

*[Provisional Translation Only]*

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**Ichigo Inc.** (Tokyo Stock Exchange First Section, 2337)  
Representative: Scott Callon, Chairman  
Inquiries: Takanori Sakamatsu, Senior Statutory Executive Officer  
Telephone: +81-3-3502-4818 [www.ichigo.gr.jp/en](http://www.ichigo.gr.jp/en)

## **Ichigo Becomes First Japanese Real Estate Company to Borrow Funds via United Nations Principles for Positive Impact Finance-Based ESG/SDGs Syndicated Loan Program**

Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable. In keeping with its Ichigo 2030 vision, Ichigo is expanding the scope of its real estate and clean energy businesses to further contribute to a sustainable society and grow long-term value for its shareholders.

Ichigo decided today to borrow funds via Sumitomo Mitsui Banking Corporation's ("SMBC") ESG/SDGs syndicated loan program ("ESG/SDGs Finance") based on the United Nations ("UN") Principles for Positive Impact Finance. In doing so, Ichigo today borrowed JPY 3.3 billion of the JPY 10.6 billion ESG/SDGs Finance loan amount.

### 1. ESG/SDGs Finance Overview

ESG/SDGs Finance is a syndicated loan program that finances sustainable business management based on a comprehensive analysis and evaluation of the environmental, social, and economic impacts of a company's business activities. SMBC evaluates the borrowing company's ESG initiatives and disclosures and its contributions to achieving the UN's Sustainable Development Goals ("SDGs")<sup>1</sup> based on proprietary criteria developed with The Japan Research Institute. The use of funds in ESG/SDGs Finance is unspecified and therefore funds can be used by the borrowing company broadly across its businesses.

SMBC has obtained a second opinion from DNV GL Business Assurance Japan K.K. ("DNV GL") to confirm that the ESG/SDGs Finance complies with the UN Principles for Positive Impact Finance. Ichigo has also received a letter of conformance from DNV GL.

<sup>1</sup> SDGs: 17 Goals and 169 targets adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

### 2. Ichigo's ESG/SDGs Assessment Results

SMBC recognized Ichigo's outstanding ESG initiatives and disclosures and its ambition to contribute to achieving the SDGs via its business activities. It therefore awarded Ichigo the second highest ESG/SDGs rank in its rating system.

SMBC particularly recognized Ichigo for "Reducing Environmental Impacts through Products & Services," "Consideration for Local & Global Communities," and "Commitment to Corporate Values & Sustainability." More details are below.

## Environmental

- As part of its activities to reduce its own environmental impact, in its Clean Energy business Ichigo has developed and operates solar power plants across Japan that generate over 180MW of electricity, contributing to renewable energy generation and CO2 reduction.
- Ichigo has systematically lowered its energy consumption, extended the useful life of its real estate, reduced waste and water consumption, and promoted recycling.

## Social

- Women are actively involved across Ichigo’s businesses, with women now holding 24% of management positions.
- As part of community development initiatives in Ichigo’s Sustainable Real Estate and Clean Energy businesses, Ichigo’s Miyako City shopping mall in Miyazaki Prefecture and Matsudo Nanbu Wholesale Market in Chiba Prefecture foster community exchanges, Ichigo’s THE KNOT boutique hotels promote local communities and tourism, and Ichigo’s Clean Energy business produces solar power locally across Japan.

## Governance

- As a sustainable infrastructure company, Ichigo preserves and improves real estate, lengthening the useful life of buildings and other physical and social infrastructure. Ichigo improves buildings’ energy efficiency and tenant services, and creates value by establishing new gathering places for local communities. This results in increased tenant satisfaction and supports higher rents, thus creating further value.
- Ichigo’s Board of Directors carries out strong governance. The Board is diverse, including both women and non-Japanese Directors, and the majority (five of nine) are Independent Directors.

## Contributions to Achieving SDGs

- Working with local communities, Ichigo’s Clean Energy and Sustainable Real Estate businesses support vibrant cities, neighborhoods, and communities, produce renewable energy, promote community development, thereby contributing to achieving “SDG 7 – Affordable and Clean Energy” and “SDG 11 – Sustainable Cities and Communities.”

## Reference

### UN Principles for Positive Impact Finance

The UN Principles for Positive Impact Finance is a financial framework established by the United Nations Environment Programme Finance Initiative (“UNEP FI” ) in January 2017 as a principle for financial institutions to fund businesses that contribute to achieving the SDGs. It is comprised of four principles: Definition, Frameworks, Transparency, and Assessment, and defines a structure for financing aimed to mitigate the negative impacts and systematically and sustainably increase the positive impacts of a borrowing company’s activities.

Today’s SMBC release (Japanese only)

[www.smbc.co.jp/news](http://www.smbc.co.jp/news)

Today’s DNV GL release (Japanese only)

[www.dnvgl.jp/news/page-185750](http://www.dnvgl.jp/news/page-185750)