

December 21, 2022

To whom it may concern

Sumitomo Mitsui Trust Bank, Limited

Notice regarding the Conclusion of a Positive Impact Finance (with unspecified use of funds)
Loan Agreement (with Mitsui Fudosan Co., Ltd.)

Sumitomo Mitsui Trust Bank, Limited (President: Kazuya Oyama; hereinafter “SuMi TRUST Bank”) concluded a “Positive Impact Evaluation” (hereinafter “this evaluation”) and “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) with Mitsui Fudosan Co., Ltd. (President and Chief Executive Officer: Masanobu Komoda; hereinafter “Mitsui Fudosan”) in line with the Principles for Positive Impact Finance (*1) released by the United Nations Environment Programme Finance Initiative (hereinafter “UNEP FI”) (*2).

Positive Impact Finance (hereinafter “PIF”) is a type of loan agreement intended to support corporations to comprehensively analyze and evaluate the impacts (both positive and negative) of business activities related to the environment, society and economy on an ongoing basis. The most notable feature of PIF is that the degree of contribution from corporate activities, products and services in achieving Sustainable Development Goals (SDGs) is used as an evaluation indicator and monitored based on publicly disclosed information, and that we support corporations’ activities to achieve these goals through engagement.

This agreement has obtained a third-party opinion (*3) from Japan Credit Rating Agency, Ltd. (President: Shokichi Takagi) regarding the compliance of the procedures related to this agreement’s evaluation to the Principles as well as the rationality of the evaluation indicators.

Through providing PIF and other solutions for sustainability businesses, we will continue to support clients’ business activities that contribute to the achievement of the SDGs and contribute to the enhancement of their corporate value over the medium to long term.

【About Mitsui Fudosan Group】

With the principles of coexisting in harmony with society, linking diverse values and achieving a sustainable society, Mitsui Fudosan Group aims for a society that enriches both people and the planet, and promotes ESG management, which is based on an awareness of the environment (E), society (S) and governance (G). Mitsui Fudosan Group believes that more promotion of ESG management helps it to achieve “Society 5.0” declared by Government of Japan and contribute to the SDGs. In November 2021, Mitsui Fudosan Group formulated the Group Action Plan to “realize a decarbonized society” and “promote Diversity & Inclusion.”

<Reference>






- ✓ Group Action Plan to Realize Decarbonized Society
<https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/>
- ✓ Formulated Diversity and Inclusion Promotion Declaration and Initiatives Policy
https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1129_02/




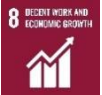

【Overview of this Agreement (Syndicated Loan)】




Date of Agreement	December 21, 2022
Arranger/Agent	SuMi TRUST Bank
Use of Funds	working capital
Lenders	The Ashikaga Bank, Ltd., THE KAGOSHIMA BANK, LTD., and SuMi TRUST Bank

【Overview of Positive Impact Evaluation】

In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of Mitsui Fudosan both qualitatively and quantitatively as initiatives that particularly have an impact on achieving SDGs.

Theme	Content	Goals and Indicators (KPI)	SDGs
Reducing environmental impact and generating energy	<ul style="list-style-type: none"> ✓ Contribute to achieving a decarbonized society by reducing energy usage and greenhouse gas emissions ✓ Transition to renewable energy for electricity used in business operations ✓ Build rich natural environments that get better with time 	<p><u>(A) Promoting the “Group Action Plan to Realize a Decarbonized Society”</u></p> <p>(Goals)</p> <ul style="list-style-type: none"> a. Reduce greenhouse gas emissions (Scope1+2+3) by 40% by FY2030 (compared to FY2019) and achieve Net Zero by FY2050 b. Reduce greenhouse gas emissions (Scope1+2) by 46.2% by FY2030 (compared to FY2019) c. Realize ZEB/ZEH-level (*) environmental performance for all new properties (*) BEI level with environmental performance equal to or higher than ZEB/ZEH Oriented with some exceptions Achieve green electricity consumption (*) in common areas of managed properties and areas used by Mitsui Fudosan by FY2030 (*) Making electricity used from renewable energy with use of non-fossil fuel certificates, etc. d. Increase total output of mega-solar business to 380 million kWh per year by FY2030 e. Promote reducing CO₂ emissions during construction f. Promote the reduction of CO₂ emissions during building construction <p>(Indicators (KPI))</p> <ul style="list-style-type: none"> a. Greenhouse gas emissions (Scope1+2+3) b. Greenhouse gas emissions (Scope1+2) c. Status of satisfaction of ZEB/ZEH-level environmental performance for new properties d. Status of green electricity consumption in common areas of properties and areas used by Mitsui Fudosan by FY2030 e. Total output of mega-solar business f. Status of accurate measurement of CO₂ emissions during building construction 	    

		<p><u>(B) Reduction of water usage</u> (Goal) ✓ Reduce water intake per base unit from the previous fiscal year (Indicator (KPI)) ✓ Water intake per base unit</p> <p><u>(C) Reduction of waste emissions volume</u> (Goal) ✓ Reduce general and industrial waste emissions per base unit from the previous fiscal year (Indicator (KPI)) ✓ General and industrial waste emissions per base unit</p> <p><u>(D) Preserving biodiverse environment</u> (Goal) ✓ Formulate an action plan for biodiversity about group-managed forests, including acquisition of OECM certification (Indicator (KPI)) ✓ Status of formulate an action plan for biodiversity</p>	
<p>Establishment of ultra-smart societies by creating neighborhoods</p>	<p>✓ Leverage technologies to solve individuals' and neighborhoods' problems by building communities and places for people to gather and support one another</p>	<p>(Goal) ✓ Promote smart cities (Indicator (KPI)) ✓ Status of creation of new services to promote smart cities</p>	 
<p>Achieving health, safety and security in people's daily lives</p>	<p>✓ Provide healthy and more productive workplace ✓ Develop and operate resilient, safe, and secure facilities that protect people from threats such as disasters and infectious</p>	<p><u>(A) Providing assets and soft services that meet the needs of diverse working styles</u> (Goals) a. Contribute to realize diverse working styles of tenants b. Increase the number of Health Management Support Service “&well” users by 150 thousand by FY2025 (Indicators (KPI)) a. Status of contribution to realize diverse working styles of tenants b. The number of Health Management Support Service “&well” users</p>	  

	diseases	<p><u>(B) Expansion and improvement of measures for disaster preparedness in collaboration with local communities</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Contribute to improve disaster preparedness for cities <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Status of installing and promoting “Smart Energy Projects” 	
Achieving a society where a diverse workforce can thrive	<ul style="list-style-type: none"> ✓ Establish a foundation for everyone to live the life they choose 	<p><u>(A) Promoting diversity and inclusion</u></p> <p>(Goals)</p> <ol style="list-style-type: none"> a. Increase women in management positions ratio by 10% by FY2025 and by 20% by FY2030 b. Increase ratio of female hires to 40% by FY2030 c. Achieve 100% return rate from childcare leave every year d. Achieve number of paid leave days taken (per year) of 14 or more per person <p>(All goals belong to Mitsui Fudosan Co., Ltd. (non-consolidated))</p> <p>(Indicators (KPI))</p> <ol style="list-style-type: none"> a. Women in management positions ratio b. Ratio of female hires c. Return rate from childcare leave d. Number of paid leave days taken (per year) <p><u>(B) Respecting human rights</u></p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Strengthen supply chain management <p>(Indicators (KPI))</p> <ol style="list-style-type: none"> a. Status of increasing industries and the number of suppliers targeted by supplier questionnaires and supplier on-site surveys (worksites monitoring) b. Status of management issues which a. found necessary to remediate 	  

(*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance was developed by UNEP FI in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs that is intended to guide the borrowers to increase the positive impact and reduce the negative impact.

The lending bank, as a responsible financial institution, will check if the impact is continuing or not by monitoring the indicators.

(*2) The United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is an executive body for implementing the “Human Environment Declaration” and the “International Environmental Action Programme”, established in 1972 as

a subsidiary body to the United Nations system. UNEP FI represents a broad as well as a close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, UNEP FI has been working in concert with financial institutions, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(*3) Third-party opinion on compliance with Principles of Positive Impact Financial and rationality of used metrics

For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

<https://www.jcr.co.jp/en/greenfinance/>

Ends