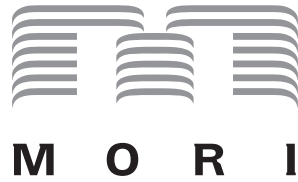




Green Bond Framework

Mori Building Co., Ltd.

July, 2022



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1. Introduction

Mori Building Co., Ltd. (hereinafter, "Mori Building") has established a Green Bond Framework (hereinafter, "this Framework") in order to further raise awareness among a wide range of stakeholders of its consistent commitment to urban developments since its establishment and its contribution to the global environment through its businesses. Mori Building has obtained a second party opinion from Sustainalytics, that this Framework is aligned with the Green Bond Principles 2021(ICMA) and Green Bond Guidelines 2020 (Ministry of the Environment, Japan).

Mori Building will issue green bonds based on this Framework.

1.1. Overview of issuer

Mori Building Co., Ltd. is a general developer company established in Japan in 1959, following the foundation of its predecessor Mori Fudosan in 1955. Since the establishment, its core business has been the leasing and management of office buildings primarily in Tokyo's Minato Ward, but it began to diversify its business around 1975, entering the commercial facilities market with the opening of LaForet Harajuku in 1978. After the completion of ARK Hills in 1986, Mori Building has promoted complex urban redevelopment projects involving office, residential, commercial, cultural facilities, etc. It has also entered the overseas market since 1994.

In recent years, with the opening of Roppongi Hills, Mori Building has expanded into the cultural, hotel, and urban development consulting businesses, while the building leasing remaining its core business. Mori Building is aiming to create a rich urban lifestyle and to further develop Tokyo as an international city.

1.2. Environmental Philosophy

Mori Building contributes to the creation of a sustainable society for the future by promoting the harmonious coexistence of cities and nature, zero-carbon cities, and resource recycling. It do so through urban development and operation that takes as its ideal the Vertical Garden City. In order to promote the above, Mori Building is working on "Legal compliance and development of an environmental management system," "Disclosure of environmental information," and "Implementing environmental education and activities to develop environmental awareness".

Vertical Garden City

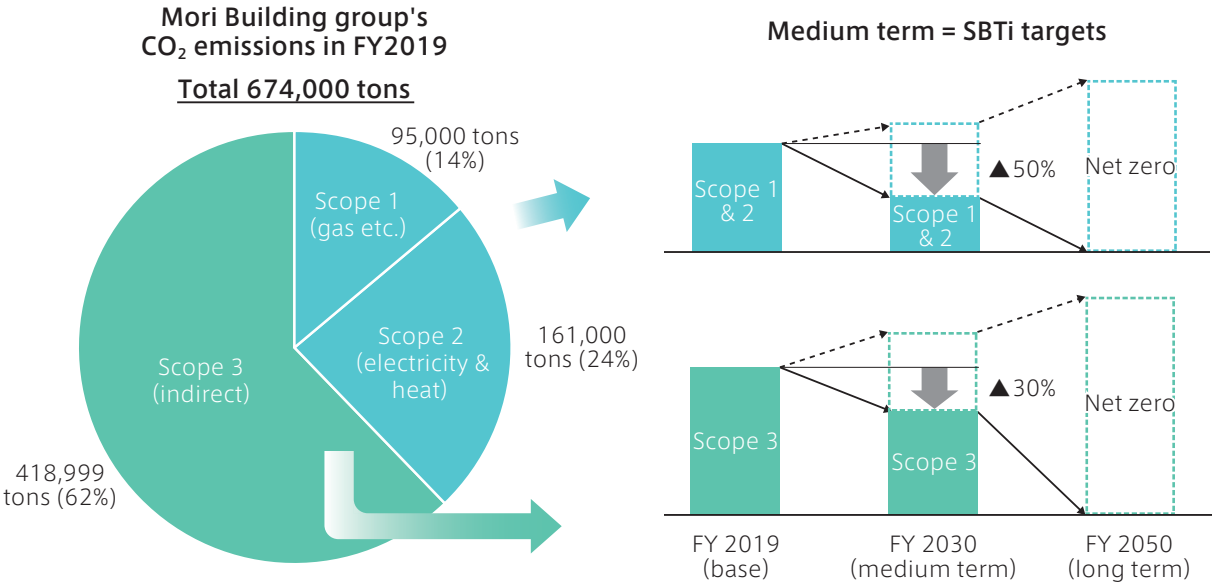
The Vertical Garden City concept proposed by Mori Building refers to compact urban complexes in which functions for work, residence, recreation, commerce, education and relaxation are highly integrated within walking distances. By aggregating subdivided small plots of land into a large floor plate and build high-rise buildings, the ground level can be freed up for wide-open green spaces to nurture the environment.

This not only fosters urban nature and achieves living where people can experience the four seasons, but also mitigates the heat island phenomenon by covering ground surface and rooftops with greenery.

The aggregation of diverse urban functions also brings about a leveling of energy demand, enhancing energy efficiency. A compact city where work and residence are in close proximity greatly reduces the time and energy required for commuting to work or school and it also has positive effects on resource recycling and efficiency of distribution. Moreover, making high-level use of urban centers in this form aids in the protection of nature in suburbs. The Vertical Garden City is a new urban model that aims for the harmonious coexistence of cities and nature while constraining impact on the global environment.

1.3. Medium & Long Term Targets for Net-Zero Emission

Under its commitment to help realize a decarbonized society, Mori Building has set group targets to reduce Scope 1 and 2 greenhouse gas emissions from business activities in its consolidated group by 50% in fiscal 2030 (compared to fiscal 2019), and by 30% for Scope 3, aiming to reach net-zero emissions by fiscal 2050.



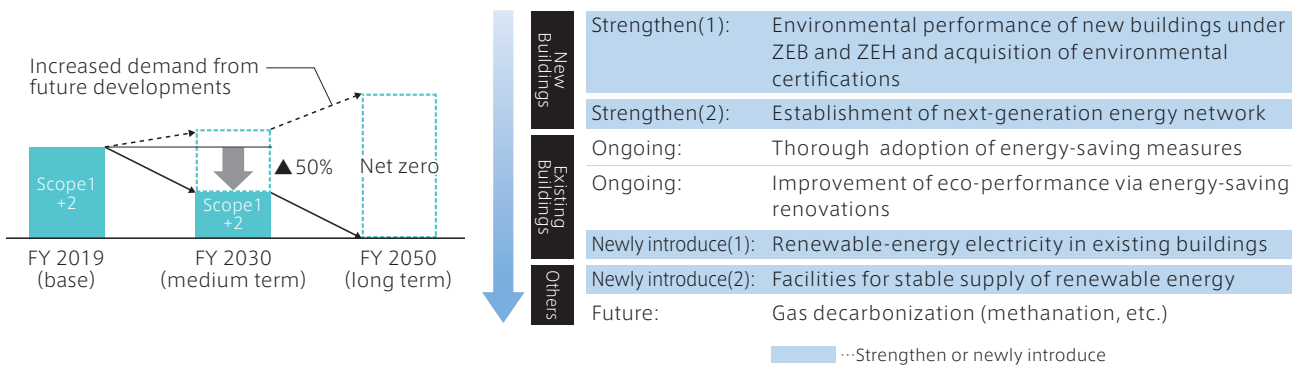
1.4. Initiatives for Achieving Net-Zero Emission

Based on the Vertical Garden City concept, Mori Building has been working on urban decarbonization through large-scale urban redevelopment projects and introduction of both high-efficiency equipment in new projects and extensive energy saving measures at existing properties before setting Medium & Long Term Targets.

Mori Building is establishing a structure to achieve its medium and long term targets and promote further disclosure, and will expend its effort on reducing Scope 1 and 2 emissions by strengthening existing measures as well as introducing new measures. In addition, as for Scope 3, Mori Building will identify and reduce emissions during the construction in cooperation with supply-chain companies.

Strengthen and newly introduce for Net-Zero Emission

Strengthen (1)	Environmental performance of new buildings under ZEB and ZEH and acquisition of environmental certifications
Strengthen (2)	Establishment of next-generation energy network
Newly introduce (1)	Renewable-energy electricity in existing buildings
Newly introduce (2)	Facilities for stable supply of renewable energy

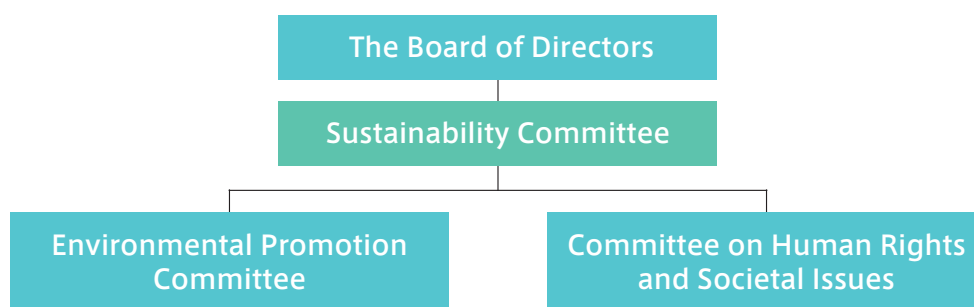


1.5. Sustainable Management System

Mori Building has established the Sustainability Committee, chaired by the President and CEO, and its subordinate committees, the Environmental Promotion Committee and the Committee on Human Rights and Societal Issues.

The Sustainability Committee deliberates on important sustainability-related issues such as climate change, human rights, and supply chain management and supervises and monitors subordinate committees. The Board of Directors receives reports from the Sustainability Committee regularly and manages and supervises important matters through discussion by the Board of Directors.

The Environmental Promotion Committee, chaired by the director in charge of the Environmental Promotion Department, promotes and manages cross-sectional efforts to address various environmental issues, including climate change, and reports regularly to the Sustainability Committee. The Sustainability Committee discusses essential matters such as formulating policies to address climate-related risks and opportunities and establishing greenhouse gas (GHG) emissions targets. The Environmental Promotion Committee is responsible for reporting and discussing important matters and implementing approved policies and plans including identification, assessment, and management of risks and opportunities.



1.6. Participation in External Initiatives

- **SBTi Validation**

As setting its long term targets, Mori Building committed to set science-based reduction targets in line with the Paris Agreement as the Science-Based Target initiative (SBTi) recommended. Mori Building has submitted its targets as 1.5°C-aligned targets (science-based reduction targets to limit temperature rise to within 1.5 °C of pre-industrial levels) to the SBTi and its targets are expected to be validated within fiscal 2022.

- **Japan Climate Leaders' Partnership (JCLP) Participation**

Mori Building is applying for the participation of RE100.

- **CDP**

Mori Building will report its annual performance from July 2022 based on its disclosure to CDP, a climate-related information-disclosure platform.

- **RE100 Participation**

Mori Building joined the Japan Climate Leaders' Partnership from April 2022.

- **Task Force on Climate-related Financial Disclosures (TCFD)**

Mori Building became a supporter of TCFD Recommendations in April 2022, and will disclose information in accordance with the recommendations.

1.7. Rationale for Green Bonds Issuance

Mori Building has issued green bonds to further raise awareness among a wide range of stakeholders of its consistent commitment to urban developments since its establishment and its contribution to the global environment through its businesses.

Mori Building, in line with its philosophy “Create Cities, Nurture Cities,” is committed to pursuing harmonious coexistence between cities and nature, zero-carbon cities and resource recycling in order to help realize a more sustainable society.

2. Green Bond Framework

2.1. Use of Proceeds

Mori Building will use the proceeds of the green bonds to finance and refinance projects that meet the following eligibility criteria. Expenditures may include costs related to acquisition of land or buildings, planning and development, construction (including the cost of acquisition of reserved floor), refurbishment and operational management.

Project Category	Eligibility Criteria	SDGs
Green Buildings Green Bond Principles : Green Buildings (Environmental objectives: Climate change mitigation)	<p>Expenditures or investments in new and/or existing buildings that meet one of the following three criteria.</p> <ul style="list-style-type: none"> i. have received at least one of the following third-party green building certifications or recertifications within 24 months prior to the date of green bond issuance ii. are expected to receive certifications or recertifications post issuance iii. have a construction completion date within 24 months prior to the date of green bond issuance and have achieved at least one of the following certifications or recertifications <ul style="list-style-type: none"> - A or S Rank under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Certification for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE Certification for Real Estate - Platinum or Gold Rank under the LEED BD+C (Building Design and Construction) or LEED O+M (Building Operations and Maintenance) - 4 or 5 Stars under the Building Energy-efficiency Labeling System (BELS) - 4 or 5 Stars under DBJ Green Building Certification - Gold Plus or Platinum Rank under the BCA Green Mark Certification 	<p>9. Industry, Innovation and Infrastructure 11. Sustainable Cities and Communities</p>

Mori Building will continuously recertify third-party green building certifications for its assets after their expiration by sustaining and improving assets' environmental performance through maintenance and refurbishment.

2.2. Project Evaluation and Selection Process

Mori Building set the eligibility criteria to select projects which will contribute to its mission, "Environment and Greenery". The net proceeds of the green bonds will be allocated to projects which meets the eligibility criteria.

The Finance Department and the Sustainability Committee will be charged with project selection in accordance with the eligibility criteria. Selection of eligible projects is approved by a corporate officer of the Finance Department and the Sustainability Committee and the final decision is made by the President and CEO of the company.

While selecting projects, Mori Building confirms that all projects address the following requirements to reduce environmental and social risks.

- Compliance with all applicable laws and regulations, including Environmental Impact Assessment and the System of Building Environment Plan
- As necessary for project implementation, information provision to residents and hearing of residents and related municipalities' opinions

2.3. Management of Proceeds

Mori Building's Finance Department will manage the allocation of the net proceeds of green bonds on a biannual basis, using the internal management system until the maturity of the green bond.

Mori Building will disclose its policy of managing proceeds in the form of cash or cash equivalents while pending their allocation to eligible projects in Shelf Registration Supplements or other statutory documents at the date of the issuance.

2.4. Reporting

2.4.1. Allocation Reporting

Mori Building will annually disclose its allocation reporting on its website. The contents of disclosure are the list of assets financed/refinanced, the amount of net proceeds allocated, share of financing vs refinancing, unallocated proceeds and scheduled allocation period on a project by project basis until the proceeds have been fully allocated to projects which meets the eligibility criteria.

Mori Building will report timely in the event of a significant change etc. after full allocation of the proceeds.

2.4.2. Impact Reporting

Mori Building will disclose the following indicators to the extent practicable until the maturity of the green bond. This reporting will be provided annually on its website.

- Name of the building and project
- Name and level of certifications the eligible project received
- Energy consumption
- CO₂ emissions
- CO₂ emissions of total floor area
- Water consumption

2.5. External Review

2.5.1. Pre-issuance external review

Mori Building has obtained a second party opinion from Sustainalytics, an independent external reviewer, on the alignment of this Framework with Green Bond Principles 2021(ICMA) and Green Bond Guidelines 2020(Ministry of the Environment, Japan).

2.5.2. Post-issuance external review

Mori Building intends to obtain reviews from Sustainalytics, an independent external reviewer, primarily on the status of reporting, including the allocation of proceeds and the disclosure of indicators related to environmental benefits.