJ Green Building Certification
- (2) B+ to S rank in CASBEE building (new construction)
- (3) Three Stars to Five Stars in BELS Certification
- (4) Silver to Platinum Ranking in LEED Certification

The funds raised by the Investment Corporation Bonds will be used to refinance the funds for the acquisition of the "Daiwa Harumi Building" shown below. JCR has ensured that the subject property has been certified LEED certification Gold rank and satisfies the Investment Corporation's eligibility criteria.

LEED is an environmental performance assessment system for buildings and cities that is developed and operated by the U.S. Green Building Association (USGBC), a not-for-profit organization. As of 2019, there were certified buildings in more than 160 countries or territories. LEED is the acronym of Leadership in Energy and Environment Design, and the draft was published in 1996 and is updated once every few years.

There are five types of certification: BD+C (architectural design and construction), ID+C (interior design and construction), O+M (operation and maintenance of existing buildings), ND (neighborhood development), and HOMES (home).

Certification levels are expressed by the sum of the acquisition points for each item. From the descending order according to the points acquired: Platinum (over 80 points), Gold (60-79 points), Silver (50-59 points),

and Certified (Standard Certification) (40-49 points). Of these, the Investment Corporation acquired LEED O+M Gold, which is the second highest. Through the interview to the Investment Corporation, JCR confirmed that the facility was awarded Gold as it was valued the building's high energy efficiency and convenience in terms of commutation. In addition, as a result of checking actual values relating to energy consumption, etc., JCR evaluates that this property has environmental improvement effects and is a green eligible project.

<Properties owned>

Property name	Daiwa Harumi Building
Address	10-1, Harumi 3-chome, Chuo-ku, Tokyo
Major Applications	Offices and shops
Site Area	2,230.55 m ²
Total floor area	15,012.46 m ²
Floors	12 aboveground floors and 1 basement floor
Year of completion	January 2008
Environmental certification	LEED O+M Gold Ranking (2017)

- 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 recognized standards or certifications.**

b. Negative impact on the environment

The Asset Management Company checks whether or not there is a negative impact on the environment, such as defects in properties, by obtaining an environmental survey report when acquiring properties, and it also ensures that the properties, the subject of the use of funds, have no negative impacts. From this, JCR confirmed that the negative impact on the environment in the subject of the use of funds of the Investment Corporation Bonds was properly avoided.

c. Consistency with SDGs goals and targets

The projects are categorized into energy conservation and regional/national or internationally recognized standards and certification green buildings. With reference to ICMA's SDGs mappings, JCR assessed that the projects contribute to the following SDGs goals and targets:



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.



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.

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 recognized 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 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

Based on the current situation described below and JCR's evaluation of the subject, JCR evaluated that the management and operational system had been well developed, that transparency was very high, and that it was fully expected that the project would be implemented as planned and that the proceeds would be adequately allocated. In Phase 2, JCR evaluated "m1" as the highest level in terms of management, operation and transparency.

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 bonds, 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

The Daiwa Securities Group has announced its three environmental policies, which outline its stance on solving environmental issues. While referring to these policies, the Investment Corporation is promoting initiatives that contribute to environmental improvements, including acquiring green buildings. JCR evaluates that the issuance of the Investment Corporation Bonds is consistent with the Three Environmental Policies because it enables the Company to promote initiatives that contribute to the reduction of environmental impact.

Three Environmental Policies

Environmental Vision

The Group is dedicated to protecting the precious global environment and preserving it for future generations by leveraging financial capabilities.

Environmental Principles

The Group recognizes the importance of environmental principles such as the effort to combat global warming, recycling and reuse of raw materials, and preserving biodiversity, in order to create a sustainable society for the 21st century. The Group pledges to contribute to solving environmental issues through its business as a financial services company and, to constantly seek new ways to reduce its environmental impact as a responsible corporate citizen.

Basic Environmental Policy

1. Make positive environmental contributions through our core business activities

We shall seek to develop and provide financial products and services that promote a low-carbon, recycling-oriented, and symbiotic society.

2. Implement an environmental management system

We shall implement an environmental management system and constantly seek new ways to improve environmental activities. In addition, we shall support environmental education and publicity efforts, while promoting environmental protection efforts by employees.

3. Take steps to save natural resources, reduce energy consumption, and promote biodiversity system

We shall continue to progress in our efforts to reduce the use of natural resources and energy, and seek ways to improve materials and energy efficiency (including efforts to improve business efficiency). We shall also take steps to reduce water use and reduce, reuse, and recycle other materials to contribute to a more environmentally friendly society. Furthermore, considering the importance of biodiversity, we shall seek a symbiotic relationship with the environment and use

safe, clean methods of materials procurement.

4. Promote environmental communication

Working in concert with business partners, the local community, NGOs and NPOs, we shall actively disseminate information about environmental issues, and communicate our concern for the environment to customers and society at large.

5. Strictly observe environmental regulations

We shall always endeavor in environmental preservation, observing environmental laws and regulations in addition to the Group's environmental policies.

b. Selection criteria

Eligibility criteria in the Green Finance Framework are described in Evaluation Phase 1 of this report. The persons in charge of the Finance Department of the Asset Management Company assess and review conformity to eligibility criteria of subject properties for Green Finance.

JCR assesses that the selection criteria for green projects are appropriate as buildings with environmental improvement effects are targeted.

c. Process

Issuing the Investment Corporation Bonds to use the proceed for the "Daiwa Harumi Building" will be deliberated at the Sustainability Committee of the Asset Management Company (a meeting body that discusses the efforts relating to sustainability of the Asset Management Company or the funds under its management, etc.). Subsequently, an approval document is drafted by a person in charge of the Finance Department. After deliberation at the Investment Committee and the Board of Directors meeting, it will be approved by a representative executive officer at the Board of Directors meeting of the Investment Corporation.

The Investment Corporation plans to disclose the goals, selection criteria, and processes relating to green finance through press releases by the Investment Corporation and other means; therefore, JCR considers that transparency to investors is ensured.

2. Appropriateness and Transparency of Management of the Proceeds

(1) JCR's Key Consideration in This Factor

The management of the proceeds is usually assumed to be diverse by issuers. JCR assesses whether the proceeds are firmly allocated to the green project, the project has internal systems to easily track the allocation of the proceeds and the money funded by the Bonds will be allocated to the green project at once. JCR also considers the evaluation of asset management of unallocated funds.

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 Bonds will be allocated to the green projects at an early stage.

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

The proceeds in lieu of the issuance of the Investment Corporation Bonds will be used in full for the refinancing of the funds for acquiring Daiwa Harumi Building described in Evaluation Phase 1 of this report promptly after the procurement, and there are no plans to use the fund for any other purposes.

Fund management pertaining to the Investment Corporation Bonds shall be conducted by the Finance Department of the Asset Management Company. The Finance Department will use the confirmation sheet to track the appropriation of funds procured through green finance and manage the upper limit of funds raised by green finance as described in the above framework. These operations relating to the fund management are subject to internal audits; therefore, JCR sees that internal controls are in place. Forms and documents relating to fund management are kept in the form of electronic files, etc. for a sufficient period after the redemption.

After appropriating the procured funds, if unappropriated funds arise from the sale of the subject assets, etc., portfolio management will be conducted. In that case, it should be ensured that the sum of the balance of green finances will not exceed the ceiling amount of green eligible liabilities (total assets, which satisfy the eligibility criteria, x total assets LTV) at each accounting period until all the green finances including the Investment Corporation Bonds are redeemed.

JCR evaluates that the fund management system of the Investment Corporation is appropriate.

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 issuance of green bonds is planned in a detailed and effective manner at the time of the issuance of green bonds

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

a. Reporting of the proceeds allocations

The funds raised by the Investment Corporation Bonds will be used in full for the refinancing of the fund used for acquiring Daiwa Harumi Building promptly after the procurement. Due to this, anticipate reporting for unappropriated funds during the period is not expected so far, and status of appropriation of the funds will be disclosed on the Investment Corporation's website. JCR confirmed through interviews to the Asset Management Company, where there are significant changes in the situation including sale of subject asset, the target of use of proceeds from the Investment Corporation Bonds, etc., will also be disclosed on the website of the Investment Corporation.

Accordingly, JCR believes that reporting on the appropriateness of funds is appropriate.

b. Reporting on environmental improvement effects

The Investment Corporation plans to disclose the number and type of environmental certifications it holds for properties owned on its website once a year as a reporting item for environmental improvement effects.

JCR assessed the Investment Corporation's disclosure items and frequency of are appropriate in light of ICMA's Green Building Impact Reporting Standards.

4. Environmental Initiatives of the Organization

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the management of the issuer considers environmental issues to be a high priority issue for management, whether the green bond issuance policy, process, and green project selection criteria are clearly positioned through the establishment of a department specializing in environmental issues or cooperation with external organizations, etc.

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

As one of the investment corporations in the Daiwa Securities Group, the Investment Corporation is addressing the Sustainable Development Goals (SDGs) and environmental issues in line with the Group's policies. In the following section, JCR will examine the environmental initiatives of the Daiwa Securities Group and the Investment Corporation.

a. Daiwa Securities Group's Environmental Initiatives

The Daiwa Securities Group recognizes that SDGs are overachieving goals to lead the world as mentioned under "the Daiwa Securities Group SDG Declaration". It has indicated Daiwa Securities Group's stance that it will work actively for realization of a prosperous society and improved people's life by pursuing both its economic values and solution of social challenges at the same time through Group businesses. The Daiwa Securities Group has established SDGs Promotion Committee, chaired by the president and CEO, and is working to establish a system addressing SDGs. Several experts participate in the committee as external members, and a system to reflect external expertise in discussions has been established. The committee discusses cross-group actions to take for SDGs, including the identification of materiality, and it also periodically reports the content of discussions to the Board of Directors and the Board of Executive Officers. Among the Daiwa Securities Group's materiality items determined by the committee, those related to the environment are linked to SDGs from the viewpoints of "initiatives to reduce environmental impact (environmental initiatives that support business activities)" and "contribution to a sustainable society using financial functions (environmental initiatives through business activities)", and it engages in activities that contribute to the achievement of SDGs.

As part of its environmental efforts to support the Daiwa Securities Group's business activities, it has created three environmental policies (see pages 6 and 7) to indicate its stance of contributing to the resolution of environmental issues. Based on these policies, the Group is working to reduce environmental impacts through specific measures such as the introduction of environmental accounting and specifying products, which meet top-runner standards when renewing equipment at the head office and branches.

b. Daiwa Office Investment Corporation's Environmental Initiatives

The Investment Corporation engages in environmental initiatives specific to the investment corporation, while referring to the policies of the Daiwa Securities Group. The Investment Corporation discloses the Policy for ESG, which includes matters to be focused on, considering that each ESG element, including environment, contributes to enhancing investor value over the medium to long term.

ESG policy

1. Initiatives on Environmental Protection (Environment)
We will proactively promote initiatives on environmental protection such as resource and energy-saving measures such as the introduction of facilities and equipment contributing to environmental protection at the properties owned.
 2. Connection to Society (Social)
We will proactively disclose information and fulfill accountability to all of stakeholders through IR activities, etc. We will accomplish social missions of a listed investment corporation by providing high-quality and comfortable residential spaces in partnership.
 3. Corporate Governance (Governance)
We will make highly transparent and reasonable decision under the laws and regulations and various rules while being aware of the importance of corporate ethics and compliance.
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The Asset Management Company confirms the Group's efforts to address environmental issues by sharing matters decided and approved by the Daiwa Securities Group's SDGs Committee. Each department of the Asset Management Company examines specific initiatives regarding environmental issues, and the aforementioned Sustainability Committee reviews them. The Sustainability Committee is chaired by President and CEO, and the members consist of directors and general managers. Information relating to sustainability initiatives including environmental ones are gathered and discussed in the committee.

In the Investment Corporation, Asset Manager and the Construction Manager of the Asset Management Company engage in initiatives for acquiring properties and obtaining environmental certification for GRESB as a specialized department. The Investment Corporation discloses externally that it holds properties with environmental certifications including DBJ Green Building certification that can contribute to the environment and society. In addition, the Investment Corporation regularly reviews and works to improve its sustainability initiatives by receiving advice from external experts mainly when it obtains GRESB evaluations.

The Investment Corporation is implementing concrete measures for the environment rooted in its business, based on the Daiwa Securities Group's policy on the environment, such as utilizing renewable energy through the installation of solar wind street lights utilizing the constant strong wind and sunshine environment in the vicinity of the river and promoting the use of lighting LEDs by concluding green lease agreements with tenants. Environmental initiatives in line with such individual properties are consistent with the Investment Corporation's ESG Policy, and are an example of initiatives aimed at enhancing investor value over the medium to long term through ESG initiatives.³

Based on the above, JCR has evaluated that the management of the Investment Corporation has positioned environmental issues as a high priority issue for management.

(Reference) GRESB Real Estate Assessment

Established in 2009, GRESB refers to benchmarks and organizations that measure and evaluate the asset of ESG consideration of companies holding and operating real estate and infrastructure. From 2016, the evaluation-results are shown on a five-star scale (five stars, four stars, three stars, two stars, and one star). Companies that have made excellent efforts are given "Green Star" separately from the five-star evaluation. From J-REIT, 44 investment corporations have participated in the evaluation as of 2019.

³ This means that a building owners and the tenant cooperate each other toward reducing environmental impacts and improving working environment by voluntarily determining through contracts and memorandums, and put them in action. According to the Ministry of Land, Infrastructure, Transport and Tourism, it helps building a Win-Win relationship between the owner and the tenant by reducing utility costs and improving working conditions.

■ Evaluation 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." As a result, JCR assigns "Green 1" for overall "JCR Green Bond Evaluation." The Bonds are considered to meet the standards for the items required under the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.

[JCR Green Bond 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 Subject

Issuer: Daiwa Office Investment Corporation (Security Code: 8976)

[Assignment]

Subject	Issue Amount	Issue Date	Redemption Date	Interest Rate	Evaluation
7th Unsecured Investment Corporation Bond (with limited inter-bond pari passu clause) (Green Bonds)	JPY 1.5 Billion	September 11, 2020	September 11, 2025	0.310%	JCR Green Bond Evaluation: Green1 Greenness Evaluation :g1 Management, Operation and Transparency Evaluation :m1
8th Unsecured Investment Corporation Bond (with limited inter-bond pari passu clause) (Green Bonds)	JPY 2.4 Billion	September 11, 2020	September 11, 2030	0.600%	JCR Green Bond Evaluation: Green1 Greenness Evaluation :g1 Management, Operation and Transparency Evaluation :m1

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Important explanation of the Green Bond Evaluation

1. Assumptions, Significance, and Limitations of JCR Green Bond Evaluation

JCR Green Bond Evaluation, which is assigned and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the proceeds of green bonds, 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 bonds are ensured. This does not perfectly disclose all the efforts taken by the issuer/borrower to ensure the use of proceeds, administration, management of the proceeds and the transparency.

JCR Green Bond Evaluation is to evaluate the plan or status of the proceeds to green projects at the time of issuing green bonds or planning to issue, and does not guarantee the future actual allocation of the proceeds. JCR does not guarantee the positive environmental effects of green bonds nor is liable for their expected impacts. JCR confirms that the environmental impacts, which will be realized by the allocated proceeds, are calculated quantitatively and qualitatively by the issuer or by a third party requested by the issuer, but in principle JCR does not calculate them by itself.

2. Methodologies used in the conduct of this evaluation

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

3. Relationship with Acts Related to Credit Rating Business

JCR Green Bond 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. Third-party character of JCR

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

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■ Glossary

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

■ Status of registration as an external reviewer 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
- 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 17g-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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