

Green Bond / Green Bond Programme Independent External Review Form

Section 1. Basic Information

Issuer name:	MITSUI-SOKO HOLDINGS Co., Ltd.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	18th Unsecured Bond
Independent External Review provider's name:	Japan Credit Rating Agency, Ltd.
Completion date of this form:	January 10, 2020
Publication date of review publication:	January 10, 2020

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 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 (please specify): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

MITSUI-SOKO HOLDINGS (the “Company”) is a holding company with MITSUI-SOKO Co., Ltd., a major warehouse company in Japan. In 1909, the Company was spun off from the Mitsui Bank Warehouse Department as Toshin Soko Co., Ltd. In 1942, it was renamed MITSUI-SOKO Co., Ltd. and in 2014, it shifted to a holding company structure. Operating a real estate leasing business, the Company has strong governance over its subordinated operating companies in the areas of formulating group strategies, raising funds, and allocating management resources. In addition to conventional warehousing and harbor transportation, the Company provides full-spec logistics services, including air freight forwarding, 3PL (third-party logistics), supply chain management (SCM) support, and land freight forwarding.

The Company and MITSUI-SOKO GROUP (the “Group”) adopted the Environmental Policy in 2005. Under the corporate philosophy of contributing to society through logistics operations, the Company aims to contribute to the conservation of the global environment by promoting environmentally conscious business activities, and to become a company that is even more trusted by society. Based on this philosophy, the Company and the Group are pursuing management with an emphasis on reducing the environmental impact of their logistics operations as a whole.

The Corporate Bonds (the “Bonds”) subject to this evaluation will be used to invest in the construction and capital expenditures of Kanto P&M Center II. The facility is expected to acquire CASBEE certification (CASBEE-SAITAMA Prefecture B+ rank or higher) that meets the eligibility criteria under the Green Bond Framework. The Company takes appropriate steps to avoid or mitigate any environmental negative impacts. JCR evaluated the Bonds are for green projects that have environmental improvement effects.

The green project is evaluated and selected by the Real Estate Division and the Accounting Division and is discussed by the Board of Directors and determined by the approval of management, including the President. Funds raised through the Bonds will be allocated to the green project in accordance with the appropriation plan. Systems for tracking and internal control of funds have also been properly established. The reporting plans of the proceeds allocation and the environmental improvement effects are also appropriate. JCR evaluated the Bonds as being transparent to investors, as well as having established a system of managing the funds raised through the Bonds.

Based on JCR Green Finance Evaluation Methodology, JCR assigns “g1” for the preliminary evaluation of the “Greenness Evaluation (Use of Proceeds)” and “m1” for the preliminary evaluation of the “Management, Operating and Transparency Evaluation.” As a result, JCR assigns “Green 1” for overall “JCR Green Bond Preliminary Evaluation.”

The Bonds are considered to meet the standards for the items required by the Green Bond Principles and the Ministry of the Environment's Green Bond Guidelines.

<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):

a. On the environmental improvement effects of the project

- i. All of the proceeds will be allocated to new investment for the construction and capital expenditures of Kanto P&M Center II that satisfies the Company's Eligibility Criteria. The facility has environmental improving effect.
- ii. The use of proceeds falls under the category of green projects defined in the Green Bond Principles or the Green Bond Guidelines of the Ministry of the Environment of Japan that are "energy efficiency" or "green buildings which meet regional, national or internationally recognized standards or certifications."

b. Negative impact on Environment

The Company conducts ground and soil surveys prior to project implementation, and confirms that there are no problems with the results. The Company believes there is no risk to the environmental negative impact of its operations, including soil contamination. The construction and operation of facilities in compliance with various laws and regulations, appropriate consultations are being held with the government and neighboring residents.

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 | <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:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Company has established clear environmental objectives, project selection criteria, and processes for the use of proceeds.

Such matters are disclosed in the JCR's evaluation report.

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 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) :

a. The funds raised through the Bonds will be fully allocated to the new investment for the construction and capital expenditures of Kanto P&M Center II from FY2020 to FY2022 in accordance with the allocation plan, and will not be allocated to any other purposes.

b. Funds raised through the Bonds are tracked and managed by the Accounting Division using electronic files. When the subsidiary (MITSUI-SOKO) that is the owner of Kanto P&M Center II needs cash for payment for the construction and capital expenditures of Kanto P&M Center II, the Company lends funds to the subsidiary after the Accounting Division of the Company scrutinizes the details of payments in accordance with the procedures decided by the organization of the Company in advance.

The Accounting Division shall report the content of procurement or allocation to the General Manager of the Division, along with relevant vouchers, through an internal management system, every time procurement or allocation is made.

c. With regard to the tracking management of funds raised through the Bonds, internal control is maintained through the auditing of the allocation procedures by the Risk Management Division. Documents related to fund management are stored electronically and semi-permanently in the electronic decision-making process.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

Additional disclosure:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify) : |

4. REPORTING

Overall comment on section (if applicable):

a. Reporting on proceeds allocation

The Company plans to report on the allocation status of funds raised through the Bonds on its website annually. The Company also plans to make timely disclosures on its website in the event of a major change in the status of appropriation.

b. Impact reporting for environmental benefits

The Company plans to report the following content of this project annually on its website during the construction of Kanto P&M Center II. The Company also plans to report when there are any changes that have a significant impact on the time of completion.

- Progress of CASBEE Certification Procedures

As for the period from completion until redemption of the Bonds, the following indicators of the project will be reported annually on the Company's website.

- Type and rank of environmental certification
- CO2 emissions (kg-CO2), power generation by solar power (kWh), CO2 emissions reductions (kg-CO2), electricity consumption and water consumption

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*):

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*):

- Acquired valid environmental certification
- electricity consumption and water consumption

Means of Disclosure

- | | |
|--|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>):
Show on the website |
| <input type="checkbox"/> Reporting reviewed | |

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.*)

Sustainability activities by Tokyu Fudosan Holdings Corporation	https://msh.mitsui-soko.com/en/csr/
JCR's website about green bond evaluation methodology	https://www.jcr.co.jp/en/greenfinance/

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|---|--|
| <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>): | |

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

Date of publication: January 10, 2020

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **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. 1.
2. **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.
3. **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.
4. **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.