

## Sustainability Bond / Sustainability Bond Programme

### External Review Form

#### Section 1. Basic Information

Issuer name: Mitsui Fudosan Logistics Park Inc.

Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable: *The First Unsecured Investment Corporation Bonds*

Independent External Review provider's name: Japan Credit Rating Agency Co., Ltd.

Completion date of this form: January 12, 2021

Publication date of review publication: January 12, 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 and the SBPs:

- |  |  |
|--|--|
| <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 type="checkbox"/> Second Party Opinion             | <input type="checkbox"/> Certification             |
| <input type="checkbox"/> Verification                     | <input checked="" type="checkbox"/> Scoring/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)*

Mitsui Fudosan Logistics Park Inc. (the "Investment Corporation") was established on March 4, 2016, and listed on the Tokyo Stock Exchange (real estate investment trust securities market) on August 2, 2016. The sponsor (100% stake) of Mitsui Fudosan Logistics REIT Management Co., Ltd. (the "Asset Management Company"), an asset management company, is Mitsui Fudosan Co., Ltd. With logistics facilities as the main investment target, a system has been established to build a strategic collaborative relationship with Mitsui Fudosan, a comprehensive developer, to expand the logistics business in conjunction with Mitsui Fudosan, with the development function being undertaken by Mitsui Fudosan, the management function being undertaken by the Asset Management Company and Mitsui Fudosan, and the holding function being undertaken by the Investment Corporation as the core role. This is the first listed investment corporation to be named "Mitsui Fudosan" as a J-REIT sponsored by Mitsui Fudosan.

Mitsui Fudosan calls advanced logistics facilities with quality that meet the diversification needs of various entities involved in logistics facilities (tenants, employees working at logistics facilities, and local communities) in addition to offering high-efficiency, convenience, and safety MFLP (Mitsui Fudosan Logistics Park), and the Investment Corporation's policy is to invest heavily in MFLP. The current portfolio is 20 properties with an aggregate acquisition price of JPY282.4 billion.

The subject of this evaluation is the first unsecured investment corporation bonds (the "Bonds") that the Investment Corporation is planning to issue. The proceeds of the Bonds will be 100% allocated to refinance the funds to acquire MFLP Kawaguchi I and MFLP Ibaraki, properties that satisfy the eligibility criteria in the Sustainability Finance Framework established by the Investment Corporation. Both properties satisfy the Green Eligibility Criteria, and MFLP Kawaguchi I is expected to contribute to the development of basic infrastructures and socio-economic advancement and empowerment for local residents. Based on the above, JCR evaluates that the use of proceeds of the Bonds is projects with environmental improvement effects and social benefits.

System for addressing environmental and social issues are properly established, and systems are in place for specialized departments and management teams to be involved in the selection and process of projects subject to the use of proceeds. Fund management is conducted in a predetermined manner by the department in charge. Information disclosed as reporting has clear environmental improvement effects and social benefits. Based on the above, JCR confirmed that the Investment Corporation has a strong management and operational system and high transparency in implementing sustainability finance. Based on the JCR Sustainability Finance Evaluation Methodology, JCR assigns "gs1" for the preliminary evaluation of the "Green Social Evaluation (Use of Proceeds)" and "m1" for the preliminary evaluation of the "Management, Operation and Transparency Evaluation." As a consequence, JCR evaluates "SU 1" for the "JCR Sustainability Bond Preliminary Evaluation." The Bonds are considered to meet the standards for items required in the Green Bond Principles, the Social Bond Principles, the Sustainability Guidelines, and the Green Bond Guidelines issued by the Ministry of the Environment.

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

### 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 proceeds of the Bonds will be used in full to refinance the funds to acquire MFLP Kawaguchi I and MFLP Ibaraki.
- The Investment Corporation identifies environmental and social risks appropriately and takes necessary measures to avoid or mitigate them.

**Use of proceeds categories as per GBP:**

- |  |  |
|--|--|
| <input type="checkbox"/> Renewable energy  | <input checked="" 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 (please specify):   |

If applicable please specify the environmental taxonomy, if other than GBPs:

**Use of proceeds categories as per SBP:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Affordable basic infrastructure  | <input checked="" type="checkbox"/> Access to essential services   |
| <input type="checkbox"/> Affordable housing  | <input type="checkbox"/> Employment generation / programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises |
| <input type="checkbox"/> Food security and sustainable food systems  | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other (please specify):   |

If applicable please specify the social taxonomy, if other than SBPs:

## Target populations:

- |  |   |
|--|---|
| <input type="checkbox"/> Living below the poverty line                         | <input type="checkbox"/> Excluded and/or marginalised populations and /or communities                   |
| <input type="checkbox"/> People with disabilities                              | <input type="checkbox"/> Migrants and /or displaced persons   |
| <input type="checkbox"/> Undereducated   | <input type="checkbox"/> Underserved, owing to a lack of quality access to essential goods and services |
| <input type="checkbox"/> Unemployed  | <input type="checkbox"/> Women and/or sexual and gender minorities                                      |
| <input type="checkbox"/> Aging populations and vulnerable youth                | <input checked="" type="checkbox"/> Other vulnerable groups, including as a result of natural disasters |
| <input checked="" type="checkbox"/> Other (please specify):<br>Local residents |   |

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

### Overall comment on section (if applicable):

At the Investment Corporation, the roles of each organization are clearly divided, and the department and management team with specialized knowledge in the decision-making process are involved. From this, the JCR evaluates issuer's selection criteria and selection process as appropriate.

### Evaluation and selection

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green 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 Sustainability 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):

Fund management is evaluated as appropriate, given that the funds procured are reliably appropriated to the target project, the funds procured are managed in an appropriate manner within the Investment Corporation, the internal control system is established, and there are no particular concerns regarding the operation of unallocated funds.

**Tracking of proceeds:**

- Sustainability 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
- Allocation to individual disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Allocations to both existing and future investments
- Allocation to a portfolio of disbursements
- Other *(please specify)*:

**4. REPORTING****Overall comment on section** *(if applicable)*:**a. Reporting on the Status of Appropriation of Funds**

The use of proceeds of the Bonds will be disclosed in the Amended Issue Registration Statement. Until the proceeds are used fully, the amount allocated for each category and the unallocated amounts will be disclosed on the Investment Corporation's website as a report on the allocation of funds. The Investment Corporation's website will also disclose responses in the event of changes, such as the sale of properties subject to the use of proceeds.

**b. Reporting on Environmental Improvement Effects and Social Benefits**

The Investment Corporation plans to disclose the predetermined items as reporting on environmental improvement effects and social benefits.

**Use of proceeds reporting:**

- Project-by-project
- Linkage to individual bond(s)
- On a project portfolio basis
- Other *(please specify)*:

**Information reported:**

- Allocated amounts
- Other *(please specify)*:
- Sustainability Bond financed share of total investment

**Frequency:**

- Annual
- Other *(please specify)*:
- Semi-annual

**Impact reporting:**

- Project-by-project
- Linkage to individual bond(s)
- On a project portfolio basis
- 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  Number of beneficiaries  
 Target populations  Other ESG indicators (please specify):  
Acquired valid environmental certification

**Means of Disclosure**

- Information published in financial report  Information published in sustainability report  
 Information published in ad hoc documents  Other (please specify):  
Show on the 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.)

Mitsui Fudosan Logistics Park Inc.'s website about sustainability:  
<https://www.mflp-r.co.jp/en/sustainability/index.html>

JCR's website about green finance evaluation methodology:  
<https://www.jcr.co.jp/en/greenfinance/>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- Second Party Opinion  Certification  
 Verification  Scoring/Rating  
 Other (please specify):

**Review provider(s): Japan Credit Rating Agency, Ltd.**

**Date of publication: January 12, 2021**

## ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

**1. Second Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability 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 Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social 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 sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially 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 Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.

**3. Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability 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, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability 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 and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.