

# Mitsui Fudosan Co., Ltd. (2019 Green Bond)

**Type of Engagement:** Allocation Review

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## Introduction

In September 2019, Mitsui Fudosan Co., Ltd. ("Mitsui Fudosan") issued a green bond aimed at financing projects related to Green Buildings (JPY 50 billion 5-Year Green Bond, hereinafter the "2019 Green Bond"). As of September 30, 2022, the proceeds were allocated to one green building project, Nihonbashi Muromachi Mitsui Tower. In October 2022, Mitsui Fudosan engaged Sustainalytics to review the project funded through the 2019 Green Bond and assess whether the project met the Use of Proceeds criteria outlined in Mitsui Fudosan's Green Bond Framework year 2019 version (the "Framework").<sup>1</sup>

## Evaluation Criteria

Sustainalytics evaluated the project funded with proceeds as of September 30, 2022 based on whether the project:

- Met the Use of Proceeds and Eligibility Criteria outlined in the Framework

Table 1 lists the Eligibility Criteria for the Use of Proceeds category to which the proceeds were allocated.

**Table 1: Use of Proceeds, and Eligibility Criteria**

Use of Proceeds	Eligibility Criteria
Green Buildings	Refinancing of the funds paid to the Nihonbashi Muromachi 3-chome Urban Area Redevelopment Association for the acquisition of the reserved floor space in the redevelopment project of Nihonbashi Muromachi Mitsui Tower. Nihonbashi Muromachi Mitsui Tower obtained the highest rank "Stage 3" out of three ratings in the Energy Reduction Ratio (ERR) and "Stage 2" in the Perimeter Annual Load (PAL) under the Tokyo Metropolitan Government's Green Building Program, <sup>2</sup> and achieved the highest "S" rating under CASBEE <sup>3</sup> (self-assessment).

## Issuing Entity's Responsibility

Mitsui Fudosan is responsible for providing accurate information and documentation relating to the details of the project that has been funded, including description of projects, amounts allocated, and project impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Mitsui Fudosan's 2019 Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Mitsui Fudosan employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by Mitsui Fudosan with respect to the project in the eligible category. Sustainalytics is not responsible nor shall it be held liable if any of the opinions,

<sup>1</sup> Mitsui Fudosan's Green Bond Framework year 2019 version is available (Japanese only) at:

[https://www.r-i.co.jp/news\\_release\\_gba/2019/09/news\\_release\\_gba\\_20190906\\_jpn.pdf](https://www.r-i.co.jp/news_release_gba/2019/09/news_release_gba_20190906_jpn.pdf)

<sup>2</sup> Tokyo Metropolitan Government, "Green Building Program", at: <https://www.kankyo.metro.tokyo.lg.jp/en/climate/build.html>

<sup>3</sup> Comprehensive Assessment System for Built Environment Efficiency (CASBEE), at: <https://www.ibec.or.jp/CASBEE/english/index.htm>

findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Mitsui Fudosan.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>4</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond project, funded through proceeds of Mitsui Fudosan Co., Ltd.'s 2019 Green Bond, are not in conformance with the Use of Proceeds Criteria outlined in Mitsui Fudosan's Green Bond Framework year 2019 version has disclosed to Sustainalytics that the proceeds of the 2019 Green Bond were fully allocated as at September 30, 2022.

## Detailed Findings

Table 2: Detailed Findings

<b>Evaluation Criteria</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of the project funded by the 2019 Green Bond as of September 2022 to determine if the project aligned with the Use of Proceeds Criteria outlined in Mitsui Fudosan's Green Bond Framework year 2019 version and above in Table 1.	The project reviewed complied with the Use of Proceeds criteria.	None

<sup>4</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

## Appendix

### Appendix 1: Allocation of Green Bond Proceeds

Use of Proceeds Category	Overview of Project	Net Bond Proceeds Allocation (billion JPY)
<b>Green Buildings</b>	Acquisition of reserved floor space of Nihonbashi Muromachi Mitsui Tower. Nihonbashi Muromachi Mitsui Tower obtained the highest rank "Stage 3" out of three ratings in the Energy Reduction Ratio (ERR) and "Stage 2" in the Perimeter Annual Load (PAL) under the Tokyo Metropolitan Government's Green Building Program, <sup>5</sup> and achieved the highest "S" rating under CASBEE <sup>6</sup> (self-assessment).	50
<b>Total Net Bond Proceeds Allocated:</b>		50
<b>Total Net Bond Proceeds Unallocated:</b>		0
<b>Total Net Bond Proceeds from Green Bond issuance:</b>		50

<sup>5</sup> Tokyo Metropolitan Government, "Green Building Program", at: <https://www.kankyo.metro.tokyo.lg.jp/en/climate/build.html>

<sup>6</sup> Comprehensive Assessment System for Built Environment Efficiency (CASBEE), at: <https://www.ibec.or.jp/CASBEE/english/index.htm>

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