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– The Promotion of Sustainable Finance –  
**Mitsui Fudosan establishes Green Bond Framework and  
 Sustainability–Linked Loan Framework**

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**Key Points of Press Release**

1. Establishment of a Green Bond Framework and a Sustainability–Linked Loan Framework to promote sustainable finance in the future
2. The green bonds to be issued under the framework will be the first issuance of USD–denominated Green Bonds in the Japanese Real Estate Industry
3. The Sustainability–Linked Loan Agreement under the framework will be our first such agreement

Mitsui Fudosan Co., Ltd. (Head Office: Chuo–ku, Tokyo, Japan, President, Chief Executive Officer: Masanobu Komoda) announced the establishment of Green Bond Framework and its Sustainability–Linked Loan Framework (the “Frameworks”), which aims to promote sustainable finance. Mitsui will also issue USD–denominated green bonds for the purpose of refinancing a portion of our equity investment in 50 Hudson Yards and obtain sustainability–linked loans (“SLL”) under the Frameworks.\* The company is proud to become a pioneer in the Japanese real estate industry to issue such bonds, while the execution of the SLL agreement will be the first ever in its history..

**■ Purpose and Background of these Actions**

The Mitsui Fudosan Group, based on the ideals of coexisting in harmony with society, linking diverse values, and achieving a sustainable society, as symbolized by its “” logos, works to build societies that enrich people’s lives and our planet. Under our “**&EARTH**” byword, we pursue ESG management and conduct business with awareness of our responsibilities with respect to the Environment, Society, and Governance.

In November 2021, we announced our “Group Action Plan to Realize Decarbonized Society” (the “Action Plan”) as a comprehensive and concrete strategy to achieve our greenhouse gas reduction rate in response to increasing global interest and the importance of action against climate change.



<Perspective Rendering of 50 Hudson Yards>

As the international movement on environmental and social issues accelerates, further substantial efforts

are required to achieve a decarbonized society with sustainable finance to support the realization of such a society is becoming increasingly important. Thus, for such realization we have established the Frameworks in order to further strengthen our commitment to the Group’s Action Plan through financing.

The Frameworks will enable us to adopt a flexible approach to green bonds issuance and SLLs obtaining. By proactively engaging in sustainable finance, we intend to raise more awareness of the Group’s policy among a wide range of stakeholders promoting the diversification of financing and the realization of a decarbonized society.

**■ Overview of USD-denominated Green Bonds to be issued under the Green Bond Framework**

Green bonds are bonds whose use of proceeds is limited to projects that contribute to solving environmental problems.

The newly established Green Bond Framework has set both domestic and global environmental certifications as eligibility criteria, allowing for investment in both domestic and global projects.

\*For more information on the Green Bond Framework, please click here.

[https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2021/greenbond\\_eng.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/pdf/2021/greenbond_eng.pdf)

Utilizing this Green Bond Framework, we will issue Green Bonds for the purpose of refinancing a portion of our equity investment in the development project costs of the following green project.\*

※There is a possibility that other green projects that meet the eligibility criteria set forth in the Green Bond Framework will be commenced, in which case a change in the allocation of funds raised may be needed.

\*For more information on the Green Bonds being issued, please click here.

<https://www.mitsui-fudosan.co.jp/english/corporate/ir/library/news/2022/pdf/20220114.pdf>

**<The Green Project Overview>**

50 Hudson Yards is an office building development project in Manhattan, New York, which Mitsui Fudosan Co., Ltd. is participating in through its U.S. subsidiary Mitsui Fudosan America, Inc. (CEO: John Westerfield). The building is located with direct access to the 34th Street Hudson Yards subway station, with a park in front of the entrance. This state-of-the-art office building will feature the large floor plates preferred by a wide range of tenants, several dedicated lobby areas envisaged to address the needs of large-scale tenants using the building for their headquarters, as well as other appealing features including a port-cochere, rare for Manhattan, and a parking garage. It also has leading edge environmental performance, and is seeking LEED GOLD certification,

Property Name	50 Hudson Yards
Location	50 Hudson Yards, New York, NY
Structure	58 above ground and 3 below
Site Area	Approx. 69,000 ft <sup>2</sup> (Approx. 6,400 m <sup>2</sup> )
Total Floor Area	Approx. 2,842,000 ft <sup>2</sup> (Approx. 264,000 m <sup>2</sup> )

Purpose	Offices and commercial facilities
Architect / Construction	Foster+Partners / Hudson Yards Construction
Schedule	Construction started in 2017 Construction to complete in 2022



<Rendering of Hudson Yards seen from the Hudson River side>

<Eligibility for the Green Bond Framework>

We have established our “Green Bond Framework” in alignment with the “Green Bond Principles 2021” administered by the ICMA (International Capital Market Association) and “Green Bond Guidelines 2020” established by the Ministry of the Environment of Japan under discussion with BofA Securities, Inc. and Nomura Securities Co, Ltd as Joint Green Bond Structuring Agents, with which obtained a second party opinion from Sustainalytics as an external reviewer for the Green Bonds.

\*For details about the second party opinion, please refer to the release published by Sustainalytics

<https://www.sustainalytics.com/sustainable-finance/our-work//>

■ Overview of SLL to be Entered Into under the SLL Framework

The objective of SLLs is to promote borrower’s incentive for achieving its target and support environmentally and socially sustainable economic activities and growth by linking corporate loan terms with the borrower’s performance against mutually-agreed, sustainability performance targets (“SPTs”) consistent with the borrower’s sustainability strategy.

The newly established SLL Framework is a “comprehensive SLL framework” that uniformly defines SLL requirements such as SPTs, applicable interest rates, and reporting. This will allow us to universally apply the Framework to each financial institution’s standard loan agreements in individual transactions, making it easier for both us and financial institutions to engage in SLL.

In December 2020, we announced our targets for reducing our Group’s greenhouse gas emissions in FY2030 and FY2050. However, in April 2021, the Japanese government set a new national target for decarbonization,

and in response to increasing global interest in and the importance of action against climate change, we have set a new medium- to long-term target with a higher reduction target for FY2030 in the Action Plan newly formulated this year.

**Mitsui Fudosan Group's New Targets**

**40% reduction in Group's GHG emissions by FY2030 (vs. FY2019)**  
**Net Zero by FY2050**  
**SCOPE 1 + SCOPE 2: 46.2% reduction by FY2030 (vs. FY2019)**

\*For more information on the Action Plan, please click here.

[https://www.mitsuifudosan.co.jp/english/esg\\_csr/carbon\\_neutral/](https://www.mitsuifudosan.co.jp/english/esg_csr/carbon_neutral/)

In our SLL Framework, we have set the reduction targets in Scope 1 and 2 emissions, which are the direct targets among our new medium- to long-term targets, as SPTs, and incentives to change the interest rate depending on the achievement of the targets are provided. The following is a summary of our first SLL.

Execution Timing	January 2022
Lenders	Sumitomo Mitsui Banking Corporation, The Gunma Bank, Ltd. and The Dai-ichi Life Insurance Company, Limited
SPTs	Reduce greenhouse gas emissions of 46.2% by FY2030 (on a total volume basis, Scope 1 and 2) (Compared to FY2019)



<Eligibility for the SLL Framework>

Supported by Sustainability Coordinator Sumitomo Mitsui Banking Corporation we have established our SLL Framework in alignment with "Sustainability Linked Loan Principles" (as amended in May 2021) set forth by international financial industry organizations the LMA (Loan Market Association), the LSTA (Loan Syndications and Trading Association), and the APLMA (Asia Pacific Loan Market Association), and "Sustainability Linked Loan Guidelines (2020)" established by the Ministry of the Environment of Japan and obtained a second opinion from R&I to ensure conformity.

\*For details about the second opinion, please refer to the release published by R&I.

<https://www.r-i.co.jp/en/rating/esg/sustainabilityfinance/index.html>

The Mitsui Fudosan Group is promoting ESG management, i.e., business promotion with an awareness of the environment (E), society (S), and governance (G), with the aim of creating a society in which people and the Earth prosper together, based on the principles of “Coexist in Harmony with Society,” “Link Diverse Values,” and “Achieve of a Sustainable Society.” By further accelerating the ESG management in our Group, we will make a significant contribution to the realization of “Society 5.0” advocated by the Japanese government and the achievement of the SDGs. Additionally, the Group formulated the following Group guidelines related to “Realize a Decarbonized Society” and “Diversity & Inclusion Promotion” in November 2021. The Mitsui Fudosan Group will continue to work toward solving social issues through neighborhood creation.

## References

Group Action Plan to Realize a Decarbonized Society

<https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/>

Diversity & Inclusion Promotion Declaration and Initiative Policy

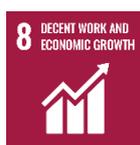
[https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1129\\_02/](https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1129_02/)

\*For more information on our ESG initiatives, please click here.

[https://www.mitsuifudosan.co.jp/english/esg\\_csr/](https://www.mitsuifudosan.co.jp/english/esg_csr/)

\*The initiatives in this press release contribute to the four Sustainable Development Goals (SDGs).

Goal 7	Affordable and Clean Energy
Goal 8	Decent Work and Economic Growth
Goal 11	Sustainable Cities and Communities
Goal 17	Partnerships for the Goals



**SUSTAINABLE  
DEVELOPMENT  
GOALS**