

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

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

## JCR Assigned Preliminary Green 1 to DREAM Private REIT Inc. GL1

|                  |   |  |
|------------------|---|--|
| Subject          | : | DREAM Private-REIT Inc. GL1                          |
| Type             | : | Long-term Borrowings                                 |
| Lender           | : | MUFG Bank, Ltd.                                      |
| Borrowing Amount | : | JPY2 billion   |
| Execution Date   | : | January 31, 2020                                     |
| Maturity Date    | : | January 31, 2023                                     |
| Repayment Method | : | Lump-sum repayment at maturity                       |
| Use of Proceeds  | : | Funds to refinance loans to acquiring holding assets |

### <Green Loan Preliminary Evaluation Results>

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

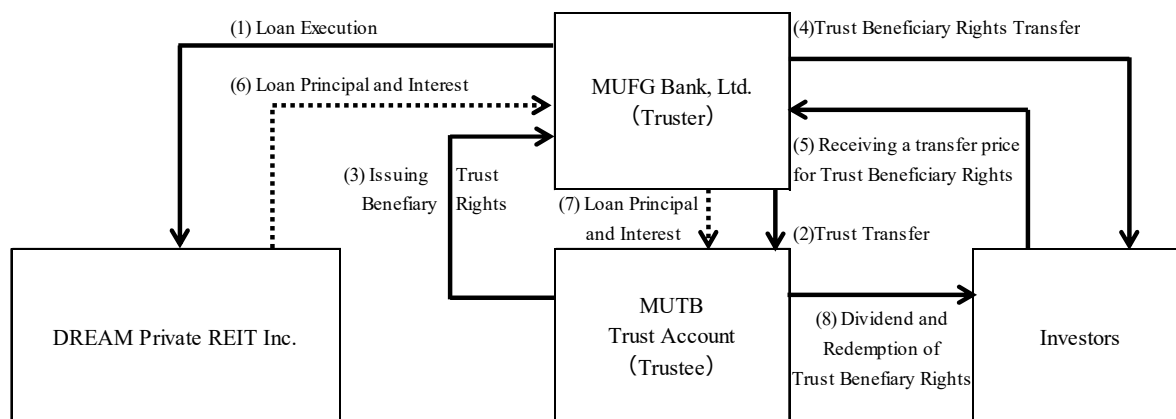
## Chapter 1: Evaluation Overview

DREAM Private-REIT, Inc. (the “Investment Corporation”) is an unlisted, open-end investment corporation established in July 2012 and commenced operations in October 2012. Its main investment targets are retail facilities and logistics facilities. The sponsor of the asset management company, Diamond Realty Management (the “Asset Management Company”) is Mitsubishi Corporation, with a 100% stake. The Investment Corporation utilizes the expertise of the sponsor group in real estate development and management, finance business, and a wide range of other businesses to ensure stable long-term earnings and steadily expand investment value through the steady growth of assets under management. The current portfolio comprises 34 properties with a total acquisition price of JPY 305.5 billion.

Together with the Asset Management Company, the Investment Corporation is promoting initiatives to ensure "sustainability" such as the environment and society as a whole. After setting targets, the Investment Corporation is working to improve the environment by integrating them into concrete activities.

The subject to be evaluated is long-term borrowings borrowed by the Investment Corporation from MUFG Bank, Ltd. (equivalent to 1. in the scheme diagram below, the "Borrowings.") The Borrowings will be used to refinance the funds for acquisition of an existing logistics facility acquired by the Investment Corporation.

<Scheme Diagram>



The Investment Corporation defines "Eligible Criteria" in its Green Finance Framework as properties that have acquired or are expected to acquire any of 3 stars or more in DBJ Green Building Certification, B+ Rank or higher in CASBEE Real Estate Certification, or 3 stars or more in BELS Certification. In addition, DPR Hiratsuka Logistics Center, which is the subject of the use of proceeds, has energy-efficiency performance which is correspond to "ZEB Ready", and has obtained 5 stars in BELS Certification. JCR confirmed that the property eligible for the use of proceeds satisfy the Eligibility Criteria set by the Investment Corporation and has high environmental improvement effects.

JCR evaluates that the management and operation system of the Investment Corporation has been established and highly transparent, as a result of the following: (1) the Investment Corporation has appropriately selected green eligible asset with the appropriate involvement of the specialized division and management in relation to sustainability; (2) the Investment Corporation has established a system for managing funds under clear rules from the time of borrowing to the time of repayment of the Borrowings; and (3) the reporting is scheduled to be conducted along with appropriate disclosure items.

Based on the JCR Green Finance Evaluation Methodology, JCR assigns "g1" for the preliminary evaluation of the "Greenness Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of the "Management, Operation and Transparency Evaluation". Consequently, JCR assigns "Green 1" for overall "JCR preliminary Green Loan Evaluation" to the Borrowing. Detailed evaluation results are discussed in the next chapter.

JCR has also evaluated that the Borrowing meets the standards for the Green Loan Principles and the Green Bond Guidelines of the Ministry of the Environment of Japan.<sup>12</sup>

1 LMA (Loan Market Association), APLMA(Asia Pacific Loan Market Association (Green Loan Principles)

2 Ministry of the Environment Green Bond Guidelines 2017

## 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 for the Borrowing will be allocated to green projects based on the current situation described in detail below.

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

In this section, JCR first assesses whether the proceeds will be allocated to green projects that have explicit improvement effects on environment. Next, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility on use of proceeds have negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

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

Overview of Use of Proceeds

#### a. Environmental Improvement Effects of the Project

- i. 100% of the use of proceeds are refinance of funds for the acquisition of the existing green eligible asset, which is highly effective in improving the environment.**

In the Green Finance Framework, the Investment Corporation has the following objectives for the use of proceeds.

Funds raised through the Green Loan will be used to finance the acquisition of green buildings that meet the following Eligibility Criteria.

[Eligibility Criteria]

Properties that have acquired or plan to acquire any of the third-party certification bodies described in

(i) - (iii) below

(i) 3 to 5 stars for DBJ Green Building certification

(ii) B+ to S ranks for CASBEE certification

(iii) 3 to 5 stars for BELS certification

The funds procured through the Borrowings will be used for the refinancing of funds for the acquisition of DPR Hiratsuka Logistics Center shown in the table below.

<Property for use of proceeds>

|  |  |
|--|--|
| Property Name                          | DPR Hiratsuka Logistics Center   |
| Location                               | 6-15 Shinmachi, Hiratsuka, Kanagawa  |
| Principal Uses                         | Logistic Facility  |
| Site Area                              | 14,676.10m <sup>2</sup>  |
| Total Floor Area                       | 29,067.95m <sup>2</sup>  |
| Number of Stories                      | 4 Floors   |
| Completion                             | May, 2016  |
| Environmental Certification            | 5 stars in BELS Certification (2019)   |
| Features and Environmental Performance | <p>Hiratsuka City is located in the south-central Kanagawa Prefecture, and is a suitable logistic site for both within Kanagawa and long-distance transportation using the Tomei Expressway, etc.</p> <p>The property has an L-shaped truck berth, two elevators for cargo, and four vertical conveyors, making it easy to work in the warehouse.</p> <p>Excellent energy performance from the designing stage has been recognized, and five stars in BELS Certification have been acquired.</p> |

In the DPR Hiratsuka Logistics Center, the reduction rate of the designed primary energy consumption (excluding renewable energy) from the standard primary energy consumption is 60%, which is equivalent to ZEB Ready, and therefore the DPR Hiratsuka Logistics Center is a facility with high energy efficiency performance.

The ZEB consists of three stages: (1) ZEB (buildings that have achieved energy efficiency (50% or more) + 100% or more in primary energy efficiency by creating energy; (2) Nearly ZEB (buildings that have achieved energy efficiency (50% or more) + 75% or more in primary energy consumption by creating energy); and (3) ZEB Ready (buildings that have achieved energy efficiency of 50% or more in primary energy consumption). As of the end of November 2019, out of BELS Certifications for non-residential properties, there are 31 ZEB, 61 Nearly ZEB, 238 ZEB Ready, and 858 properties without ZEB marks. As only 27.8% of all non-residential properties have acquired environmental performance above ZEB Ready, JCR evaluates that the environmental performance of DPR Hiratsuka Logistics Center is one of the highest environmental performance among existing non-residential properties.

- ii. The use of proceeds falls under the category of green projects defined in the Green Loan 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**

At the time of acquisition of the property, the Asset Management Company conducts due diligence and confirms the negative impact on the environment by examining it at the Review Committee. At the property of due diligence, risks such as defects, soil contamination, and problems with tenants are examined. DPR Hiratsuka Logistics Center, which is subject to the use of proceeds, has also been acquired through this process, and no negative impact on the environment has been confirmed.

For the above reasons, JCR confirmed that the negative impact on the environment of the properties subject to the use of proceeds was appropriately avoided.

### 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." With reference to ICMA's SDGs mappings, the JCR evaluated the project as contributing 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. Reduce per capita environmental impacts of cities, including by paying special attention to air quality and general and other waste management, by 2030.**

(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." Each is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), and one star (satisfactory). Although the evaluation is not specifically focused on environmental performance, it is highly recognized in Japan and has a certain evaluation item with regard to environmental performance. Therefore, JCR considers this certification to be equivalent to the Green Project Classification of "green buildings which meet regional, national or internationally recognised standards or certifications" defined in the Green Bond Principles. However, since the certification is not limited to environmental performance, JCR believes that it is desirable to confirm the evaluation of environmental performance individually.

#### ② CASBEE

CASBEE is an acronym for the English name of Comprehensive Assessment System for Built Environment Efficiency.

This is a method for evaluating and rating the environmental performance of buildings. In April 2001, the Comprehensive Environmental Evaluation Research Committee for buildings was established as a joint project with industry, government, and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism. Since then, the committee 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. The evaluation results are divided into five grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), Rank B (Slightly Poor), and Rank C (Poor) (CASBEE-real estate scoring has four grades: Rank S (Excellent), Rank A (Very Good), Rank B+ (Good), and Rank B (Satisfaction of mandatory items)).

### ③ BELS

BELS is English 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. BEI is a measure of energy efficiency performance that uses the designed primary energy consumption as the molecular weight and the standard primary energy consumption as the denominator, and is compared with the standard value. One star is the existing energy saving standard, two stars is the energy saving standard, and three stars are the guiding standard.

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

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

Rationale: The projects will be 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 loan, 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. Goals

Together with the Asset Management Company, the Investment Corporation sets the following ESG Targets and promotes initiatives to ensure sustainability for the environment and society as a whole.

#### ESG Targets of the Investment Corporation

1. Promotion of Energy Conservation and CO<sub>2</sub> Emission Reductions
2. Acquisition of Environmental Certification and Energy Conservation Rating, etc.
3. Cooperation with External Stakeholders and Information Disclosure

The Borrowing will be used to refinance the fund for acquisition of DPR Hiratsuka Logistics Center, and will contribute to Targets 1 and Targets 2 by acquiring properties with high environmental improvement effects. JCR confirmed that it is consistent with its objectives to the Borrowings by the Investment Corporation.

#### b. Selection Criteria

The Eligibility Criteria for the use of proceeds by the Investment Corporation are described in Evaluation Phase 1 of this report.

The property for which the Borrowings will be used will be evaluated and examined by the person in charge of the REIT Division of the Asset Management Company to ensure conformance to the Eligible Criteria.

JCR evaluates that the selection criteria for the green project is appropriate for buildings with environmental benefits.

**c. Process**

The arrangement of the green loan whose subject of use of proceeds is DPR Hiratsuka Logistics Center is proceeding with the necessary procedures using the REIT Division of the Asset Management Company. The final decision of the Borrowing is approved by the Investment Review Committee, which is attended by the President and Representative Director of the Asset Management Company, the full-time director, the Chief Compliance Officer, and the General Manager of the REIT Business Division. JCR considers that the process for the Borrowing is appropriate.

The Asset Management Company will disclose to the lender, MUFG Bank, Ltd., the goals, selection criteria, and processes to be achieved by executing the Borrowing by disclosing its Green Finance Framework. JCR evaluates transparency for the lender 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 the borrower. JCR assesses whether the proceeds firmly allocated to the green project, the project have internal systems to easily track the allocation of the proceeds and the money funded by the loan 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 loan will be allocated to the green projects at an early stage.

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

The proceeds of the Borrowings will be used to refinance the funds for acquisition of the logistics facilities described in Phase 1 of this report and will not be used for any other purposes.

Fund management for the Borrowing shall be performed by the REIT Division of the Asset Management Company. The appropriation of funds raised through the Borrowing is expected to be managed on an electronic file until the full amount is repaid. In addition, the Compliance Office of the Asset Management Company is scheduled to conduct an irregular internal audit. It is also subject to external audits by the audit corporation. JCR evaluates that the control is sufficiently implemented.

Since the entire amount of the Borrowings is appropriated promptly after the procurement, there are no unallocated funds at the time of the procurement. In the event that unallocated funds arise due, to the sale of the facility subject to the use of proceeds before the repayment of the Borrowings, the Investment Corporation manages the balance thereafter through portfolio management. Once every 6 months, it intends to confirm that the outstanding balance of green loans does not exceed the green finance procurement ceiling (the amount calculated by multiplying the total amount of assets satisfying the eligible criteria by LTV).

JCR evaluates that the fund management 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 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 on the fund allocation

As described above, all funds procured from the Borrowings will be immediately used to refinance the acquisition funds of DPR Hiratsuka Logistics Center. As a result, the Investment Company does not currently expect to report unallocated funds during the fiscal year. In addition, JCR confirms through the interview with the Asset Management Company that in the event of a change in circumstances, such as when a property subject to the use of proceeds of the Borrowings ceases to be subject to the use of proceeds due to sell, the Investment Corporation plans to disclose such information to investors on its website.

Accordingly, JCR evaluates that reporting on appropriation of funds is appropriate.

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

The Investment Corporation intends to disclose the following indicators to investors on its website as reporting items related to the environmental improvement effect of the Borrowings.

- Number and type of environmental certification for assets(update twice a year)
- Greenhouse gas emissions (annual)
- Energy consumption (annual)

JCR evaluates that disclosure items and disclosure frequency are appropriate based on the impact reporting criteria for green building established by ICMA.

## 4. Environmental Initiatives of the Organization

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

In this section JCR evaluates whether the borrower's management positions environmental issues as a high-priority management issue, and whether green loan borrowing policy, process and the criteria for selecting green projects are clearly defined through the establishment of a department specializing in the environmental field or through the assistance of external organizations.

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

As one of the companies of the Mitsubishi Corporation Group, the Asset Management Company is promoting ESG initiatives based on the "The Three Corporate Principles", Corporate Principles of Mitsubishi Group as the foundation of its corporate activities, recognizing that consideration for the global environment (E), social contribution (S), and corporate governance (G) is an essential issue in creating sustainable corporate value.<sup>3</sup>

#### The Three Corporate Principles of Mitsubishi Group

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##### 1. Corporate Responsibility to Society "Shoki Hoko"

Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment

##### 2. Integrity and Fairness "Shoji Komei"

Maintain principles of transparency and openness, conducting business with integrity and fairness

##### 3. Global Understanding Through Business "Ritsugyo Boeki"

Expand business, based on an all-encompassing global perspective

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With regard to "consideration for the global environment," the Asset Management Company, in compliance with the "Environmental Charter," has stated that it will promote efforts for environmental problems based on the following 3 items: (1) response to climate change, (2) response to resource conservation and waste reduction, and (3) acquisition of environmental certification.

Together with the Asset Management Company, the Investment Corporation sets the following sustainability targets and promotes initiatives to ensure sustainability for the environment and society as a whole.

#### ESG Targets of the Investment Corporation

1. Promotion of Energy Conservation and CO<sub>2</sub> Emission Reductions
2. Acquisition of Environmental Certification and Energy Conservation Rating, etc.
3. Cooperation with External Stakeholders and Information Disclosure

<sup>3</sup> It was established in 1934 as a code of conduct for the former Mitsubishi Corporation, based on the precepts of Koyata Iwasaki, the fourth president of Mitsubishi Corporation in 1920. The citation of this report is the modern interpretation that was agreed upon at the Mitsubishi Kinyokai meeting, which is composed of Mitsubishi Group companies, in January 2001.

As a concrete measure, the Investment Corporation monitors and periodically discloses annual energy consumption of the properties that constitute the portfolio, with the goal of reducing energy consumption and greenhouse gas emissions on a per-unit basis by 10% over the next 10 years, based on 2016. The company is also actively acquiring environmental certification for its properties, and as of January 21, 2020, 11 of the 34 properties in its portfolios had acquired DBJ Green Building Certification, CASBEE Certification, and other environmental certification.

In addition, together with the Asset Management Company, the Investment Corporation participates in GRESB evaluation in order to realize the vision of "sustainability" and to conduct balanced initiatives by obtaining objective evaluation of ESG initiatives. In 2019, it acquired Green Star in GRESB Real Estate Assessment, reflecting the success of the aforementioned efforts to acquire environmental certification for properties it owns and to build relationships with stakeholders. GRESB ratings, which are evaluated on a 5-point scale according to overall scores, receive "4 Stars," the second grade from the top. In addition, the Investment Corporation requests outside experts to provide consulting in conducting GRESB assessments, and engages in activities to improve the Investment Corporation's initiatives through GRESB evaluations.

The Investment Corporation's initiatives related to ESG, including those described above, are being promoted mainly by the ESG Committee of the Asset Management Company. The Committee is chaired by the President and of the Asset Management Company and comprises of Representative Director, full-time directors, chief compliance officers, executive officers, other officers and other executives and employees, as well as outside experts. The Committee is established for the purpose of determining the basic policy for sustainability in general and specific initiatives of the Investment Corporation and the Asset Management Company, and managing the status of progress. JCR evaluates that the arrangement of the Borrowings has been submitted and approved by the Committee, which it has been recognized within the Asset Management Company as part of the investment corporation's sustainability initiatives and that external experts are involved in the process of disbursing the Borrowings.

From the above, JCR evaluates that the management of the Investment Corporation and the Asset Management Company regards environmental issues as high priority issues for management, and actively promotes sustainability initiatives.

#### (Reference) GRESB Real Estate Assessment

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GRESB is an acronym for Global Real Estate Sustainability Benchmark. GRESB is a benchmark established in 2009 that measures and evaluates the degree of consideration given to ESG by companies or funds that holding and manages 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 or Funds that scores above certain level are given "Green Star" separately from the five-star evaluation. As of 2019, 44 investment corporations have participated in the evaluation from J-REIT.

■ Evaluation Result

Based on the JCR Green Finance Evaluation Methodology, JCR assigns "g1" for the preliminary evaluation of the "Greenness Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of the "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green 1" for overall "JCR preliminary Green Loan Evaluation." The Borrowings are considered to meet the criteria for items in Green Loan Principle and MOE's Green Bond Guidelines.

[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 Subject

Borrower: DREAM Private REIT Inc.

[Assignment]

| Subject                        | Amount       | Execution Date   | Maturity Date    | Preliminary Evaluation  |
|--------------------------------|--------------|------------------|------------------|---|
| DREAM Private REIT Inc.<br>GL1 | JPY2 billion | January 31, 2020 | January 31, 2023 | JCR Green Loan Evaluation: Green1<br>Greenness Evaluation :g1<br>Management, Operation and<br>Transparency Evaluation :m1 |

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

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## Important explanation of the Green Loan Evaluation

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

JCR Green Loan Evaluation, which is granted and provided by the Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the funds procured 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. The 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 evaluates the planning and status of the appropriation of funds at the time of the green loan procurement plan or procurement, and does not guarantee the appropriation of funds in the future. In addition, the 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 loan 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. Methods used in the conduct of this evaluation

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

### 3. Relationship with Acts Related to Credit Rating Business

The JCR Green 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 Assessment differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

### 5. Third-Party Evaluation of JCR's Green Loan

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

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#### ■ Disclaimers

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#### ■ Glossary

JCR Green Loan Evaluation: The 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.

#### ■ Status of registration as an external assessor of green finance

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

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

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO (Nationally Recognized Statistical Rating Organization). (1) Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17 g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

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