

February 5, 2019

FOR IMMEDIATE RELEASE

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Notice of Issuance of Publicly-Offered Hybrid Bonds (Publicly-Offered Subordinated Bonds)

Tokyo Tatemono Co., Ltd. (the “Company”) announces that it today submitted the amended shelf registration statement concerning the issuance of hybrid bonds (subordinated bonds) (hereinafter the “1st Bonds” and “2nd Bonds,” collectively the “Bonds”) through public offering to the Director of the Kanto Finance Bureau.

Moreover, the 2nd Bonds will be issued as green bonds based on the green financing framework and they will be Japan’s first publicly offered hybrid bonds qualified as Green Bonds.

1. Purpose and Background of the Issuance

The Company Group has steadily enhanced profitability in existing businesses and developed businesses in new growing fields while conducting selective and financially disciplined investments based on the mid-term management plan “Continue to be the leading choice, providing amazing value through innovative group synergy” established in 2015. This year will be the final fiscal year of the group’s five-year mid-term management plan and an important year towards the next stage.

On the other hand, the Company is currently promoting multiple projects contributing to the stable revenue of the Company over the long term including the “Type-1 Urban Redevelopment Project for Yaesu 1-Chome East Area in Front of Tokyo Station.”

Under such circumstances, the Company decided to issue the Bonds by regarding the Bonds as a fund procurement method that enables both financial soundness and improvement of capital efficiency, considering that the issuance will enhance the flexibility of the financial strategy and complement the growth strategy from a long-term perspective.

In addition, the Company is making further progress on environmental consideration on which it has focused its efforts to contribute to the development of a sustainable society through businesses. The Company is planning to issue the 2nd Bonds as green bonds based on the green finance framework with an aim to diversify its fund procurement methods as well as further strengthen efforts on sustainability. This is the first case of issuance of green bonds with publicly-offered hybrid bonds in Japan and the procured funds are planned to be allocated to funds for acquisition and construction of green buildings (*1) satisfying eligibility criteria or the refinancing of such funds.

2. Characteristics of the Bonds

The Bonds are a type of hybrid financing, which have the characteristics of both equity and debt. Although shares will not be diluted as this is debt financing, it has similar characteristics to those of equity, including discretionary interest deferral, an ultra-long-term repayment term, and subordination content in liquidation and bankruptcy proceedings. Therefore, the Company expects that one credit rating agency (the Japan Credit Rating Agency, Ltd.) will identify an equity content of 50% of the amount of financing for its rating.

As for the eligibility of green bonds for the 2nd Bonds, it received a preliminary evaluation of “Green1,” the highest rating in “JCR Green Bond Evaluation” (*2), from Japan Credit Rating Agency, Ltd. (JCR) as a third-party evaluation.

3. Future Schedule

Mizuho Securities Co., Ltd., Daiwa Securities Co. Ltd. (Green Bond Structuring Agent) (*3) and SMBC Nikko Securities Inc. will act as the lead managers for the issuance of the Bonds. The conditions such as issuance amount, etc. are scheduled to be decided in March 2019 by comprehensively taking into account the demand, interest rate trend, etc. for the final procurement amount.

(*1) Green Building

Properties which received or are planned to receive the top two certifications or recertification from third-party certification organizations described in 1 to 3 below.

1. 5 stars or 4 stars in DBJ Green Building Certification
2. Rank S or A in CASBEE for Building (New Construction)
3. 5 stars or 4 stars in BELS Certification

(*2) “JCR Green Bond Evaluation”

“JCR Green Bond Evaluation” is a third-party evaluation of green bonds made by JCR in accordance with the Green Bond Principles created by International Capital Market Association (ICMA) and the Green Bond Guidelines 2017 established by the Ministry of the Environment. JCR conducts the “Greenness Evaluation” to assess whether the use of proceeds falls under the category of green projects and the “Management, Operation and Transparency Evaluation” to assess the management and operation system and transparency of the issuer. “JCR Green Bond Evaluation” is determined by comprehensively assessing the results of the above evaluations. The “JCR Green Bond Evaluation” of the Green Bond is disclosed on the website of JCR, listed below.

<https://www.jcr.co.jp/greenfinance/>

(*3) Green Bond Structuring Agent

Those who support the issuance of green bonds through the formulation of Green Finance Framework and advises on acquiring second-party opinions.

-Reference Information-

A green building satisfying the eligibility criteria being developed by the Company

Hareza Ikebukuro ((Tentative Name) Toshima Project)

Symbolic project of the “International Art and Culture City” of Toshima Ward
Redevelopment high-rise mixed-use facility under construction at the former site of Toshima Ward Government Building and the former site of Toshima Public Hall in Ikebukuro

[Characteristics]

1. Forming a new business base through the largest development of large-scale and high-standard offices in the Ikebukuro area
2. Creating eight theaters disseminating various arts and cultures to the world
3. Securing the highest level of safety and developing a disaster prevention base in response to the increasing awareness on disaster prevention



[Overview of Property]

	Office building (Site A)	Hall building (Site B)
Project site	1-18-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	1-19, etc. Higashi-Ikebukuro, Toshima-ku, Tokyo
Use	1F: Store 2~6F: Cinema 7~32F: Office	1F: Live theater 1~2F: Store, studio 2~8F: New hall
Site area	3,619.67 m ²	2,983.59 m ²
Planned floor-area ratio	Approx. 1,680%	Approx. 300%
Total floor space	Approx. 68,600 m ²	Approx. 10,600 m ²
Number of floors	33 floors above ground, 2 floors below ground	8 floors above ground, 1 floor below ground, single-story penthouse
Maximum building height	Approx. 158m	Approx. 41m
Designer	Kajima Corporation First-Class Registered Architect Office	
Constructor	Kajima Corporation	
Construction start date	December 2016	January 2017
Completion date	May 2020 (schedule)	April 2019 (schedule)

*The overview of the project may be changed in the future

[Project Site]



[Main Press Releases Concerning the Project]

December 8, 2016

“A Glimmering Theater City to Enhance the International Appeal of Ikebukuro
Toshima Project (working name) Construction Starts”

<https://pdf.irpocket.com/C8804/aRgx/d5NZ/gvhb.pdf>

Main green buildings satisfying the eligibility criteria owned and managed by the Company

Nakano Central Park South

Creating approximately 3 ha of open green space (including Nakano Shiki no Mori Park) by integrally developing neighboring universities and administrative agencies together with Nakano Shiki no Machi with an area of approximately 16.8 ha.



[Overview of Property]

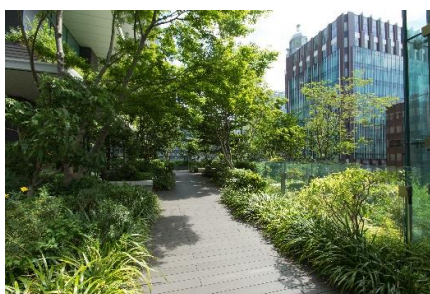
Address	4-10-2 Nakano, Nakano-ku, Tokyo
Use	Office, store, gathering place (hall), parking lot
Site area	Approx. 23,835 m ²
Total floor space	Approx. 151,523 m ²
Number of floors	22 floors above ground, 1 floor below ground
Completion date	May 2012

[List of Major Certifications]

- 2012 Received “Platinum”, the highest rating in “DBJ Green Building Certification”
- 2014 Received “Good Design Award (Creation of Town, Local Area or Community Category)”

Tokyo Square Garden

Developing “Kyobashi Environmental Station” as the top-level environmentally-friendly building in Japan where efforts were pursued such as the introduction of CO₂ reduction technology and reduction of CO₂ in surrounding areas, as well as “Kyobashi Hill” composed of three-dimensional greenery.



[Overview of Property]

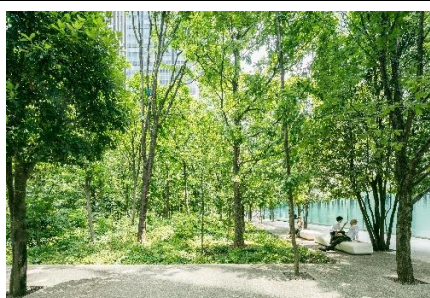
Address	3-1-1 Kyobashi, Chuo-ku, Tokyo
Use	Office, store, exchange facility, medical facility, childcare support facility, parking lot, etc.
Site area	Approx. 8,130 m ²
Total floor space	Approx. 117,000 m ²
Number of floors	24 floors above ground, 4 floors below ground, 2-story penthouse
Completion date	March 2013

[List of Major Certifications]

- 2010 Selected as “Leading Project of CO₂ Reduction for Residential Housing and Buildings”
- 2013 Received “Platinum,” the highest rating in “DBJ Green Building Certification”
- 2014 Received “Good Design Award (Industrial Space, Construction and Facility Category)”
- 2015 Received Minister of Land, Infrastructure, Transport and Tourism Award in “Rooftop, Walls, Special Greening Technology Competition (Rooftop Greening Category)”
- 2016 Certified as “SEGES: Urban Oasis 2016”

Otemachi Tower

Developing “Otemachi no Mori,” a natural forest with an area of approximately 3,600 m² equivalent to approximately one-third of the entire site, to embody the development concept of “regenerating nature while regenerating cities.”



[Overview of Property]

Address	1-5-5 Otemachi, Chiyoda-ku, Tokyo
Use	Office, hotel, store, parking lot, etc.
Site area	Approx. 11,037 m ²
Total floor space	Approx. 198,000 m ²
Number of floors	38 floors above ground, 6 floors below ground, 3-story penthouse
Completion date	April 2014

[List of Major Certifications]

- 2013 Received “Platinum,” the highest rating in “DBJ Green Building Certification”
- 2014 Acquired first certification in “ABINC Certification System (Urban & SC Version)”
Received “Minister of Land, Infrastructure, Transport and Tourism Award (Planning and Originality Category),” the best award in Urban Park Contest
- 2015 Certified as “SEGES: Urban Oasis 2015”
Received Minister of Land, Infrastructure, Transport and Tourism Award “Green City Award (Green Project Activity Category)”
- 2017 Received Minister of the Environment Award in “Rooftop and Wall Greening Technology Competition (Rooftop Greening Category)”