

Second Opinion

Tokyo Metropolitan Government Tokyo Social Bonds Framework (December 2021)

January 18, 2022

ESG Dept.
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Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the Tokyo Social Bonds Framework formulated by the Tokyo Metropolitan Government (Tokyo Metropolitan Govt. or TMG) in December 2021 with the Social Bond Principles (SBP) 2021 announced by the International Capital Market Association (ICMA) and Social Bond Guidelines 2021 published by the Financial Services Agency of Japan. This opinion is based on the following views.

■Overview of the Opinion

(1) Use of Proceeds

Proceeds will be allocated to projects that meet specified requirements. Specifically, (1) The project must be for individuals in need of social support. (2) Clear social benefits (generating a new benefit or maintaining an existing benefit) can be expected from the project and such benefits can be assessed quantitatively. (3) Financial resources for the project can include municipal bonds in accordance with the provisions of Article 5 of the Local Government Finance Act and other applicable laws and regulations. Tokyo Metropolitan Govt. assumes the 15 specific projects to which proceeds from bond issuance are allocated: Removal of utility poles, Subsidization for costs of safety measures (earthquake resistance of private schools)), Installation of platform doors at stations, Installation of elevators with restart functions, Life extension of bridges, New establishment, expansion and renewal of water supply stations, Improvement of employment and job placement promotion facilities, etc., Development of industrial exchange centers, Improvement of metropolitan schools, Improvement of schools for special needs education, Provision of subsidies to develop geriatric health services facilities, Developing child welfare facilities, Provision of subsidies to develop geriatric health services, Developing child welfare facilities, Providing subsidies to develop foster care facilities, Construction of public housing, and Installation of elevators at stations serving two or more lines, etc., and introduction of multiple barrier-free paths. As well as benefitting targeted individuals directly, these projects will contribute to reduction of the burden on Tokyo residents or citizens by forming a multicultural or symbiotic society and maintaining necessary infrastructures and extending the lives thereof, and a recovery and sustainable growth of the local economy. Although some investments in facility construction may entail a temporary burden on an environment, full consideration was given to the projects and there seems no specific negative factors. R&I has evaluated that they will provide positive outcomes for the society as a whole.

Eligible projects correspond to the project categories of Affordable basic infrastructure, Access to essential services, Socioeconomic advancement and empowerment, and Affordable housing illustrated in SBP2021, which target at those who may be affected by blocked roads or broken wires due to collapsed utility poles in the case of a natural disaster, road users including those who use strollers and wheelchairs, young children, pupils and students, people with disabilities, the elderly and other individuals using stations, those who may be hit by natural disasters, local residents and others who use metropolitan roads, local residents, individuals in need of employment or job placement support, businesses and individuals seeking industrial exchanges, pupils and students, young children, pupils and students with disabilities, the elderly in need of nursing care, pupils in need of support for self-reliance, pupils in need of foster care, and low-income earners who are truly in need of housing.

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(2) Process for Project Evaluation and Selection

Eligible projects to which proceeds from the issuance of Tokyo Social Bonds are allocated will be selected after coordination by the Tokyo Metropolitan Govt. Bureau of Finance and the bureau managing business establishments. The feasibility of such projects and durability of project outcomes are verified in a budgeting process. The Tokyo Metropolitan Assembly's approval shall be given to the projects at the end of process. With an evaluation approach and criteria determined and eligible projects selected through appropriate processes, both third-party characteristics and expertise are ensured.

(3) Management of Proceeds

Proceeds will be managed by the Bureau of Finance, etc. and appropriately allocated to project categories in accordance with laws and regulations. Full proceeds shall be allocated within the fiscal year and until then, proceeds will be held as cash or cash equivalents. Financial accounting shall be examined by audit committee members from the perspectives of accuracy, regulatory compliance, economics, efficiency, effectiveness, etc., and approved by the Assembly. Consequently, R&I considers that proceeds will be managed appropriately.

4) Reporting

Tokyo Metropolitan Govt. will disclose information to clearly explain the allocation of proceeds and social outcomes thereof to investors. Such disclosure will be made on the Tokyo Metropolitan Govt.'s website, which comprises an allocation plan before the issuance of Tokyo Social Bonds and the results of the allocation in the year after the issuance. R&I considers Tokyo Metropolitan Govt.'s reporting to be appropriate.

Outline of the Issuer



[Symbol of Tokyo Metropolitan Government]

- Tokyo Metropolis is the capitol of Japan with a population of about 14 million and a world-leading megalopolis.
- In March 2021 (Reiwa 3), the Tokyo Metropolitan Govt. formulated Future Tokyo: Tokyo's Long-Term Strategy (hereinafter referred to as the "Future Tokyo"), which lays out its visions for Tokyo in the 2040s, strategies to be implemented up to 2030 to achieve those visions, and projects to implement such strategies. Future Tokyo sets out the direction of policies to be taken to realize a sustainable Tokyo that strikes a balance between maturity and ongoing growth, and is people-centered, because people are who generate Tokyo's growth. This is in line with the SDG's core message of creating an inclusive society where *no one is left behind*. Under this concept, the policies of Tokyo Metropolitan Govt. revolve around realizing a Tokyo that cares for people, is full of diversity and inclusiveness, and is where people shine.
- Tokyo Metropolitan Govt. is also strongly promoting initiatives to overcome the COVID-19 pandemic and other major crises to achieve a sustainable recovery and become a resilient and sustainable city. Along with such actions, the metropolitan government is taking proactive efforts to help solve social issues through sustainable finance, such as establishing the Tokyo ESG Fund, implementing the Tokyo Finance Award and issuing Tokyo Green Bonds and Tokyo Social Bonds.
- In the process of realizing a Tokyo where people shine and a sustainable recovery, Tokyo Metropolitan Govt. will issue Tokyo Social Bonds to help Tokyo residents and businesses in need of social support, and further promote ESG investment in Japan as well.

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■Initiatives for the Future Tokyo: Tokyo's Long-Term Strategy (20 visions for Sustainable Tokyo 2040)

おおむね四半世紀先である2040年代を念頭に、我々が目指す「未来の東京」の姿を提示



01 子供の笑顔と子供を産み育てたい人で溢れ、 家族の絆と社会が支える東京	11 最高の交通ネットワークが構築された便利で快適な東京
02 新たな教育モデルにより、すべての子供・若者が 将来への希望を持って、自ら伸び、育つ東京	12 デジタルの力で東京のポテンシャルを引き出し、都民が質の 高い生活を送る「スマート東京」(東京版Society 5.0)
03 女性が自らの希望に応じた生き方を選択し、 自分らしく輝いている東京	13 世界中からヒト・モノ・カネ・情報が集まる、 世界一オープンな東京
04 高齢者が人生100年時代に元気に活躍し、 心豊かに暮らす東京	14 次々と新しい産業が生まれる、 世界一のスタートアップ都市・東京
05 誰もが自分らしくポジティブに働き、活躍できる東京	15 世界一の高い生産性を実現した、世界経済を牽引する東京
06 様々な人が共に暮らし、多様性に富んだ東京	16 水と緑を一層豊かにし、ゆとりと潤いのある東京
07 誰もが集い、支え合う居場所・ コミュニティが地域の至る所に存在する東京	17 ゼロエミッション東京
08 災害の脅威から都民を守る強靱で美しい東京	18 文化やエンターテインメントで世界を惹きつける東京
09 犯罪、事故、火災への対処、病気への備えなど、 暮らしの安心が守られた東京	19 スポーツが日常に溶け込んでいる、 スポーツフィールド・東京
10 高度な都市機能と自然が調和し、人が集い、憩う東京	20 全国各地との連携を深め、真の共存共栄を実現した東京



[Source: Initiatives for the "Future Tokyo" Strategy]

1. Use of Proceeds ■

(1) Eligible Projects ■

- Proceeds from the issuance of the Tokyo Social Bonds will be allocated to projects that meet the following three requirements:
 - ① The project must be for individuals in need of social support.
 - ② Clear social benefits (generating a new benefit or maintaining an existing benefit) can be expected from the project and such benefits can be assessed quantitatively.
 - ③ Financial resources for the project can include municipal bonds in accordance with the provisions of Article 5 of the Local Government Finance Act and other applicable laws and regulations.
- The Social Bonds Principles 2021 raise as examples of people targeted by the social projects, those with disabilities, the unemployed, and other vulnerable groups, including victims of natural disasters.

The table below shows such projects eligible for allocation that meet the three requirements described above and are specifically assumed in each project category, and social issues to be addressed.

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■Projects to which Social Bond proceeds are allocated

Project categories	Social Projects (Use of Proceeds)	Social issues
Disaster countermeasures for facilities and infrastructure	Removal of utility poles	Strengthening urban disaster management functions and securing safe and enjoyable walking spaces (create a scenic city)
	Subsidize costs for safety measures (earthquake resistance of private schools)	Securing the safety of the students in the event of a disaster
	Installment of platform doors at stations	Securing the safety and security of station users
	Installation of elevators with restart functions	Securing the safety and security of station users (reducing the risk of being trapped in elevators in the event of an earthquake. etc.)
Measures for aging public facilities and infrastructure	Life extension of bridges	Maintaining and managing sustainable infrastructure and securing the safety and security of Tokyo residents
	New establishment, expansion and renewal of water supply stations	Resolving uneven distribution of water supply station distribution reservoir capacity and securing a stable supply of water
Promotion of industry and employment continuity and generation	Improvement of employment and job placement promotion facilities, etc.	Providing employment and job placement support to Tokyo residents
	Development of industry exchange centers	Promoting industries in Tokyo
Building an educational environment to fully draw out the individuality and potentials of each student	Improvement of metropolitan schools	Achieving education that leaves no one behind and allows all children to hold hopes for the future and to take the initiative to grow
	Improvement of schools for special needs education	Supporting proactive efforts toward the independence and social participation of young children, students with disabilities

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Infrastructure development for long-term care services	Provision of subsidies to develop geriatric health services facilities	Helping senior citizens requiring long-term care to resume life at home
Development of child welfare facilities, etc.	Developing child welfare facilities	Responding to children requiring independent living support
	Providing subsidies to develop foster care facilities	Providing a living environment or independent living support to children requiring protection
Strengthening the housing safety net	Construction of public housing	Reconstructing aging public housing for low income residents who are unable to secure adequate housing on their own
Universal design for accessible public facilities	Installation of elevators at stations serving two or more lines, etc., and introduction of multiple barrier-free paths	Building an environment where everyone can move about safely and comfortably

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Overview of projects to which proceeds are allocated

< Removal of utility poles >




- In Tokyo after the end of World War II, many utility poles were installed to meet the rapidly increasing demand for electricity and telecommunications. As a result, many utility poles and power cables obstruct the passage of pedestrians and wheelchair users, and spoil a beautiful urban landscape.
- Natural disasters such as large-scale earthquakes and major typhoons have caused utility poles to collapse, resulting in road obstructions or closures, line breaks, etc. that have hindered evacuation and emergency services, and caused power outages and communication problems. A specific initiative will be implementing new cables into an underground system for which the wire common grooves, etc. are developed.
- The social issue Tokyo Metropolitan Govt. recognizes is strengthening urban disaster management functions and securing safe and enjoyable walking spaces (create a scenic city). A solution to the issue will benefit individuals who may be affected by road closures, line breaks, etc. due to a utility pole collapse in the case of a natural disaster as well as wheelchair and baby carriage users and others who use roads.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities
	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies, and planning

<Subsidize costs for safety measures (earthquake resistance of private schools) >



- A subsidy program started in 2003 to improve the earthquake resistance of educational facilities such as preschool buildings and school buildings. Subsidies have also been provided to private or religious kindergartens since 2007.
- Eligible construction works include: 1) seismic diagnosis, 2) seismic reinforcement and incidental works, 3) seismic reconstruction and incidental works, and 4) removal, containment or enclosure of asbestos.
- The social issue Tokyo Metropolitan Govt. recognizes is securing the safety of the students in the event of a disaster. A solution to the issue will benefit young children, pupils, students, etc. who go to schools and the like.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

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SDGs	Targets
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities
	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.

< Installment of platform doors at stations >

- The Toei Subway intends to complete the installation of platform doors at all stations managed by the Tokyo Metropolitan Government's Bureau of Transportation by FY2023 (the year ending March 2024), aiming for zero platform accidents. It will also discuss installing platform doors at the Oshiage Station where the Toei Subway operates mutual ride-through with the Keisei Line.
- The social issue Tokyo Metropolitan Govt. recognizes is securing the safety and security of station users. A solution to the issue will benefit people with disabilities, the elderly and all other users of stations.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between the ICMA project categories (illustrated in SBP2021) and SDGs.




SDGs	Targets
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans- border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities

< Installation of elevators with restart functions >

- Toei Subway is working to further improve the safety of its facilities in preparation for a massive earthquake in the Tokyo metropolitan area. To reduce users' risk of being confined in elevators in the event of an earthquake, etc., a restarting function will be added to all elevators managed by the Transportation Bureau.
- The restarting function is to shorten the time of any user's being trapped in an elevator until rescue arrives when the elevator stops between floors after detecting an earthquake tremor. The function enables an elevator to automatically drive at low speed to the nearest floor when safety is confirmed and open the door after landing on the floor.
- The social issue Tokyo Metropolitan Govt. recognizes is securing the safety and security of station users (reducing the risk of being trapped in elevators in the event of an earthquake, etc.). A solution to the issue will benefit all station users including people with disabilities and the elderly.

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- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between the ICMA project categories (illustrated in SBP2021) and SDGs.

SDGs	Targets
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities
	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries

< Life extension of bridges >



- Bridges are important parts of urban infrastructure that support the lives of Tokyo citizens and socio-economic activities. Some of them have historical value and many are local landmarks.
- There are 1,221 bridges managed by Tokyo Metropolitan Govt. under the Road Act (as of April 2020). Many of them were constructed during the period of rapid economic growth. In the future, it is expected that the percentage of bridges that are more than 50 years old will increase quickly and many bridges will come up for renewal at the same time.
- Therefore, in order to smooth out renewal works and reduce the total work cost, Tokyo Metropolitan Govt. has been promoting a shift to management of the preventive maintenance type, in which appropriate measures are taken before the damage and deterioration of bridges progress under the Medium- and Long-Term Plan for Bridge Management formulated in March 2009.
- According to the results of the latest periodic inspection, the number of bridges in need of repair, etc. is as high as about 60% of all, and there are concerns that the cost of maintenance and renewal will increase in the future. Tokyo Metropolitan Govt. will thus revise the Medium- and Long-term Plan in light of the status of its previous efforts and the results of the latest periodic inspection and formulate a new plan for preventive maintenance of bridges into which repair works are incorporated based on the results of periodic inspections to further promote preventive maintenance-based management and achieve sustainable maintenance and management of bridges. The plan outlines the maintenance and management policy of the managed bridges, the project plan for extending the service life of the bridges over the next 10 years, and the repair project plan based on the results of periodic inspections every five years.
- Works to extend the service life of 121 out of 212 bridges were commenced between FY2010 and FY2020. Seismic reinforcement of bridges over emergency transport roads, etc., was carried out for 150 bridges from FY2010 to FY2015, and the implementation of measures for 401 bridges has been completed.
- The social issues Tokyo Metropolitan Govt. recognizes are maintaining and managing sustainable infrastructure and securing the safety and security of Tokyo residents. Solutions to the issues will benefit local residents and other people who use metropolitan roads.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

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SDGs	Targets
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans- border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities

< New establishment, expansion and renewal of water supply stations >



- Water supply stations are the key to stable water supply during normal times, and are also important facilities that supply tap water to local residents in the event of an earthquake, etc. Although the development of water supply stations has improved the stability of water supply in the entire metropolitan area, there are still some areas where water supply stations have not been developed. In addition, some of the water stations were built in the late 1960s and are now more than 50 years old, so they will need to be upgraded.
- On the other hand, some water stations have the upper part of the distribution reservoir open to the public as a park or ground, while others are surrounded by fences and are not open to the public. Some water stations are now located in residential or commercial areas due to the urbanization of the surrounding areas after commencement of facility operations and are required to be integrated with a local community in some cases.
- In order to eliminate the uneven distribution of reservoir capacity at water supply stations, the development of water supply stations has been promoted steadily and the stability of regional water supply has improved. Tokyo Metropolitan Govt. aims to increase the rate of stable water supply from 84% as of end-FY2019 to 89% at the end of FY2030.
- The social issue Tokyo Metropolitan Govt. recognizes is resolving uneven distribution of water supply station distribution reservoir capacity and securing a stable supply of water. A solution to the issue will benefit local residents.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	6.b Support and strengthen the participation of local communities for improving water and sanitation management
	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries.

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< Improvement of employment and job placement promotion facilities, etc. >

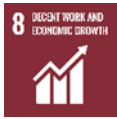


- Tokyo Metropolitan Govt. has established and operates the Tokyo Shigoto (Work) Center (Iidabashi) and the Tokyo Shigoto Center Tama (Kokubunji) as *one-stop service centers for work* to support the employment and job placement of Tokyo citizens. The Shigoto Centers provide consistent job-related services extending from detailed consultation (career counseling) based on each person's aptitude and situation, various seminars and skill development programs to help acquire knowledge and skills that are useful for seeking jobs and being employed, to the provision of job information and placement service. Everyone who seeks a job in Tokyo can use the Centers even if he/she is a non-Tokyo resident.
- The social issue Tokyo Metropolitan Govt. recognizes is providing employment and job placement support to Tokyo residents. A solution to the issue will benefit individuals in need of such assistance.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between the ICMA project categories (illustrated in SBP2021) and SDGs.

SDGs	Targets
	5.b Enhance the use of enabling technologies, in particular ICT, to promote women's empowerment 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels
	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services 8.5 By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.6 By 2020 substantially reduce the proportion of youth not in employment, education or training

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< Development of an industry exchange centers >

- Tokyo Metropolitan Govt. is planning to open the Tokyo Metropolitan Tama Industrial Exchange Center in October 2022, with the aim of promoting industry in Tokyo by taking advantage of the strength of industrial clusters in the Tama region and playing a central role in wide-area industrial exchanges.
- The center is positioned in Strategy 11: startup city Tokyo strategy and Strategy 12: earning Tokyo innovation strategy in the Tokyo's Long-Term Strategy formulated by Tokyo Metropolitan Govt., and is envisioned as a base for establishing the position as one of the world's leading areas for innovation. It is intended to contribute to the promotion of industry by providing a wide range of support for the organizing and management of events, including the provision of showrooms and meeting rooms for exhibitions and trade fairs, as well as the rental of equipment and other materials for events.
- The social issue Tokyo Metropolitan Govt. recognizes is promoting industries in Tokyo. A solution to the issue will benefit businesses and people seeking industrial exchanges.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	8.2 Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labor-intensive sectors 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services 8.9 By 2030 devise and implement policies to promote sustainable tourism which creates jobs, promotes local culture and products
	9.2 Promote inclusive and sustainable industrialization, and by 2030 raise significantly industry's share of employment and GDP in line with national circumstances, and double its share in LDCs 9.4 By 2030 upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities
	17.17 Encourage and promote effective public, public- private, and civil society partnerships, building on the experience and resourcing strategies of partnerships

■ Illustration of completed the Tama Industry Exchange Center



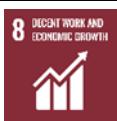



[Source: Materials provided at the website of Tokyo Metropolitan Govt.]

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< Improvement of metropolitan schools >

- Tokyo Metropolitan Govt. operates as many as 2,300 preschools and schools, including kindergartens, elementary schools, junior high schools, high schools and special needs schools.
- Many of these facilities were built intensively in the decade from 1965 and the first nine years of the Heisei era. The former is aging in terms of building physics, while the latter, mainly equipment, is in need of renovation. Systematic maintenance and renewal of these facilities will ensure that they do not malfunction or lose safety, and will allow the continued provision of high-quality administrative services.
- In February 2009, Tokyo Metropolitan Govt. formulated the Ten-Year Maintenance and Renewal Plan for Major Facilities, and furthermore, the Second Ten-Year Maintenance and Renewal Plan for Major Facilities, which covers the ten-year period from FY2015. Based on this plan, the maintenance and renewal of TMG facilities will continue to be promoted steadily and appropriately.
- The social issue Tokyo Metropolitan Govt. recognizes is achieving education that leaves no one behind and allows all children to hold hopes for the future and to take the initiative to grow. A solution to the issue will benefit pupils and students.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.






SDGs	Targets
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
	5.b Enhance the use of enabling technologies, in particular ICT, to promote women's empowerment
	8.6 By 2020 substantially reduce the proportion of youth not in employment, education or training
	10.2 By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

< Improvement of schools for special needs education >

- The origin of the Tokyo Metropolitan Schools for Special Needs Education is a private technical school for the blind, which was founded in 1891, and the Tokyo Metropolitan Govt. has long been engaged in the education of people with disabilities.
- Schools for special needs education, which are based on the perspective of supporting proactive efforts toward the self-reliance and social participation of students with disabilities, are schools that grasp the educational needs of each of such young children, pupils and students and help them enhance their abilities and improve or overcome living and learning difficulties by providing appropriate guidance and special support.
- It will be implemented in all schools where young children, pupils and students who need special support are enrolled, including those who have developmental disabilities without intellectual delay as well as those with disabilities conventionally recognized as being subject to special education.

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- Special needs education is not limited to education for young children, pupils and students with disabilities, but is also the basis for the formation of a multicultural society where various people can play active roles while recognizing the presence or absence of disabilities and other individual differences. It has important implications for Japan's present and future society.
- Schools for special needs education are established to enhance special needs education. Tokyo Metropolitan Govt. is working to expand and improve such schools to enrich the educational environment of schools, above all, for students with intellectual disabilities, according to the future estimation of the number of enrolled students. By securing the required number of classrooms, Tokyo Metropolitan Govt. is proceeding with the elimination of partition classrooms and diverted classrooms.
- In order to realize steady corporate employment of students with mild to moderate intellectual disabilities, Tokyo Metropolitan Govt. has been working to increase the number of vocational development courses that provide basic occupational education and establish an education for the sickly department to enhance in-hospital visiting education. It is also building a guidance system that can flexibly respond to fluctuations in the number of enrolled students by making bases with the in-hospital visiting education function.
- The social issue Tokyo Metropolitan Govt. recognizes is supporting proactive efforts toward the independence and social participation of young children, students with disabilities. A solution to the issue will benefit young children, pupils and students with disabilities.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.



SDGs	Targets
	1.5 By 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
	5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate
	8.6 By 2020 substantially reduce the proportion of youth not in employment, education or training
	10.2 By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

< Provision of subsidies to develop geriatric health services facilities >

- Under the Tokyo Metropolitan Government Health and Welfare Plan for the Elderly (including the nursing care insurance business support plan) formulated in March 2021, etc., Tokyo Metropolitan Govt. aims to realize a secure society where elderly people can live in their own way with dignity in their familiar communities.
- A geriatric health care facility provides nursing, care, medical treatment, and daily life care to elderly people who need nursing care to return to their homes, based on a facility service plan. Tokyo Metropolitan Govt. has set a target of securing such facilities for 30,000 people by the end of FY2030.





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- The subsidy covers construction costs, construction contract and construction administration expenses (design and supervision fees, etc.) for a facility to be established.
- The social issue Tokyo Metropolitan Govt. recognizes is helping senior citizens requiring long-term care to resume life at home. A solution to the issue will benefit the elderly who need nursing care.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
	3.4 By 2030 reduce by one-third pre-mature mortality from non-communicable diseases (NCDs) through prevention and treatment, and promote mental health and wellbeing

< Developing child welfare facilities >





- Shall be improved are support facilities for children's self-reliance, where pupils who have committed or are at risk of committing delinquent acts and those who require daily life guidance due to reasons such as problems in their family environment or other circumstances are admitted or commute from their guardians. The facilities provides children with sound mental and physical development and self-reliance support through guidance on daily life, study, jobs, etc. The funds will be used for renovation of aging school buildings.
- The social issue Tokyo Metropolitan Govt. recognizes is responding to children requiring independent living support. A solution to the issue will benefit such children in need of support for self-reliance.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
	10.2 By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	16.2 End abuse, exploitation, trafficking and all forms of violence and torture against children

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< Providing subsidies to develop foster care facilities >

- Foster care facilities are designed for children who are one year old or older, who cannot be cared for by their guardians or who need care due to their environment. The facilities support their self-reliance by providing guidance on living, learning and exercise in a home-like environment.
- The social issue Tokyo Metropolitan Govt. recognizes is providing a living environment or independent living support to children requiring protection. A solution to the issue will benefit children in need of care.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.



SDGs	Targets
	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all
	10.2 By 2030 empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
	16.2 End abuse, exploitation, trafficking and all forms of violence and torture against children

< Construction of public housing >

- The Act on Promoting the Supply of Rental Housing for People Who Need to be Given Consideration for Housing Security (Act No. 112 of 2007, hereinafter referred to as the Housing Safety Net Act) was revised in October 2017. Then, a new housing safety net system was established, mainly consisting of (1) registration of rental houses for people who need to be given consideration for housing security, (2) financial support for house renovation and renting, and (3) residential support for people who need to be given consideration for housing security.
- People who need to be given consideration for housing security such as the elderly and households with children may face difficulty securing smoothly an appropriate level of housing in the market because (1) they have low economic power due, for instance, to low income and small assets, (2) not enough houses are available in the market suitable for the characteristics of the households, and (3) they are susceptible to restrictions on renting due to their weak social relationships and other attributes, and it is difficult for them to make an appropriate choice on their own.
- In March 2018, Tokyo Metropolitan Govt. formulated the Tokyo Rental Housing Supply Promotion Plan for People Who Need to be Given Consideration for Housing Security in order to steadily promote the registration of rental houses and apartments that do not refuse to accommodate those in need of consideration for housing security under the Housing Safety Net Law. As well as having set the target number of housing units to be registered, the range of people who need to be considered for housing security, and criteria for registering housing units according to the actual situation in Tokyo, the plan defines necessary measures to promote the supply of rental houses for people who need to be given consideration for housing security. An effective period of the plan (the planning period of a housing master plan) is set until 2025.



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- Toei-jutaku or Toei housing, i.e. public housing operated by Tokyo Metropolitan Govt. plays a central role in measures to provide houses to families that have difficulty securing an adequate level of housing on their own in the market. In order to maintain and upgrade Toei housing as a quality stock, houses built before 1965 will be primarily rehabilitated in a systematic manner, with a target of approximately 4,000 units per year, while the characteristics of areas and aging degradation of buildings are taken into account. (3,800 units were scheduled to be reconstructed in 2021.)
- The proceeds will be used to rebuild aging municipal housing.
- The social issue Tokyo Metropolitan Govt. recognizes is reconstructing aging public housing for low income residents who are unable to secure adequate housing on their own. A solution to the issue will benefit such people with low incomes who are truly in need of housing.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 1.4 By 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance
	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums 11.3 By 2030 enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management in all countries

< Installation of elevators at stations serving two or more lines, etc., and introduction of multiple barrier-free paths >













- The Toei Subway has been making its stations barrier-free in accordance with the New Barrier-Free Act (the Act on Promotion of Smooth Mobility for the Elderly, People with Disabilities, etc.) and the Tokyo Metropolitan Welfare Town Development Ordinance.
- Proceeds will be used to install elevators in the Toei Subway stations in order to further improve convenience for the elderly, people with disabilities and other station users.
- The social issue the Tokyo Metropolitan Govt. recognizes is building an environment where everyone can move about safely and comfortably, which will benefit station users, including people with disabilities and the elderly.
- The table below shows contributions of eligible projects to SDGs in accordance with the table of mapping between project categories and SDGs illustrated in ICMA's SBP2021.

SDGs	Targets
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans- border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, particularly for women and children, older persons and persons with disabilities

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Consistency with SDGs Action Plan

With regard to the priority issues (1) to (8) in the Japanese government's SDGs Action Plan 2022 toward achieving SDGs, the projects to which proceeds from the social bonds are allocated are considered to contribute to the following issues in particular.

Priority issues	Corresponding targets of SDGs
① Creation of a society with dynamic engagement of all citizens/ Promote gender equality	    
② Achievement of Good Health and Longevity	
③ Creating Growth Market, Revitalization of Rural Areas, and Promoting Technological Innovation	 
④ Sustainable and Resilient Land Use, Promoting Quality Infrastructure	  
⑦ Achieving Peaceful, Safe and Secure Societies	

(2) Goals of Eligible Projects Are Positive Social Outcomes

- The benefits and impacts of eligible projects are summarized below.

Projects	Benefit	Benefits and impacts of the projects
Removal of utility poles	Direct benefit	Road users, etc. will not be affected by road closures, line breaks, etc. due to a utility pole collapse in the case of a natural disaster. Normally, obstacles in the way of people with disabled and wheelchair users are eliminated and furthermore, a walking space safe and comfortable to everyone will be provided.
	Indirect benefit	Removing utility poles and power cables that obstruct people's view will improve urban landscapes.
Subsidize costs for safety measures (earthquake resistance of private schools)	Direct benefit	Pupils and students can secure their safety in the case of a disaster.
	Indirect benefit	Extending the life of aging assets with extended life will result in continued provision of learning opportunities.
Installment of platform doors at stations	Direct benefit	Safety and security of people with disabilities, the elderly and all other users of stations are ensured.
	Indirect benefit	Maintaining infrastructures and extending the lives of assets will reduce the burden on Tokyo citizens.
Installation of elevators with restart functions	Direct benefit	Users can secure their safety and security (reducing the risk of being trapped in elevators in the event of an earthquake, etc.)
	Indirect benefit	Maintaining infrastructures and extending the lives of assets will reduce the burden on Tokyo citizens.
Life extension of bridges	Direct benefit	Local residents and other users of metropolitan roads can secure their safety and security.
	Indirect benefit	Maintaining infrastructures and extending the lives of assets will reduce the burden on Tokyo citizens.
New establishment, expansion and renewal of water supply stations	Direct benefit	Local residents will receive stable supply of water.
	Indirect benefit	Safe and secure infrastructures will be provided by expanding the amount of water and supply areas in times of disaster, etc.
Improvement of employment and job placement promotion facilities, etc.	Direct benefit	Individuals can acquire knowledge and skills and enhance motivation for work.
	Indirect benefit	A stable recovery in the local economy will be achieved and sustainable growth will be promoted. Companies can secure employees.

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Development of industry exchange centers	Direct benefit	Businesses and people can enjoy industrial exchanges.
	Indirect benefit	A stable recovery in the local economy will be achieved and sustainable growth will be promoted. Industrial development will be promoted in Tokyo.
Improvement of metropolitan schools	Direct benefit	All children can develop and grow up on their own with hope for the future.
	Indirect benefit	Extending the life of aging assets with extended life will result in continued provision of learning opportunities.
Improvement of schools for special needs education	Direct benefit	Providing individuals with learning opportunities will improve their knowledge and experiences.
	Indirect benefit	A symbiotic society will be realized.
Provision of subsidies to develop geriatric health services	Direct benefit	The elderly in need of nursing care will return to their home life.
	Indirect benefit	A symbiotic society will be realized. In addition, capabilities to support people in need of generous nursing care will be maintained and improved.
Developing child welfare facilities	Direct benefit	Children in need of support for independence will grow physically and mentally healthy through guidance on living, learning and getting employed and become independent.
	Indirect benefit	A symbiotic society will be realized.
Providing subsidies to develop foster care facilities	Direct benefit	Children in need of foster care will grow physically and mentally healthy through guidance on living, learning and getting employed and become independent.
	Indirect benefit	A symbiotic society will be realized.
Construction of public housing	Direct benefit	Low income earnings truly in need of housing can secure their places to live.
	Indirect benefit	A multicultural or symbiotic society will be realized.
Installation of elevators at stations serving two or more lines, etc., and introduction of multiple barrier-free paths	Direct benefit	Station users can move around safely and comfortably.
	Indirect benefit	Maintaining infrastructures and extending the lives of assets will reduce the burden on Tokyo citizens.

Positive social outcomes

The 15 projects to which proceeds from social bond issuance are to be allocated will contribute to the formation of a multicultural or symbiotic society, reduction of the burden on Tokyo citizens by maintaining necessary infrastructures and extending the lives thereof, a recovery in local economy and the promotion of sustainable local economic growth, as well as conferring direct benefits to targeted individuals. Although some investments in facility construction and equipment works may entail a temporary burden on an environment, full consideration was given to the projects and there seems no specific negative factors. R&I has evaluated that they will provide positive outcomes for the society as a whole.

Second Opinion

Checks against project categories illustrated in SBP2021

- The table below shows eligible projects corresponding to the project categories illustrated in SBP2021 and targeted individuals.

Projects	Project categories in SBP2021	Targeted individuals
Removal of utility poles	Affordable basic infrastructure (disaster prevention and mitigation)	Those who may be affected by blocked roads or broken wires due to collapsed utility poles in the case of natural disasters Road users including those who use strollers and wheelchairs
Subsidize costs for safety measures (earthquake resistance of private schools)	Access to essential services (education) Affordable basic infrastructure (disaster prevention and mitigation)	Young children, pupils and students
Installment of platform doors at stations	Affordable basic infrastructure (disaster prevention and mitigation)	People with disabilities, the elderly and other individuals using stations
Installation of elevators with restart functions	Affordable basic infrastructure (disaster prevention and mitigation)	Those who may be hit by natural disasters
Life extension of bridges	Affordable basic infrastructure (measures against building obsolescence)	Local residents and others who use metropolitan roads
New establishment, expansion and renewal of water supply stations	Affordable basic infrastructure	Local residents
Improvement of employment and job placement promotion facilities, etc.	Access to essential services Socioeconomic advancement and empowerment	Individuals in need of employment or job placement support
Development of industry exchange centers	Socioeconomic advancement and empowerment	Businesses and individuals in need of industrial exchanges
Improvement of metropolitan schools	Access to essential services (education)	Pupils and students
Improvement of schools for special needs education	Access to essential services (education)	Young children, pupils and students with disabilities
Provision of subsidies to develop geriatric health services	Access to essential services (welfare services for the elderly)	The elderly in need of nursing care
Developing child welfare facilities	Access to essential services (child-rearing support)	Pupils in need of support for self-reliance

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Providing subsidies to develop foster care facilities	Access to essential services (child-rearing support)	Pupils in need of foster care
Construction of public housing	Affordable housing	Low-income earners who are truly in need of housing
Installation of elevators at stations serving two or more lines, etc., and introduction of multiple barrier-free paths	Socioeconomic advancement and empowerment	People with disabilities, the elderly and other individuals using stations

2. Process for Project Evaluation and Selection

(1) Incorporation into Comprehensive Objectives, Strategies and so on

- The Tokyo Metropolitan Govt. formulated its *vision* for Tokyo in the 2040s, *strategies* to be implemented up to 2030 to achieve the vision, and the *promotion project* to implement such strategies.
- The strategies described above encompass eligible projects to which proceeds from social bonds are allocated. For each project, social issues to be addressed are incorporated appropriately, with objectives and plans thereof clarified.
- The strategies are organized also from the perspective of SDGs and function as a roadmap for Tokyo to achieve SDGs. More sustainability has been pursued in such strategies, since all initiatives that constitute each strategy were brushed up also from a SDG viewpoint.

■Tokyo Metropolitan Govt.'s strategies toward 2030

「ビジョン」の実現に向け、2030年に向けて取り組むべき20+1の戦略を提示

20+1の「戦略」	
戦略0 感染症に打ち克つ戦略	戦略11 スタートアップ都市・東京戦略
戦略1 子供の笑顔のための戦略	戦略12 稼ぐ東京・イノベーション戦略
戦略2 子供の「伸びる・育つ」応援戦略	戦略13 水と緑溢れる東京戦略
戦略3 女性の活躍推進戦略	戦略14 ゼロエミッション東京戦略
戦略4 長寿（Chōju）社会実現戦略	戦略15 文化・エンターテインメント都市戦略
戦略5 誰もが輝く働き方実現戦略	戦略16 スポーツフィールド東京戦略
戦略6 ダイバーシティ・共生社会戦略	戦略17 多摩・島しょ振興戦略
戦略7 「住まい」と「地域」を大切に作る戦略	戦略18 オールジャパン連携戦略
戦略8 安全・安心なまちづくり戦略	戦略19 オリンピック・パラリンピックレガシー戦略
戦略9 都市の機能をさらに高める戦略	戦略20 都政の構造改革戦略
戦略10 スマート東京・TOKYO Data Highway戦略	

- 未来の東京を切り拓くために、**新型コロナに打ち克つ取組を戦略0**に位置付ける
- 政策面からの視点である3C（Community、Children、Chōju）を、戦略の核に据える

[Source: The "Future Tokyo" Strategy]

(2) Criteria for Project Evaluation and Selection

- With regard to eligible projects to which proceeds from the issuance of Tokyo Social Bonds are allocated, criteria for project evaluation and selection were determined as follows.
 - ① The project must be for individuals in need of social support.
 - ② Clear social benefits (generating a new benefit or maintaining an existing benefit) can be expected from the project and such benefits can be assessed quantitatively.
 - ③ Financial resources for the project can include municipal bonds in accordance with the provisions of Article 5 of the Local Government Finance Act and other applicable laws and regulations.
- The criteria (1) described above was set in consideration of the item given as examples of individuals targeted by social projects in SPB2021, i.e. people with disabilities, undereducated, unemployed, and other vulnerable groups, including as a result of natural disasters.

(3) Process for Determining Project Evaluation and Selection

- Eligible projects to which proceeds from the issuance of the Tokyo Social Bonds will be allocated shall be selected from those which meet the three criteria listed in (2) Criteria for Project Evaluation and Selection after coordination between the Tokyo Metropolitan Govt. Bureau of Finance and the bureau managing business establishments, prior to the issuance of the bonds. If any of such eligible projects is found to be a direct cause of a significant negative impact in environmental and social aspects, it will be excluded from the eligible projects.
- It is stipulated that a local government can issue municipal bonds according to its budget if provided in the Local Government Finance Act and other laws. The budget must be approved by an assembly before the start of a fiscal year. Tokyo Metropolitan Govt. bonds including the Tokyo Social Bonds are issued in accordance with such procedures, and the feasibility of eligible projects and the durability of outcomes are verified in the process of budgeting. As a result, the adequacy of the process for determining project evaluation and selection can be secured in terms of governance.

Projects are selected after coordination between the Tokyo Metropolitan Govt. Bureau of Finance and the bureau managing business establishments. When a budget is made, the feasibility of eligible projects and the durability of outcomes are verified. The process ends with an assembly's approval. With an evaluation approach and criteria determined and eligible projects selected through appropriate processes, both third-party characteristics and expertise are ensured.

3. Management of Proceeds

- Expenditures of local governments in each fiscal year must be covered by the revenue for that year. Therefore, proceeds from the Tokyo Social Bonds issuance shall be allocated to eligible projects in the business year, in principle. Information on such projects to which proceeds will be allocated and the amount thereof shall be determined after confirmation of the implementation status, etc. by the Bureau of Finance with the bureau managing business establishments and disclosed before the issuance.
- After the issuance of the Tokyo Social Bonds, proceeds to be allocated to eligible projects will be managed for clarified use thereof, for instance, through the sorting of a revenue budget according to the accounting classification (by title, item, and section) under the Tokyo Metropolitan budget administration rules. In regard to Tokyo Metropolitan Govt.'s revenues and expenditures, including those related to projects to which the proceeds have been allocated, financial statements are prepared after the end of each fiscal year and examined by the audit committee members. With audit comments given, such statements will be subject to an assembly's approval thereafter.

Proceeds from the Tokyo Social Bonds issuance will be managed by the Bureau of Finance, etc. through appropriate separation from other matters according to laws and regulations. Full proceeds shall be allocated within the fiscal year and until then, proceeds will be held as cash or cash equivalents. Financial accounting shall be examined by audit committee members from the perspectives of accuracy, regulatory compliance, economics, efficiency, effectiveness, etc., and approved by the Assembly. Consequently, R&I considers that proceeds will be managed appropriately.

4. Reporting

(1) Overview of Disclosure

- Reporting will be made as follows:

Items	Timing
Framework	On a constant basis
Determining an eligible project <ul style="list-style-type: none"> Project category Project to which proceeds are allocated Expected outcomes Amount to be allocated (in millions of yen) 	Before issuance of bonds
Outcomes of projects to which proceeds were allocated <ul style="list-style-type: none"> Project category Project to which proceeds were allocated Outcomes Amount allocated (in millions of yen) 	In the year following issuance
Details of any significant event such as a change in eligible projects	Upon occurrence of an event

(2) Impact Reporting

- Tokyo Metropolitan Govt. discloses information on the outcomes of eligible projects to which proceeds are allocated when announcing the results of such allocation in the year following the issuance of Tokyo Social Bonds.
- It is difficult to disclose impact navigators, since not a few projects need time to see social outcomes. Information on any significant event such as a change in eligible projects shall be announced upon occurrence thereof.

Project categories	Projects to which proceeds are allocated	Measurement of effectiveness
Disaster countermeasures for facilities and infrastructure	Removal of utility poles	Length completed
	Subsidize costs for safety measures (earthquake resistance of private schools)	Number of completed facilities
	Installment of platform doors at stations	Number of platform door installation locations (installation rate)
	Installation of elevators with restart functions	Number of stations equipped, number of units installed, and installation rate
Measures for aging public facilities	Life extension of bridges	Cumulative number of life-

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and infrastructure		extension projects begun
	New establishment, expansion and renewal of water supply stations	Stable water supply securement rate Number of water supply station construction works
Promotion of industry and employment continuity and generation	Improvement of employment and job placement promotion facilities, etc.	Number of facility users
	Development of industry exchange centers	Content of events held
Building an educational environment to fully draw out the individuality and potentials of each student	Improvement of metropolitan schools	School capacity
	Improvement of schools for special needs education	School capacity
Infrastructure development for long-term care services	Provision of subsidies to develop geriatric health services facilities	Number of facilities subsidized
Development of child welfare facilities, etc.	Developing child welfare facilities	Facility capacity
	Providing subsidies to develop foster care facilities	Number of facilities subsidized
Strengthening the housing safety net	Construction of public housing	Number of reconstructed units
Universal design for accessible public facilities	Installation of elevators at stations serving two or more lines, etc., and introduction of multiple barrier-free paths	Number of upgraded stations, units installed

Tokyo Metropolitan Govt. shall disclose to investors its materials clearly explaining the allocation of proceeds and social outcomes thereof. The disclosure of a schedule of proceeds allocation will be published before the issuance of Tokyo Social Bonds and the results of the allocation will be in the year following the issuance, on the Tokyo Metropolitan Govt.'s website. R&I considers Tokyo Metropolitan Govt.'s reporting to be appropriate.

(End of Document)

Second Opinion

[Disclaimer]

Second Opinion is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business.

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Japanese is the official language of this material and if there are any inconsistencies or discrepancies between the information written in Japanese and the information written in languages other than Japanese the information written in Japanese will take precedence.

[Expertise and Third-Party Characteristics]

R&I has launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment.

The R&I assessment method and results can be found on the R&I website (<https://www.r-i.co.jp/en/rating/esg/index.html>).

There is no capital or personal relationship between R&I and the fundraiser that could create a conflict of interest.