

\_\_\_\_\_ Sustainability Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. \_\_\_\_\_

Japan Credit Rating Agency, Ltd. (JCR) announces the following Sustainability Finance Framework Evaluation Results.

## JCR Assigns SU1 (F) to the Sustainability Finance Framework of Tokyo Tatemono Co., Ltd.

Subject : Tokyo Tatemono Co., Ltd.  
Sustainability Finance Framework

### <Sustainability Finance Framework Evaluation Results>

Overall Evaluation	SU1(F)
Greenness and Social Beneficial Impacts Evaluation (Use of Proceeds)	gs1(F)
Management, Operation and Transparency Evaluation	m1(F)

### Chapter 1: Evaluation Overview

Tokyo Tatemono Co., Ltd. (the “Company”) is a comprehensive real estate company affiliated with the former Yasuda zaibatsu, which was founded by Zenjiro Yasuda in 1896. The main income drivers are the office building business, which leases office buildings in central Tokyo, and housing business, which develops condominiums and rental housing.

Tokyo Tatemono's long-term vision is “Becoming a Next-Generation Developer.” In the midst of a rapidly changing external environments, the Company is striving to solve the issues for realizing a sustainable society while addressing social issues and growing as a company on a higher level. For the large-scale redevelopment projects in which the Tokyo Building participates as well as other projects in operation, the Company aims to improve the attractiveness of the area and to increase the value of the entire office building portfolio owned by the Company by incorporating a mechanism to solve social and environmental problems as "Community-building in Contribution to Solving Social Issues."

The subject to this evaluation is the sustainability finance framework established by the Company (the “Framework”) in order to limit the funds raised by means such as bonds or loans to the use of proceeds that have social benefits and environmental improvement effects. JCR evaluates whether the Framework complies with the Green Bond Principles (2018 Edition), the Social Bond Principles (2018 Edition), the Sustainability Bond Guidelines (2018 Edition), the Green Loan Principles (2018 Edition), the Green Bond Guidelines (2020 Edition) and the Green Loan Guidelines and the Sustainability Link Loan Guidelines (2020 Edition). These principles are not binding in nature as they are

voluntarily published principles or guidelines by the International Capital Markets Association (ICMA), the Loan Market Association (LMA) and the Asia-Pacific Loan Market Association (APLMA) and the Ministry of the Environment, respectively. However, JCR evaluates the Framework in reference to those principles and guidelines.

The Company intends to use the proceeds of sustainability finance to finance development, acquisition or refinancing of either basic infrastructure/essential services, socioeconomic improvement/empowerment, food safety or green buildings (5 stars or 4 stars in DBJ Green Building Certification, S-rank or A-rank in CASBEE-Construction (new construction), or 5 stars or 4 stars in BELS Certification). Under these criteria, it selects the following nine projects as the eligible projects under the Framework.

- Tokyo Station-Front Yaesu 1-Chome East Area Urban Redevelopment Project (Yaesu Project)
- Yaesu 1-Chome North Area Urban Redevelopment Project (Gofukubashi Project)
- Tokyo Square Garden
- Tokyo Tatemono Nihonbashi Building
- City Lab TOKYO
- TOKYO FOOD LAB
- xBridge-Tokyo/ xBridge-Tokyo Next
- Kitchen Studio SUIBA
- TOKYO IDEA EXCHANGE

JCR confirms that all the above nine projects have enough social and/or environmental improvement effects.

Internal systems related to its sustainability activities are well established, and it ensures the project selection criteria and process appropriately, where the management and the department in charge with expertise in the sustainability space are systematically involved.. The framework prescribes the internal control system to manage the proceeds by the department in charge. JCR also confirms that the Company plans to disclose the clear social and environmental impact reporting appropriately. From the above considerations, JCR confirmed that the Company established a robust management and operation system and keep high transparency in the implementation of sustainability finance.

Based on the JCR Sustainability Finance Evaluation Methodology, JCR assigns "gs1 (F)" for the "Greenness and Social Beneficial Impacts Evaluation (Use of Proceeds)" and "m1 (F)" for "Management, Operation and Transparency Evaluation." Consequently, JCR assigns "SU1 (F)" for overall "JCR Sustainability Finance Framework Evaluation. Evaluation results are discussed in detail in the next chapter. The Framework is expected to meet the standards for the Green Bond Principles, the Social Bond Principles, the Sustainability Bond Guidelines and the requirements of the Ministry of the Environment's Green Bond Guidelines and the Green Loan and Sustainability Link Loan Guidelines.<sup>1234</sup>

(Responsible analyst for this evaluation) Atsuko Kajiwara and Rieko Kikuchi

---

1 Green Bond Principles, 2018

<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf>

2 Social Bonds Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

3 Sustainability Bond Guidelines 2018

<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Sustainability-Bonds-Guidelines-June-2018-270520.pdf>

4 Green Bond Guidelines 2020 Version and Green Loan and Sustainability Link Loan Guidelines

<https://www.env.go.jp/press/files/jp/113511.pdf>

---

## Important explanation regarding the evaluation of the Sustainability Finance Framework

---

### 1. Assumptions, Significance, and Limitations of JCR Green Finance Framework Evaluation

JCR Sustainability Finance Framework Evaluation, which is granted and provided by Japan Credit Rating Agency, Ltd. (JCR), covers the policies set out in the sustainability finance framework, and expresses the overall opinion of JCR at this time regarding the appropriateness of the sustainability project as defined by JCR and the degree of management, operation and transparency initiatives related to the use of proceeds and other matters. Accordingly, it does not undertake specific environmental improvement effects, management and operation systems, and transparency assessments of the use of proceeds for individual bonds and loans implemented in accordance with this policy. In the event that Sustainability Finance Evaluation is granted for individual bonds or individual loans based on the framework, such evaluations need to be conducted separately. Furthermore, the JCR Sustainability Finance Framework Evaluation does not demonstrate the improvement effect on the environment and social impacts of individual bonds or borrows implemented under this framework and does not assume any responsibility for the environmental and social improvement effect. In principle, JCR does not directly measure the environmental and social improvement effects of process procured under the sustainability finance framework, although JCR confirms the quantitative and qualitative measures by the issuer or a third party requested by the issuer.

### 2. Methods used in the conduct of this evaluation

The methods used in this evaluation are listed on JCR website (Sustainable Finance and ESG in <https://www.jcr.co.jp/en>) as JCR Sustainability Finance Evaluation Methodology.

### 3. Relationship with Acts Related to Credit Rating Business

The JCR Sustainability Finance Framework Evaluation is determined and provided by JCR as a related business, which is different from the activities related to the credit rating business.

### 4. Relationship with Credit Ratings

The evaluation differs from the Credit Rating and does not promise to provide or make available for inspection a predetermined Credit Rating.

### 5. Independence in JCR Sustainability Finance Framework Assessment

There is no conflict of interest related to capital or human resources relationships between the subject of this evaluation and JCR.

---

#### ■ Disclaimers

The information contained in this document has been obtained by JCR from the Issuer and from accurate and reliable sources. Provided, however, that such information may be erroneous due to human, mechanical or other reasons. Accordingly, JCR makes no representation or warranty, express or implied, as to the accuracy, results, accuracy, timeliness, completeness, marketability, or fitness for a particular purpose of such information, and JCR assumes no responsibility for any error, omission, or result of using such information. In no event shall JCR be liable for any special, indirect, incidental or consequential damages of any kind, including opportunity loss, monetary loss, which may arise from any use of such information, whether contractual, tort, negligence or other cause of liability, and whether or not such damages are foreseeable or unforeseeable. The JCR Sustainability Finance Assessment does not express any opinion on various risks (credit risk, price fluctuation risk, market liquidity risk, price fluctuation risk, etc.) related to Sustainability finance, which is subject to the assessment. Furthermore, the JCR Sustainability Finance Evaluation represents JCR's comprehensive opinion as of the date of this report and is not a representation of the facts. It does not constitute a recommendation in any way as to the decision of risk or the purchase, sale or holding of individual bonds, commercial paper, etc. The JCR Sustainability Finance Assessment may be changed, interrupted, or withdrawn due to changes in information, a lack of information, or other reasons. All rights to this document, including data from JCR Sustainability Finance Assessment, are reserved by JCR. Any reproduction, translation, modification, etc. without the permission of JCR is prohibited, regardless of the part or all of this document, including data from JCR Sustainability Finance Evaluation.

#### ■ Glossary

JCR Sustainability Finance Framework Evaluation is an assessment of the extent to which funds procured through Green Finance are appropriated for Green Projects as defined by JCR and the extent to which such funds are used for management, operation, and transparency of the Green Finance. Evaluations are performed on a five-point scale, from the top to the bottom using the symbols of SU1 (F), SU2 (F), SU3 (F), SU4 (F), and SU5 (F).

#### ■ Status of registration as an external assessor of green finance

- Ministry of the Environment's external green bond reviewer registration
- ICMA (registered as an observer with the International Capital Markets Association)
- Climate Bonds Initiative Approved Verifier (Climate Change Initiative Accreditation Verification Organization)

#### ■ Status of registration as a credit rating agency, etc.

- Credit Rating Agency: the Commissioner of the Financial Services Agency (Rating) No.1
- EU Certified Credit Rating Agency
- NRSRO: JCR has registered with the following four of the five credit rating classes of the Securities and Exchange Commission's NRSRO (Nationally Recognized Statistical Rating Organization). (1) Financial institutions, broker dealers, (2) insurance companies, (3) general business corporations, and (4) government and local governments. If the disclosure is subject to Section 17 g-7(a) of the Securities and Exchange Commission Rule, such disclosure is attached to the news releases posted on the JCR website (<https://www.jcr.co.jp/en/>).

#### ■ For further information, contact

Information Service Dept. TEL: 03-3544-7013 FAX: 03-3544-7026

#### Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Copyright © Japan Credit Rating Agency, Ltd. All rights reserved.