

JRTT will raise funds through its 'Sustainability Finance' framework certified by an international certification organization for the first time in the Japanese market

1. Summary

Japan Railway Construction, Transport and Technology Agency (hereinafter referred to as "JRTT") has obtained an independent verification assessment for its "Sustainability Finance (Bonds and Bank loans)" framework from DNV GL*¹, an international third-party assessment organization. In addition to the verification from DNV GL on the effectiveness of environmental impact mitigation, JRTT has obtained a certification from Climate Bonds Initiative (CBI), an international NGO that sets a strict standard to promote large-scale investments towards a low-carbon economy, for the first time in Japan. JRTT will raise funds through the first "Sustainability Finance" framework in Japanese domestic market in the future.

"Sustainability Finance" must ensure that the use of proceeds (1) has environmental improvement effects (quality of Green bond)*² and (2) will contribute to solving social issues (quality of Social bond)*³.

*1) DNV GL : An autonomous and independent foundation headquartered in Oslo, Norway (established in 1864), A third party assessment organization.

*2) Quality of Green bond : Mitigation of environmental impact (Construction of low carbon railways which contribute to environmental impact mitigation, prevention of marine pollution caused by ships, etc.)

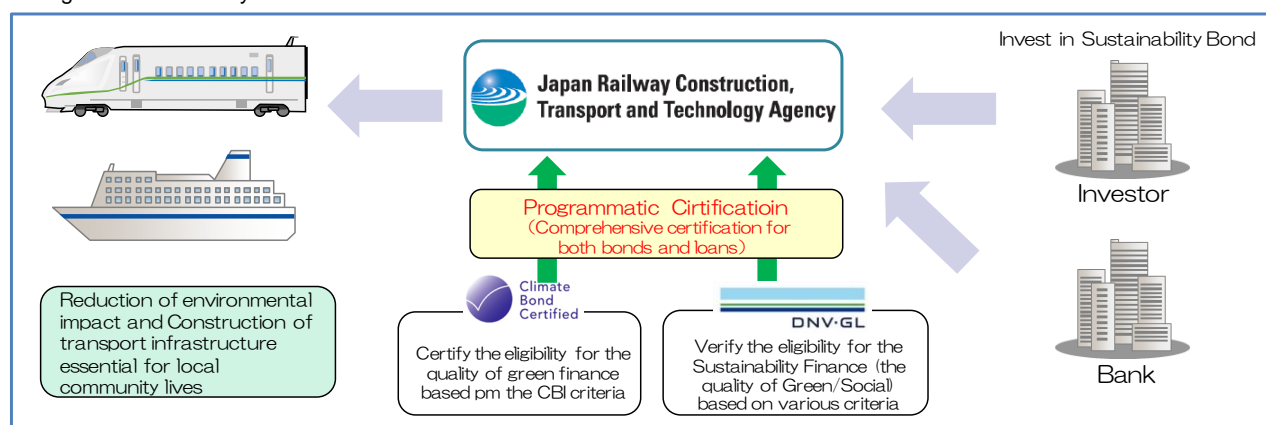
*3) Quality of Social bond : Development of essential transport infrastructure (Construction of railways that can be used by many people, improvement of sea routes for remote islands, etc.)

2. Schedule

(1) Issuance of bonds : JRTT's bonds will be issued as first "Sustainability Bonds" in Japanese domestic bond market in and after May 2019 (JRTT plans to issue a total of 117 billion yen bonds in the fiscal year 2019.)

(2) Bank loans : The syndicate loans scheduled to be executed in March 2019 (55.3 billion yen) will be provided as first "Sustainability Loans" in Japanese domestic loan market.

<Image of Sustainability Finance>



For more details, please refer to the "JRTT Sustainability Finance" webpage.

URL : <https://www.jrtt.go.jp/O5lr/ir-sustainabilityfinance.html>

This press release is prepared solely for the purpose of public disclosure concerning the bond issuance plan of JRTT and does not constitute a solicitation to invest in any securities issued by JRTT

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Attachment

<Consideration of the Use of Proceeds against the 17 UN SDGs >



SDGs (goals and target)		JRTT sustainability finance contribution	
	<p>8.9 : By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products</p>	<ul style="list-style-type: none"> • Joint Ownership shipbuilding 	<ul style="list-style-type: none"> • Domestic cruise ship alternative shipbuilding considering tourism vision to support Japan tomorrow (formulated in March 30, 2016), formulated for developed tourism country
	<p>9.1 : Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p>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, with all countries taking action in accordance with their respective capabilities</p>	<ul style="list-style-type: none"> • Railway Construction • Joint Ownership shipbuilding 	<ul style="list-style-type: none"> • Contribution to 'Social capital development plan (Cabinet Decision, September 18, 2015)', strengthen international competition in metropolis and acceleration of global warming countermeasure.
	<p>11.2 : By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</p> <p>11.a : Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning</p>	<ul style="list-style-type: none"> • Railway Construction • Joint Ownership shipbuilding 	<ul style="list-style-type: none"> • Providing safe and comfortable service to aged and disabilities people(barrier free transportation law) • Promoting smooth and convenient mobilization of inter-region, according to National Spatial Strategies (Cabinet Decision, August 14, 2015)
	<p>13.2 : Integrate climate change measures into national policies, strategies and planning</p> <p>13.3 : Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> • Railway Construction • Joint Ownership shipbuilding 	<ul style="list-style-type: none"> • Improvement of the efficiency of transportation by modal connection based on framework of integrated logistics measure (Cabinet Decision, July 28, 2017). • Contribution to MLIT*4 environmental action plan (partially revised on March 2017) 'Promotion to R&D and application for marine segment (including integrated countermeasure for mitigating the pollution substance such as Sox)'
	<p>14.1 : By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution</p>	<ul style="list-style-type: none"> • Joint Ownership shipbuilding 	<ul style="list-style-type: none"> • Marine pollution prevention shipbuilding to mitigate the environment load.

*4) MLIT : Ministry of Land Infrastructure, Transport and Tourism, Japan