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 Stock Exchange  
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## **Notice Regarding the Company's First Issuance of Green Bonds**

Proceeds to be allocated to business contributing to improvement of the environment,  
 promoting our environmental management

We, Daito Trust Construction Co., Ltd. (hereinafter the "Company"), would like to announce that the Company has decided to issue its first "Green Bonds (\*1) (hereinafter the "Bonds")." The proceeds will be allocated to business with an environmental improvement effect.

### 1. Purpose and Background of the Issuance of the Bonds

The Daito Trust Group is engaged in environmental management aimed at the realization of a carbon-free society as its social responsibility based upon its corporate philosophy and our promise, and actively participates in and supports international initiatives for introducing global standards into our environmental management.

In January 2019, the Company obtained certification for Science Based Targets (SBT) based on the fact that the targets to reduce greenhouse gases mentioned in the medium- to long-term environmental targets is at a level with scientific basis for achieving the "2°C goal" of the Paris Agreement. The Company then established a new reduction target based on the new level of SBT (limiting global warming to well-below 2°C and pursuing efforts to limit warming to 1.5°C) and obtained certification again in March 2020.

The Company is also participating in initiatives leading to the achievement of this target. In January 2019, the Company joined "RE100" (\*2) and committed to contributing to the promotion of the spread of renewable energy by using renewable energy for 100% of electricity consumed in business activities by 2040 and expanding the use of solar power generation in rental housing. In addition, in April 2019, the Company announced its support for the proposals of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB). Furthermore, the Company joined "EP100" (\*3) in August 2020 and has set a target of doubling energy efficiency (net sales/energy consumption) compared to FY2017 by 2030.

As a framework aimed at the achievement of the above targets, the Company recently established the "Daito Trust Green Bond Framework" (\*4) and will obtain funding through the Bonds based on this framework. The proceeds will be allocated to new finance for the new installation of solar power generation facilities for selling surplus electricity.

The Daito Trust Group will continue promoting environmental management to propose good housing environments in harmony with the local community and nature based on the approach that "the global environment is the housing environment" and also pass on the important management resource of the global environment to the next generation.

### 2. Overview of the Bonds

Issuance amount	Up to 20 billion yen
Maturity	10 years
Issue date	November 2021 or later (scheduled)
Lead bookrunners	Nomura Securities Co., Ltd. SMBC Nikko Securities Inc. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Third-party assessment (external assessment)	The Company received a second party opinion from Rating and Investment Information, Inc. (R&I), attesting that the Daito Trust Green Bond Framework is conformity with ICMA's "Green Bond Principles 2021"(*5) and the "Green Bond Guidelines" (2020 edition)(*6) issued by the

	Japanese Ministry of the Environment(*7)
Structuring agent (*8)	Nomura Securities Co., Ltd.
Use of proceeds	Funding of capital investment for new installation of solar power generation facilities for selling surplus electricity

- (\*1) Green Bonds  
Bonds for which use of proceeds has an environmental improvement effect (environmentally friendly, green)
- (\*2) RE100  
An international initiative aimed at using renewable energy for procurement of 100% of electricity used in a company's own business
- (\*3) EP100  
An international corporate initiative with participation by companies that have set the target of doubling the energy efficiency of business (improving energy saving efficiency by 50%, etc.)
- (\*4) Daito Trust Green Bond Framework
- (\*5) Green Bond Principles 2021  
Established in January 2014 to ensure transparency of green bonds, promote disclosure and reporting and encourage market order
- (\*6) Green Bond Guidelines 2020  
Guidelines established since March 2017 for the purpose of promoting Green Bonds in Japan by ensuring credibility in the environmental effects of Green Bonds and reducing the issuer's costs and clerical load.
- (\*7) Third-party assessment reports  
R&I Green Bond Assessment/Second opinion  
[https://www.r-i.co.jp/en/news\\_release\\_gf/2021/08/news\\_release\\_gf\\_20211028\\_eng\\_01.pdf](https://www.r-i.co.jp/en/news_release_gf/2021/08/news_release_gf_20211028_eng_01.pdf)
- (\*8) Structuring agent  
A party that provides funding support through advice, etc. on establishment of the green bond framework and acquisition of external third-party assessments such as a second-party opinion

### 3. About the Daito Trust Green Bond Framework

The Daito Trust Green Bond Framework was established by stating the four components specified in the Green Bond Principles mentioned in the International Capital Market Association (ICMA) green bond guidelines (1. Use of Proceeds, 2. Process for Project Evaluation and Selection, 3. Management of Proceeds, 4. Reporting).

The funds obtained based on the Daito Trust Green Bond Framework will be allocated to the following project. When obtaining third-party assessment, the Company received notification from the Green Finance Organisation of a grant decision for being subject to the grant of a subsidy for the Ministry of the Environment's 2021 Financial Support Programme for Green Bond Issuance.

Project covered	Project overview	Overview and expected effect
Installation of additional solar power generation facilities for selling surplus electricity	Installation of additional solar panels owned by the Company on the roofs of 10,000 rental housing buildings managed by the Company nationwide  	Part of the electricity generated will be used in common areas, branch offices, vacant units and construction work, and the surplus will be used in applications such as being sold to power companies to reduce CO <sub>2</sub> emissions through the utilization of renewable energy and contribute to further reductions.

For our clients, tenants, shareholders, business partners, local communities, employees and other stakeholders, the Group will continue to engage in environmental management aimed at the realization of the carbon-free society the Group is aiming for.

End

Inquiries on this matter  
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