



March 12, 2021

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**Notice of decision on issuance conditions for  
 Straight Bonds (the first series) and Sustainability-Linked Green Bonds (the second series)**

Notes

Today, Takamatsu Construction Group Co., Ltd. (“TCG”) have determined issuance conditions for Straight Bonds and Sustainability-Linked Green Bonds<sup>\*1\*2\*3</sup> as follows. In addition, we would like to announce that the investors mentioned below have expressed their intention to invest in TCG upon the determination of the conditions.

**1. About 1st and 2nd unsecured bonds (With Inter-Bond Pari Passu Clause)**

serial number	First Series Bonds	Second Series Bonds (Sustainability-Linked Green Bonds)
Maturity	10 years	5 years
Issue amount	5 billion yen	10 billion yen
interest rate	0.560%	0.290%
SPTs linked to issuance conditions <sup>*4</sup>	—	Achieve a cumulative total of 391.1 billion yen in SDGs Contribution Revenue of TCG Group over the next 4 FY (FY ending March 2022 and beyond).
Premium	—	If SPTs are not met, a premium of 0.5 yen per 100 yen of the bond amount is paid.
Amount of each corporate bond	100 million yen	
Issue price	100 yen per 100 yen of the amount of each bond	
Pricing date	March 12, 2021	

Issue date	March 19, 2021	
Maturity date	March 19, 2031	March 19, 2026
Credit rating	A- (Japan Credit Rating Agency, Ltd.)	
Lead managers	Daiwa Securities Co. Ltd. (administrative lead manager) , Mizuho Securities Co., Ltd.	
Sustainability-Linked Bond Structuring Agent <sup>*5</sup> / Green Bond Structuring Agent <sup>*6</sup>	—	Daiwa Securities Co. Ltd.

(\*1) Sustainability Linked Bonds (SLB)

SLB are bonds whose terms and conditions vary depending on whether or not they achieve predetermined sustainability/ESG targets. Therefore, the funds raised need not be limited to a specific use of funds. SLB are assessed by key performance indicators (KPI) and SPTs predetermined by the issuer. A bond in which SPT is set as target values to be achieved with respect to KPI, and the terms of the bond change depending on whether the KPI achieve the SPT, thereby motivating the issuer to achieve the SPTs.

(\*2) Green Bonds

A bond that conforms to the Green Bond Principles set forth by the International Capital Market Association (ICMA) and the 2020 edition of the Ministry of the Environment's Green Bond Guidelines, and is issued to raise funds for projects that contribute to solving environmental problems, i.e., "green projects".

(\*3) Sustainability-Linked Green Bonds

A sustainability-linked bond in which all funds raised are used for green projects.

(\*4) Sustainability Performance Targets (SPTs)

A target based on the issuer's business strategy that determines the terms and conditions of the Sustainability-Linked Bonds issue.

(\*5) Sustainability-Linked Bond Structuring Agent

An entity that provides support for the issuance of Sustainability-Linked Bonds through the development of a Sustainability-Linked Bond framework and advice on obtaining second-party opinions.

(\*6) Green Bond Structuring Agent

Provide support for the issuance of Green Bonds by formulating green bond frameworks and advising on obtaining second party opinions.

## **2. About Sustainability-Linked Green Bonds**

TCG had announced in the " Notice regarding issuance of Straight Bonds (the first series) and Sustainability-Linked Green Bonds (the second series)" released on January 21, 2021, we will issue the first Sustainability-Linked Green Bonds in Japan.

At present time, TCG Group are working on Mid-Term Management Plan "Create ! 2022" which ends in FY ending March 2022. This Mid-Term Management Plan is made up of five "Creates". The fifth pillar, "Create Value towards Economy, Society and Environment", TCG positions our efforts toward SDGs as essential for the long-term growth of TCG Group.

This Sustainability-Linked Green Bonds are to set revenue target that corresponds to the 17 goals of SDGs (SDGs Contribution Revenue), and to allocate all funds raised to green project (construction of a new "TCG Building" (TCG Group's Tokyo headquarters building) with superior environmental performance) which will be the first SDGs Bonds in Japan.

1) Use of proceeds

The Sustainability-Linked Green Bonds will be used to finance the construction of a new “TCG Building”.

For more details, please refer to the following press release issued on January 21, 2021.

Jump to press release : [press release issued on January 21, 2021](#)

2) About Conformity Assessment

We have obtained a second opinion on suitability from Japan Credit Rating Agency, Ltd. (“JCR”), a third-party institution, as described below.

For details, please refer to the following report also released by JCR today.

Jump to JCR web site : <https://www.jcr.co.jp/en/greenfinance>

### **3. Investors that have committed to investing in the Sustainability-Linked Green Bonds**

The following is the list of investors that have committed to investing in the Sustainability-Linked Green Bonds as of the date of this announcement.

<List of the investors> (Alphabetical order)

Asset Management One Co., Ltd.

IBARAKI Prefectural Credit Federations of Agricultural Cooperatives

Kanonji Shinkin Bank

Niigata credit union

NUMAZU SHINKIN BANK

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED

Sekishinkin-Bank

Sumitomo Mitsui Trust Asset Management Co., Ltd.

TAIYO LIFE INSURANCE COMPANY

Takayama shinkin bank.

The 77 Bank, Ltd.

The Bank of Toyama, Ltd.

The Fukui Bank, Ltd.

The Fukusen Credit Cooperative

THE HIRATSUKA SHINKIN BANK

THE KAWAGUCHI SHINKIN BANK

THE SUGAMO SHINKIN BANK

Tokyo City Shinkin Bank

Yuki Shinkin Bank

Zentouei Shinyokumiai