

Tokyo Social Bonds Framework

June 2025

Tokyo Metropolitan Government

Tokyo Social Bonds Framework

1. Issuance of the Tokyo Social Bonds

The Sustainable Development Goals (SDGs), which consist of 17 goals to achieve a sustainable world, were adopted at the United Nations Summit in September 2015. Expectations are held on initiatives taken by not only national governments but also local governments to reach these goals.

Against this backdrop, the Tokyo Metropolitan Government (hereinafter referred to as TMG) formulated the Tokyo 2050 Strategy. This lays out the visions for Tokyo in the 2050s, the strategies to be implemented up to 2035 to achieve those visions, and projects to carry out such strategies. The strategy declares TMG's commitment to contributing to global development and the achievement of international goals, with the aim of realizing a future "beyond the SDGs," where no one is left behind and sustainable growth can be achieved.

In order to greatly accelerate these efforts toward the SDGs, the TMG began issuing Tokyo Social Bonds in 2021, the first such endeavor by a local government in Japan. The TMG has strongly promoted measures backed by the support provided by companies and investors through their investments, while also working to stimulate the sustainable finance market by accelerating the trend of utilizing market funds to find solutions to domestic societal challenges. Going forward, the TMG will continue to issue the Tokyo Social Bonds and, through such efforts, strive to realize Tokyo as the best city in the world—a city that balances maturity and ongoing growth, and where all individuals shine and feel a sense of wellbeing—and contribute to the achievement of the SDGs.

The Tokyo Social Bonds are compliant with the Social Bond Principles 2025 (hereinafter referred to as SBP) of the International Capital Market Association (hereinafter referred to as ICMA).

The purpose of issuing Tokyo Social Bonds

1. To strongly promote TMG's measures backed by the support provided by companies and investors through their investment in Tokyo Social Bonds.
2. To stimulate the sustainable finance market by accelerating the trend of utilizing market funds to find solutions to societal challenges.
3. To realize Tokyo as the best city in the world—a city that balances maturity and ongoing growth, and where all individuals shine and feel a sense of wellbeing—and, through these efforts, to contribute to the achievement of the SDGs.

2. About the Tokyo Social Bonds Framework

For issuance of the Tokyo Social Bonds, the TMG has established the Tokyo Social Bonds Framework as follows, which, in accordance with the ICMA's SBP, comprises components including Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting.

(1) Use of Proceeds

Proceeds from the issuance of the Tokyo Social Bonds are scheduled to be allocated to projects listed in the Appendix.

(2) Process for Project Evaluation and Selection

If stipulated in the Local Government Finance Act and other laws, a local government can issue municipal bonds as provided in the budget.¹ The budget must be approved by the local government's assembly before the start of a fiscal year.²

Not only are such procedures necessary to issue the Tokyo Social Bonds as TMG bonds, but the feasibility of the projects and the sustainability of their outcomes are also verified during the process of budgeting. The specific process is as follows.

(a) Evaluation and Selection Criteria

Projects to be allocated Tokyo Social 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.

Priority is especially given to S-1 and S-2 (social aspects). In this context, consideration is given to the fact that the project is for individuals in need of social support and can be expected to have clear social benefits (generating new benefits or maintaining existing benefits), and that such benefits can be assessed quantitatively.

In addition, in order to reduce environmental and social risks associated with the implementation of the project, confirmation is made that the following measures have been taken.

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

¹ Local Autonomy Act, Article 230

² Local Autonomy Act, Article 211

- 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

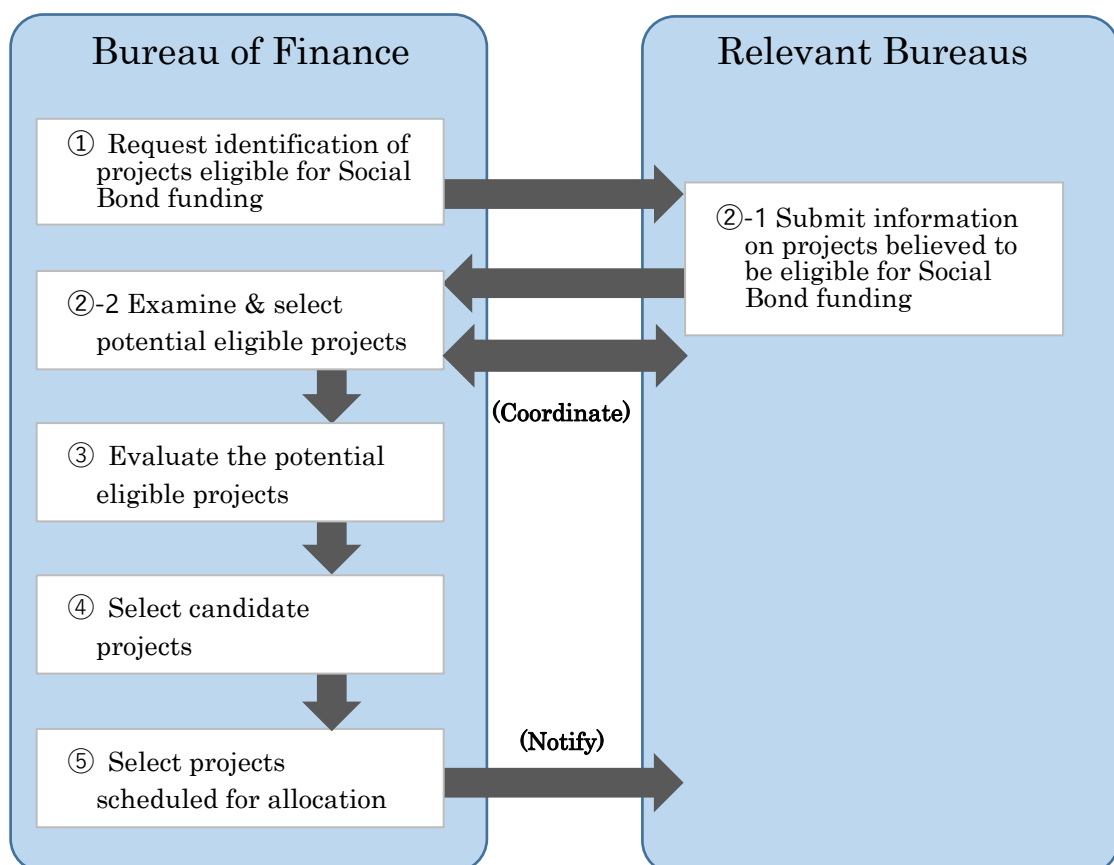
Criteria for the Evaluation & Selection of Eligible Projects

No.	Evaluation Aspect	Evaluation Item	Perspective
E-1	Environmental	Clarity of positive impact	The project's positive environmental outcomes can be measured quantitatively, or are clear.
E-2	Environmental	Reduction of negative impact	Initiatives are in place to reduce the negative impacts of the project.
S-1	Social	Clarity of positive impact	The project's positive social outcomes can be measured quantitatively, or are clear.
S-2	Social	Reduction of negative impact	Initiatives are in place to reduce the negative impacts of the project.
G-1	Governance	Policy & regulatory compliance	The project's plan complies with laws and guidelines such as the Future Tokyo strategy and Japan's Local Government Finance Act.
G-2	Governance	Feasibility /urgency	Special note is made of the feasible and urgent nature of the project.
G-3	Governance	Effect sustainability	The positive environmental/social outcomes of the project will be sustainable.

(b) Evaluation and Selection Procedures and Division of Roles

- ① The Bureau of Finance requests the relevant bureaus to identify projects that could be eligible for Tokyo Social Bond funding.
- ② The bureaus confirm projects believed to meet the requirements of Tokyo Social Bond funding and submit their information to the Bureau of Finance.
- ③ 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 a social issue and evaluations are conducted using criteria such as eligibility from the environmental, social and governance aspects. The measures to reduce environmental and social risks associated with the implementation of the project are confirmed.
- ④ The Bureau of Finance selects candidate projects.
- ⑤ The Bureau of Finance selects the projects to be allocated funds. (Notifies the bureaus of their decision)

Evaluation and Selection Procedure for Projects to Be Allocated Funds



(c) Monitoring

In cooperation with the bureaus and other parties, confirmation that the projects are properly implemented will be made at least once in the following fiscal year. In the event that a problem arises, the situation will be discussed with the relevant bureau and action will be taken promptly to improve the situation.

(3) Management of Proceeds

Local governments must be able to correlate expenditures in each fiscal year to their annual revenue.³ Therefore, in principle, all proceeds of the Tokyo Social Bonds are apportioned within that fiscal year to projects scheduled for allocation. Information on the planned allocated projects and the amount they will be allocated shall be determined after confirmation of relevant matters, including their implementation status, by the Bureau of Finance with the bureau responsible for the project. This information 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 Social Bonds fund allocation can be tracked when necessary, confirms in the following fiscal year that all proceeds have been allocated to the projects, and discloses this information based on the methods of “(4) Reporting.”

After the Tokyo Social 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 Social Bonds, settlement-related documents will be created and submitted to the Tokyo Metropolitan Audit and Inspection Commissioners for inspection. The documents will be submitted together with the comments of the commissioners to the Tokyo Metropolitan Assembly for certification.⁴

³ Local Autonomy Act, Article 208

⁴ Local Autonomy Act, Article 233

(4) Reporting

By the end of the fiscal year following the year the Tokyo Social Bonds were issued, the outcomes of and other information concerning 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 contents of the disclosures are shown in the table below.

- (a) The Bureau of Finance confirms the expenditures situation of projects scheduled for allocation with the relevant bureaus.
- (b) The Bureau of Finance finalizes the breakdown of the allocated proceeds of the Tokyo Social Bonds.
- (c) The outcomes of the allocation are compiled and the impact report is prepared.
- (d) (c) is disclosed on the TMG website.
- (e) If Tokyo Social Bond proceeds will be allocated to a single project over multiple fiscal years, information pertaining to this must also be disclosed.

Contents of Information Disclosure on Tokyo Social Bonds

No.	Content	Timing
1	Tokyo Social Bonds Framework	At all times
2	Details of the decision on projects to be allocated proceeds <ul style="list-style-type: none"> • Project category • Project name (including refinanced projects) • Expected impact • Amount to be allocated (refinanced) <The following is also disclosed in the case of refinancing> <ul style="list-style-type: none"> • Age of asset • Remaining useful life of asset (Authorized remaining bond redemption years*) 	Before issuance
3	Outcomes of projects to which proceeds were allocated and impact report <ul style="list-style-type: none"> • Project category • Project name (including refinanced projects) • Impact • Amount allocated (refinanced) <The following is also disclosed in the case of refinancing> <ul style="list-style-type: none"> • Age of asset • Remaining useful life of asset (Authorized remaining bond redemption years*) 	Fiscal year following issuance

4	Details of any significant events such as a change in a project scheduled for allocation	Upon occurrence of an event
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* Authorized remaining bond redemption years is obtained by subtracting the age of the asset from the maximum years for bond redemption (within the years of useful life of the public or official facility which is planned to be built using the funds procured from this local government bond) submitted to and approved by the Ministry of Internal Affairs and Communications at the time of the issuance of the local government bond.

3 External review

(1) Pre-issuance External Review (Second Party Opinion)










The TMG has obtained a second party opinion (hereinafter referred to as SPO) from Rating and Investment Information, Inc. regarding the alignment with the ICMA's SBP. The SPO is available on the TMG website.












(2) Post-issuance External Review













In the fiscal year following the issuance, the TMG will select an organization that can conduct an external review, and upon sharing information, such as the contents in "2 (4) Reporting," will be subject to a review and will disclose the results.













Appendix

















Projects scheduled to be allocated proceeds from the Tokyo Social Bonds

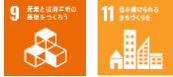
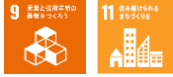

No.	Project category	Project	Issue addressed	Target Population	Measurement of effectiveness	SDGs Mapping
1	Disaster countermeasures for facilities and infrastructure	Development of facilities for parks designated as emergency evacuation sites	Securing sites for evacuation, and rescue and relief activities in the event of a disaster	Local residents and others who use parks	Number of upgraded parks	 
2		Construction of waste disposal sites in the Port of Tokyo (Shinkaimen Landfill Site, Outer Central Breakwater Reclamation Area)	Constructing waste landfill sites that are difficult to secure in the crowded area of inland Tokyo	Tokyo residents	Area of constructed landfill sites	 
3		Subsidizing the costs of promoting safety measures (earthquake resistance of private schools)	Securing the safety of the students in the event of a disaster	Young children, pupils and students	Number of buildings subsidized	  
4		Installation and reinforcement of emergency backup power generation systems in water supply and other facilities	Securing stable water supply in emergency such as a large-scale power failure	Local residents	Percentage of water supply that can be secured at the time of a large-scale power failure	
5		Duplication and renewal of raw water transmission facilities	Securing stable water supply in the event of a disaster or accident, Renewing old raw water transmission facilities	Local residents	Percentage of duplicated raw water transmission facilities	

No.	Project category	Project	Issue addressed	Target Population	Measurement of effectiveness	SDGs Mapping
6	Disaster countermeasures for facilities and infrastructure	Earthquake countermeasures for water reclamation centers and pumping facilities	Securing sewer system functions in the event of a large earthquake directly striking Tokyo, etc.	Tokyo residents and sewerage users	Number of facilities that have installed emergency backup power generation systems to ensure stable operations even in the event of a power failure	
7	Measures for aging public facilities and infrastructure	Life extension of bridges	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents and others who use metropolitan roads	Cumulative number of life-extension projects begun	 
8		Life extension of port facilities	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents and others who use port and harbor facilities	Cumulative number of life-extension projects begun	 
9		Port renovation	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents and others who use port and harbor facilities	Number of ports upgraded	 
10		Fishing port renovation	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents and others who use fishing port facilities	Number of fishing ports upgraded	 
11		Airport redevelopment	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Local residents and others who use airport facilities	Number of airports upgraded	 

No.	Project category	Project	Issue addressed	Target Population	Measurement of effectiveness	SDGs Mapping
12	Measures for aging public facilities and infrastructure	Renovation of Tokyo metropolitan libraries	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Facility users including Tokyo residents	Number of facility users	
13		Renovation of cultural facilities	Maintaining and managing sustainable infrastructure and securing the safety and security of users	Tokyo residents and facility users	Number of visitors to museums, Utilization rates of halls	 
14		Upgrade of police facilities	Maintaining and managing sustainable infrastructure and securing the safety and security of residents	Local residents	Number of upgraded facilities	 
15		Upgrade of fire stations	Maintaining and managing sustainable infrastructure and securing the safety and security of residents	Local residents	Number of upgraded facilities	 
16		Improvement of the Tokyo islands' internet environment	Securing a stable internet environment in the Tokyo islands	Local residents (island inhabitants)	Number of upgraded islands	 
17		Construction and renovation of medical and related facilities	Establishing a public health system that provides every Tokyo resident with a sense of security	Local residents	Number of constructed or upgraded facilities	
18		New establishment, expansion and renewal of water supply stations	Securing a stable water supply by resolving uneven distribution of service reservoir capacity of water supply stations	Local residents	Stable water supply securement rate	 

No.	Project category	Project	Issue addressed	Target Population	Measurement of effectiveness	SDGs Mapping
19	Promotion of industry and employment continuity and generation	Facility renovation of the Vocational Skills Development Center and related institutions (reconstruction work on Jonan Vocational Skills Development Center Ota School)	Providing employment and job placement support to Tokyo residents	Individuals in need of employment or job placement support	Number of facility users	 
20	Building an educational environment to fully draw out the individuality and potentials of each student	Construction and renovation of Tokyo metropolitan schools	Achieving education that leaves no one behind and allows all children to hold hopes for the future and to take the initiative to grow	Pupils and students	School capacity	   
21		Construction and renovation of schools for special needs education	Supporting proactive efforts toward the independence and social participation of young children, students with disabilities	Young children, pupils and students with disabilities	School capacity	    
22	Infrastructure development for long-term care services	Provision of subsidies to develop geriatric health services facilities	Helping senior citizens requiring long-term care to resume life at home and providing them with rehabilitation care, etc.	The elderly in need of nursing care	Number of facilities subsidized	 
23		Provision of subsidies to develop special nursing homes for the elderly	Providing services such as personal care and rehabilitation care to senior citizens who have difficulty living at home	The elderly in need of nursing care	Number of facilities subsidized	 

No.	Project category	Project	Issue addressed	Target Population	Measurement of effectiveness	SDGs Mapping
24	Development of child welfare facilities, etc.	Construction and renovation of facilities for individuals (children) with intellectual disabilities	Supporting severe and medical care dependent intellectually disabled individuals (children) with challenging behavior	Mainly individuals with intellectual disabilities	Facility capacity	   
25		Provision of subsidies to develop facilities for individuals (children) with disabilities	Providing support for securing necessary services and promoting the development of infrastructure for realization of a society where individual (children) with disabilities can live in their communities with peace of mind	Individuals (children) with disabilities	Facility capacity, Number of facilities subsidized	   
26		Construction and renovation of child welfare facilities	Addressing the needs of children requiring support for transitioning to independent living	Children requiring support for transitioning to independent living	Facility capacity	   
27	Strengthening the housing safety net	Construction of public housing	Reconstructing aging public housing for low income residents who are unable to secure adequate housing on their own	Low-income earners who are truly in need of housing	Number of reconstructed units	 
28		Repairment of housing	Repairs to address issues such as aging public housing for low income residents who are unable to secure adequate housing on their own	Low-income earners who are truly in need of housing	Number of units with exterior wall repaired	 

No.	Project category	Project	Issue addressed	Target Population	Measurement of effectiveness	SDGs Mapping
29	Universal design for accessible public facilities	Make sidewalks barrier-free	Securing an environment where everyone can move about safely and smoothly	Everyone including the elderly and disabled	Length completed	
30		Increase barrier-free routes	Building an environment where everyone can move about safely and comfortably	The elderly, disabled and other individuals using stations	Number of elevators installed	
31		Introduction of people-friendly Toei subway cars	Introducing subway cars that everyone can feel safe and comfortable using	Toei subway users	Daily average number of passengers, Number of train formations introduced	
32	Enhance the healthcare provision system	Loans to the Tokyo Metropolitan Hospital Organization	Providing high quality healthcare, such as provision of government-led healthcare services and enhancement of local healthcare, amid the aging population and changing healthcare environment	Tokyo residents (people using medical institutions)	Number of outpatients and inpatients	