



# R&I Green Bond Assessment/Second Opinion

September 29, 2021

Tokyu Land Capital Management Inc.  
Nishigo Village Habuto Renewable Energy  
Project Bond Trust Certificate/ABL  
(PV Power Plant, Nishishirakawa-gun,  
Fukushima)

ESG Division  
Chief Analyst: Tomoaki Hirokata

: GA1 (Formal)  
: Second Opinion

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 July 30, 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 2021” and “Green Loan Principles 2021” issued as of July 30, 2021.

## ■ DESCRIPTION OF INSTRUMENT

INSTRUMENT NAME	Nishigo Village Habuto Renewable Energy Project Bond Trust Certificate/ABL (PV Power Plant, Nishishirakawa-gun, Fukushima)
BOND TRUSTEE	Mitsubishi HC Capital Inc.
ASSET MANAGER	Tokyu Land Capital Management Inc.
DEVELOPMENT CONTRACTORS	Tokyu Land Corp. Renewable Japan Co., Ltd.
ISSUE AMOUNT (mn)	Trust Certificate : JPY 3,750 / ABL : JPY 5,200 (Total amount of Trust Certificate/ABL : JPY 8,950)
R&I GREEN BOND ASSESSMENT	GA1 (Formal)
ISSUE DATE	September 29, 2021
LEGAL MATURITY DATE	August 20, 2040

## ■ Summary

Tokyu Land Capital Management Inc. (hereinafter referred to as “TLCM”) was established in February 2007, wholly-owned by Tokyu Land Corporation as a management company of private real estate investment funds for both domestic and overseas institutional investors. TLCM has acted as an AM service provider for multiple renewable energy projects including solar power and wind power generation. In accordance with its “Sustainability Policy” and its Long-Term Management Plan based on the long term vision “GROUP VISION 2030” which Tokyu Fudosan Holdings Group announced, TLCM intends to continue to work on renewable energy projects aggressively.

TLCM has established a green bond framework that provides practical guidelines for four standards of Green Bond Principles, etc. which concern the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting, and now considers issuing a green bond (trust certificate) and executing green loan (ABL) through a power generation SPC to raise funds to construct a solar power plant

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(Contact) Customer Service Department, Sales and Marketing Division: Terrace Square, 3-22, Kandanishiki-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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in Nishigo Village, Nishishirakawa-gun, Fukushima prefecture in accordance with the framework.



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 bond, R&I evaluated TLMC, an asset manager (hereinafter referred to as “AM”) that leads the execution and operation of 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 (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 2021 and Green Loan Principles 2021 (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 construct a solar power plant under construction in Nishigo Village, Nishishirakawa-gun, Fukushima prefecture, for which TLMC acts as AM service provider. The use of the proceeds is a renewable energy project that is expected to put less burden (CO2 emission reduction effect) on the environment and pays due consideration to environmental impact associated with the development, among other things. For these reasons, R&I has judged that the proceeds would be invested into a project with significant environmental benefits.
- The selection of an eligible project for the green bond is proposed by a department in charge as well as Infrastructure Assets Investment Planning Department, and after discussing with multiple departments such as Compliance Department and Corporate Planning & Administration Department, to be approved in accordance with TLMC's approval authority rules, including an approval by an officer in charge of Corporate Planning & Administration Department (President). It is an organizational selection process. In addition, the project is in conformity with TLMC's Sustainability Policy.
- 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 for each project will be disclosed once a year on TLMC's websites.
- TLMC intends to provide services for renewable energy facility projects including solar power generation plants and wind power generation projects aggressively in accordance with the Sustainability Policy.

## ■Outline of Asset Manager (Tokyu Land Capital Management Inc.)

Tokyu Land Capital Management Inc. (hereinafter referred to as “TLCM”) was established in February 2007 and wholly-owned by Tokyu Land Corporation as a management company of private real estate investment funds for both domestic and overseas institutional investors. TLCM has acted as an AM service provider for multiple solar power generation plants. It works on ESG investment aggressively, by setting out the “Sustainability Policy” on June 1, 2018 and signing on the “Principles for Responsible Investment” in 2019 and so on. In addition, in line with the long term vision “GROUP VISION 2030” which Tokyu Fudosan Holdings Group announced on May 11, 2021, they aim reduction of environmental impact through all their businesses to reflect the concept of “Carbon-free society and recycling-oriented society”. Based on “GROUP VISION 2030”, TLCM also developed its Long- Term Management Plan in April 2021, and points to reduction of environmental impact as one of the social issues to solve by fiscal year 2030. Accordingly, TLCM intends to continue to work on renewable energy projects aggressively.

As part of such initiatives, TLCM established a green bond framework and now considers issuing a green bond, etc. under the framework.

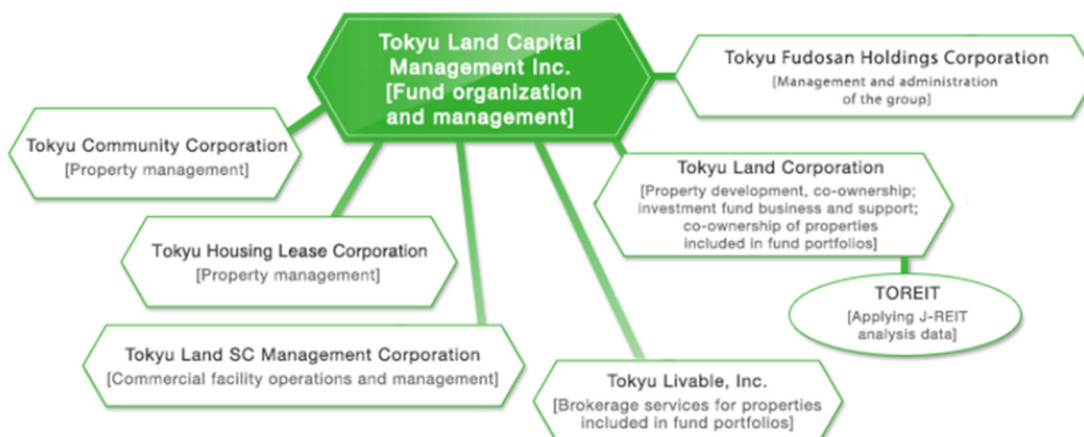
### Philosophy

“Contributing to the development of society by developing and providing high quality real estate investment services.”

As a professional organization with superb real estate management skills, we strive to constantly win the trust of our investors by developing and providing high quality real estate investment services with a high level of discipline.

### Fund organization and management that harnesses the Group’s collective strength

We fulfill the broad-ranging needs of investors while strengthening coordination with the TFHD Group.



### Sustainability Policy (established on June 1, 2018)

We set out the Policy to achieve the “development of society by developing and providing high quality real estate

investment services,” which is our philosophy, by incorporating the perspective of ESG (environment, society and governance) in the real estate investment & management business.

In implementing the Policy, we will take into consideration the characteristics of the funds and investors’ intentions given our businesses primarily revolves around executing mandates from clients.

1. Climate change

We will work to reduce impacts on climate change by promoting the introduction of equipment which would help save energy, efficient use of energy, as well as use of renewable energy.

2. Biodiversity

We will seek to preserve biodiversity through initiatives such as choosing to plant natural species.

3. Pollution and resources

We will strive to reduce impacts on the environment through appropriate management and disposal of hazardous substances as well as the adoption of materials that are free of hazardous substances at the time of renovation or repair work. We will also work to reduce waste based on the principle of 3R (Reduce, Reuse, and Recycle).

4. Water usage

We will use water resources efficiently through such efforts as the introduction of water-saving equipment and use of rainwater and recycled water, to preserve water resources.

5. Collaboration with stakeholders

We will value relationships and develop partnerships with stakeholders including PM companies and tenants. We will also collaborate with stakeholders to address environmental challenges such as climate change and promote respect for human rights as well as revitalization and development of local communities, as the entire supply chain.

6. Initiatives for employees

We will provide our employees with regular education/activities to raise awareness to encourage their behavior which pays due consideration to ESG. We will also work on initiatives that contribute to the health and safety of our employees as well as promoting diversity, including female advancement.

7. Compliance with laws & regulations and risk management

We will not only comply with ESG-related laws and regulations, but also monitor their trends and respond to changes appropriately. Further we will work to manage risks appropriately by, for example, taking into account environmental/social impacts in the risk assessment in acquiring real estate.

8. Communication through information disclosure

We will disclose information relating to ESG proactively, as well as making the Policy publicly available to all the stakeholders including investors.

## ■ Outline of TLCM Green Bond Framework

At the issue of its green bond, TLCM 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.

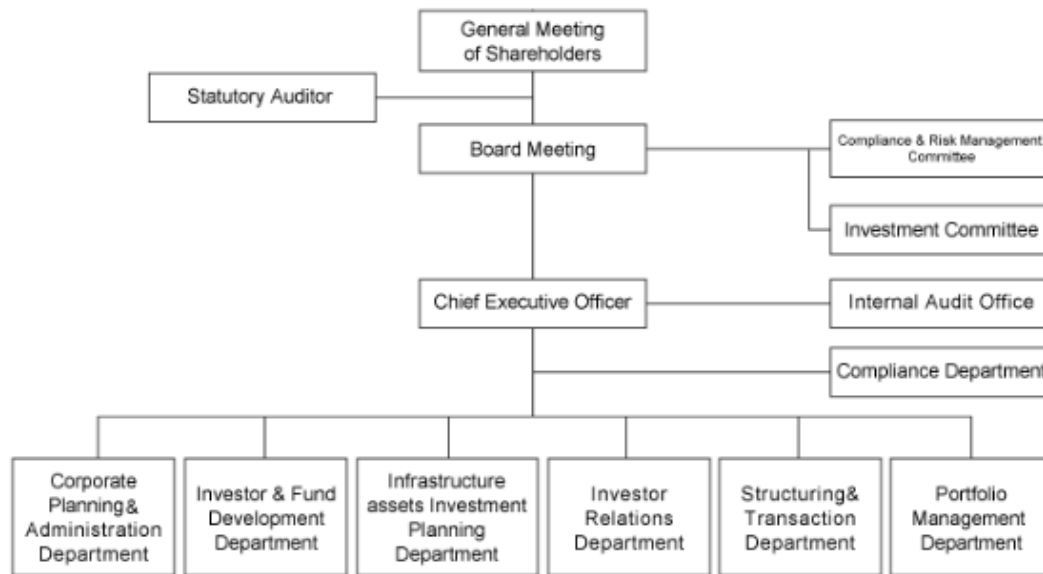
Project Category	Business description
Renewable energy	PV power plants, wind power plants, biomass power plants, etc.

- The proceeds obtained through the green bond by an SPC which is a power generation operator for renewable energy projects which TLMC manages and provides advice on as an AM service provider (including solar, wind, biomass power generation plants; renewable energy power generation projects and their ancillary businesses which are direct or indirect target of investment by the SPC for which TLMC acts as an AM service provider are hereinafter individually or collectively referred to as "projects") will be allocated to pay the costs of the projects by the SPC.
- The costs of the projects which are eligible for the underlying assets of the green bond are funds and reserves to develop, operate and manage renewable energy power plants, or funds required for refinancing.
- A separate green bond will be issued for each power generation SPC and no switching of underlying green assets will be done across green bonds.

### 2. Process for Project Evaluation and Selection

- An underlying project eligible for the green bond will be selected through a process in which a proposal by a department in charge is analyzed and reviewed for the eligibility of its business, as well as fit to the Sustainability Policy based on the results of various due diligence, and is subject to the pre-designated internal approval (refer to page 12 for the concrete decision-making process in the transaction).
- Details of primary due diligence for the assessment and selection of green bond projects are as below:
  - Feasibility verification (technical reports and risk assessment reports)
  - Field investigation, soil surveys, and confirmation of compliance concerning governmental permits and licenses
  - Assessment of the management system
  - Knowing the level of local residents' understanding for the construction of the facility, and details of the measures aiming for co-existence with the community
  - Flood control measures and actions to maintain the landscape

- The organizational structure of TLCM:

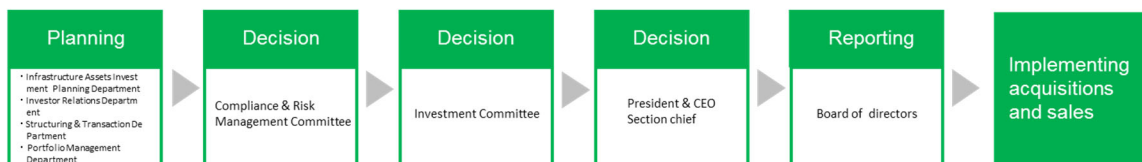


(Source: TLCM's websites)

## Decision Flow

Regarding compliance as paramount, we engage in fair, appropriate transactions and have implemented comprehensive safeguards against conflicts of interest.

## Business process for acquisitions and sales



※ When dealing with interested parties, it must be discussed by the Compliance & Risk Management Committee.

## Business process for transactions with interested parties



The plans are returned to the party that drafted them if any omissions are found. Problems are clearly indicated, and instructions are issued to revise or prepare new plans.

**Compliance & Risk Management Committee members**

- President & CEO
- Outside attorney and specialist (multiple positions as necessary)
- Managing Director
- Corporate Planning & Administration Department Head
- Chief Compliance Officer

**Investment Committee members**

- President & CEO
- Infrastructure Assets Investment Planning Department Head
- Structuring & Transaction Department Head
- Managing Director
- Investor Relations Department Head
- Portfolio Management Department Head
- Corporate Planning & Administration Department Head

(Source: TLCM's Japanese websites translated into English by R&I)

### 3. Management of Proceeds

- The proceeds obtained through the green bond will be managed at a dedicated account to be opened for each project and allocated to the relevant green project only, in accordance with the provisions of the finance-related agreements and project-related agreements. Accordingly, funds will not be commingled with those for other projects, etc.
- Withdrawals of the proceeds shall be strictly managed and allowed only when conditions precedent (CP) of relevant project finance agreements are satisfied. Unallocated proceeds are to be managed using a deposit account.
- Investors will be periodically updated with the progress of the project, while being sought approval of and reported on the allocation of the proceeds as needed.

### 4. Reporting

- With regards to reporting of the green bond, TLCM plans to make disclosure once a year on its websites.
- Major contents of the reporting are 1) fund allocation status reporting, and 2) impact reporting (including performance).
  - 1) is to provide reporting on the allocation status by project until fund allocation completes.
  - 2) is intended to disclose the amounts of annual power generation as well as reduction in CO2 emissions for each project.



## ■ Second Opinion (Conformity Evaluation)

In line with R&I Green Bond Assessment Methodology, R&I evaluated if the green bond framework prepared by TLCM is conformity to 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 allocated to pay the expenses to be incurred by a power generation SPC for a renewable energy project where TLM acts as an AM service provider.
- Eligible projects for this transaction are renewable energy (a solar power generation project this time) that are green-eligible assets from which sufficient environmental benefits (reduction in CO2 emissions) are expected.
- R&I checked how TLM intends to deal with the eligible projects as to whether or not 1) sufficient environmental benefits are expected from those projects, and 2) due consideration is paid to potential negative environmental impacts during the development and operational phases, through interviews and in writing.
- With regard to the perspective of 1), it has been judged that they are expected to bring considerable environmental benefits (reduction in CO2 emissions) as eligible projects for the green bond in light of the review results of TLM's policies to determine the eligibility of a power plant, systems and track records as well as O&M systems among other things.
- With respect to the perspective of 2), R&I has confirmed that environmentally-conscious steps, including obtaining necessary permits and licenses during the development and operational phases, have been taken, and judged that due consideration for potentially negative environmental impacts has been paid.
- R&I has also confirmed its intention to expand the scope of the framework as needed when it is going to engage in renewable energy projects other than solar power generation projects.

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
- TLCM's Philosophy and Sustainability Policy

### Evaluation

- The eligible project is in conformity with TLM's Philosophy and Sustainability Policy.
- The eligible project is expected to bring sufficient environmental benefits and paid due consideration for potentially negative environmental or social impacts.
- The assessment and selection of a project goes through a pre-designated internal approval process (refer to page 12 for the concrete decision-making process for the project). It is an organizational selection process.

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

- The proceeds through the green bond will be managed at a dedicated account for the power generation SPC of the project and allocated to the relevant green project only. Therefore, the proceeds through each green bond will not be commingled with those for other projects.
- Withdrawals of the proceeds shall be strictly managed and allowed only when conditions precedent (CP) of relevant project finance agreements are satisfied.
- Unallocated proceeds will be kept in deposit which is a short-term liquid asset.
- Investors will be reported on the progress of the project and allocation of the proceeds as needed, which will be managed appropriately.

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

- It is intended to provide reporting for the green bond of the project once a year on TLCM's website.
- It will consist of fund allocation status reporting as well as impact reporting (the amounts of annual power generation as well as reduction in CO2 emissions) for each project for each series. It is reasonable in terms of contents.

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

- The eligible project for the green bond for the transaction is a solar power generation project in Nishigo Village, Nishishirakawa-gun, Fukushima prefecture. Expenses to be incurred by a power generation SPC for the solar power generation plant, an eligible project under the framework, are designated to be in-scope, thus in line with the green bond framework.
- R&I checked whether or not 1) sufficient environmental benefits are expected from the eligible projects, and 2) due consideration is paid to potential negative environmental impacts during the development and operational phase, similar to the assessment of the framework.
- As a result, R&I has judged that the eligible project has sufficient feasibility and is expected to bring environmental benefits (reduction in CO2 emissions) in light of the securement of the project sites, its power generation facilities, contents of technical reports, and O&M systems, among other things. R&I has confirmed through project materials that due consideration is paid for potential negative environmental impacts in development work and operations (consideration to local residents, etc.) and concluded appropriate consideration for the environment is paid.

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

- The assessment and selection of an eligible project for the green bond is proposed by a department in charge and, after discussing with Compliance Department and others, to be approved by an officer in charge of Corporate Planning & Administration (President) in accordance with the framework stipulated by the issuer. It is judged as an organizational decision-making process with governance in place as multiple departments are involved and an approval by an officer is required.
- R&I deems that the process for project evaluation and selection is very clear and reasonable.

### 3. Management of Proceeds

- With respect to the green bond, R&I has confirmed that the proceeds are to be managed separately for the project in accordance with the framework stipulated by the issuer as well as the finance-related agreements.
- The total amount of the project exceeds 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 has confirmed that reporting for fund allocation status and environmental benefits for the green bond will be provided once a year on the company's websites in accordance with the framework stipulated 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.

- TLCM has track records of acting as an AM service provider for multiple renewable energy projects including solar and wind power generation projects.
- It works on ESG initiatives aggressively, by setting out the "Sustainability Policy" on June 1, 2018, signing on the "Principles for Responsible Investment (PRI)" as well as obtaining a certification for DBJ Green Building at The Iceberg (Shibuya, Tokyo) held by a fund for which it acts as an AM service provider in 2019, and so on.
- It intends to continue to engage in renewable energy projects aggressively in accordance with its Sustainability Policy and its Long-Term Management Plan (the active involvement in renewable energy business) based on the long term vision "GROUP VISION 2030" which Tokyu Fudosan Holdings Group announced.



For the reasons above, R&I deems that TLCM 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		TLCM has in place a policy and system for environmental issues and proactively engages in environmental contribution activities through its business. 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](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.

R&I is not responsible or liable in any way to any party, for all or any damage, loss, or expenses arising out of or in relation to errors, omissions, inappropriateness of, or insufficiencies in the information used when issuing R&I Green Bond Assessment, R&I Green Bond Assessment or other opinions, or arising out of or in relation to the use of such information or R&I Green Bond Assessment, or amendment, suspension, or withdrawal of R&I Green Bond Assessment (regardless of the nature of the damage, including direct, indirect, ordinary, special, consequential, compensatory, or incidental damage, lost profits, non-monetary damage, and any other damage, and including expenses for attorneys and other specialists), whether in contract, tort, for unreasonable profit or otherwise, irrespective of negligence or fault of R&I.

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: Tokyu Land Capital Management Inc.

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: September 29, 2021

Publication date of review publication: September 29, 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 (please specify):         |  |

*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 2021 and Green Loan Principles 2021.

### <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 (please specify):   |

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:

☒ 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):

#### 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): Annual output of the PV power plant

### Means of Disclosure

☐ Information published in financial report

☐ Information published in sustainability report

☐ Information published in ad hoc documents

☒ Other (please specify): 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.)

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.