

————— 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 4th Unsecured Bonds Issued by GPSS Holdings, Inc.

Subject	:	GPSS Holdings, Inc. 4th Unsecured Bond
Type	:	Private Placement Bonds
Issue amount	:	JPY 100 million
Date of Issuance	:	March 31, 2021
Redemption Date	:	March 31, 2026
Method of Redemption	:	Scheduled Redemption
Use of proceeds	:	Development cost for wind power facilities

### <Green Bond Evaluation Results>

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

### Chapter 1: Evaluation Overview

GPSS Holdings Inc. ("GPSS") is a company that develops renewable energy, established in 2012 as Japan Megasolar Inc. As of November 2020, GPSS had 75 renewable power generation facilities (including those under development) generating 135 MWs nationwide, and it has established a system that covers everything from upstream to downstream, from contract to development, construction, and operation related to renewable energy by its group subsidiaries. GPSS has been targeting "grid parity" where electricity costs from renewable energy are equal or less than the existing electricity costs, as well as forming a sustainable society through grid parity. GPSS's policy is to contribute to the creation of a sustainable society at each area of Japan and the new value through the use of renewable energy.

GPSS has established the ESG Policy to achieve the policy. The ESG Policy identifies 10 items to be achieved in relation to environment, social and governance (ESG). GPSS is making efforts to achieve the policy. JCR confirmed

that GPSS established a framework for promoting sustainability, including the Sustainability Committee, (the "Committee") in order to put the ESG Policy into practice, promoting activities related to sustainability.

The bonds hereby to be evaluated are private placement bonds (the "Bonds") issued by GPSS. The proceeds of the issuance of the Bonds are used for development cost for four wind power facilities that are being developed by GPSS, and the annual CO<sub>2</sub> savings from the assets subject to the use of proceeds in this project are expected to be 149,300 t-CO<sub>2</sub>. JCR confirmed that if the four wind power generation facilities are expected to have a negative impact on the environment going forward, development/construction work will be suspended until countermeasures are taken. Consequently, the possibility of serious negative environmental impacts that exceed the environmental improvement effects is small, and JCR evaluated it as a green project that greatly contributes to reducing CO<sub>2</sub> emissions. In addition, based on the corporate philosophy at the time of establishment and various specific initiatives, GPSS management views environmental issues as a high-priority issue. Thereby JCR confirmed that GPSS established a robust management and operation system and has a high level of transparency with respect to the Bonds.

As a result, based on the JCR Green Bond Evaluation Method, JCR assigned "g1" for "Greenness Evaluation (Use of Proceeds)" and "m1" for "Management, Operation, and Transparency Evaluation." Consequently, JCR assigned "Green 1" for overall evaluation of the Bonds. Detailed evaluation is discussed in the next chapter.

The Bonds are considered to meet the standards for items required in the "Green Bond Principles"<sup>1</sup> and the "Green Bond Guidelines 2020."<sup>2</sup>

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

<sup>2</sup> Ministry of the Environment Green Bond Guidelines 2020 <https://www.env.go.jp/press/files/jp/113511.pdf>

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

### Evaluation Phase 1: Greenness Evaluation

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

Rationale: Use of proceeds of the Bonds will be allocated 100% to a green project, considering the factors described below.

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

In this section, JCR confirms whether the proceeds are used for green projects that have a clear environmental improvement effect. 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 Evaluation

Overview of Use of Proceeds

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

- i. **CO<sub>2</sub> reduction effect can be expected in the future, with 100% of the proceeds being used to finance development cost for wind power facilities.**

##### 1. Use of proceeds

Candidates for use of proceeds include the four wind facilities listed in the tables on the following page that meet the eligibility criteria set forth in GPSS's Green Finance Framework. All power generation facilities are at their initial stage of development, before the start of constructions, are scheduled to commence commercial operations from 2024 onward. The entire amount of the proceeds will be appropriated for new development costs. According to the estimated power generation submitted by GPSS, the sum of the annual average power generation of the subject properties is about 306,000 MWh<sup>3</sup>, which is an annual average reduction effect of 149,300 t-CO<sub>2</sub> where it is converted into CO<sub>2</sub> reductions; therefore, CO<sub>2</sub> reduction effects can be expected in the future

##### 2. Feasibility of completion and operation

It should be noted that the evaluation work such as environmental assessment has just begun for wind power generation facilities described in the list on the next page, and it should be noted that the projects inherent risk of not realizing the expected environmental improvement effects where a problem that is difficult to resolve occurs during the progress of the project, and the project itself may be cancelled. In such cases, it is confirmed that other wind power facilities in the list will be selected as an alternative project and the proceeds will be appropriated to the project.

- ii. **The use of proceeds fall under "Renewable Energy" among the green projects defined in the Green Bond Principles, and "Renewable Energy Projects" among the green projects exemplified in Green Bond Guidelines 2020 Edition.**

<List of Use of Proceeds>

No.	Project Site	Type	Location	Power Capacity (PCS Capacity for Wind) (kW)(*)	Estimated Annual Power Output (20 year average)(MWh)	Annual CO <sub>2</sub> Reduction (t-CO <sub>2</sub> )(**)	Commercial Operation Date (Estimate)
1	Higashiizu	Wind	Higashiizu, Shizuoka	7,500.00	18,054	8,810	2024/11
2	Fukami	Wind	Wajima, Ishikawa	25,200.00	59,717	29,142	2026/08
3	Atami	Wind	Koriyama, Fukushima	36,000.00	99,938	48,770	2027/08
4	Izumi	Wind	Izumi, Kagoshima	57,600.00	128,302	62,612	2028/08
Total				126,300.00	306,011.31	149,333.52	

\*Annual CO<sub>2</sub> reduction = estimated annual generation (MWh) x 1,000 x 0.488 (alternative value for calculating emission factors for fiscal 2018 announced in September 2020)

Note 1: All projects are in the development stage, and there is a possibility of changes in power generation capacity and other factors in the future.

Note 2: The timing of power generation sales described in each project's estimated annual power generation (20-year average) does not coincide due to differences in project start dates.

**b. Negative impact on the environment**

In the project development related to wind power generation facilities, GPSS Group (the "Group") is considering and deciding whether the planned land has factors that could negatively affect the environment (e.g., special areas such as wildlife sanctuaries and national parks, sediment-related disaster special warning areas, rivers and sand control areas) and other factors (e.g., areas where there are reserve cultures, plans for use by local governments, and risks such as shadow flickers, noise, and bird strikes at wind power generation facilities) based on the in-house evaluation criteria.

JCR confirmed that due diligence is carried out not only at the start of the project but also for several times according to the progress of the project, and that if there is a negative impact on the environment, development/construction will be suspended until countermeasures are implemented.

As mentioned earlier, GPSS has an in-house department specializing in due diligence for renewable energy projects and evaluates them internally. However, it may also obtain assessment reports from third-party organizations for confirmation. Among the candidates for the subjects of the use of funds, JCR confirmed that the risk assessment reports and hazard reports will be obtained for the four wind power generation facilities through an interview.

After reviewing internal due diligence materials and interviews, JCR confirmed that in some wind power facilities among four wind facilities, GPSS had discussion with local residents about the wind power generation facilities. JCR confirmed that if its four wind power generation facilities are expected to continue to have a negative impact on the environment going forward, construction work for them will be suspended until countermeasures are taken.

JCR confirmed that wind power facilities eligible for funding will be insured against natural disasters, and where the facilities are damaged, efforts will be made to restore the facilities' conditions. Where recovery is not possible, JCR confirmed that the proceeds will be allocated to other projects among the four wind power generation facilities.

### c. Consistency with SDGs Goals and Targets

This project is a business classified under renewable energy and contributes to the following SDGs goals and targets referring to ICMA's SDGs mapping.



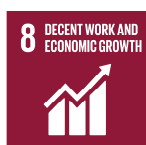
**Goal 3: Ensure healthy lives and promote well-being for all at all ages.**

**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 a high level of economic productivity through diversification, technological advancement and innovation, including by focusing 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 transborder infrastructure, to support economic development and human well-being, 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, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.**



**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.**



**Goal 13: Take urgent action to combat climate change and its impacts.**

**Target 13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.**

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

JCR assigned "m1," the highest rating of JCR evaluation Phase 2: Management, Operation and Transparency Evaluation.

Rationale: Management/operation system has duly established with high transparency; therefore, execution of businesses as planned and allocation of proceeds can be sufficiently expected given the detailed description of current situation below and JCR's evaluation.

## 1. Appropriateness and Transparency Concerning selection standard and the 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, etc.

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

#### a. Goal

Since its establishment in 2012, GPSS has been targeting "grid parity" where electricity costs from renewable energy (sustainable energy) are equal or less than the existing electricity costs, as well as forming a sustainable society through grid parity. According to NEDO (The New Energy and Industrial Technology Development Organization), the definition of "grid parity" is to achieve power generation costs at the same level as electricity prices. For the solar power generation, in comparison with the target of residential electricity price (meter rate lighting-level; 23 yen per kWh) set forth in "Solar Power Generation Roadmap toward 2030" published by NEDO in 2004, solar power generation cost for the fiscal year ended March 2014 (FY2013) was estimated to be about 23.5 yen per kWh in "Solar Power Generation Development Strategy" also published by NEDO in September 2014. Thereby it can be said that solar power generation achieved grid parity. In addition, in comparison with the business electricity price (commercial power service-level; 14 yen per kWh) in the "Solar Power Generation Roadmap toward 2030," solar power generation cost of non-residential systems for FY2019 was estimated to be about 14.2 yen per kWh according to the "Solar Power Generation Development Strategy 2020" published in December 2020. It also achieved the grid parity in commercial power prices. It is the future issue to achieve grid parity in other means of renewable power generation, and JCR evaluated that GPSS's investment policy for renewable energy facilities will play a role in solving this challenge.

In October 2020, the government of Japan declared "Carbon Neutrality by 2050." The government targets 50 to 60% of total generation comes from renewable energy such as solar power, wind power, biomass and geothermal, in its "Green Growth Strategy with Carbon Neutrality by 2050" announced in December 2020, and intends to introduce them to a maximum extent. GPSS is working to increase regional sustainability and create value by introducing renewable energy in a way that suits the current conditions of each areas. JCR evaluated that the introduction of renewable energy will contribute not only to the achievement of the government's goals, but also to the revitalization of local communities.

The proceeds from the issuance of the Green Bonds are used to fund the development cost for the four wind power facilities described in Phase 1. JCR evaluated that the construction of the above-mentioned wind power generation facilities will contribute to the realization of the above targets for GPSS.

## **b. Selection Criteria**

The use of proceeds under the Green Finance Framework set by GPSS is renewable energy generation facilities (solar, wind, and small and medium hydro power generation) owned by GPSS. JCR assigned "Green 1(F)" to GPSS's Green Finance Framework.

JCR evaluated the selection criteria for GPSS as being appropriate and effective in improving environmental conditions.

The above eligibility criteria are determined through discussions and deliberations between the Development Committee and the Investment Committee of Sustainable Society Investment Management Co., Inc. ("SSIM"), a wholly owned subsidiary of GPSS. The CEO of SSIM also serves as the representative director of GPSS, and as a member of the Group, SSIM determines eligibility criteria.

## **c. Processes**

Where GPSS selects a project, it should go through the process that SSIM, a subsidiary, reviews conformity to the eligibility criteria and the company policy, and then discuss and deliberate the matter among the Development Committee, the finance group, the risk management group, and other divisions. Candidate projects are determined by approval of the President after review of the Investment Committees at SSIM.

JCR confirmed that the four wind power facilities that are eligible for the use of proceeds from the issuance of the Bonds are determined in accordance with the selection criteria and process described above.

The above goals, selection criteria, and processes will be disclosed to investors through the issuing guidelines of the Bonds and this evaluation report. Accordingly, JCR evaluated 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 method of the proceeds is assumed to be diverse by the issuers in general. JCR confirms that whether the proceeds are fully allocated to the green project, the project has internal systems to track the allocation of the proceeds easily.

JCR places importance whether proceeds from the green bonds will be allocated to the green project early, and also on the evaluation of management of unallocated funds.

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

- a. The proceeds of the issuance of the Bonds to be evaluated will be used to fund development cost for four wind power facilities, and are not expected to be used for any other purposes.
- b. For account management, the proceeds from bonds issue are deposited into GPSS's account and then transferred to the account of SSIM, a subsidiary of GPSS, and recorded and managed in a designated electronic file. Regarding fund transfers from GPSS to SSIM and disbursement from SSIM to respective projects, JCR confirmed that resolutions are made by the Board of Directors and obtaining approvals from designated approver of SSIM's Accounting and Finance Department, respectively. The proceeds are checked on a quarterly basis, and any unallocated funds are kept in deposits.
- c. With regard to tracking, respective divisions carrying out the project hold joint construction progress meetings to track the status in SSIM.
- d. GPSS plans to check the proceeds from the Bonds by internal and external audits.
- e. Where the wind power facilities that are subject to the use of funds are damaged by natural disasters or unused funds arise due to project cancellation prior to the redemption of the Bonds, JCR confirmed that GPSS will promptly select alternative wind power facilities and appropriate the funds. In the process, it is also planned that the funds are kept in deposit until the alternative facilities are selected.

Based on the above, JCR evaluated that fund management of GPSS is appropriate and disclosures to investors are also 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 Evaluation

##### a. Reporting on the proceeds allocation

The proceeds from the Bonds will be used to fund development cost for the four wind power facilities described in Phase 1. JCR confirmed that since GPSS plans to allocate full amount of the proceeds of the Bonds to the projects swiftly, no unappropriated funds are expected. Reporting of the proceeds raised by the Bonds will be published on GPSS website on an annual basis for the three items listed below.

1. Overview of green project to allocate proceeds procured through green bond issuance
2. Amount of funds appropriated for green projects
3. The amount or proportion of unappropriated funds, the timing of allocation, and the method of investment, if any.

In the event of arising unappropriated funds prior to the redemption of the Bonds due to cancellation of projects to construct wind power facilities or other reasons, GPSS will promptly select alternative wind power facilities and appropriate funds. If such unused funds occur during the period, GPSS plans to report to investors any changes in their appropriations.

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

GPSS plans to disclose three items of CO<sub>2</sub> emissions, power generation, and household-equivalent power reduced by eligible green projects on GPSS website on an annual basis as a report of environmental improvement benefits. GPSS plans to undergo an annual third-party review by JCR for accuracy of the status of reporting through the redemption date.

JCR evaluated that the above reporting is planned to be disclosed appropriately to investors, etc. for both the appropriation of funds and the effects of environmental improvement.

## 4. Organization's environmental activities

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

This section evaluates whether the management of the issuer considers environmental issues to be a high priority issue for management, whether the green bond issuance policy and 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 Evaluation

GPSS's corporate mission is to realize a sustainable society through a sustainable energy business that utilizes local resources. GPSS's business domain is the renewable energy business, and its business activities lead directly to environmental efforts through CO<sub>2</sub> reductions. GPSS places to increase the number of renewable energy power generation facilities the highest priority in carrying out the business in the future as well in view of realizing 100% sustainable energy society..

GPSS and its subsidiaries, including SSIM, have established an ESG Policy to accomplish the above-mentioned mission through their business activities, and are continuing to put it into practice.

#### **GPSS Holdings ESG Policy (excerpt)**

##### **Environment**

- (1) Contribution to the Decarbonization of Society through Sustainable Energy
- (2) Consideration for Local Environment
- (3) Effective use of Energy and Resources

##### **Society**

- (4) Contribution to the Development of Local Communities through Business
- (5) Health and Safety of Stakeholders
- (6) Initiatives for Employees
- (7) Cooperation with Suppliers

##### **Governance**

- (8) Responsibility as an Infrastructure Operator
- (9) Compliance
- (10) Information Disclosure of and Transparent Communication

GPSS has established the Sustainability Committee to put the above policy into practice as a corporate group. The Committee oversees issues related to sustainability in the Group's business activities, and discusses and manages specific targets and activity plans. The members of the Committee are the members of SSIM Sustainability Promotion Office, chaired by the President of GPSS.

The Committee reviews and makes decisions on matters related to sustainability in all business activities. One of examples of an activity is the decision and reporting made by the Committee on the development of the Green Finance Framework.

In the selection of green projects, the Assessment Department considers whether the project is in wildlife sanctuary or a sediment-related disaster special warning area with the participation of in-house experts. For

large-scale projects, those are decided based on third-party opinions, such as a technical evaluation report and opinions from attorneys.

Furthermore, GPSS has participated in GRESB Infrastructure Assessment since FY2019, and in FY2020, the second participation, it has acquired five stars, which are the highest evaluation, one notch higher than the previous fiscal year. This is one of the evidence that GPSS's efforts are also highly valued by third parties. In GPSS, GRESB assessments are taken up by the Committee and are used to improve internal initiatives, such as employee training to explain the areas assessed and areas requiring improvement. Almost all items in the current fiscal year exceed the peer average, and JCR evaluated that the above initiatives are evidence that they are actually functioning.

GPSS is carrying out the businesses while receiving consultations of external specialized firm on formulating green finance framework and specific operations in receiving assessment of GRESB. Therefore, JCR sees that GPSS is able to assess its own policy and framework not only from its own perspective but also from a third-party perspective.

JCR evaluated that the organization's commitment to the environment is appropriate given that management places high priority on environmental issues, the involvement of external experts in the selection process, the clarity of targets, selection criteria and processes achieved through the Green Bonds, and the use of expertise of external experts to formulate the Sustainability Policy and the Green Finance Frameworks.

#### (Reference) GRESB Infrastructure Assessment

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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 2020, one fund and four assets from Japan participated in the infrastructure assessment.

■Evaluation result

Based on the JCR Green Bond Evaluation Method, JCR assigned "g1" of the evaluation of the "Greenness Evaluation (Use of Proceeds)" and "m1" for the evaluation of the "Management, Operation, and Transparency Evaluation." Consequently, JCR assigned "Green 1" as an overall "JCR Green Bond Evaluation."

The Bonds are considered to meet the standards for items required in the Green Bond Principles and the Green Bond Guidelines 2020.

[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

■Subject

Issuer: GPSS Holdings Co., Ltd. (Security Codes:-)

[Assignment]

Subject	Issue amount	Issue Date	Redemption Date	Evaluation
4th Unsecured Bonds	JPY 100 million	Mar. 31, 2021	Mar. 31, 2026	JCR Green Bond Evaluation:Green1 Greenness Evaluation :g1 Management, Operation and Transparency Evaluation :m1

(Responsible Analyst for this Evaluation): Rieko Kikuchi and Kosuke Kajiwara

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## Important explanation of the Green Bond Evaluation

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### 1. Assumptions, meaning and limits of JCR Green Bond Evaluation

JCR Green Bond 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 from the issuance 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. JCR Green Bond Evaluation does not fully indicate the extent to which the funds procured from such green bonds are allocated and the management, operation, and transparency of the use of the funds are ensured.

JCR Green Bond Evaluation assesses the plan or status of the appropriation of funds at the time of the green bond issuance plan or at the time of issuance, and does not guarantee the status of the appropriation of funds in the future. In addition, JCR Green Bond Evaluation does not prove the environmental effects of green bonds and is not responsible for their environmental effects. JCR confirms that the effects of the funds procured from the issuance of green bonds 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 & 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 an ancillary business, which is different from the activities related to the credit rating business.

### 4. Relationship with Credit Ratings

The Evaluation differs from credit ratings 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 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
- 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 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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