



NEWS RELEASE

Jun 12, 2018

【R&I Green Bond Assessment】

Mitsubishi Estate Co., Ltd. Mitsubishi Estate Green Bond : GA1 (Preliminary)

Rating and Investment Information, Inc. (R&I) has announced the following R&I Green Bond Assessment. This is a preliminary assessment and will be reassessed after the final confirmation of bond issuance details.

【DESCRIPTION OF RATED INSTRUMENT】

INSTRUMENT NAME	Mitsubishi Estate Green Bond
ISSUER	Mitsubishi Estate Co., Ltd.
ISSUE AMOUNT (mn)	JPY 10,000 scheduled
R&I GREEN BOND ASSESSMENT	GA1
ISSUE DATE	June 26, 2018
MATURITY DATE	June 26, 2023

【RATIONALE】

Mitsubishi Estate Co., Ltd. is a major real estate company affiliated with the Mitsubishi Group. The company operates a wide range of real estate-related businesses, including office building leasing, condominium sales and urban development, both at home and abroad. Setting a goal of "establishing a position as a front-running ESG-conscious corporation", it is aggressively working on various initiatives to preserve the environment, such as promoting design that gives consideration to energy saving and biodiversity at planned development sites.

As part of these activities, the company will issue the above-mentioned bond as a green bond that is aligned with the Green Bond Principles.

In accordance with the R&I Green Bond Assessment Methodology, R&I has judged that the proceeds from the issuance of Mitsubishi Estate Green Bond will be used to invest in projects with significant environmental benefits and has assigned GA1 to the bond. The main rationale is as follows:

- The entire proceeds from the bond issuance will be allocated to the construction of Tower A in the "Tokiwabashi District Redevelopment Project" (Otemachi 2-chome Tokiwabashi District Category 1 Urban Redevelopment Project), which is now underway in front of the Nihonbashi Exit of Tokyo Station. This is an approved project in the national strategic special zone, and various efforts are going on, such as constructing large open space with consideration of biodiversity and other factors. Construction of Tower A is expected to complete at end-April 2021. For Tower A, Mitsubishi Estate plans to obtain DBJ Green Building Certification, an environmental certification for buildings, and a high rank of 4 or 5 Stars is anticipated.
- R&I has judged that the project is highly beneficial to the environment by confirming factors such as high energy estimates, including primary energy consumption, of the building and a high rank likely to be obtained in the external environmental certification.
- Mitsubishi Estate decided to make Tower A an eligible project for a green bond through cross-sectional discussions between its accounting division and environment/CSR promotion division and the approval of the president and CEO, who serves as the CSR committee's chairperson. Moreover, the company will press ahead with the project in line with its long-term environmental vision, among others.

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact: Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

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- The proceeds are to be allocated to construction for the project over about two years. The allocation of proceeds will be tracked and managed on a quarterly basis by the accounting division and reported to the accounting executive officer. Such information will also be shared with the Tokiwabashi development division.
- For reporting, Mitsubishi Estate will disclose the allocation of proceeds on an annual basis. Furthermore, the company plans to disclose portfolio-based environmental benefits of the eligible building and other buildings it operates and manages in line with ISO14001, an international standard for environmental management systems. As regards the building for which green bond proceeds will be used, the company will disclose details of allocation to the extent confidentiality permits.
- Mitsubishi Estate established a social environment office in 1994, and set a basic environmental policy in 2004. It also acquired the ISO14001 certification for the first time as a comprehensive real estate developer in 1999. These facts show that the company has established a structure to tackle environmental issues from early on. While pursuing energy saving efforts for properties it holds or plans to develop, it is focusing on preserving biodiversity by, for example, creating green areas on the premises of the properties.

Comprehensively considering the above, R&I is confident that Mitsubishi Estate Green Bond is in line with the Green Bond Principles.

This is a preliminary assessment. Assessment details are scheduled to be announced after the completion of a formal assessment.

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