



**Sustainability Linked-Financing Framework
for Mitsui Fudosan Co. Ltd.**

May, 2024

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Overview of the Company

Mitsui Fudosan Co., Ltd. (“Mitsui Fudosan”) is a comprehensive real estate company, which conducts comprehensive neighborhood creation including office buildings, retail properties, hotels and resorts, logistics properties, homes and living, and mixed-use facilities combining these multiple purposes.

Mitsui Fudosan has its origins in Echigo-ya, a clothing store opened in 1673 in what is now the Nihonbashi district of Tokyo. In 1941, the real estate division of Mitsui General Partnership Company (gomei-kaisha) was separated and Mitsui Fudosan was established. Through numerous transitional periods in Japan’s economy and real estate markets, the Company began with land reclamation in coastal areas, then developed Japan’s first skyscraper and first genuine outlet mall, listed Japan’s first J-REIT as a fusion of real estate and financing, and otherwise leveraged its spirit of enterprise and customer orientation to create new value.

Environmental, Social and Governance (ESG) Strategy

Guided by the meaning of “&”, “to generate new value through cooperation, coexistence and co-creation, we forge ahead innovating”, Mitsui Fudosan is working toward the “creation of social value” and the “creation of economic value” as two wheels of a cart. Creating social value leads to the creation of economic value, which in turn leads to the creation of even greater social value.

The Company identified GROUP MATERIALITY as a priority issue when formulating its new management philosophy “& INNOVATION 2030” in April 2024. Moving forward, we will contribute to sustainability by addressing this issue through our core business.

1. Contribute to industrial competitiveness

Contribute to the creation of both added value for society and new industries by helping bring together the wisdom of companies, society, and the people who live there.

2. Coexist with the environment

Coexist with the broad natural environment through various means, including addressing climate change, in an effort to pass on a sustainable global environment to future generations.

3. Health and vitality

Contribute to a vibrant society by delivering inspiring experiences that enable each individual to live a healthy and fulfilling life.

4. Safety and security

Work to realize a safe and secure society from both tangible and intangible perspectives.

5. Diversity and inclusion

Promote initiatives to realize a society in which all people can maximize their abilities and play an active role.

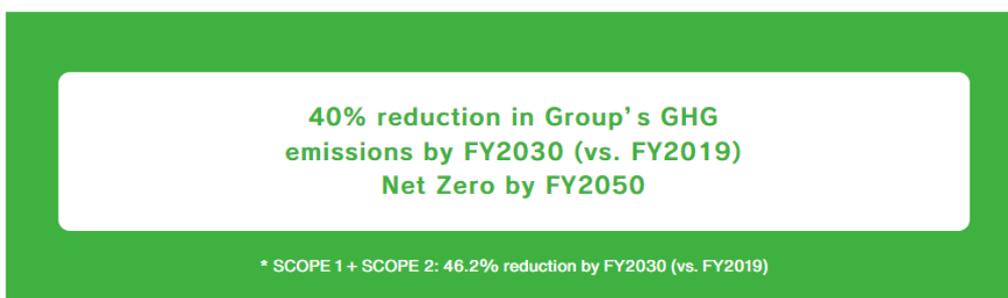
6. Compliance and governance

Work to comply with laws, regulations and social norms, and implement fair and highly transparent corporate activities in accordance with corporate ethics.

We believe that by addressing these issues, we can contribute in a significant way to the Japanese government’s Society 5.0 vision and to the attainment of the UN’s SDGs. In addition, we participate in and are a signatory to the UN Global Compact, an international initiative that underlies the Mitsui Fudosan Group ideals and objectives. The Compact consists of Ten Principles across the four areas of human rights,

labor, environment, and anti-corruption. Our aim is to conform to these principles and, through our commercial activities, work to address the challenges that face society.

Moreover, in recent years, global interest in and the importance of action against climate change has been increasing, as exemplified by the Paris Agreement, an international framework for the prevention of global warming, and the government's new target for decarbonization set in April 2021. In response to these trends, we have decided to formulate the GHG reduction rate target for FY2030 to 40% (compared with FY2019) and formulated the “Group Action Plan to Realize Decarbonized Society (Roadmap)” (Action Plan hereinafter) to achieve net zero emissions in FY2050, in order to take concrete actions.



Based on the Action Plan, the Mitsui Fudosan Group will expand the scale of its facilities for introducing energy-saving measures and renewable energy, as well as its mega-solar business, looking to FY2030, and will strengthen its partnerships to reduce CO2 throughout the supply chain. Looking ahead to FY2050, we will work together with various partners to study and promote energy creation businesses by utilizing new technologies such as offshore wind and geothermal power generation, and through open innovation to decarbonize.

Mitsui Fudosan adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which encourages enterprises and other organizations to disclose information relating to climate change-related risks and opportunities, and we disclose information in line with those recommendations. We also became a member of RE100, an international initiative to power business activities with 100% renewable energy, and are promoting related initiatives. In addition, GHG emission reduction targets for the Mitsui Fudosan Group have been set in line with science-based findings from the international Science Based Targets (SBT) initiative.



Sustainability Linked-Bond Framework

The Sustainability Linked-Bond Framework has been prepared in line with the Sustainability-Linked Bond Principles 2023 (“SLBP2023”) as administered by the ICMA, as well as Sustainability-Linked Bond Guidelines 2022 administrated by Ministry of the Environment, Government of Japan, and their five core components:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial Characteristics
4. Reporting
5. External Verification

This Framework will apply to Sustainability-Linked bonds issued by the Mitsui Fudosan Group.

1. Selection of Key Performance Indicators (KPIs)

The Mitsui Fudosan Group has selected the following KPIs, by which to measure the progress of sustainability management to achieve our vision.

■ KPI 1: Reduction in scope 1, 2 and 3 GHG emissions (%)

Definition	Reduction in Scope 1, 2 and 3 GHG emissions from Mitsui Fudosan Group’s* business activities in % from base year Unit: %
Rationale for Selection	Responding to climate change is a pressing issue that should be addressed by society as a whole, thus the Mitsui Fudosan Group has a social responsibility which undertakes the construction and development of social infrastructure. This KPI, “GHG emission reduction” measures our progress toward this goal. Approximately 90% of the Mitsui Fudosan Group’s greenhouse gas emissions are Scope 3 emissions. With this in mind, achieving net-zero GHG emissions by 2050 will require efforts not only by the Mitsui Fudosan Group, but also by the entire supply chain. The Mitsui Fudosan Group obtained validation of its GHG emissions reduction targets as being aligned with a “1.5°C future by” the Science Based Targets initiative (SBTi), an organization endorsed by major global companies.
Perimeter and Scope	The Mitsui Fudosan Group’s annual GHG emissions in CO2 equivalent (Scope 1, 2 and 3) calculated based on SBT criteria.
Methodology for calculation	The calculation method refers to the “GHG emissions Accounting and Reporting Manual” established by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, and the measurement is based on a consistent methodology. At present, the data of Scope 1,2 and 3 has obtained an independent third party assurance.

* The Mitsui Fudosan Group refers to the Company and consolidated subsidiaries. Applies hereinafter.

■ **KPI 2: Acquisition ratio of external environment certifications for newly constructed properties (%)**

Definition	The ratio of newly constructed properties obtaining external environment certifications Unit: %
Rationale for Selection	In addition to improving the environmental performance of all facilities, the Mitsui Fudosan Group will actively acquire external certifications in Japan and overseas to promote ESG, including decarbonization. In our action plan towards decarbonization "Group Action Plan to Realize a Decarbonized Society" (established in November 2021), we are pursuing the acquisition of external certifications for buildings as one of the initiatives to achieve the action plan. As part of the "GROUP MATERIALITY" established in 2024, the Mitsui Fudosan Group set the acquisition ratio of external certifications for newly constructed properties as an evaluation indicator for "coexistence with the environment".
Perimeter and Scope	Newly constructed properties of offices, commercial facilities, logistics properties, rental properties and hotel resorts.
Methodology for calculation	The ratio of newly constructed properties of offices, commercial facilities, logistics properties, rental properties and hotel resorts owned by the Mitsui Fudosan Group completed in the relevant fiscal year that have acquired or are expected to acquire external certification.

2. Calibration of Sustainability Performance Targets (SPTs)

The Framework uses the following sustainability performance targets (SPTs), which has been set as the targets of our ESG initiatives

SPT 1 : Reduce scope 1, 2 and 3 GHG emissions by 40% by FY2030 from a FY 2019 baseline

Targets and KPI historical data	<p>For fiscal 2030, we have set a target of 40% reduction in CO2 equivalent Scope 1, 2 and 3 GHG emissions versus our fiscal 2019 level.</p> <p>We have obtained SBTi validation for our GHG emissions reduction targets as being aligned with a "1.5°C scenario".</p> <p>This target is an interim goal in the Mitsui Fudosan Group's overall goal of carbon neutrality in 2050.</p>
Means for KPI historical data	<p>In the "Group Action Plan to Realize a Decarbonized Society" established in November 2021, we have set initiatives to address GHG emission sources in our supply chain, and are working to implement them.</p> <p>Initiatives to achieve the action plan</p> <ul style="list-style-type: none"> ✓ Improve environmental performance of new and existing properties All new properties will have ZEB/ZEH-level environmental performance; we also renovate to raise energy efficiency performance at existing properties and generate renewable energy onsite. ✓ Greening of electricity in common areas of properties and spaces used by Mitsui Fudosan By FY2030, the common areas of properties and spaces used by Mitsui Fudosan at all facilities owned nationwide will green power. ✓ Provide Green Menu to tenants and buyers We will propose green energy options—a Green Menu—to help tenant companies and owners in their efforts to decarbonize. Our Green Menu will be provided to 20% or more of tenants and 10% or more of owners.

Contribution to SDG	<ul style="list-style-type: none"> ✓ Secure stable renewable energy sources We will develop new mega-solar projects with a total output of approx. 175,000 kW by FY2030 and promote our power generation business for total capacity of 380 M kWh/year. ✓ Initiatives to reduce CO₂ emissions during construction We are developing tools to accurately grasp CO₂ emissions during construction, and will require submission of a reduction plan by construction contractors. We will propose a new way of building* that will become a symbol of the decarbonized era. *For example, building with wood to promote carbon fixation
	  

SPT 2 : 100% of newly constructed properties to acquire external environment certification

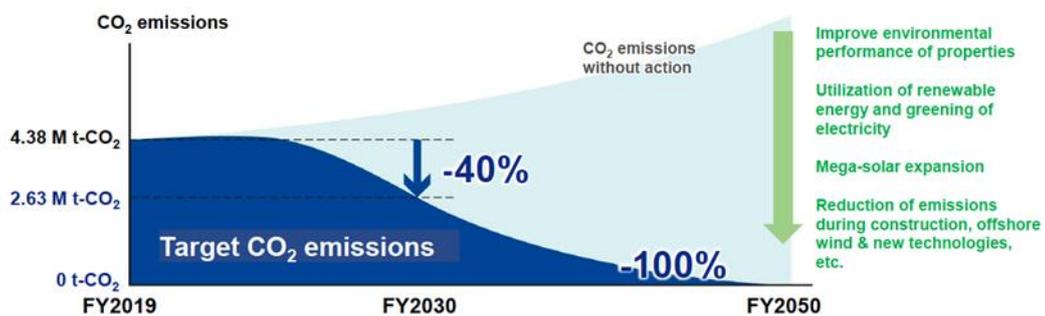
Targets and KPI historical data	<p>Acquisition of external environment certifications by all newly constructed properties. In making a observation, only the rate of acquisition of external environment certification in the observation fiscal year shall be referenced. If there are no newly constructed properties in the observation fiscal year, the observation will be carried out retroactively to the previous year when there is a record of new buildings completed.</p>
Means for KPI historical data	<p>In the "Group Action Plan to Realize a Decarbonized Society" established in November 2021, we have set "Acquisition of external certifications" as part of the plan to achieve our goals, and are working towards their realization.</p> <p>Initiatives to achieve the action plan</p> <ul style="list-style-type: none"> ✓ Acquisition of external certifications We have been a participant in GRESB, a provider of ESG benchmarks (for existing properties in operation) since 2022. We also actively obtain various domestic and international external certifications such as DBJ Green Building Certification, CASBEE, LEED and BREEAM, which evaluate individual properties.
Contribution to SDG	

• **Initiatives to achieve SPT 1 and 2: Establish Group Action Plan to Realize a Decarbonized Society and promotion framework**

The Mitsui Fudosan Group has launched initiatives to address climate change such as setting GHG reduction targets, endorsing the TCFD, joining the RE100 initiative and receiving validation by the SBTi. In November 2021, we boosted the Group’s reduction target and formulated the “Group Action Plan to Realize a Decarbonized Society,” aimed at the achievement of our long-term goals.

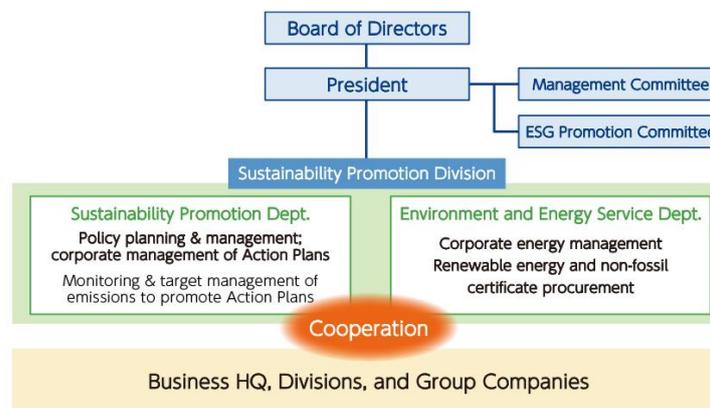
Group Action Plan

The Mitsui Fudosan Group improves environmental performance and promotes “green electricity” in common areas at our owned and operated properties. We also promote initiatives such as stably securing renewable energy, and reducing CO2 emissions during construction by working with construction companies and other manufacturers. We also provide green electricity supply services to meet the requests of tenants. This initiative, which addresses customers’ own decarbonization initiatives while differentiating our business, truly constitutes business development that links the social value of achieving a decarbonized society with the economic value of securing a competitive advantage for companies.



Sustainability Promotion Framework

To accelerate ESG and SDG initiatives, including the “Action Plan”, the Sustainability Promotion Division was established.



3. Bond Characteristics

The proceeds of Sustainability-Linked Bonds issued under this Framework may be used for general corporate purpose.

Depending on the KPI performance versus the applicable SPT on the Target Observation Date the characteristics of Sustainability-Linked-Bonds will change. We will show the details in statutory disclosure documents and contract documents formulated at each time of financing. Such details include an interest rate increase (step-up)/decrease (step down), the execution of donations to those public-interest incorporated associations/foundations, international organizations, and municipality-accredited nonprofit organizations, local governments, or similar organizations which aim to engage in environmental conservation activities or the purchase of emission credits.

(1) Coupon step-up/step-down

If KPIs do not meet their respective SPTs, the interest rate will increase/decrease at the annual rate specified for each SPT at the time of issue of the notes after the determination date until redemption/next determination.

If, for any reason, the KPI performance level against the SPT cannot be observed because of failure in calculation and reporting in satisfactory manner by the target observation date, the defined step-up coupon rate or non step-down rate will be applicable. "The KPI performance level against the SPT cannot be observed" is to be understood such as a failure of acquiring verification assurance certificate on annual KPI performance provided by the independent auditor, and failure by the issuer to publish the relevant SPT within the time limit as prescribed by the terms and conditions of the notes.

The rate and target observation dates will be specified in the statutory disclosure documents and contract documents formulated at each time of financing.

(2) Donations

If KPIs do not meet their respective SPTs, the Mitsui Fudosan Group will donate an amount equivalent to a percentage of the value of procurement set at the time of financing to those public-interest incorporated associations/foundations, international organizations, municipality-accredited nonprofit organizations, local governments, or other similar entities which aim to engage in environmental conservation activities or contribute to the resolution of critical social issues.

The recipients of the donation will be narrowed down mainly based on the Mitsui Fudosan Group's Policy for Social Contribution Initiatives; donations will be made after obtaining the required institutional authorization.

If, for any reason, the KPI performance level against the SPT cannot be verified because of a failure to calculate and report in a satisfactory manner by the target observation date, the predefined amount will be donated. A situation where "the KPI performance level against the SPT cannot be verified" is understood to include situations such as a failure to acquire verification assurance on annual KPI performance from an independent auditor, or failure by the issuer to disclose the relevant SPT within the time limit prescribed by the terms and conditions of the notes.

Methods for setting the amount of donation and target observation dates will be specified in the statutory disclosure documents formulated at each time of financing.

If the KPIs do not meet their respective SPTs, the Mitsui Fudosan Group will purchase the amount of emission credits (credits/certificates of CO2 reduction value) equivalent to a percentage of the value of procurement set at the time of financing.

If, for any reason, the KPI performance level against the SPT cannot be verified because of a failure to calculate and report in a satisfactory manner by the target observation date, the predefined amount of emission credits will be purchased. A situation where “the KPI performance level against the SPT cannot be observed” is understood to include situations such as a failure to acquire verification assurance on annual KPI performance from an independent auditor, or failure by the issuer to publish the relevant SPT within the time limit prescribed by the terms and conditions of the notes.

Methods for setting the amount of emissions credit to be purchased and target observation dates will be specified in the statutory disclosure documents formulated at each time of financing.

Sustainability Linked-Loan Framework

The Sustainability-Linked Loan framework has been prepared in line with the Sustainability-Linked Loan Principles 2023 (“SLLP 2023”) as administered by the Loan Market Association (LMA)/the Asia Pacific Loan Market Association (APLMA)/the Loan Syndications & Trading Association (LSTA), the Green Loan and Sustainability-Linked Loan Guidelines 2022 established by Ministry of the Environment, Government of Japan, and their five core components:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial Characteristics
4. Reporting
5. External Verification

This Framework will apply to Sustainability-Linked Loan financed by the Mitsui Fudosan Group.

1. Selection of Key Performance Indicators (KPIs)

The Mitsui Fudosan Group has selected the following KPIs, by which to measure the progress of sustainability management to achieve our vision.

■ Reduction in scope 1 and 2 GHG emissions (%)*

Definition	Reduction in Scope 1 and 2 GHG emissions in % from base year Unit: %
Rationale for Selection	Responding to climate change is a pressing issue that should be addressed by society as a whole, thus the Mitsui Fudosan Group has a social responsibility which undertakes the construction and development of social infrastructure. This KPI, “GHG emissions reduction” measures our progress toward this goal. The Mitsui Fudosan Group obtained validation of its Scope 1 and 2 GHG emissions reduction targets as being aligned with a “1.5°C future by” the Science Based Targets initiative (SBTi), an organization endorsed by major global companies.
Perimeter and Scope	The Mitsui Fudosan Group’s annual GHG emissions in CO2 equivalent (Scope 1 and 2) calculated based on SBT criteria.
Methodology for calculation	The calculation method refers to the “GHG Emissions Accounting and Reporting Manual” established by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, and measurement is based on a consistent methodology. At present, the Mitsui Fudosan Group has obtained an independent third party assurance for Scope 1 and 2 data.

*Applicable only to contracts executed by April 2024

■ KPI 1-2: Reduction in scope 1, 2 and 3 GHG emissions (%)

Definition	Reduction in Scope 1, 2 and 3 GHG emissions in % from base year Unit: %
Rationale for Selection	Responding to climate change is address climate change is a pressing issue that should be addressed by society as a whole and a social responsibility of the Mitsui Fudosan Group, which undertakes the construction and development of social infrastructure. This KPI, “GHG emission reduction” measures our progress toward this goal.

	Approximately 90% of the Mitsui Fudosan Group’s greenhouse gas emissions are Scope 3 emissions. With this in mind, achieving net-zero GHG emissions by 2050 will require efforts not only by the Mitsui Fudosan Group, but also by the entire supply chain. The Mitsui Fudosan Group obtained validation of its GHG emissions reduction targets as being aligned with a “1.5°C future by” the Science Based Targets initiative (SBTi), an organization endorsed by major global companies.
Perimeter and Scope	The Mitsui Fudosan Group’s annual GHG emissions in CO2 equivalent (Scope 1, 2 and 3) calculated based on SBT criteria.
Methodology for calculation	The calculation method refers to the “GHG emissions Accounting and Reporting Manual” established by the Ministry of the Environment and the Ministry of Economy, Trade and Industry, and the measurement is based on a consistent methodology. At present, the data of Scope 1,2and 3 has obtained an independent third party assurance.

■ **KPI 2: Acquisition ratio of external environment certifications for newly constructed properties (%)**

Definition	The ratio of newly constructed properties obtaining external environment certifications Unit: %
Rationale for Selection	In addition to improving the environmental performance of all facilities, the Mitsui Fudosan Group will actively acquire external environment certifications in Japan and overseas to promote ESG, including decarbonization. In our action plan towards decarbonization "Group Action Plan to Realize a Decarbonized Society" (established in November 2021), we are pursuing the acquisition of external certifications for buildings as one of the initiatives to achieve the action plan. As part of the “GROUP MATERIALITY” established in 2024, the Mitsui Fudosan Group set the acquisition ratio of external certifications for newly constructed properties as an evaluation indicator for “coexistence with the environment”.
Perimeter and Scope	Newly constructed properties of offices, commercial facilities, logistics properties, rental properties and hotel resorts.
Methodology for calculation	The ratio of newly constructed properties of offices, commercial facilities, logistics properties, rental properties and hotel resorts owned by the Mitsui Fudosan Group completed in the relevant fiscal year that have acquired or are expected to acquire external certification.

2. Calibration of Sustainability Performance Targets (SPTs)

The Framework uses the following sustainability performance targets (SPTs), which has been set as the targets of our ESG initiatives.

SPT 1-1 : Reduce scope 1 and 2 GHG emissions by 46.2% by FY2030 from a FY 2019 baseline *

Targets and KPI historical data	<p>For fiscal 2030, we have set a target of 46.2% reduction in CO2 equivalent (CO2) Scope 1 and 2 GHG emissions versus our fiscal 2019 level.</p> <p>We obtained SBTi validation for this target in August 2022 as being aligned with a 1.5°C scenario.</p> <p>This target is an interim goal in the Mitsui Fudosan Group's overall goal of carbon neutrality in 2050.</p>
Means for KPI historical data	<p>In the "Group Action Plan to Realize a Decarbonized Society" established in November 2021, we have set initiatives to address GHG emission sources in our supply chain, and are working to implement them.</p> <p>Initiatives to achieve the action plan</p> <ul style="list-style-type: none"> ✓ Improve environmental performance of new and existing properties All new properties will have ZEB/ZEH-level environmental performance; we also renovate to raise energy efficiency performance at existing properties and generate renewable energy onsite. ✓ Greening of electricity in common areas of properties and spaces used by Mitsui Fudosan By FY2030, the common areas of properties and spaces used by Mitsui Fudosan at all facilities owned nationwide will green power. ✓ Secure stable renewable energy sources We will develop new mega-solar projects with a total output of approx. 175,000 kW by FY2030 and promote our power generation business for total capacity of 380 M kWh/year.
Contribution to SDG	 

*Applicable only to contracts executed by April 2024

SPT 1-2 : Reduce scope 1, 2 and 3 GHG emissions by 40% by FY2030 from a FY 2019 baseline

Targets and KPI historical data	<p>For fiscal 2030, we have set a target of 40% reduction in CO2 equivalent Scope 1, 2 and 3 GHG emissions versus our fiscal 2019 level.</p> <p>We obtained SBTi validation for this target in August 2022 as being aligned with a 1.5°C scenario.</p> <p>This target is an interim goal in the Mitsui Fudosan Group's overall goal of carbon neutrality in 2050.</p>
Means for KPI historical data	<p>In the "Group Action Plan to Realize a Decarbonized Society" established in November 2021, we have set initiatives to address GHG emission sources in our supply chain, and are working to implement them.</p> <p>Initiatives to achieve the action plan</p> <ul style="list-style-type: none"> ✓ Improve environmental performance of new and existing properties

	<p>All new properties will have ZEB/ZEH-level environmental performance; we also renovate to raise energy efficiency performance at existing properties and generate renewable energy onsite.</p> <ul style="list-style-type: none"> ✓ Greening of electricity in common areas of properties and spaces used by Mitsui Fudosan By FY2030, the common areas of properties and spaces used by Mitsui Fudosan at all facilities owned nationwide will green power. ✓ Provide Green Menu to tenants and buyers We will propose green energy options—a Green Menu—to help tenant companies and owners in their efforts to decarbonize. Our Green Menu will be provided to 20% or more of tenants and 10% or more of owners. ✓ Secure stable renewable energy sources We will develop new mega-solar projects with a total output of approx. 175,000 kW by FY2030 and promote our power generation business for total capacity of 380 M kWh/year. ✓ Initiatives to reduce CO₂ emissions during construction We are developing tools to accurately grasp CO₂ emissions during construction, and will require submission of a reduction plan by construction contractors. We will propose a new way of building* that will become a symbol of the decarbonized era. *For example, building with wood to promote carbon fixation
Contribution to SDG	

SPT 2 : 100% of newly constructed properties to acquire external environment certification

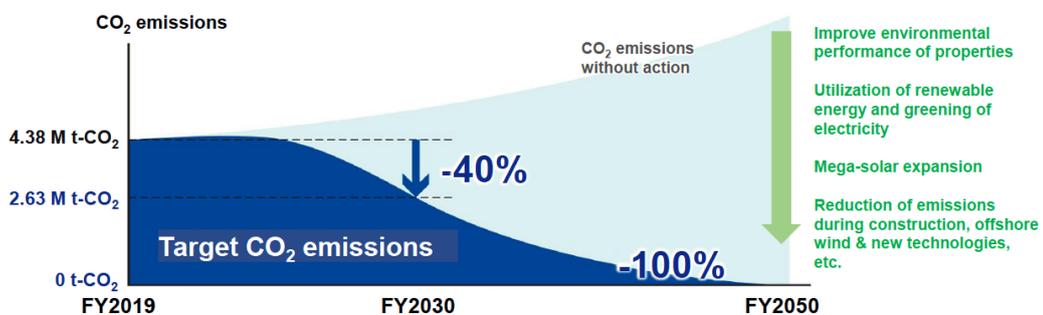
Targets and KPI historical data	<p>Acquisition of external environment certifications by all newly constructed properties. In making a observation, only the rate of acquisition of external environment certification in the observation fiscal year shall be referenced. If there are no newly constructed properties in the observation fiscal year, the observation will be carried out retroactively to the previous year when there is a record of new buildings completed.</p>
Means for KPI historical data	<p>In the "Group Action Plan to Realize a Decarbonized Society" established in November 2021, we have set "Acquisition of external certifications" as part of the plan to achieve our goals, and are working towards their realization.</p> <p>Initiatives to achieve the action plan</p> <ul style="list-style-type: none"> ✓ Acquisition of external certifications We have been a participant in GRESB, a provider of ESG benchmarks (for existing properties in operation) since 2022. We also actively obtain various domestic and international external certifications such as DBJ Green Building Certification, CASBEE, LEED and BREEAM, which evaluate individual properties.
Contribution to SDG	

• **Initiatives to achieve SPT 1 and 2: Establish Group Action Plan to Realize a Decarbonized Society and promotion framework**

The Mitsui Fudosan Group has launched initiatives to address climate change such as setting GHG reduction targets, endorsing the TCFD, joining the RE100 initiative and receiving validation by the SBTi. In November 2021, we boosted the Group’s reduction target and formulated the “Group Action Plan to Realize a Decarbonized Society,” aimed at the achievement of our long-term goals.

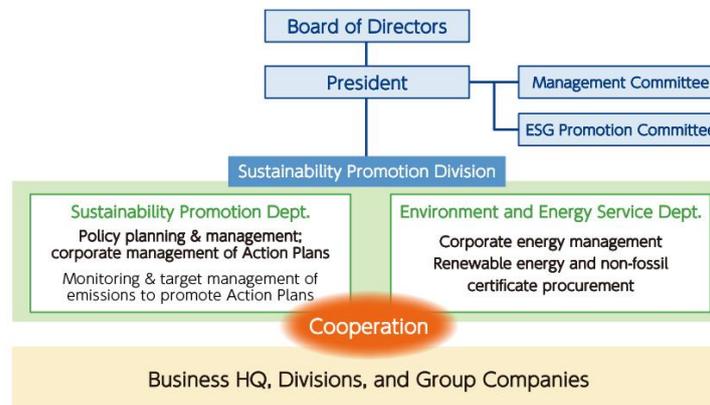
Group Action Plan

The Mitsui Fudosan Group improves environmental performance and promotes “green electricity” in common areas at our owned and operated properties. We also promote initiatives such as stably securing renewable energy, and reducing CO2 emissions during construction by working with construction companies and other manufacturers. We also provide green electricity supply services to meet the requests of tenants. This initiative, which addresses customers’ own decarbonization initiatives while differentiating our business, truly constitutes business development that links the social value of achieving a decarbonized society with the economic value of securing a competitive advantage for companies.



Sustainability Promotion Framework

To accelerate ESG and SDG initiatives, including the “Action Plan”, the Sustainability Promotion Division was established.



3. Loan Characteristics

The proceeds of Sustainability-Linked Loan issued under this Framework may be used for general corporate purpose.

Depending on the KPI performance versus the applicable SPT on the Target Observation Date the characteristics of Sustainability-Linked-Loan will change. We will show the details in contract documents formulated at each time of financing. Such details include an interest rate increase (step-up)/decrease (step down), the execution of donations to those public-interest incorporated associations/foundations, international organizations, and municipality-accredited nonprofit organizations, local governments, or similar organizations which aim to engage in environmental conservation activities or the purchase of emission credits.

(1) Interest rate step-up/step-down

Depending on the determination of SPT, one of the following is applied to the setting for the step-up/step-down/no change of the interest rate in case of missing, achieving SPT or other.

If, for any reason, the KPI performance level against the SPT cannot be observed because of failure in calculation and reporting in satisfactory manner by the target observation date, the defined step-up coupon rate or non step-down rate will be applicable. "The KPI performance level against the SPT cannot be observed" is to be understood such as a failure of acquiring verification assurance certificate on annual KPI performance provided by the independent auditor, and failure by the company to publish the relevant SPT within the time limit as prescribed by the terms and conditions of the notes.

The rate and target observation dates will be specified in the contract documents and contract documents formulated at each time of financing.

The determination of SPTs		Applicable Conditions
①	If SPTs are achieved in the target year	Step-down
②	If SPTs are not achieved in the target year and KPI value has not deteriorated from the base year or 2024 in case of KPI2	No change
③	If SPTs are not achieved in the target year and KPI value has deteriorated from the base year or 2024 in case of KPI2	Step-up
④	If SPTs are achieved before the target year*	Step-down However, an observation will be conducted annually from the following year to the target year. If SPTs are achieved, the applicable condition of "①" will be applied. If SPTs are not achieved, the applicable condition of "②" will be applied.

* Only SPT1-1 and SPT1-2 will be applicable.

(2) Donations

If KPIs do not meet their respective SPTs, the Mitsui Fudosan Group will donate an amount equivalent to a percentage of the value of procurement set at the time of financing to those public-interest incorporated associations/foundations, international organizations, municipality-accredited nonprofit organizations, local governments, or other similar entities which aim to engage in environmental conservation activities or contribute to the resolution of critical social issues.

The recipients of the donation will be narrowed down mainly based on the Mitsui Fudosan Group's Policy for Social Contribution Initiatives; donations will be made after obtaining the required institutional authorization. If, for any reason, the KPI performance level against the SPT cannot be verified because of a failure to calculate and report in a satisfactory manner by the target observation date, the predefined amount will be donated. A situation where "the KPI performance level against the SPT cannot be verified" is understood to include situations such as a failure to acquire verification assurance on annual KPI performance from an independent auditor, or failure by the issuer to disclose the relevant SPT within the time limit prescribed by the terms and conditions of the notes.

Methods for setting the amount of donation and target observation dates will be specified in the contract documents formulated at each time of financing.

(3) Purchase of emission credits

If the KPIs do not meet their respective SPTs, the Mitsui Fudosan Group will purchase the amount of emission credits (credits/certificates of CO2 reduction value) equivalent to a percentage of the value of procurement set at the time of financing.

If, for any reason, the KPI performance level against the SPT cannot be verified because of a failure to calculate and report in a satisfactory manner by the target observation date, the predefined amount of emission credits will be purchased. A situation where "the KPI performance level against the SPT cannot be observed" is understood to include situations such as a failure to acquire verification assurance on annual KPI performance from an independent auditor, or failure by the issuer to publish the relevant SPT within the time limit prescribed by the terms and conditions of the notes.

Methods for setting the amount of emissions credit to be purchased and target observation dates will be specified in the contract documents formulated at each time of financing.

Reporting

The Mitsui Fudosan will disclose its progress on the KPIs and SPTs annually on its website from the year following financing until the relevant target observation date.

Annual reporting will include:

- KPI data as of each fiscal year-end(March 31)
- Actual KPI figures from the base year
- Provision of information that may impact SPT achievement (e.g., formulation or update of sustainability strategies, formulation of action plans or status of implementation)

Verification

The KPI data will be verified by an independent third party annually until the relevant target observation date. Independent third party's report on the verification of the KPI data will be disclosed on website.

External Review

Second Party Opinion

A second party opinion has been provided by Moody's to ensure that this Framework is respecting every principle of the Sustainability-Linked Bond Principles 2023 ("SLBP 2023") as administered by the ICMA and the Sustainability-Linked Loan Principles 2023 ("SLLP 2023") as administered by the Loan Market Association (LMA)/the Asia Pacific Loan Market Association (APLMA)/the Loan Syndications & Trading Association (LSTA). The second party opinion document will be made available on our website before implementing sustainability-linked finance based in this Framework. When the KPI and SPT are updated, the new second party opinion will be acquired.