

December 28, 2020

Company name: ES-CON JAPAN Ltd.
Representative: Takatoshi Ito, President &
Representative Director
(TSE 1st Section, code: 8892)

Notice on Fundraising of 3.5 Billion Yen Through ESG/SDG Assessment-Based Loan

ES-CON JAPAN Ltd. (ES-CON JAPAN) announces that it has fundraised through an ESG/SDG assessment-based loan provided by Sumitomo Mitsui Banking Corporation (President and CEO: Makoto Takashima; hereinafter "SMBC") in the Tsukuba Creo (commercial facility) project, which is under development in Tsukuba City, Ibaraki Prefecture, following the fundraising in the Fujishirodai 5-chome Project implemented in March 2020. Details are as follows.

1. Details

An ESG/SDG assessment-based loan is a financial instrument that uses unique assessment standards created by SMBC and the Japan Research Institute (Representative Director and President: Katsunori Tanizaki) to reward companies based on assessment of their ESG¹ initiatives and information disclosure and contribution to achieving the SDGs² (Sustainable Development Goals), analysis of the appropriateness of those initiatives and information disclosure, and future issues and examples of responses to those issues.

Deemed to be implementing good ESG and SDG initiatives and information disclosure in this assessment, ES-CON JAPAN earned an A overall ranking, the third-best ranking out of seven, and raised 3.5 billion yen in project funding through this ESG/SDG assessment-based loan within its syndicated loan arranged by SMBC. This development project in front of Tsukuba station is the integrated renewal development of the commercial facilities "Tsukuba Q't", "Tsukuba MOG" and "Tsukuba Creo (former Seibu Department Stores, Aeon)" acquired by ES-CON JAPAN, aiming to revitalize the entire block in front of Tsukuba Station. And the new name of that commercial facility will be a community-rooted retail facility "(tentative name) Tonarie Creo"

2. ESG/SDG Assessment Details

The ESG/SDG assessment indicated that ES-CON JAPAN's initiatives to reduce the environmental impact of its business, consideration of both the local and global community, and CSR management are of an extremely high level. It also deemed ES-CON JAPAN to be implementing good ESG initiatives in its corporate management and highly motivated to contribute to the SDGs through its business initiatives.

Assessment of ESG initiatives:

- 1) Implementing an environment management system and working to reduce the environmental impact of ES-CON JAPAN and its condominiums and retail facilities
- 2) Working on regional revitalization through community development such as training of long-term care personnel in its community-rooted retail facilities. in its business and the point that dementia supporters are spreading to its employees.

Setting up ESG promotion group reporting to the President's Office and creating and publishing an "ESG Management Report" based on "Eco Action 21" certification. In addition to the above, the assessment deemed ES-CON JAPAN to be motivated to achieve SDGs 11. Sustainable Cities and Communities and 7. Affordable and clean energy.



ES-CON JAPAN has set “address social issues through promotion of ESG initiatives” as part of our corporate strategy.. The ES-CON JAPAN Group intends to continue increasing its corporate value by promoting environmental, social, and corporate governance.

1. ESG is an acronym that stands for Environmental, Social and (Corporate) Governance. These are seen as the three key factors that must be given consideration by a company, and for which a company must be responsible, when deploying business activities.

2. Sustainable Development Goals or SDGs were adopted by UN member countries. The 17 SDGs and 169 targets are an agenda that pledges that “no one will be left behind.” The SDGs call for action by all countries and regions to address issues, including eradicating poverty, realizing equality, providing education, and developing a sustainable environment, by 2030.

3. Overview of Syndicated Loan

Date of Agreement	December 23, 2020
Arranger	SMBC
Agent	SMBC
Syndicated Amount	5,400 million yen
Lender	SMBC and 7 other banks