

Framework Overview and Second-Party Opinion

Mitsubishi Estate Green Bond

Evaluation Summary

Sustainalytics is of the opinion that the Mitsubishi Estate Green Bond Framework is robust, transparent and credible and well aligned with the four core components of the Green Bond Principles 2017. This assessment is based on the following:



USE OF PROCEEDS The eligible use of proceeds category, Green Buildings, is recognized by ICMA’s Green Bond Principles as a project category having positive environmental benefits.



PROJECT EVALUATION / SELECTION During the project selection and evaluation, the final approval was provided by the CEO of the company. Sustainalytics recognizes involvement by a C-level executive as in line with market best practice.



MANAGEMENT OF PROCEEDS Mitsubishi Estate’s Finance & Accounting department will ensure tracking of allocated and unallocated amounts of the proceeds through an internal management system. This approach is in line with market practice.



REPORTING Mitsubishi Estate plans to receive assertions by its finance director that the net proceeds have been invested in the eligible project, in addition to disclosure of allocation reporting. Sustainalytics views that this is in line with market best practice. Furthermore, Mitsubishi Estate demonstrates a commitment to reporting on the progress of certification during the construction process as well as the environmental performance including energy consumption, CO2 emission, water consumption, waste generated, and recycle rate where possible once the building is constructed. This is in line with market standard.

Evaluation date	May 18, 2018
Issuer Location	Tokyo, Japan

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Introduction

Mitsubishi Estate Company, Limited (“Mitsubishi Estate”, “the issuer” or “the company”) has developed a green bond framework under which it will be issuing a green bond and use the proceeds will finance expenditures related to construction of a green building. Mitsubishi Estate has engaged Sustainalytics to provide a second-party opinion on its framework’s environmental credentials. As part of this engagement, Sustainalytics held conversations with various members of Mitsubishi Estate’s project team including Finance & Accounting and CSR & Environmental Sustainability departments, to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Mitsubishi Estate Green Bond Framework (“the framework”). Sustainalytics also reviewed relevant public documents and non-public information.

This document contains two sections: Framework Overview – summary of the Mitsubishi Estate Green Bond Framework; and Sustainalytics’ Opinion – an opinion on the framework.

Overview of Issuer

Founded in 1937, Mitsubishi Estate is a comprehensive real estate developer in Japan. The company, across Japan and globally, operates in a wide range of segments such as office rental buildings, lifestyle property business focusing on development and rental of commercial and logistics facilities, residential business focusing on sales of condominiums and custom-built housing, international business, investment management business, hotels and real estate services. The company is headquartered in Tokyo, Japan.

The Mitsubishi Estate Group has a mission of contributing to the creation of a truly meaningful society by “building attractive environmentally sound communities where people can live work and relax with contentment”,¹. In accordance with its mission, Mitsubishi Estate developed a long-term management vision; BREAKTHROUGH 2020, where Eco-consciousness is one of its core values for achieving the vision².

The Mitsubishi Estate Group identifies five key pillars of sustainability themes, which include: 1) Community Development Together with Society, 2) Cutting-Edge Community Development, 3) Environment, 4) Human Resource Development, and 5) Compliance³. In addition, the company has established its Long-Term Environmental Vision for 2050, based on its mission and the following the Mitsubishi Estate Group’s basic environmental policy⁴;

1. Building a low-carbon society
2. Creating a sound material-cycle society
3. Fostering harmony between nature and human society
4. Promoting environmental communication
5. Increasing employees’ ecological awareness

As part of the Vision, Mitsubishi Estate is committed to achieving four objectives while building a low carbon society, creating a sound material-cycle society, fostering harmony between nature and human society, and emphasizing environmental communication and human resource development, towards 2050.

The focus of the Environment pillar of sustainability activities and the Long Term Environmental Vision includes reducing the environmental impact of buildings, while applying for certifications such as DBJ Green Building Certification, CASBEE, and Association for Business Innovation in harmony with Nature and Community’s ABINC certification⁵. To further its mission, long term management vision, sustainability themes

¹ Code of Conduct, Mitsubishi Estate Group; <http://www.mec.co.jp/e/company/charter/index.html>

² Mitsubishi Estate Group New Long-Term Vision: BREAKTHROUGH 2020 (FY2012-FY2021) New Medium-Term Management Plan (FY2012-FY2014), Mitsubishi Estate; http://www.mec.co.jp/e/news/pdf/mec110601_e.pdf

³ CSR Report 2017, Mitsubishi Estate; http://www.mec.co.jp/e/csr/csrreport/pdf/2017/csr2017_e.pdf

⁴ CSR Report 2017, Mitsubishi Estate; http://www.mec.co.jp/e/csr/csrreport/pdf/2017/csr2017_e.pdf

⁵ CSR Report 2017, Mitsubishi Estate; http://www.mec.co.jp/e/csr/csrreport/pdf/2017/csr2017_e.pdf

as well as long term environmental vision, Mitsubishi Estate has developed a green bond framework under which it intends to finance construction of a green building.

Framework Overview

For the purpose of issuing a green bond, the issuer has developed the following framework, which addresses the four core components of the Green Bond Principles (GBP): use of proceeds, project evaluation and selection process, management of proceeds, and reporting.

Use of Proceeds

The proceeds of the green bond will be allocated towards financing a project that meet the following eligibility criteria:

Eligibility Criteria

GREEN BUILDING

- Expenditures related to construction of Tokyo Tokiwabashi Project Tower-A, which is expected to receive 4 or 5 stars under the DBJ Green Building Certification.

Please see Appendix I for an overview of the project and Appendix II for an overview of the DBJ Green Building Certification.

Project Evaluation and Selection Process

Application of Eligibility in Project

The green building that will be funded through the proceeds of the green bond have been already identified and are listed in Appendix I. Mitsubishi Estate's Finance & Accounting and CSR & Environmental Sustainability departments selected the project in accordance with the eligibility criteria. The final decision to select the project was made by Head of the CSR Committee who is the CEO of the company.

Sustainability Objectives

As outlined in the overview of issuer above, Mitsubishi Estate has developed a long-term management vision for 2020 and environmental vision for 2050, which aims for sustainable growth through advanced environmental initiatives. Additionally, the company sets out key five sustainability themes that include the environmental pillar. In the pillar, the following four objectives as follows⁶:

- To utilize energy, water and raw materials efficiently and reduce greenhouses gases in our business activities,
- To create a smart community with efficient transportation and distribution systems as well as electricity and water use;
- To expand the use of renewable energy in buildings and residences; and,
- To provide buildings and residences certified proactively as being environmentally and socially responsible.

Mitsubishi Estate is committed to applying various certification programs including DBJ Green Building Certification, into its development of buildings. Mitsubishi Estates aims to contribute to the continued promotion of environmentally and socially responsible buildings through the projects.

⁶ CSR Report 2017, Mitsubishi Estate; http://www.mec.co.jp/e/csr/csrreport/pdf/2017/csr2017_e.pdf

Process to Mitigate Environmental and Social Risks

Mitsubishi Estate's environmental and social risk assessment process ensures that:

1. The eligible project (Tokyo Tokiwabashi Project Tower-A) has undergone an Environmental Impact Assessment⁷, in accordance with the Tokyo Metropolitan Environmental Impact Assessment Ordinance⁸, which requires a large-scale development project to conduct a survey, and predict and assess impacts in order to mitigate possible negative environmental outcomes.
2. Mitsubishi Estate Group's CSR Procurement Guidelines⁹ and Green Procurement Guidelines¹⁰ have been applied to the eligible project during the procurement, design, and construction phase. Areas of consideration in the guidelines include compliance with legal and social norms, respect for human rights, as well as protection of environment and reduction of environmental impact.
3. Mitsubishi Estate implements ISO 14001 in the eligible project once constructed.

Management of Proceeds

The management and allocation of proceeds will be executed by the Mitsubishi Estate's Finance & Accounting department. The Finance & Accounting department has internal management systems to track budgets for the eligible project and expenditures on a quarterly basis, which ensures tracking of allocated and unallocated amounts of the proceeds. Most of the proceeds may be allocated within two years after the bond issuance. Additionally, surplus proceeds from the bond may be held in temporary investments such as cash or cash equivalents pending allocation to eligible projects.

Reporting

Allocation Reporting

Mitsubishi Estate will annually publish a report that shows the allocation of the proceeds on its website, until fully allocated. The company may also receive assertions by its finance director that the net proceeds have been invested in the eligible project.

Impact Reporting

Mitsubishi Estate, subject to confidentiality considerations and as far as reasonably practicable, will annually disclose the following indicators on the Tokyo Tokiwabashi Project Tower-A on its website and/or CSR report:

- 1) During construction, the application progress on DBJ Green Building Certification
- 2) After construction, the following environmental impact metrics:
 - Energy consumption (J/kl)
 - Energy consumption by use (%)
 - CO2 emission (t)
 - Water consumption (m³)
 - Waste generated (kg)
 - Recycle rate (%)

⁷ Progress on Environmental Impact Assessment (Japanese), Tokyo Metropolitan; http://www.kankyo.metro.tokyo.jp/assessment/information/projects_list/330dtl.html

⁸ Environmental Impact Assessment, Tokyo Metropolitan; <http://www.kankyo.metro.tokyo.jp/en/greenery/assessments.files/assessment.pdf>

⁹ Mitsubishi Estate Group CSR Procurement Guidelines, Mitsubishi Estate; http://www.mec.co.jp/e/csr/pdf/mec160518_csr_procurement_guidelines.pdf

¹⁰ Mitsubishi Estate Group Green Procurement Guidelines (Japanese), Mitsubishi Estate; <http://www.mec.co.jp/j/csr/environment/green/pdf/guideline.pdf>

In addition to the above, Mitsubishi Estate intends to disclose these environmental impact metrics on its whole ISO 14001-certified buildings portfolio, which will include Tokyo Tokiwabashi Project Tower-A upon completion and, throughout the life of the bond.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Mitsubishi Estate Green Bond Framework

Summary

Overall, Sustainalytics is of the opinion that the Mitsubishi Estate Green Bond Framework is robust, transparent and credible and is well-aligned with the four core components of the ICMA Green Bond Principles 2017. Some of the key strengths of the Framework include:

- The eligible project for the use of proceeds, Green Buildings, is one of the categories recognized by ICMA's Green Bond Principles 2017 for creating clear environmental benefits.
- The eligible project is expected to receive 4 or 5 stars under DBJ Green Building Certification Programme. Sustainalytics is of the opinion that by selecting buildings with credible third-party certifications, Mitsubishi Estate is allocating green bond proceeds to a project with clear environmental impact. (Please see our assessment on DBJ Green Building Certification Programme in Appendix II). Sustainalytics also views that the focus on top two levels of the certification (4 or 5 stars) aligns with market best practice as well as investor expectations.
- During the project selection and evaluation, the final approval was provided by the CEO of the company. Sustainalytics views the C-level executive involvement as aligned with market best practice.
- Mitsubishi Estate has an internal process in place to track and monitor the allocation of proceeds which is in line with market practice.
- Mitsubishi Estate plans to receive assertions by its finance director that the net proceeds have been invested in the eligible project, in addition to disclosure of allocation reporting. Sustainalytics views that this is in line with market best practice.
- Mitsubishi Estate demonstrates a commitment to reporting on the progress of certification as well as the environmental performance including energy consumption, CO2 emission, water consumption, waste generated, and recycle rate where possible. This is in line with market standard.

Alignment with Green Bond Principles 2017:

Sustainalytics has determined that the Mitsubishi Estate Green Bond Framework aligns to the four core components of the Green Bond Principles 2017. For detailed information please refer to Appendix III: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to issuer's sustainability strategy

Mitsubishi Estate has a strong sustainability strategy that advances its objectives as outlined in its long-term management vision for 2020 and environment vision for 2050. Some notable aspects of the company's strategy as well as governance structure include:

- Mitsubishi Estate takes a group-wide approach to sustainability issues with its CSR Committee, which is chaired by the CEO of the company.
- Mitsubishi Estate states its support of the UN Sustainable Development Goals, and that it is working to contribute to their achievement through business activities that will meet the demands of society.
- Mitsubishi Estate looks to reduce the carbon output of its buildings by switching to renewable energy sources. Starting in April 2016, the company switched to renewable energy for four of its buildings, producing 8 million kW from renewable sources, which amounts to 20% of the annual electricity consumption of the facilities and is the largest initiative for commercial facilities in Japan¹¹.

Furthermore, in accordance with these visions, the company sets out key five sustainability themes, which include the environmental pillar. As part of the pillar, it is committed to promoting environmentally and socially responsible certified buildings. Mitsubishi Estate has a track record of constructing buildings with minimal environmental impact. As of 31 March 2017, the company had 9 projects recognized with CASBEE (new construction design), 19 projects certified by DBJ Green Building Certifications, and 19 projects with ABINC certifications¹². Given the company's commitments and positive track record, Sustainalytics is of the opinion that Mitsubishi Estate's framework is in line with its business strategy, while contributing to the realization of its sustainability efforts, and the company is well positioned to issue a green bond.

Well positioned to address common environmental and social risks associated with the projects

While Mitsubishi Estate's project will lead to positive environmental impacts, the eligible real estate project may include potential risks such as soil or groundwater contamination, dust and particle pollution during construction, and social risks such as workers' health and safety. However, Mitsubishi Estate has undergone processes to mitigate environmental and social risks through an environmental impact assessment in compliance with the Tokyo Metropolitan' regulation, as well as having implemented its procurement guidelines that ensure to address risks and protect environmental and social norms such as human rights. In addition, the company is committed to operating the building in accordance with external certification for its environmental management system, ISO 40001 after the building is constructed. Sustainalytics is of the opinion that Mitsubishi Estate has an adequate level of preparedness required to proactively assess and mitigate social and environmental risks associated with the eligible project.

¹¹CSR Report 2017, Mitsubishi Estate; http://www.mec.co.jp/e/csr/csrreport/pdf/2017/csr2017_e.pdf

¹²CSR Report 2017, Mitsubishi Estate; http://www.mec.co.jp/e/csr/csrreport/pdf/2017/csr2017_e.pdf

Section 3: Impact of Use of Proceeds

Environmental Impact of Green Buildings in Japan

Prior to the Great East Japan Earthquake in 2011, nuclear energy had accounted for close to 30% of Japan’s total electricity production¹³. However, the nuclear disaster in Fukushima resulted in a nation-wide shutdown of nuclear plants across Japan, increasing pressure on Japan to meet the country’s energy needs while decreasing its carbon emissions to meet its COP22 targets and commitments. While the commercial and residential real estate sector accounts for over 30% of total energy use in Japan¹⁴, the Japanese Ministry of Land, Infrastructure, Transport and Tourism established the Building Energy Efficiency Act in 8 July 2015 to increase the efficiency of buildings. The act outlines regulatory measures to ensure compliance with energy efficiency standards for large-scale non-residential buildings¹⁵. Accordingly, buildings in Japan will need to become more energy efficient in the future in order to meet the requirements of the legislation. Therefore, Sustainalytics is of the opinion that Mitsubishi Estate’s green bond will contribute to meeting the need to finance green building projects in Japan, resulting in positive environmental outcomes.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans- border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
	11. Sustainable Cities and Communities	11.B By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters.

¹³ Nuclear Power in Japan, World Nuclear Association; <http://www.world-nuclear.org/information-library/country-profiles/countries-g-n/japan-nuclearpower.aspx>

¹⁴ A mid-to-long term perspective on environmental measures in houses and buildings (Japanese), Ministry of Land Infrastructure, Transport and Tourism, Japan; <http://www.mlit.go.jp/common/000023285.pdf>

¹⁵ Overview of the Act on the improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act), Ministry of Land Infrastructure, Transport and Tourism, Japan; <https://www.mlit.go.jp/common/001134876.pdf>

Conclusion

Mitsubishi Estate has developed a green bond framework to finance expenditures towards construction of Tokyo Tokiwabashi Project Tower-A, which is expected to receive 4 or 5 stars under the DBJ Green Building Certification.

Sustainalytics believes that the Mitsubishi Estate Green Bond Framework provides clarity regarding use of proceeds and the expected environmental impacts of the project. The project category, Green Buildings, is recognized as having positive environmental benefits by the ICMA's Green Bond Principles 2017, while contributing to the Japanese government's commitments.

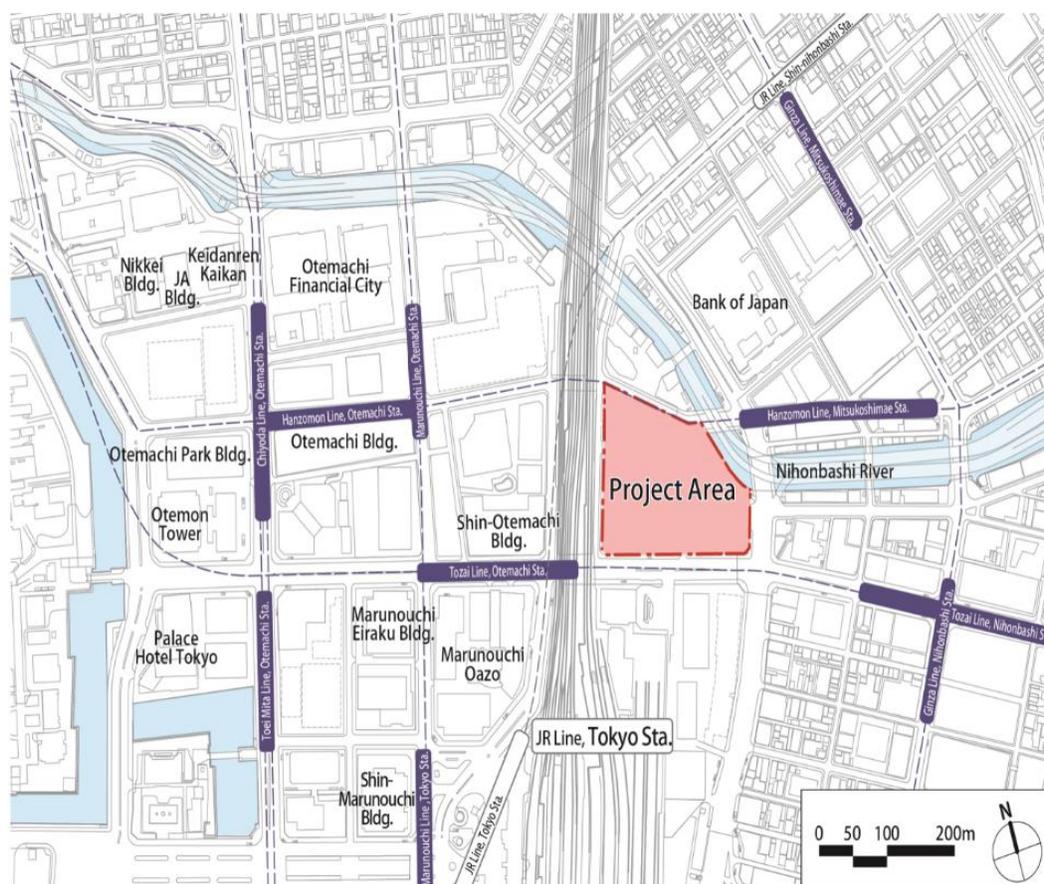
Mitsubishi Estate's eligible project was approved by the company's CEO, and the company has processes to mitigate any environmental and social risks by implementing an environmental impact assessment during construction and by committing to receive an ISO 14001 certification after construction. Furthermore, the company displays a commitment to allocation and impact reporting, with a comprehensive set of impact reporting metrics ensuring a transparent evaluation of the projects' environmental performance.

Overall, Sustainalytics is confident that the Mitsubishi Estate Green Bond Framework is robust, transparent and credible and that the company is well positioned to issue a green bond.

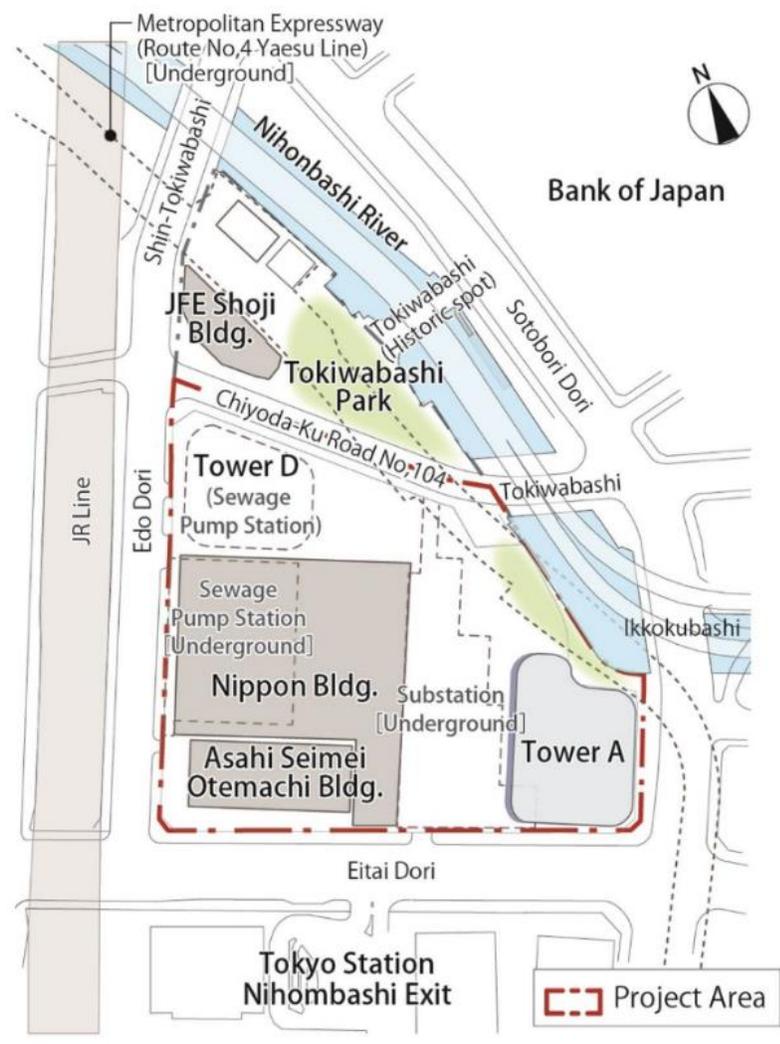
Appendices

Appendix I: Overview and Location of Tokyo Tokiwabashi Project Tower-A ¹⁶

Address	1- Chome Otemachi, Chiyoda-ku, Tokyo 1- Chome Yaesu, Chuo-ku, Tokyo (Please see the location maps below)
Completion	The end of April 2021 (tentative)
Main Use	Offices, stores and parking areas
Number of Floors	5 floors below ground / 40 floors above ground
Height	Approx. 212m
Site Area	Approx. 338,000 sq.ft.(Approx. 9,500 tsubo)
Gross Floor Area	Approx. 1,571,500 sq.ft. (Approx. 44,200 tsubo)
Leasable Office Floor Area	Approx. 833,100 sq.ft. (Approx. 23,400 tsubo)
Website	https://office.mec.co.jp/en/tokiwabashi/tower-a/



¹⁶Tokiwabashi Tower-A, Mitsubishi Estate; <https://office.mec.co.jp/en/tokiwabashi/tower-a/>



Appendix II: Overview of the DBJ Green Building Certification

	DBJ Green Building Certification Programme^{17 18}
Background	DBJ Green Building Certification Programme was launched by the Development Bank of Japan in 2011 and is operated together with Japan Real Estate Institute (JREI). The programme is recognized as one of regional standards. ¹⁹ The certification is available for office buildings, logistics, residential & retail facilities.
Certification levels	1 Star (Properties with satisfactory environmental & social awareness) 2 Stars (Properties with high environmental & social awareness) 3 Stars (Properties with excellent environmental and social awareness) 4 Stars (Properties with exceptionally high environmental & social awareness) 5 Stars (Properties with the best class environmental & social awareness)
Areas of Assessment: Environmental Project Management	Evaluation of DBJ Green Building Certification includes construction specifications, environmental features as well as the following factors: <ul style="list-style-type: none"> • Disaster-prevention and anti-crime measures; • Tenants' comfort and convenience; • Harmony with the surrounding environment; • Collaboration with stakeholders (including tenants and investors); and • Environmental Investor Relations activities.
Areas of Assessment: Environmental Performance of the Building	Assessment includes three areas with some examples of following subcategories: <p>Ecology</p> <ul style="list-style-type: none"> • Energy conservation • Water resources conservation • 3R (Reduce, Reuse and Recycle) • Use of renewable energy <p>Risk management & amenities/diversity</p> <ul style="list-style-type: none"> • Security & Safety of tenant users • Convenience of tenant users <p>Community & partnership</p> <ul style="list-style-type: none"> • Landscape • Biodiversity • Relation with the local community • Owner & stakeholder relationship

¹⁷ Certification Overview, Development Bank of Japan; http://www.dbj.jp/en/service/finance/g_building/outline.html

¹⁸ DBJ Green Building Certification (Japanese), Development Bank of Japan; http://www.dbj.jp/service/finance/g_building/outline.html

¹⁹ Japan sharpens its green building focus, Read Views; <https://www.jllrealviews.com/places/japan-sharpens-its-green-building-focus/>

<p>Requirements</p>	<p>Score-based performance level</p> <p>Assessment structure composed of the following three pillars:</p> <ol style="list-style-type: none"> 1. Three areas of assessment The features and characteristics of the green building will be classified into three main categories: ecology, risk management & amenities/diversity, and community & partnership. Each main area consists of five subcategories and has a full score of 100 points. The entire assessment consists of 58 questions. 2. Comprehensive assessment Among the conventional assessment points, some particular importance is attached to the owner's operation of the property, such as, in the risk management part, disaster prevention & anticrime measures, and in the community & partnership part, local environment-awareness initiatives. 3. Innovation point system An additional point system is adopted to reflect exceptionally innovative initiatives in each subcategory. Such initiatives need not fit in the scope of the respective questions. <p>JREI will conduct on the ground reviews of building performance on the indicators above, and a committee set in JREI will decide the result of certification rank.²⁰</p>
<p>Performance Display</p>	 <p style="text-align: right;">21</p>
<p>Qualitative considerations</p>	<p>In addition to LEED and CASBEE, DBJ Green Building Certification Programme is considered as one of the leading green building standards in Japan.²² According to its website, as of Feb 2018, 499 properties in Japan are certified by the programme.</p>

²⁰ Process of certification (Japanese), DBJ Green Building Certification; <http://igb.jp/flow.html>

²¹ DBJ Green Building, Development Bank of Japan; http://www.dbj.jp/en/pdf/service/finance/g_building/gb_presentation.pdf

²² Japan sharpens its green building focus, Read Views; <https://www.jllrealviews.com/places/japan-sharpens-its-green-building-focus/>

Appendix III: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Mitsubishi Estate Company, Limited
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Mitsubishi Estate Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 18, 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	May 18, 2018

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 REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> 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)*

Please refer to Green Bond Framework and Second Opinion Document above.

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)*:

Mitsubishi Estate uses proceeds to finance the construction of Tokyo Tokiwabashi Project Tower-A which is expected to receive 4 or 5 stars under DBJ Green Building Certification Programme. The Green Buildings category is recognized as eligible by the ICMA's Green Bond Principles 2017, and has a clear environmental benefits.

Use of proceeds categories as per GBP:

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

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 green building that will be funded through the proceeds of the green bond have been already identified and are listed in Appendix I. Mitsubishi Estate's Finance & Accounting and CSR & Environmental departments selected the project in line with the eligibility criteria. The final decision to select the project was made by the Head of the CSR Committee who is the CEO of the company. Sustainalytics views this as in line with market best practice.

Evaluation and selection

- | | |
|--|---|
| <input 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 (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The management and allocation of proceeds will be executed by the Mitsubishi Estate's Finance & Accounting department. The Finance & Accounting department has internal management systems to track budgets for the eligible project and expenditures on a quarterly basis, which ensures tracking of allocated and unallocated amounts of the proceeds. Most of the proceeds may be allocated within two years after the bond issuance. Additionally, surplus proceeds from the bond may be held in temporary investments such as cash or cash equivalents pending allocation to eligible projects. In the Sustainalytics view, these practices are in line with market norms.

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 (<i>please specify</i>): |

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 (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Mitsubishi Estate, subject to confidentiality considerations and as far as reasonably practicable, will annually disclose the following indicators on Tokyo Tokiwabashi Project Tower-A on its website and CSR report:

- 1) During construction, the application progress on DBJ Green Building Certification
- 2) After construction, the following environmental impact metrics:
 - Energy consumption (J/kl)
 - Energy consumption by use (%)
 - CO2 emission (t)
 - Water consumption (m³)
 - Waste generated (kg)
 - Recycle rate (%)

In addition to above, Mitsubishi Estate intends to disclose these environmental impact metrics on its whole ISO 14001-certified buildings portfolio, which will include Tokyo Tokiwabashi Project Tower-A upon completion and, throughout the life of the bond.

Sustainalytics is of the opinion that reporting is in line with market norms.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Mitsubishi Estate's ISO 14001-certified buildings portfolio basis |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): In addition to the application progress of the certification, the following metrics will be included: Energy consumption (J/kl), Energy consumption by use (%), Water consumption (m ³), Waste generated (kg), and Recycle rate (%) |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): The company website |
| <input type="checkbox"/> 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.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

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- i. **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second Party Opinions" may fall into this category.
- ii. **Verification:** An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- iv. **Rating:** An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

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