

Green Bond Evaluation by Japan Credit Rating Agency, Ltd.

The Japan Credit Rating Agency, Ltd. (JCR) announces the following preliminary Green Bond Evaluation Results.¹

JCR Assigned Green 1 to Bonds issued by GLP J-REIT

S u b j e c t	: GLP J-REIT 12th Unsecured Bonds(Special pari passu conditions among specified investment corporation bonds) (“Green Bonds”)
T y p e	: Specified Investment Corporation Bonds
Issue amount	: To be determined
Interest rate	: To be determined
Date of issuance	: To be determined
Redemption date	: To be determined
M e t h o d o f r e p a y m e n t	: Bullet
Use of proceeds	: Refinancing of funds to acquire an asset

< Green Bond Preliminary Evaluation Results >

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

Chapter 1: Evaluation Overview

GLP J-REIT is a J-REIT that specializes in logistics facilities sponsored by GLP Japan Inc. (formerly Global Logistics Properties; GLPKK). GLP J-REIT was established in September 2011 and listed on the Tokyo Stock Exchange (Real Estate Investment Trusts market) in December 2012. As of September 3, 2018, GLP J-REIT had 76 assets with an aggregate amount acquisition price of JPY609.4bn. GLP J-REIT has built a strong cooperative relationship with the sponsor. In the case of acquiring properties, GLP J-REIT has utilized the sponsor pipeline such as by focusing on properties that the sponsor develops and owns. It enables GLP J-REIT to make a growth.

¹ Final evaluation will be assigned after the conditions such as interest rate are fixed. However, since the use of proceeds can be determined at the preliminary evaluation stage, the details described in this preliminary evaluation report are not expected to change significantly at the time of the assign of this evaluation.

GLP Group, which the sponsor belongs, owns a logistics facility portfolio in Japan, China, the United States, Europe and Brazil, and GLP Japan, the sponsor, substantially controls the business in Japan.

The GLP Group has established the "Environmental, Social and Governance (ESG) principles" and has an overarching commitment to integrate sustainability into the heart of its business practice. GLP Japan Advisors Co., Ltd., the asset management company of GLP J-REIT, has declared that it will operate asset management business of GLP J-REIT in accordance with the ESG Policy stated above.

The bonds to be evaluated are unsecured bonds issued by GLP J-REIT. The proceeds will be used to refinancing the loan for acquisition of a logistics facility (Green Building).

GLP J-REIT defines Green Building which constitute "Green Eligible Assets" that are applicable to green bonds under the Green Finance Framework. Properties that have obtained or are expected to obtain either three stars or more of DBJ Green Building Certification, B+ or more of CASBEE Certification, three stars or more of BELS Certification, or LEED assessment Silver or more can be classified as Green Building. JCR assesses that the definition of "Green Eligible Assets" established by GLP J-REIT covers buildings with environmental improvement effects.

JCR has confirmed that the asset to be refinanced by the bonds belongs to "Green Eligible Assets" as defined in the Green Finance Framework of GLP J-REIT. Based on the Environmental Performance Assessment Report and interviews with GLP Japan Advisors, JCR has also confirmed that there are few possibilities of serious negative impact on the environment impacts that outweigh the environmental improvement effect. Based on the above, JCR has evaluated that use of proceeds of the bonds will contribute to environmental improvements, including reductions in CO₂ emissions.

GLP Japan Advisors, the asset management company of GLP J-REIT, has established a Sustainability Task Force in advance of each group company and plays a leading role within the group in ESG initiatives. As part of these efforts, the company actively obtains environmental assessments and certifications for acquired properties, accounting for more than half of the total. In addition, JCR has confirmed a robust management and operation system and high transparency for GLP J-REIT, such as when conducting due diligence at the time of property acquisition, GLP Japan Advisors has made into the rules for checking items related to sustainability and environmental protection and regular internal and external audits for audits.

As a result, JCR assigns "g1" for "Greenness Assessment (Use of Proceeds)" and "m1" for "Management, Operation and Transparency Assessment". Consequently, JCR assigns "Green1" as an overall preliminary evaluation results to the bonds. Detailed evaluation results are discussed in the next chapter. The bonds are considered to meet the standards for items required by the Green Bond Principles and the Green Bond Guidelines of The Ministry of Environment of Japan.²³

² ICMA(International Capital Market Association) Green Bond Principles 2018

³ Ministry of environment Green Bond Guidelines 2017

Chapter 2: Current Status of the project on each evaluation factor and JCR's evaluations

Evaluation Phase 1: Greenness Evaluation

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

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

(1) JCR's key consideration in this factor

In this section, JCR first assesses whether the proceeds will be allocated to green projects that have explicit improvement effects on environment. Next, JCR assesses whether an internal department/division which is exclusively in charge of environment issues or a third party agency prove it sufficiently and have taken necessarily workaround or mitigation measures, in case of possibility on use of proceeds 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. 100% of proceeds will be for refinancing of the loan to acquire an asset that is classified as “Green Eligible Assets” which have environmental improvement effect.

GLP J-REIT defines Green Eligible Assets as follows.

GLP J-REIT Green Finance Framework (excerpt)

Green Eligible Assets for investment in Green Finance

- I. Green Building
 - DBJ Green Building Certification: Three Stars or more (top to third)
 - CASBEE: B+ or higher (top to third)
 - BELS: 3 or more (top to third)
 - LEED :Silver or higher (top to third)
- II. Renewable energy power plants facilities

100% of the use of proceeds will be for the refinancing of the loan to acquire an asset that belongs to the Green Eligible Assets stipulated in the Green Finance Framework above, and use of proceeds will be allocated to the following one logistics facility. The logistics facility has been evaluated and notified as B+ (Good) in CASBEE Osaka Prefecture. CASBEE Osaka Prefecture is the Osaka Prefectural Government's evaluation system using CASBEE. CASBEE for Building (New Construction) is used for the assessment of GLP Neyagawa, which is the subject of this evaluation. In GLP Neyagawa, heat insulation and heat shielding measures were implemented on the top floor. In addition, by installing a high-side light on each floor, light from the outside is introduced and energy conservation is achieved while maintaining brightness.

As a result, JCR has evaluated this property as having an environmental improvement effect.

(List of uses of proceeds)

Name	Newly/Existing	Certification	Rank	Status
GLP Neyagawa	Existing	CASBEE Building (New Construction)	Rank B+ (★★★)	Obtained

ii. The use of proceeds falls under the category of green projects defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficient" or "green buildings which meet regional, national or internationally recognized standards or certifications".

b. Negative impact on the environment

GLP Japan Advisors conducts due diligence and checks items related to sustainability and environmental protection when acquiring properties. Through confirmation of the Environmental Performance Assessment Report and other documents and interviews with GLP Japan Advisors, JCR has confirmed that there are few possibilities of negative impact on the environment from a logistics facility where the use of proceeds will be allocated. Addition to this, JCR has confirmed that, in the event of a negative impact on the environment occurs, GLP Japan Advisors requests the seller to take corrective actions as a measure to avoid or mitigate such negative impact,

c. Consistency with SDGs goals and targets

This project is classified into energy-saving and regional, national or internationally recognized standards and certification green buildings. JCR evaluated the project to contribute to the following SDGs targets referring to ICMA's SDGs mapping.



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

Target 7.3. By 2030, double the global rate of improvement in energy efficiency.



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

Target 9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. With all countries taking action in accordance with their respective capabilities.



Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

Target 11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

① CASBEE

“CASBEE” is an acronym for the English name of the Building Environmental Performance Assessment System (Comprehensive Assessment System for Built Environment Efficiency).

This is a method to evaluate and rate the environmental performance of buildings. The Comprehensive Environmental Evaluation Research Committee for Buildings was established in April 2001 as a joint project of industry, government and academia with the support of the Housing Bureau of the Ministry of Land, Infrastructure, Transport and Tourism, and has been continuously developing and maintaining buildings since then. Valuation tools include CASBEE-architecture, CASBEE-streets, etc., as well as CASBEE-real estate developed to provide easy-to-understand environmental performance to the real estate market.

The evaluation results are divided into five grades: Rank S (excellent), Rank A (very good), Rank B (good), Rank B (slightly poor), Rank C (poor), and CASBEE-Real Estate scoring has four grades: Rank S (Excellent), Rank A (very good), Rank B+(good), and Rank B (Satisfaction of mandatory items).

② DBJ Green Building

A certification system provided by DBJ (Development Bank of Japan) that evaluates properties with environmental and social considerations. The evaluation results are expressed as the number of stars, and the evaluation axis is "Buildings with consideration for the environment and society". Each is represented by five stars (the best class in Japan), four stars (exceptionally high), three stars (excellent), two stars (high), and one star (satisfactory). Although it is not an environmental performance-specific evaluation, it is highly recognized in Japan and has a certain evaluation item regarding environmental performance. Therefore, JCR believes that this certification corresponds to "regional, national or internationally recognized standards and certified green buildings" of the Green Project Classification as defined in the Green Loan Principles. However, since the certification is not limited to environmental performance, JCR believes that it is desirable to confirm the evaluation of environmental performance individually.

③ BELS

“BELS” is an acronym for the English name of the Energy-saving Performance Indication System for Buildings (Building-housing Energy-efficiency Labeling System).

In October 2013, the Ministry of Land, Infrastructure, Transport and Tourism established the "Evaluation Guidelines for Labeling the Energy Conservation Performance of Non-Residential Buildings (2013)", and based on the guidelines, a third-party organization will properly evaluate and label the energy-saving performance of non-residential buildings. The results of the evaluation are indicated by the number of stars based on the achievement value of the energy conservation criterion.

The evaluation ratings are Five stars, four stars, three stars (induction criterion), two stars (energy conservation standard), and one star (existing energy conservation standard), respectively.

④ LEED

LEED is the Environmental Performance Assessment System for Construction and Urban Environments, development and operation by the U.S. Green Building Council (USGBC), a non-profit organization. As of 2018, there are buildings certifications in over 160 countries or territories.

“LEED” is an acronym for Leadership in Energy and Environment Design. The draft was published in 1996 and is updated once every few years.

There are five types of certification: BD+C (Architectural Design and Construction), ID+C (Interior Design and Construction), O+M (Operation and Maintenance of Existing Buildings), ND (Neighborhood Development), and HOMES (Home).

The authentication level is represented by the sum of the points acquire for each item and is from above Platinum (80 points or more), Gold (60-79 points), Silver (50-59 points), and Certified (40-49 points).

Evaluation Phase 2: Evaluation on Management, Operation and Transparency

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

Rationale: The project has allocated the funding and implemented the businesses as planned through a firmly equipped management and operation system and high transparency as described below.

1. Appropriateness and Transparency concerning selection standard and processes of the use of proceeds

(1) JCR's key consideration in this factor

In this section, JCR confirms that the objectives to be achieved through the green bond, 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 evaluation

a. Goal

The GLP Group has established the ESG policy as the "Environmental and social and Governance (ESG) Principles" and is available on the website of GLP Japan Advisors. GLP J-REIT, together with GLP Japan Advisors, an asset management company, actively engages in sustainability initiatives. The objective of GLP J-REIT is to realize the following items of the ESG Policy through the issuance of the bonds.

- 2) Embedding material ESG risks and opportunities into decision-making
- 7) Taking the lead in building better communities
- 8) Creating a culture of entrepreneurial value creation
- 9) Protecting and enhancing the environment across all of our operations
- 11) Promoting Energy Efficiency & Renewables
- 12) Building sustainably certified new developments

The use of proceeds of the bonds is the refinancing of loans for the acquisition of GLP Neyagawa and JCR considers that it is appropriate that objectives stated above to be realized through the issuance of green bonds. It can be said as an example of implementing their ESG Policy that GLP Japan Advisors established the rules for checking items related to sustainability and environmental protection in the due diligence process when considering acquiring properties.

b. Selection standard

In the Green Finance Framework, GLP J-REIT's "Green Eligible Assets" selection criteria are new or existing operational assets that have acquired or are expected to acquire one of three stars or more of DBJ Green Building Certification, B+ or more of CASBEE Certification, three stars or more of BELS assessment or Silver or more of LEED Certification. JCR has evaluated these selection criteria for buildings with environmental improvements.

The assets were selected by the Sustainability Task Force established within GLP Japan Advisors (see the next section for details) as properties that meet the Green Eligible Assets of GLP J-REIT.

c. Processes

At GLP Japan Advisors, the Finance Team of the Corporate Planning Department submits a draft of a decision regarding the greenness of the green bonds, which are intended to be used for the acquisition of

assets that belong to the "Green Eligible Assets" and the refinancing for the acquisition of such properties. After that, the Sustainability Task Force evaluates and determines the greenness.

The Sustainability Task Force was established in 2014 and consists of management level of GLP Japan Advisors such as the President, the head of the Investments Department and the head of Corporate Planning Department. It was established to formulate and implement ESG policies for GLP J-REIT. Specifically, it has the power to determine and revise the Green Finance Framework and Green Eligible Assets standards.

The Goals, Selection standard and processes of GLP J-REIT are to be disclosed in the Amended Shelf Registration Statement and Shelf Registration Supplements for the issuance of the bonds and in the this Evaluation report, schedule ensuring transparency to investors.

2. Appropriateness and Transparency of Management of the proceeds

(1) JCR's key consideration in this factor

It is generally assumed that the management method of the proceeds varies status on the issuer. Confirm whether proceeds procured through the issuance of green bonds are appropriated to the green projects and whether a mechanism and internal system are in place to enable easy tracking and management of the appropriation of proceeds.

JCR also attaches importance to evaluating the management and operation of the unallocated funds, as well as to confirming that the funds procured from the bond will be allocated to the green projects at an early stage.

(2) Current status of evaluation targets and JCR evaluation

- a. The proceeds of the bonds to be evaluated will be allocated for the refinancing of the loan for the acquisition of GLP Neyagawa in full amount, and will not be used for any other purposes.
- b. Regarding account management, JCR has confirmed that the Corporate Planning Department of GLP Japan Advisors will manage the use of proceeds, date, balances, etc. via electronic software such as Excel files. JCR has also confirmed that the proceeds of the bonds will be allocated to refinance the loans for the acquisition of GLP Neyagawa as soon as possible after the funds are procured. Therefore, it is sufficient to implement the tracking management at the time of the allocation.
- c. GLP Japan Advisors conducts internal audits on a regular basis. In addition, JCR has confirmed that the accounting is subject to external audits by an auditing firm.
- d. The use of proceeds will be allocated for the refinancing of GLP Neyagawa as soon as possible after the funding. Therefore, no unallocated proceeds will be generated.

In case of the existence of unallocated proceeds which is generated by sale etc. before the redemption of the bonds, JCR has confirmed that GLP J-REIT will disclose any unallocated proceeds arising from the sale of GLP Neyagawa on its website after the approval of the CFO.

JCR has confirmed that the funds management will be securely allocated to refinancing of the loan for the acquisition of GLP Neyagawa, the account management is managed by GLP J-REIT in an appropriate manner, an internal audit and external audit system is in place and GLP J-REIT's website disclosures any unallocated proceeds. Therefore, JCR has evaluated that the Appropriateness and Transparency of Management of the proceeds is high.

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 use of proceeds for the bonds will be published in the Amended Shelf Registration Statement and on GLP J-REIT's website. In addition, the proceeds of the bond will be immediately allocated to refinance the loans for the acquisition of GLP Neyagawa, so it is not currently assumed that the reports on unallocated proceeds will be made during the term. However, JCR has confirmed that in the event of a major change in circumstances, such as the occurrence of unallocated proceeds due to the sale of GLP Neyagawa which refinanced with the bonds, the disclosure will be made on GLP J-REIT's website after the approval of the CFO.

b. Impact reporting for environmental benefits

An overview of GLP Neyagawa, which is a target asset, is showed in the list of uses of proceeds in the evaluation phase 1 of this report. In the future, GLP J-REIT schedules to report environmental improvement effects by disclosure obtained valid environmental certifications in accordance with the Green Finance Framework. It schedules that the information is made public on its website.

GLP J-REIT schedules to undergo a third-party review by JCR once a year on the accuracy of its reporting status until the maturity date.

JCR believes that the reporting plan will appropriately disclose to investors both the allocation of proceeds and the effects on environmental improvement.

4. Organization's environmental efforts

(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 evaluation

GLP Japan Advisors established the Sustainability Task Force in 2014. The Sustainability Task Force is an organization established with the awareness that the management of GLP Japan Advisors must pay attention to sustainability in managing GLP J-REIT. GLP Japan Advisors sets top-down objectives by the Sustainability Task Force and implements various ESG-related operations through the Corporate Planning Department and the Investments Department.

In particular, the ESG policy of the GLP Group were formulated in order to realize the objective of implementing the efficiency of the supply chain by development logistics facilities in the highest level (best-in-class) that can meet the increasing needs for logistics in a more sustainable manner. GLP Japan Advisors and GLP J-REIT took the lead in promoting sustainability initiatives as a group-wide ESG policy and ESG-related initiatives.

The GLP Group's ESG Policy consists of 12 items, and the GLP J-REIT, together with the asset management company GLP Japan Advisors, conducts its businesses in accordance with this ESG Policy.

GLP Group ESG Principles

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- 1) Upholding ethics and corporate integrity as the cornerstones of how we do business at all levels of our company
 - 2) Embedding material ESG risks and opportunities into decision-making
 - 3) Engaging proactively with stakeholders
 - 4) Attracting and retaining talented, motivated employees is vital to our success
 - 5) Maximizing supply chain efficiency and meeting the needs of domestic consumption-led growth in our core markets
 - 6) Drive performance through evidence
 - 7) Taking the lead in building better communities
 - 8) Creating a culture of entrepreneurial value creation
 - 9) Protecting and enhancing the environment across all of our operations
 - 10) Supporting livelihood opportunities in the communities we work in
 - 11) Promoting Energy Efficiency & Renewables
 - 12) Building sustainably certified new developments
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In the ESG Policy, "2) Embedding material ESG risks and opportunities into decision-making" says the Group is always considering ESG risks and opportunities in investment surveys, due diligence, investment selection, portfolio management and other important decisions. In addition, "9) Protecting and enhancing the environment across all of our operations" specifies pursuing a level that exceeds the required environmental standards when performing business operations. "12) Building sustainably certified new developments" specifies that the Group aims at new development or large-scale renovation meet various types of sustainability certification standards. JCR has evaluated that concrete descriptions are made in the ESG Policy.

As part of its efforts, GLP J-REIT has acquired GRESB Real Estate Assessment. In addition, GLP J-REIT has acquired various certifications for its acquired logistics facilities, including CASBEE, BELS, and DBJ Green Building, and both of these certifications are published on its website. In the GRESB Real Estate Assessment, GLP J-REIT has been awarded the Green Star for the fourth consecutive year to companies that excel in both "Management & Policy" and "Implementation and Measurement," which are the two evaluation criteria in the sustainability assessment. JCR believes that this is indicative of the high reputation of the company's sustainability initiatives by third parties. JCR also assesses that most of the properties acquired by GLP J-REIT have environmental improvement effects, as more than half of the properties have already acquired environmental certification.

The company has a CASBEE evaluator, and GLP Japan, the sponsor, has specialists such as property engineers and qualified architect of the first class. In addition, for acquiring GRESB and CASBEE, the company consults with outside specialist companies and cooperation with both internal and external specialists.

JCR considers management in GLP J-REIT put environmental problems a high priority and that departments with expert knowledge are clearly involved in the selection of green bond policy and processes and green projects.

GRESB is an acronym for Global Real Estate Sustainability Benchmark. GRESB is a benchmark established in 2009 that measures and evaluates the degree of consideration given to ESG by companies that holding and manages real estate and infrastructure. From 2016, the evaluation-results are shown on a five-star scale (five stars, four stars, three stars, two stars, and one star). Companies that have made excellent efforts are given "Green Star" separately from the five-star evaluation. As of 2018, 38 investment corporations have participated in the evaluation from J-REIT.

■ Evaluation result

Based on the JCR Green Bond Evaluation Method, JCR assigns “g1” for “Greenness Assessment (Use of Proceeds)” and “m1” for “Management, Operation and Transparency Assessment”. Consequently, JCR assigns “Green1” as an overall preliminary evaluation results to the bonds. The bonds are considered to meet the standards for 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				
		m1	m2	m3	m4	m5
Greenness	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

< Evaluation Subject >

Issuer: GLP J-REIT

[Assignment]

Target	Issue amount	Date of issuance	Redemption date	Interest rate	Preliminary Evaluation
12th Unsecured Bonds (Special pari passu conditions among specified investment corporation bonds) (Green Bonds)	Undecided	Undecided	Undecided	Undecided	JCR Green Bond Evaluation :Green1 Greenness Evaluation :g1 Management, Operation and Transparency :m1

GB Analysts in charge of this evaluation: Rieko Kikuchi and Kosuke Kajiwara

Important explanations about this Green Bond Evaluation

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 (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 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 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 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)

■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 (<http://www.jcr.co.jp/en>).

■For further information, contact

Information Service Dept. TEL: 03-3544-7013 FAX: 03-3544-7026

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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