

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

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

JCR Assigned Preliminary Green 1 to the Bonds of Ricoh Leasing Company, Ltd.

Subject	:	Ricoh Leasing Company, Ltd. 38th unsecured corporate bonds (with limited inter-bond pari passu clause) (Green Bonds)
Type	:	Bonds
Issue Amount	:	JPY 10 billion
Interest Rate	:	To be determined
Issue Date	:	October 2019 (Scheduled)
Redemption Date	:	October 2024 (Scheduled)
Method of Repayment	:	Bullet
Use of Proceeds	:	Refinancing for financing small-scale hydropower facilities and solar-power generation facilities, which is the asset for installment sales

<Green Bond Preliminary Evaluation Results>

Overall Evaluation	Green 1
Greenness Evaluation (use of proceeds)	g1
Management, Operation and Transparency Evaluation	m1

Chapter 1: Evaluation Overview

Ricoh Leasing Company Ltd. (hereinafter, “Ricoh Leasing”) was established in 1976 for supporting the sales of Ricoh Group products financially. Ricoh Company Limited (hereinafter, “Ricoh”), a parent company of Ricoh Leasing (Shareholding ratio at 53.0%) is a manufacturer whose major products are copy machines and medical machineries, etc. Ricoh leasing’s major business is to provide leasing and installing office appliances, IT related appliances, medical machinery, to provide financial services for loans to corporate and individuals and commission business.

As a member of the Ricoh Group, Ricoh Leasing has been providing services that contribute to solve environmental and other social issues since 2000’s. While sharing its commitment to the environment with its

group companies, Ricoh Leasing has established an awareness of environmental issues and action targets that take into account its core business, leasing, and is continuing its activities that contribute to the environment.

The bonds subject to evaluation (the “Bonds”) are straight bonds issued by Ricoh Leasing. The proceeds of the Bonds are expected to contribute to 19,000 tons or more of annual CO₂ emission reductions by refinancing an existing small-scale hydroelectric power generation facilities and solar power generation facilities that Ricoh Leasing acquired as assets subject to installment contracts. Small-scale hydroelectric power generation facilities are to be donated to Ito City, Shizuoka Prefecture after the end of the electricity selling period under the FIT system (feed-in tariff system), contributing not only to the environment but also to local communities. JCR confirmed that the department in charge of the Ricoh Leasing reviewed the facility details and the possibility of any risks for all small hydro and solar PV facilities constructions and operations. As a result, JCR resulted that these projects have little possibilities that the negative impacts on the environment may surpass the positive impacts and JCR considered them as green projects which largely contribute to CO₂ emission reduction. JCR also confirmed Ricoh Leasing’s solid management and operation system and high transparency in implementing the green projects, as one of its various efforts for environmental issues as a member of Ricoh Group.

Based on the Green Bond 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 "Green1" for overall "JCR preliminary Green Bond Evaluation" to the Bonds. Detailed evaluation results are described in the next chapter. The Bonds are considered to meet the standards for the items required by the Green Bond Principles and the Green Bond Guideline of the Ministry of the Environment of Japan.^{1,2}

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

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

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

Evaluation Phase 1: Greenness Evaluation

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

Rationale: 100% use of proceeds of the bond will be allocated 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 workaroud or mitigation measures, in case of possibility use of proceeds has negative impact on the environment. Finally, JCR confirms consistency with the Sustainable Development Goals (SDGs).

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

Overview of Use of Proceeds

a. On the environmental improvement effects of the project

- i. **100% of the proceeds are refinancing small hydroelectric and solar power generation facilities, which are highly effective in reducing CO₂.**

The proceeds will be used for refinancing one small hydroelectric power generation plant and 32 solar power generation plants, as shown in the table on the next page. Ricoh Leasing invested in all power generation facilities from April 2018 to June 2019, and the remaining life of installment contracts linked to power generation facilities is more than seven years for all projects. According to Ricoh Leasing, total annual average power generation is 35,960MWh and the total average annual CO₂ reductions are 19,559t-CO₂.

The small hydroelectric power generation facility will be provided to the Regional Power Generation Promotion Organization under installment contracts. This facility is a dependent power generation system using the water pressure of the water pipes from Okuno Dam to Okawa Water Purification Station in Shizuoka Prefecture. According to Ricoh Leasing, the amount of water use by the power generation facility is determined by Ito City in consultation with the prefectural authorities as the amount of water consumed by the facility that does not affect the amount of water consumed by Lake Matsukawa and the Okawa River in Ito City. The amount of electricity is expected to generate 24 hours a day throughout the year. JCR confirmed that there is no impact on water supply to the Okawa Purification Station, which is necessary for water supply to the city and that for preserving the river surrounding environments, since the water after the power generation is sent to the sedimentation basin of the Okawa Purification Station in Ito City. Hydroelectric power generation is less susceptible to weather than solar and wind power, and can be operated 24 hours a day for 365 days. Therefore, it has the advantage that annual power generation can be expected to be stable and relatively larger compared to other renewable energies with respect to the power generation capacity. Meanwhile, hydropower generation facilities in Japan are still limited, due to the difficulties in coordinating water use interests among stakeholders in order to realize small-scale hydroelectric power generation that does not require large-scale development work.

This small hydroelectric power plant is planned and implemented by the Regional Power Generation Promotion Organization, which is an installment sales contractor, to contribute to the local economy through local creation, local consumption of energy, job creation, etc. The Ricoh Group has actively contributed to regional revitalization by exchanging comprehensive business agreements with multiple local governments. This is one of these initiatives. In the energy creation and renewable energy business, which has been focused on for a long time, Ricoh Leasing has incorporated "leasing and service business development through cooperation with Ricoh Group companies" as one of the business strategies of the medium-term management plan, which has led to the expansion of new business opportunities.

As shown in the table below, the output size of photovoltaic power generation facilities is mostly less than 1,000kWh. However, because of the large number of projects, the Company has secured the same amount of annual power generation as the total amount power generation amounts as the projects financed by its previous green bond issuance.

■ Small hydroelectric power generation facility

Project Name*	Location	Output Capacity (KWh)	Total Project Costs (JPY)	Annual Power Generation (MWh)	Annual CO2 Reduction (t-CO2/MWh)**
Okawa water purifying plant hydroelectric power plant of Ito City	Ito City, Shizuoka	186.0	286.2	1,243	574

■ Solar power generation facilities (List by prefecture)

Prefecture	Panel Capacity (kW)	No. of Projects	Total Project Costs (JPY)	Annual Power Generation (MWh)	Annual CO2 Reduction (t-CO2/MWh)*
Hokkaido	10,460.1	12	2,330,312,755	10,989	7,451
Miyagi	254.1	1	45,360,000	285	149
Saitama	375.1	1	77,760,000	445	205
Chiba	4,753.4	3	2,114,640,000	5,407	2,498
Ishikawa	429.5	1	73,440,000	375	215
Fukui	2,202.0	1	444,139,200	2,392	1,373
Mie	1,398.8	2	318,600,000	1,373	617
Hyogo	223.3	1	47,520,000	204	85
Hiroshima	825.2	2	159,840,000	815	552
Ehime	1,147.8	2	226,800,000	1,154	617
Fukuoka	7,154.6	4	2,631,840,000	8,257	3,823
Oita	1,982.0	1	1,164,240,000	2,517	1,166
Kumamoto	572.0	1	103,680,000	502	232
Total	31,777.9	32	9,738,171,955	34,717	18,985

ii. Among the Green Bond Principles or the Green Bond Guidelines defined by the Ministry of the Environment, this use of proceeds falls under "Renewable Energy".

b. Negative impact on the environment

Ricoh Leasing conducts preliminary examinations, and takes necessary measures to any possible risks that could have a negative impact on the projects subject to Green Bonds.

Although most project sites do not have any problems in terms of location, some projects are located in sediment warning areas, flooding areas, volcanic hazards, etc. in hazard maps. JCR confirmed that in the event of an unexpected natural disaster, etc., the subject assets have been compensated by insurance and

efforts should be made for reconstruction, and that the possibility of replacement of assets should be considered in the case of irreversible reconstruction.

With regard to small hydroelectric power generation, there is no construction of new reservoirs, conduits, etc. The power generation facility uses an existing water storage dam, water purification plant facilities as its reservoirs, and conduits connecting dams and water purification plants. Therefore, there is no significant negative impact on the surrounding environment. JCR has also confirmed that the use of water by this hydroelectric power generation facility is properly coordinated with the stakeholders of the water use of the project site and does not adversely affect to other water uses.

c. Alignment with SDGs Goals and Targets

These projects fall under the Renewable Energy Project type, which may contribute to the following SDGs goals and targets according to ICMA's SDGs mapping.



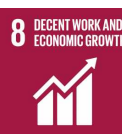
Goal 3: Health and Welfare for All

Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and 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: Job satisfaction and economic growth

Target 8.2. Achieve high levels of economic productivity through diversification, technical improvements and innovation, including through a focus on high-value added and labour-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: Responsibility to create and use

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: Specific Measures for Climate Change

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

Evaluation Phase 2: Evaluation on Management, Operation and Transparency

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

Rationale: These 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 Bonds, the criteria for selecting green projects, the appropriateness of the process, and the series of processes are appropriately disclosed to investors.

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

a. Goal

To contribute to one of the important business strategies of Ricoh Leasing, "Contributing to decarbonized society and circular economy", it acquires small scale hydroelectric and solar power plant for leasing and installment contract by the use of proceeds.

b. Selection standard

In selecting small hydropower and photovoltaic power generation facilities, Ricoh Leasing has check sheets for preliminary examination on the possible negative impacts on the environment that may occur in installing the facilities, and conducts examinations consistently.

When installing small hydroelectric power generation facilities, the following points were mainly assessed, and it was confirmed that there was no negative influence.

- i. Confirmation of related laws and regulations (River Law, Sabo Law, Forest Law, etc.) related to the installation of small hydroelectric power plants
- ii. Coordination with existing rights (existing water rights, customary water rights, licensed water rights, etc.)
- iii. Confirmation of measures to protect forests and prevent water pollution
- iv. Consultation with Hydraulic Persons and Explanation to Related Citizens
- v. Check flow rate

When installing photovoltaic power generation facilities, it is necessary to check the following points for negative environmental effects, and take measures to avoid or mitigate them as necessary.

- i. Landslide disaster: in case of facilities' location on sloping land profiles.
- ii. Leakage and electrification: damages to facilities of solar panel or wiring and generation facilities by earthquake disaster.
- iii. Improper siting of solar project that result in aesthetic impact to the landscape and glare reflection from solar installations.

When acquiring the subjected solar power generation facilities, a responsible person in the specific department of Ricoh Leasing conducted necessary surveys about the plausibility of landslide, natural disaster, etc. with the reference of hazard map.

In addition, it implemented explanatory meeting to the local residents to respond to any possible claims. As a result, JCR confirmed that there is small possibility of receiving claims from the residents in the future.

c. Processes

Ricoh Leasing acquires solar power facilities that are subject to installment contracts after pre-assessment by the sales department and approval by the Review Committee as an advisory body to the president's executive officer. All solar power generation facilities subject to this review were judged by the Committee to be unlikely to cause serious concerns.

Survey items include the followings: Compliance of O&M companies and construction companies, creditworthiness of debtors of leasing and installment contracts, environmental risks, etc. The responsible staff sometimes implemented on-site survey upon necessity. JCR confirmed such survey results were appropriately recorded and retained.

The selection criteria and its process are documented in this evaluation report and prospectus, which ensure the transparency of these procedures to the investors.

2. Appropriateness and Transparency of Management of the Proceeds

(1) JCR's Key Consideration in This Factor

Management of the funding money varies with the issuer. In this section, JCR assesses whether the proceeds firmly allocated to the green project, the projects have internal systems to easily track the allocation of the proceeds and the money funded by the issuing the green bond will be allocated to the green bond at once. JCR also considers the evaluation of asset management of any unallocated money.

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

- a. According to the prospectus, proceeds are used for refinancing of CP issued for purchasing small hydroelectric and solar power generation facilities. JCR confirmed that any other purposes are not expected.
- b. About the account management, an account for proceeds and an account for CP financing are specified. Since the proceeds are promptly allocated to redemption of the commercial papers, JCR confirmed that it would be enough to track the account of the proceeds only one time, when it would be used for CP redemption.
- c. Ricoh leasing shall allocate the proceeds to CP redemption with the approval of the responsible executive officer. In addition, it plans to conduct internal audit for internal control purpose.
- d. It is expected that all the proceeds are promptly allocated to the project and there is no unallocated portion. If any unallocated portion may occur due to the clients of installment contract would purchase the solar power generation facilities, Ricoh leasing will promptly select an alternative facility to allocate the unallocated portion. It is also expected that any unallocated portion shall be stored as cash or the equivalent.

3. Reporting

(1) JCR's Key Consideration in This Factor

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

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

a. Reporting on the proceeds allocation

As was described in the previous section, no reporting during the past year about unallocated portion is planned, since all the proceeds are promptly allocated to CP redemption.

However, if any unallocated portion may occur due to the clients of installment contract purchasing the hydroelectric and solar power generation facilities, Ricoh leasing will promptly select an alternative facility to allocate the unallocated portion. If such unallocated portion may occur, Ricoh leasing will report such allocated situation changes in its reporting.

b. Reporting on environmental improvement effects

Ricoh Leasing will report CO₂ emission reduction by using theoretical value of power generations and coefficients after adjustment. These reporting shall be disclosed in its website.

Ricoh leasing also plans to ask for the external review for reviewing the accuracy of such reporting conducted by JCR.

4. Environmental Initiatives of the Organization

(1) JCR's Key Consideration in This Factor

In this section, JCR evaluates whether the issuer's management positions environmental issues as a high priority management issue, and whether the green bond 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

a. Efforts on environmental issues by RICOH GROUP

Ricoh Leasing's parent company, Ricoh, established the environment promotion division in 1976, established "Ricoh Environmental Policy" in 1992. Gotenba branch of Ricoh was the first corporation in Japan which took "ISO/DIS14001" in 1995.

In 2005, Ricoh formulated its Long-Term Environmental Vision for 2050. The vision is based on the concept of "Three P's Balance" (a concept aimed at reducing the environmental impact of society as a whole to within the scope of the resilience of the global environment from the three perspectives of "environmental," "social," and "economic" activities (P(Planet, People, Profit)) as its ultimate goal. Based on this, Ricoh Leasing formulated a medium-term target based on the "back casting method" to set a target value as a passing point for the realization of the target value, and this target is used as a guideline for efforts to reduce environmental impact.

The Ricoh Group is currently implementing the 19th Environmental Action Plan, which covers the period from April 2017 to March 2020. In order to realize the following long-term vision, it implements to promote energy conservation and use of renewable energy.

- Zero greenhouse gas (GHG) emissions throughout the value chain in 2050
- In 2030
 - GHG Scope 1, 2: 30% reduction (compared to 2015)
 - GHG Scope 3: 15% reduction (compared to 2015, procurement, use, logistics categories)

In addition, as an active initiative to adapt to climate change of the society, it has categories of energy saving and global warming prevention, resource conservation and recycling, pollution prevention, and biodiversity conservation, and has set numerical targets for each category.

The Ricoh Group has undergone third-party verification by SGS Japan Co., Ltd. (the Japanese branch of a certification organization established in France in 1878) on the accuracy of information systems, collection, aggregation, analysis methods, and data related to environmental performance data such as greenhouse gas emissions. The results are published on the Ricoh Group's website. Therefore, it is considered that information is disclosed with consideration given to not only the amount of information but also the quality.

Ricoh is the first Japanese company to participate in the initiative launched in 2014 by RE100 (Renewable Energy 100, an international initiative in April 2017, and the Climate Group of international environmental NGOs. As of September 2019, 194 companies worldwide became members. Ricoh is also participating in policy dialogues both at home and abroad as joint representatives of Japan-CLP, an initiative for the decarbonization of private companies. It is also the first to participate in the Japanese version of the Climate Change Initiative, which was established in July 2018. Through these efforts, Ricoh Leasing has strongly announced its commitment to a decarbonized society.

b. Ricoh Leasing's environmental activities

As a member of the Ricoh Group, Ricoh Leasing has been providing services that contribute to solve environmental and social issues since the 2000's. While sharing its commitment to the environment with its group companies, Ricoh Leasing has established an awareness of environmental issues and action targets. While sharing the efforts to environment improvements with other group companies, Ricoh Leasing is continuing the activities which contribute to environment improvements by setting action targets for tackling environmental issues with the consideration of its characteristics as a leasing company.

In the Sustainability Report for FY2018, Ricoh Leasing formulated the SDGs commitments to "Rico Leasing, based on its vision of "going to the future of the lease," aims to create new value and improve corporate value sustainably while placing SDGs on the basis of management and actively taking responsibility for resolving social issues." The SDGs commitments are related to the materiality established by Ricoh Leasing in FY2017 and the CSR Medium-Term Management Plan, which was established in conjunction with the materiality, and explains that solving our previously important issues and social issues that we recognize will contribute to the improvement of our corporate value at the same time.

One of the materiality, the "Improvement of Common Value through Business," has raised the challenge of spreading renewable energy since FY2018. Ricoh Leasing has started a power generation business in which it owns photovoltaic power generation facilities and sells electricity, and is expanding its efforts on photovoltaic power generation. In collaboration with Ricoh Japan, it concluded an installment contract for small hydroelectric power generation, which is the subject of the current use of proceeds. Small hydro is the first such initiative for Ricoh Leasing, expanding the scope of renewable energy initiatives. The small-

scale hydroelectric power generation facilities are to be donated to Ito City, Shizuoka Prefecture after the end of the electricity selling period under the FIT system (feed-in tariff system), and are activities that can contribute not only to the environment but also to local communities.

Similarly, in "Contributing to a Decarbonized Society and realizing a circular society," as a goal contributing to "climate-change mitigation and adaptation," which is one of the key issues, Ricoh Leasing sets a target of ¥35.0 billion in CO₂ emissions 1,001t-CO₂ and environmental-related transactions in business activities in FY2019.

Ricoh Leasing Management Committee, consisting of executive officers, approves the CSR Medium-Term Management Plan and it manages the progress periodically. In the promotion of specific CSR activities, the CSR Promotion Office of the Corporate Management Department, which is a dedicated department, actively plans and promotes its CSR activities, although it is not necessary to confirm the Green Bond Policy, etc. with outside experts, and to cooperate on CSR activities. JCR also confirmed that CSR Promotion Office is also involved in preparing for issuing green bonds and the formulation of green bond frameworks.

■ Evaluation Results

Based on JCR Green Bond 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." As a result, JCR assigns "Green 1" for overall "JCR Green Bond Preliminary Evaluation." The Bonds are considered to meet the standards for the items required by the Green Bond Principles and the Green Bond Guideline of the Ministry of the Environment of Japan.

[JCR Green Bond Evaluation Matrix]

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

■ Scope of Subject

Issuer: RICOH LEASING COMPANY, LTD. (Security Code: 8566)

[Assignment]

Subject	Issue Amount	Issue Date	Redemption Date	Interest Rate	Preliminary Evaluation
The 38th unsecured corporate bonds (with limited inter-bond pari passu clause) (Green Bonds)	JPY 10 billion	October 2019 (Scheduled)	October 2024 (Scheduled)	To be determined	JCR Green Bond Evaluation :Green1 Greenness Evaluation :g1 Management, Operation, and Transparency Evaluation :m1

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

Important explanation of the Green Bond Evaluation

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

JCR Green Bond Evaluation, which is granted and provided by Japan Credit Rating Agency (JCR), is a comprehensive expression of JCR's current opinion on the extent to which the funds procured from the issuance of green 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 (Green Finance & ESG in <https://www.jcr.co.jp/en/>) as JCR Green Finance Evaluation Method.

3. Relationship with Acts Related to Credit Rating Business

JCR Green Bond Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

4. Relationship with Credit Ratings

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

5. Third-party character of JCR

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

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■ Glossary

JCR Green Bond Evaluation: JCR Green Bond Evaluation evaluates the extent to which the funds procured from the Green bond are allocated to the Green Project as defined by JCR, and the extent to which the management, operation, and transparency of the Green 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 reviewer of green finance

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)

■ 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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