



R&I Green Bond Assessment/Second Opinion

March 26, 2021

Renewable Japan Co., Ltd.

RJ Renewable Energy Project Bond IX Trust

Certificate/ABL(PV Power Plant,Ei-cho,

Minami Kyushu-shi) : GA1 (Formal)

: Second Opinion

ESG Division
Chief Analyst: Tomoaki Hirokata

Rating and Investment Information, Inc. (R&I) has assigned an R&I Green Bond Assessment for the trust certificate and ABL which issue this time. R&I announced a preliminary assessment for this instrument on January 25, 2021. The preliminary assessment has now been converted to a formal assessment. In addition, R&I reannounces the Second Opinion which means the alignment of the Green Bond Framework with the "Green Bond Principles 2018" and "Green Loan Principles 2020" issued as of January 25, 2021.

■ DESCRIPTION OF INSTRUMENT

INSTRUMENT NAME	RJ Renewable Energy Project Bond IX Trust Certificate/ABL (PV Power Plant,Ei-cho, Minami Kyushu-shi)
BOND TRUSTEE	Hitachi Capital Trust Corp.
SPONSOR AND ASSET MANAGER	Renewable Japan Co., Ltd.
ISSUE AMOUNT (mn)	Trust Certificate : JPY 6,450 / ABL : JPY 3,500 (Total amount of Trust Certificate/ABL : JPY 10,500)
R&I GREEN BOND ASSESSMENT	GA1 (Formal)
ISSUE DATE	March 26, 2021
LEGAL MATURITY DATE	February 20, 2041

■ Summary

Renewable Japan (hereinafter called as RJ) is a developer and operator of renewable energy power plants represented by photovoltaic (PV) power plants. With a high level of expertise and experience in the solar power generation business, RJ has developed 106 operational PV power plants across Japan as of the end of December 2020 and has been committed to EPC for certain projects.

RJ now considers issuing a green bond (trust certificate) and green loan (ABL) through a power generation SPC to raise a fund to construct a PV power plant under development and purchase PV power plants in operation, and has established a green bond framework that provides practical guidelines for four standards of Green Bond Principles, etc.: use of proceeds; process for project evaluation and selection; management of proceeds; and reporting.

The issuance of the green bond takes the project finance scheme where a project is conducted through a dedicated special purpose company. Since the green bond and green loan (hereinafter collectively referred to as green bond) under assessment is backed by the project assets, in assessing the green bond framework and green beneficiaries, R&I evaluated RJ, a sponsor and asset manager (hereinafter referred to as AM) that virtually pursues and operates the project, as an issuer of the green bond in substance.

■ R&I Green Bond Assessment

R&I has judged, in accordance with R&I Green Bond Assessment Methodology, that the proceeds from the green bond would be invested into projects with significant environmental benefits, and assigned GA1

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(Contact) Customer Service Department, Sales and Marketing Division: Terrace Square, 3-22, Kandanshiki-cho, Chiyoda-ku, Tokyo 101-0054, Japan TEL 03-6273-7471
R&I Green Bond Assessment is R&I's opinion regarding the extent to which the proceeds from the issuance of green bonds are used to invest in projects with environmental benefits and is not statements of fact. R&I Green Bond Assessment does not certify the environmental benefits and other qualities of the eligible projects. Hence, R&I will not be held responsible for the effectiveness of the projects, including their environmental benefits. R&I Green Bond Assessment is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business. Further, R&I does not give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing R&I Green Bond Assessment and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to R&I Green Bond Assessment (including amendment or withdrawal thereof). As a general rule, R&I issues R&I Green Bond Assessment for a fee paid by the applicant. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

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(Formal) to the green bond.

Assessment by Item

Item	Assessment
Use of proceeds	
Process for project evaluation and selection	
Management of proceeds	
Reporting	
Environmental activities of the issuer	

* Each item is assessed on a 5-point scale, from  (highest) to  (lowest).

■Second Opinion on the alignment with Green Bond Principles, etc.(written again)

R&I has provided a second opinion that the green bond framework is aligned with Green Bond Principles 2018 and Green Loan Principles 2020 (hereinafter collectively referred to as Green Bond Principles, etc.).

Note that R&I has confirmed that the green bond scheduled to be issued is going to be in conformity to the said framework from the perspectives of issue amount and term, details of eligible projects, assets and investment schedule, etc.

■Rationale

- The entire proceeds from the issuance of the green bond will be used to purchase a PV power plant under operation in Ei-cho, Minami Kyushu-city, Kagoshima prefecture. The sponsor and asset manager of the power plant is RJ. The use of the proceeds is a renewable energy project that can put less burden (CO2 emission reduction effect) on the environment and pays due consideration to environmental impact associated with the development. For these reasons, R&I has judged that the proceeds would be invested into projects with significant environmental benefits.
- The selection of eligible green bond projects was made in an organizational process led by Business Development Dept. that developed a business plan after discussing with each relevant department and obtained approval of Management Meeting and board of directors. Moreover, the projects is in conformity with RJ's corporate philosophy "Strive for the creation of a sound future as a provider of sustainable energy" and environmental policy "Contribute to a low carbon society"
- The total amount of the projects exceed the proceeds from the issuance of the green bond. The proceeds will be used after funding immediately.
- Unallocated proceeds shall be managed using a dedicated deposit account of the power generation SPC. Withdrawals shall be strictly managed and allowed only when conditions precedent are satisfied. Investors will be periodically updated with the progress of the projects, while being sought approval of and reported on the allocation of the proceeds as needed.
- The status of the proceeds allocation and reduced CO2 emissions of the projects will be disclosed once a year on RJ's CSR report or company website.
- RJ strives to contribute to the realization of a low-carbon society through the development and operation of renewable energy generation facilities represented by PV power plants.

■ Outline of Sponsor and Asset Manager (Renewable Japan Co., Ltd.)

Renewable Japan (RJ) is an independent renewable energy developer and operator founded in 2012. RJ primarily engages in solar power generation, while striving to diversify power generation sources including wind power, biomass, and so on.

RJ has developed PV power plants in 106 locations in operation across Japan (as of the end of December 2020), and, in some of these 10MW above capacity development projects, also acted as an EPC service provider. Currently Minami Kyushu Ei-cho Solar Power Station was completed (in July 2020, approximately 25.79MW). Hence, RJ is considered a specialist with a strong track record in solar power generation business. Most recently, RJ has entered into a joint innovative project which involves development and operation of PV power plants (Yoshitaka PV Power Plant and Suzugasawa PV Power Plant in Ichinoseki city, of 5.3MW in total) to establish a solar sharing project that enables both solar power generation and barley/wheat cultivation on a national development farm in Ichinoseki city, Iwate.

RJ is also a sponsor for Renewable Japan Energy Infrastructure Fund, Inc. (the Fund) that primarily invests in renewable energy power generation facilities. Based on “Sustainability Policy” established by RJ Investment, a subsidiary of RJ, the Fund’s investment as well as RJ’s group-wide effort are focused on promoting renewable energy.

Renewable Japan Energy Infrastructure Fund, Inc. was listed on the TSE Infrastructure Fund Market in March 2017. The fund has acquired 10 PV power plants (with a panel output of approximately 16.8MW) in February 2019 and currently consists of 46 portfolio PV power plants (with a panel output of approximately 88.7MW) as of the end of July 2020. The Fund is the first Japanese fund that participated in GRESB (Global Real Estate Sustainability Benchmark) Infrastructure, which was implemented in 2017, and granted the third place of general evaluation among ten participants of the “renewable energy” peer group. Moreover, the Ichinoseki-based Kanazawa PV Power Plant owned by the Fund obtained a three-star (five-star is the highest) of the global relative evaluation of GRESB rating for two consecutive years in 2017 and 2018, and was elected as the third place among eight PV power plants in Asia. In 2018, the Nishinono PV Power Plant in Kashiwacho, Ise city, was also rated three-star and elected as the second place among eight PV power plants in Asia. The estimated CO2 emission reduction at 17 plants owned by the Fund as of the end of July 2018 reaches 14,800 ton per year.

Under the RJ’s corporate philosophy, “A brighter future through sustainable energy,” and the RJ’s Environmental policy, RJ strives to contribute to a low-carbon society by promoting renewable energy as a specialized renewable energy plant operator.

As a part of its initiatives, RJ has established a green bond framework in 2018 (Revised in August 2020) and issued green bond (or green loan) listed below. In taking continuous environmental initiatives, the issuance of a green bond may contribute to deepening the understanding and acceptance of various stakeholders of RJ.

Issue day	Instrument Name
Feb. 2019	RJ Renewable Energy Project Bond III Trust Certificates (MS Power Plant, Noboribetsu city, Hokkaido)
Jun. 2019	RJ Renewable Energy Project Bond IV Trust Certificate/ ABL (PV Power Plant, Korekawa, Hachinohe city)
Nov. 2019	RJ Renewable Energy Project Bond VI Trust Certificate/ ABL (PV Power Plant, Tono Super Generation)
Dec. 2019	RJ Renewable Energy Project Bond V Trust Certificate/ ABL (Portfolio of 10 completed higt-voltage plant projects)
Aug. 2020	RJ Renewable Energy Project Bond VII Trust Certificate/ ABL (Portfolio of 12 completed higt-voltage plant projects)
Feb. 2021	RJ Renewable Energy Project Bond VIII Trust Certificate/ ABL (PV Power Plant, Daito, Ichinoseki city project)

■ Outline of Green Bond Framework (RJ Green Bond)

At the issue of its green bond, Renewable Japan has prepared a green bond framework that constitutes issuer's practical guidelines for the four standards of Green Bond Principles including use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. The outline of the framework is as follows:

1. Use of Proceeds

- The proceeds from the green bond will be allocated to projects that satisfy the following selection criteria.

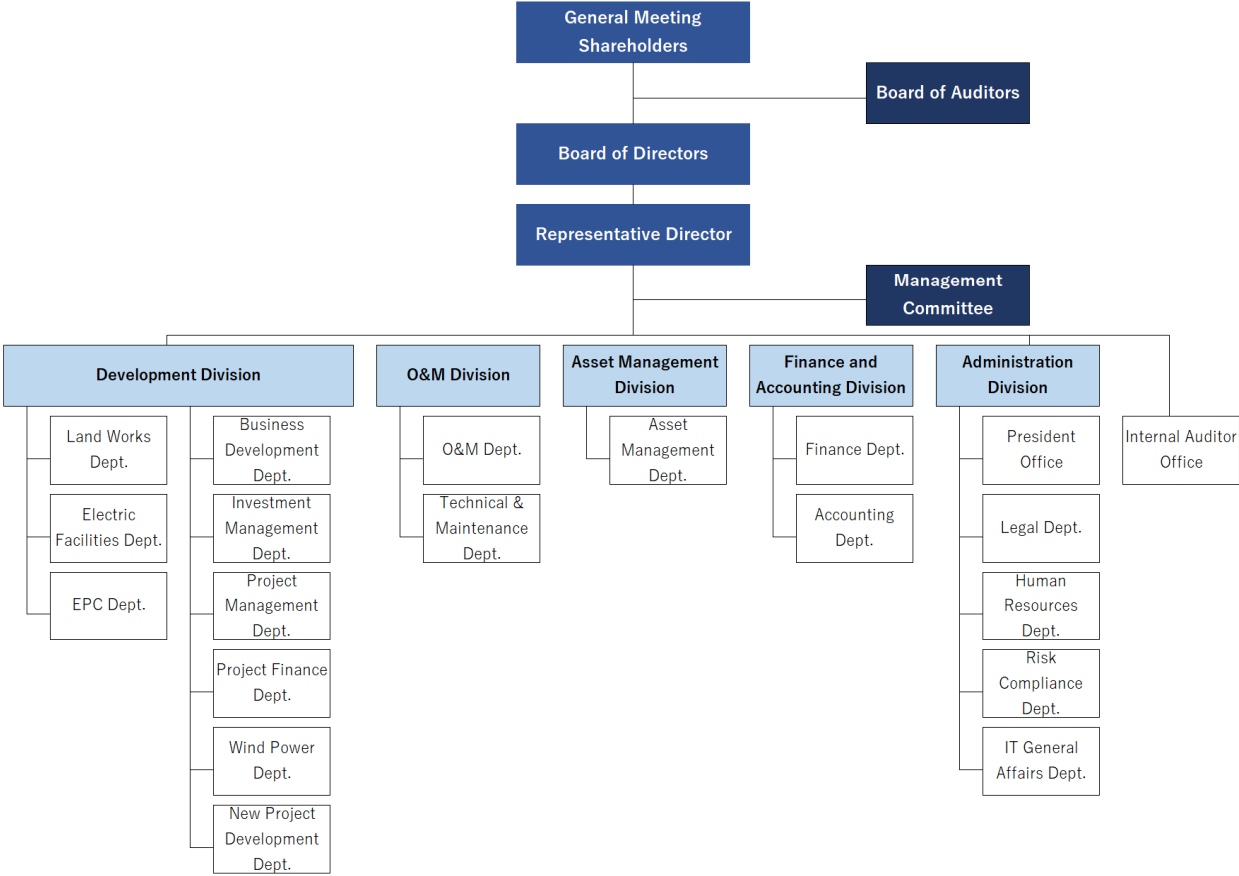
Project Category	Business description
Renewable energy	PV power plants, wind power plants, biomass power plants, etc.

- Eligible projects are renewable energy projects conducted by RJ. The asset class, which is now focused on solar power generation, is assumed to expand to a range of wind and biomass power generation in the future.
- Because financing through a project finance scheme, the proceeds will be used to pay costs incurred by a power generation SPC. Specifically, the use of proceeds includes fund that will be needed for the development, purchase and operational management of a renewable energy plants, fund for reserve and a new development fund.
- As a green bond is to be issued for individual power generation SPC, underlying green assets shall not be converted.
- Potentially negative aspects of environmental impact associated with a solar power generation project generally include a damage and adverse effect on ecosystems, outflow of muddy water, light pollution and impairment of landscape, as well as sound and vibration generated by relevant facilities, resulting from large-scale land development. RJ's development of a power plant is in conformity with relative laws, regulations and ordinances concerning the forest development environmental conservation and cultural properties protection, etc. RJ also conducts a meeting to explain to nearby residents to address negative aspects of environmental and social impact. The same applies to in the case of purchasing a power plant.

2. Process for Project Evaluation and Selection

- As a specialized renewable energy plant operator, RJ declares in its corporate philosophy to "A brighter future through sustainable energy." RJ has also established a corporate slogan "Everyone is energy hero," and an environmental policy with the aim of "Contribution to a sustainable Low-carbon Society."
- Based on these corporate philosophy and policy, RJ is involved in business activities of renewable power generation that could realize an earth-conscious, sustainable society.
- The eligible green bond projects are renewable power generation projects and conform to RJ's philosophy, policy, and actual business activities.
- The renewable energy projects have a potential for providing a high degree of environmental benefits (effects of CO2 emission reduction), and are developed and operated while giving due consideration to potentially negative aspects of environmental and social impact.
- Selection of eligible projects is led by Business Development Dept. that develops a business plan after discussing with each relevant department(Department responsible for project finance, financing, power plant construction, sale, operation management, etc.) and resolved at Management Committee and board of directors.

- The organizational structure of RJ:



■ R&I's corporate philosophy and environmental policy are as follows:

Corporate Philosophy

● **Vision** : **The society we want to realize**

A brighter future through sustainable energy

● **Mission** : **What we should do to realize our vision**

Create high-quality renewable energy power plants and operate them safely

Leverage financial know-how to expand the use of renewable energy

Revitalize local communities with renewable energy

● **Value** : **What we cherish while carrying out our missions**

As a corporate member of society, Renewable Japan cares about the environment and recognizes that care for local environments is essential for business continuity. Our power stations depend on local communities and we will grow in unison with these communities by making a sustainable low-carbon society a reality.

Renewable Japan Environmental Policy

● **Low-carbon society**

We help the international community achieve low-carbon societies through our renewable energy business operations.

● **Long-standing commitment**

Our power generation business operations continue to care for local communities and the environment in compliance with relevant laws, regulations and guidelines for many years to come.

● **Environmental contribution on a daily basis**

As part of our environmental activities, we raise awareness of environmental issues among

3. Management of Proceeds

- Proceeds from the green bond are segregated in a proprietary account held by the power generation SPC by the projects pursuant to the conditions of relevant finance-related and project-related agreements, and allocated solely to the eligible green projects.
- Proceeds are withdrawn strictly pursuant to the conditions set forth in each project finance agreement following confirmation that preconditions are satisfied. Unallocated proceeds shall be retained as deposit.
- Investors will be updated with the progress of the projects periodically, and sought approval of and updated with the proceeds allocation status as needed.

4. Reporting

- RJ plans to disclose green bond reporting on the company's CSR report or website once a year until the green bond is redeemed.
- The report mainly contains the following two points: (1) proceeds allocation status; and (2) impact reporting (including performance).
 - (1) will continue until the allocation is completed.
 - (2) will include annual energy production and CO2 emission reduction of the projects.
- The reporting will be presented as follows:

RJ Renewable Energy Project Bond [Reporting Images]

yyyy/mm

Project Bond	Issue Amount [mn]	Allocation Ratio*	Project		Annual total output of the power plant** [kWh/year]	CO2 emission reduction*** [t-CO2/year]
			Category	Status		
Bond I	●	[●]%	Renewable Energy	PV power	Selling	●
Bond II	●	[●]%	Renewable Energy	PV power	Selling	●
Bond III (GB)	●	[●]%	Renewable Energy	PV power	Selling	●
Bond IV (GB)	●	[●]%	Renewable Energy	PV power	under construction	●
						●

* Allocation Ratio of Proceeds for green project. Unallocated proceeds shall be retained in trust account as deposit.

At the completion of construction, proceeds will be allocated in full.

** 1 year before COD is predicted output, 1 year after COD is Actual output

*** CO2 emission reduction = 「Annual Production [kWh] 」 × 「Power Emission Factor (t-CO2/kWh) 」

■ Second Opinion (Conformity Evaluation)

In line with R&I Green Bond Assessment Methodology, R&I evaluated if the green bond framework prepared by Renewable Japan is in conformity to Green Bond Principles 2018 and Green Loan Principles (hereinafter collectively referred to as Green Bond Principles, etc.).

1. Use of Proceeds

For green bond proceeds to be used to invest in projects with environmental benefits, the eligible projects in which the funds are invested must be identified as being environmentally beneficial.

Main basis for evaluation

- Details of the framework
- Confirmation of the contents of each of the projects eligible for the green bond

Evaluation

- Under the framework, the proceeds will be used to pay costs incurred by a power generation SPC engaged in RJ's renewable energy projects.
- The eligible projects of the transaction are solar power generation, a type of renewable energy, which is an eligible green asset that provides significant environmental benefits (CO2 emission reduction effect).
- R&I implemented interviews and surveys in writing on RJ's assessment criteria for eligibility including (1) sufficiency of environmental benefit from eligible assets, and (2) consideration given to potentially negative aspects of environmental impact at the time of development and operation.
- Regarding (1), R&I has judged eligible assets will be expected to have high environmental benefits (CO2 emission reduction effect) based on the confirmation of RJ's policy of judgment on eligibility of power plant, system, track record, and the system of O&M etc.
- Regarding (2), R&I has judged the projects are considered on potentially negative aspects of environmental impact through the confirmation of the status of obtaining approval required during development and operation and working in harmony with neighboring residents or not etc.

For the reasons stated above, R&I has judged the use of proceeds under the framework is in conformity to Green Bond Principles etc.

2. Process for Project Evaluation and Selection

For green bond proceeds to be used to invest in projects with environmental benefits, the issuer's rationale and process regarding the selection of eligible projects must be clear and reasonable.

Main basis for evaluation

- Details of the framework
- RJ's corporate philosophy, corporate slogan, and environmental policy

Evaluation

- The eligible projects conform to RJ's corporate philosophy, corporate slogan, and environmental policy.
- The eligible projects are considered to have sufficient environmental benefits and due consideration is given to potentially negative aspects of environmental and social impact.
- Evaluation and selection of eligible projects follow an organizational process led by Business Development Dept. that develops a business plan for each project after discussing with relevant departments and obtains approval of Management Committee and board of directors.

For the reasons stated above, R&I has judged the process for project evaluation and selection under the framework is in conformity to Green Bond Principles etc.

3. Management of Proceeds

For the green bond proceeds to be used to invest in projects with environmental benefits, the proceeds must be allocated to eligible projects, and must not be invested in projects other than eligible projects.

Main basis for evaluation

- Details of the framework

Evaluation

- Proceeds from the green bond are segregated in a proprietary account held by the power generation SPC, and allocated solely to the eligible green project. Therefore, proceeds from individual green bonds will not be used in non-related projects.
- Proceeds are withdrawn strictly pursuant to the conditions set forth in each project finance agreement following confirmation that preconditions are satisfied.
- Unallocated proceeds will be retained as short-term liquid assets, or deposit.
- Investors will be updated with the appropriately-managed progress and proceeds allocation status of the projects as needed.

For the reasons stated above, R&I has judged that the policy for management of proceeds under the framework is in conformity to Green Bond Principles etc.

4. Reporting

To ensure that green bond proceeds are used to invest in projects with environmental benefits, the issuer is expected to provide details on the eligible projects, the timing of investments, and the environmental benefits yielded by the projects.

Main basis for evaluation

- Confirmation of the framework details
- Confirmation of details of reporting to be disclosed

Evaluation

- Reporting on the green bond will be posted on RJ's CSR report or website on an annual basis until the green bond is redeemed.
- It contains the proceeds allocation status and impact reporting (including annual energy production and emission reduction) for each issue, which is deemed adequate.

For the reasons stated above, R&I has judged that the policy for management of proceeds under the framework is in conformity to Green Bond Principles etc.

<Comprehensive Evaluation>

R&I has judged that the framework is in conformity to Green Bond Principles etc.

■ R&I Green Bond Assessment

In line with the assessment methodology of R&I Green Bond Assessment, R&I confirmed if the amount and term of the green bond and green loan (hereinafter collectively referred to as green bond) to be issued, as well as details of eligible projects and the allocation schedule, etc. thereof, are in conformity to the provisions of the framework. Also, in accordance with the details of the framework and specific measures to be taken for the green bond, R&I evaluated the extent the proceeds from the green bond are used to invest in businesses with environmental benefits.

Project finance credit rating has also been assigned to the eligible projects of this transaction. Judging from the project feasibilities verified prior to assigning credit rating, the eligible projects are deemed to have sufficient environmental benefits.

1. Use of Proceeds

- Eligible project of this green bond is the PV power plant in Ei-cho, Minami Kyushu-shi, Kagoshima prefecture. Purchase costs incurred by a power generation SPC engaged in the eligible PV power plant under the framework was selected as an eligible green bond projects, which conform to the green bond framework. Along with the evaluation of the framework, R&I verified (1) if the eligible projects provide sufficient environmental benefits, and (2) if due consideration is given to potentially negative aspects of environmental impact at the time of development and operation.
- As a result, the eligible projects are deemed to be highly feasible and have sufficient environmental benefits (CO2 emission reduction effect) from the aspects of securing of project sites, details of power generation facilities, contents of technical reports and the O&M system, among others. In addition, R&I has judged PV power plant is generating power steadily and appropriate environmental consideration are also given through in project-related materials and on-site inspections that due consideration to a potentially negative aspect (including such as consideration of local residents, Implementation of logging and post-felling afforestation in conformity with the forest development plan of Minami Kyushu city etc.) of environmental impact being given to the project development, purchase and operation.

For the reasons above, R&I deems that the extent to which the green bond proceeds are used to invest in projects with environmental benefits is especially excellent.

2. Process for Project Evaluation and Selection

- R&I confirmed that the eligible green bond projects were selected in conformity with the framework established by the issuer, following a discussion between Business Dept. and other departments involved in the project and an approval of Management Meeting and board of directors.
- R&I deems that the process for project evaluation and selection is very clear and reasonable.

3. Management of Proceeds

- R&I confirmed that proceeds from the green bond to be segregated in a proprietary account for the projects, pursuant to the framework established by the issuer and finance-related agreements of the transaction.
- The total amount of the projects exceed the proceeds from the issuance of the green bond. The proceeds will be used after funding immediately.
- R&I deems that the framework for managing the green bond proceeds is properly determined and especially excellent.

4. Reporting

- R&I confirmed the reporting on proceeds allocation status and environmental benefits will be conducted once a year until the green bond is redeemed, pursuant to the framework established by the issuer.
- R&I deems that the reporting policy of the green bond is excellent in content and frequency.

5. Environmental activities of the issuer

The extent the proceeds from a green bond is used to invest in businesses with environmental benefits is considered to be affected by issuer's attitude toward environmental activities and track records of such activities. This is because an issuer with higher interest in and more track records of environmental activities are more likely to allocate proceeds from a green bond to businesses with environmental benefits and get those businesses done.

- As a proprietary renewable energy project operator, RJ declares in its corporate philosophy, corporate slogan and environmental policy that it contributes to an earth-conscious, sustainable society and a low-carbon economy by promoting the spread of renewable energy.
- In fact, it has developed PV power plants in operation in 106 locations across (as of the end of December 2020), and, in some of these development projects, even provided EPC service. Recently, it has entered into an innovative solar sharing project that combines both solar power generation and agriculture together with other companies.
- Moreover, as a core company of the RJ Group, it proactively engages in solar power generation projects, for example, by establishing an infrastructure fund that primarily invests in renewable energy power generation facilities.
- Five companies jointly established Renewable Energy Association for Sustainable Power supply (REASP) on behalf of RJ President and representative director Katsuhito Manabe on December 18, 2019. RJ Continues activities aimed at expanding the use of renewable energy.
- 5 companies including co-founded company for REASP has agreed to collaborative research on “FOURE (Reciprocal and Regional Revitalization with Renewable energy) concept” on October 19,2020. RJ aims to mutually develop renewable energy and the region, and support the region where the renewable energy plant is located, and develop together.



For the reasons above, R&I deems that RJ's involvement in environmental contribution activities is excellent.






<Comprehensive evaluation>

For the reasons stated above, R&I has judged that the green bond will be issued under the framework established by the issuer and is in conformity to Green Bond Principles etc.

R&I also evaluated the green bond in line with R&I Green Bond Assessment. In accordance with the comprehensive evaluation based on individual evaluation result by item, R&I has judged that the proceeds from the green bond subject to evaluation is highly likely to be used to invest in businesses with environmental benefits and assigned GA1 (Formal) to the bond. Individual evaluation result by item is as follows:

【Assessment of each item】

Each item has been assessed on a scale of one to five, with  being the highest and  being the lowest.

Item	Assessment	Summary
Use of proceeds		The eligible projects are considered to have sufficient environmental benefits, and due consideration is given to potentially negative aspects of environmental impact. R&I deems that the extent to which the proceeds are used to invest in projects with environmental benefits is especially excellent.
Process for project evaluation and selection		R&I deems that the process for evaluating and selecting the green bond projects are very clear and reasonable.
Management of proceeds		R&I deems that the framework for managing the green bond proceeds is properly prepared and considered to be especially excellent.
Reporting		R&I deems that the policy for the green bond project reporting is excellent in content and frequency.
Issuer's environmental contribution activities		R&I deems that the issuer's involvement in environmental contribution activities is excellent.

The methodology for R&I Green Bond Assessment is disclosed on R&I's website.

https://www.r-i.co.jp/en/rating/products/green_bond/methodology.html

[Disclaimer]

R&I Green Bond Assessment is R&I's opinion regarding the extent to which the proceeds from the issuance of green bonds are used to invest in projects with environmental benefits. In R&I Green Bond Assessment, R&I may also provide a second opinion on a green bond framework. R&I Green Bond Assessment does not certify the environmental benefits and other qualities of the eligible projects. Hence, R&I will not be held responsible for the effectiveness of the projects, including their environmental benefits. R&I Green Bond Assessment is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business.

R&I Green Bond Assessment is not, in any sense, statements of current, future, or historical fact and should not be interpreted as such, and R&I Green Bond Assessment is not a recommendation to purchase, sell, or hold any particular securities and does not constitute any form of advice regarding investment decisions or financial matters. R&I Green Bond Assessment does not address the suitability of an investment for any particular investor. R&I issues R&I Green Bond Assessment based on the assumption that each investor will investigate and evaluate the securities which they plan to purchase, sell, or hold for themselves. All investment decisions shall be made at the responsibility of the individual investor.

The information used when R&I issues R&I Green Bond Assessment is information that R&I has determined, at its own discretion, to be reliable. However, R&I does not undertake any independent verification of the accuracy or other aspects of that information. R&I makes no representation or warranty, express or implied, as to the accuracy, timeliness, adequacy, completeness, merchantability, fitness for any particular purpose, or any other matter with respect to any such information.

R&I may suspend or withdraw R&I Green Bond Assessment at its discretion due to insufficient data or information, or other circumstances.

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As a general rule, R&I issues R&I Green Bond Assessment for a fee paid by the applicant.

Japanese is the official language of this material and if there are any inconsistencies or discrepancies between the information written in Japanese and the information written in languages other than Japanese the information written in Japanese will take precedence.

[Expertise and Third-Party Characteristics]

R&I has launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment.

The R&I assessment method and results can be found on the R&I website (<https://www.r-i.co.jp/en/rating/esg/index.html>).

There is no capital or personal relationship between R&I and the fundraiser that could create a conflict of interest.



Green Bond / Green Bond Programme Independent External Review Form

Section 1. Basic Information

Issuer name: Renewable Japan Co., Ltd. (Sponsor and Asset Manager)

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

Independent External Review provider's name: Rating and Investment Information, Inc. (R&I)

Completion date of this form: March 26, 2021

Publication date of review publication: March 26, 2021

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 INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

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

Latest update: June 2018

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

<Second Party Opinion: Second Opinion>

R&I has provided a second opinion that the green bond framework is aligned with the Green Bond Principles 2018 and Green Loan Principles 2020 .

<Scoring/Rating: R&I Green Bond Assessment>

R&I has judged, in accordance with R&I Green Bond Assessment Methodology, that green bond proceeds are used to invest in projects with environmental benefits to a significant degree, and assigned GA1 (Formal) to the green bond.

For details, please refer to the report 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):*

<Second Opinion>

For details, please refer to "Second Opinion, 1. Use of Proceeds" in the report above.

<R&I Green Bond Assessment>

For details, please refer to "R&I Green Bond Assessment, 1. Use of Proceeds" in the report above.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" 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 type="checkbox"/> Green buildings (Environmentally Responsible Building) |
| <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):

<Second Opinion>

For details, please refer to "Second Opinion, 2. Process for Project Evaluation and Selection" in the report above.

<R&I Green Bond Assessment>

For details, please refer to "R&I Green Bond Assessment, 2. Process for Project Evaluation and Selection" in the report above.

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 checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

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

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

<Second Opinion>

For details, please refer to "Second Opinion, 3. Management of Proceeds" in the report above.

<R&I Green Bond Assessment>

For details, please refer to "R&I Green Bond Assessment, 3. Management of Proceeds" in the report above.

Tracking of proceeds:

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

Additional disclosure:

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

4. REPORTING

Overall comment on section (if applicable):

<Second Opinion>

For details, please refer to "Second Opinion, 4. Reporting" in the report above.

<R&I Green Bond Assessment>

For details, please refer to "R&I Green Bond Assessment, 4. Reporting" in the report above.

R&I deems that the reporting policy of the green bond is excellent in content and frequency.

Use of proceeds reporting:

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

Information reported:

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

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

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

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Annual output of the PV power plant |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Sponsor's website |
| <input type="checkbox"/> 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.)

- 1. The evaluation methodology and services
<https://www.r-i.co.jp/en/rating/products/esg/index.html>

- 2. Evaluation performance
 - (1) Green Finance
<https://www.r-i.co.jp/en/rating/esg/greenfinance/index.html>

 - (2) Sustainability Finance
<https://www.r-i.co.jp/en/rating/esg/sustainabilityfinance/index.html>

 - (3) Social Finance
<https://www.r-i.co.jp/en/rating/esg/socialfinance/index.html>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|---|
| <input type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

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

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.