

Second-Party Opinion

Mitsui Fudosan

Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Mitsui Fudosan Co., Ltd. ("Mitsui Fudosan" or "the Company") Green Bond Framework (the "Framework") aligns with the four core components of the Green Bond Principles 2018 (GBP). 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 GBP. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9.



PROJECT EVALUATION / SELECTION Eligible projects will be evaluated and selected by Mitsui Fudosan's ESG Promotion Department and Accounting and Finance Department and will be reviewed by the ESG Promotion Committee, which is headed by the Representative Director, President and CEO, based on eligibility criteria. Final decisions will be made by the officer administering the Accounting and Finance Department. Sustainalytics considers the Company's project evaluation and selection process to be aligned with market practices.



MANAGEMENT OF PROCEEDS Finance Group at Mitsui Fudosan's Accounting and Finance Department will track the amount of allocated and unallocated proceeds of the green bonds once a year, using the internal management system of Mitsui Fudosan and such affiliates of the Company until the maturity of green bonds. Pending full allocation of the net proceeds, an amount equal to the unallocated balance will be maintained in cash equivalents. Sustainalytics views the Company's process for managing proceeds as aligned with market practices.



REPORTING Mitsui Fudosan intends to annually report on the allocation of the net proceeds of green bonds and positive environmental impacts on its website until full allocation. The allocation reporting will include an overview of funded projects, the amount of allocated proceeds, and the date of allocation and relevant environmental performance indicators. Mitsui Fudosan is committed to receive a review by an independent third-party organization on the compatibility of the use of proceeds and the eligibility criteria until full allocation. Sustainalytics considers the Company's reporting and commitment regarding annual review as aligned with market practices.

Evaluation date	August 3, 2020
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Issuer Location	Tokyo, Japan
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For inquiries, contact the Sustainable Finance Solutions project team:

Wakako Mizuta (Tokyo)
Project Manager
wakako.mizuta@sustainalytics.com
(+81) 3 4510 2343

Marie Toyama (Tokyo)
Project Support
marie.toyama@sustainalytics.com
(+81) 3 4510 2343

Alignment with Japan's Green Bond Guidelines 2020

Sustainalytics is of the opinion that the Framework is in line with Japan's Green Bond Guidelines 2020. The guidelines communicate what an issuer is expected to do to issue a credible green bond. Sustainalytics assessed the alignment between the Framework and the 'should' items outlined in the Japan's Green Bond Guidelines 2020.

Introduction

Mitsui Fudosan is a leading Japanese comprehensive real estate company and operates in overseas including New York, London, Malaysia and Taiwan, in addition to Japan. Mitsui Fudosan is mainly engaged in the development and operations of office buildings and commercial facilities as well as the sales and management of condominiums. The Company was founded in 1941 with the real estate division separated from its predecessor. Headquartered in Tokyo.

Mitsui Fudosan has developed the Mitsui Fudosan Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, projects that reduce the environmental footprint of its owned facilities in Japan and internationally. The Framework defines eligibility criteria in the following area:

1. Green Buildings

Mitsui Fudosan engaged Sustainalytics to review the Framework, dated July, 2020 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the GBP¹ and Japan’s Green Bond Guidelines 2020.² A summary overview of the Framework has been provided in Appendix 1.

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics’ assessed the following:

- The Framework’s alignment with the GBP, as administered by ICMA, and Japan’s Green Bond Guidelines 2020
- The credibility and anticipated positive impacts of the use of proceeds
- The alignment of the issuers sustainability strategy and performance and sustainability risk management in relation to the use of proceeds

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.4.1, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Mitsui Fudosan’s Accounting and Finance 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 Framework. Mitsui Fudosan representatives have confirmed (1) they understand it is the sole responsibility of Mitsui Fudosan to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Mitsui Fudosan.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The

¹ International Capital Market Association, “The Green Bond Principles (GBP) 2018”, at: <https://www.icmagroup.org/green-social-and-sustainabilitybonds/green-bond-principles-gbp/>

² Ministry of the Environment, Japan, “Green Bond Guidelines, 2020”, at: http://www.env.go.jp/policy/guidelines_set_version_with%20cover.pdf

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Mitsui Fudosan has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Mitsui Fudosan Green Bond Framework

Sustainalytics is of the opinion that the Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligibility category for the use of proceeds, Green Buildings, is recognized by the GBP as a project category with environmental benefits. The use of proceeds will be conducive to achieving buildings and communities with low environmental impacts that are promoted by the Company, and also be measures against climate change through the reduction of greenhouse gas (GHG) emissions from buildings. Please refer to Section 3 for Sustainalytics' in-depth assessment of the environmental benefits expected from the use of proceeds.
 - Under the eligibility criteria for the use of proceeds defined by the Framework, it will finance expenditures related to development, construction, renovation, and acquisition of properties that have received or are expected to receive the top two levels of third-party green building certifications (LEED, BREEAM, CASBEE for Buildings (New Construction, Existing Buildings, and Renovation), CASBEE for Real Estate, DBJ Green Building Certification, BELS, BCA Green Mark Certification, HQE, DGNB). Sustainalytics views Mitsui Fudosan's eligibility criteria as aligned with market practices as investments in green buildings with higher environmental performance and generally preferred by investors. (Please refer to Appendix 2 for an overview and comparison of green building certification schemes.)
 - In selecting eligible projects, Mitsui Fudosan has restricted the use of proceeds for expenditures on properties certified under the above-mentioned certification schemes, as well as the top 15% most energy-efficient buildings in respective regions, based on criteria of third-party organizations including Climate Bonds Initiative, and refurbishments to properties in order to improve energy efficiency by 20% or more, in addition to reduction of water consumption and improvement of waste conversion rates. Sustainalytics has a positive assessment on setting such threshold levels as practical values and views it to be aligned with market practices.
 - Mitsui Fudosan plans to allocate the proceeds of the green bonds to new and existing projects. Mitsui Fudosan specified in the Framework to apply a look-back period for existing projects of two years from the date of the green bond issuance.
- Project Evaluation and Selection:
 - Eligible projects that are candidates to be funded with green bond proceeds will be evaluated and selected by ESG Promotion Department responsible for ESG activities, and Accounting and Finance Department which oversees fundraising and investment activities, based on eligibility criteria. Additionally, selected projects will be confirmed by the ESG Promotion Committee, which is headed by the Representative Director, President and CEO and comprised of officers from all departments. Final decisions will be made by the officer administering the Accounting and Finance Department. Sustainalytics considers the Company's project evaluation and selection process to be aligned with market practices.
- Management of Proceeds:
 - Finance Group at Mitsui Fudosan's Accounting and Finance Department is responsible for managing the proceeds. Mitsui Fudosan will track the allocation of proceeds from green bonds once a year, using its internal management system, and confirms that the amount allocated to

Mitsui Fudosan Green Bond Framework

eligible projects is equal to the net proceeds from the green bond until the maturity of green bond. For the projects which Mitsui Fudosan's affiliates lead and allocate the proceeds, the proceeds will be loaned to such affiliates from Mitsui Fudosan, and the allocation of proceeds will be tracked using such affiliates' internal management system. Mitsui Fudosan will endeavor to allocate the proceeds within 24 months from the green bond issuance, and intends to hold an amount equal to the unallocated proceeds in cash equivalents if any of the proceeds remains unallocated. Sustainalytics views that the Company's process for managing proceeds is aligned with market practices.

- Reporting:
 - Mitsui Fudosan intends to disclose information on the allocation of the net proceeds of the green bonds and environmental benefits expected from the use of proceeds on its corporate website annually until the full allocation and as necessary in the event of material changes including after full allocation. Allocation reporting will include an overview of each project to which proceeds have been allocated, the amount of proceeds allocated, and date of allocation, the amount and expected date of allocation of unallocated proceeds if any, as well as assertion by management regarding the allocation of funds to eligible projects and/or management of unallocated proceeds. Impact reporting will include the amount of CO₂ emissions, water usage, and energy consumption as quantitative indicators as well as the type and level of certifications obtained by green buildings to which the proceeds are allocated. Mitsui Fudosan has also made a commitment to receive a review once a year by an independent third-party organization on the compatibility of the use of the net proceeds of green bonds and the eligibility criteria during the period until full allocation. Sustainalytics considers the Company's reporting as being aligned with market practices.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

Alignment with Japan's Green Bond Guidelines 2020

Japan's Green Bond Guidelines 2020 communicate what an issuer should do to issue a credible green bond. Sustainalytics assessed the alignment between the Framework and the 'should' items outlined in the Japan's Green Bond Guidelines 2020.

GBP and Japan's Green Bond Guidelines 2020	Alignment with GBP and with Japan's Green Bond Guidelines 2020	Sustainalytics' comments on alignment with Japan's Green Bond Guidelines 2020
1. Use of Proceeds	Yes	Green buildings, which fall under the eligibility category of the use of proceeds specified by Mitsui Fudosan within the Framework, are recognized by Japan's Green Bond Guidelines 2020 as a project category with clear environmental benefits. The eligibility criteria explain that the proceeds will be allocated to expenditures on properties that have received or are expected to receive green building certifications by a third-party verifier, top 15% most energy-efficient buildings in the region, or refurbishments to properties in order to improve environmental performance. Additionally, Mitsui Fudosan confirmed to Sustainalytics that it will disclose the asset's age and remaining useful life and

		the amount to be refinanced as at the time of the bond issuance, in cases when refinancing an asset that needs to be maintained for a long period of time through issuing multiple green bonds.
2. Process for Project Evaluation and Selection	Yes	The Framework explains Mitsui Fudosan Group's long-term management policy and the Group Environmental Policy which the Company aims to achieve through the issuance of green bonds. The Framework also specifies the eligibility criteria and explains that candidates for eligible projects will be evaluated and selected by Mitsui Fudosan's ESG Promotion Department and Accounting and Finance Department, and will be confirmed by the ESG Promotion Committee, which is headed by the Representative Director, President and CEO and comprised of officers from all departments, based on the eligible criteria. Final decisions will be made by the officer administering the Accounting and Finance Department.
3. Management of Proceeds	Yes	Finance Group at Mitsui Fudosan's Accounting and Finance Department will track the allocation of proceeds from the green bond issuance once a year, using the Company's internal management system, and confirms that the amount allocated to eligible projects is equal to the net proceeds from the green bond until the maturity of the green bond. For the projects offered by Mitsui Fudosan's affiliates, in which the proceeds will be allocated to such affiliates from Mitsui Fudosan, the status of allocation of proceeds will be tracked using such affiliates' internal management system. The Framework explains that, Mitsui Fudosan will endeavor to allocate the proceeds within 24 months from the green bond issuance, and pending the full allocation, an amount equal to the unallocated balance will be maintained in cash equivalents.
4. Reporting	Yes	Mitsui Fudosan specified in the Framework to disclose the information on the allocation of proceeds and the environmental benefits expected from the use of proceeds annually or as necessary in the event that material changes occur including after full allocation on its corporate website until full allocation. The disclosure on the allocation includes an overview of the

funded projects, amounts allocated, date of allocation, and amounts and expected date of allocation of unallocated proceeds if any. The Framework explains that disclosure on environmental performance will include the amount of CO₂ emissions, water usage, energy consumption, and the type and level of green building certifications received.

Section 2: Sustainability Strategy of Mitsui Fudosan

Contribution of framework to Mitsui Fudosan's sustainability strategy

Mitsui Fudosan has set out seeking to coexist in harmony with society, link diverse values and achieve a sustainable society as its management philosophy⁴, and aims to successfully establish a sustainable society through the creation of neighborhoods by the mid-2020s based on the Mitsui Fudosan Group Long-Term Vision, "VISION 2025"⁵. Under "VISION 2025," Mitsui Fudosan has set out "Reduce environmental impact and generate energy" as one of the six priority goals in the ESG area. Based on the Group Environmental Policy⁶, Mitsui Fudosan is working on reducing the environmental impact of its properties in the domains of climate change, water use, environmental pollution/resources, biodiversity, and environmental supply chain.

In the development of buildings and communities, the Company has set a goal of reducing energy consumption per base unit (of floor area) by an average of 1% every year over the medium to long term. It will do this by taking steps to combat climate change by reducing the amount of GHG emissions through the promotion of energy saving, as well as the use of renewable energy and electricity storage technologies⁷. In addition, the Mitsui Fudosan Group has become a member of RE100, a global initiative committed to utilizing 100% renewable energy, and is aiming to source 100% of the electricity to be used for business operations, including in properties owned by the Company, from renewable energy by 2050⁸. Regarding water use, the Company is striving to reduce clean water and industrial water usage per base unit (of floor area) from the previous fiscal year through measures such as installing water-saving equipment in its properties and using rainwater and grey water (processed wastewater), etc.⁹

In order to pursue the above-mentioned vision and goals, Mitsui Fudosan's Framework has specified the use of proceeds to be expenditures on properties that have received green building certification by a third-party verifier recognized domestically and overseas, top 15% most energy-efficient buildings in the region, or refurbishments to properties in order to improve environmental performance. Sustainalytics is of the opinion that the use of proceeds will further contribute to reducing the environmental impact, such as energy consumption and water usage, of properties owned by Mitsui Fudosan, as well as achieving the long-term environmental goals set out by the Company.

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

Sustainalytics recognizes that while eligible projects related to green buildings defined by Mitsui Fudosan will generate environmental benefits, it also poses potential risks associated with environmental and social impacts. Major risks include adverse impact on ecosystem, noise and vibration, adverse impact on safety and health of workers, and consumption of energy and water associated with the development, construction, and operation of green buildings. Mitsui Fudosan is working to reduce negative environmental and social risks by implementing the following policies and initiatives.

- In order to manage and reduce impact on ecosystems from new development projects, Mitsui Fudosan, when carrying out a new development project, conducts environmental impact assessment on

⁴ Mitsui Fudosan, "Statement Vision Mission", at: https://www.mitsuifudosan.co.jp/english/corporate/about_us/statement/?id=global

⁵ Mitsui Fudosan, "VISION 2025, the new Mitsui Fudosan Group Long-Term Vision", at: https://www.mitsuifudosan.co.jp/english/corporate/about_us/vision2025/?id=global

⁶ Mitsui Fudosan, "Environmental Initiatives Policy", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/01.html

⁷ Mitsui Fudosan, "Climate Change", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/05.html

⁸ Mitsui Fudosan, "Mitsui Fudosan Joins RE100", at:

https://www.mitsuifudosan.co.jp/english/corporate/news/2020/0228_02/download/20200228_02.pdf

⁹ Mitsui Fudosan, "Water", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/03.html

ecosystem in accordance with laws, regulations, and ordinances relating to environmental impact assessments and protection of the natural environment¹⁰.

- In order to prevent impacts on the environment and health of users of buildings caused by air pollution, water contamination, soil pollution, emissions of hazardous materials, and wastes, Mitsui Fudosan has made a commitment to comply with relevant laws, regulations and ordinances which includes the Soil Contamination Countermeasures Act, Air Pollution Control Act, Water Pollution Prevention Act, etc., and to endeavor to control and appropriately manage and treat emissions of substances not subject to regulations¹¹. In addition, the Company continuously measures and discloses environmental data, including energy consumption, water usage, waste emissions, and GHG emissions from properties owned by the Company¹².
- Mitsui Fudosan has formulated the Mitsui Fudosan Group Sustainable Procurement Standards and disclosed the Group's basic policies on seven themes (compliance with laws and regulations, respect for human rights related to labor, securing corporate ethics, ensuring of quality, consideration for the environment, information security, and risk management), and has requested the Group's employees and business partners to comply with the policy¹³.

Based on Mitsui Fudosan's above-mentioned policy and initiatives, Sustainalytics is of the opinion that the Company has an adequate system to manage and reduce major environmental and social risks associated with eligible projects.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics explains why the project category produces positive environmental impacts in Japan as follows:

Contribution to measures against climate change through green buildings

In Japan, the final energy consumption in the Residential sector and Commercial and other sector, originating from residential and commercial buildings has increased by around 20% from the 1990 level¹⁴, and CO₂ emissions from these two sectors account for around 30% of Japan's total CO₂ emissions¹⁵. In view of the importance of the two sectors in Japan's energy demand, the Japanese government enacted the Act on the Improvement of Energy Consumption Performance of Buildings¹⁶ in 2015, and has been striving to step up energy-saving measures in buildings, such as making it obligatory to comply with energy-saving standards in buildings in stages.

The Japanese government has also pledged to reduce GHG emissions by 26% by 2030 compared to the 2013 level based on the Paris Agreement. Toward achieving that goal, the government has set the goal of reducing CO₂ emissions by 40% each in the Residential sector and the Commercial and other sector¹⁷. Improving the energy efficiency of buildings plays a significant role in Japan's measures against climate change, and the Japanese government is aiming to achieve this goal by accumulating measures, such as promoting compliance with energy-saving standards in new buildings, refurbishing existing buildings, implementing thorough energy management, and introducing highly efficient lighting equipment¹⁸.

In the Framework, Mitsui Fudosan specified the use of proceeds to be expenditures on development, construction, renovation, and acquisition of buildings which acquires green building certifications that contain a wide range of environmental performance metrics for buildings, such as energy efficiency, water use and emission of waste, and refurbishments conducive to improving environmental performance of buildings.

¹⁰ Mitsui Fudosan, "Biodiversity", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/06.html#p04

¹¹ Mitsui Fudosan, "Environmental Pollution and Resources", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/04.html

¹² Mitsui Fudosan, "Third-party Verification", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/third-party_verification/index.html#date3_E03

¹³ Mitsui Fudosan, "Social Supply Chain", at: https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/society/04.html

¹⁴ Ministry of Land, Infrastructure, Transport and Tourism, "Future Energy Conservation Measures for Housing and Buildings (Second Report) (Reference Material) (Japanese only)", at: <https://www.mlit.go.jp/common/001275971.pdf>

¹⁵ Ministry of the Environment, "Japan's National Greenhouse Gas Emissions in Fiscal Year 2018 (Final Figures) <Executive Summary>", at: <https://www.env.go.jp/press/files/en/829.pdf>

¹⁶ Ministry of Land, Infrastructure, Transport and Tourism, "Overview of the Act on the Improvement of Energy Consumption Performance of Buildings", at: <http://www.mlit.go.jp/common/001134876.pdf>

¹⁷ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Japan%20First/20150717_Japan's%20INDC.pdf

¹⁸ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Japan%20First/20150717_Japan's%20INDC.pdf

Sustainalytics is of the opinion that the use of proceeds will contribute to reduce the environmental impact of properties owned by Mitsui Fudosan, reinforce energy-saving measures for buildings and bolster measures against climate changes promoted by the Japanese government.

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 goal and target:

Use of Proceeds Category	SDG	SDG target
Green buildings	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Conclusion

Mitsui Fudosan plans to issue green bonds under the Framework and use the proceeds to finance and/or refinance green building projects. Sustainalytics considers that the use of proceeds will contribute to achieving the goals on reducing the environmental impact of properties owned by the Company set out in Mitsui Fudosan Group's long-term management policy and the Group's Environmental Policy. In addition, Sustainalytics positively evaluates that the Framework will support the strengthening of energy-saving measures in buildings and promotion of measures against climate change pursued by the Japanese government as well as SDGs 9.

Green buildings, which fall under the eligibility category for the use of proceeds defined in the Framework, are aligned with the project category with environmental benefits recognized by the GBP and Japan's Green Bond Guidelines 2020. The eligibility criteria specify properties that have received or are expected to receive the top two levels in green building certifications by a third-party verifier as the use of proceeds. Sustainalytics views that the Company's setting of the eligibility criteria, project evaluation and selection process, management of the proceeds and reporting are aligned with market practices.

Based on the above considerations, Sustainalytics is of the opinion that the Framework is credible and transparent, and in alignment with the four requirements of the GBP and Japan's Green Bond Guidelines 2020.

Appendices

Appendix 1: Framework Overview

For the purpose of issuing green bonds, Mitsui Fudosan 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, on July, 2020. The framework belongs to Mitsui Fudosan.

1. Use of proceeds

1.1. Eligibility Criteria

Mitsui Fudosan intends to allocate an amount equal to the net proceeds of any Green Bonds to projects which meet the eligibility criteria outlined below. These projects may be financed in whole or in part by Mitsui Fudosan, or one of its affiliates.

Green Buildings

New or existing investments in or expenditures (related to development, construction, renovation, acquisition, and refunding) on properties which meet at least one of the following requirements:

- i) New, existing or refurbished buildings which have received within 24 months prior to the date of Green Bond issuance or will receive during the life of the Green Bond design stage certification, post-construction certification and/or in-use certification in any of the following building certification schemes at the levels defined below:
 - LEED: "Platinum" or "Gold"
 - BREEAM: "Outstanding" or "Excellent"
 - CASBEE for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE for Real Estate: "S" or "A"
 - DBJ Green Building Certification: "5" or "4"
 - BELS: "5" or "4"
 - BCA Green Mark Certification: "Platinum" or "Gold"
 - HQE: "Exceptional" or "Excellent"
 - DGNB: "Platinum" or "Gold"
- ii) Top 15% of the energy-efficient buildings in the region, defined via Energy Performance Certificates, building codes, building years or using Climate Bond Initiative's 'Location Specific Criteria for Commercial Buildings & Calculator' and 'Location Specific Criteria for Residential Buildings & Calculator'. New, existing or refurbished buildings financed two years preceding the issue date of the Green Bond are eligible.
- iii) Refurbishments to properties in order to significantly improve energy efficiency and/or water efficiency of, or make other environmentally beneficial improvements to a building, building subsystem or land, including but not limited to investments (Reduction of CO₂ emission equivalent, reduction of water consumption, improvement of waste conversion rate) in LED and other energy efficient lighting, cool roof and other sustainability-oriented construction materials, smart meters, electric and renewable energy charging stations and batteries, xeriscaping/drought-tolerant landscaping, waste diversion, water and energy-saving technologies and improvements recognized by sustainability rating systems. For energy efficiency and water efficiency, those with an improvement effect of 20% or more are targeted. New, existing or refurbished buildings financed two years preceding the issue date of the Green Bond are eligible.

2. Process for project evaluation and selection

2.1 Application of Eligibility and Exclusionary Criteria in Project Selection

Projects to which the net proceeds of Green Bonds will be allocated will be screened by an environmental and social risk screening process in accordance with the aforementioned eligibility criteria. This process is handled by ESG Promotion Department, which is responsible for overall promotion of ESG activities, and Accounting and Finance Department which oversees fundraising and investment activities. As a general rule, the list of selected projects will be reviewed at least yearly by ESG Promotion Committee

which is chaired by the President and Chief Executive Officer and comprised of designated officers and directors representing every business area. The final allocation decision will be made by the director in charge of accounting and finance.

2.2 Environmental Objectives

Seeking to link diverse values, coexist in harmony with society and achieve a sustainable society, Mitsui Fudosan Group ("The Group") aims to work to foster social and economic development as well as global environmental preservation. The Group recognizes that community development always needs to be in harmony with the planet, and the Group aims for a society that enriches both people and the planet. The Group believes that sustainability as a whole has value and recognizes that a long term strategic view has to be taken in order to drive the Group's growth and improve on its societal contributions. Based on this environmental philosophy, the Group is implementing a variety of environmental initiatives in its business activities, centering on the "Group Environmental Policy" established in 2001.

In May 2018, The Group positioned Environmental, Social and Governance (ESG) as a key management issue, and established six priority goals in this area in the Group's "VISION 2025" long-term vision.

6 Priority Goals

- Establish ultra-smart societies by creating neighborhoods
- Achieve a society where a diverse workforce can thrive
- Achieve health, safety and security in people's daily lives
- Create new industries through open innovation
- Reduce environmental impact and generate energy
- Continuously improve compliance and governance

The Group believe that by working toward these objectives, the Group can contribute in a significant way to the Japanese government's Society 5.0 vision and to the attainment of the UN's SDGs.

Moreover, in fiscal 2019, The Group has established an ESG Promotion Committee, comprising of executive management, as well as a specialized entity, the ESG Promotion Department.

The Group participates in the UN Global Compact, an international initiative that underlies our Group's ideals and objectives, and has also joined the Global Compact Network Japan. The UN Global Compact consists of Ten Principles across four areas: human rights, labor, environment, and anti-corruption. Mitsui Fudosan's aim is to conform to these principles and, through our commercial activities, work to address the challenges that face society.

Guided by its Group Environmental Policy, The Group engages in the three core environmental activities of load reduction (reducing the impact of its products and services on the environment), quality improvement (enhancing safety, security, and comfort while ensuring sustainability), and cooperation (collaborating and cooperating with various stakeholders) in an integrated manner.

2.3 Process to Mitigate Environmental and Social Risks

Mitsui Fudosan recognizes that the company's Eligible Projects on green building generate positive environmental impacts to work together with community to reduce environmental impact and improve safety, security and comfort; however, it is also exposed to the risks of posing negative impacts on the society or environment. Mitsui Fudosan identified potential environmental and social risks from the development, construction and management of green buildings to be: water consumption; environmental pollution and resources; climate change; biodiversity; environmentally and socially sustainable supply chain. Mitsui Fudosan adheres to the applicable laws and regulations and is committed to (i) perform green assessment, as well as ecosystem impact assessment based on the relevant laws and regulations, (ii) continuously monitor environmental data including energy consumption, water usage, waste generation and GHG emission, (iii) improve the environmental practices across the entire supply chain, having established and announced the Group's Sustainable Procurement Standards which incorporate basic guidelines on sustainable procurement to tackle ESG issues. In addition, when considering new development, Mitsui Fudosan always focuses on proximity to public transport so that the facilities could offer convenience and safety. Further, in managing those facilities, the visitors staying at hotels and shopping at shopping complexes are encouraged to use public transport which in turn would result in low CO₂ emission.

Mitsui Fudosan Green Bond Framework

3. Management of Proceeds

For the projects offered by Mitsui Fudosan, an amount equal to the net proceeds from the sale of the notes will be allocated by Finance Group at Mitsui Fudosan's Accounting and Finance Department to the financing/refinancing of existing and/or future projects that meet the above criteria for eligible green projects. For the projects offered by its affiliates, the proceeds will be loaned to Mitsui Fudosan's affiliates from Mitsui Fudosan. So as long as the Green Bonds remains outstanding, Mitsui Fudosan will keep the list of all Eligible Green Projects as well as the loans based on its affiliates' internal loan data system. Also, Mitsui Fudosan's internal management system or the loan records will show, at any time, an amount equal to the net proceeds from the issuance of Green Bonds as allocated to Eligible Green Projects. Pending the full allocation of the net proceeds of Green Bonds, an amount equal to the unallocated balance will be maintained in cash equivalents. Also Mitsui Fudosan strives to allocate to green bond projects within 24 months.

4. Reporting

During the term of any Mitsui Fudosan Green Bonds, Mitsui Fudosan will provide and keep readily available, on a designated website, information on the allocation of the net proceeds of those bonds to be updated at least annually until full allocation and as necessary thereafter in the event of new developments. This information will include:

4.1 Allocation reporting

- (i) the allocation of the net proceeds of those bonds to Eligible Green Projects, brief description of the Eligible Green Projects funded, current funded amounts, and funding dates, and
- (ii) assertion by management that the net proceeds of those bonds are invested either in qualifying Eligible Green Projects or other cash equivalent

4.2 Impact reporting

Mitsui Fudosan intends to report, on the impact of Eligible Green Projects, to be updated at least annually until full allocation and, as long as the Green Bonds are outstanding, as necessary thereafter in the event of new developments. Mitsui Fudosan intends to report CO₂ emission, water usage, energy consumption and the type and level of certification of green project respectively. All impact reporting (as and when feasible and available) will be disclosed on an aggregate basis, by Eligible Project Category.

5. Annual Review

Mitsui Fudosan will appoint an independent third-party to provide assurance that an amount equal to the net proceeds of the Green Bonds has been allocated in compliance with the eligibility criteria as set out in this Green Bond Framework. This review will be conducted on an annual basis until all net proceeds from outstanding Green Bonds have been fully allocated.

Appendix 2: Overview and Comparison of Green Building Certification Schemes

	LEED ¹⁹	BREEAM ²⁰	CASBEE Certification ²¹	DBJ Green Building Certification ²²
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	The Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Certification is a green building certification scheme in Japan, which a third party certifies the environmental performance of buildings. The certification scheme includes, based on types of buildings: CASBEE for Buildings, CASBEE for Real Estate, and CASBEE for Housing.	The Development Bank of Japan (DBJ) Green Building Certification Programme was launched by Development Bank of Japan in 2011 and is operated in conjunction with the Japan Real Estate Institute (JREI), a major appraisal firm in Japan. The certification scheme is recognized as one of Japan's major regional standards. The certification is available for office buildings, logistics, residential, and retail facilities.
Certification levels	Certified Silver Gold Platinum	Pass Good Very Good Excellent Outstanding	C (Poor) B- (Slightly Poor) B+ (Good) A (Very Good) S (Excellent) * 4-grade evaluation for CASBEE for Real Estate excluding C rank	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)
Areas of Assessment: Environmental Project Management		Management (Man) addresses various aspects: project management, deployment, minimal	CASBEE assesses two main factors: inside and outside the building site, which translate into Q (Built	Evaluation of DBJ Green Building Certification includes construction specifications,

¹⁹ U.S. Green Building Council, "Green building leadership is LEED", at: <https://new.usgbc.org/leed>

²⁰ BREEAM, "What is BREEAM?", at: <https://www.breeam.com/>.


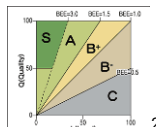

²¹ Institute for Building Environment and Energy Conservation, "CASBEE certification scheme (Japanese only)", at: <http://www.ibec.or.jp/CASBEE/certification/certification.html>.

²² Development Bank of Japan, Japan Real Estate Institute (JREI), "DBJ Green Building", at: <http://igb.jp/en/index.html>.

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		environmental disturbance worksite and stakeholder engagement.	Environment Quality) and, L (Built Environment Load), respectively. * The above are not applied to CASBEE for Real Estate	environmental features as well as the following factors: - Disaster-prevention and anticrime measures; - Tenants' comfort and convenience; - Harmony with the surrounding environment; - Collaboration with stakeholders (including tenants and investors); and - Environmental Investor Relations activities.
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Energy Efficiency • Resource efficiency • Local environment • Indoor environment * Areas for assessment of CASBEE for Real Estate are energy/GHG, water, resource, biodiversity, indoor environment	Assessment include three areas with some examples of following subcategories: Ecology <ul style="list-style-type: none"> • Energy conservation • Water resources conservation • 3R (Reduce, Reuse and Recycle) • Use of renewable energy Risk management & amenities/diversity <ul style="list-style-type: none"> • Security & Safety of tenant users • Convenience of tenant users Community & partnership <ul style="list-style-type: none"> • Landscape • Biodiversity • Relation with the local community • Owner & stakeholder relationship

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Requirements	<p>Prerequisites (independent of level of certification) + Credits with associated points.</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools- /Retail- /Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>Prerequisites depending on the levels of certification + Credits with associated points</p> <p>This number of points is then weighted by item ²³ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</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> <p>* CASBEE for Real Estate does not use BEE, additional point system. Certification will not be given, if required item are not met.</p>	<p>Score-based performance level.</p> <p>Assessment structure composed of the following three pillars:</p> <ol style="list-style-type: none"> Areas of assessment The features and characteristics of the green building will be classified into five main categories: <ul style="list-style-type: none"> •Energy & Resources •Amenity •Resilience •Community & Diversity •Partnership 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. Onsite survey 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.
Performance display	 <p>Platinum</p> <p>80+ points earned 24</p>	 <p>25</p>	 <p>26</p>	 <p>27</p>

²³ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

²⁴ U.S. Green Building Council, "Green building leadership is LEED", at: <https://new.usgbc.org/leed>

²⁵ BREEAM, "What is BREEAM?", at: <https://www.breeam.com/>

²⁶ Institute for Building Environment and Energy Conservation, "Method of Evaluation and Built Environment Efficiency (BEE)", at: http://www.ibec.or.jp/CASBEE/CASBEE_outline/method.html.

²⁷ Development Bank of Japan, "DBJ Green Building", at: http://www.dbj.jp/en/pdf/service/finance/g_building/gb_presentation.pdf.

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Qualitative considerations	Worldwide recognition and application	Worldwide recognition and application	<p>CASBEE is continuously developed based on industry-government-academia collaboration under the support of Ministry of Land, Infrastructure, Transport and Tourism. In Japan, many local governments have made CASBEE assessment results mandatory for building permits.</p> <p>Compared to similar tools available internationally, CASBEE displays a unique and simple structure.</p>	In addition to LEED and CASBEE, DBJ Green Buildings Certification Programme is considered as one of the green building standards in Japan. According to its website, as of March 2019, 695 properties in Japan are certified by the programme. ²⁸
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	BELS ²⁹	BCA Green Mark ³⁰	HQE ³¹	DGNB ³²
Background	The Building-Housing Energy-efficiency Labelling System (BELS) is an energy performance label, issued under guidelines established by Japan's Ministry of Land, Infrastructure, Transport, and Tourism. The BELS certification scheme evaluates primary energy consumption in order to measure performance of energy conservation.	The BCA Green Mark Scheme provides real estate certifications in Singapore to promote sustainability in the built environment (during project conceptualisation and design, as well as during construction.)	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.	The German Green Building Certification or DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.
Certification levels	1 Star 2 Stars 3 Stars 4 Stars 5 Stars	Certified Gold Gold Plus Platinum	Pass Good Very good Excellent Exceptional	Bronze Silver Gold Platinum
Areas of Assessment: Environmental Project Management	None	The assessment process aims to verify the relevant reports and documentary evidences such that the building project	Global management system	Technically, any project can be applied anywhere in the world through a tailored process of making appropriate local

²⁸ Development Bank of Japan, Japan Real Estate Institute (JREI), "DBJ Green Building", at: <http://igb.jp/en/index.html>.

²⁹ Association for Housing Performance Evaluation & Labeling, "Building-Housing Energy-efficiency Labelling System Building Energy-efficiency Performance Labeling System (Japanese only)", at: <https://www.hyoukakyokai.or.jp/bels/bels.html>.

³⁰ Singapore Government, "BCA Green Mark", at: https://www.bca.gov.sg/greenmark/green_mark_buildings.html



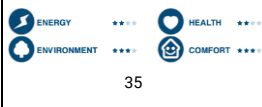

³¹ Cerway, "HQE", at: <http://www.behqe.com/>

³² DGNB GmbH, "DGNB", at: <http://www.dgnb-system.de/en/>

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		meets the intents of the criteria and certification level.		adaptations on a case-by-case basis.
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> • Energy efficiency 	<ul style="list-style-type: none"> • Climate Responsive Design • Building Energy Performance • Resource Stewardship • Smart and Healthy Buildings • Advanced Green Efforts 	<ul style="list-style-type: none"> • Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence 	<ul style="list-style-type: none"> • Environment • Economic • Sociocultural and functional aspects • Technology • Processes • Site
Requirements	<p>Score-based performance level.</p> <p>The BELS score is based on the Building Energy Index, obtained by comparing the energy consumption of a building to the standard primary energy consumption of the building type in official guidelines.</p> <p>A two-star rating is equivalent to meeting existing energy conservation standards, with higher star ratings implying greater savings.</p> <p>The score is calculated by an accredited third party.</p>	<p>Prerequisites for each performance area + Score-based performance level.</p> <p>Performance Areas have different weights; depending on the level of building performance and numerical score achieved in performance area, building's level of certification is determined.</p>	<p>Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing</p> <p>The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>	<p>Percentage-based performance index</p> <p>The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. The environmental, economic, socio-cultural and functional aspects and technical quality each account for 22.5% of the total, process accounts for 10% and the site quality is given a separate grade.</p> <p>Depending on the total performance index, a DGNB award will be given to the project, starting from Silver (at least 50%), then Gold (at least 65%) and finally Platinum (at least 80%). Bronze is awarded for already existing buildings and is conferred as the lowest rank with a total performance index of at least 35%.</p>

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Performance display	 33	 34	 35	 36
Qualitative considerations	<p>BELS is aligned with official government standards.</p> <p>The scheme assesses only energy performance, without any broader consideration of holistic environmental factors.</p>	<p>BCA is endorsed by the Government of Singapore, and is the most widely recognized scheme in that market.</p>	<p>HQE Construction Certification Referent HQE Operations Certification Advisor</p>	<p>DGNB Auditor DGNB Compliance Testing Team DGNB Certification Committee</p>

³³ Institute for Building Environment and Energy Conservation, "Display example of BELS (Japanese only)", at: https://www.hyoukakyokai.or.jp/bels/pdf/170401bels_07.pdf.

³⁴ Singapore Government, "BCA Green Mark", at: https://www.bca.gov.sg/greenmark/green_mark_buildings.html

³⁵ Cerway, "HQE", at: <http://www.behqe.com/>

³⁶ DGNB GmbH, The DGNB System: Global Benchmark for Sustainability", at: <http://www.dgnb-system.de/en/>

Appendix 3: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Mitsui Fudosan Co., Ltd.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Mitsui Fudosan Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	August 3, 2020
Publication date of review publication:	

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 Evaluation 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 eligible category for the use of proceeds, Green Buildings, is aligned with those recognized by the GBP. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 9.

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)*:

Candidates for eligible projects will be evaluated and selected by Mitsui Fudosan's ESG Promotion Department and Accounting and Finance Department and will be reviewed by the ESG Promotion Committee, based on eligibility criteria. Final decisions will be made by the officer administering the Accounting and Finance Department. Sustainalytics considers the Company's project evaluation and selection process to be aligned with market practices.

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 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

- ☒ Evaluation / Selection criteria subject to external advice or verification ☐ In-house assessment
- ☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

Finance Group at Mitsui Fudosan's Accounting and Finance Department will track the amount of allocated and unallocated proceeds of the green bonds once a year, using the internal management system of Mitsui Fudosan and such affiliates of the Company until the maturity of green bonds. Pending full allocation of the net proceeds, an amount equal to the unallocated balance will be maintained in cash equivalents. Sustainalytics views the Company's process for managing proceeds as aligned with market practices.

Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- ☐ Allocations to future investments only ☒ Allocations to both existing and future investments
- ☐ Allocation to individual disbursements ☐ Allocation to a portfolio of disbursements
- ☐ Disclosure of portfolio balance of unallocated proceeds ☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

Mitsui Fudosan intends to annually report on the allocation of the net proceeds of green bonds and positive environmental impacts on its website until full allocation. The allocation reporting will include an overview of funded projects, the amount of allocated proceeds, and the date of allocation and relevant environmental performance indicators. Mitsui Fudosan is committed to receive a review by an independent third-party organization on the compatibility of the use of proceeds and the eligibility criteria until full allocation. Sustainalytics considers the Company's reporting and commitment regarding annual review as being aligned with market practices.

Use of proceeds reporting:

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

Information reported:

- ☒ Allocated amounts
 ☐ Green Bond financed share of total investment
- ☒ Other (*please specify*): Overview of projects, date of allocation, amount and expected date of allocation of unallocated proceeds if any, and assertion by management regarding the allocation of funds to eligible projects and/or management of unallocated proceeds.

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*): Water usage, energy consumption, and type and level of green building certification received

Means of Disclosure

- ☐ Information published in financial report
 ☐ Information published in sustainability report
- ☐ Information published in ad hoc documents
 ☒ Other (*please specify*): Mitsui Fudosan's corporate 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.)

https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

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

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

This document is translated from the Japanese language. In case of discrepancies between the Japanese language and translated versions, the Japanese language version shall prevail.

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