

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

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

JCR Assigns Green 1 (F) to the Green Finance Framework of Takara Leben Infrastructure Fund, Inc.

Subject : Takara Leben Infrastructure Fund, Inc. Green Finance Framework

<Green Finance Framework Evaluation Results>

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

Chapter 1: Evaluation Overview

Takara Leben Infrastructure Fund, Inc. (The Investment Corporation) is an investment corporation listed on the Tokyo Stock Exchange's infrastructure fund market in June 2016 as the first infrastructure fund. The investment targets of the Investment Corporation are renewable energy power generation facilities and real estate and securities of renewable energy power generation facilities and real estate. The sponsor of the Investment Corporation is Takara Leben Co., Ltd. (Takara Leben), and the asset management company is Takara Asset Management Co., Ltd. (The Asset Management).

As of May 2020, the Investment Corporation had a total of 32 solar power plants with a capacity of 106.6MW (panel output) and is planning to acquire a new capacity of 24.3MW (panel output) at 6 new power plants. The Investment Corporation aims to create value through the utilization of renewable energy and contribute to job creation and socio-economic development in local communities, global warming countermeasures and improvement of energy self-sufficiency ratio as part of Takara Leben's key CSR themes of "Developing Environments and Cultures" and the key issues of "Responses to global warming" and "Initiative for renewable energy."

The scope of this evaluation is the Green Finance Framework (the Framework) established by the Investment Corporation to limit the funds procured through Green Bonds, Green Loans and Investment Equity (Green Finance) to the use of funds with environmental improvement effects. JCR evaluates whether the framework complies with the Green Bond Principles (2018 edition), the Green Loan Principles (2020 edition), the Green Bond Guidelines 2020 edition, and the Green Loan and the Sustainability Linked Loan Guidelines 2020 edition. As for investment equity, the principles and guidelines cannot be directly applied because these principles and guidelines are for debt

instruments. Therefore, JCR evaluates investment equity with reference to these principles and guidelines indirectly.¹²³

Under the framework, funds procured through green financing will be allocated to funds for the acquisition of operating renewable energy power generation facilities (solar power generation facilities), refinancing funds for loans or funds for redemption of investment corporation bonds, and funds for the renovation of projects. JCR evaluates that the use of these funds is a green project that contributes to the decarbonization of renewable energy, and that it has a high environmental improvement effect. In the acquisition of the power generation facilities, the Asset Management carries due diligence for risks that are considered to have a negative impact on the environment in the project, obtaining technical reports by third parties and reports on soil surveys and checked by departments with expertise in the Asset Management. In case of having potential negative risk, the Asset Management take necessary measures such as eliminating the event that caused the risk. JCR evaluates that the negative impact is unlikely to exceed the effect of environmental improvement.

JCR confirmed that the Investment Corporation has a high transparency in green finance by establishing an appropriate operation and management system and purchasing green finance. The Investment Corporation has established a process for eligibility and selecting green projects, reports on the status of fund allocation and publicize the environmental improvement effects on a regular basis, KPI on environmental improvement effects is also appropriate, the Investment Corporation and the Asset Management are operated in line with key CSR themes and key issues formulated by Takara Leben, and have a high priority for ESG issues, such as the establishment of the Policy on Sustainability. Thus, JCR evaluates that the Investment Corporation has established an appropriate operation and management system and has a high transparency for green finance.

As a result, based on the JCR Green Bond Evaluation Methodology, JCR assigns "g1 (F)" for the "Greenness Evaluation (Use of Proceeds)" and "m1 (F)" for "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green 1(F)" for "JCR Green Finance Framework Evaluation." The evaluation results are described in detail in the next chapter. JCR also evaluates that the Framework meets the standards for items required in the Green Bond Principles, the Green Loan Principles, the Green Bond Guidelines, and the Green Loan and the Sustainability Link Loan Guidelines. When evaluating Investment equity, JCR referred the core principles in the Green Bond Principles and the Green Bond Guidelines for reference, although there is no principle which covers investment equity.

¹ ICMA(International Capital Market Association) Green Bond Principles 2018
<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² LMA (Loan Market Association), APLMA (Asia Pacific Market Loan Association) Green Loan Principle2020
<https://www.lma.eu.com/>

³ Ministry of the Environment Green Bond Guidelines 2020 <https://www.env.go.jp/press/files/jp/113511.pdf>
Sustainability Linked Loan is out of the scope in this framework.

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 under the framework is green project, and assigned "g1 (F)", the highest rank for Phase 1: Greenness Evaluation.

(1) JCR's key consideration in this factor

In this section, JCR first assesses whether the use of proceeds set out in the Framework are green projects with clear environmental improvement effects. 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 evaluation

<Framework for Use of Proceeds>

【Overview of Use of Proceeds】

Funds for the acquisition of operating renewable energy power generation facilities (solar power generation facilities) that the Investment Corporation intends to acquire, refinancing funds for loans or funds for redemption of investment corporation bonds, and funds for the renovation of projects.

<JCR's Evaluation of the Framework>

a. On the Environmental Improvement of the project

i. The projects listed in this framework are renewable energy projects using solar, and can be expected to have a high effect on environmental improvement.

The Investment Corporation defines the uses of funds in this framework for the acquisition of operating renewable energy power generation facilities (solar power generation facilities), refinancing of borrowings, redemption of investment corporation bonds, and renovation of projects. In the case of investment equity, working capital may be included in the use of funds due to the nature of equity. The Investment Corporation clearly defines the business boundary as investment in renewable energy in the Codes of Investment Corporation. JCR conducts hearings with the Asset Management to confirm that investments in areas other than those described in the Codes of Investment Corporation will not be made in the foreseeable future, and then confirms that working capital are included in the use of funds within this framework as necessary for the business operations of the Investment Corporation, which is solely engaged in renewable energy businesses.

Solar power generation is a clean energy that can reduce CO₂ by replacing fossil fuels. The Paris Agreement, which entered into force in November, 2016, states that anthropogenic greenhouse gas emissions will be virtually zero in the second half of the century. In order to achieve "decarbonized", it is essential to promote renewable energy sources such as and solar power generation. The introduction of renewable energy for solar power generation contributes to the creation of a decarbonized society aimed at by the Paris Agreement, and high environmental improvement effects can be expected.

As of October 2020, the Investment Corporation owned 32 solar power generation facilities with 106.6MW. The Investment Corporation is scheduled to acquire six new solar power generation facilities with 24.3MW. All power generation facilities are located in Japan.

(Solar Power Generation Facilities to be Owned and Acquired)

Property No.	Project Name	Location	Panel Output (kW)(*)	Estimated Annual Power Output (Average 20 years) (MWh)	Annual CO ₂ Reduction (t-CO ₂)(**)	Acquisition Date	Supply Commencement Date
S-01	LS Shioya	Shioya-gun, Tochigi	2,987.25	3,100	1,432	2016/6/2	2013/7/31
S-02	LS Chikusei	Chikusei, Ibaraki	1,205.67	1,195	552	2016/6/2	2014/3/18
S-03	LS Chiba Wakabaku	Chiba-shi, Chiba	705.10	544	251	2016/6/2	2014/3/27
S-04	LS Miho	Inashiki-gun, Ibaraki	1,373.70	1,149	531	2016/6/2	2014/7/22
S-05	LS Kirishima Kokubu	Kirishima-shi, Kagoshima	2,009.28	2,204	1,020	2016/6/2	2014/9/16
S-06	LS Sosa	Sosa-shi, Chiba	1,796.08	2,017	932	2016/6/2	2014/12/18
S-07	LS Miyagi Osato	Kurokawa-gun, Miyagi	2,040.00	2,144	1,121	2016/6/2	2015/3/30
S-08	LS Mito Takada	Mito-shi, Ibaraki	2,128.00	2,431	1,123	2016/6/2	2015/3/27
S-09	LS Aomori Hiranaï	Higashitsugaru-gun, Aomori	1,820.00	1,973	1,032	2016/6/2	2015/7/21
S-10	LS Tone Fukawa	Kitasoma-gun, Ibaraki	2,467.08	3,005	1,388	2016/6/2	2015/12/11
S-11	LS Kamisu Hasaki	Kamisu-shi, Ibaraki	1,200.00	1,396	645	2017/2/7	2016/3/22
S-12	LS Tsukuba Bonai	Tsukuba-shi, Ibaraki	2,469.60	2,813	1,299	2017/6/1	2014/7/14
S-13	LS Hokota	Hokota-shi, Ibaraki	1,913.60	2,150	993	2017/6/1	2016/3/25
S-14	LS Nasu Nakagawa	Nasu-gun, Tochigi	19,800.00	21,484	9,926	2017/6/1	2016/3/31
S-15	LS Fujioka A	Tochigi-shi, Tochigi	612.00	731	338	2017/6/1	2016/7/26
S-16	LS Inashiki Aranuma 1	Inashiki-shi, Ibaraki	2,725.68	2,938	1,357	2017/6/1	2016/7/28
S-17	LS Fujioka B	Tochigi-shi, Tochigi	2,420.80	2,895	1,338	2017/6/1	2016/10/4
S-18	LS Inashiki Aranuma 2	Inashiki-shi, Ibaraki	1,200.00	1,396	645	2017/6/1	2017/1/12
S-19	LS Sakuragawa Shimoizumi	Sakuragawa-shi, Ibaraki	2,535.04	3,017	1,394	2017/12/1	2016/10/24
S-20	LS Fukushima Yamatsuri	Higashishirakawa-gun, Fukushima	1,327.36	1,485	777	2017/12/1	2016/11/7
S-21	LS Shizuoka Omaezaki	Omaezaki-shi, Shizuoka	1,098.24	1,322	624	2018/2/28	2015/3/30
S-22	LS Mie Yokkaichi	Yokkaichi-shi, Mie	1,984.50	2,083	983	2018/6/1	2014/9/19
S-23	LS Sakuragawa Nakaizumi	Sakuragawa-shi, Ibaraki	2,698.24	3,158	1,459	2018/6/1	2016/9/23
S-24	LS Shirahama	Nishimuro-gun, Wakayama	7,839.76	8,806	3,681	2018/6/1	2017/6/1
S-25	LS Takahagi	Takahagi-shi, Ibaraki	1,194.60	1,302	602	2018/6/1	2017/12/26
S-26	LS Hanno Misugidai	Hanno-shi, Saitama	2,402.40	2,761	1,276	2019/6/28	2015/12/10
S-27	LS Sakuragawa1	Sakuragawa-shi, Ibaraki	2,545.92	2,959	1,367	2019/12/2	2016/12/5
S-28	LS Sakuragawa4	Sakuragawa-shi, Ibaraki	2,421.12	2,731	1,262	2019/12/2	2016/9/28
S-29	LS Chiba Sammu, East/West	Sammu-shi, Chiba	(East) 2,584.00	2,984	1,378	2019/12/2	2017/3/30
			(West) 2,475.20	2,865	1,324	2019/12/2	2017/3/30
S-30	LS Nagasaki Isahaya	Isahaya-shi, Nagasaki	2,022.46	2,339	1,083	2019/12/2	2017/11/22
S-31	LS Shioya 2	Shioya-gun, Tochigi	11,469.60	12,358	5,709	2019/12/2	2018/5/1
S-32	LS Hiroshima Mihara	Mihara-shi, Hiroshima	11,216.70	13,295	8,456	2019/12/2	2019/2/1
S-33	LS Sakuragawa 2	Sakuragawa-shi, Ibaraki	2,627.52	3,053	1,411	TBD	2016/3/28
	LS Sakuragawa 3	Sakuragawa-shi, Ibaraki	2,464.32	2,865	1,324	TBD	2016/2/15
S-34	LS Fukushima Kagamiishi 1	Iwase-gun, Fukushima	712.32	747	391	TBD	2017/3/24
S-35	LS Fukushima Kagamiishi 2	Iwase-gun, Fukushima	712.32	768	402	TBD	2017/3/24
S-36	LS Chiba Narita	Narita-shi, Chiba	1,296.00	1,395	645	TBD	2017/3/31
S-37	LS Iwate Hirono	Kunohe-gun, Iwate	2,273.70	2,695	1,409	TBD	2017/3/29
S-38	LS Miyagi Matsushima	Miyagi-gun, Miyagi	14,246.40	17,448	9,125	TBD	2020/9/16
Total			131,021.56				

*: Power generation output based on output scale is described.

** : Calculating CO₂ reductions = Estimated annual power generation x Adjusted coefficient factor (FY2018 (latest figure))

Assuming that the starting date of supply is the starting date, the estimated annual power generation amount is based on the numerical value obtained from the technical report of each solar power generation facility. Therefore, the actual amount of power generated and the period of 20 years of each solar facility do not coincide.

ii. The use of proceeds fall under "Renewable Energy" among the green projects exemplified in the Green Bond Principles and the Green Loan Principles, renewable energy, the Green Bond Guidelines, and the Green Loan and the Sustainability Linked Loan Guidelines.

b. Negative Impact on the Environment

The Investment Corporation identifies business risks when acquiring solar power generation facilities. Among them, the Asset Management carries due diligence on the "risk of damage, loss or deterioration of assets under management due to accidents or disasters" which is considered to have a negative impact on the environment. The Asset Management obtains technical reports, reports on soil surveys, earthquake risk analysis reports and makes verification for assessments of earthquake resistance performance and other situations of damage to assets in accidents or disasters. Investment Management Division of the Asset Management conducts risk identification. JCR confirms that when a negative impact on the environment is confirmed, the Asset Management will take countermeasure by knowledge possessed by experts inside and outside the company in order to eliminate the events that cause the impact.

In October 2019, a part of the solar power generation facility (LS Fukushima Yamatsuri) owned by the Investment Corporation was damaged by a partial collapse of the slope on the premises. This is because the Typhoon Hagibis, which caused devastating damage to Japan, especially in Fukushima Prefecture, caused heavy rain in a short period of time that was more than expected in the report on soil surveys. The damage caused a part of the soil that collapsed into neighboring roads. The secondary damage did not occur thanks to the employees of the Asset Management immediately rushed and monitored the surrounding traffic and ordered the removal of the soil promptly. JCR has confirmed that measures to prevent recurrence have already been taken (expansion of wastewater pipes) to the extent possible to cope with the occurrence of the same amount of rainfall (once every 100 years), and JCR evaluates that the framework for preventing negative environmental impacts has been developed and is functioning properly.

c. Consistency with SDGs goals and Targets

This project is classified as "Renewable Energy", and JCR evaluated these projects as contributing to the following SDGs targets and targets based on the SDGs mappings of the ICMA.



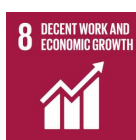
Goal 3: Ensure healthy lives and promote well-being for all at all ages

Target 3.9. By 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil contamination.



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

Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.



Goal 8: Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.2. Achieve high levels of economic productivity through diversification, technology improvement and innovation, including through a focus on high-value added and labor-intensive sectors.



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

Target 9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transboundary infrastructure, to support economic development and

human welfare with a focus on affordable and equitable access for all.

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 11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.



Goal 12: Ensure sustainable consumption and production patterns

Target 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil in order to minimize their adverse impacts on human health and the environment.



Target 13: Take urgent action to combat climate change and its impacts

Target 13.1. Strengthen resilience and adaptation capability to climate-related and natural disasters in all countries.

Evaluation Phase 2: Management, Operations and Transparency Evaluation

Based on the current status described below and the JCR's evaluation, JCR assessed that the management and operation system was well established, that the transparency was extremely high, and that the implementation of projects as planned and the appropriation of funding could be sufficiently expected. JCR assigned "m1 (F)" as the highest ranking to the evaluation phase 2: Management, Operation, and Transparency Evaluation.

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 the goals to be achieved through green bonds, the selection criteria for green projects and the appropriateness of the process, and whether the process is properly disclosed to investors and others.

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

a. Goal

<Framework for the Goals of Green Finance>

(Investment policy based on the Investment Corporation's long-term vision)

The Investment Corporation aims to maintain stable cash flow and earnings, expand the scale of assets under management, and improve earnings, mainly through investments in renewable energy power generation facilities and other specified assets. The Investment Corporation and the Asset Management also define the basic principles as contribution to a creation of earth-friendly and sustainable environment. And we aim to create value through utilizing natural energy and contribute to creation of employment and economic development as well as measures against global warming and improvement of energy self-sufficient rate in the community. The Investment Corporation aims to maximize unitholder value through stable cash flow and earnings through these social contribution investments.

<JCR's Evaluation of the Framework>

The Investment Corporation was listed on the Tokyo Stock Exchange's Infrastructure Fund Market in 2016 as the first infrastructure fund. The Investment Corporation aims to create value through the utilization of renewable energy and contribute to job creation and socio-economic development in local communities, responses to global warming and upgrading of energy self-sufficiency ratio as part of the corporate vision of the sponsor, Takara Leben: "Think Happiness and Make The Happiness" and the key CSR themes of "Developing Environments and Cultures" and the key issues of "Responses to Global Warming" and "Initiatives for Renewable Energy."

The Investment Corporation and the Asset Management established the Sustainability Policy in 2019 to achieve the goals. This is a guideline for implementing ESG issues in a concrete and active manner in daily business operations, and JCR evaluates that the corporate vision of the sponsor and the goals of the Investment Corporation have been firmly implemented into daily business.

Sustainability Policy (Abstract)

1. Engagement in environment
 - a. Investment on renewable energy conducive to resolution of climate change issues
 - b. Consideration for the surrounding ecosystem
 - c. Resource saving/energy saving/waste reduction
2. Engagement in society
 - a. Stable energy supply
 - b. Contribution to local community
 - c. Engagement in executives and employees
 - d. Engagement in supply chain
3. Engagement in governance
 - a. Regulatory compliance
 - b. Information disclosure and transparency
 - c. Appropriate business operation

b. Selection criteria

<The Framework for Selection criteria>

(Selection Criteria for Projects)

Prior to acquisition, projects subject to funding appropriation are subjected to due diligence based on the due diligence standards set forth in the Operational Guidelines, and technical reports (including reports on soil surveys) and earthquake risk assessment (PML) reports are obtained, and the existence and extent of risks such as damage to assets in accidents and disasters are verified, and the necessity of acquisition is judged. The following eligible standards are satisfied.

- When constructing and installing the facilities, the procedures necessary to comply with the Forest Law and other applicable laws and regulations shall be implemented.
- No dispute has arisen in acquiring the facilities.
- Appropriate maintenance shall be carried out by outsourcing O&M operations.
- There is no indication in the various expert reports that the selection criteria are not met.
- In the holding period, it is possible to receive both the amount of power generated in the future from the time of acquisition of power generation facilities and the long-term carbon dioxide reduction effect with reference to the forecast of the amount of power generated by a third party expert.

<JCR's Evaluation of the Framework>

The use of proceeds of this framework include funds for the acquisition of operating renewable energy power generation facilities (solar power generation facilities), funds for refinancing loans or funds for redemption of investment corporation bonds, and funds for the renovation of projects. JCR evaluates that the written use of proceeds has a high environmental improvement effect, as described above in the evaluation phase 1.

The standards to be met by the project to be eligible for funding are set out in this framework. JCR confirmed that the framework is drafted by the Finance Administration Division of the Asset Management and to be subject to

joint decision-making by directors. Therefore, JCR evaluates that management is adequately involved in the selection of eligibility criteria for the project.

c. Processes

<The Framework for Processes>

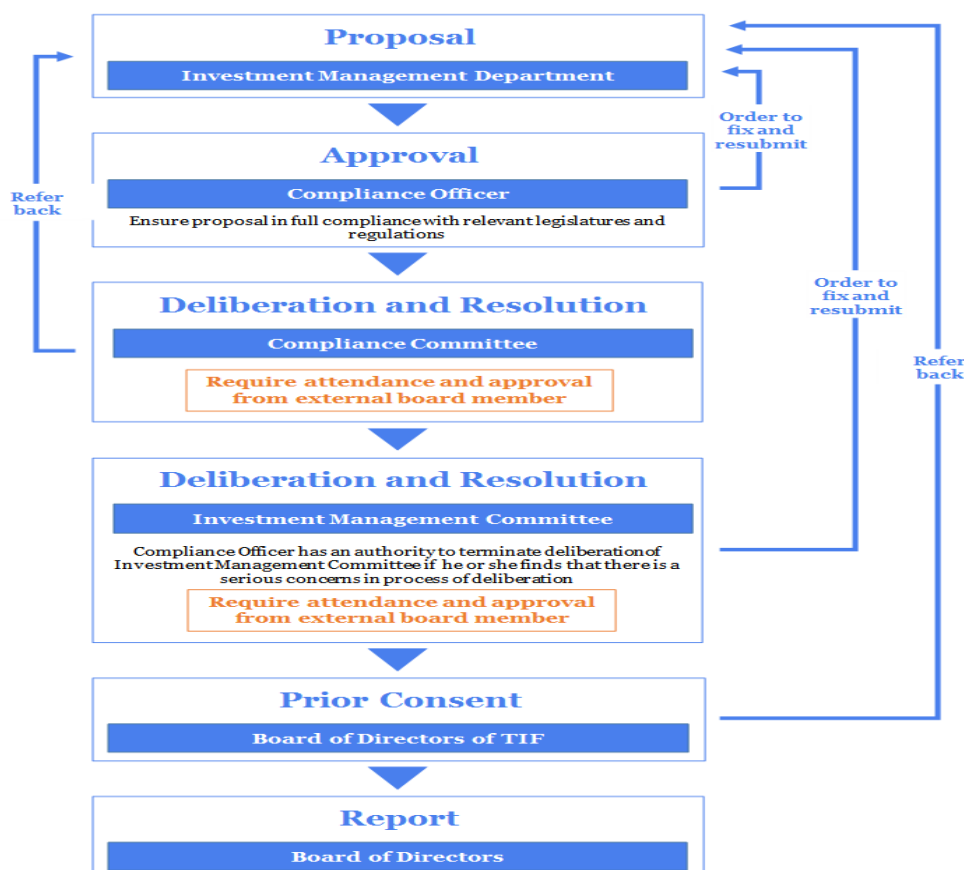
(Selection Process for Projects)

1. Project Selection Participants

- Projects for the use of proceeds are evaluated and selected by the Investment Management Department of the Asset Management in consideration of conformance to the eligible criteria.

2. Project Selection Process

- Decisions on the acquisition of assets are made in the flow chart below.
- The Investment Management Committee of the Infrastructure Fund Division, which is the decision maker as shown in the figure below, is composed of a representative director, a director (full-time director only, except for the director in charge of the Private Placement Fund Division), the general manager of the Infrastructure Fund Division (chairman), the general manager of each division (Investment Management Division and Financial Management Division), a compliance officer, and one external member. Resolutions of this committee are decided by at least two-thirds of the members of the Investment Management Committee of the Infrastructure Fund Headquarters attended by the external of the Compliance Officer and outside committee members, the attendance of the Compliance Officer and outside committee members, and the attendance of the members.



<JCR's Evaluation of the Framework>

The process of selecting a project is firstly approved by the Asset Management's Compliance Officer and deliberated and resolved by the Compliance Committee. Then, after deliberation and resolution by the Investment Management Committee of the Asset Management, finally reported to the Board of Directors of the Asset Management and the Investment Corporation.

The goals, selection criteria and processes set forth in the Framework are described in the Evaluation Report. In the case of issuing investment corporation bonds or make borrowing, the process is to be disclosed to investors or lenders in the bond description at the time of issuance of investment corporation bonds or in the loan agreement at the time of borrowing. In the case of issuing investment equity, the process is to be described in the security registration form, and the JCR evaluates that transparency to investors is ensured.

2. Appropriateness and Transparency of management of the proceeds

(1) JCR's Key Consideration in This Factor

It is generally assumed that the methods of managing procurement funds vary widely among issuers, but it is necessary to confirm that funds procured through the implementation of green finance are appropriated for green projects, and that mechanisms and internal systems are in place to easily track and manage the appropriations.

In addition, it is important that funds procured through green finance be allocated to green projects at an early stage, and that the management and operation of unappropriated funds be evaluated.

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

<Framework for proceeds management>

(Method of Linking Proceeds and Assets)

- Procurement funds are fully linked to selected projects and related expenses..

(Method of Tracking and Management of Funds)

- The Investment Corporation shall manage the funds raised through the solicitation of investment equity, borrowing, issuance of bonds in particular accounts, and promptly allocate the entire funds to the eligible projects specified in the Framework.
- Monitoring of accounts is managed by the Financial Management Department of the Asset Management, and at the time of cash withdrawal, instructions for cash withdrawal are issued after approval by the General Manager of the Financial Management Department and the President and Representative Director. These procedures are subject to internal and external audits.
- Procurement funds are appropriated on the same day in principle.
- (As the investment equity will exist in the future and to be difficult to distinguish from other investment equity after appropriation of funds), the management of assets appropriated with funds raised through the issuance of investment equity, borrowing or issuing bonds will be conducted across the entire portfolio, and the amount of appropriated and unused funds will be managed in a traceable manner. The status of the use of proceeds is scheduled to be disclosed to investors or lenders in security reports and other documents once every six months until full allocation following ICMA Green Bond Principles.

<JCR's Evaluation of the Framework>

The funds used in this framework include funds for the acquisition of operating renewable energy power generation facilities (solar power generation facilities), funds for refinancing loans or funds for redemption of investment corporation bonds, and funds for the renovation of projects.

The funds procured will be managed in a specific account prepared by the Investment Corporation and will be disbursed in full for eligible projects as soon as possible. At the time of payment, the approval of the head of the Financial Management Department and the representative director and president of the Asset Management shall be given. These deposit and withdrawal procedures are subject to internal audits and external audits by auditing firms, and audits related to deposits and withdrawals are scheduled to be conducted appropriately.

In addition to bonds and loans, investment equity is also subject to green financing in this framework. It should be noted that investment equity have no redemption date and will exist in the future, and it is also difficult to distinguish them from other investment equity in the secondary market. Since all of the assets of the Investment Corporation can be evaluated as green eligible, JCR has evaluated that it is appropriate for the Investment Corporation to manage the funds raised under the Framework in comparison to the overall portfolio held by the Investment Corporation. The appropriated and unappropriated amounts will be managed in a traceable manner.

The status is also scheduled to be announced to investors and other investors in the security report and other documents for each fiscal year.

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

3. Reporting

(1) JCR's Key Consideration in This Factor

In this section JCR assesses whether the system for disclosing green finance to investors before and after implementation is planned in a detailed and effective manner by referring to the framework.

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

<Framework for Reporting>

(Reporting on proceed allocation)

[Bank loans and investment corporation bonds]

The funds procured are expected to be appropriated in full in the short term in the bond description and the loan agreement. In the event of an unappropriated investment, it will be managed by deposits with high liquidity and safety in accordance with the Code of an Investment Corporation, and will be used for the acquisition of assets similar to the project to be funded in the future in accordance with the investment policy of the Investment Corporation.

[Investment equity]

The majority of the funds procured will be appropriated in the near future, which will be disclosed in the Security Information in the Securities Registration Statement. Pursuant to the investment policy of the Investment Corporation, funds for acquisition of assets similar to projects subject to future funding and working capital will be managed by ordinary deposits with high liquidity and safety in accordance with the Code of the Investment Corporation.

- Investment Corporation will manage assets to which funds are appropriated in manner of entire portfolio. Investment Corporation will disclose a list of eligible assets in statutory disclosure documents for each fiscal period.
- In case of any changes to the portfolio, such as the sale, loss, or replacement of assets, Investment Corporation will disclose on the website in a timely manner.

(Reporting on Environmental Improvement Effects)

- In accordance with ICMA Green Bond Principles, it plans to disclose impact reporting as follows until the full amount of funds to be procured is appropriated.

The following impact reporting is planned as an environmental improvement effect.

- 1 List of eligible green projects (= Owned Projects)
- 2 CO₂ emissions reduced by the eligible green projects
- 3 Amount of power generated by the eligible green projects

- We plan to disclose 1. and 3. on our website on a monthly basis.
- We will disclose 2. in the financial results disclosure materials for each fiscal period.

<JCR's Evaluation of the Framework>

a. Reporting on the proceeds allocation

In the case of bank loans and investment corporation bonds, the Investment Corporation will disclose the use of funds procured through Green Finance in the bond description and loan agreement. In addition, in the case

of investment equity, the Investment Corporation will publish in the security information in the Security Registration Statement. The Investment Corporation will manage unappropriated funds in ordinary deposits, etc.

The Investment Corporation will disclose a list of eligible assets that can be appropriated to funds for each fiscal period, and if the portfolio is changed due to the sale or loss of assets, The Investment Corporation will disclose it on the website in a timely manner.

JCR evaluates that the disclosure items are appropriate.

b. Impact reporting

The Investment Corporation will disclose 1 a list of Eligible Green Projects (= Owned Projects), 2 CO₂ emissions reduced by Eligible Green Projects, and 3. Amount of power generated by the Eligible Green Projects on its website on a monthly basis for 1. and 3. and 2. on its periodical financial results disclosure materials. These disclosures include quantitative indicators such as power generation and CO₂ emission reductions, and JCR considers it appropriate.

JCR evaluates that the reporting items will be disclosed appropriately to investors in terms of both the proceed allocation and the impacts on environmental improvement.

4. Organization's Environmental Initiatives

(1) JCR's Key Consideration in This Factor

This section evaluates whether the issuer's management positions environmental issues as a high priority issue for management, and whether the implementation policy of Green Finance and process, Green Project selection criteria, etc. are clearly positioned by establishing a department that specializes in the environmental field or by cooperating with external organizations.

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

Takara Leben, the sponsor of the Investment Corporation, realizes its corporate vision of "Think Happiness and Make the Happiness" and aims to contribute to solving social issues and achieving SDGs through its businesses, such as supplying housing and introducing renewable energy, and to achieve sustainable development. Takara Leben has identified important key CSR themes and key issues in order to achieve the above vision. After identifying social issues, the process identified 15 high-priority issues for the Takara Leben Group and its stakeholders after evaluating their materiality by internal and external stakeholders. JCR evaluates that the process was evaluated as a holistic approach that gathers broader opinions from both inside and outside the company to identify issues.

(Key CSR Themes and Key Issues for the Takara Leben Group)

Key CSR Themes	Key issues	Related SDGs	Policies
1 Creating Lifestyles with Value We contribute to improving the richness of people's lifestyles by creating new value.	<ul style="list-style-type: none"> Support for diversifying lifestyles and globalization Responses to changes to business models brought by an ageing society and depopulation 		<ul style="list-style-type: none"> Provide products and services that respond to changing social issues and needs. Provide lifestyles that harmonize residents and surrounding environments, such as the LEBEN or NEBEL brands.
2 Forming Communities We form communities with stakeholders—such as local communities, trading partners, and employees—and aim for growth together.	<ul style="list-style-type: none"> Urban development and creating towns Construction and maintenance of a corporate governance system Promoting compliance Employee health management Encouraging employment of diverse human resources 		<ul style="list-style-type: none"> Contributing to the revitalization of regional areas through our regional city revitalization business, which connects urban and regional areas. Improve our ability to respond to risk through thorough risk assessment and management. Provide opportunities and environments where a diverse range of people can work energetically. Corporate activities that can respond to social needs with an emphasis on dialogues with our stakeholders.
3 Providing Comfortable Spaces of High Quality We support the comfortable and safe living of our customers by providing products, bringing great satisfaction to our customers.	<ul style="list-style-type: none"> Providing safe, secure products and services Improving customer satisfaction Improving value of buildings 		<ul style="list-style-type: none"> Improve customer satisfaction levels through the use of our proprietary Service Quality Management System (SQMSP). Create housing that combines both design and habitability, pursuing the performance of housing. Improve building value through regular repairs and renovations to improve building comfort, functionality, and safety.
4 Developing Environments and Cultures We contribute to a sustainable society by actively working on environmental issues, and at the same time, contribute to improving quality of life by providing opportunities for mental activities such as learning and practicing the arts.	<ul style="list-style-type: none"> Providing buildings and spaces that consider the environment and culture Responses to global warming Initiatives for renewable energy Effective use of resources Responses to disasters 		<ul style="list-style-type: none"> Reduce greenhouse gas emissions through supplying housing with high environmental performance and our renewable energy power generation business. Provide seismic-resistant and fire-resistant housing that can withstand natural disasters. Provide opportunities for cultural activities to our stakeholders.

(Source: Takara Leben website)

Fifteen key issues of Takara Leben are classified into four items for each key CSR theme. The renewable energy business, which is the business content of the Investment Corporation, is in line with the key CSR theme "4. Developing Environments and Cultures" and its key issue of "Initiative for Renewable Energy." JCR evaluates it as a solution to their policy of "Reduce greenhouse gas emissions through supplying housing with high environmental performance and our renewable energy power generation business" from the perspective of renewable energy.

In accordance with the policy of the sponsor, Takara Leben, the Investment Corporation and the Asset Management also have a basic philosophy of contributing to the creation of a sustainable earth-friendly to the earth. The Investment Corporation and the Asset Management aim to create value through the utilization of

renewable energy and contribute to creation of employment in local communities, social and economic development, global warming countermeasures, and the improvement of energy self-sufficiency rates. As part of this policy, the Investment Corporation and the Asset Management jointly established the "Sustainability Policy" in May 2019. Under this policy, the Investment Corporation and the Asset Management are advancing initiatives related to the environment, society and governance (ESG) and are aiming to achieve the basic philosophy and realize a sustainable society.

The Investment Corporation participated in GRESB Infrastructure Assessment in 2019, and the Investment Corporation and the Asset Management received 4 Stars for GRESB ratings in both the "Fund Assessment" for infrastructure funds and the "Asset Assessment" for evaluating infrastructure assets and their operating companies. The Investment Corporation and the Asset Management Company are highly regarded by third parties as well, including being selected as "Sector Leader" in the "Asian Region" for the first time as a Japanese infrastructure fund.

The sustainability policy and GRESB infrastructure assessments have been conducted with reference to the knowledge of outside consultancy companies, and JCR highly evaluates that the Investment Corporation has cooperated with outside experts to review its own sustainability policy and third-party assessments.

Investment Management Department of the Asset Management will confirm risks when the Investment Corporation acquires renewable energy power generation facilities. The Investment Management Department has human resources with experience in financial, legal, and other areas surrounding the project, in addition to knowledge on solar power generation facilities. The Investment Management Department uses both such human resources to assess projects based on expert knowledge and uses external experts' knowledge by acquiring reports on the evaluation of power generation and facilities from third parties.

The Asset Management also selects and monitors O&M contractors with management experience in solar power generation facilities based on the management guidelines for the O&M contractors who manage the facilities after acquisition, and performs their duties by appropriately using external experts.

Based on the above, JCR has evaluated that the Green Finance Implementation Policies and Processes and Green Projects have been selected appropriately in light of the fact that the management positions environmental issues as high priority issues for the organization of the Investment Corporation, that the knowledge of external experts is used in the formulation of its own sustainability policies, and that the Asset Management also utilizes the expertise of human resources and external experts with expertise in solar power generation facilities.

(Reference) GRESB Infrastructure Estate Assessment

Established in 2009, GRESB refers to benchmarks and organizations that measure and evaluate the asset of ESG consideration of companies that hold and operate real estate and infrastructure. In 2016, GRESB began assessing infrastructure in addition to conventional real estate, and the results are shown on a scale of five (five stars, four stars, three stars, two stars, and one star). As of 2019, two funds and five assets from Japan participated in infrastructure assessments.

■ Evaluation result

As a result, based on the JCR Green Finance Evaluation Methodology, JCR assigns "g1 (F)" for the "Greenness Evaluation (Use of Proceeds)" and "m1 (F)" for "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green1 (F)" for overall "JCR Green Finance Framework Evaluation." The framework meets the standards for items required in the Green Bond Principles, the Green Loan Principles, the Green Bond Guidelines 2020, and the Green Loan and the Sustainability Linked Loan Guidelines 2020, and the JCR evaluates that it meets the criteria for similar references for investment equity.

[JCR Green Finance Framework Evaluation Matrix]

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

■ Scope of Subject

Issuer/Borrower: Takara Leben Infrastructure Fund, Inc. (Security code: 9281)

[Assignment]

Subject	Evaluation
Green Finance Framework	JCR Green Finance Framework Evaluation: Green 1 (F) Greenness Evaluation :g1(F) Management, Operation and Transparency Evaluation : m1(F)

(Responsible Analysts for this evaluation): Atsuko Kajiwara and Kosuke Kajiwara

Important explanation regarding the evaluation of the Green Finance Framework

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

JCR Green Finance Framework evaluation, which is granted and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the Green Finance Framework, and expresses the overall opinion of JCR at this time regarding the appropriateness of the Green Project as defined by JCR and the degree of management, operation and transparency initiatives related to the use of funds and other matters. Accordingly, it does not undertake specific environmental improvement effects, management and operation systems, and transparency assessments of the use of funds for individual bonds and borrows implemented in accordance with this policy. In the event that green finance assessments are granted for individual bonds or individual borrowings based on this framework, such assessments need to be conducted separately. Furthermore, the JCR Green Finance Framework Assessment does not demonstrate the improvement effect on the environment of individual bonds or borrows implemented under this Framework and does not assume any responsibility for the environmental improvement effect. In principle, JCR does not directly measure the environmental improvement effects of funds procured under the Green Finance Framework, although JCR confirms the quantitative and qualitative measures by the issuer or a third party requested by the issuer.

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 Credit Rating Business

The JCR Green Finance Framework Evaluation is determined and provided by JCR as an ancillary 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 Green Finance Framework Evaluation

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

■Disclaimers

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■Glossary

JCR Green Finance Framework Assessment is an assessment of the extent to which funds procured through Green Finance are appropriated for Green Projects as defined by JCR and the extent to which such funds are used for management, operation, and transparency of the Green Finance. Evaluations are performed on a five-point scale, from the top to the bottom using the Green1 (F), Green2 (F), Green3 (F), Green4 (F), and Green5 (F) signs.

■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)
- Climate Bonds Initiative Approved Verifier (Climate Change Initiative Accreditation Verification Organization)

■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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