

Mori Building Announces Terms of Hybrid (Subordinated) Bond for Public Offering

Tokyo, October 4, 2022 — Mori Building Co., Ltd., Japan’s leading urban landscape developer, announced today the issuance terms and conditions of its hybrid (subordinated) bond for public offering. The green bond purposed to finance the company’s acquisition of a reserved floor in the A District Tower of the Toranomon-Azabudai Project (Toranomon-Azabudai District Category 1 Urban Redevelopment Project), as announced on September 12, 2022, has received 78 preliminary bids from investors as of today.

Name of bond	Mori Building Co., Ltd. third series domestic subordinated unsecured bond with interest-deferral and early-redemption options (green bond)
Total amount of issue	JPY 50,000 million
Coupon rate ¹	1.36% per year
Interest payment date	April 11 and October 11 of each year
Closing date	October 11, 2022
Maturity date	October 11, 2057
Early redemption ²	Shall be redeemable prior to maturity at the company's discretion on October 11, 2027 and each interest payment date thereafter
Clauses on interest payment	The company may, at its discretion, defer payment of all or part of the interest
Payment priority	The payment priority of this bond is subordinated to general debt of the company and prior to common stock
Offering method	Public offering in Japan (mainly for institutional investors)
Use of proceeds	All funds will be used for the acquisition of a reserved floor in the A District Tower of the Toranomon-Azabudai Project (Toranomon-Azabudai District Category 1 Urban Redevelopment Project)
Bond rating	A- (Japan Credit Rating Agency, Ltd.)
Equity credit evaluation	Middle, 50% (Japan Credit Rating Agency, Ltd.)
Underwriters	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. Goldman Sachs Japan Co., Ltd.
Green bond structuring agent	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Second-party opinion on green bond framework	Sustainalytics (independent provider of ESG evaluations)

¹ Fixed rate from the day immediately following October 11, 2022 until October 11, 2027. Floating rate with step-up thereafter.

² In the event of early redemption of the bond, the company expects to refinance the bond with instruments recognized by Japan Credit Rating Agency, Inc. as having equal or superior capitalization. However, if either of the following conditions is met, the company may forego refinancing with an instrument certified as having equal or higher capitalization:

- 1) Consolidated balance sheet’s debt-to-equity ratio is less than 3.0 times.
- 2) Shareholder equity in consolidated balance sheet increases at least JPY 25 billion from the end of March 2022.

Note: The purpose of this notice is to officially announce the issuance of the subordinated bond through a public offering, not to solicit investments or similar activities.

List of investors (as of October 4, 2022)

- AICHI POLICE CREDIT UNION
- Akita Shinkin Bank
- Aozora Bank, Ltd.
- Asahi Mutual Life Insurance Company
- ASAHISHIMBUN CREDIT COOPERATIVE
- Asset Management One Co., Ltd.
- Chiba Shinkin Bank
- Choshi Shoko Shinkumi Bank
- DAIDO LIFE INSURANCE COMPANY
- Daiwa Asset Management Co.Ltd.
- Danyo Shinkumi Bank
- Development Bank of Japan Inc.
- FUKOKU MUTUAL LIFE INSURANCE COMPANY
- Gifu Shoko Shinkumi Bank
- Gunmaken Shinkumi Bank
- Hanno-Shinkin Bank
- Hokuriku Labour Bank
- HYOGO SHINKIN BANK
- Ichinoseki Shinkin Bank
- JAPAN SEAFARERS RELIEF ASSOCIATION
- KANAGAWA PREFECTURAL CREDIT FEDERATION OF AGRICULTURAL CO-OPERATIVES
- KITAMI SHINKIN BANK
- Kobeshi Shokuin Shinkumi Bank
- Kyoei Community Bank
- Manulife Investment Management (Japan) Limited
- Maruhachi Credit Cooperative
- Matsumoto Shinkin Bank
- Mienaka Agricultural Cooperative
- Mie Prefecture credit federation of agricultural cooperatives
- Mitsui Sumitomo Insurance Company, Limited
- Momiji Bank, Ltd.
- Murakami Shinkin Bank
- Musashi Academy of the Nezu Foundation
- Nagahama Shinkin Bank
- NAGASAKI MITSUBISHI CREDIT UNION
- Naraken Japan Agricultural Co-operatives
- Nishihyogo Shinkin Bank
- Nissay Asset Management Corporation
- Osaka Doctor's Credit Union
- Osaka Prefectural Credit Federation of Agricultural
- Osaka Shoko Shinkin Bank
- SAGAHIGASHI SHINYOUKUMIAI
- SAGA PREFECTURAL CREDIT FEDERATION OF AGRICULTURAL COOPERATIVES
- SBI Insurance Co., Ltd.
- shimane credit guarantee corporation
- SHIMANE SHINKIN BANK
- SHOWA SHINKIN BANK
- SOKA University
- Sompo Asset Management Co., Ltd.
- Tagawa Shinkin Bank
- Takaoka Shinkin Bank
- Tama Art University
- The Aichi Bank, Ltd.
- The Awa Bank, Ltd.
- The Bank of Toyama, Ltd.
- THE EIWA SHINKIN BANK
- The Gamagori Shinkin Bank
- The Hokusei Shinkin Bank
- The Kimitsu Credit Cooperative
- The Kyoto Chuo Shinkin Bank
- The Miyazaki Taiyo Bank, Ltd.
- THE MIZUSAWA SHINKIN BANK
- THE NAGANO-KEN SHINKUMI BANK
- The Osaka-kyoei Credit Cooperative
- THE SEISHIN SHINKIN BANK
- THE SUGAMO SHINKIN BANK
- The Takinogawa Shinkin Bank
- THE TOKYO HIGASHI SHINKIN BANK
- THE TOYOTA SHINKIN BANK
- The Yokohama Shinkin Bank
- TOKOHA UNIV.
- TOKUSHIMA SHINKIN BANK
- TONO SHINKIN BANK
- TSURU Educational Foundation
- TSURUOKA SHINKIN BANK
- YAMAGUCHI PREFECTURAL CREDIT FEDERATION OF AGRICULTURAL CO-OPERATIVES
- Yokohama Agricultural Cooperative
- Zenkokugyogyoushinyoukikinkyoukai

Attachment 1: Toranomom-Azabudai Project

The Toranomom-Azabudai Project site lies adjacent to the ARK Hills complex at the midpoint between the “Cultural Heart of Tokyo” (Roppongi Hills) and the “Global Business Center” (Toranomom Hills), in an area with both cultural and business personalities. Its vast 8.1-hectare site will be filled with lush greenery totaling 24,000 m², including a 6,000 m² central square. The complex will have a total floor area of 861,500 m², including 213,900 m² of office space, some 1,400 residential units and the A District Tower soaring 330 meters. The mixed-use site will be able to host some 20,000 employees and 3,500 residents and is expected to welcome 25–35 million visitors annually, numbers comparable to those of Roppongi Hills. This project will constitute the “Hills of the future” by drawing on past experiences with Hills-series redevelopments.



©DBOX for Mori Building Co.



Green & Wellness for enhanced lifestyles in a Modern Urban Village

The concept of the project is a “Modern Urban Village,” a huge open space filled with lush greenery, bringing people closer together. The two pillars of this concept are “Green & Wellness.” Overwhelmingly verdant, a diverse community will assemble in an environment that is in harmony with nature, forming a new community where people can achieve harmony with nature as well as connect with and inspire others through creativity.

Architectural planning of the project began with planning the flow of people and a seamless landscape with a central square at the heart of the city. Proper locations were then considered for three high-rise towers to melt into the lush greenery. This is the opposite of the traditional approach of placing the buildings first and then filling in the rest of the space with greenery. By utilizing the topographical differences of the area and providing greenery throughout the entire site—including the low-rise rooftops of podium buildings—Mori Building expects to realize 24,000 m² of green space including a 6,000 m² central square in the heart of this city. A relaxing atmosphere full of nature will be created in a seamless urban oasis filled with trees, flowers and waterscapes, which will also help to alleviate the heat island phenomenon in central Tokyo.

In addition, a core medical facility will be linked through a membership program with a spa, fitness clubs, a food market, restaurants, a central square and vegetable gardens. Working with external facilities and medical institutions, the project envisages an urban environment allowing all those living and working in it to enjoy true wellness.

In 2021, Toranomom-Azabudai Project received top Platinum-level LEED ND (Leadership in Energy & Environmental Design Neighborhood Development) precertification, and in 2022 the A District Tower was precertified under the LEED program for top Platinum-level Building Design and Construction/Core and Shell Development (BD+C) ratings targeting environmentally friendly and efficient green buildings. The envisioned awarding of final Platinum-level certifications under both LEED ND and LEED BD+C (CS) could be the first two cases among major projects worldwide. In addition, the project aims to obtain WELL certification for the largest registered area in the world.

Peter Templeton, president and CEO of the U.S. Green Building Council (USGBC), which provides third-party credentialing and verification under the LEED system, said: *“Congratulations to the Toranomom-Azabudai and Toranomom Hills projects for earning LEED Platinum precertification and LEED for Neighborhood Development Platinum certification – the highest level of LEED certification available. These projects and their dual LEED certifications exemplify innovation in green building and are helping to transform not only the way our buildings are built and designed, but how we use space to support the people and communities they serve. The Toranomom-Azabudai buildings are serving as a global model of sustainability, lowering carbon emissions, reducing operating costs and conserving resources while prioritizing sustainable practices and human health.”*

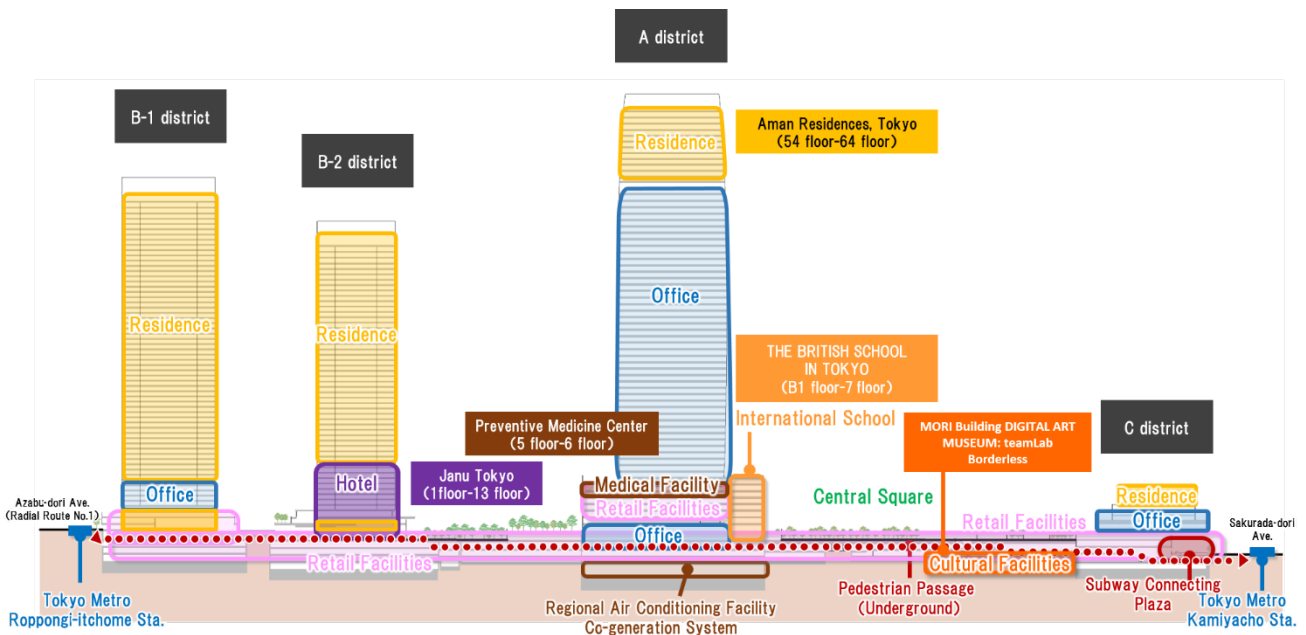
Project Overview

Project name:	Toranomon-Azabudai District Category 1 Urban Redevelopment Project
Project executor:	Toranomon-Azabudai District Urban Redevelopment Association
Site area:	Approx. 8.1 hectares
Landscaped area:	Approx. 63,900 m ²
Total floor area:	Approx. 861,500 m ²
Buildings:	Residences (1,400 units), offices (approx. 213,900 m ²), retail facilities (approx. 150 shops), hotel (approx. 120 rooms), international school (approx. 14,000 m ²), central square (approx. 6,000 m ²), cultural facilities (approx. 9,000 m ²), and center for preventive medicine (approx. 3,600 m ²)
Greenery:	Approx. 2.4 hectares
Parking:	Approx. 1,880 spaces
Project cost:	Approx. JPY 580 billion
Project members:	285 rights holders (as of March, 2019)
Construction start:	August 5, 2019
Planned completion:	2023 (planned)

Site Plan



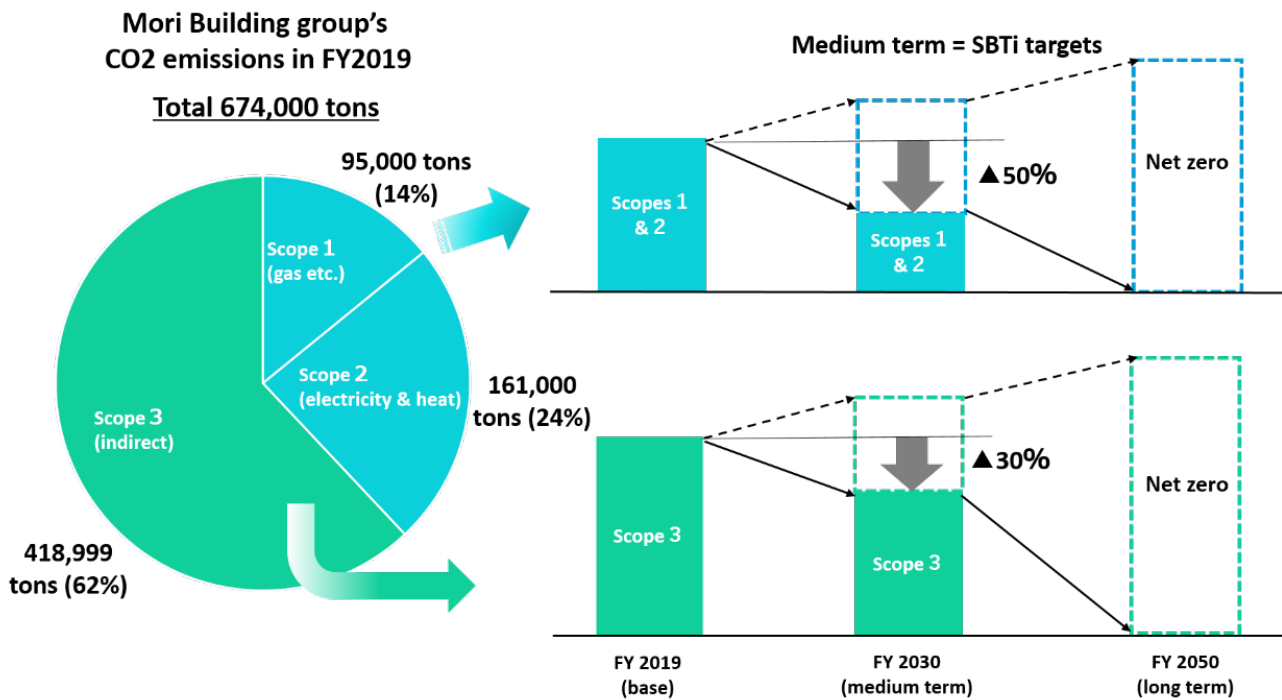
Cross Section Plan



Attachment 2: Mori Building's Decarbonization Initiatives

Greenhouse Gas Emission Medium- & Long-term Targets (as of May 2022)

Mori Building has set group targets to reduce greenhouse gas emissions from business activities in its consolidated group by 50% in fiscal 2030 (compared to fiscal 2019) under the Greenhouse Gas (GHG) Protocol Scope 1 and Scope 2, and by 30% under Scope 3, aiming to reach net-zero emissions by fiscal 2050.



Accreditation, affiliation, information disclosure, etc. (current)

In setting these targets, Mori Building confirms its commitment to the Science Based Target (SBT) initiative for science-based reduction targets in support of the Paris Agreement for reducing greenhouse gas emissions. Within the fiscal year ending March 2023, Mori Building hopes to be certified as supporting the goal to limit temperature rise to within 1.5°C of pre-industrial levels. The group's annual performance reporting is based on the CDP climate-related information-disclosure platform. Mori Building also joined the RE100 international initiative for 100% use of electricity from renewable energy sources for business activities, and the Japan Climate Leaders' Partnership (JCLP) comprising companies and organization dedicated to sustainable decarbonization. In addition, the company has supported the Task Force on Climate-related Financial Disclosures (TCFD) recommendation that companies recognize climate change-related risks as opportunities to incorporate into business strategies as well as to disclose such information, which Mori Building will do by around this autumn.

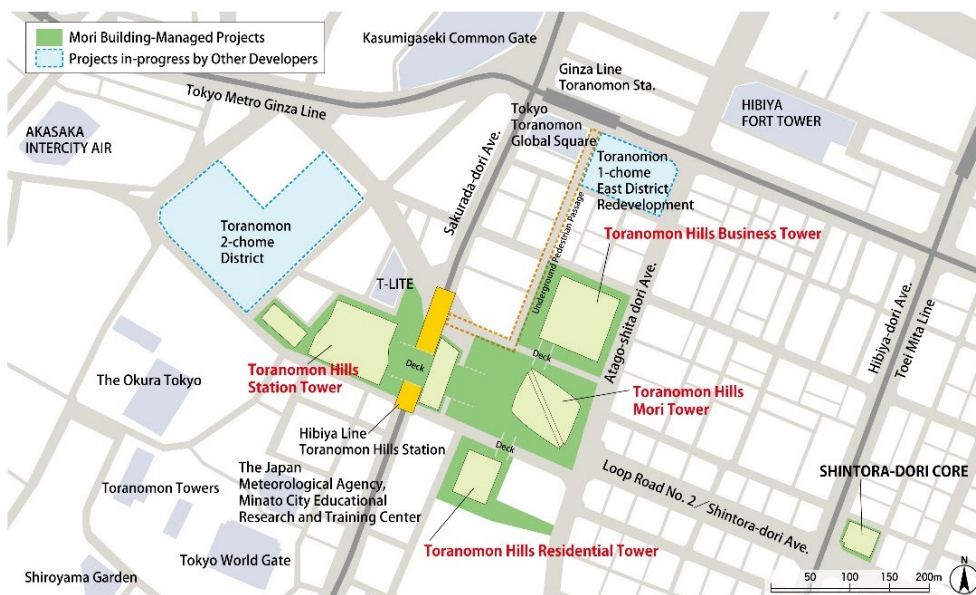
<p>STBi Certification</p> <p>Committed to green house gas-reduction targets in April 2022</p> <p>1.5°C level (based on scientific target of keeping temperature rise within 1.5°C of pre-industry level; applying for certification within 2022)</p>	<p>RE100 Participation</p> <p>100% renewable energy by 2030</p> <p>RE100</p> <p>Member</p> <p>JCLP</p> <p>Japan Climate Leaders' Partnership</p>	<p>Response to CDP</p> <p>Platform for disclosure of climate-related information</p> <p>CDP</p> <p>DISCLOSURE INSIGHT ACTION</p> <p>Submitted answers to questionnaire in July 2022</p>	<p>TCFD Endorsement</p> <p>Disclosure of climate-related financial information</p> <p>TCFD</p> <p>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p> <p>Supporter from April 2022 and disclosure from autumn 2022</p>
---	---	---	--

Attachment 3: Toranomon Hills Area Project

Toranomon Hills will be expanded to a size of 7.5ha and will offer total floor space of 800,000m² through completion of four mixed-use super-high-rise buildings: Toranomon Hills Mori Tower (completed in 2014), Toranomon Hills Business Tower (completed in January 2020), Toranomon Hills Residential Tower (completed in January 2022), and Toranomon Hills Station Tower (to be completed in July 2023) which eventually will be integrated with Toranomon Hills Station on the Tokyo Metro Hibiya Subway Line (opened in June 2020). The area is steadily evolving as a mixed-use urban complex incorporating world-class offices, residences, hotel, retail facilities, incubation center and greenery, integrated with extensive transportation infrastructure, therefore elevating its status as a true international hub with an impact comparable to that of Mori Building’s Roppongi Hills.



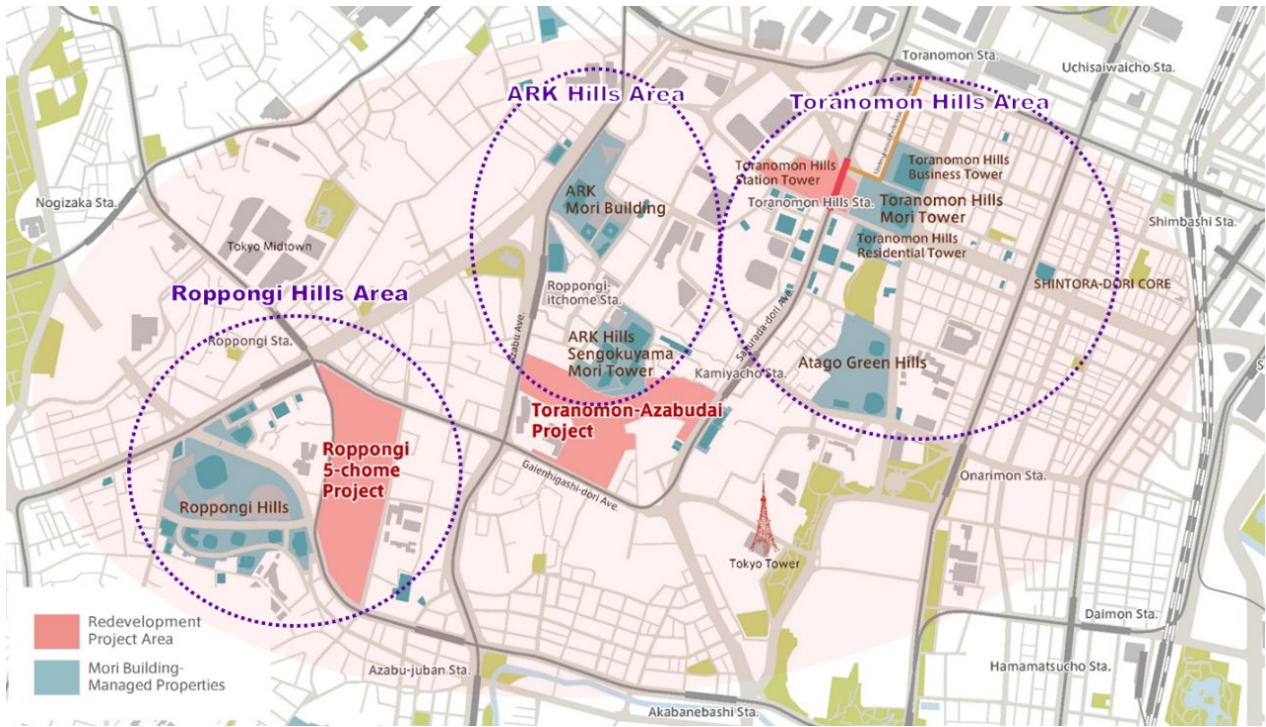
Completion of Toranomon Hills area (image)



Site Plan

Attachment 3: Connecting the “Hills” and Creating a New Cultural and Economic heart of Tokyo

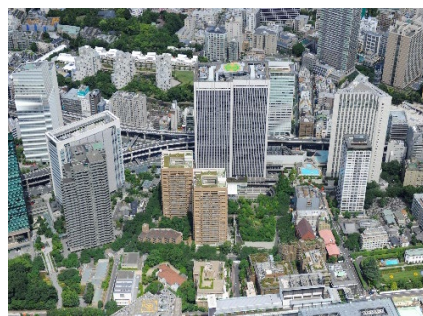
Mori Building’s strategic area, which incorporates the Toranomon-Azabudai Project site, is located in the center of Tokyo’s Minato Ward. The area has long had an international feel to it; many foreign-minded companies gravitate here, and it hosts a large number of foreign residents. Rich in international flavors, diversity and culture, this area has extremely high potential to become a “new international hub of Tokyo”. The Toranomon-Azabudai Project site lies adjacent to the ARK Hills complex at the midpoint between the “Cultural Heart of Tokyo” (Roppongi Hills) and the “Global Business Hub” (Toranomon Hills), in an area with both cultural and business personalities. The Toranomon-Azabudai Project will be the key that unlocks the creation of a new cultural and economic area hub in the city center by linking and fusing with the existing Hills.



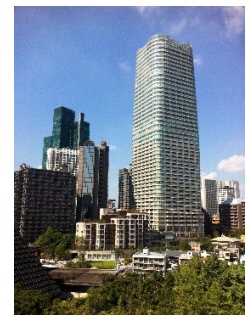
Mori Building’s strategic area



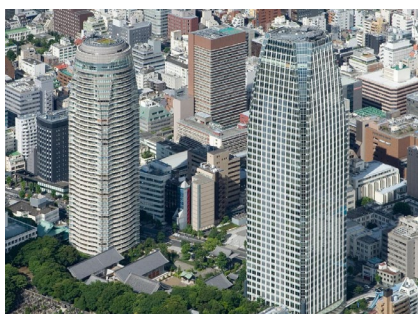
Roppongi Hills (2003)



ARK Hills (1986)



ARK Hills Sengokuyama Mori Tower (2012)



Atago Green Hills (2001)



Toranomon Hills Area (Image)



Toranomon-Azabudai Project (image)

About Mori Building

Mori Building is an innovative urban developer based in Tokyo. The company is committed to maximizing the magnetic power of cities by creating and nurturing safe, sustainable and cosmopolitan urban centers based on its unique Vertical Garden City concept of high-rise centers for business, education, leisure and residence. The concept is applied in the company's many leading-edge projects, including ARK Hills, Roppongi Hills and Toranomom Hills in Tokyo and the Shanghai World Financial Center. Mori Building is also engaged in real estate leasing, project management and consultation. Please visit www.mori.co.jp/en

International Media Inquiries

Public Relations, Mori Building Co., Ltd.
Tel +81 (0)3 6406 6606
Fax +81 (0)3 6406 9306
E-mail koho@mori.co.jp

Weber Shandwick Japan
Reina Matsushita (tel: +81 (0)80 2375 0295)
Mayuko Harada (tel: +81 (0)90 9006 4968)
Masashi Nonaka (tel: +81 (0)80 1037 7879)
E-mail moribldg@webershandwick.com