

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

Japan Credit Rating Agency, Ltd. (JCR) announces the following annual review of Green Finance Framework Evaluations.

## JCR Reviewed Kenedix Office Investment Corporation

Issuer : Kenedix Office Investment Corporation (Security Code : 8972)  
Subject : Kenedix Office Investment Corporation  
Green Finance Framework

### <Green Finance Framework Evaluation Review Results>

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

### 1. Overview

Kenedix Office Investment Corporation (the Investment Corporation) is a J-REIT whose main investment target is mid-sized office buildings in the Tokyo Metropolitan Area. It was established on May 6, 2005 and listed on the Tokyo Stock Exchange (real estate investment trust securities market) on July 21, 2005.

The Investment Corporation has 98 properties with the total acquisition price of JPY457 billion (as of August 1, 2022), making it one of the largest J-REITs to invest primarily in mid-sized office buildings. The sponsor of Kenedix Real Estate Fund Management, Inc. (the Asset Manager), is Kenedix, Inc., a real estate asset management company. While the Asset Manager enjoys support from Kenedix, it has accumulated the Investment Corporation's track record while demonstrating its uniqueness as an asset management company.

Recognizing the importance of ESG considerations in the investment management of real estate, the Investment Corporation and the Asset Manager have positioned the improvement of sustainability with the aim of realizing a sustainable society as a corporate social responsibility as one of the key management issues. The Investment Corporation and the Asset Manager have established the Sustainability Policy and the Environmental Policy, and are working to reduce environmental impact and to collaborate with stakeholders.

JCR released the Green Finance Framework Evaluation "Green 1(F)" to the Investment Corporation's Green Bond Framework (the "Framework") on March 26, 2021. An overview of the evaluation of the Framework is as follows.

#### **(excerpt from the evaluation report on March 26, 2021)**

Within the Framework, the Investment Corporation has two types of use of proceeds: green buildings, which have a certification level above a certain level, and renovation work, which leads to environmental improvement effects above a certain level. The eligibility criteria for green buildings are properties that have obtained or will obtain 3 stars or more

in DBJ Green Building certification, 3 stars or more in BELS certification, or rank B+ or higher in CASBEE real estate certification, while the eligibility criteria for renovation work are such works aiming at 10% or higher improvement for energy efficiency and water consumption performance. JCR assesses that the use of proceeds specified by the Investment Corporation has the effect of environmental improvement.

As part of the Group's sustainability initiatives, the Investment Corporation has established an organizational structure for environmental initiatives, such as the establishment of a system in which the department in charge manages the acquisition and renewal of environmental assessments and various types of certifications for acquired properties, the utilization of internal and external environmental experts or qualified personnel, and the establishment of the Sustainability Committee and the Energy Conservation Measures Review Committee, and has implemented various initiatives. JCR has confirmed the strong management system and high transparency of the Investment Corporation.

**(Excerpt ends)**

This review is conducted in response to changes in the Framework established by the Investment Corporation. The major changes are the expansion of financing means under the Framework, changes in the criteria for renovation work, and changes in the process in light of changes to the organizational structure.

It is common practice and no problem that the means of financing under the Framework become bonds and loans. The revised eligibility criteria are for projects with environmental improvement effects. JCR also confirmed that the management and operation systems related to green finance are being operated appropriately, as was the case in the previous evaluation.

As a result, regarding the Green Finance Framework to be reviewed this time, JCR assigns "g1" for "Greenness Evaluation (Use of Proceeds)" and "m1" for "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "Green1" as an overall evaluation result of the Green Finance Framework. Detailed Evaluation is discussed in the next chapter.

The Framework is considered to meet the standards for items required in the "Green Bond Principles<sup>1</sup>," the "Green Loan Principle<sup>2</sup>, and the "Green Bond Guidelines 2022<sup>3</sup>" and "Green Loan Guidelines 2022<sup>4</sup>" that were issued by the Ministry of the Environment.

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<sup>1</sup> ICMA Green Bond Principles 2018 Version

<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>

<sup>3</sup> Ministry of the Environment Green Bond Guidelines 2020 <https://www.env.go.jp/press/files/jp/113511.pdf>

<sup>4</sup> Ministry of the Environment Green Bond Guidelines 2020 <https://www.env.go.jp/press/files/jp/113511.pdf>

## 2. Review items

In this section, JCR describes the items to be confirmed in the review. The review focuses on items whose contents have changed compared with the previous evaluation time.

### (1) Use of Proceeds (Eligibility Criteria)

JCR evaluates whether green finance eligibility criteria and uses of proceeds are still eligible after the change.

### (2) Selection Standard and Processes of the Use of Proceeds

JCR evaluates whether the goals to be realized through green finance, the standards for selecting green projects, and the validity of the process remain appropriate after the change.

### (3) Management of the Proceeds

JCR evaluates whether the Investment Corporation has developed a mechanism and an internal system that allow funds procured through green finance to continue to be allocated to the green project without fail after the change, and that the allocation status can be easily tracked and managed

### (4) Reporting

JCR evaluates whether the environmental improvement effects resulting from the green projects financed by the green finance have continued to be appropriately calculated in a manner specified by the issuer at the time of the assignment of the Green Finance Evaluation after the change.

### (5) Organization's Environmental Initiatives

JCR evaluates whether the issuer's management continues regarding environmental issues as a high priority issue.

### 3. Contents of Review

#### (1) Use of Proceeds (Eligibility Criteria)

The Investment Corporation had traditionally defined the use of the proceeds as follows in the Framework.

< Framework before Change >

[Eligibility Criteria 1]

(Green Building Acquisition Fund)

New or existing investments or expenditures on assets that meet any of the following requirements:

The following certifications have been or will be acquired within 2 years before the payment date or the reporting date:

- (i) 3 stars or more in DBJ Green Building
- (ii) B+ rank or higher in CASBEE Certification System
- (iii) 3 stars or more in BELS Certification

[Eligibility Criteria 2]

(Construction and facility renovation works that contribute to energy conservation and environmental improvement)

Facility renovation works for the purpose of improving energy efficiency, water consumption performance, or for other environmentally beneficial improvements (those that reduce amount used by 10% compared to the previous level) at the real estate under management.

The above-mentioned energy conservation and facility renovation works have been or will be disbursed within 2 years before the payment date.

In revising this framework, the Investment Corporation added the definition of green finance as shown below and changed some criteria.

< Framework after Change > [Use of funds]

**The use of proceeds through green finance is limited to the funds for acquisition related to Eligibility Criteria 1, the funds for repayment of borrowings, the funds for redemption of investment corporation bonds (including short-term investment corporation bonds) and the funds for energy-saving and facility renovation works related to Eligibility Criteria 2, as described below.**

**Green finance refers to green loans (including interest rate derivative contracts associated with the loan (green derivatives)) and green bonds.**

[Eligibility Criteria 1]

(Green Building Acquisition Fund)

New or existing investments or expenditures, etc., related to assets (green buildings) that meet any of the following requirements for evaluation and certification.

Each certification must have been obtained or renewed, or be scheduled to be obtained or renewed, by the payment date or reporting date.

- (i) 3 stars or more in DBJ Green Building
- (ii) B+ rank or higher in CASBEE Certification System
- (iii) 3 stars or more in BELS Certification

[Eligibility Criteria 2]

(Construction and facility renovation works that contribute to energy conservation and environmental improvement)

Facility renovation works for reductions of energy consumption, water consumption and CO<sub>2</sub> emissions, or for other environmentally beneficial improvements (those that reduce consumption or emissions by 30% or more compared to the previous level) at the real estate under management.

**Facility renovation works that lead to improvement of evaluation level by at least 1 level in any of the certifications stipulated in Eligibility Criteria 1**

**Introduction or acquisition of facilities related to renewable energy**

The above-mentioned energy conservation and facility renovation works have been or will be disbursed by the payment date.

This change extends the scope of the Framework from bonds only to bonds and loans. With regard to criteria related to renovation work, the scope of construction works was expanded after tightening the reduction effect.

#### 1. Expansion in Covered Scope

The Framework was formerly referred to as the "Green Bond Framework" and covered only green bonds. However, in the recent changes, it has been changed so that green loans as well as green bonds can be procured. Accordingly, the name of the Framework has been changed to the "Green Finance Framework." JCR believes

that there is no concern about the expansion of the scope, the necessary modifications have been made in the process and fund management by expanding the scope.

## 2. Renovation work

The Investment Corporation has recently reviewed the criteria and changed them to cover construction projects that can reduce energy consumption, water consumption, and CO<sub>2</sub> emissions by more than 30%. The Investment Corporation has also expanded the types of works eligible for renovation work.

In October 2020, the Japanese government declared carbon neutrality by 2050, and in April 2021, revised the greenhouse gas reduction target for 2030 significantly to 46% of the FY2013 level. In the “Green Growth Strategy Through Achieving Carbon Neutrality in 2050” announced by the Cabinet Office in December 2020, the housing and building industries were identified as one of the key sectors, and time schedules were established including the one to promote the dissemination and expansion of ZEB and ZEH. In order to achieve the targets in the timetable, the government will promote energy-saving renovations and other measures as much as possible. As a result, it is anticipated that the movement toward decarbonization will accelerate, and that existing real estate will be required to take more energy-saving measures. Given the above domestic trends and globally required levels, JCR believes that setting the energy reduction rate for renovation work at 30%, which is a higher level than before, will further solidify the evaluation of this framework.

Based on the above, JCR assesses that the eligibility criteria after the change also cover projects with environmental improvement effects.

The use of proceeds falls under the categories of "Green Buildings which meet regional, national or internationally recognised standards or certifications" and “Energy efficiency” in the "Green Bond Principles" and the "Green Loan Principles," and categories of "Green Building Projects" and "Projects for energy efficiency” in the "Green Bond Guidelines" and "Green Loan Guidelines."

## (2) Selection Standard and Processes of the use of Proceeds

The Investment Corporation has made some changes to the process of selecting eligibility criteria. The selection process before and after the change is as follows.

### < Framework before Change >

#### [Eligible Green Project Selection Process]

- Businesses related to sustainability, including eligible green projects, will be promoted mainly by the Sustainability Committee established in the Asset Manager.
- The Sustainability Committee, chaired by the President & CEO of the Asset Manager as the chairman of the Committee, is composed of the General Managers of the individual divisions of the Office REIT Department, Compliance Officer, the General Manager of the Finance & Accounting Div., and the General Manager of the Business Administration Div. The Committee examines and monitors sustainability policies, targets, and various initiatives, based on social conditions and the Investment Corporation's operational status.
- When selecting eligible green projects, the Sustainability Committee meets to evaluate eligible green projects, verify the use of proceeds and conformance with the eligibility criteria, and the prospects for the appropriation of proceeds after appropriation of proceeds to the eligible green projects.
- Contents reviewed and verified by the Sustainability Committee are reported to the Board of Directors of the Investment Corporation and to the Asset Management Committee of the Asset Manager.

### < Framework after Change >

#### [Eligible Green Project Selection Process]

The Sustainability Promotion Office, which serves as the secretariat for the Sustainability Promotion Committee established at the Asset Manager, and the Office REIT Department, which handles businesses related to the management of the Investment Corporation's assets, will play a central role in promoting operations related to sustainability, including eligible green projects.

- The Sustainability Promotion Committee is chaired by the President & CEO of the Asset Manager as the chairman of the Committee, is composed of the General Managers of the individual divisions of the Office REIT Department, including the General Director of the Office REIT Department, Compliance Officer, the General Manager of the Finance & Accounting Div., and the General Manager of the Business Administration Div. The Committee examines and monitors sustainability policies, targets, and various initiatives, based on operational status of individual investment corporations, including the Asset Manager and the Investment Corporation, for which the Asset Manager is entrusted with the management of assets.

**The selection of eligible green projects requires the approval of the Office REIT Department Asset Management Committee of the Asset Manager, and the evaluation of eligible green projects, the use of proceeds, conformance with the eligibility criteria, and the prospects for the appropriation of proceeds after appropriation of proceeds to the eligible green projects shall be reported to the Sustainability Promotion Committee.**

In the revised framework, the committees involved have been changed in response to the organizational change. This is in response to the strengthening of the sustainability promotion system in the Asset Manager. JCR continues to assess the selection process after the change as appropriate.



### (3) Management of the Proceeds

The Investment Corporation has made some changes to its fund management system. Details before and after the change are as follows.

#### < Framework before Change >

- Procurement and appropriated funds are properly managed by the Asset Manager and are scheduled to undergo an annual external evaluation by a third-party certification organization, etc. regarding their eligibility.
- We plan to disclose the proceeds annually on our website until the full amount of the proceeds is appropriated for projects that meet the eligibility criteria or until the redemption date of the green bonds arrives.
- Until the determination of the appropriation of the proceeds is made, the Investment Corporation plans to disclose in statutory documents such as supplemental documents to the shelf registration of issuance upon issuance of the green bonds that the proceeds will be managed in cash or cash equivalents.
- With respect to the appropriation of proceeds, we plan to disclose on our website that until all of the proceeds raised have been appropriated to projects that meet the eligibility criteria or until the redemption date of the green bonds, the amount of green bonds outstanding has not exceeded the size of the Eligible Green Project (the sum of the total acquisition price of the properties that meet Eligibility Criteria 1 ("Green Eligible Assets) and the total (planned) expenditures for construction and renovation projects that meet Eligibility Criteria 2).

#### < Framework after Change >

##### [Plan for Allocation of Procured Funds]

The funds procured through green finance will be allocated promptly after confirming that they are linked to the acquisition of the Green Eligible Assets or the refinancing of borrowings and investment corporation bonds required for it.

The sum of the acquisition prices of Green Eligible Assets as of the end of the each fiscal period multiplied by the total asset LTV plus the sum of the amounts invested in the Eligibility Criteria 2 is defined as the amount of Green Eligible Liabilities, and the maximum amount of green finance is established.

We will manage the balance of green finance so that it does not exceed the amount of the Green Eligible Liabilities. In the unlikely event that the balance exceeds the amount of green finance, we will manage the amount equivalent to the unappropriated funds with cash or cash equivalents.

##### [Methods of tracking and managing financing]

Procured and unallocated funds will be properly managed by the Asset Manager internally.

Proceeds and unallocated funds are managed separately from other funds in a deposit/withdrawal account dedicated to the green finance and are periodically checked for records of fund transfers and balances.

[Internal Control and External Audit for Tracking Management]

Funds procured through green finance are tracked and managed within the Asset Manager. When the funds are used to finance the acquisition of assets and to refinance, we will confirm the completion of the payment and record the amount of the expenditure in the internal file.

In addition, the accounting books of the Investment Corporation are prepared by the general administrative trustee and audited by the accounting auditor.

[Method of management of unallocated funds]

- We will promptly use the funds procured through green finance as long as there are no special circumstances, but we will manage the proceeds and unallocated funds in cash or cash equivalents until the proceeds are allocated.
- Even after the full allocation, if assets for which proceeds are to be used are excluded from the use of proceeds due to the sale or impairment before the redemption of the bonds subject to the evaluation, the unallocated funds that arise temporarily will be managed by the portfolio management.

※Portfolio management

We confirm that the total amount of green finance outstanding does not exceed the maximum amount of the Green Eligible Liabilities (total acquisition price of the Green Eligible Assets multiplied by total asset LTV plus amount invested in Eligibility Criteria 2) for each fiscal period.

A key change in the revised framework was the introduction of portfolio management.

Prior to the change, the operation was to confirm that the balance of green bonds issued did not exceed the sum of the total amount of Green Eligible Assets and the total amount of expenditures for construction and renovation projects that meet Eligibility Criteria 2. However, under the revised framework, the sum of the Green Eligible Assets multiplied by the total LTV and the amount of renovation work is to be compared with the green finance balance. It also employs an operation to ensure that the green finance balance does not exceed the Green Eligible Liabilities ceiling even if there is an unappropriated fund after the implementation of green finance. Since the portfolio management is the method of managing unappropriated funds commonly used by many investment corporations, JCR has evaluated that fund management in the revised Framework is appropriate.

#### (4) Reporting

The Investment Corporation has made some changes to its reporting. Details before and after the change are as follows.

< Framework before Change >

[Reporting on Appropriation of Funds]

- The status of appropriation of funds and the indicators listed in the following items will be disclosed on the Investment Corporation's website on an annual basis and will be subject to external evaluation by a third-party certification organization, etc.

[Reporting on Environmental Improvement Effects]

We plan to publish the following indicators until the green bond redemption date arrives:

(Eligibility Criteria 1)

- Number and Certification of Green Eligible Assets
- Total gross floor area of Green Eligible Assets
- Energy consumption, water consumption, and CO<sub>2</sub> emissions of Green Eligible Assets (limited to properties for which the Investment Corporation has energy management authority)

(Eligibility Criteria 2)

- Energy consumption, water consumption, and CO<sub>2</sub> emissions of properties for which construction and renovation works that contribute to energy conservation and environmental improvement have implemented.

< Framework after Change >

[Place and content of disclosure of the appropriation status of the procured funds]

The status of appropriation of funds will be disclosed on the Investment Corporation's website.

If there are unallocated funds, the status of their allocation will also be disclosed on the Investment Corporation's website on an annual basis until all of the procured funds are allocated to projects that meet the eligibility criteria or until the redemption/repayment date of green finance arrives.

[Place and Frequency of Disclosure of Environmental Improvement Effects through Eligible Green Projects]

The status of appropriation of funds when there are unappropriated funds and the indicators listed below will be disclosed on the Investment Corporation's website on an annual basis.

[KPI showing environmental improvement effects related to this eligible green project]

We plan to publish the following indicators, to the extent practicable, until the redemption and repayment dates of the green financing arrive.

## (Eligibility Criteria 1)

- Number and Certification of Green Eligible Assets
- Total gross floor area of Green Eligible Assets
- Energy consumption, water consumption, and CO<sub>2</sub> emissions of Green Eligible Assets (limited to properties for which the Investment Corporation has energy management authority)

## (Eligibility Criteria 2)

- In the case that construction and renovation works that contribute to energy conservation and environmental improvement have been implemented, the estimated reduction rate (%) of energy consumption, water consumption, and CO<sub>2</sub> emissions before and after the renovation of the facilities, etc. that are expected to be improved.
- In the case of installation or acquisition of facilities related to renewable energy, the annual power generation expected from such facilities.

This change primarily reflects changes in eligibility criteria in the content of reporting on environmental improvement effects. Reporting content has been appropriately changed, and quantitative indicators are used, so JCR thinks it is desirable.

The Investment Corporation discloses the appropriation and impact reporting of previously issued in the past on a page titled "Green Bonds" on its website. In the future, it plans to revise a part of the page in light of the changes to the Framework.

JCR continues to evaluate the revised e reporting system as appropriate.

## (5) Organizational Environmental Initiatives

Recognizing the importance of ESG considerations in the investment management of real estate, the Investment Corporation and the Asset Manager have positioned the improvement of sustainability with the aim of realizing a sustainable society as a corporate social responsibility as one of the key management issues. The Investment Corporation and the Asset Manager have established the Sustainability Policy and the Environmental Policy, and are working to reduce environmental impact and to collaborate with stakeholders.

In November 2021, the Asset Manager established the Sustainability Promotion Committee as part of its reorganization, and changed the structure to the one in which the Sustainability Promotion Office of the Strategic Planning Department serves as the secretariat. Previously, each Sustainability Committee was established under each REIT Division, but under the current system, the Sustainability Promotion Committee plays a central role in consistently promoting the sustainability initiatives of the Asset Manager and the Investment Corporations managed by the Asset Manager. The Sustainability Promotion Committee, chaired by the President and CEO, is composed of a full-time director, the General Manager of the Strategic Planning Department, persons in charge of each REIT Division in the Strategic Planning Department, and the General Manager of the Sustainability Promotion Office in the Strategic Planning Department. The committee members also include the General Manager of Kenedix's Public Relations and Sustainability Promotion Department, creating a system in which the entire group is united in its efforts to promote sustainability.

The Investment Corporation is vigorously promoting initiatives that contribute to the resolution of environmental issues based on the sustainability policy established by the Asset Manager. The percentage of properties in the Investment Corporation that have acquired environmental certifications amounted to 47 properties (out of 97

properties) in the fiscal period ended April 30, 2022, or 64.4% on a gross floor area basis. The Investment Corporation discloses the results of its climate change impact scenario analysis on its website, and as part of its risk response measures, has set targets for GHG emission reductions of 50% by 2030 and carbon neutrality by 2050.

Thanks to the success of these proactive efforts, the Investment Corporation earned the "Green Star" designation in the 2021 GRESB Real Estate Assessment for the 10th consecutive year, which is given to participants who achieved high performance both in "Management Component" and "Performance Component" related to sustainability. In addition, it received a "4 Stars" (five-star scale) in GRESB Rating, which is calculated globally relative to the performance of reporting entities in the 2021 GRESB Real Estate Assessment.

Based on the above, JCR highly evaluates that the Investment Corporation has positioned its initiatives to improve sustainability, including environmental issues, as an important management issue, and has promoted various initiatives based on an appropriate organizational and personnel structure for the environment, as well as appropriate periodic verification and disclosure of information.

#### (Reference) GRESB Real Estate Assessment

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GRESB refers to a benchmark established in 2009 that measures and evaluates the level of ESG considerations of companies that holding and manage real assets (real estate and infrastructures) and the organization that operates it. It is an acronym for Global Real Estate Sustainability Benchmark. Beginning in 2016, the evaluation results are shown on a 5-star scale (5 stars, 4stars, 3 stars, 2 stars, and 1 star). Companies that engage in excellent initiatives are given a "Green Star" separate from the 5-point rating. As of 2021, 55 J-REITs have participated in the evaluation.

## 4. Conclusion

After verifying the matters described in the previous section, JCR confirmed that the contents of this framework, including the revised part, are expected to have a significant environmental improvement effect in the green projects which are the intended use of the proceeds. This framework is considered to meet the standards for items required by the Green Bond Principles, the Green Loan Principles, the Green Bond Guidelines and the Green Loan Guidelines.

[JCR Green Finance Framework Evaluation Matrix]

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

(Responsible analysts for this evaluation) Rieko Kikuchi and Shintaro Arai

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## Important explanation of this Evaluation

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

JCR Green Finance Framework 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 execution of green finance, which are subject to evaluation, are allocated to green projects defined by JCR and the extent to which the management, operation system, and transparency of the use of green bonds are ensured. JCR Green Finance Framework Evaluation does not fully indicate the extent to which the funds procured from such green finance are allocated and the management, operation, and transparency of the use of the funds are ensured.

JCR Green Finance Framework Evaluation assesses the plan or status of the appropriation of funds at the time of the green finance execution plan or at the time of execution, and does not guarantee the status of the appropriation of funds in the future. In addition, JCR Green Finance Framework Evaluation does not prove the environmental effects of green finance and is not responsible for their environmental effects. JCR confirms that the effects of the funds procured from the execution of green finance on the environment are measured quantitatively and qualitatively by the issuer or by a third party requested by the issuer, but in principle it does not directly measure the effects.
2. **Method used to conduct this evaluation**

The methods used in this evaluation are listed on JCR's website (Sustainable Finance & ESG in <https://www.jcr.co.jp/en>) as JCR Green Finance Evaluation Methodology.
3. **Relationship with Acts Concerning Credit Rating Business**

JCR Green Finance Framework 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 evaluation differs from the credit rating and does not promise to provide or make available for inspection a predetermined credit rating.
5. **Third-Party Evaluation of JCR Green Finance Framework**

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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JCR Green Finance Framework Evaluation: JCR Green Finance Framework Evaluation evaluates the extent to which the funds procured from the Green finance 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(F), Green2(F), Green3(F), Green4(F), and Green5(F) 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
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