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To whom it may concern

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## Submission of Amended Shelf Registration Statement for Issuance of Green Bonds

Nippon Building Fund Inc. (hereinafter, “NBF”) has announced today that it submitted to the Director-General of the Kanto Local Finance Bureau an amended shelf registration statement (whose original shelf registration statement had been submitted on January 29, 2021) for the issuance of Nippon Building Fund unsecured investment corporation bonds (green bonds) (with a *pari passu* clause only applicable to specified investment corporation bonds) (hereinafter, referred to as the “Green Bonds”).

### 1. Contents of the amended shelf registration statement for the issuance of the Green Bonds

NBF has today submitted to the Director-General of the Kanto Local Finance Bureau an amended shelf registration statement for the issuance of the Green Bonds.

NBF plans to use all the proceeds from the Green Bonds to acquire specified assets (hereinafter, referred to as the “Eligible Green Assets”) that meet the eligibility criteria (described in “3. Eligibility criteria” below), to repay the loans needed to acquire the Eligible Green Assets, or to redeem the investment corporation bonds (including green bonds) issued for the acquisition of the Eligible Green Assets or for the repayment of the loans needed to acquire the Eligible Green Assets.

### 2. Purpose and background of the issuance of the Green Bonds

Nippon Building Fund Management Ltd., asset management company of NBF (hereinafter referred to as the “Asset Management Company”), in recognition of the importance of the environment, society, and governance (ESG) for carrying out asset management activities, strives to achieve asset management activities giving consideration to the reduction of environmental load, improving security, safety, and comfort, and collaboration and cooperation with various stakeholders, in line with the Group Environmental Policy and Policy for Social Contribution Initiatives established by the Mitsui Fudosan Group, the main sponsor of NBF. In November 2017, the Asset Management Company established its ESG Policy, promoting the implementation of initiatives that are friendly toward the environment in its daily asset management operations as well as initiatives targeting stakeholders including investors, tenants, employees, business partners, and local communities.

Under these policies, NBF received in 2020 a Green Star for the sixth consecutive year in the Global Real Estate Sustainability Benchmark (GRESB) real estate assessments, as a recognition of its sustainability efforts in the aspects of both “Management and Policy” and “Implementation and Measurement.” In addition, in the overall GRESB score ranking, NBF received five stars, the highest grade. NBF also received the highest grade, Level A, in GRESB disclosure assessments for its excellent information disclosure on environmental consideration and on sustainability efforts.

NBF considers raising funds through the issuance of the Green Bonds to further promote its sustainability efforts and to expand its investor base and create a stronger fundraising basis by stimulating demand from bond investors who have strong interest in ESG. To this end, NBF has recently submitted the amended shelf registration statement for the issuance of the Green Bonds.

### 3. Eligibility criteria

To obtain green finance including the issuance of the Green Bonds, NBF has established a green finance framework (hereinafter, the “Green Finance Framework”) in accordance with the 2018 edition of the Green Bonds Principles <sup>(Note 1)</sup>, 2020 edition of the Green Bond Guidelines <sup>(Note 2)</sup>, 2020 edition of the Green Loan Principles <sup>(Note 3)</sup>, and 2020 edition of the Green Loans and Sustainability Linked Loan Guidelines <sup>(Note 4)</sup> and has defined the Eligible Green Assets.

NBF plans to use the same amount as the amount of the funds raised through green finance for the acquisition of the Eligible Green Assets that meet the following eligibility criteria, repayment of loans needed to acquire the Eligible Green Assets, or redemption of the investment corporation bonds (including green bonds) issued to acquire the Eligible Green Assets or to repay the loans needed to acquire the Eligible Green Assets.

The eligibility criteria define the Eligible Green Assets as the specified assets which NBF owns and which have already received or renewed, or are expected to receive or renew, any of the following certifications given by third-party certification bodies. In case of refinancing, eligible assets are limited to those that have received or renewed the DBJ Green Building Certification within three years or CASBEE for real estate certification within five years from the issue date of green bonds, drawdown date of a green loan, or the time of reporting or those that are expected to receive or renew either of the above certifications in the future.

- (1) Five, four, or three stars in the DBJ Green Building Certification
- (2) Five, four, or three stars in the BELS assessments
- (3) S, A, or B+ grade in the CASBEE for real estate certification

(Note 1) The 2018 edition of the Green Bond Principles are the guidelines on the issuance of green bonds developed by the Green Bond Principles Executive Committee, a private organization for which the International Capital Market Association (ICMA) plays the secretariat function.

(Note 2) The 2020 edition of the Green Bond Guidelines are the guidelines developed and published in March 2017 and revised in March 2020 by the Ministry of the Environment of Japan with attention to consistency with the Green Bond Principles in Note 1 above. To further spread the use of green bonds in Japan, the Guidelines present concrete examples and interpretations that are aligned with the attributes of Japan and which market participants can refer to at the working level when considering specific actions concerning green bonds.

(Note 3) The 2020 edition of the Green Loan Principles are developed by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications & Trading Association (LSTA) and provide guidelines for the loans specifically granted in relation to the area of the environment.

(Note 4) The 2020 edition of the Green Loans and Sustainability Linked Loan Guidelines are the guidelines developed and published in March 2020 by the Ministry of the Environment of Japan with attention to consistency with the Green Loan Principles in Note 3 above. To further spread the use of green loans in Japan, the Guidelines present concrete examples and interpretations that are aligned with the attributes of Japan and which borrowers, lenders, and other officials of relevant organization can refer to at the working level when considering specific actions concerning green loans.

### 4. External evaluations

NBF has obtained a second-party opinion <sup>(Note 1)</sup> from Sustainalytics as a third-party evaluation of the Green Finance Framework. Please refer to the following URL on the details of the second-party opinion.

<https://www.sustainalytics.com/sustainable-finance/our-work/>

Upon providing a third-party evaluation of the Green Finance Framework, Sustainalytics was notified by the Green Finance Promotion Organization that it had been selected as an eligible recipient of government subsidies under the FY2020 Financial Support Programme for Green Bond Issuance <sup>(Note 2)</sup> operated by the Ministry of the Environment of Japan.

(Note 1) The second-party opinion refers to an independent opinion of Sustainalytics as an ESG evaluator who reviews whether the Green Finance Framework of NBF is consistent with the Green Bond Principles in Note 1 in 3. above, Green Bond Guidelines in Note 2 in 3. above, Green Loan Principles in Note 3 in 3. above, and Green Loans and Sustainability Linked Loan Guidelines in Note 4 in 3.

above.

(Note 2) The Financial Support Programme for Green Bond Issuance is a project that subsidizes the registered supporters of the prospective issuers of green bonds, such as companies and local governments planning to issue green bonds and so forth. The Programme provides subsidies for the necessary costs for the support provided by eligible recipients such as external reviews and consulting service on the organization of a framework for green bonds and so on. There are eligibility criteria for green bonds and so on that can be covered by the Programme. For instance, in case of green bonds, all the proceeds must be used for green projects. In respect of sustainability bonds, at least 50% of the proceeds must be used for green projects. In addition, all of the following requirements must be met at the time of issuance:

- (i) An eligible project must fall under either of the following categories at the time of the issuance of green bonds and so on:
  - a. Project that mainly contributes to decarbonization in Japan (e.g., renewable energy, energy saving)
    - 50% or more of the proceeds or 50% or more of the projects involved are related to decarbonization projects in Japan
  - b. Project that is highly effective in achieving decarbonization and regional revitalization
    - Decarbonization: The amount of subsidy given per 1 ton of CO<sub>2</sub> emissions reduction in Japan is at or below a stipulated threshold.
    - Regional revitalization: Projects that are deemed to contribute to regional revitalization in light of ordinances, plans, and so on established by local governments
    - Projects that are expected to receive an investment from local governments and so on
- (ii) An external reviewer confirms before the issuance that a framework of green bonds and so on is consistent with the Green Bond Guidelines in Note 2 in 3. above.
- (iii) Green bonds and so on are not so-called *greenwashing bonds* (bonds that are named green bonds and the like despite having no actual improvement impact on the environment or not appropriately using the proceeds for environment projects.)

End