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To whom it may concern:

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Securities code:	8830 (TSE Prime Market)
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## **Sumitomo Realty Establishes Green Finance Framework Totaling 1 Trillion Yen**

As a comprehensive developer, the Sumitomo Realty Group has been working on “Sustainability Management” to continuously enhance its corporate value under fundamental mission of “Creating even better social assets for the next generation.” Throughout our business activities, we have been pursuing an integrated approach to not only create economic value but also contribute to solutions to social issues of the local communities, thus creating social value that will continue to serve future needs.

In order to apply this approach to our financing, we have established a Green Finance Framework that will raise a total of 1 trillion yen in the Ninth Medium-term Management Plan (fiscal year ending March 31, 2023 to fiscal year ending March 31, 2025).

### **Overview of the Green Finance Framework**

#### **1. Limits the use of proceeds to properties with superior environmental performance**

The Sumitomo Realty Group’s Green Finance, which will be financed through loans and bonds, will limit the use of proceeds to the refinancing, etc. of properties that have acquired three stars or above in the DBJ Green Building Certification\*, which is granted to properties with excellent environmental performance.

As of the end of March 2022, the Group has acquired DBJ Green Building Certification for a total of 27 buildings, with a total floor area of approximately 790,000 tsubo (one tsubo is roughly 3.3 m<sup>2</sup>). In the Ninth Medium-term Management Plan, we set to enable a total of 1 trillion yen in financing for 12 of these buildings, a total floor area of approximately 460,000 tsubo.

\* The DBJ Green Building Certification is one of the Green Building Certification Systems. It was established by the Development Bank of Japan Inc. to evaluate real estate for its performance and initiatives regarding “environmental and social awareness” beyond its “profitability.”

#### **2. Principles for target properties under this Green Finance Framework**

The Sumitomo Realty Group aims to develop properties with excellent environmental performance, maintaining and improving their performance through appropriate maintenance and renewal, and holding them for the long term in order to contribute to the improvement of the environment for society as a whole. Based on this policy, we will follow the principles below for target properties during the period of financing.

- (1) Periodically disclose environmental performance information, such as CO<sub>2</sub> emissions and energy consumption
- (2) Maintain at least 3 stars in the DBJ Green Building Certification
- (3) Prohibit selling them to third parties outside the Sumitomo Realty Group

### 3. Evaluation by two rating agencies

This Green Finance Framework has acquired evaluations by the Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc., to certify compliance with the Green Bond Principles\*<sup>1</sup> (2021), the Green Loan Principles\*<sup>2</sup> (2021), the Green Bond Guidelines\*<sup>3</sup> (2020), and the Green Loan and Sustainability Linked Loan Guidelines\*<sup>3</sup> (2020).

\*1. Formulated by the International Capital Market Association (ICMA)

\*2. Formulated by each of the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA), and the Loan Syndications and Trading Association (LSTA)

\*3. Formulated by the Ministry of the Environment

### Properties subject to green finance under the Ninth Medium-term Management Plan (total amount: 1 trillion yen)

Property name	DBJ Green Building Certification		Gross floor area (tsubo) 1 tsubo≈3.3 m <sup>2</sup>	Main purpose	Completion
	Rank	Year			
Shinjuku Grand Tower	★★★★★	2020	54,386	Office	Dec 2011
Osaki Garden Tower	★★★★★	2020	53,888	Office	Jan 2018
Shinjuku Garden Tower	★★★★★	2020	43,127	Office	Mar 2016
Tokyo Nihombashi Tower	★★★★★	2020	41,313	Office	Apr 2015
Azabujuban Building	★★★★★	2020	13,961	Office	Jan 2017
Roppongi Grand Tower	★★★★	2018	63,674	Office	Oct 2016
Shinjuku Oak Tower	★★★★	2020	49,337	Office	Jan 2003
Shinjuku Central Park Building	★★★★	2020	46,423	Office	Mar 2010
Shiodome Sumitomo Building	★★★★	2020	30,224	Office	Jul 2004
Iidabashi First Tower	★★★★	2020	23,715	Office	Apr 2010
Shibakoen First Building	★★★★	2020	19,306	Office	Jul 2000
Shinjuku Central Park Tower	★★★★	2020	18,178	Office	Aug 2019
12 properties TOTAL			457,532		

### (Reference) The Sumitomo Realty Group's Environmental Initiatives

Throughout our business activities, the Sumitomo Realty Group has pursued an integrated approach that creates not only economic value, but also necessary social value to enhance our corporate value in a sustainable manner. This Green Finance Framework reflects our policy of continuing contribution for reducing the environmental impact of society as a whole through our mainstay real estate leasing business, by continuously providing properties with outstanding environmental performance.

In addition, we are working to address a wide range of environmental social issues, including resource recycling and waste reduction. For decarbonization, which is a global focus, we have established a CO<sub>2</sub> emissions reduction target for FY2030, and incorporated this target into our Ninth Medium-Term Management Plan. For details, please refer to the "Notice of the Medium-Term Management Plan" announced today.

While pursuing business expansion, the Sumitomo Realty Group will continue to promote Sustainability Management that contributes to addressing environmental issues and various other social issues.

The initiatives related to this release contribute to the following SDGs

Goal 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE  
Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION  
Goal 15: LIFE ON LAND

Goal 11: SUSTAINABLE CITIES AND COMMUNITIES  
Goal 13: CLIMATE ACTION  
Goal 17: PARTNERSHIPS FOR THE GOALS

**SUSTAINABLE DEVELOPMENT GOALS**

