

July 31, 2023

Sun Frontier Fudousan Co., Ltd.
(Code number: 8934 TSE Prime)

- Contributing to the Realization of a Sustainable Society - Notice Regarding Conclusion of Positive Impact Finance Agreement

We are pleased to announce that Sun Frontier Fudousan Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Seiichi Saito; hereinafter “the Company”) has entered into an agreement today with Aozora Bank, Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director and President and CEO: Kei Tanikawa; hereinafter “Aozora Bank”) for “Aozora Positive Impact Finance” (hereinafter “the Loan”), a positive impact finance based on the Aozora ESG Framework Loan, a self-evaluation type sustainable finance provided by Aozora Bank.

The Loan is the first initiatives of positive impact finance based on the Aozora ESG Framework Loan.

“Positive Impact Finance” is a financing mechanism designed to comprehensively analyze and evaluate the environmental, social, and economic impacts (positive and negative impacts) of corporate activities, and to continuously support activities that have positive impacts. It is based on the United Nations Environment Programme Finance Initiative (UNEP FI) (*1) Principles for Positive Impact Finance (*2) and their implementation guidelines.

To support sustainable finance initiatives, Aozora Bank has been providing the “Aozora ESG Framework Loan” which received a second opinion from Rating and Investment Information, Inc. on June 1, 2022, confirming that it is consistent with international principles and other rules. On June 1, 2023, “Aozora Positive Impact Finance” received a second opinion stating that its Positive Impact Finance evaluation system conforms to the Principles for Positive Impact Finance established by the United Nations Environment Programme Finance Initiative.

Based on the Group’s Sustainability Vision, “We will contribute to the realization of a sustainable society through our business activities while respecting the heart of altruism, the Company policy”, we have identified “Environmental protection,” “Regional revitalization” and “Human resource development” as important issues (materiality) and are working to resolve social issues through our businesses.

These initiatives of ours were evaluated and we were able to receive support as the first initiatives of this loan.

The Group will continue to contribute to the realization of a sustainable society through the creation of customer satisfaction and happiness, based on its corporate philosophy since its foundation, which is to reduce the waste of non-renewable resource on earth and contribute to the prosperity of the people, plants and animals.

* 1 United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is a subsidiary body of the United Nations that was established in 1972 to implement the “Declaration on the Human Environment” and the “International Plan of Action on the Environment.” UNEP FI is a broad and close partnership between UNEP and more than 200 financial institutions around the world. Since its establishment in 1992, UNEP FI has been working with financial institutions, policy and regulatory authorities to transform the financial system into one that integrates economic development and ESG (environmental, social and governance) considerations.

* 2 Principles for Positive Impact Finance

A financial framework formulated by the UNEP FI in January 2017 for achieving the Sustainable Development Goals (SDGs). Companies disclose their contribution to the achievement of the SDGs in KPIs, and banks assess the positive impact and provide funds, leading recipient companies to make efforts to increase the positive impact and reduce the negative impact. As responsible financial institutions, the lending bank monitors the indicators to ensure that the impact continues.

Overview of the Loan




Borrower: Sun Frontier Fudousan Co., Ltd.

Loan amount: 690 million yen

Contract date: July 31, 2023

Lender: Aozora Bank, Ltd.

Targets and KPIs for Positive Impact Finance

Impact*	Target	KPI	Related SDGs
Resource efficiency and safety (PI)	<ul style="list-style-type: none"> Extension of economic estimated useful lives of buildings through Real Estate Revitalization Business 	<ul style="list-style-type: none"> Extension of economic estimated useful lives by 30% or more 	
Climate, resource efficiency and safety (NI)	<ul style="list-style-type: none"> Reduction of CO2 emissions by promoting real estate revitalization Implementation of credit-based offsets for CO2 emissions from real estate revitalization constructions 	<ul style="list-style-type: none"> Reduction of CO2 emissions by 12% or more compared to building reconstruction. Carbon offset 100% 	 

*PI: Positive impact expansion NI : Negative impact reduction

Contact for inquiries

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