

Second-Party Opinion

Tokyu Fudosan Holdings Corporation

Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Tokyu Fudosan Holdings Corporation ("Tokyu Fudosan Holdings" or "the Company") Green Bond Framework is credible and impactful and 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 categories for the use of proceeds 1) Green Buildings, and 2) Renewable Energy, are aligned with the GBP. Sustainalytics considers that Tokyu Fudosan's eligible projects will deliver positive environmental impacts and advance the UN Sustainable Development Goals 7 and 9.



PROJECT EVALUATION / SELECTION Projects are selected by the Finance Department and the Sustainability Promotion Department according to the eligibility criteria and final decisions will be made by the officers administering the Departments. Sustainalytics views this process as aligned with market practices.



MANAGEMENT OF PROCEEDS The Finance Department is assigned to tracking the amount of allocated and unallocated proceeds on a semiannual basis, using the Company's internal management system. Unallocated proceeds will be held in cash or cash equivalents, and the Company has committed to allocating the proceeds in less than 18 months. The Company's management of proceeds is aligned with market best practices.



REPORTING Tokyu Fudosan Holdings intends to provide a report on its website annually regarding the allocation of proceeds and positive environmental impacts of financed projects. The allocation reporting will include the amount of allocated proceeds on a project category basis, the amount of unallocated proceeds, and the amount allocated to refinancing, while the environmental impact reporting will provide, environmental impact metrics relevant to project category, including names of financed projects, types and levels of certifications received, and the amount of CO₂ emissions reduced (t-CO₂). Sustainalytics considers Tokyu Fudosan Holdings' reporting as aligned with market practices.

Evaluation date	November 21, 2019
Issuer Location	Tokyo, Japan

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Alignment with Japan's Green Bond Guidelines 2017

Sustainalytics is of the opinion that the Tokyu Fudosan Holdings Green Bond Framework (the "Framework") is in line with the Japan's Green Bond Guidelines 2017. The guidelines communicate what an issuer should do to issue a credible green bond, and also highlight what an issuer is recommended to do. Sustainalytics assessed the alignment between the Framework and the 'requirements of' items outlined in the Japan's Green Bond Guidelines 2017.

Introduction

Tokyu Fudosan Holdings Corporation (“Tokyu Fudosan Holdings” or “the Company”) is a holding company whose subsidiaries include Tokyu Land Corporation, Tokyu Community Corp, and Tokyu Livable, Inc.. The Company and its subsidiaries constitute the Tokyu Fudosan Holdings Group, a comprehensive real estate group. The Company has a business portfolio comprising of seven segments (urban development, residential, property management, real estate agents, wellness, Tokyu Hands, and innovation) and owns and operates office buildings, commercial facilities, fitness clubs, resort facilities, and senior-citizen residences, and is engaged in condominium sales, property management, and real estate agent transactions, mainly in Japan.

Tokyu Fudosan Holdings has developed the Tokyu Fudosan Holdings Corporation Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, projects in Japan that provide positive environmental impact. The Framework defines eligibility criteria in the following areas:

1. Green Buildings
2. Renewable Energy
 - a. Solar power generation
 - b. Wind power generation

Tokyu Fudosan Holdings engaged Sustainalytics to review the Framework, dated November, 2019 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP), as administered by the International Capital Market Association (the “ICMA”).¹ A summary overview of the Framework has been provided in Appendix 1.

As part of this engagement, Sustainalytics held conversations with various members of Tokyu Fudosan Holdings’ Group Finance Department and Sustainability Promotion 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. 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.

¹ The GBP are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

Sustainalytics' Opinion

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

Summary

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 two eligibility categories for the use of proceeds, 1) Green Buildings and 2) Renewable Energy, are recognized by the Green Bond Principles as project categories with clear environmental benefits. Please refer to Section 3 for Sustainalytics' in-depth assessment of environmental benefits expected from the use of proceeds.
 - In the Green Buildings category, Tokyu Fudosan Holdings plans to allocate proceeds to capital investments including development, construction, and renovation costs. Sustainalytics holds a positive view of these capital investments as they will lead to greater environmental benefits compared to the use of proceeds for operational expenditure.
 - Under the Company's eligibility criteria for Green Buildings, proceeds will be directed towards properties that have received, or will receive, top two levels of third-party green building certifications, i.e. CASBEE for Buildings (New Construction, Existing Buildings, and Renovation), CASBEE for Real Estate, BELS, LEED-BD+C, LEED-O+M, and DBJ Green Building Certification. Sustainalytics views that the application of the above eligibility criteria by Tokyu Fudosan Holdings is aligned with market best practices. Please see Appendix 2 for an overview and comparison of green-building certification schemes.
 - In the Renewable Energy category, Tokyu Fudosan Holdings intends to use Green Bond proceeds for capital investments in solar and wind power generation businesses. Sustainalytics considers that such energy sources have positive impacts on the environment and can contribute to measures against climate changes.
 - Tokyu Fudosan Holdings plans to allocate Green Bond proceeds to new and/or existing projects. Tokyu Fudosan Holdings applies a lookback period of three years and allocates Green Bond proceeds only to: 1) green buildings that were completed, or whose green-building certifications were obtained/renewed, within three years prior to the Green Bond issuance date; and 2) renewable energy projects that began operation within the same period as mentioned above. Sustainalytics recognizes that investors prefer a lookback period of two to three years, and therefore considers that the Company's look-back period is aligned with market preferences.
- Project Evaluation and Selection:
 - Tokyu Fudosan Holdings allocates Green Bond proceeds to projects that are selected by the Finance Department and the Sustainability Promotion Department according to the eligibility criteria, and final decisions will be made by the officers administering the Departments. Sustainalytics considers that the Company's project evaluation and selection process is in line with market best practices.
- Management of Proceeds:
 - Tokyu Fudosan Holdings' Finance Department is assigned to tracking the amount of allocated and unallocated proceeds on a semiannual basis, using the Company's internal management system. Unallocated proceeds will be held in a form of cash or cash equivalents and the Company has committed to allocating the proceeds in less than 18 months. Sustainalytics views that the Company's process for management of proceeds is in line with market best practices.
- Reporting:
 - Tokyu Fudosan Holdings intends to report on the allocation of proceeds on its website annually until the entire amount of proceeds is allocated, and when necessary in the event that material changes occur even after full allocation. The report will include the amount of allocated

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proceeds on a project category basis, the amount of unallocated proceeds, and the amount allocated to refinancing. The Company is also committed to issuing annual impact reporting on its website until the maturity of Green Bond, providing the following quantitative environmental impact metrics: 1) for green buildings, the names of properties or projects, types and levels of certifications obtained, amount of CO₂ reduced(t-CO₂), amount of CO₂ emissions reduced per floor area(kg-CO₂/ m²), amount of energy consumption(GJ), and amount of water consumption(m³); and 2) for renewable energy projects, the names of financed projects, amount of power generated(kwh), and amount of CO₂ reduced(t-CO₂). Sustainalytics considers that the Company's reporting is 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 2017

Japan's Green Bond Guidelines 2017 communicate what an issuer should do to issue a credible green bond, and also highlight what an issuer is recommended to do. Sustainalytics assessed the alignment between the Framework and the 'requirements of' items outlined in the Japan's Green Bond Guidelines 2017.

ICMA Green Bond Principles 2018 and Japan's Green Bond Guidelines, 2017 ²	Alignment with GBP and with Japan's Green Bond Guidelines	Sustainalytics' comments on alignment with Japan's Green Bond Guidelines 2017. ³
1. Use of Proceeds	Yes	The two use of proceeds categories, 1) Green Building and 2) Renewable Energy, specified by Tokyu Fudosan Holdings within the Framework, are recognized by Japan's Green Bond Guidelines 2017 as a project categories with clear environmental benefits. In the Framework, the Company also provides explanations about environmental risks associated with eligible projects and its measures to mitigate such risks, allowing investors to access in advance.
2. Process for Project Evaluation and Selection	Yes	Tokyu Fudosan Holdings describes in the Framework that the issuance of the Green Bond is aimed at implementing its environmental policy, medium- and long-term management plan, and medium-term management plan. The Framework also provides eligible criteria for the use of proceeds and explains that projects are evaluated and selected by members of the Finance Department and the Sustainability Promotion Department according to the eligibility criteria. Final decisions will be made by the officers administering the Departments.
3. Management of Proceeds	Yes	The allocation and management of proceeds will be undertaken by the

² Green Bond Guidelines, 2017, Summary, Ministry of the Environment, Japan: <https://www.env.go.jp/en/policy/economy/gb/summary2017.pdf>

³ For detailed comments on alignment with ICMA GBP, please see Appendix 3.

		Finance Department. An internal management system will be used to monitor, on a semi-annual basis, the amount of Green Bond proceeds allocated and unallocated to eligible assets. The Framework explains that unallocated proceeds will be managed in the form of cash or cash equivalents.
4. Reporting	Yes	In the Framework, Tokyu Fudosan Holdings committed to reporting on the allocation of proceeds annually on the corporate website until the proceeds are fully allocated to eligible projects, and when necessary in the event that material changes occur including after full allocation. The disclosure will include the amount of allocated proceeds on a project category basis, the amount of unallocated proceeds, and the amount allocated to refinancing. The Company has also explained that it will provide an annual impact report on its website until the maturity of the Green Bond, disclosing environmental impact metrics including: 1) for Green Buildings, names of the allocated properties or projects, types and levels of certifications obtained, amount of CO ₂ reduced(t-CO ₂), amount of CO ₂ emissions reduced per floor area(kg-CO ₂ / m ²), amount of energy consumption(GJ), and amount of water consumption(m ³); and 2) for Renewable Energy Projects, the names of financed projects, amount of power generated (kwh), and amount of CO ₂ reduced(t-CO ₂).

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to Tokyu Fudosan Holdings' sustainability strategy

Sustainalytics is of the opinion that the Tokyu Fudosan Holdings has integrated its sustainability efforts into its management strategy by setting the following policies and targets, and has articulated its commitment to ensuring sustainability through its business activities.

- Through its environmental policy, the Tokyu Fudosan Holdings Group has committed to "making efforts to harmonize the environment and the economy through business activities," and coping with five environmental issues of (i)climate change, (ii)biodiversity conservation, (iii)pollution and resources, (iv)water use, and (v)supply chain.⁴ As a measure against climate change, the Company has promised to promote an efficient use of energy and the deployment of renewable energies at its business facilities and owned properties, setting a target of reducing CO₂ per floor area of business offices and of real estate portfolio, on a Group-wide basis, by 25% by FY2020 and 30% by FY2030 from the FY2005 level.⁵ Additionally, Tokyu Land Corporation, the Company's wholly-own subsidiary and the Group's core

⁴ Tokyu Fudosan Holdings, "Environmental Conservation Initiatives", at: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/30>.

⁵ Tokyu Fudosan Holdings, "Climate Change", at: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/25>.

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operating company, has a membership in RE100, a global initiative of companies committed to sourcing 100% renewable electricity, and is committed to achieving the Group's goal by 2050.⁶

- The Company developed the Medium-Term Management Plan for 2017-2020, which will last until FY2020, and promotes investments in the renewable energy business as part of the "Expansion of the Cyclical Reinvestment Business" strategy, which constitutes one of the Company's three growth strategies.⁷ In the Management Plan, the Company has set KPIs for FY2020, with the aim of promoting ESG management. In addition to the above-mentioned CO₂ reduction targets, the Company has established a goal to reduce waste and water use by 25% from the level of FY2005. The Company also aims to obtain environmental certifications for all of its large-sized office buildings and newly-constructed commercial facilities.⁸

Considering Tokyu Fudosan Holdings' sustainability policies mentioned above and its time-bound quantitative goals, Sustainalytics is of the opinion that the Company is well positioned to issue green bonds. Sustainalytics also considers that the Company's use of proceeds will support its efforts to reduce environmental burdens at its own properties and promotes its renewable energy businesses.

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

Sustainalytics recognizes that, while Tokyu Fudosan Holdings' eligible Green Building and Renewable Energy projects have clear environmental benefits, they may potentially pose environmental and social risks. Major risks include water and air pollution, noise and vibration, ecosystem destruction, and adverse impacts on local residents and workers' health and safety in large-scale projects' development, construction, and operations. The Company is working to reduce negative environmental and social risks through the following policies and processes:

- The eligibility criteria for solar and wind power generation projects defined in the Framework limit the use of proceeds to projects that have received regulatory approval and an equipment accreditation from the Minister of Economy, Trade and Industry based on the Japan's Feed-in Tariff (FIT) System for Renewable Energy, and have appropriately carried out an environmental impact assessment (this criteria is only applied to cases where such assessment is required by laws and regulations). The equipment accreditation by the Minister of Economy, Trade and Industry is available only if the project has a business plan that is developed according to the "Business Planning Guidelines for Solar Power Generation"⁹ or "Business Planning Guidelines for Wind Power Generation."^{10,11} These Guidelines require compliance with applicable environmental and social laws (including ordinances) such as the Landscape Act, Nature Conservation Act, Forest Act, Act on Conservation of Endangered Species of Wild Fauna and Flora, and Noise Regulation Act. The eligibility criteria ensure the confirmation of compliance with applicable laws and regulations in the project evaluation/selection process, and at the same time limit financing to projects that have properly completed an environmental impact assessment. The procedure of environmental impact assessment include public inspections, meetings for explanation, and summarization of opinions from local residents, and residents opinions are reflected to business plans and the assessment.
- Regarding Green Buildings, Tokyu Fudosan Holdings has showed its commitments within its Framework to work to prevent negative environmental impact related to the development of these buildings through the implementation of environmental impact assessments and the preparation of the Building Environment Plan in accordance with laws and regulations. Additionally, based on its *supplier policy in*

⁶ Tokyu Land Corporation, "Membership in RE100 Initiative for sourcing 100% renewable energy(Japanese only)", at: <https://www.tokyu-land.co.jp/news/45d003af7a7601cf16268ec60abec175.pdf>.

⁷ Tokyu Fudosan Holdings, "Medium-and Long-Term Management Plan (Value Frontier 2020)", at: <https://www.tokyu-fudosan-hd.co.jp/english/ir/mgtpolicy/plan/>.

⁸ Tokyu Fudosan Holdings, "Tokyu Fudosan Holdings Group's ESG Management", at: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/49>.

⁹ Agency for Natural Resources and Energy, "Business Planning Guidelines for Solar Power Generation (Japanese only)", at: https://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/dl/fit_2017/legal/guideline_sun.pdf

¹⁰ Agency for Natural Resources and Energy, "Business Planning Guidelines for Wind Power Generation (Japanese only)", at: https://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/dl/fit_2017/legal/guideline_wind.pdf

¹¹ Agency for Natural Resources and Energy, "Feed-in Tariff System (Japanese only)", at: https://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/fit_nintei.html

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the environmental supply chain and property portfolio management policy, the Company collaborates with stakeholders (design companies, construction companies, customers, etc.) to engage in the following on a supply chain-wide basis: 1) ecosystem survey and conservation during the land development and material procurement phases; 2) efficient use of resources; and 3) reduction of pollutants and waste and appropriate treatment.¹² The Company has also established labor standards to prevent forced and child labor and reduce overwork.¹³

Considering that Tokyu Fudosan Holdings ensures financed projects' regulatory compliance as well as implementation of environmental impact assessments and the exclusion of projects with significant outcomes, through the aforementioned policies and processes, Sustainalytics is of the opinion that the Company is well positioned to manage and reduce environmental and social risks associated with eligible Green Bond projects.

Section 3: Impact of Use of Proceeds

The two use of proceeds categories described in the Framework are recognized by the GBP and Japan's Green Bond Guidelines 2017 as projects that produce positive environmental impacts. Sustainalytics explains how those project categories deliver positive environmental impacts in Japan as follows:

Environmental Benefits of Green Buildings

CO₂ emissions originating from buildings account for about 30% of Japan's total CO₂ emissions. In FY2017, emissions from the business and other sector (specifically, emissions from offices, buildings, commercial facilities, etc.) accounted for 17.4% of Japan's total CO₂ emissions, and emissions in the residential sector accounted for 15.6%.¹⁴ While the final energy consumption of the industry and transportation sectors decreased and slightly increased from the 1990 level, respectively, emissions from the business and other sector and residential sector related to buildings increased by approx. 20%. Accordingly, promotion of energy savings at buildings is imperative for Japan to reduce its CO₂ emissions.¹⁵ In light of these situations, the Japanese government has been working on the strengthening of energy-saving measures for buildings, by, for example, establishing the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) in 2015,¹⁶ which provides regulatory measures for mandatory compliance with energy efficiency standards for large-scale non-residential buildings.

In the Intended Nationally Determined Contributions (INDC) submitted to the United Nations in line with the Paris Agreement, the Japanese government committed to reducing the country's total greenhouse gas (GHG) emissions by 26% by FY2030 compared to the FY2013 level. To achieve this, the government has set a goal of reducing CO₂ emissions by 40% in both the business and other sectors and residential sectors. It aims to achieve this goal by reducing the country's final energy consumption through such measures as improving newly-constructed buildings' energy-saving performance, renovating existing buildings, ensuring thorough energy management, and introducing highly-efficient lighting equipment.¹⁷

The Framework specifies that the proceeds will be directed towards Green Buildings that have received or will receive the top two levels of nationally- and globally-recognized third-party green building certifications. Sustainalytics is of the opinion that such use of proceeds will provide clear environmental benefits by reducing environmental impact (i.e. the consumption of energy, resources, and water) of properties owned by the Company, and contributing to Japan's efforts to reduce CO₂ emissions originating from buildings.

¹² Tokyu Fudosan Holdings, "Supply Chain (Environment)", at: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/29>

¹³ Tokyu Fudosan Holdings, "Labor Standards", at: <https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/36>

¹⁴ Ministry of the Environment, "Japan's National Greenhouse Gas Emissions in Fiscal Year 2017 (Final Figures) (Japanese only)", at: https://www.env.go.jp/earth/ondanka/ghg-mrv/emissions/results/JNGI2019_1.pdf

¹⁵ 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>

¹⁶ Ministry of Land, Infrastructure, Transport and Tourism, "Overview of the Building Energy Efficiency Act (Detailed Explanatory Session) (Japanese only)", at: <https://www.mlit.go.jp/common/001178846.pdf>

¹⁷ UNFCCC, "Japan's Intended Nationally Determined Contribution (INDC)", at: https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Japan%20First/20150717_Japan's%20INDC.pdf.

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Importance of Promotion of Solar and Wind Power Generation

In response to the Great East Japan Earthquake and the Fukushima Daiichi Nuclear Power Plant accident in 2011, the Japanese government developed a policy to reduce its dependence on nuclear power generation and maximize the use of renewable energy. Based on the “Fourth Basic Energy Plan,”¹⁸ which was approved by the Cabinet in 2014, the “Long-term Energy Supply and Demand Outlook”¹⁹ was issued in 2015, with a goal of doubling the ratio of renewable energy sources to total power generation from 10% before the earthquake to 22-24% by FY2030. In the “Fifth Basic Energy Plan,”²⁰ which was approved by the Cabinet in 2018, the government set out a policy of using renewable energy as the country’s main power source by around 2050. In source-specific terms, the Japanese government established goals of installing a solar power generation capacity of 64 million kW and a wind power generation capacity of 10 million kW by 2030.²¹ As of March 2018, the solar power generation capacity successfully reached a cumulative 44.5 million kW level, while the wind power generation capacity remained at a 3.5 million kW level²² due to locational restrictions, requiring further efforts to triple the capacity in the future.

The Japanese government promised to reduce GHG emissions by 26% in line with the Paris Agreement, and set out long-term goals of reducing GHG emissions by 80% by 2050 and achieving zero GHG emissions at the earliest as possible stage of the latter half of the 21st century in the “Long-term Strategy under the Paris Agreement,” which was approved by the Cabinet in June 2019. A reduction of emissions through the expansion of low-carbon renewable energy is expected to make a significant contribution to Japan’s efforts to achieve its climate goals.

In the Framework, Tokyu Fudosan Holdings includes solar and wind power generation projects in Japan among its use of proceeds. Sustainalytics has a positive view of the use of proceeds as contributing to the achievement of Japan’s energy and GHG emission reduction goals. Sustainalytics also views that the expansion of low-carbon power sources such as solar and wind power, will reduce GHG emissions originating from power generation and provide clear environmental benefits.

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. Tokyu Fudosan Holdings’ Green Bond Framework advances the following SDG goals and targets:

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
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Tokyu Fudosan Holdings plans to issue Green Bonds based on its Green Bond Framework and use the proceeds to finance and/or refinance Green Building and Renewable Energy projects. Sustainalytics considers that the use of proceeds defined by the Company in the Framework will not only contribute to the achievement of the Company’s sustainability goals and Medium-term Management Plan, but will also support the

¹⁸ Ministry of Economy, Trade and Industry (2014), “Basic Energy Plan”, at:

https://www.enecho.meti.go.jp/en/category/others/basic_plan/pdf/4th_strategic_energy_plan.pdf.

¹⁹ Ministry of Economy, Trade and Industry, “Long-term Energy Supply and Demand Outlook” (2015), at:

http://www.meti.go.jp/english/press/2015/pdf/0716_01a.pdf.

²⁰ Ministry of Economy, Trade and Industry, “Basic Energy Plan” (2018), at: https://www.meti.go.jp/english/press/2018/pdf/0703_002c.pdf.

²¹ Ministry of Economy, Trade and Industry, “Long-term Energy Supply and Demand Outlook Related Reference Materials (Japanese only)” (2015), at:

http://www.enecho.meti.go.jp/committee/council/basic_policy_subcommittee/mitoshi/011/pdf/011_07.pdf.

²² Agency for Natural Resources and Energy, “Current State of Renewable Energy in Japan and Overseas and Draft Issues Proposed for the Current Year by the Procurement Price Calculation Committee (Japanese only)”, at: https://www.meti.go.jp/shingikai/santei/pdf/038_01_00.pdf.

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achievement of the Japanese government's measures against climate change and related energy policies as well as the promotion of the SDGs 7 and 9.

Tokyu Fudosan Holdings' use of proceeds are recognized by the Green Bond Principles and Japan's Green Bond Guidelines 2017 as project categories with clear environmental benefits. The Company plans to allocate proceeds to Green Buildings that have received, or will receive, the top two levels of third-party green building certification and has committed to allocating the proceeds in less than 18 months. Sustainalytics views that the Company's eligibility criteria and management of proceeds are aligned with market best practices. Additionally, Sustainalytics recognizes that the Company's project evaluation and selection process and reporting policies align 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 2017.

Appendices

Appendix 1: Framework Overview

For the purpose of issuing green bonds, Tokyu Fudosan Holdings developed the following framework which addresses the four key core components of GBP: use of proceeds, project evaluation and selection process, management of proceeds, and reporting, in October 2019. The framework belongs to Tokyu Fudosan Holdings, and a summary overview has been provided below.

1. Use of proceeds

The proceeds of the green bond will be allocated towards existing and/or new expenditures that meet the following eligibility criteria.

1.1 Eligibility criteria

Criterion 1 — Green Buildings

The proceeds of the green bond will be allocated toward expenditures (costs related to land acquisition, planning and development, construction, and refurbishment) or investments on the new and/or existing assets that meet one of the following eligibility criteria.

(Eligibility Criteria)

1. Buildings that have received at least one of the following third-party green building certifications or recertifications within 36 months prior to the date of green bond issuance
2. Buildings that are expected to receive at least one of the following third-party green building certifications or recertifications
3. Buildings that have a construction completion date within 36 months prior to the date of green bond issuance and have at least one of the following third-party green building certifications. Tokyu Fudosan will continue to renew such certifications after the initial certification by maintaining and improving environmental performance of the buildings through maintenance and refurbishment of the assets.
 - A or S Rank under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE for Real Estate
 - Platinum or Gold Rank under the LEED-BD+C (Building Design and Construction) or LEED-O+M (Building Operations and Maintenance)
 - 4 or 5 Stars under the Building Energy-efficiency Labeling System (BELS), or
 - 4 or 5 Stars under the DBJ Green Building Certification

Each of the above certification is valid for;

CASBEE for Buildings and CASBEE for Real Estate: 5 years after certification

LEED-BD+C (Building Design and Construction): Indefinite term

LEED-O+M (Building Operations and Maintenance): 5 years after certification

BELS: Indefinite term

DBJ Green Building Certification: 3 years after certification

Criterion 2 —Renewable Energy

The proceeds of the green bond will be allocated towards new and existing investments for projects that will produce clean energy and contribute to local job creation and economic activities through the development and operation of renewable power generation facilities.

Specifically, they will be used to cover costs related to purchase facilities, design, and land development for power generation businesses* contributing to decarbonization, derived from solar and wind power that are invested by Tokyu Fudosan Holdings or Tokyu Fudosan Holdings group, using Tokyu Fudosan Holdings' funds.

* Permanently available power generation projects from renewable sources specified by "The Act on the Promotion of Use of Non-fossil Energy Sources and Effective Use of Fossil Energy Materials by Energy Supplier".

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(Eligibility Criteria)

1. The project is located in Japan.
2. The facility and project received license and approval from the Minister of Economy, Trade and Industry and properly completed an environmental impact assessment (limited to projects applicable).
3. The project address potential negative impacts on the environment and society. Specifically, the risk mitigation measures described hereinbelow should be implemented.
4. The project started operation not more than 36 months before the date of issuance of the green bond, or is planned to start operation after the date of issuance of the green bond.

2. Process for project evaluation and selection

2.1 Application of Eligibility and Exclusionary Criteria in Project Selection

Tokyu Fudosan Holdings Group recognizes that climate change is an important environmental issue that greatly impacts its business activities.

Climate change will not only affect the businesses of the Group directly but indirectly as well such as the fact that the procurement of supplies required for our businesses may become difficult.

Tokyu Fudosan Holdings Group is aware of the challenges posed by climate change and is promoting efficient use of energy and the utilization of renewable energy at its business offices as well as office buildings, commercial facilities and resorts that it owns to mitigate the impacts that its business activities have on climate change. The Company set the Eligibility Criteria to select projects which will contribute to its efforts, and the proceeds of green bond will be allocated to the project which meets the investment eligibility criteria.

Eligible projects will be respectively selected by members of the Finance Department and Sustainability Promotion Department and the final decision will be made by officers of both Departments.

2.2 Environmental Objectives

Tokyu Fudosan Holdings Group is a Corporate Group that proposes and creates lifestyles, going beyond the bounds of physical structures. The Company sets out a sustainability vision and aims to solve social issues through business activities and work with stakeholders to realize a sustainable society and growth.

When formulating the 2017-2020 Medium-Term Management Plan as stage 2 of its Medium- and Long-term Management Plan "Value Frontier 2020" that started from FY2017, we developed strategies based on the seven materialities that were verified and identified as the social issues on which the Company should place priority. Within this plan, the Company sets out three growth strategies: (i) Urban development that proposes new lifestyle, (ii) Expansion of the scope of cyclical reinvestment business, (iii) Reinforcing stock utilization, as well as promoting strengthening measures to generate synergy effects among businesses, and optimizing group management assets and ESG management as efforts to reinforce management foundation.

Additionally, through the environmental policy, we commit to make efforts to harmonize the environment and the economy through business activities and specified five environmental issues: climate change, biodiversity conservation, pollution and resources, water use, and supply chain to address. As part of this effort, Tokyu Land Corporation, the Company's subsidiary participated in "RE100", an international initiative that aims to procure electric power used for business activities entirely through renewable energy. Tokyu Land Corporation intends to realize "RE100" by 2050 by utilizing renewable energy in-house and is working on the realization of a sustainable society through its business.

2.3 Process to Mitigate Environmental and Social Risks

Tokyu Fudosan Holdings implements the following three measures to mitigate environmental and social risks.

(1) Compliance with Laws and Regulations

As part of compliance activities, Tokyu Fudosan Holdings strictly ensures that all officers and employees comply with all applicable laws and regulations, including environmental laws and regulations such as the

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Environmental Impact Assessment and the System of Building Environment Plan and implements compliance check on a regular basis.

1. Environmental Impact Assessment (limited to where applicable)²³

The Company follows the procedures for Environmental Impact Assessment set by Prefectural Environmental Impact Assessment regulations which obliges surveys, prediction and evaluation to decrease the possibility of negative environmental impact accompanying large-scale development projects.

2. System of Building Environment Plan²⁴

The company comply with the submission system of building environment plan etc. set by local authority. For example, in Tokyo Metropolitan Government, according to the System of Building Environment Plan (Green Building Program) established by the Bureau of Environment of Tokyo Metropolitan Government, building that will be newly built or extended and whose total floor area exceeds 5,000 square meters are required to submit their building environment plans. Building that will be newly built or extended and whose total floor area exceeds 10,000 square meters are required to submit energy conservation performance standards, energy conservation performance targets (only applied to specific development project) and energy conservation performance evaluation documents as well as their plans. In implementing new constructed or expanded building which exceeding above scale, it is necessary to fill out Building Environment Plan documents to clarify its environment-friendly design contents, submit it and receive confirmation from Tokyo Metropolitan Government. The plan is assessed by environment-friendly points such as streamlining of energy use, appropriate utilization of resources, protection of natural environment and mitigation of heat island phenomenon.

3. Solar and Wind Power Generation

The Company operates business based on the Business Planning Guidelines for Solar Power Generation²⁵ or the Business Planning Guidelines for Wind Power Generation developed under the Revised Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities²⁶ and the feed-in tariff scheme for renewable energy.

(2) Promotion Structure

To achieve a sustainable society and environment, the Company has established the Sustainability Committee and developed an environmental management structure.

(3) Identification of Materialities

When formulating the Medium-Term Management Plan, Tokyu Fudosan Holdings Group identified key social issues that will be important to the Group over the long term and then identified materialities by taking into consideration the opinions of officers and experts with knowledge regarding topics including the environment, lifestyles, and ESG investment. In order to realize sustainable society and increase corporate value, we aim to finding solutions to social issues through our business activities. Additionally, the Group has set 2020 KPI targets regarding "Work-Style Reform", "Social Needs", "Environment" and "Corporate Governance" and is making efforts to achieve these goals.

3. Management of Proceeds

The Company's Finance Department is in charge of allocation and management of the proceeds. The Company's Finance Department has prepared an internal management system to track and manage the amount of proceeds allocated and unallocated. The net proceeds are scheduled to be allocated in less than 18 months after the issuance of the green bond. The Company will disclose its policy of managing proceeds

²³ Please see the following for examples of Environmental Impact Assessment Regulations set by prefectures:

Bureau of Environment of Tokyo Metropolitan Government, "About Environment Assessments of Tokyo"

<http://www.kankyo.metro.tokyo.jp/assessment/tokyo/about.html>, Hokkaido,

"Environmental Impact Assessment Regulation of Hokkaido, Ordinance for Enforcement", <http://www.pref.hokkaido.lg.jp/ks/ksk/assesshp/jore.htm>.

²⁴ Please see the following for examples of Submission System of Building Environment Plan etc. set by local authorities:

Bureau of Environment of Tokyo Metropolitan Government, "Submission System of Building Environment Plan"

<http://www7.kankyo.metro.tokyo.jp/building/outline.html#no3>.

²⁵ Agency for Natural Resources and Energy:

http://www.enecho.meti.go.jp/category/saving_and_new/saiene/kaitori/dl/fit_2017/legal/guideline_sun.pdf.

²⁶ Ministry of Economy, Trade and Industry: <http://www.meti.go.jp/press/2016/06/20160603009/20160603009.html>.

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in a form of cash or cash equivalents while pending allocation to eligible projects in Shelf Registration Supplements or other statutory documents at the date of the issuance.

4. Reporting

Tokyu Fudosan Holdings will annually report on the allocation of proceeds to eligible projects, management of proceeds, and positive environmental impact on the Company's website. The first report will be made public within 1 year from the date of the green bond issuance.

4.1 Allocation Reporting

The Company will annually disclose the information on allocation of proceeds until proceeds are fully allocated to projects that meet the eligibility criteria and when necessary in the event that material changes occur. Amount of allocated proceeds on a project category basis, amount of unallocated proceeds as well as the amount of proceeds allocated to existing expenditures within the total allocated proceeds will be disclosed.

4.2 Impact Reporting

The Company will disclose the following indicators for positive environmental impact until the maturity of the green bond.

Green Buildings

- Name of property or project financed by proceeds of the green Bond
- Type and level of certification the financed project received
- Amount of energy consumption (GJ)
- Amount of CO₂ reduced (t-CO₂)
- Amount of CO₂ emissions reduced per floor area (kg-CO₂/m²)
- Amount of water consumption (m³)

Renewable Energy

- Name of projects financed by proceeds of the green Bond
- Amount of power generated (kwh)
- Amount of CO₂ reduced (t-CO₂)

Appendix 2: Overview and Comparison of Green Building Certification Schemes

	CASBEE Certification ²⁷	LEED ²⁸	BELS ²⁹	DBJ Green Building Certification Program ³⁰
Background	CASBEE (Comprehensive Assessment System for Built Environment Efficiency) Certification is a green building certification scheme in Japan, which a third party certifies the evaluation of the environmental performance of buildings. The scheme includes, based on types of buildings: CASBEE for Buildings, CASBEE for Real Estate, and CASBEE for Housing.	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.	BELS (Building-Housing Energy-efficiency Labelling System) is an energy performance label, issued under guidelines established by the Ministry of Land, Infrastructure, Transport, and Tourism. The BELS system evaluates primary energy consumption to measure conservation performance.	DBJ Green Building Certification Programme was launched by Development Bank of Japan in 2011 and is operated together with Japan Real Estate Institute (JREI). The programme is recognized as one of regional standards. The certification is available for office buildings, logistics, residential & retail facilities.
Certification levels	C (Poor) B- (Slightly Poor) B+ (Good) A (Very Good) S (Excellent) * 4-grade evaluation for CASBEE for Real Estate excluding C rank	Certified Silver Gold Platinum	1 Star 2 Stars 3 Stars 4 Stars 5 Stars	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	CASBEE assesses two main factors: inside and outside the building site, which	None	None	Evaluation of DBJ Green Building Certification includes construction

²⁷ Institute for Building Environment and Energy Conservation, "CASBEE certification scheme (Japanese only)", at: <http://www.ibec.or.jp/CASBEE/certification/certification.html>.

²⁸ U.S. Green Building Council, "Green building leadership is LEED", at: <https://new.usgbc.org/leed>.

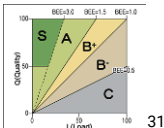

²⁹ Association for Housing Performance Evaluation & Labeling, "Building-Housing Energy-efficiency Labelling System Building Energy-efficiency Performance Labeling System (Japanese only)", at: <https://www.hyoukakyokai.or.jp/bels/bels.html>.

³⁰ Development Bank of Japan, Japan Real Estate Institute (JREI), "DBJ Green Building", at: <http://igb.jp/en/index.html>.

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Management	<p>translate into Q (Built Environment Quality) and, respectively, L (Built Environment Load).</p> <p>* The above are not applied to CASBEE for Real Estate</p>			<p>specifications, environmental features as well as the following factors:</p> <ul style="list-style-type: none"> - 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 Efficiency • Resource efficiency • Local environment • Indoor environment <p>* Areas for assessment of CASBEE for Real Estate are energy/GHG, water, resource, biodiversity, indoor environment</p>	<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 	Energy efficiency	<p>Assessment include three areas with some examples of following subcategories:</p> <p>Ecology</p> <ul style="list-style-type: none"> • Energy conservation • Water resources conservation • 3R (Reduce, Reuse and Recycle) • Use of renewable energy <p>Risk management & amenities/diversity</p> <ul style="list-style-type: none"> • Security & Safety of tenant users • Convenience of tenant users <p>Community & partnership</p> <ul style="list-style-type: none"> • Landscape • Biodiversity <p>Relation with the local community • Owner & stakeholder relationship</p>
Requirements	<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</p>	<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</p>	<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>Score-based performance level</p> <p>Assessment structure composed of the following three pillars:</p> <p>1. Areas of assessment</p> <p>The features and characteristics of the green building will be classified into three main categories:</p>

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	<p>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>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>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>ecology, risk management & amenities/diversity, and community & partnership. Each main area consists of five subcategories and has a full score of 100 points. The entire assessment consists of 58 questions.</p> <p>2. Comprehensive assessment Among the conventional assessment points, some particular importance is attached to the owner operation of the property, such as, in the risk management part, disaster prevention & anticrime measures, and in the community & partnership part, local environment-awareness initiatives.</p> <p>3. Innovation point system An additional point system is adopted to reflect exceptionally innovative initiatives in each subcategory. Such initiatives need not fit in the scope of the respective questions.</p> <p>JREI will conduct on the ground review of building performance on the indicators above, and a committee set in JREI will decide the result of certification rank.</p>
Performance Display	 <p>31</p>			 <p>34</p>

³¹ 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.

³⁴ Development Bank of Japan, "DBJ Green Building", at: http://www.dbj.jp/en/pdf/service/finance/g_building/gb_presentation.pdf.

		 Platinum 80+ points earned 32	 46 33	
Qualitative considerations	<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>	Worldwide recognition and application	<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>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.³⁵</p>

³² U.S. Green Building Council, "Green building leadership is LEED", at: <https://new.usgbc.org/leed>

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.

³⁵ Development Bank of Japan, Japan Real Estate Institute (JREI), "DBJ Green Building", at: <http://igb.jp/en/index.html>.

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

Section 1. Basic Information

Issuer name:	Tokyu Fudosan Holdings Corporation
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Tokyu Fudosan Holdings Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November 21, 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

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 categories for the use of proceeds 1) Green Buildings, and 2) Renewable Energy, are aligned with the GBP. Sustainalytics considers that Tokyu Fudosan 's eligible projects will deliver positive environmental impacts and advance the UN Sustainable Development Goals 7 and 9.

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 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):

Tokyu Fudosan Holdings allocates Green Bond proceeds to projects that are selected by the Finance Department and the Sustainability Promotion Department according to the eligibility criteria, and final decision will be made by the officers administering the Departments. Sustainalytics considers that the Company's project evaluation and selection process is in line 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 |

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- ☐ Summary criteria for project evaluation and selection publicly available ☐ Other (*please specify*):

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*):

Tokyu Fudosan Holdings' Finance Department is assigned to tracking the amount of allocated and unallocated proceeds on a semiannual basis, using the Company's internal management system. Unallocated proceeds will be held in a form of cash or cash equivalents. Additionally, Tokyu Fudosan Holdings has committed to allocating the proceeds in less than 18 months. Sustainalytics views that the Company's process for management of proceeds is in line with market best 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*):

Tokyu Fudosan Holdings intends to provide a report on its website annually regarding the allocation of proceeds and positive environmental impacts by financed projects. The allocation reporting will include the amount of allocated proceeds on a project category basis, the amount of unallocated proceeds, and the amount allocated to refinancing, while the environmental impact reporting will provide, environmental impact metrics relevant to project category, including names of financed properties or projects, types and levels of certifications received, and the amount of CO₂ emissions reduced (t-CO₂). Sustainalytics considers Tokyu Fudosan Holdings' reporting is aligned with market practices.

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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): when necessary in the event of material changes

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): Names of financed properties or projects, types and levels of certifications obtained, amount of energy consumption, amount of CO₂ emissions reduced per floor area, amount of water consumption, amount of power generated.

Means of Disclosure

- ☐ Information published in financial report
 ☐ Information published in sustainability report

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- ☐ Information published in ad hoc documents
 ☒ Other (please specify): Company website
- ☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF 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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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.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider". The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com

