Second Opinion

October 6, 2025

Tokyo Metropolitan Government

TOKYO Resilience Bond (Scheduled for October 2025)

Sustainable Finance Division
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Rating and Investment Information, Inc. (R&I) has confirmed that Tokyo Metropolitan Government's TOKYO Resilience Bond (scheduled to be issued in October 2025) meets Climate Bonds Standard(v4.3) as well as the following criteria for climate bond certification administered by the Climate Bonds Initiative (CBI), and has been engaged to provide an opinion in the form of an external review report. All proceeds from the bond will be used for eligible climate resilience investments in accordance with the Climate Bonds Standards and Criteria, and the bond issuance will be the first Resilience Bond to reference the Climate Bonds Resilience Taxonomy (see page 3 for details).

In addition, we also confirmed that the Tokyo Resilience Bond Framework (October 2025) formulated by the Tokyo Metropolitan Government in connection with the bond issuance complies with the principles and guidelines of the International Capital Market Association (ICMA) and domestic guidelines.

Climate Bonds Standard(v4.3, CBI)	Climate Bonds Resilience Taxonomy(August 2025, CBI)
Criteria for certification against the CBRT(August 2025, CBI)	Water Infrastructure Criteria(v3.2, CBI)
Electrical Grids and Storage Criteria(March 2022, CBI)	
Green Bond Principles (2025, ICMA)	Social Bond Principles (2025, ICMA)
Green Bond Guidelines(2024, Ministry of the Environment))	Social Bond Guidelines(2021, Financial Services Agency)
Sustainability Bond Guidelines (2021, ICMA)	

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■Use of proceeds from TOKYO Resilience Bond (scheduled to be issued in October 2025)

No.	Eligible projects	Indicative non–exhaustive project list	Contribution to climate resilience	CBI sector criteria
1	Upgrading small and medium-sized rivers to enhance flood resilience（mainly through river embankments and underground regulating reservoirs）	Shakujii River Upstream of Zenpukuji River	Reduced physical vulnerability due to increased storage capacity during heavy rainfall and reduced flood inflow risk into urban areas	Water Infrastructure Criteria
2	Developing and upgrading coastal protection facilities for the Port of Tokyo and remote islands	<Tokyo Port> Heikyu Canal (Koto District), Asashio Canal (Chuo District), Gasmio Canal (Konan District) <Islands> Izu Islands	Reduced physical vulnerability due to the elevation of sea walls against storm surges and related coastal hazards	Water Infrastructure Criteria
3	Reinforcing river infrastructure to strengthen water and seismic resilience	Shinnakagawa river	Reduced physical vulnerability due to seismic and water-resistance measures against storm surges	Water Infrastructure Criteria
4	Undergrounding utility poles to prevent collapse in the event of disaster	Kanpachi dori avenue（main islands）	Reduced physical vulnerability due to minimized risk of utility pole collapse during storms Reduced physical vulnerability due to protection of power lines from storm and flood damage	Electrical Grids and Storage Criteria
		Wakagou Port（Izu Islands）	Reduced physical vulnerability due to minimized risk of utility pole collapse during storms Reduced physical vulnerability due to protection of power lines from storm and flood damage	Criteria for certification against the CBRT
5	Developing and upgrading sediment disaster prevention and coastal protection facilities	<Erosion Control Facilities> Ashikawa <Coastal Conservation> Sawajiri and Nagahama Coast <Steep Slope Collapse Prevention> Hatsuzawa	Reduced physical vulnerability due to controlled movement of unstable slopes Reduced physical vulnerability due to dissipation of wave energy before reaching shore	Criteria for certification against the CBRT
6	Renovating port facilities to protect remote islands vulnerable to natural disasters like typhoons and coastal hazards	Toshima	Reduced physical vulnerability due to strengthened coastal structures against storm and flood forces	Criteria for certification against the CBRT

■Correspondence between eligible project and the project category of the ICMA principles

No.	Eligible project	Project category（GBP/SBP）
1	Upgrading small and medium-sized rivers to enhance flood resilience	Climate adaptation / Sustainable water and wastewater management
2	Developing and upgrading coastal protection facilities for the Port of Tokyo and remote islands	Climate adaptation
3	Reinforcing river facilities to strengthen water and seismic resilience	Climate adaptation
4	Undergrounding utility poles to prevent collapse in the event of disaster	Climate adaptation
5	Developing and upgrading sediment disaster prevention and coastal protection facilities	Climate adaptation
6	Renovating port facilities to protect remote islands vulnerable to natural disasters like typhoons and coastal hazards	Access to essential services Affordable basic infrastructure (disaster prevention and mitigation measures)

■Objectives and structure of the opinion

The TOKYO Resilience Bond Framework is based on ICMA's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and the Climate Bonds Standard, and explains in accordance with the use of proceeds, project evaluation and selection process, management of proceeds and reporting.

When selecting projects, the Tokyo Metropolitan Government considers both green and social projects to be those that target population in need of assistance due to the effects of climate change, that have clear expected benefits, and whose effects can be quantified. In this regard, at the request of the Tokyo Metropolitan Government, R&I confirmed the suitability of bonds planned to be issued under the framework in accordance with the Climate Bonds throughout Standard and criteria. Following the procedures for applying the CBS and the Climate Bond Resilience Taxonomy (CBRT), the sector-specific Climate Bond criteria, namely the Water Infrastructure Criteria and the Electricity Grid and Storage Eligibility Criteria, were applied to some projects. CBRT certification criteria were applied to the eligibility assessment of other projects, which are not covered by the Climate Bonds Sector Criteria.

Hence, this report consists as follows; after providing an outline of the issuer in section 1, sections 2 to 5 confirm compliance with the ICMA Principles and CBS in accordance with the four elements. In "2. Use of Proceeds," we confirm the environmental improvement effects in accordance with the Green Bond Principles and the social effects in accordance with the Social Principles, and confirm that for both green and social projects, climate change adaptation meets the requirements of the CBRT certification criteria.

■Resilience Finance

- Climate bonds certified by the CBI are a financing mechanism that contributes to both climate change mitigation and adaptation. The CBI has set sector-specific criteria for various fields and promoted the certification of climate bonds. Investments in climate change adaptation measures have been made within these frameworks. According to the CBI, there is insufficient funding to meet the huge demand for adaptation measures, which cover a wide range of activities around the world. The CBI has been working to expand the climate bond certification framework in order to implement large-scale financing.
- In November 2024, the CBI proposed the Climate Bonds Resilience Taxonomy (CBRT), a list of adaptation projects that cannot be fully covered by existing sectoral criteria. After public consultation, the first version of the criteria for Certification against the CBRT was finalized and published in August 2025. In conjunction with this, the Climate Bonds Standard (CBS) was updated to version 4.3, and process-based evaluation criteria for climate resilience investment were newly established. Climate resilience investment includes both resilience-related investments that meet the CBI's sectoral criteria and investments that meet the CBRT certification criteria.
- TOKYO Resilience Bond will be the first resilience bond to seek Certification under the Climate Bonds Standard using the Criteria for Certification against the CBRT.

- Investments eligible based on the CBRT must meet all of the following criteria:

  I. Substantial contribution to climate resilience

  II. Maladaptation risks are identified and managed

  III. Do no significant harm (DNSH) to climate change mitigation objectives

- When assessing the eligibility of climate change adaptation measures in accordance with existing sectoral criteria, the eligibility criteria for mitigation measures set out in the sectoral criteria should be followed.
- The term "maladaptation" in the requirements for adaptation measures refers to whether consideration has been given to the possibility of unintended adverse effects occurring outside the scope of the risk assessment of adaptation measures, given the complexity of climate and its impacts, and the possibility of events occurring that exceed the estimated weather conditions and loss and damage.

1. Outline of the Issuer

[Tokyo Metropolitan Government：Symbol mark]

- Tokyo is the capital of Japan and one of the world's largest cities, with a population of approximately 14 million.
- As interest in realizing a sustainable society grows worldwide, the situation surrounding the natural environment, including the worsening climate crisis, is becoming a major global issue.
- To address this issue, the Paris Agreement was adopted, which sets a framework for climate change measures from 2020 onwards. It calls for not only efforts to decarbonize but also strengthening climate change adaptation measures and aligning financial flows with these. Various initiatives are also underway around the world, including the adoption of the Sustainable Development Goals (SDGs), a set of 17 goals aimed at realizing a sustainable world.
- In light of this, the Tokyo Metropolitan Government has formulated the "Tokyo Resilience Project," which presents a vision of Tokyo in the 2040s as a resilient city and sets out an enhanced set of an overall outline of measures. This project aims to protect the lives and livelihoods of Tokyo residents from wind and flood disasters that are becoming more frequent and severe due to the effects of climate change, while maintaining Tokyo's functions as the nation's capital and its economic activity as an international city.
- Because urban resilience efforts require a significant amount of time and cost for infrastructure development, it is necessary to look to the future, secure solid financial resources, and work steadily and continuously over the medium to long term. Furthermore, measures to combat increasingly severe wind and flood damage are a universal issue, and it is important for the Tokyo Metropolitan Government to take the lead in promoting investment in climate change adaptation measures. Furthermore, it is necessary to publicize Tokyo's resilience practice backed by disaster resilience and advanced technological capabilities overseas and work to promote a resilient city of Tokyo.
- From this perspective, TMG will issue "Tokyo Resilience Bonds" in overseas markets, with the funds allocated specifically to measures against wind and flood damage. By attracting funds from a diverse range of investors, TMG will realize a resilient and sustainable Tokyo where people can live safely for the next 100 years.

2. Use of Proceeds

The projects to which the proceeds will be allocated in accordance with the CBS will be properly listed, including the details described on page 1 of this document, and the cost of these investments will exceed the issuance amount. The eligible projects will meet the eligibility criteria for Climate Bonds Standard and Sector Criteria (including CBRT). Furthermore, the use of proceeds will be appropriate in light of the ICMA Principles, and the eligible projects will bring clear environmental and social benefits.

(1) Eligible Projects

- The projects to be allocated will be selected from those eligible for climate resilience investment that are disclosed in the TOKYO Resilience Bonds Framework. The framework discloses the project category, project name, issues addressed, and target population for the projects to be allocated. All proceeds will be used for new expenditures and will not be used to refinance existing expenditures. The amount of proceeds which will be allocated to projects will not duplicate the proceeds of green bonds, social bonds, or sustainability bonds other than this TOKYO Resilience Bond.

(2) Eligibility of climate resilience investments and their environmental and social benefit

No.1 Upgrading small and medium-sized rivers to enhance flood resilience

＜Eligibility for climate resilience investments＞

■ Application of the criteria

Adapting measures	Criteria
Improvement of small and medium-sized rivers to prevent flood damage	Water Infrastructure Criteria(v3.2, CBI)

Substantial contribution to resilience against climate change：In recent years, the incidence of rainfall of 50 mm or more per hour has been on the rise in Tokyo, and flooding damage has been caused by localized heavy rainfall and typhoon-like rainfall with large total rainfall volumes. The target of the improvement work is 46 small and medium-sized rivers west of the Sumida River, covering a total of 324 km. This river basin is one of the most urbanized areas in the world. Buildings are particularly densely packed along the river. The wards have many commercial buildings, as well as underground shopping malls and subways. In some areas, the concentration of general assets exceeds 1 trillion yen per km2. Since the damage caused by flooding would be extremely large, flood control measures are needed to deal with these heavy rains.

Climate change scenarios for infrastructure development toward the 2040s are based on an average temperature rise of 2°C, in order to provide safer preparations. When calculating design rainfall, a 1.1-fold increase in rainfall due to a 2°C rise is taken into account, based on the frequency of rainfall from long-term historical data. The Tokyo Metropolitan Government will also work on new methods to ensure that the system is effective against prolonged rainfall, such as linear rain bands that last for several hours, and torrential rainfall that partially exceeds 100 mm per hour. In order to respond to climate change, such as future increases in rainfall, we will implement efficient and effective measures to deal with increased

rainfall, mainly by developing regulating reservoir, etc., and by making effective use of existing stocks.

Identifying and managing the risks of maladaptation：Based on the recognition that it is necessary to consider and implement adaptation measures across a wide range of fields, Tokyo will widely collect and analyze information on meteorological data and the impact of adaptation measures, and will work with each bureau to promote the "Tokyo Climate Change Adaptation Plan." With regard to rivers, the "River Facilities in Consideration of Climate Change" was formulated in December 2023, In addition to the "River Improvement Plan" that takes into account the impact on the water use of the entire river and water-related ecosystem services, TMG will implement measures that take into account the uncertainty of the impact of climate change.

DNSH against mitigation to climate change：The developed river channel and regulating reservoir are not expected to emit large amounts of CO2 during operation, and TMG has made efforts to save energy during construction to minimize the burden on the environment. Therefore, it is not expected that the project will result in an increase in CO2 emissions.

＜Environmental benefit and relationship with SDGs goal＞

- In recent years, torrential rains exceeding the planned scale have caused extensive damage throughout Japan, and the incidence of rainfall of 50 mm or more per hour has been increasing in Tokyo. Under these circumstances, there is concern about the increased risk of wind and flood damage due to increased rainfall and rising sea levels associated with the effects of future climate change.

- In December 2023, the TMG formulated “River Facilities in Light of Climate Change” and raise the target maintenance level for small and medium-sized rivers to an annual exceedance probability of 5 percent* of rainfall in light of climate change, to strengthen flood countermeasures while considering priority.

  *“An annual exceedance probability of 5 percent” indicates a 5% chance of rainfall exceeding certain magnitude occurring each year.

- Specifically, the TMG will develop the river revetment, while using flood control reservoirs, etc. to protect an area where rainfall can exceed 50 mm per hour.

- The table below shows contributions of the eligible project to SDGs in accordance with ICMA's table of mapping between project categories and SDGs. The correspondence between the allocated projects and the SDGs is as follows: It is believed that the projects will contribute to priority issue 4, "Development of a sustainable and resilient nation and high-quality infrastructure," outlined in the "SDGs Action Plan 2023" aimed at achieving the Japanese government's SDGs.

SDGs Goal	
	11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the *Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels

	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies, and planning

No.2 Developing and upgrading coastal protection facilities for the Port of Tokyo and remote islands

＜Eligibility for climate resilience investments＞

■ Application of the criteria

Adapting measures	Criteria
Development of port facilities to prevent flood damage	Water Infrastructure Criteria(v3.2, CBI)

Substantial contribution to resilience against climate change：The targets of the improvement work include seawalls, floodgates, internal revetments, drainage pumping stations, and levees and revetment facilities along the coast of Tokyo Port. Due to its topography, the coastal areas of Tokyo are susceptible to the effects of high tides caused by typhoons and large waves due to wind direction, and have experienced a lot of flooding damage in the past. Furthermore, there are concerns about the impact of rising mean sea levels and stronger typhoons due to future climate change on coastal areas. Tokyo Port has developed as a trading port, so there are many wharves and warehouses along the coast, but inside the bay road there is a dense mix of residential, commercial and public facilities.
The Koto, Chuo, Minato, and Konan districts have a large number of households, and residential development is also progressing in the Toyosu, Harumi, and Ariake Kita districts, with over 300,000 households living along the coast. Of these, the Koto district, where nearly 100,000 households live, is located in the zero-meter zone, which is below sea level at high tide. The island areas have little habitable land, and the population is concentrated on the flat areas behind ports, fishing ports, and the surrounding coastlines.

Climate change scenarios for infrastructure development toward the 2040s are based on an average temperature rise of 2°C, in order to provide greater safety. Average sea levels along the Tokyo Bay coast are assumed to rise by 60cm, and storm surges and wave heights are estimated by analyzing the path of a typhoon with a central pressure of 930hPa (Ise Bay Typhoon 940hPa) heading toward Tokyo Bay. The planned rainfall volume takes into account a 1.1-fold change in the event of a 2°C rise. Because the geographical characteristics of the islands are different from those of the Tokyo Bay coast, analysis of large-scale typhoon data was conducted separately under the same climate change scenario to estimate changes in sea level rise, storm surge deviation, and wave height.

At Tokyo Port, seawalls will be raised in stages, starting with areas where they are no longer high enough. Additionally, in anticipation of flooding due to high tides, flood-resistant measures will be implemented, such as installing electrical and mechanical equipment at floodgates and pumping stations at a height higher than the planned high tide level. To prevent inland flooding due to increased rainfall when the floodgates are closed, the pumps at pumping stations will be increased to strengthen their drainage capacity. The above facilities will be reinforced not only to be water-resistant but also earthquake-resistant. Taking into account that sea levels on islands will rise over the years, the state of each coast will be

checked and countermeasures prioritized. In addition to raising seawalls, measures such as the installation of offshore breakwaters and beach nourishment will be implemented in combination with other measures depending on the coastal usage environment.

Identifying and managing the risks of maladaptation：Based on the recognition that it is necessary to consider and implement adaptation measures across a wide range of fields, Tokyo will widely collect and analyze information on meteorological data and the impacts of adaptation measures, and will work with each bureau to promote the "Tokyo Climate Change Adaptation Plan." Regarding coastal conservation in port areas, measures will be implemented taking into account the uncertainty of the impacts of climate change, based on the "Tokyo Bay Coastal Conservation Master Plan [Tokyo Section]" and the "Izu-Ogasawara Islands Coastal Conservation Master Plan."

DNSH against mitigation to climate change：The developed projects are not expected to emit large amounts of CO2 during operation, and TMG has made efforts to save energy during construction to minimize the burden on the environment.

＜Environmental benefit and relationship with SDGs goal＞

- The TMG revised the “Tokyo Bay Coastal Protection Master Plan [for the Tokyo Metropolis section]” In March 2023, and the “Izu-Ogasawara Islands Coastal and Estuarine Conservation Basic Plan” in March 2025 in line with the national policy for dealing with the effects of climate change.

- In consideration of storm surges caused by typhoons comparable to the Isewan typhoon, as well as a sea level rise when assuming a 2 degree rise in future temperatures due to climate change, seawalls will be raised in stages. In addition, assuming a 1.1-fold increase in rainfall due to climate change, drainage pump stations will be expanded to prevent flooding of canals when sluice gates are closed.

- The coasts of the Izu and Ogasawara Islands are affected by waves due to their location facing the open ocean, proximity to typhoon passage courses, and strong winter monsoons, etc. The coast is divided into zones characterized by “protection,” “environment,” and “use,” and medium- to long-term coastal development is carried out in consideration of the characteristics of each area.

- The table below shows contributions of the eligible project to SDGs in accordance with ICMA's table of mapping between project categories and SDGs. The correspondence between the allocated projects and the SDGs is as follows: It is believed that the projects will contribute to priority issue 4, "Development of a sustainable and resilient nation and high-quality infrastructure," outlined in the "SDGs Action Plan 2023" aimed at achieving the Japanese government's SDGs.

SDGs goal	
	11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the *Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels

	13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries

No.3 Reinforcing river facilities to strengthen water and seismic resilience

＜Eligibility for climate resilience investments＞

■ Application of the criteria

Adapting measures	Criteria
Development of river facilities to prevent storm surge damage	Water Infrastructure Criteria(v3.2, CBI)

Substantial contribution to resilience against climate change：The project for improvement are river facilities in the eastern lowlands where the ground level is lower than the high tide level and where flooding might occur, but which do not have sufficient earthquake resistance for now and would suffer major flood damage if damaged. The eastern lowlands are a zero-meter zone below sea level at high tide, and until around the 1950s, they frequently experienced major flooding. However, with the development of levees, floodgates, drainage pumping stations, and other facilities, no major floods have occurred in recent years. However, if these facilities are damaged by an earthquake, the fragile terrain remains at risk of widespread flooding. On the other hand, it is expected that the frequency of flooding will increase due to rising mean sea levels and stronger typhoons caused by climate change. Areas lower than the high tides caused by typhoons and other events account for approximately 40% of the total area of Tokyo's special wards, and 20% are at zero meters above sea level, with approximately 1.5 million people living in these areas.

Earthquake and water resistance measures are being implemented in stages, starting with the sections of low ground where levee and revetments are located, and for floodgates and drainage pumping stations, measures are being implemented starting with the highest priority facilities, taking into consideration the possibility of damage from an earthquake and the impact if they lose their function due to damage. Regarding levees, in addition to reinforcing concrete levees, ground improvements are made to prevent earthen embankments from sinking. At the floodgates, electrical and mechanical equipment will be installed higher than the planned high tide level in anticipation of flooding due to high tides. At the drainage pumping station, renovations will be carried out to prevent water from entering through openings. Through this project, we will prepare for the largest typhoons and earthquakes, and protect the lives and property of Tokyo residents from flooding.

Identifying and managing the risks of maladaptation：Based on the recognition that it is necessary to consider and implement adaptation measures across a variety of fields, Tokyo will widely collect and analyze information such as meteorological data and the impact of adaptation measures, and will work with each bureau to promote the Tokyo Climate Change Adaptation Plan. With regard to rivers, the "River Facilities in Consideration of Climate Change" was formulated in December 2023. In addition to the "River Improvement Plan" that takes into account the impact on the water use of the entire river and water-related ecosystem services, TMG will implement measures that take into account the uncertainty of the impact of climate change.

DNSH against mitigation to climate change：The developed projects are not expected to emit large amounts of CO2 during operation, and TMG has made efforts to save energy during construction to minimize the burden on the environment.

<Environmental benefit and relationship with SDGs goal>

- Large rivers such as the Sumida River, Arakawa River, and Nakagawa River, along with their tributaries and offshoots, crisscross the lowlands known as Tokyo's eastern lowlands.
- In order to protect these areas from storm surges of the same magnitude (930 hPa) as those caused by the Ise Bay Typhoon, taking climate change into consideration, various projects are being implemented on rivers including the construction of seismic and flood-resistant river facilities such as sluice gates and drainage pumping stations.
- The table below shows contributions of the eligible project to SDGs in accordance with ICMA's table of mapping between project categories and SDGs. The correspondence between the allocated projects and the SDGs is as follows: It is believed that the projects will contribute to priority issue 4, "Development of a sustainable and resilient nation and high-quality infrastructure," outlined in the "SDGs Action Plan 2023" aimed at achieving the Japanese government's SDGs.

SDGs Goal	
	111.7　By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities 11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the *Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels
	13.1　Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2　Integrate climate change measures into national policies, strategies and planning

No.4 Undergrounding utility poles to prevent collapse in the event of disaster

＜Eligibility for climate resilience investments＞

■ Application of the criteria

Adapting measure	Criteria
Removing utility poles in Tokyo (excluding islands)	Electrical Grids and Storage Criteria(March 2022, CBI)
Removing utility poles in island areas	Criteria for certification against the CBRT(August 2025, CBI)

Substantial contribution to resilience against climate change：There are concerns that typhoons will become increasingly larger due to the effects of climate change. There are approximately 52,200, utility poles in Tokyo, and when a large typhoon knocks them down or cuts the power lines, roads are blocked. This could result in significant disruptions to the movement of residents, emergency response efforts in

the event of a disaster, and the transportation of emergency supplies. Measures are being implemented to promote the removal of utility poles, which involves storing the power lines strung across roads underground, thereby preventing the collapse of utility poles due to typhoons and strengthening disaster prevention functions. The project (excluding islands) meets the eligibility requirement of the Grids Criteria as more than 67% of newly connected generation capacity is below the threshold of 100g CO2e/kWh. The project in island areas meets the requirements of the Criteria for Certification under the CBRT.

While laying power lines underground can prevent damage from strong winds from typhoons and other weather disasters, it also increases the possibility of damage from prolonged flooding and the time required to repair damage. Tokyo is implementing measures in line with the Tokyo Resilience Project as an initiative for all areas at high risk of wind and flood damage.

Identifying and managing the risks of maladaptation：Based on the recognition that it is necessary to consider and implement adaptation measures across a variety of fields in a cross-sectional manner, Tokyo will widely collect and analyze information on meteorological data and the impact of adaptation measures, and will work with each bureau to promote the "Tokyo Climate Change Adaptation Plan." Changing the power transmission and distribution grid from overhead lines to underground lines has disadvantages, such as the time required to restore functionality in the event of damage and reduced flexibility in the design and construction of urban infrastructure other than the power transmission and distribution grid. Taking these disadvantages into consideration, plans are made for the design and implementation of grid-off grids that take into account the urban functions and geographical conditions of each region. The prerequisites for the plan are clarified, and a system is in place to review assumptions and responses through weather data monitoring, etc.

DNSH against mitigation to climate change：Decarbonizing the power supply to the industrial, commercial, and transportation sectors is a major challenge nationwide, including in Tokyo, and the development of carbon-free power sources is underway in various places. On the four islands of Honshu, there is a system of mutual cooperation between electricity transmission and distribution companies, and the proportion of new connections to carbon-free power sources is increasing overall. Promoting the removal of utility poles does not hinder efforts to mitigate climate change. Even in islands not connected to the four main islands of Honshu by power lines, Tokyo is promoting decarbonization based on the "Zero Emission Tokyo Strategy." The city is promoting efforts to become a zero-carbon island to avoid carbon lock-in from fossil fuel-based power generation. It is also working to conserve energy during construction work to minimize the burden on the environment.

＜Environmental benefit and relationship with SDGs goal＞

- In Tokyo, many utility poles were erected after the war to meet the rapidly increasing demand for electricity and communications. As a result, in natural disasters such as large-scale earthquakes and typhoons, fallen utility poles can block roads and cause power outages and communications disruptions, hindering evacuation and emergency response efforts, and causing power outages and communications disruptions. This calls for the elimination of utility poles to strengthen disaster prevention functions.

- Specific measures include placing electric wires underground by building utility trenches, etc. In addition to major roads such as Kanpachi Dori, priority will be given to emergency transport roads in

the Tokyo port area, such as Oi and Aomi, which will contribute particularly to strengthening disaster prevention capabilities.

・ Table below shows contributions of the eligible projects to SDGs in accordance with ICMA's table of mapping between project categories and SDGs. The correspondence between the allocated projects and the SDGs is as follows: It is believed that the projects will contribute to priority issue 4, "Development of a sustainable and resilient nation and high-quality infrastructure," outlined in the "SDGs Action Plan 2023" aimed at achieving the Japanese government's SDGs.

SDGs Goal	
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning

No.5 Developing and upgrading sediment disaster prevention and coastal protection facilities

＜Eligibility for climate resilience investments＞

■ Application of the criteria

Adapting measure	Criteria
Development of landslide prevention facilities and coastal protection facilities to prevent and mitigate damage from landslides caused by climate change	Criteria for certification against the CBRT(August 2025, CBI)

Substantial contribution to resilience against climate change：The targets of the development are mainly the mountains and hills in the Tama area of Tokyo and general coastlines (excluding ports and fishing ports) on islands. This project meets the requirements of the Criteria for Certification under the CBRT.

In the Tama region, residential development is progressing around mountain streams and on the slopes of hills. Due to the effects of climate change, the number of heavy rainfalls exceeding 50 mm per hour in Tokyo has been increasing in recent years, increasing the risk of homes being hit by landslides As of the end of October 2020, 1,987 mountain streams in Tokyo are at risk of debris flow, 30 are at risk of landslides, and 13,461 are at risk of steep slope collapse. To protect human life and property in these vulnerable locations, facilities such as sabo dams and mountain stream conservation works will be constructed to prevent debris flow disasters. In addition, facilities to stabilize slopes, such as retaining walls, drainage facilities, and crib works, will be constructed to prevent landslides. As of the end of October 2020, 1,987 mountain streams in Tokyo are at risk of debris flow, 30 are at risk of landslides, and

13,461 are at risk of steep slope collapse. To protect human life and property in these vulnerable locations, facilities such as sabo dams and mountain stream conservation works will be constructed to prevent debris flow disasters. In addition, facilities to stabilize slopes, such as retaining walls, drainage facilities, and crib works, will be constructed to prevent landslides.

The coasts of the Izu Islands are facing the open ocean, are close to the typhoon route, and are subject to strong winter monsoons, which causes waves to surge and cause erosion. The topography of these islands is steep, and residents live on the small amount of flat land facing the coast, exposing them to the dangers of high tides, waves, and erosion. Changes in meteorological and oceanographic conditions and a long-term rise in average sea level due to climate change will increase the risk of ground collapse due to coastal erosion, and the intrusion of high tides and waves. Climate change scenarios are based on an average temperature rise of 2°C. Under this scenario, analysis of large-scale typhoon data is being conducted in island areas to estimate sea level rise, high tide deviation, and changes in wave behavior. Taking into account local conditions, measures such as raising seawalls and constructing offshore breakwaters will be implemented.

Identifying and managing the risks of maladaptation：Based on the recognition that it is necessary to consider and implement adaptation measures across a wide range of fields, Tokyo will widely collect and analyze information such as meteorological data and the impact of adaptation measures, and will work with each bureau to promote the "Tokyo Climate Change Adaptation Plan." Regarding the conservation of general coastlines in island areas, measures will be implemented taking into account the uncertainty of the impact of climate change, based on the "Izu-Ogasawara Islands Coastal Conservation Basic Plan."

DNSH against mitigation to climate change：The developed disaster prevention facility are not expected to emit large amounts of CO2 during operation, and TMG has made efforts to save energy during construction to minimize the burden on the environment.

＜Environmental benefit and relationship with SDGs goal＞

- In terms of countermeasures against sediment disasters, the TMG has systematically developed erosion control facilities, taking into consideration the location of disaster, as well as the importance of the conservation target (evacuation centers, facilities for people requiring special care, etc.) and the risk of disaster occurrence (whether in a landslide disaster warning area or a special warning area). Besides erosion control projects (to prevent mudslides), hard measures include landslide control projects, and steep slope collapse control projects (to prevent landslides).

- To mitigate the sediment deposition and sediment discharge that can cause disasters in designated erosion control areas where mudslides may occur, erosion control measures include construction of erosion control weirs and stream protection works, while imposing restrictions on land excavation, embankment, and cutting of trees.

- Landslide control projects focus on areas with particularly high risk or important conservation facilities designated as landslide control zones, and landslide control facilities such as deterrent piles and water catchment facilities are constructed.

- In TMG, steep slopes (cliffs) are distributed in the forests of the Nishitama region and along the Musashino Plateau terrace, and there are areas throughout the TMG that are vulnerable to damage from the collapse of steep slopes. To protect residents' lives from a collapse of steep slopes

(landslides) caused by typhoons and torrential rains, the TMG executes collapse prevention works and implements other measures to prevent slope collapses.

- To protect the national land and coastal environment from waves of typhoons and monsoons, areas with a high risk of wave damage and 26 coasts with significant coastal erosion (about 46 km in total) are designated as coastal protection areas, where coastal protection facilities such as seawalls and artificial reefs have been constructed.

- The table below shows contributions of the eligible project to SDGs in accordance with ICMA's table of mapping between project categories and SDGs. The correspondence between the allocated projects and the SDGs is as follows: It is believed that the projects will contribute to priority issue 4, "Development of a sustainable and resilient nation and high-quality infrastructure," outlined in the "SDGs Action Plan 2023" aimed at achieving the Japanese government's SDGs.

SDGs Goal	
	11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the *Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning

No.6 Renovating port facilities to protect remote islands vulnerable to natural disasters like typhoons and coastal hazards

＜Eligibility for climate resilience investments＞

■ Application of the criteria

Adapting measures	Criteria
Development of port facilities to prevent damage from storms and high tides caused by climate change	Criteria for certification against the CBRT(August 2025, CBI)

Substantial contribution to resilience against climate change：The objectives of the improvement work are to ensure the safety of ships, prevent flooding of public sheds, and prevent damage to wharf facilities. Toshima, where the project is scheduled to be carried out this fiscal year, is an isolated island with a population of around 300 people, part of the Izu Islands, which are scattered across the Pacific Ocean about 100 to 600 km from Tokyo. The island is one of the windiest areas in the country, and is prone to the effects of high waves, causing damage from typhoons. Ports are essential lifelines for the supply of goods and the movement of people on remote islands, and their vulnerability to meteorological disasters must be improved. To achieve this, breakwaters will be constructed to ensure calm within the port and improve waterways and anchorages to prevent damage from strong winds and waves from ships moored within the port or ships entering and leaving the port. Signs and radios will also be installed to

guide ships to safety. To prevent flooding of the shed, the site will be developed taking into consideration high tides and wind waves, and wavebreak doors will be installed at the entrances and exits. The project will also protect the machinery and terminals necessary for loading and unloading operations at the wharf from damage caused by wind and waves. It will also protect the islanders' lifeline from the strong winds and waves brought by increasingly large typhoons. This project meets the requirements of the Criteria for Certification under the CBRT

Identifying and managing the risks of maladaptation：Based on the recognition that it is necessary to consider and implement adaptation measures across a variety of fields, Tokyo will widely collect and analyze information such as meteorological data and the impact of adaptation measures, and will work with each bureau to promote the Tokyo Climate Change Adaptation Plan.

DNSH against mitigation to climate change：The developed facilities are not expected to emit large amounts of CO2 during operation, and TMG has made efforts to save energy during construction to minimize the burden on the environment.

＜Social benefit and relationship with SDGs＞

- Ports, harbors, and fishing ports in the remote islands of the Izu and Ogasawara island chains will be developed as shown below, to help improve residents' lives and promote industries in accordance with the Priority Plan for Social Infrastructure Development, among others, reflecting the actual local situations.

- For remote islands, ports and harbors are not only a base for transportation of people and goods but also a main entrance to the island that serves as key facilities directly affecting the economy, culture, medical care and other vital aspects for islanders as well as their industrial base. Therefore, Tokyo Metropolitan Govt. will increase the in-service rate of liners by developing mooring facilities, waterway infrastructure and protective harbor installations and enhancing the functions of existing facilities, and also increase the safety and efficiency of boarding and disembarkation and cargo handling.

- Port projects will directly benefit local residents and other people who use port facilities, improving convenience for users and contributing to reducing the burden on Tokyo residents by maintaining and extending the lifespan of necessary infrastructure. As described below, there are no particular negative aspects to the project. R&I has assessed that the project will produce positive outcomes for society as a whole.

- The table below shows contributions of the eligible project to SDGs in accordance with ICMA's table of mapping between project categories and SDGs. The correspondence between the allocated projects and the SDGs is as follows: It is believed that the projects will contribute to priority issue 4, "Development of a sustainable and resilient nation and high-quality infrastructure," outlined in the "SDGs Action Plan 2023" aimed at achieving the Japanese government's SDGs.

SDGs Goal	
	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

	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning

3. Process for Project Evaluation and Selection

Environmental and social objectives, criteria, a decision-making process for evaluation and selection, and a process for identifying, mitigating and managing environmental and social risks have been defined. A process is in place to select projects that give due consideration to the environment and society. The process for project evaluation and selection is appropriate in light of CBS as well as the ICMA principles.

(1) Decision-Making Process for Evaluation and Selection

・ Eligible projects for TOKYO Resilience Bond funding in a fiscal year are selected through an evaluation of their eligibility based on criteria covering environmental, social and governance aspects, which are listed in the table below, while also confirming the social issues they address. In addition, to mitigate environmental and social risks associated with project implementation, confirmation is made that the following measures have been taken.

- Compliance with environmental laws and regulations and implementation of environmental impact assessments where necessary.

- Provision of adequate explanations to local residents

- Eco-friendly procurement of materials, implementation of measures for environmentally hazardous substances, waste management and occupational safety considerations

■Criteria for the Evaluation & Selection of Eligible Projects

No.	Evaluation Aspects	Evaluation Items	Perspective
E-1	Environmental	Clarity of positive impact	The project's positive environmental outcomes are clear and/or can be quantitatively measured.
E-2	Environmental	Reduction of negative impact	Measures are in place to mitigate the negative impacts of the project.
S-1	Social	Clarity of positive impact	The project's positive social outcomes are clear and/or can be quantitatively measured.
S-2	Social	Reduction of negative impact	Measures are in place to mitigate the negative impacts of the project.
G-1	Governance	Policy & regulatory compliance	The project's plan complies with laws and guidelines such as Tokyo 2050 strategy and Japan's Local Government Finance Act.

G-2	Governance	Feasibility /urgency	Special note is made of the feasibility and urgency of the project.
G-3	Governance	Effect sustainability	The positive environmental/social outcomes of the project will be sustainable.

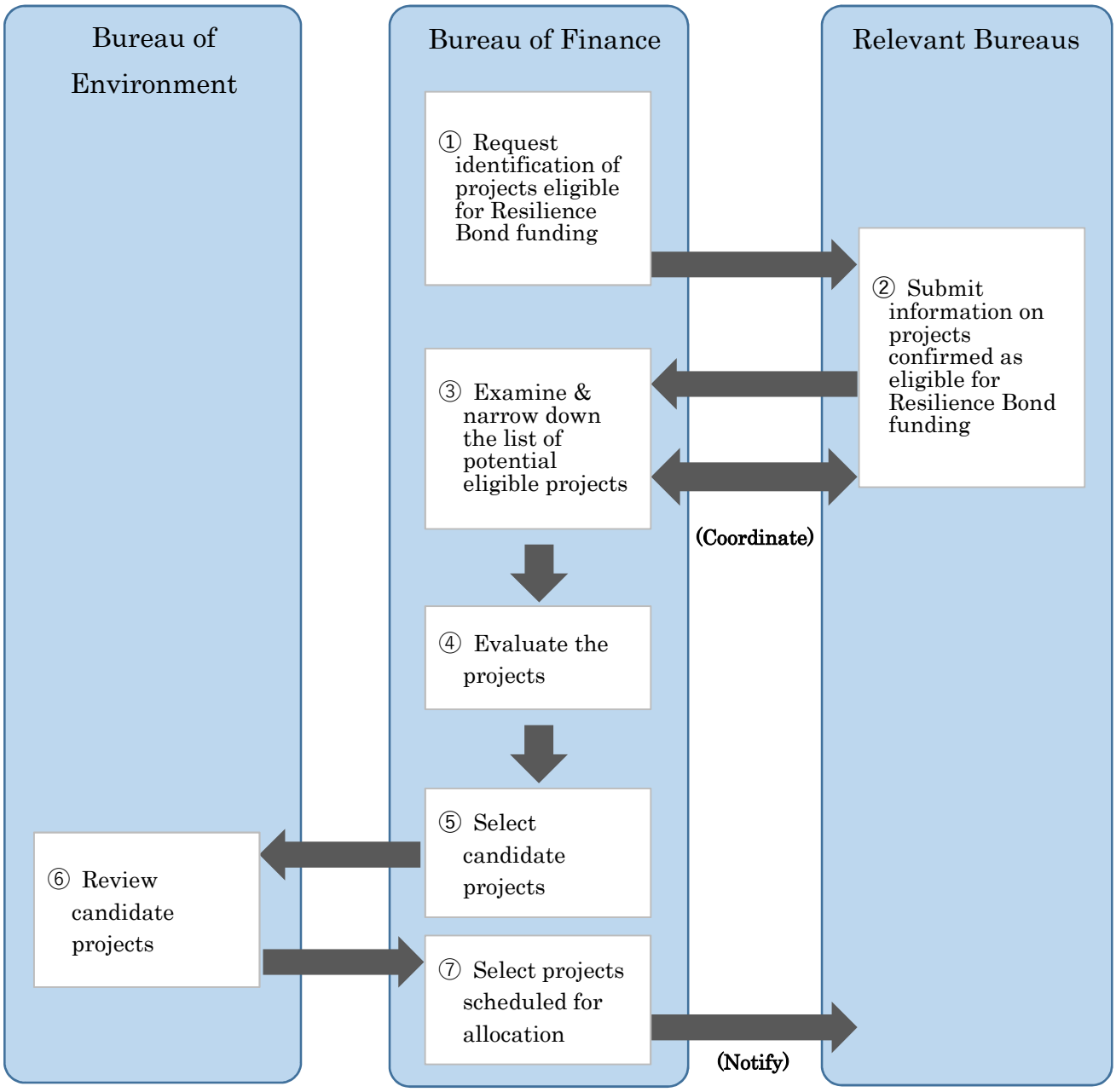
(2) Process for Identifying, Mitigating and Managing Environmental and Social Risks

- For green projects, the evaluation process confirms a project's alignment with the promotion of climate change adaptation set out in the Tokyo Environmental Master Plan (September 2022) . Priority is especially given to E-1 and E-2(environmental aspects) as listed in the table above.
- For social projects, the evaluation process confirms the social issues arising from climate change that the project addresses, and priority is especially given to S-1 and S-2 (social aspects) as listed in the table above.
- In all cases, the evaluation also considers whether the project targets individuals in need of support due to the impacts of climate change, and whether the project is expected to yield clear benefits (generating new benefits or maintaining existing benefits) whose effects can be quantitatively measured.

(3) Evaluation and Selection Procedures and Division of Roles

- The Bureau of Finance requests the relevant bureaus to identify projects that could be eligible for TOKYO Resilience Bond funding.
- The relevant bureaus confirm projects that meet the requirements of TOKYO Resilience Bond funding and submit information on these potential projects to the Bureau of Finance.
- The Bureau of Finance examines the content of the projects and narrows down the list of potential eligible projects.
- The Bureau of Finance evaluates each of the projects. In the evaluation, based on information submitted on a project, it is confirmed that the project addresses an environmental or social issue and evaluations are conducted using criteria such as eligibility from the environmental, social and governance aspects. The Bureau also confirms the measures to mitigate environmental and social risks associated with the implementation.
- The Bureau of Finance selects candidate projects.
- The Bureau of Environment reviews candidate projects from an environmental standpoint.
- The Bureau of Finance selects the projects to be allocated funds (and notifies the relevant bureaus of their decision).

Evaluation and Selection Flow for Eligible Projects



[Source: TOKYO Resilience Bonds Framework]

(4) Monitoring

- In cooperation with the bureaus and other parties, confirmation that the projects are properly implemented will be made at least once during the following fiscal year. Should any problems arise, the situation will be discussed with the relevant bureau and action will be taken promptly to improve the situation.

4. Management of Proceeds

The method of tracking proceeds for their allocation to projects of TOKYO resilience bond and the method of managing unallocated proceeds have been identified. The management is appropriate in light of CBS as well as the ICMA principles.

- Local governments must cover the expenditures of each fiscal year with revenues of the same fiscal year. Therefore, in principle, all proceeds of the TOKYO Resilience Bonds are allocated to eligible projects within the same fiscal year. Prior to the bond issuance, the Bureau of Finance will determine the projects intended for allocation and the respective allocation amounts they will be allocated shall be determined after confirmation of their implementation status, etc. by the Bureau of Finance with the bureau responsible for the project, and will be disclosed before the issuance of the bonds.
- The Bureau of Finance manages the progress of the projects so that the situation of TOKYO Resilience Bonds fund allocation can be tracked when necessary. In the following fiscal year、the Bureau confirms that all proceeds have been allocated to the projects, and discloses this information based on the methods of “Reporting.”
- After the TOKYO Resilience Bonds are issued, the proceeds will be managed by classifying them into accounting categories based on the TMG’s budget rules to clarify their use. Until the proceeds are allocated, they will be managed under the TMG Public Money Management Policy. Moreover, at the end of each fiscal year, for all revenue and expenditures, including those related to projects funded by the TOKYO Resilience Bonds, settlement-related documents will be prepared and submitted to the Tokyo Metropolitan Audit and Inspection Commissioners for their inspection. The documents will be submitted together with the comments of the commissioners’ opinion, will be submitted to the Tokyo Metropolitan Assembly for certification. Consequently, R&I considers that the proceeds will be managed appropriately.

5. Reporting

The timing, method and items of disclosure (reporting) have been specified. The environmental benefit indicators for green projects and the social benefit indicators for social projects are consistent with the environmental and social objectives. The reporting is appropriate in light of CBS as well as the ICMA principles.

(1) Overview of Disclosure

- By the end of the fiscal year following the year the Tokyo Resilience Bonds were issued, the outcomes of and other information regarding the projects to which the proceeds were allocated will be disclosed. Specifically, the information will be disclosed on the TMG website through the following procedures.

  - The Bureau of Finance confirms the expenditures status of projects scheduled for allocation with the relevant bureaus.

  - The Bureau of Finance finalizes the breakdown of the allocated proceeds of the Tokyo Resilience Bond.

  - The outcomes of the allocation are compiled and the impact report is prepared. These are disclosed on the TMG website.

  - If TOKYO Resilience Bond proceeds will be allocated to a single project over multiple fiscal years,

related information will also be disclosed.

Content	Timing
TOKYO Resilience Bonds Framework	At all time
Details of the decision on projects to be allocated proceeds - Project category - Project name - Expected impact - Amount or percentage to be allocated	Before issuance
Project allocation outcomes and impact report - Project category - Project name - Impact - Amount allocated	Fiscal year following issuance
Details of any significant events such as a change in a project scheduled for allocation	Upon occurrence of an event

(2) Environment and Social Benefit Indicators

No.	Project Category(TMG)	Eligible Project	Reporting Items
1	To prevent flooding caused by heavy rain, and storm surges, and other related hazards to the greatest extent possible	Upgrading small and medium-sized rivers to enhance flood resilience	Completion of river development(%), Storage capacity of regulating reservoirs (m^3)
2		Developing and upgrading coastal protection facilities for the Port of Tokyo and remote islands	Length completed (km), Number of structures developed
3		Reinforcing river facilities to strengthen water and seismic resilience	Length completed (km)
4	To prevent damage from strong winds and heavy rain caused by typhoons and other severe	Undergrounding utility poles to prevent collapse in the event of a disaster	Length completed (km), Number of airports upgraded, Number of ports upgraded

5	storms	Developing and upgrading sediment disaster prevention and coastal protection facilities	Number of structures developed/upgraded

No.	Category(TMG)	Eligible Projects	Reporting Items
6	To prevent damage from strong winds and heavy rain caused by typhoons and other severe storms	Renovating port facilities to protect remote islands vulnerable to typhoons and coastal hazards	Number of ports upgraded

[Disclaimer]

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[Expertise and Third-Party Characteristics]

R&I launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment. In 2022, R&I was designated as an external reviewer for transition finance in the global warming countermeasures promotion project of the Ministry of Economy, Trade and Industry.

The R&I assessment method and results are disclosed on the R&I website (at https://www.r-i.co.jp/en/rating/esg/index.html).

In December 2022, R&I expressed its support for the intent of and its endorsement of the "Code of Conduct for ESG Evaluation and Data Providers" (ESG Code of Conduct) published by the Financial Services Agency. Disclosures on R&I's compliance with the six Principles of the ESG Code of Conduct and the Guidelines for their implementation are available on the R&I website at https://www.r-i.co.jp/en/rating/products/esg/index.html (Disclosures on Compliance with the ESG Code of Conduct).

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