

NEWS RELEASE

Aozora Provides Positive Impact Finance Syndicated Loan Based on Aozora's ESG Framework Loan

TOKYO March 27, 2024 — Aozora Bank, Ltd. (President and CEO: Kei Tanikawa; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced that it has entered into an agreement with KI-STAR REAL ESTATE CO., LTD. (President and CEO: Keiji Hanawa; Head Office: Saitama) ('KI-STAR') for Positive Impact Finance (the 'Financing') syndicated loan based on Aozora's ESG Framework Loan.

Positive Impact Finance (PIF) is designed to comprehensively analyze and assess the impact of corporate activities on the environment, society and economy with the aim of providing continued support for the development and expansion of positive impact or the mitigation and control of negative impact, based on the PIF Principles and implementation guidelines established by the United Nations Environment Programme Finance Initiative (UNEP FI).

"Aozora's ESG Framework Loan" aims to support customers' sustainable finance initiatives. On June 1, 2022, it obtained a second opinion from Rating and Investment Information, Inc. stating that the loan is consistent with international principles and other requirements. Also, "Aozora Positive Impact Finance" obtained a second opinion from the same agency on June 1, 2023, which states that the Bank's PIF assessment system is in compliance with the PIF Principles.

KI-STAR's management philosophy is to "deliver fulfilling, enjoyable and pleasant lifestyles." With its vision of "house ownership for everyone," KI-STAR offers "high-quality, yet affordable designer houses." KI-STAR is committed to contributing to the development of sustainable communities, society, and environment through its housing and real estate businesses as part of "homebuilding," a socially responsible and significant service, by implementing ESG-related initiatives while maintaining a dialogue with its stakeholders.







The Financing aims to support KI-STAR's initiatives to realize a society that can grow sustainably.

The Bank prioritizes the "Promotion of Aozora Sustainability" as an area of focus in its new Mid-term Business Plan "Aozora 2025" (FY2023 to 2025) announced on May 17, 2023. Aozora will further promote responses to climate changes by supporting customers in their sustainability initiatives.

[Overview of the Financing]

Borrower: KI-STAR REAL ESTATE CO., LTD.
 Financing amount: 4.8 billion yen
 Agreement date: March 25, 2024
 Arranger: Aozora Bank, Ltd.

[KI-STAR's Objectives and KPIs in PIF]

Impact*	Objectives	KPIs	Relevant SDGs
Energy, Climate (PI, NI)	Reduce GHG emissions. • Scopes 1 & 2: 4.2% reduction per year** • Scope 3, Category 11: 3.7% reduction per year** ** Emission intensity reduction targets based on the number of buildings sold	GHG emissions • Scopes 1 & 2 • Scope 3, Category 11	 
Residence, Health and hygiene, Economic convergence (PI)	Given the criteria below, increase the number of orders for detached houses by 10% or more per year. • Properties in a location that exceeds the targeted housing area recommended by the Ministry of Health, Labour and Welfare, with the purchaser's annual repayment burden ratio of 30% or less	Number of detached houses supplied	   

* PI: Expansion of positive impact, NI: Control of negative impact

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