

(Translation)

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To whom it may concern

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Notice on Issuance of Green Bond

The Sumitomo Warehouse is planning to issue a Green Bond by the method of public placement on the domestic market and hereby notifies you of this.

A Green Bond is a bond issued by a corporation or local public organization, etc. for procurement of funding required for a Green Project (renewable energy project, construction and renovation of energy-saving facilities, business that has the effect of environmental improvement such as prevention or management of environmental pollution)

Note that this is the first issuance of a Green Bond by a warehouse company in Japan.

1. Objectives and background of issuance

With recognition that conservation of the global environment is one of the most important tasks for business, we formulated the Environmental Policy in 2006, in order to contribute further to conservation of the environment such as lessening the environmental impact of corporate activities, and since that time we have been continuing various efforts, including the introduction of solar power generation systems, rooftop greening, acquisition of Rank A under CASBEE (Comprehensive Assessment System for Built Environment Efficiency), and acquisition of green management certification.

In our “Challenge 120” current medium-term management plan as well, we have been a company that is trusted by and contributes to society, and meanwhile in the process of promotion of a growth strategy with a long-term perspective, we also have striven to replace deteriorated warehouses with warehouses with advanced features, and to update facilities, etc. And in the meantime we have decided to procure the funds necessary for introduction of more-environmental-conscious facilities and equipment through issuance of a Green Bond.

2. Outline of Green Bond

Term of issuance/projected amount	5 years/ 5 billion yen
Projected period of issuance	September 2019 (planned)
Use of funds	Will be appropriated to the following capital investment relating to environmental conservation (including refinancing) 1. Replacement of air-conditioning equipment in domestic warehouse facilities and leased buildings, etc. owned by us 2. Switchover of lighting equipment to LED lighting in domestic warehouse facilities, etc. owned by us 3. Installation of solar power generation equipment on rooftops of warehouse facilities owned by our foreign subsidiaries

Managing underwriter	SMBC Nikko Securities Inc. Daiwa Securities Co. Ltd.
Green Bond Structuring Agent	Daiwa Securities Co. Ltd.

For use of funds, we selected those that satisfy eligibility criteria (note) in accordance with “Green Bond Principles 2018” of the International Capital Market Association, and “the Green Bond Guidelines 2017” of the Ministry of the Environment, Japan.

(Note) Eligibility criteria

- (1) Electricity consumption reduction project
 - (i) Update of air conditioning equipment -- Approximately 30% reduction in electricity consumption is expected before renewal
 - (ii) Switchover of lighting equipment to LED -- Approximately 60% average of reduction in appliance power consumption is expected before renewal
- (2) Renewable energy generation project -- Installation of solar power generation facilities

In addition, the above-stated use of funds is in conformance with the SDGs, the Sustainable Development Goals.



Goal 7 : Ensure access to affordable, reliable, sustainable and modern energy

7.3. By 2030, double the global rate of improvement in energy efficiency



Goal 9 : Build resilient infrastructure, promote sustainable industrialization and foster innovation

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



Goal11 : Make cities inclusive, safe, resilient and sustainable

11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

3. Eligibility for Green Bond

For eligibility for this Green Bond, we have acquired a preparatory evaluation of “Green 1,” the highest rating under JCR Green Bond Evaluation by Japan Credit Rating Agency, Ltd., as a third party evaluation.

The evaluation is published on the following website:

<https://www.jcr.co.jp/en/greenfinance/green/>

4. Future schedule

We are planning to decide on the conditions including the issue amount, etc. in September 2019. We will announce this as soon as it is decided.

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