

Framework Overview and Second-Party Opinion

Japan Excellent, Inc. Green Bond



Evaluation Summary

Sustainalytics is of the opinion that the Japan Excellent, Inc. (JEI) Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, green buildings, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the eligible projects will lead to positive environmental impacts and advance the UN Sustainable Development Goals (SDG), specifically SDG 11.



PROJECT EVALUATION / SELECTION JEI's internal process in evaluating and selecting projects is in line with market best practice, considering that the process will involve C-level executives.



MANAGEMENT OF PROCEEDS JEI is committed to allocating the net proceeds from the relevant green bond to Eligible Green Projects immediately after issuance. Additionally, the company has an internal process in place to track and monitor the amount of outstanding and allocation of proceeds, which is in line with market practice.



REPORTING JEI intends to report allocation of proceeds on its website on an annual basis. In addition, JEI is committed to reporting environmental performance indicators including electricity consumption, water consumption and CO₂ emissions, as well as the numbers of green assets that achieve third party certification. In Sustainalytics' view reporting on these metrics is in line with market practice.

Evaluation date	28 June 2018
Issuer Location	Tokyo, Japan

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Introduction

Japan Excellent, Inc. (JEI) has developed a green bond framework under which it is planning to issue green bonds and use the proceeds to finance and/or refinance expenditures related to green buildings. JEI has engaged Sustainalytics to provide a second-party opinion on its framework and its environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of JEI's Finance and Accounting Department to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the JEI Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains two sections: Framework Overview – summary of the Japan Excellent, Inc. Green Bond Framework; and Sustainalytics' Opinion – an opinion on the framework.

Overview of Issuer

JEI, a Japanese real estate investment trust (J-REIT), is located in Tokyo and primarily focuses on investments in office buildings across major metropolitan areas in Japan. The total number of properties owned and managed is 31 with total acquisition price of 273.5 billion yen, as of July 2, 2018.¹ The company has been listed on the Tokyo Stock Exchange since 2006.²

JEI portfolio of assets is managed by Japan Excellent Asset Management Co., Ltd. (JEAM). JEAM's stock is primarily owned by both Nippon Steel Kowa Real Estate Co., Ltd, which is a real estate company focusing on office and residential real estate, as well as The Dai-ichi Life Insurance Company, Limited, one of the Japan's leading life insurance companies. JEAM is committed to managing JEI's assets in line with JEI's investment policies³ and sustainability policy. In addition, with aims to promoting organizational sustainability initiatives, JEAM has established a sustainability council which develops an internal sustainability process with relevant goals.

JEI, through its sustainability policy, is committed to achieving a sustainable society and to recognize the importance of considering ESG criteria in its real estate investments while focusing on two key themes, 1) Environmental, and 2) Stakeholders.⁴ Furthermore, based on the policy, JEI further sets out initiatives for environment, social, and governance themes. The environmental theme lays out an energy consumption target, green building certification, as well as environmental performance disclosure.⁵ With respect to green building certification, JEI has demonstrated a commitment to promoting green buildings by achieving certification of its own buildings applying DBJ Green Building Certification Program, CASBEE (Comprehensive Assessment System for Built Environmental Efficiency) and Office Implementing Excellent Specific Global Warming Countermeasures.⁶ As of June 26, 2018, JEI has a record of owning 8 office buildings certificated with DBJ Green Building Certification Program.⁷ Additionally, while participating in the GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment since 2012, JEI has been designated as "Green Star" for three consecutive years in 2017 and received the highest rating of "5-star" for two consecutive years in "GRESB Rating".⁸

In alignment with the sustainability policy as well as initiatives, JEI is planning to issue green bonds to finance and/or refinance expenditures related to green building projects.

¹ Portfolio Data Summary, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/en/cms/portfolio/summary.html>

² History, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/en/cms/outline/history.html>

³ Investment Policies, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/outline/policy1.html>

⁴ Sustainability Initiatives, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability01.html>

⁵ Sustainability Initiatives - Environment, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability02.html>

⁶ Sustainability Initiatives - Environment, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability02.html>

⁷ Sustainability Initiatives - Environment, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability02.html>

⁸ Sustainability Initiatives, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability01.html>

Framework Overview

For the purpose of issuing multiple green bonds, JEI has developed the following framework which addresses the four key core components of the Green Bond Principles (GBP): use of proceeds, project evaluation and selection process, management of proceeds, and reporting.

Use of Proceeds

The net proceeds of the green bonds will be used to finance the acquisition of existing and/or new assets that meet the following eligibility criteria (“Eligible Green Projects”) and/or to refinance the existing debts that have been allocated to Eligible Green Projects.

Eligibility Criteria

1. GREEN BUILDINGS

In order for the proceeds to be allocated to assets, Eligible Green Projects must meet the following eligibility criteria:

- Buildings that have received the following top three levels of third-party certified green building certification within the last two years as of issue date of a relevant green bond, and/or will receive during the tenor of the green bond:
 - 3, 4 or 5 stars under the DBJ Green Building Certification, or
 - B+, A or S rank under the CASBEE Certification

Project Evaluation and Selection Process

Application of Eligibility and Exclusionary Criteria in Project Selection

JEAM’s Sustainability Council, which is composed of its President, all directors, all general managers and a compliance officer, is responsible for evaluating and selecting Eligible Green Projects in line with JEI’s Sustainability Policy and the eligibility criteria.

Environmental Objectives

In order to achieve a sustainable society and consider ESG in investment business, JEI sets out sustainability policy with two main focuses including 1) Reduction of environmental burden and 2) Cooperation/collaboration with stakeholders.⁹ JEI strives to contribute to reducing of its environmental burden as follows:

- Energy saving and reduction of CO₂ emissions by improving operations to increase energy efficiency, promoting introduction of energy-saving equipment and the like, at properties it operates, and
- Effective utilization of resources through initiatives for saving water and promotion of the 3Rs (reduce, reuse, recycle) for reducing waste.

Furthermore, based on this sustainability policy, JEI’s environmental initiatives target a reduction in energy consumption by an average of 1% per year from a medium to long-term perspective¹⁰ and its commitments to acquire DBJ Green Buildings and CASBEE certifications for its properties.¹¹

Process to Mitigate Environmental and Social Risks

JEAM’s Sustainability Council which includes its president, directors, and members who are in charge of implementing sustainability initiatives, will identify and manage potentially material environmental and social

⁹ Sustainability Initiatives, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability01.html>

¹⁰ Sustainability Initiatives - Environment, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability02.html>

¹¹ Sustainability Initiatives - Environment, Japan Excellent, Inc.; <http://www.excellent-reit.co.jp/eng/contents/sustainability02.html>

risks associated with the Eligible Green Projects, while reviewing environment and social relevant data on an annual basis.

Management of Proceeds

“The Debts of Eligible Green Projects” will be calculated by multiplying the total book value of the Eligible Green Projects, which is extracted out of JEI’s portfolio, by its book value Loan to Value (LTV/ based on interest-bearing debt) ratio as of the end of its latest fiscal period. As a part of the process, JEI will ensure that the net proceeds from its relevant outstanding green bond does not surpass the Debts of Eligible Green Projects. JEI is committed to allocating the net proceeds from the relevant green bond to the Eligible Green Projects immediately after the issuance. Pending the allocation of the net proceeds to Eligible Green Projects, JEI will track and maintain an amount equal to the balance of unallocated green bond proceeds in cash and cash equivalents.

Reporting

Allocation Reporting

At issuance, JEI will disclose a confirmation on its website that it manages the proceeds in accordance with its green bond framework, and that the total amount of outstanding bonds is not in surplus of the Debts of Eligible Green Projects. After issuance, for as long as the green bonds are outstanding, it will report on the book value of all the Eligible Green Projects, the Debts of Eligible Green Projects and the total amount of outstanding green bonds as of the end of every December in order to report the latest Eligible Green Projects.

Impact Reporting

JEI is committed to disclosing the following key environment performance indicators as of the end of March on its website annually, throughout the life of the green bond.

- The number of Eligible Green Projects certified and type of certification achieved
- The total amount of the leasable floor space of the Eligible Green Projects
- The following quantitative indicators of the Eligible Green Projects (where JEI has energy control authority)
 - Electricity consumption
 - Water consumption
 - CO₂ emissions

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the JEI Green Bond Framework

Summary

Sustainalytics is of the opinion that the Japan Excellent, Inc. green bond is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of JEI's green bond framework:

- Use of Proceeds:
 - The eligibility criteria of use of proceeds, Green Buildings, is recognized by the Green Bond Principles as a project category with positive environmental benefits.
 - Strong alignment with credible Japanese regional third-party standards such as DBJ Green Building Certification and CASBEE (Please see Appendix 1 for our assessment on these certifications).
- Project Selection Process:
 - JEI's asset manager, Japan Excellent Asset Management (JEAM), has the responsibility of evaluating and selecting assets to be funded through green bonds, based on the JEI's sustainability policy.
 - These processes are executed by its sustainability council which includes C-level executives, such as the JEAM's President and directors.
- Management of Proceeds:
 - JEI is committed to allocating the net proceeds from the relevant green bonds to the Eligible Green Project immediately after issuance. Additionally, the company has an internal process in place to track and monitor the amount of outstanding and allocation of proceeds, which is in line with market practice.
- Reporting:
 - JEI is committed to reporting key environmental performance indicators including electricity consumption, water consumption and CO₂ emissions, as well as the numbers of green assets that achieve third party certification, which is in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Japan Excellent, Inc. Green Bond Framework aligns to the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to issuer's sustainability strategy

Sustainalytics reviewed JEI's sustainability policy and environmental initiatives and is of the opinion that JEI's issuance of green bonds aligns with its environmental commitment, given the following:

- JEI, through its sustainability policy, is committed to energy saving, reduction of CO₂ emissions and effective utilization of resources, in addition to cooperation with stakeholders.
- JEI has set a target of reducing on average 1% of energy consumption per year as part of its environmental initiatives.
- JEI discloses environmental performance including the consumption of electricity and water as well as the total discharge of CO₂ on its properties in 2015 and 2016.
- As part of its environment initiatives, it promotes green building certification and since 2015, has a track record of receiving DBJ Green Building Certification and CASBEE certification for their properties.

Following the assessment above, Sustainalytics is of the opinion that, by issuing green bonds, JEI will advance its sustainability commitment and reduce the environmental impacts of its buildings.

Well positioned to address common environmental and social risks associated with the projects

The potential environmental and social risks associated with green buildings include energy use, water use, CO₂ emissions, and human health. JEAM's Sustainability Council has in place an internal process to identify and mitigate such risks while committing to the review of relevant data and management of any potential risks, annually. Taking into consideration the category of use of proceeds in addition to JEAM's processes, Sustainalytics is of opinion that JEI is sufficiently positioned to mitigate risks related to the projects financed by the green bonds.

Section 3: Impact of Use of Proceeds

The use of proceeds category is recognized as impactful by the GBP. Sustainalytics has focused on the impacts within the local context below.

Importance of green buildings towards achieving energy efficiency goals in Japan

Before the Great East Japan Earthquake in 2011, nuclear energy had accounted for almost 30% of Japan's total electricity production.¹² However, the nuclear disaster in Fukushima caused by the ensuing tsunami resulted in a nation-wide shutdown of nuclear plants across Japan, further increasing pressure on Japan to meet the country's energy needs while curbing its carbon emissions to meet its COP22 targets and commitments. Seeing that the building sector accounts for one third of total energy use in Japan,¹³ the Japanese Ministry of Land, Infrastructure, Transport and Tourism established the Building Energy Efficiency Act in 8 July 2015 to improve the energy efficiency of buildings in Japan. The Act outlines regulatory measures to ensure compliance with energy efficiency standards for large-scale non-residential buildings.¹⁴ Accordingly, buildings in Japan will need to become more energy efficient in the future. Therefore, Sustainalytics is of the opinion that JEI's green bond will contribute to meeting the need to fund green building projects in Japan, resulting in positive environmental outcomes.

¹² Nuclear Power in Japan, World Nuclear Association; <http://www.world-nuclear.org/information-library/country-profiles/countries-g-n/japan-nuclear-power.aspx>

¹³ Overview of the Building Energy Efficiency Act (Japanese), Ministry of Land Infrastructure, Transport and Tourism, Japan; <http://www.mlit.go.jp/common/001178846.pdf>

¹⁴ Overview of the Act on the improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act), Ministry of Land Infrastructure, Transport and Tourism, Japan; <https://www.mlit.go.jp/common/001134876.pdf>

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Conclusion

JEI, through the green bonds issuance, intends to finance or refinance investments supporting green buildings which have achieved regional third-party certifications, DBJ Green Building Certification and CASBEE. Proceeds to be funded through the bonds will be allocated to project category which is recognized by Green Bond Principles as impactful and which advance SDG 11.

Taking into consideration that JEI has in place a target of reducing energy consumption as well as promoting on energy efficiency into buildings, the projects will advance JEI's sustainability strategy and contribute to reducing environmental impacts of buildings in Japan as per the government's commitment.

The selection of JEI's Eligible Green Projects and management of mitigating potential environmental and social risks are conducted by the JEAM's Sustainable Council that includes C-level executives, which is in line with market best practice.

JEI is committed to reporting the allocation of proceeds to Eligible Green Projects as well as quantitative environmental performance indicators including electricity consumption, water consumption and CO₂ emissions, on an annual basis. Sustainalytics views that this is in line with market practice.

Based on the above points, Sustainalytics considers JEI's Green Bond Framework to be robust, credible and transparent.

Appendices

Appendix 1: Overview and Comparison of Real Estate Certification Schemes

	DBJ Green Building Certification Programme^{15 16}	CASBEE Certification Rank¹⁷
Background	DBJ Green Building Certification Programme was launched by Development Bank of Japan in 2011 and is operated together with Japan Real Estate Institute (JREI). The programme is recognized as one of regional standards. ¹⁸ The certification is available for office buildings, logistics, residential & retail facilities.	CASBEE (Comprehensive Assessment System for Built Environment Efficiency) represents a green building management system from Japan, evaluating and rating the environmental performance of buildings and the built environment. CASBEE is formed of four assessment tools tailored to different scales: housing, building, district and city.
Certification levels	1 Star (Properties with satisfactory environmental & social awareness) 2 Stars (Properties with high environmental & social awareness) 3 Stars (Properties with excellent environmental and social awareness) 4 Stars (Properties with exceptionally high environmental & social awareness) 5 Stars (Properties with the best class environmental & social awareness)	C (Poor) B- (Slightly Poor) B+ (Good) A (Very Good) S (Excellent)
Areas of Assessment: Environmental Project Management	Evaluation of DBJ Green Building Certification includes construction specifications, environmental features as well as the following factors: <ul style="list-style-type: none"> - Disaster-prevention and anti-crime measures; - Tenants' comfort and convenience; - Harmony with the surrounding environment; - Collaboration with stakeholders (including tenants and investors); and - Environmental Investor Relations activities. 	CASBEE assesses two main factors: inside and outside the building site, which translate into Q (Built Environment Quality) and, respectively, L (Built Environment Load).
Areas of Assessment: Environmental Performance of the Building	Assessment include three areas with some examples of following subcategories: Ecology	<ul style="list-style-type: none"> • Energy Efficiency • Resource efficiency • Local environment • Indoor environment

¹⁵ Certification Overview, Development Bank of Japan; http://www.dbj.jp/en/service/finance/g_building/outline.html

¹⁶ DBJ Green Building Certification (Japanese), Development Bank of Japan; http://www.dbj.jp/service/finance/g_building/outline.html

¹⁷ CASBEE, BASBEE; <http://www.ibec.or.jp/CASBEE/english/>

¹⁸ Japan sharpens its green building focus, Read Views; <https://www.jllrealviews.com/places/japan-sharpens-its-green-building-focus/>

	<ul style="list-style-type: none"> • Energy conservation • Water resources conservation • 3R (Reduce, Reuse and Recycle) • Use of renewable energy <p>Risk management & amenities/diversity</p> <ul style="list-style-type: none"> • Security & Safety of tenant users • Convenience of tenant users <p>Community & partnership</p> <ul style="list-style-type: none"> • Landscape • Biodiversity • Relation with the local community • Owner & stakeholder relationship 	
<p>Requirements</p>	<p>Score-based performance level</p> <p>Assessment structure composed of the following three pillars:</p> <ol style="list-style-type: none"> 1. Areas of assessment The features and characteristics of the green building will be classified into three main categories: ecology, risk management & amenities/diversity, and community & partnership. Each main area consists of five subcategories and has a full score of 100 points. The entire assessment consists of 58 questions. 2. Comprehensive assessment Among the conventional assessment points, some particular importance is attached to the owner operation of the property, such as, in the risk management part, disaster prevention & anticrime measures, and in the community & partnership part, local environment-awareness initiatives. 3. Innovation point system an additional point system is adopted to reflect exceptionally innovative initiatives in each subcategory. Such initiatives need not fit in the scope of the respective questions. <p>JREI will conduct on the ground review of building performance on the indicators above, and a committee set in JREI will decide the result of certification rank.¹⁹</p>	<p>Score-based performance level</p> <p>CASBEE uses the BEE (Built Environment Efficiency) as its assessment indicator, which is calculated from Q (Built Environment Quality) as the numerator and L (Built Environment Load) as the denominator. Q and L are obtained through the classification and rearrangement of the four areas of assessment.</p> <p>Buildings may receive ranks ranging from C (poor) to S (excellent), in order of increasing BEE value.</p> <p>For authorization, a building must receive a report from the CASBEE Certification system, which is afterwards assessed by the local government.</p>

¹⁹ Process of certification (Japanese), DBJ Green Buildings; <http://igb.jp/flow.html>

<p>Performance Display</p>	<p>20</p>	
<p>Qualitative considerations</p>	<p>In addition to LEED and CASBEE, DBJ Green Buildings Certification Programme is considered as one of the green building standards in Japan.²² According to its website, as of Feb 2018, 499 properties in Japan are certified by the programme.</p>	<p>In Japan, many local governments have made CASBEE assessment results mandatory for building permits compared to similar tools available.</p>

²⁰ DBJ Green Building, Development Bank of Japan; http://www.dbj.jp/en/pdf/service/finance/g_building/gb_presentation.pdf

²¹ Built Environment Efficiency, CASBEE; <http://www.ibec.or.jp/CASBEE/english/beeE.htm>

²² Japan sharpens its green building focus, Read Views; <https://www.jllrealviews.com/places/japan-sharpens-its-green-building-focus/>

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Japan Excellent, Inc.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Japan Excellent, Inc. Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 28, 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	July 6, 2018

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Executive Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The net proceeds of the green bonds will be used to finance the acquisition of existing and/or new assets that meet the following eligibility criteria ("Eligible Green Projects") and/or to refinance the existing debts that have been allocated to Eligible Green Projects.

In order for the proceeds to be allocated to assets, Eligible Green Projects must meet the following eligibility criteria:

- Buildings that have received the following top three levels of third-party certified green building certification within the last two years as of issue date of a relevant green bond, and/or will receive during the tenor of the green bond:

- 3, 4 or 5 stars under the DBJ Green Building Certification, or
- B+, A or S rank under the CASBEE Certification

Sustainalytics is of the opinion that the use of proceeds outlined above has environmental benefits and provide a positive contribution to the JEI's sustainable strategy and society.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

JEAM's Sustainability Council, which is composed of its President, all directors, all general managers and a compliance officer, is responsible for evaluating and selecting Eligible Green Projects in line with JEI's Sustainability Policy and the eligibility criteria. Sustainalytics views these processes positively and they are in line with market best practice while considering the C-level involvement.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

"The Debts of Eligible Green Projects" will be calculated by multiplying the total book value of the Eligible Green Projects, which is extracted out of JEI's portfolio, by its book value Loan to Value (LTV/ based on interest-bearing debt) ratio as of the end of its latest fiscal period. As a part of the process, JEI will ensure that the net proceeds from its relevant outstanding green bond does not surpass the Debts of Eligible Green Projects. JEI is committed to allocating the net proceeds from the relevant green bond to the Eligible Green Projects immediately after the issuance. Pending the allocation of the net proceeds to Eligible Green Projects, JEI will track and maintain an amount equal to the balance of unallocated green bond proceeds in cash and cash equivalents. Sustainalytics considers that this is aligned with market practice.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Allocation Reporting
At issuance, JEI will disclose a confirmation on its website that it manages the proceeds in accordance with its green bond framework, and that the total amount of outstanding bonds is not in surplus of the Debts of Eligible Green Projects. After issuance, for as long as the green bonds are outstanding, it will report on the book value of all the Eligible Green Projects, the Debts of Eligible Green Projects and the total amount of outstanding green bonds as of the end of every December in order to report the latest Eligible Green Projects.

Impact Reporting
JEI is committed to disclosing the following key environment performance indicators as of the end of March on its website annually, throughout the life of the green bond.

- The number of Eligible Green Projects certified and type of certification achieved
- The total amount of the leasable floor space of the Eligible Green Projects
- The following quantitative indicators of the Eligible Green Projects (where JEI has energy control authority)
 - Electricity consumption
 - Water consumption
 - CO₂ emissions

Sustainalytics considers the JEI's reporting to be in line with market standard while JEI ensures of disclosing the allocation which is not over the Debt of Eligible Green Projects as well as quantitative environment performance indicators.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- Annual Semi-annual
 Other (please specify):

Impact reporting:

- Project-by-project On a project portfolio basis
 Linkage to individual bond(s) Other (please specify):

Frequency:

- Annual Semi-annual
 Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
 Decrease in water use Other ESG indicators (please specify): electricity consumption and water consumption

Means of Disclosure

- Information published in financial report Information published in sustainability report
 Information published in ad hoc documents Other (please specify): JEI's website
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
 Verification / Audit Rating
 Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second Party Opinions" may fall into this category.
- ii. **Verification:** An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- iv. **Rating:** An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

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