



Annex 4

Examples of Indicators for Social Benefits of Social Projects

1. Purpose of Developing this Annex

Social Bond Guidelines¹ (hereinafter the "Guidelines") states the following:

- (i) Eligible Social Projects to which the proceeds of Social Bonds will be allocated should have clear social benefits on a specific social issue (Chapter 3, A. 1. (ii) of the Guidelines).
- (ii) Issuers should disclose information regarding the expected social benefits of Projects by using appropriate indicators (Chapter 3, A. 4. (vii) of the Guidelines).

This Annex illustrates the process leading to impact and the indicators, etc. used to show social benefits for each specific social project example as a reference for appropriate disclosure of social benefits by issuers and in order to help market participants, including issuers, understand and consider social benefits.² Note that this Annex shall be referred to in conjunction with the Guidelines as Annex 4 to the Guidelines.³

2. Structure and Basic Concepts of this Annex

This Annex illustrates items (1) to (3) below respectively for each social project example:

(1) Expected Social Issues in Japan

This item indicates the content of the social issues that the project intends to address.

(2) Examples of Processes Leading to Impact and Indicators, etc.

In response to the social issues mentioned in (1) above, this item shows how the social benefits of the project are expected to reach their impacts in the form of a logic model that represents

¹ The Guidelines were developed by the Financial Services Agency of Japan in October 2021.

(<https://www.fsa.go.jp/en/news/2021/20211026-2en.html>)

² This Annex highlights as many Social Issues exemplified in Annex 2 "Examples of Social Projects (Use of Proceeds)" of the Guidelines as possible and provides one or two examples of Social Projects from the examples of Social Projects (Use of Proceeds) listed in the Annex for each of these Social Issues. Moreover, this Annex adds examples of Social Projects based on discussions held at the meetings of "Sub-Working Group of Relevant Ministries and Agencies on Impact Indicators, etc. for Social Projects" (hereinafter the "Sub-Working Group"; List of Members of the Sub-Working Group is on page 4) established on December 14, 2021. Of course, Social Projects and the Social Issues they address that are not listed in this Annex are no less important.

In addition, this Annex neither guarantees the eligibility of each project and that the projects will necessarily produce the social benefits, etc. shown in the examples nor covers all of the social benefits, etc. that projects are expected to bring.

³ This Annex was developed by the Financial Services Agency of Japan on the basis of discussions held at the meetings of the Sub-Working Group and the 5th meeting of "Working Group on Social Bonds" held on May 23, 2022, and public comments accepted from May 30, 2022 to June 29, 2022, etc. Note that the evaluation and disclosure of social benefits are currently under various discussions in Japan and overseas. This Annex plans to review and improve, etc. the examples going forward in response to these discussions, revision of ICMA Social Bond Principles and other related documents, etc. and changes in social issues, etc.



the links between indicators for each stage (output, outcome (including the target populations) and impact) along with the indicators used to show the social benefits at each stage and the methods used to calculate them in accordance with the concepts⁴ in Chapter 3, A. 4. (x) of the Guidelines.⁵

The Guidelines do not require issuers to disclose social benefits in the form of such a logic model; however, it may also be useful to use the form of a logic model in order to verify whether the project's social benefits and indicators are appropriate in light of the social issues to be addressed in considering the actual project and to explain the process leading to impact, etc. in an easy-to-understand manner for disclosure.

Furthermore, this (2) includes "social objectives" and "environmental and social risks that may have incidental negative effects on the environment and society"⁶ for reference in the evaluation and selection of projects of issuers.

(3) Overview of Social Projects

The outline of the project is arranged in accordance with the concept of the Guidelines.

Note that this Annex contains Social Impact Bonds (SIBs), one type of Pay For Success (PFS), and examples of outcome indicators (promotion of recidivism prevention) as reference. PFS and SIBs are methods in which the national government or local public entities, etc. entrust, etc. the business to the private sector and are different from social bonds. However, it is believed that they could serve as reference in the consideration of indicators, etc. showing the social benefits of social projects since outcome indicators will be set according to the social issues to be solved.

⁴ The Guidelines provide that "When disclosing the expected social benefits of Projects of Social Bonds, issuers may show the process through which Social Projects are expected to generate social benefits, using appropriate indicators. Specifically, specific goods and services that result from social projects are called "Outputs," benefits and changes (achievements) brought to target population(s), etc. as a result of the outputs are called "Outcomes," and the ultimate social impacts (objectives) to be achieved by realizing the outcomes are called "Impacts." In this way, issuers may show the process of Social Projects leading to impact in stages".

⁵ The indicators and logic models illustrated in this Annex are provided as an example in accordance with examples, etc. of domestic and overseas issuance of social bonds and sustainability bonds and the discussions at the Sub-Working Group. In preparing these indicators and logic models, the Financial Services Agency of Japan referred as well to examples, etc. of social project investment using the GIIN (Global Impact Investing Network, an international impact investment initiative) impact investment indicators catalog IRIS+ and project reporting using IMP, an international initiative on social impact management.

⁶ In the Guidelines, issuers are not required to constantly disclose environmental and social risks: however, examples of such risks are included in the examples of social projects discussed in this Annex since it is important to identify and manage environmental and social risks for each project in project evaluation and selection in line with Chapter 3, A. 2. (xi) of the Guidelines. The environmental and social risks illustrated in this Annex are provided only as examples based on social bonds and sustainability bonds issued in Japan and overseas. Even if environmental and social risks are not listed in the examples of social projects in this Annex, of course, this neither means that there will be no environmental or social risks when similar projects are actually implemented nor indicates that such risks are lower than the example of the project that illustrates such risks. Issuers shall consider, etc. methods to identify and manage such risks on the basis of the status of individual social projects, etc.



List of Members of the Sub-Working Group of Relevant Ministries and Agencies on Impact Indicators for Social Projects

- Director, Planning and Coordination Division, Minister's Secretariat, Cabinet Office
 - Director, Consumer Policy Division, Consumer Affairs Agency
 - Director, Planning Division, Minister's Secretariat, Ministry of Internal Affairs and Communications
 - Counsellor, Minister's Secretariat, Ministry of Justice
 - Director, Global Issues Division, International Cooperation Bureau, Ministry of Foreign Affairs
 - Director, General Policy Division, Minister's Secretariat, Ministry of Finance
 - Director, Policy Division, Minister's Secretariat, Ministry of Education, Culture, Sports, Science and Technology
 - Director-General for Policy Planning and Evaluation, Ministry of Health, Labour and Welfare
 - Director, New Businesses and Food Industry Department, New Businesses and Food Industry Policy Division, Ministry of Agriculture, Forestry and Fisheries
 - Director, Industrial Finance Division, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry
 - Director, Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
 - Director, Environmental Economy Division, Minister's Secretariat, Ministry of the Environment
- 【Secretaries】**
- Deputy Director-General of the Policy and Markets Bureau, Financial Services Agency
 - Deputy Director-General to Assistant Chief Cabinet Secretary, Cabinet Secretariat
- 【Deputy Secretaries】**
- Director, Financial Markets Division, Policy and Markets Bureau, Financial Services Agency
 - Counsellor to Assistant Chief Cabinet Secretary, Cabinet Secretariat



Examples of Indicators for Social Benefits of Social Projects

Examples of the indicators, etc. to show the social benefits at each stage are provided for each stage (output, outcome (including the target populations) and impact) for 17 specific social project examples regarding how the social benefits of the projects are expected to reach their impacts in the following pages. It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible indicators.

When referring to the examples given in this Annex and considering indicators, etc. related to social benefits in actual projects, the following points in addition to Chapter 3, A. 4. (vii) to (x) of the Guidelines, etc. should be noted.

【Points on setting of indicators, etc.】

- Even with similar social projects, appropriate methods for indicating social benefits (including methods for setting indicators related to social benefits) should be different depending on the social objectives and the situation of the project, etc. Therefore, issuers shall consider appropriate methods for each actual project.
- Indicators related to social benefits shall be measurable and assessable by issuers and capture clear social benefits expected as a result of the actual project.

【Points on calculation methods of indicators and assumptions】

- For greater comparability and transparency, when describing calculation methods of indicators and assumptions, the following points shall also be taken into consideration:
 - ✓ Whether the indicator represents a relative value, such as an increase or decrease compared to the base line (*), or an absolute value without considering the base line
 - ✓ When providing a comparison with a base line, explanation of the rationale, etc. for the base line value

(*) Although social benefits are often presented as changes, such as increases or decreases, maintaining a certain level of status, etc. may also be evaluated as a positive social benefit, depending on the circumstances of the society and the nature of the social benefits. For example, in relation to SMEs affected by natural disasters and infectious diseases in Example 12 "Support for local employment and job creation, investments and loans to promote and support the growth of local SMEs" of this Annex, "maintaining sales and number of employees at the same level as before the occurrence (base line)," etc. as well as increase in sales and the number of employees can be evaluated as a positive social benefit. Issuers shall present this concept as a background in conjunction with the method of calculating indicators.

Note that in light of the differences with projects in how to set a base line that is more appropriate and in the evaluation methods for indicators based on this, only indicators such as "the number of something" are listed instead of uniformly stating "increase in the number of something" or "decrease in the number of something" as indicators in the examples in this Annex.

Examples of Indicators for Social Benefits of Social Projects

List of Contents

Ex.	Social Issues	Social Project (*)	Page
1	Promoting diversity and empowering women	Providing programs for education/vocational training, career development, and skills development as well as business support	7
2	Promoting diversity, Securing educational opportunities for all	Providing programs for education/vocational training, career development, and skills development as well as business support	10
3	Promoting diversity, Promoting barrier-free environments, Achieving good health and longevity	Providing sports and leisure opportunities for people with disabilities, developing barrier-free and/or gender-free facilities/equipment, promoting universal support, and providing programs aimed at promoting good health and preventing illness	13
4	Realizing a society where it is easy to balance child-rearing and work, Promoting diversity and empowering women	Providing support services/facilities for childcare and parenting	16
5	Realizing working-style reform and decent work, empowering women, corresponding to the aging society	Providing welfare and long-term caregiving services for aging populations, providing welfare facilities for aging populations (including long-term caregiving facilities, medical facilities, housing facilities, and cultural facilities), and providing support services/facilities for long-term caregiving	19
6	Promoting barrier-free environments	Developing barrier-free and/or gender-free facilities/equipment, promoting universal support	22
7	Promoting countermeasures against child poverty and ensuring educational opportunities for all	Implementing projects in education and welfare for economically disadvantaged children	25
8	Promoting responsible corporate behavior	Providing training programs on human rights and corporate responsibility(safety, prevention of bribery /corruption, fair labor practices, children's rights, etc.)	28
9	Achieving good health and longevity (including measures for the aging society)	Projects and investments/loans related to ICT utilization in the field of health and medical care (introducing telemedicine systems, etc.)	31
10	Achieving good health and longevity (including measures for the aging society), promoting diversity and promoting barrier-free environments	Providing programs aimed at promoting good health and preventing illness	34
11	Measures against COVID-19 by companies (including responses to economic impacts)	Supporting countermeasures against infectious diseases at companies, facilities, stores, etc. (preparation of equipment to measure temperature and prevent infection, etc.); providing support to SMEs, etc. that have been economically affected by the spread of infectious diseases	37
12	Regional revitalization	Providing support for local employment / employment generation and providing investments and loans to promote and support the business growth of local SMEs	40
13	Regional revitalization	Improving local living infrastructure and services (improvement of ICT environment in geographically disadvantaged areas, etc.)	43
14	Sustainable and resilient land use(disaster prevention and mitigation, measures for aging infrastructure)	Constructing facilities with disaster prevention and mitigation measures, providing evacuation shelters and supplies in the event of a disaster, and conducting projects to promote sustainable development of town	46
15	Housing support for people in need of special care in securing housing	Constructing and renovating affordable housing with a certain level of quality for people in need of special care in securing housing	49
16	Reduction and recycling of food loss and waste / international cooperation (to achieve food security and improved nutrition in developing countries)	Conducting projects related to addressing issues of food loss and waste in the process from food production to distribution (supply chain)	52
17	Promoting sustainable production and consumption	Providing guidance, advice and support programs on sustainable production and agricultural practices	55

(*) The name of the social project in each example listed in this page is linked to the social projects (Use of Proceeds) exemplified in Annex 2 "Examples of Social Projects (Use of Proceeds)" of Social Bond Guidelines with some exceptions. The project contents described in "Processes leading to impact and indicators, etc." in this Annex are not necessarily limited to these.

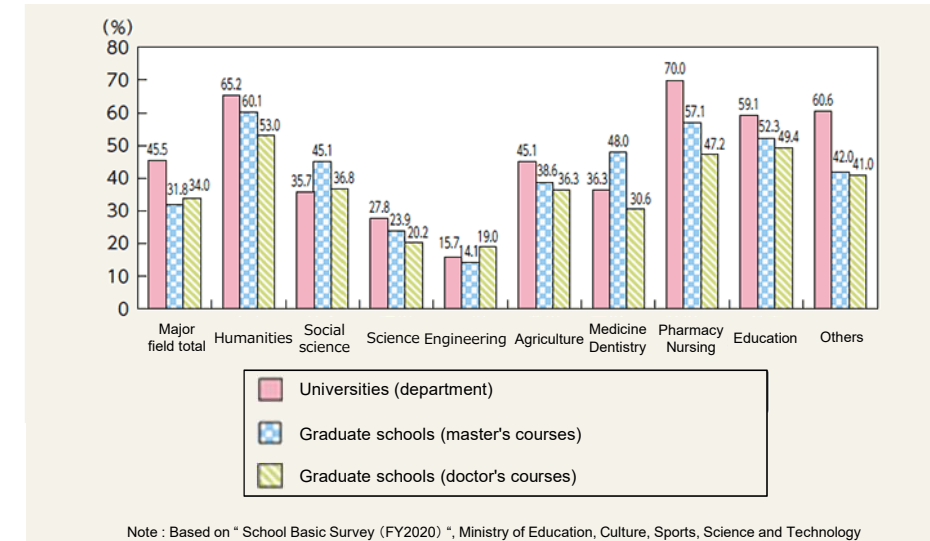
Expected Social Issues in Japan: Promotion of Diversity and Empowering Women

Providing programs for education/vocational training, career development, and skills development as well as business support

■ Status of Expected Social Issues in Japan

- Status of education (especially higher education) for men and women
 - According to Cabinet Office "The White Paper on Gender Equality 2021,"^[1] the university (department) advancement rate in FY2020 is 50.9% for women and 57.7% for men, meaning that the rate for men is 6.8% points higher. However, if the advancement rate to junior colleges (regular courses) for women (7.6%) is included, the advancement rate to universities and junior colleges for women is 58.6%. In FY 2020, the percentage of students who entered graduate school immediately after graduating from university (department) is 5.6% for women and 14.2% for men.
 - According to the white paper,^[1] looking at the percentage of female students in universities (department), graduate schools (master's courses), and graduate schools (doctor's courses) by field of study in FY 2020, the percentage of female students is high in all courses in humanities, and universities (department) and graduate schools (master's courses) in pharmaceuticals, nursing sciences, etc., and education, while the percentage of female students is low in all courses in science and engineering, etc., showing a difference between men and women according to field of study (see the right figure).
 - In "The Fifth Basic Plan for Gender Equality,"^[2] to "promote understanding of women's access to higher education and work contents and working styles in fields where women's participation is not advancing, such as science and engineering" is stated as a concrete measure to enhance education, skills development, and learning opportunities that enable women to make diverse choices.

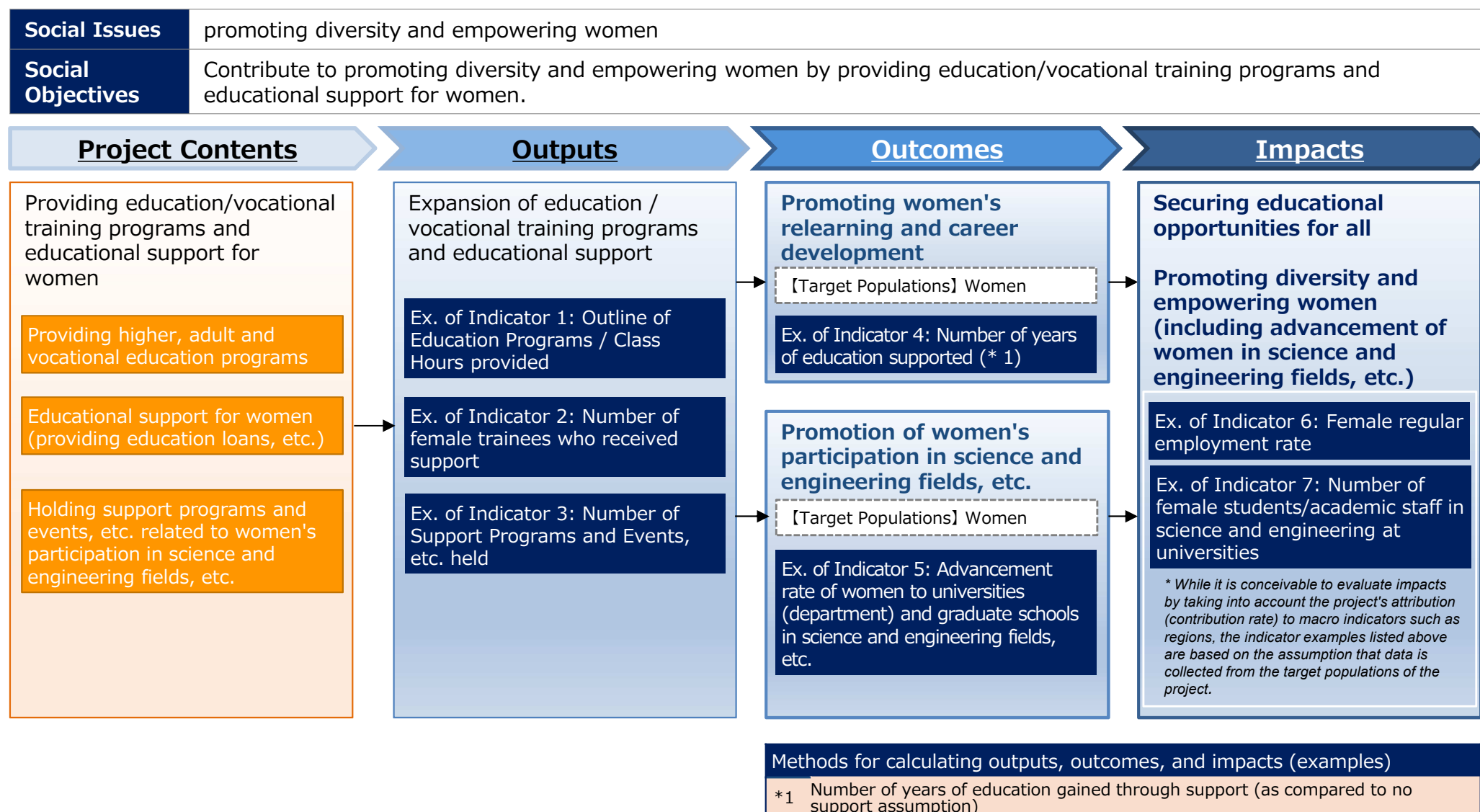
Percentage of Female Students in Universities (department), Graduate schools (master's courses), and Graduate schools (doctor's courses) by Field of Study ^[1]



Source : [1] Cabinet Office "The White Paper on Gender Equality 2021" (https://www.gender.go.jp/about_danjo/whitepaper/r03/zentai/index.html) (Japanese Only)
 [2] "The Fifth Basic Plan for Gender Equality" (decided by the Cabinet on 25 December 2020) (https://www.gender.go.jp/english_contents/about_danjo/lbp/basic/index.html)

Examples of Processes Leading to Impact and Indicators

Providing programs for education/vocational training, career development, and skills development as well as business support



Overview of Social Projects

Providing programs for education/vocational training, career development, and skills development as well as business support

Social Project	Social Objectives (*1)		Contribute to promoting diversity and empowering women by providing education/vocational training programs and educational support for women.
	Overview of Specific Social Projects		■ Providing education/vocational training programs and educational support for women • Providing higher, adult and vocational education programs • Educational support for women (providing education loans, etc.) • Holding of support programs and events, etc. related to women's participation in science and engineering fields, etc.
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services
		Details of Categories (Sub-Categories) (*3)	● Education and vocational training
		Examples of Social Projects (Use of Proceeds) (*3)	○ Providing programs for education/vocational training, career development, and skills development as well as business support
		Target Populations (*3)	● Women

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex 1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds. (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.)

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Promoting Diversity and Securing Educational Opportunities for All

Providing programs for education/vocational training, career development, and skills development as well as business support

■ Status of Expected Social Issues in Japan

- Situation regarding the education of foreign children
 - In recent years many foreign children have been enrolled in Japanese schools and this may increase in the future.^[1]
 - Foreign children are not obliged to attend school, and according to a survey by the Ministry of Education, Culture, Sports, Science and Technology, there are approximately 10,000 children who may not be attending school (see right table).^[2] According to the 2020 Population Census, 19,857 people in their 50s or younger responded that they graduated only from elementary school, and around 50% of all age groups of them were foreign nationals.^[3]
 - Looking at the status of high school students, etc. requiring Japanese language instruction going on to higher education / employment, the percentage of non-regular employees to total employees is 39%, which is much higher than the average of 3.3% for all high school students, etc.^[4]

Children of Foreign Nationals Considered Likely to Be Out of School (in 2021)^[2]

Out-of-attendance	Unable to confirm school attendance status	Difference between the number of foreign children on the Basic Resident Register and those surveyed by the boards of education
649	8,597	800

Source : [1] Ministry of Education, Culture, Sports, Science and Technology, "Current Status and Challenges of Education for Foreign Children" (https://www.mext.go.jp/content/20210526-mxt_kyokoku-000015284_03.pdf (Japanese Only))

[2] Ministry of Education, Culture, Sports, Science and Technology, "Results of Survey on School Attendance of Foreign Children (FY 2021)" (March 2022) (https://www.mext.go.jp/b_menu/houdou/31/09/1421568_00002.htm (Japanese Only))

[3] Ministry of Internal Affairs and Communications, "2020 Population Census Survey Results" (<https://www.stat.go.jp/english/data/kokusei/index.html>)

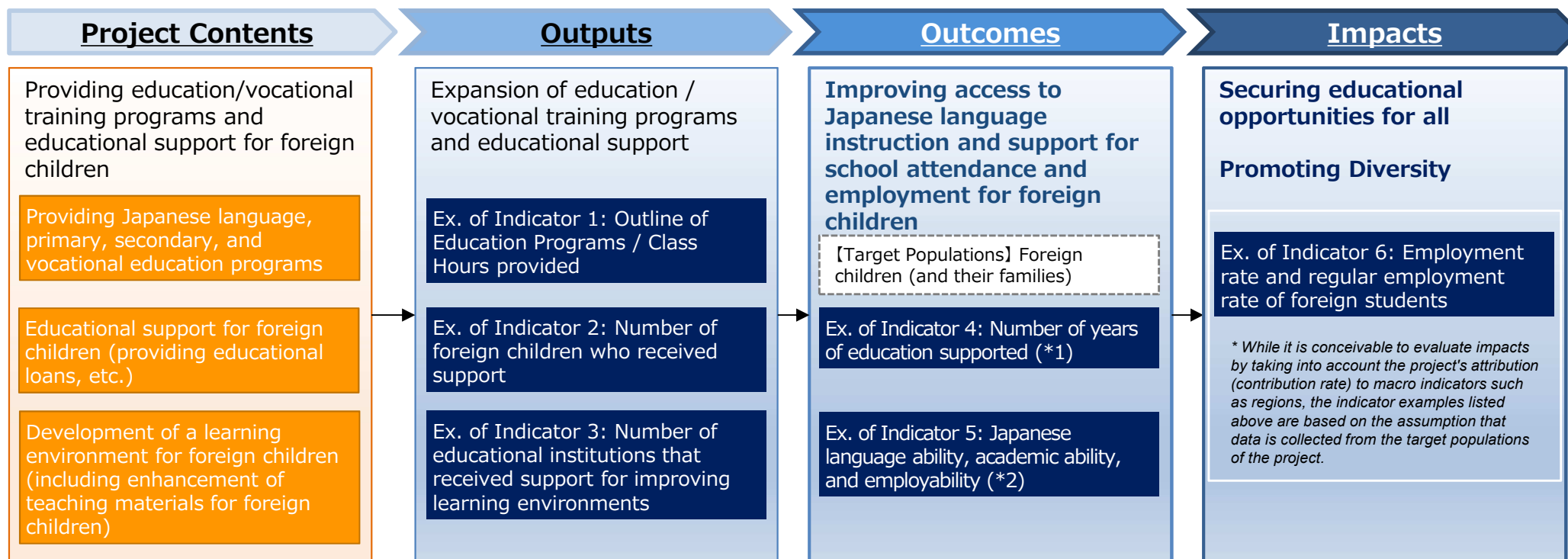
[4] Ministry of Education, Culture, Sports, Science and Technology, "Results (preliminary report) of the Survey on the Acceptance of Pupils and Students in Need of Japanese Language Instruction (FY 2021)" (https://www.mext.go.jp/b_menu/houdou/31/09/1421569_00003.htm (Japanese Only))

Examples of Processes Leading to Impact and Indicators

Providing programs for education/vocational training, career development, and skills development as well as business support

Social Issues Promoting diversity and securing educational opportunities for all

Social Objectives Contribute to promoting diversity and securing educational opportunities for all by providing education/vocational training programs and educational support for foreign children



Methods for calculating outputs, outcomes, and impacts (examples)

- *1 Number of years of education gained through support (as compared to no support assumption)
 - *2 Test scores (points)* of foreign children, questionnaires for foreign children and their families
- (*) Mean / median, etc. may be used depending on the purpose and individual group.

Overview of Social Projects

Providing programs for education/vocational training, career development, and skills development as well as business support

Social Project	Social Objectives (*1)		Contribute to promoting diversity and securing educational opportunities for all by providing education/vocational training programs and educational support for foreign children.
	Overview of Specific Social Projects		■ Providing education/vocational training programs and educational support for foreign children. • Providing Japanese language, primary, secondary, and vocational education programs • Educational support for foreign children (providing educational loans, etc.) • Development of a learning environment for foreign children (including enhancement of teaching materials for foreign children)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services
		Details of Categories (Sub-Categories) (*3)	● Education and vocational training
		Examples of Social Projects (Use of Proceeds) (*3)	○ Providing programs for education/vocational training, career development, and skills development as well as business support
		Target Populations (*3)	○ Foreign children (and their families)

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds. (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.)

(*3) ●Examples in the ICMA Social Bond Principles ○Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Promoting Diversity, Promoting Barrier-free Environments, and Achieving Good Health and Longevity

Providing sports and leisure opportunities for people with disabilities, developing barrier-free and/or gender-free facilities/equipment, promoting universal support, and providing programs aimed at promoting good health and preventing illness

Promoting diversity,
Promoting barrier-free environments,
Achieving good health and longevity

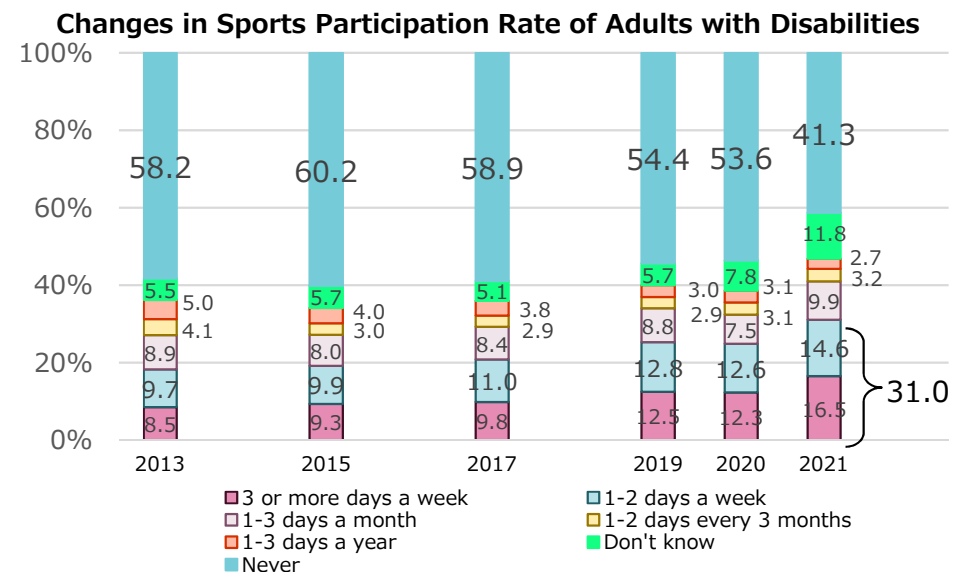
■ Status of Expected Social Issues in Japan

- The Tokyo Olympic and Paralympic Games were held in 2021, and Japan has a tangible and intangible legacy. The Basic Act on Sport stipulates that "Living a happy and fulfilled life through sport is the right of the people" and people with disabilities are not exceptions.
- The 3rd Sport Basic Plan (March 2022)^[1] states that "In order to enable people with disabilities to participate in society through sports, aim to change people's awareness and realize an inclusive society by developing an environment for para-sports, increasing interest of those who do not participate in sports, and educating the general public about para-sports through experiencing para-sports." Projects to promote para-sports will greatly contribute to promoting diversity in Japan.
- Sports activities are expected not only to improve the health of people with disabilities, but also to promote social participation and create a sense of purpose in life, thereby contributing to well-being, including good health and longevity.

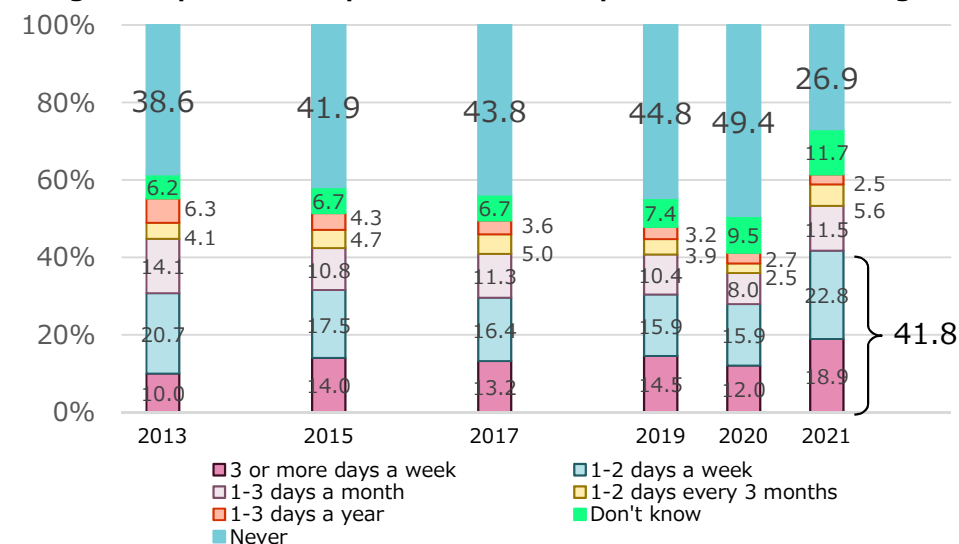
Source: [1] Ministry of Education, Culture, Sports, Science and Technology, "The Sport Basic Plan" (March 25, 2022) (https://www.mext.go.jp/sports/content/000021299_20220316_3.pdf (Japanese Only))

[2] Compiled by Japan Sports Agency, based on Libertas Consulting Co., Ltd. "Project for the Promotion of Sports for People with Disabilities (Survey and Study on the Promotion of Sports Participation by People with Disabilities)" (survey commissioned by Japan Sports Agency in FY2020 and FY2021)

(Reference) Status of Sports Participation by People with Disabilities ^[2]

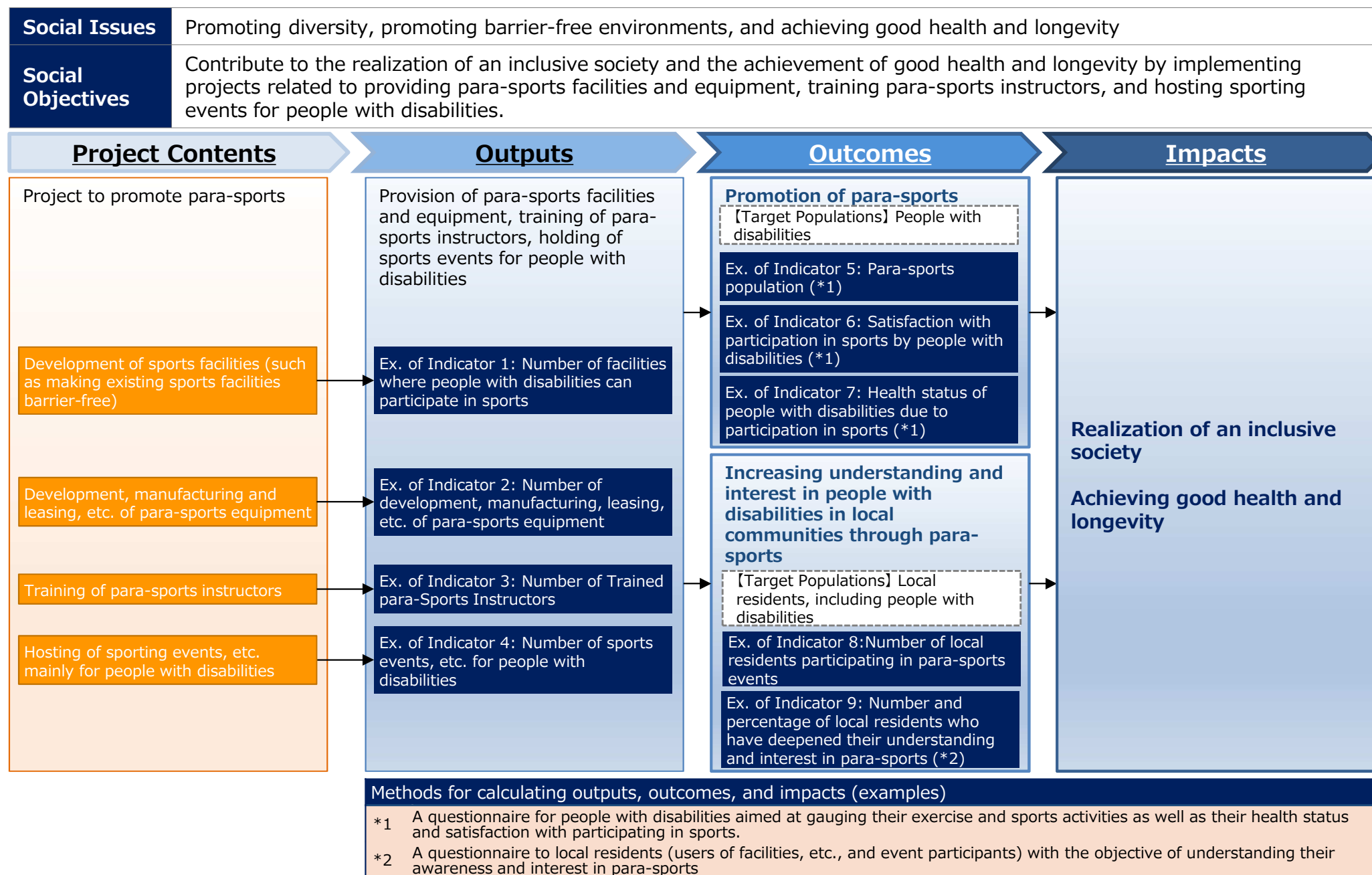


Changes in Sports Participation Rate of People with Disabilities Aged 7-19



Examples of Processes Leading to Impact and Indicators

Providing sports and leisure opportunities for people with disabilities, developing barrier-free and/or gender-free facilities/equipment, promoting universal support, and providing programs aimed at promoting good health and preventing illness



Overview of Social Projects

Providing sports and leisure opportunities for people with disabilities, developing barrier-free and/or gender-free facilities/equipment, promoting universal support, and providing programs aimed at promoting good health and preventing illness

Social Project	Social Objectives (*1)		Contribute to the realization of an inclusive society and the achievement of good health and longevity by implementing projects related to providing para-sports facilities and equipment, training para-sports instructors, and hosting sporting events for people with disabilities.
	Overview of Specific Social Projects		■ Project to promote para-sports • Development of sports facilities (such as making existing sports facilities barrier-free) • Development, manufacturing and leasing, etc. of para-sports equipment • Training of para-sports instructors • Hosting of sporting events, etc. mainly for people with disabilities
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	● Health ● Healthcare ○ Promoting diversity ○ Promotion of barrier-free environments and universal design
		Examples of Social Projects (Use of Proceeds) (*3)	○ Providing programs aimed at promoting good health and preventing illness ○ Developing barrier-free and/or gender-free facilities/equipment ○ Promoting universal support ○ Providing sports and leisure opportunities for people with disabilities
		Target Populations (*3)	● People with disabilities ○ Local residents, including people with disabilities

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds. (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.)

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Realizing a Society Where It Is Easy to Balance Child-Rearing and Work, Promoting Diversity and Empowering Women

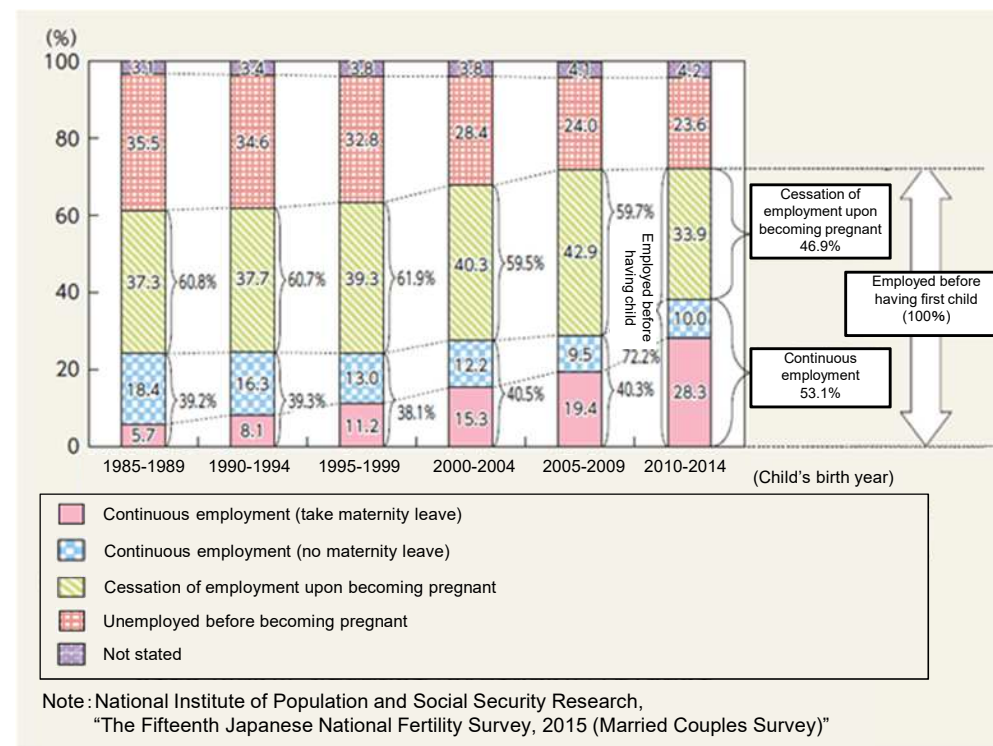
Providing support services/facilities for childcare and parenting

Realizing a society where it is easy to balance
child-rearing and work,
Promoting diversity and empowering women

■ Status of Expected Social Issues in Japan

- Although the percentage of women continuing to work before and after giving birth to their first child has increased, less than 50% of women are still retiring (see the right table).
- According to the White Paper on Gender Equality^[1], the majority of respondents cited "it was difficult to continue working while raising children" as the most common reason for quitting work on the occasion of their first child's pregnancy and delivery.
- This is thought to be due to the fact that women with children spend more time on "housework time" and "childcare time" than men with the same conditions, and working women spend more time on "work-related time," "housework time," and "childcare time" in total.^[1]
- In order to realize a society in which it is easy to balance child-rearing and work, as well as to promote diversity and empowerment of women, it is necessary to improve the situation where the burden of "housework/childcare/caregiving" is biased towards women, which leads to difficulty in them continuing employment and balancing work.
- Furthermore, with the aim of realizing a society in which it is easy to balance child-rearing and work, efforts are being made to develop communities where work, housing and childcare are in close proximity, and to develop satellite offices and co-working spaces, etc. that contribute to this.^{[2][3]}

Employment History of Wives Before and After Giving Birth to their First Child by His/Her Birth Year [1]



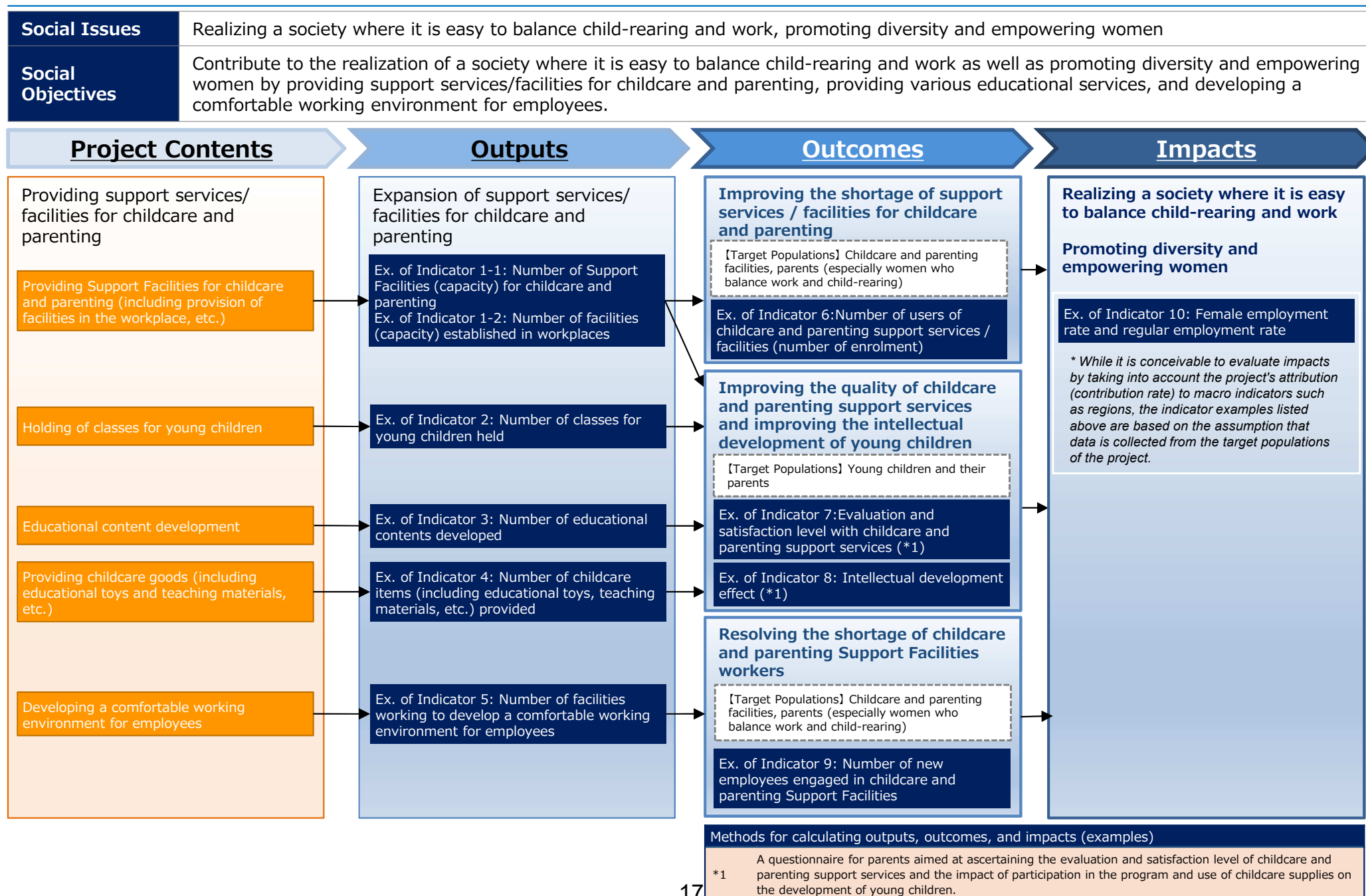
Source : [1] Cabinet Office, "The White Paper on Gender Equality 2020" (refer to special feature on https://www.gender.go.jp/english_contents/about_danjo/whitepaper/pdf/ewp2021.pdf)
The white paper also analyzes men's work-life balance and points out that "it is necessary to promote men's participation in "housework/childcare/caregiving" along with changes in the way men are expected to "work" and how they themselves approach "work""

[2] Cabinet Office, "Annual Report on the Declining Birthrate 2021" (https://www8.cao.go.jp/shoushi/shoushika/whitepaper/measures/w-2021/r03webhonpen/html/b2_s1-3-2.html)

[3] Ministry of Land, Infrastructure, Transport and Tourism, "White Paper on Land, Infrastructure, Transport and Tourism in Japan 2021" (<https://www.mlit.go.jp/en/statistics/white-paper-mlit-index.html>)

Examples of Processes Leading to Impact and Indicators

Providing support services/facilities for childcare and parenting



Overview of Social Projects

Providing support services/facilities for childcare and parenting

Social Project	Social Objectives (*1)		Contribute to the realization of a society where it is easy to balance child-rearing and work as well as promoting diversity and empowering women by providing support services/facilities for childcare and parenting, providing various educational services, and developing a comfortable working environment for employees.
	Overview of Specific Social Projects		■ Providing support services/facilities for childcare and parenting • Providing support facilities for childcare and parenting (including provision of facilities in the workplace, etc.) • Holding of classes for young children • Educational content development • Providing childcare goods (including educational toys and teaching materials, etc.) • Developing a comfortable working environment for employees
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	○ Parenting support ● Education ○ Empowering women ○ Working-Style reform
		Examples of Social Projects (Use of Proceeds) (*3)	○ Providing support services/facilities for childcare and parenting
		Target Populations (*3)	● Women (○ especially women who balance work and child-rearing) ○ People who balance work and child-rearing

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds. (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.)

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Realizing Working-Style Reform and Decent Work, Empowering Women, and Corresponding to the Aging Society

Providing welfare and long-term caregiving services for aging populations, providing welfare facilities for aging populations (including long-term caregiving facilities, medical facilities, housing facilities, and cultural facilities), and providing support services/facilities for long-term caregiving

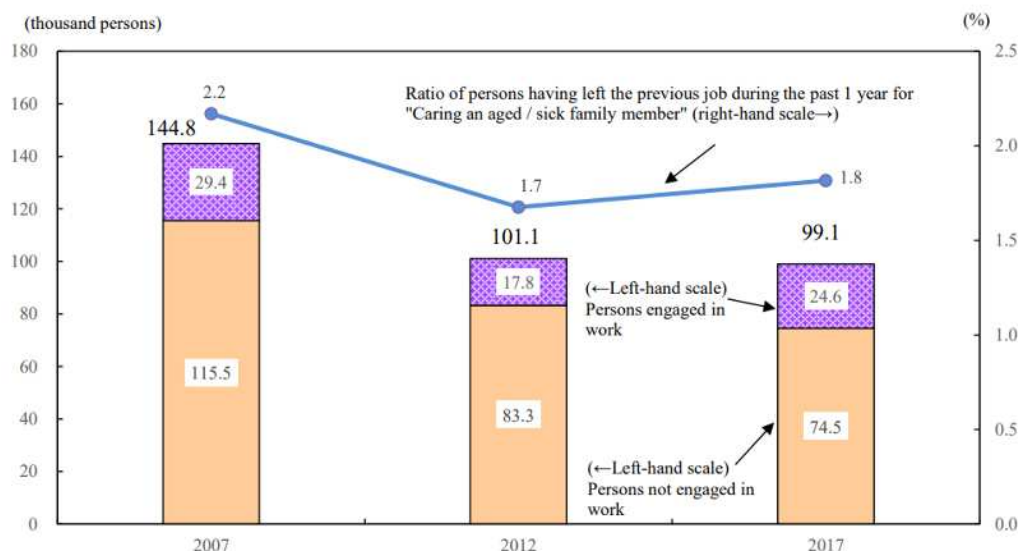
Realizing working-style reform and
decent Work
Empowering Women
Corresponding to the Aging Society

■ Status of Expected Social Issues in Japan

- With the declining birthrate and rapidly aging population, the number of elderly people living alone is increasing. On the other hand, there continues to be a shortage of supply to demand for long-term caregiving facilities.^[1]
- According to the Ministry of Health, Labour and Welfare, as of April 1, 2019, there were 292,000 people with care level 3 or higher who applied for admission to intensive care homes for the elderly (including community-based ones) but were not admitted.^[1] In addition, the number of people with care level 1 or 2 who are eligible for special admission because they have difficulty living at home is 34,000.^[1]
- There are also situations where family members, etc. of elderly people have no choice but to leave for long-term care or nursing. According to the Survey on Employment Trends from the Ministry of Health, Labor and Welfare (MHLW), approximately 100,000 people left their jobs for "long-term care/nursing" in 2019, of which approximately 20,000 were men and 80,000 were women, representing a higher proportion of women.^[2]

Changes in Number and Percentage of Care Leavers^[3]

Fig. I-5: Population and Ratio of Persons Having Left the Previous Job during the past 1 Year for Caring an Aged / Sick Family Member by Labour Force Status - 2007, 2012, 2017



Source : [1] Ministry of Health, Labour and Welfare, "Status of Applicants for Admissions to Intensive Care Homes for the Elderly" (December 25, 2019)

(https://www.mhlw.go.jp/stf/houdou/0000157884_00001.html (Japanese Only))

[2] Ministry of Health, Labour and Welfare, "Overview of the Results of the Survey on Employment Trends in 2020"

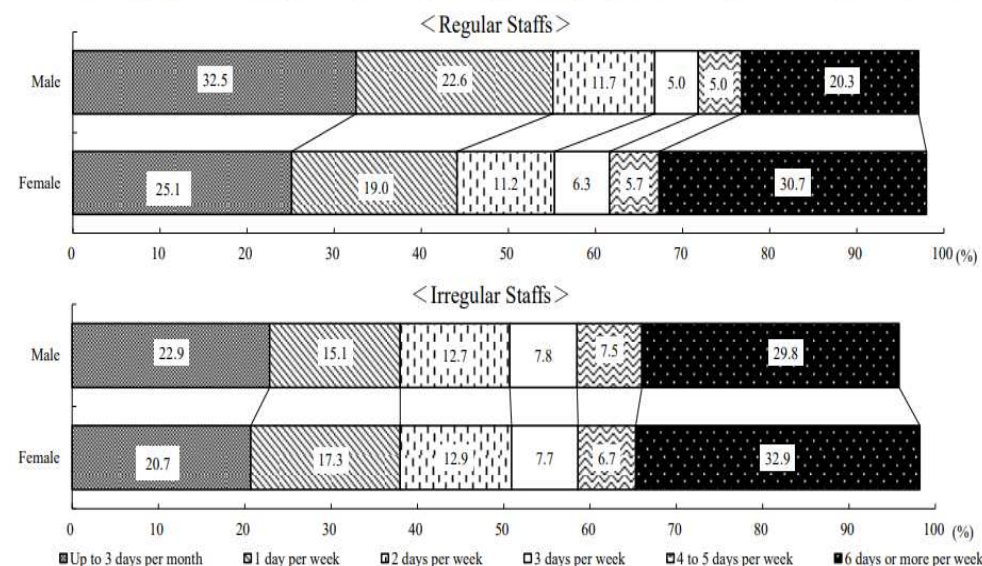
(<https://www.mhlw.go.jp/toukei/itiran/roudou/koyou/doukou/21-2/dl/gaikyou.pdf> (Japanese Only))

[3] Ministry of Internal Affairs and Communications, "Summary of the Results of the Employment Status Survey in 2017"

(<https://www.stat.go.jp/english/data/shugyou/pdf/sum2017.pdf>)

Number of Days of Care for Regular / Non-regular Staff / Employees (by gender)^[3]

Fig. I-6: Ratio of Employees Providing Family Care by Sex, Type of Employment and Days of Providing Family Care - 2017

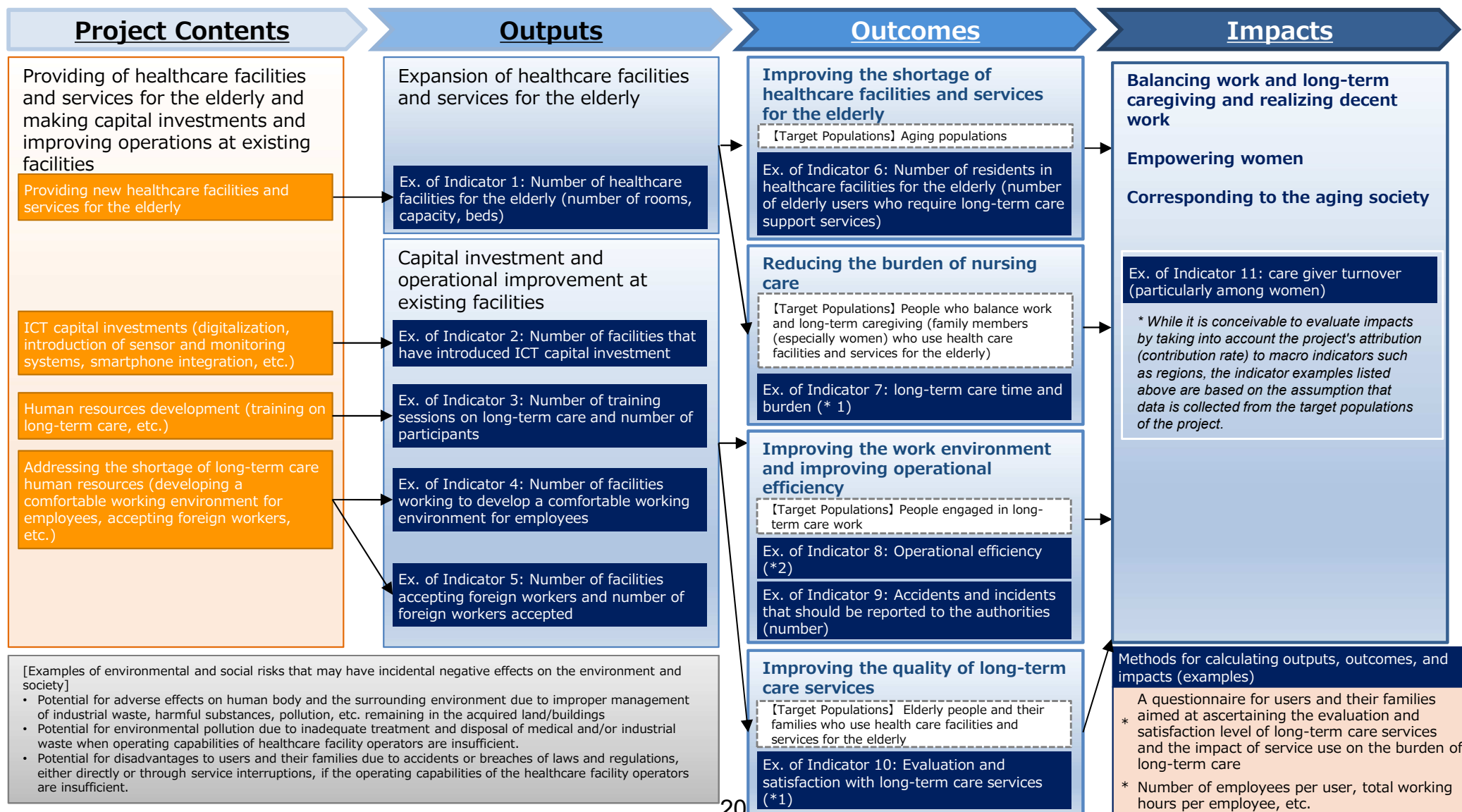


Ex. 5 Examples of Processes Leading to Impact and Indicators

Providing welfare and long-term caregiving services for aging populations, providing welfare facilities for aging populations (including long-term caregiving facilities, medical facilities, housing facilities, and cultural facilities), and providing support services/facilities for long-term caregiving

Realizing working-style reform and decent Work
Empowering Women
Corresponding to the Aging Society

Social Issues	Realizing working-style reform and decent work, empowering women, and corresponding to the aging society
Social Objectives	By providing healthcare facilities and services for the elderly and making capital investments and improving operations at existing facilities, promote correspondence to the aging society and contribute to balancing work and long-term caregiving, achieving decent work, and empowering women



Overview of Social Projects

Providing welfare and long-term caregiving services for aging populations, providing welfare facilities for aging populations (including long-term caregiving facilities, medical facilities, housing facilities, and cultural facilities), and providing support services/facilities for long-term caregiving

Social Project	Social Objectives (*1)		By providing healthcare facilities and services for the elderly and making capital investments and improving operations at existing facilities, promote correspondence to the aging society and contribute to balancing work and long-term caregiving, achieving decent work, and empowering women
	Overview of Specific Social Projects		■ Providing new healthcare facilities and services for the elderly ■ Capital investments and operational improvements to improve operational efficiency and quality at existing healthcare facilities for the elderly • ICT capital investments (digitalization, introduction of sensor and monitoring systems, smartphone integration, etc.) • Human resources development (training on long-term care, etc.) • Addressing the shortage of long-term care human resources (developing a comfortable working environment for employees, accepting foreign workers, etc.)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	● Health ● Healthcare ○ Welfare and long-term caregiving for aging populations ○ Support for access to essential services for aging populations ○ Support for long-term caregiving ○ Empowering of women ○ Working-style reform
		Examples of Social Projects (Use of Proceeds) (*3)	○ Providing support services/facilities for long-term caregiving ○ Providing welfare and long-term caregiving services for aging populations ○ Providing welfare facilities for aging populations (including long-term caregiving facilities, medical facilities, housing facilities, and cultural facilities)
		Target Populations (*3)	● Aging populations ● People with disabilities ● Women (○ especially women who balance work and long-term caregiving) ○ People who balance work and long-term caregiving, etc.

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds. (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.)

(*3) ●Examples in the ICMA Social Bond Principles ○Additional Examples Listed in Social Bond Guidelines

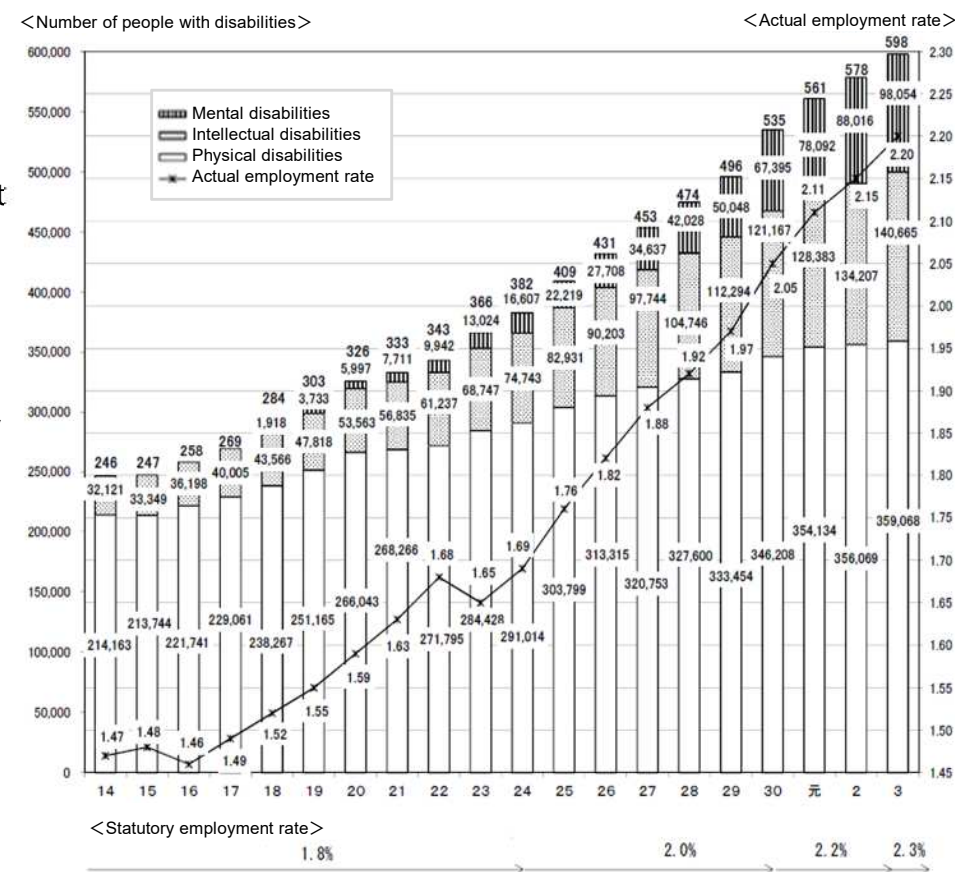
Expected Social Issues in Japan: promoting Barrier-free Environments

Developing barrier-free and/or gender-free facilities/equipment, promoting universal support

■ Status of Expected Social Issues in Japan

- The "Annual Report on Japanese Economy and Public Finance 2019" states that "as the environment surrounding the labor market is changing significantly, it is important for both workers and companies to develop an environment in which human resources with diverse values and backgrounds, regardless of gender, age, nationality, etc., can choose flexible working styles according to individual circumstances, and more people can be active for longer depending on motivation and ability." [1]
- Under the "Sexual Harassment Guidelines" based on the "Equal Employment Opportunity Act", business owners are obliged to take measures to prevent sexual harassment related to sex and gender identity.[2]
- The "Act for Promotion of Employment of Persons with Disabilities" obliges private companies to employ persons with disabilities at least at a certain percentage (statutory employment rate of 2.3%) of all employees hired on a permanent basis. According to the Ministry of Health, Labour and Welfare, both the number of employees with disabilities and the actual employment rate reached record highs in 2021 (see the right figure).[3]
- In Japan, in order to realize an inclusive society triggered by the Tokyo 2020 Olympics and Paralympics Games, the "Barrier-Free Act (Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc.)" was revised, and in addition to hardware measures, efforts are being made to strengthen soft measures, such as enhancing measures from the perspective of "barrier-free mind" related on the smooth transportation, etc.[4]
- It is believed that advancing initiatives based on the concept of universal design, which designs cities and living environments to be accessible for diverse people regardless of disability, age, gender, race, etc., will lead to the creation of a society in which all people can demonstrate their individuality and capabilities, freely participate, and achieve self-realization [5]

Changes in Actual Employment Rate and Number of People with Disabilities in Employment^[3]



Source : [1] Cabinet Office, "Annual Report on Japanese Economy and Public Finance 2019" (<https://www5.cao.go.jp/keizai3/whitepaper-e/2syo-hyoushi2019.pdf>)

[2] "Guidelines on Measures Employers Should Take in Employment Management with Problems Caused by Sexual Behavior in the Workplace (Ministry of Health, Labour and Welfare Notification No.615, 2006) [Application Date : June 1, 2020]" (<https://www.mhlw.go.jp/content/11900000/000605548.pdf> (Japanese Only))

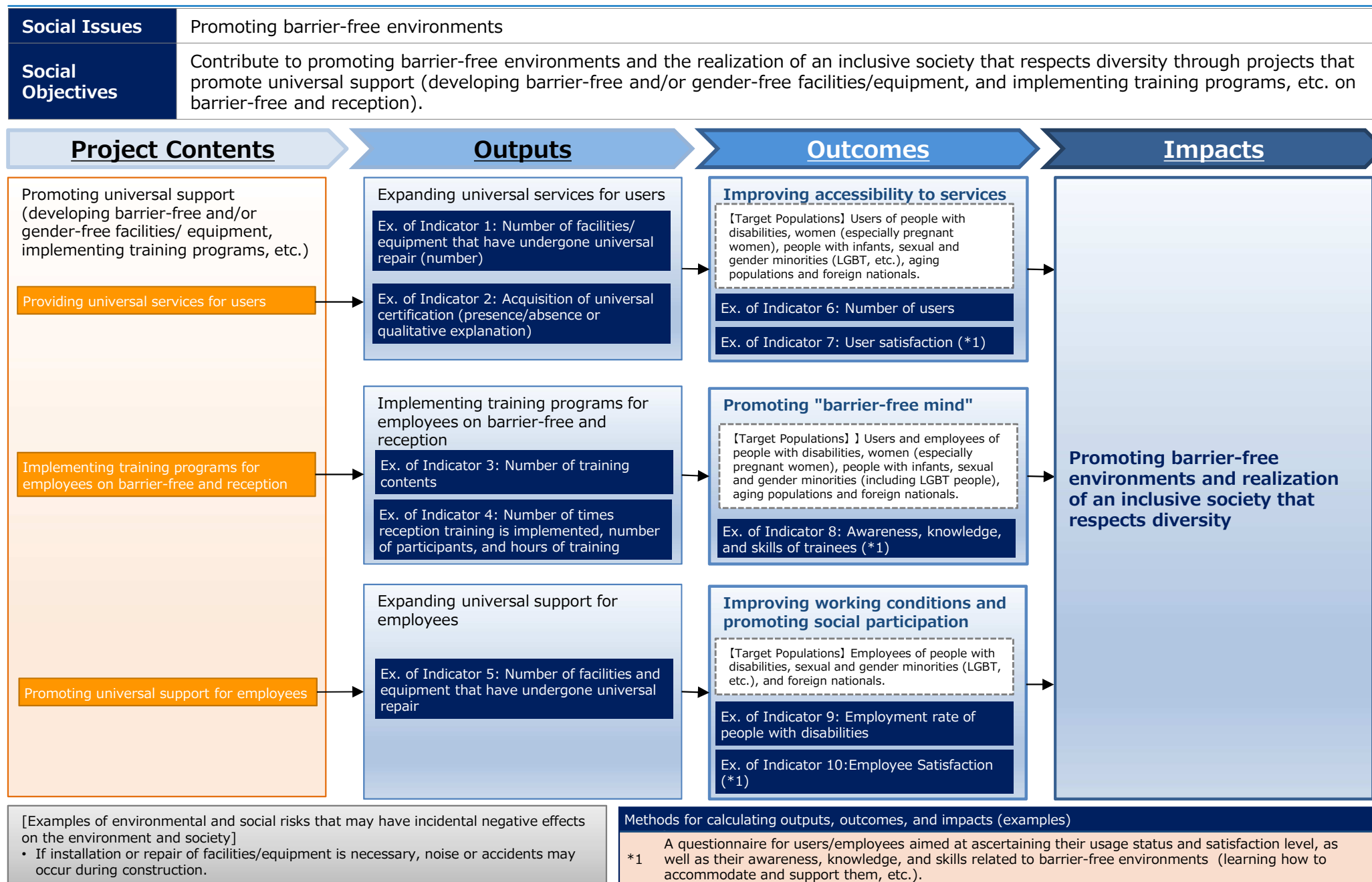
[3] Ministry of Health, Labour and Welfare, "Results of Employment of Persons with Disabilities in 2021" (December 24, 2021) (https://www.mhlw.go.jp/stf/newpage_23014.html (Japanese Only))

[4] Ministry of Land, Infrastructure, Transport and Tourism, "Cabinet Decision on the Bill for Partial Amendment to the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, ect." (February 4, 2020) (https://www.mlit.go.jp/report/press/sogo09_hh_000226.html (Japanese Only))

[5] Ministry of Land, Infrastructure, Transport and Tourism, "Universal Design Policy Outline" (<https://www.mlit.go.jp/kisha/kisha05/01/010711/04.pdf>)

Examples of Processes Leading to Impact and Indicators

Developing barrier-free and/or gender-free facilities/equipment, promoting universal support



Overview of Social Projects

Developing barrier-free and/or gender-free facilities/equipment, promoting universal support

Social Project	Social Objectives (*1)		Contribute to the promoting barrier-free environments and the realization of an inclusive society that respects diversity through projects that promote universal support (developing barrier-free and/or gender-free facilities/equipment, and implementing training programs, etc. on barrier-free and reception).
	Overview of Specific Social Projects		■ Providing universal services for users • Renovation of facilities/equipment providing services: installation of reception tables for users in need of assistance, renovation of waiting/rest areas (expansion of doors and aisles, establishment of priority areas for wheelchair users, etc.), introduction of barrier-free toilets • Website modification (compliance with international standards/guidelines) ■ Establishment of guidelines and implementation of training programs for employees on barrier-free and reception ■ Promoting universal support for employees • Improvement of facilities/equipment at offices in Japan (installation of parking facilities, etc. for wheelchair users, introduction of barrier-free toilets, ensuring width of doors and aisles, etc.)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	☐ Promotion of diversity ☐ Promotion of barrier-free environments and universal design
		Examples of Social Projects (Use of Proceeds) (*3)	☐ Developing barrier-free and/or gender-free facilities/equipment ☐ Promoting universal support ☐ Establishing a more decent work environment
		Target Populations (*3)	☒ People with disabilities ☒ Women (☐ especially pregnant women) ☐ People with infants and children ☒ Sexual and gender minorities (☐ LGBT and other people) ☒ Aging populations ☐ Foreign nationals

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds. (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.)

(*3) ●Examples in the ICMA Social Bond Principles ○Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Promoting Countermeasures against Child Poverty and Securing Educational Opportunities for All

Implementing projects in education and welfare for economically disadvantaged children

■ Status of Expected Social Issues in Japan

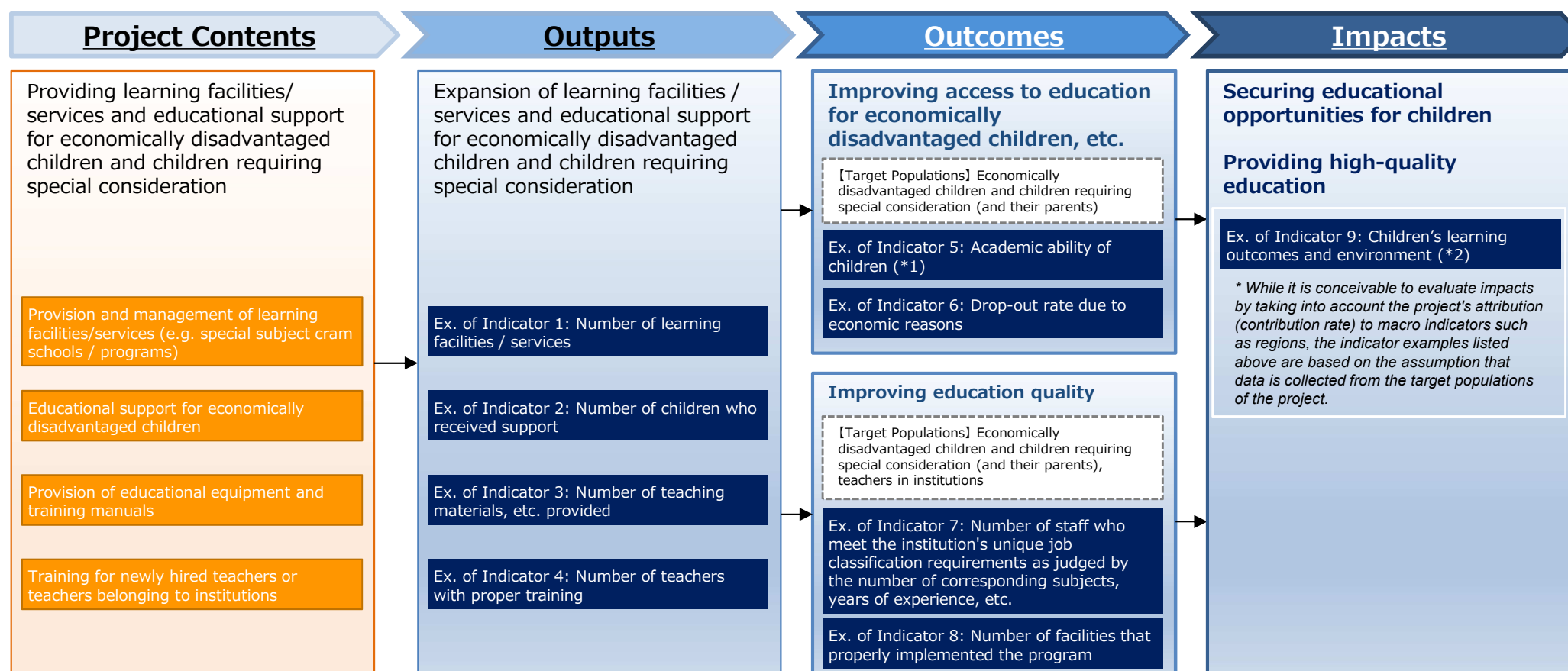
- Although Japan's compulsory education enrolment rate is around 100%, child poverty is an issue that should be addressed by society as a whole.
- In the "Outline on Measures against Child Poverty" formulated by the government ^[1], "promoting free preschool education and childcare and improving their quality" are listed as priority measures for countermeasures against child poverty. Of these, "free preschool education and childcare" started in October 2019, and it is stipulated that it will be steadily implemented in the future. In addition, with regard to "improving the quality of preschool education and childcare" it is stipulated to "establish a system to promote preschool education regardless of public or private sectors or types of facilities," and efforts are being made to further improve the quality.
- In the basic policy of the Outline,^[1] it is stated that "enabling each and every citizen to lead their own lives with brilliance will directly lead to the creation of a vibrant Japanese society". It lays out a policy to comprehensively and promptly implement support for children in poverty.

Source: [1] Cabinet Office, "Outline on Measures against Child Poverty" (November 2019) (<https://www8.cao.go.jp/kodomonohinkon/pdf/r01-taikou.pdf> (Japanese Only))

Examples of Processes Leading to Impact and Indicators

Implementing projects in education and welfare for economically disadvantaged children

Social Issues	Promoting countermeasures against child poverty and securing educational opportunities for all
Social Objectives	Secure educational opportunities for children and contribute to the provision of high-quality education by implementing projects related to education for economically disadvantaged children and children requiring special consideration.



Methods for calculating outputs, outcomes, and impacts (examples)

- *1 Scores (points)* of users of facilities/services in academic ability tests, etc., questionnaires to users/guardians
(*) Mean / median, etc. may be used depending on the purpose and individual group.
- *2 Questionnaire for children/parents aimed at understanding learning outcomes and environment

Overview of Social Projects

Implementing projects in education and welfare for economically disadvantaged children

Social Project	Social Objectives (*1)		Secure educational opportunities for children and contribute to the provision of high-quality education by implementing projects related to education for economically disadvantaged children and children requiring special consideration.
	Overview of Specific Social Projects		■ Providing learning facilities/services and educational support for economically disadvantaged children and children requiring special consideration • Provision and management of learning facilities/services (e.g. special subject cram schools / programs) • Educational support for economically disadvantaged children • Provision of educational equipment and training manuals • Training for newly hired teachers or teachers belonging to institutions
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	● Education and vocational training ● Equitable access to and control over assets, services, resources, and opportunities
		Examples of Social Projects (Use of Proceeds) (*3)	○ Implementing projects in education and welfare for economically disadvantaged children
		Target Populations (*3)	○ Children (Especially economically disadvantaged children and children requiring special consideration)

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Promoting Responsible Business Conduct

Providing training programs on human rights and corporate responsibility (safety, prevention of bribery /corruption, fair labor practices, children's rights, etc.)

■ Status of expected social issues in Japan

- The international community requires companies not only to implement measures related to "business and human rights" within the company, but also to take measures to respect human rights in domestic and overseas supply chains. Companies need to keep this in mind.^[1]
 - For example, conflict minerals refer to minerals that could be a source of finance for armed groups involved in civil wars or conflicts that cause gross human rights violations. The Dodd-Frank Act designates four conflict minerals - tin, tantalum, tungsten and gold - and requires companies to verify that the conflict minerals used in their products are not funding armed groups in the Democratic Republic of the Congo or its neighbors.^[2]
 - In April 2013, at least 1,132 people were killed and more than 2,500 injured in the collapse of the Rana Plaza building in Bangladesh, where a sewing factory and other facilities are located. This incident has drawn attention as an unprecedented industrial accident. The International Labour Organization (ILO) and apparel manufacturers have stepped up efforts to improve occupational safety and security management at suppliers in developing countries.^[3]
 - The Act on Promotion of Use and Distribution of Legally-harvested Wood and Wood Products (The Clean Wood Act) stipulates that all businesses must endeavor to use legally-harvested wood and wood products, and that Wood-related Business Entities in particular shall confirm the legality of the wood and wood products they handle. The United States, Australia, EU and South Korea also have similar regulations.^[4]
- If companies do not pay attention to human rights issues and leave human rights risks unaddressed, various risks will arise for companies as a result. Specifically, There are various risks, including legal risks such as lawsuits and administrative penalties, operational risks such as strikes and the outflow of human resources, reputations such as boycotts and social media flaming, and financial risks such as stock price declines and divestments.^[5]
- In 1976, OECD developed the OECD Guidelines for the Conduct of Multinational Enterprises to recommend that multinational enterprises voluntarily undertake the responsible behavior expected of them. Subsequently, based on this policy, the Due Diligence Guidance diligence guidance on Responsible Corporate Conduct and sector-specific guidance. In 2011, the UN Human Rights Council adopted the Guiding Principles on Business and Human Rights, and in 2020, the Government of Japan formulated the Action Plan on Business and Human Rights.

Source: [1] Ministry of Foreign Affairs, "Action Plan on Business and Human Rights" (https://www.mofa.go.jp/press/release/press4e_002939.html)

[2] Japan Electronics and Information Technology Industries Association, "Responsible Mineral Procurement" (<https://home.jeita.or.jp/mineral/>) (Japanese Only))

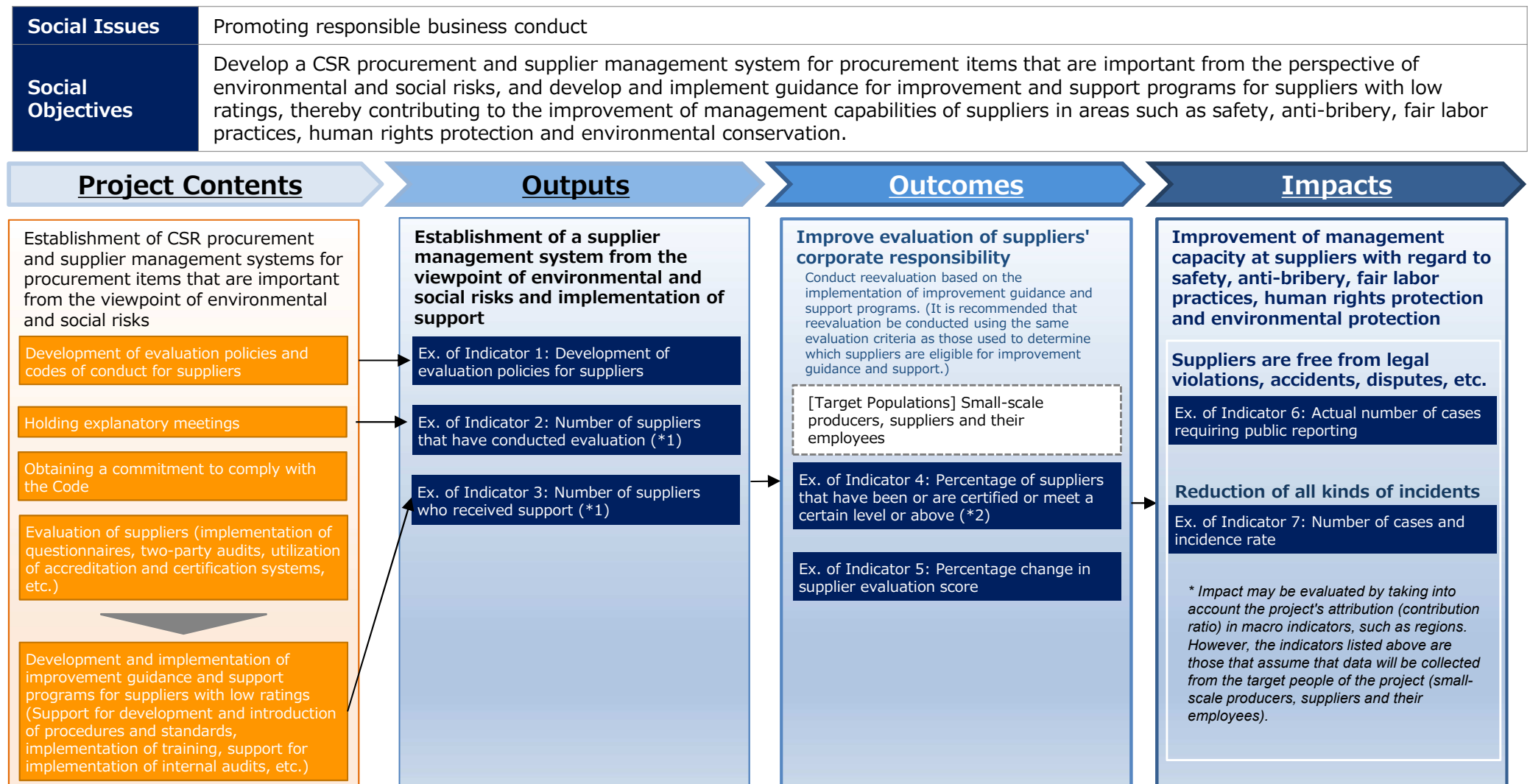
[3] JETRO, "Initiatives and Challenges for Respecting Human Rights in the Asian Supply Chain" (6) (<https://www.jetro.go.jp/biz/areareports/2021/822f0e853ebe9799.html>) (Japanese Only))

[4] Forestry Agency, "Annual Report on Forests and Forestry in Japan (FY 2018)" (<https://www.maff.go.jp/e/data/publish/attach/pdf/index-176.pdf>)

[5] Detailed response to Ministry of Justice's "Business and Human Rights" (<https://www.moj.go.jp/content/001376897.pdf>) (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Providing training programs on human rights and corporate responsibility (safety, prevention of bribery/corruption, fair labor practices, Children's rights ,etc.)



Methods for calculating output method (examples)

* 1 The number and percentage of suppliers assessed and supported could be broken down by topic of assessment and support and by region.

* 2 Calculated the percentage of all suppliers that meet a certain level based on supplier evaluation policies, etc.

[Examples of environmental and social risks that may have incidental negative effects on the environment and society]

If the priority risk topic or target supplier cannot be properly identified, other negative impacts may occur (such risks may involve the characteristics of the procured item or contract content, geographical conditions, or lack of business relationships with suppliers).

Social Project Overview

Providing training programs on human rights and corporate responsibility (safety, prevention of bribery/corruption, fair labor practices, children's rights, etc.)

Social Project	Social objectives (*1)		Develop a CSR procurement and supplier management system for procurement items that are important from the perspective of environmental and social risks, and develop and implement guidance for improvement and support programs for suppliers with low ratings, thereby contributing to the improvement of management capabilities of suppliers in areas such as safety, anti-bribery, fair labor practices, human rights protection and environmental conservation.
	Overview of specific Social projects		■ Establishment of CSR procurement and supplier management systems for procurement items that are important from the viewpoint of environmental and social risks • Examples: Development of supplier evaluation policies and codes of conduct, holding of explanatory meetings, acquisition of commitment to compliance with the codes, supplier evaluation (implementation of questionnaires and two-party audits, utilization of accreditation and certification systems, etc.) ■ Development and implementation of improvement guidance and support programs for suppliers with low ratings • Examples: support for development and introduction of procedures and standards, implementation of training, support for implementation of internal audits, etc.
	Relationship with the Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (sub-categories) (*3)	● Education and vocational training ● Equitable access to and control over assets, services, resources, and opportunities ● Equitable participation and integration into the market and society, including reduction of income inequality
		Examples of Social Projects (Use of Proceeds) (*3)	○ Provision of training programmes on human rights and corporate responsibility (safety, anti-bribery and corruption, fair labour practices, children's rights, etc.)
		Target Populations (*3)	○ Small producers and suppliers (especially those with socioeconomic vulnerabilities) and their employees

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan:

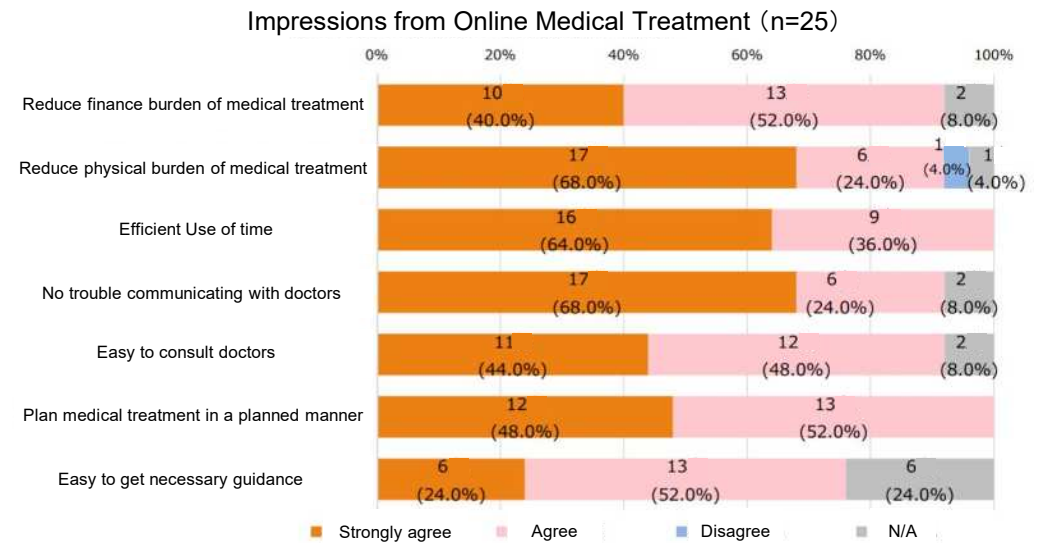
Achieving Good Health and Longevity (correspondence to the aging society)

Projects and investments/loans related to ICT utilization in the field of health and medical care (introducing telemedicine systems, etc.)

■ Status of expected social issues in Japan

- Doctor and Medical facilities tend to be concentrated in urban areas according to the Annual Health, Labour and Welfare Report 2021, while regional distribution of doctors among prefectures and within prefectures has occurred.^[1]
- As the population ages, it has been pointed out that the disease structure has changed due to an increase in the prevalence of chronic diseases among the elderly. It is desirable to develop an environment for home medical care and nursing care that support people to lead their own lives even when they are old or sick.^[1]
- Under these circumstances, for patients for whom face-to-face consultation is difficult or whose condition is stable (such as a patient in a chronic phase who has been treated for a long period of time), "Telemedicine" initiatives, such as online medical treatment, in which doctors and patients perform medical examinations and practices through information and communication technology (ICT), have been promoted.^[2]
- For the patients, it is expected to reduce the financial and physical burden of medical examinations (see table on the right). In combination with face-to-face treatment, it has been noted that it may improve routine health guidance and disease management by primary care physicians.^{[2][3]}

Community Demonstration of Online Practice Model Efficacy Evaluation by Patient Questionnaire^[3]



Source: [1] Ministry of Health, Labour and Welfare, "Annual Health, Labour and Welfare Report 2021" (<https://www.mhlw.go.jp/english/wp/wp-hw14/index.html>)

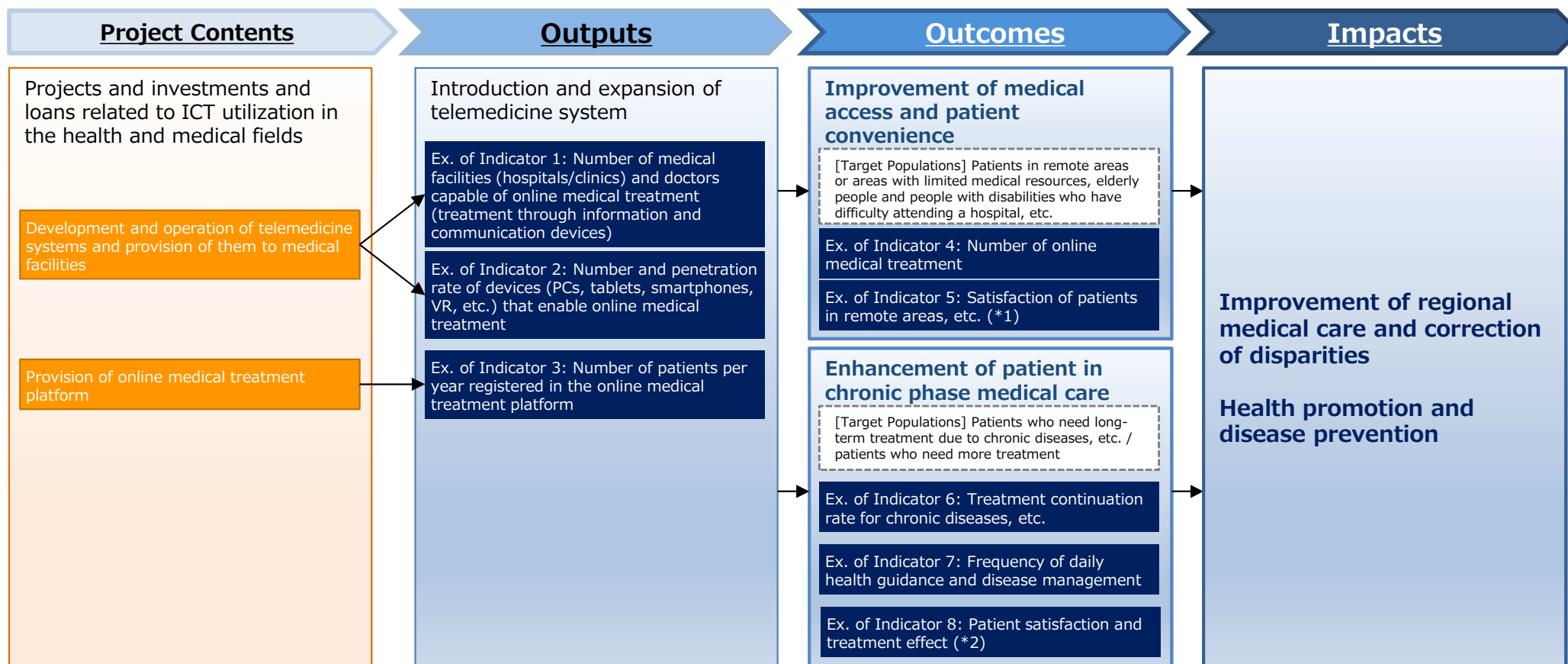
[2] Ministry of Health, Labour and Welfare, "Realizing medical care for Society 5.0" (<https://www8.cao.go.jp/kisei-kaikaku/suishin/meeting/wg/iryuu/20171002/171002iryuu03.pdf> (Japanese Only))

[3] Ministry of Internal Affairs and Communications, "Survey and Research on Model Construction for Promotion of Online Medical Care in 2019" (https://www.soumu.go.jp/main_content/000688634.pdf (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Projects and investments/loans related to ICT utilization in the field of health and medical care (introducing telemedicine systems, etc.)

Social issue	Achieving good health and longevity (correspondence to the aging society)
Social goal	Through projects and investments and loans related to the utilization of ICT in the health and medical fields, we will contribute to the improvement of local medical care, the correction of disparities, health promotion and disease prevention, and the achievement of good health and longevity.



Methods for calculating output method (Example)

- *1 Questionnaires were sent to patients in remote areas and areas with limited medical resources to survey their satisfaction with online medical treatment (whether they were able to see a doctor in a timely manner when they wanted to, compared to the time before online medical treatment was introduced).
- *2 Survey of satisfaction with online medical treatment (reduction of burden of continuing treatment) and treatment effects (self-reported degree of symptom recovery, etc.) by a questionnaire for patients

[Examples of environmental and social risks that may have incidental negative effects on the environment and society]

- Risk of patient harm due to misdiagnosis and missed diagnoses through online diagnosis and inappropriate drug prescriptions
- Risks of information leakage of personal information, etc., and risks of impersonation of doctors, etc.
- Risk of disparities arising due to the inability of elderly people, etc., who are not familiar with the use of information and communication devices, to properly use devices necessary for online medical treatment

Examples of Social Projects

Projects and investments/loans related to ICT utilization in the field of health and medical care (introducing telemedicine systems, etc.)

Social projects	Social objectives (*1)		Through projects and investments and loans related to the utilization of ICT in the health and medical fields, we will contribute to the improvement of local medical care, the correction of disparities, health promotion and disease prevention, and the achievement of good health and longevity.
	Overview of specific Social projects		■ Projects and investments and loans related to ICT utilization in the health and medical fields • Development and operation of telemedicine systems and provision of them to medical facilities • Provision of online medical treatment platform
	Relationship with the Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services
		Details of Categories (sub-categories) (*3)	● Health ● Health management ○ Support for elderly persons' access to essential services ○ ICT
		Examples of Social Projects (Use of Proceeds) (*3)	○ Projects and investments and loans related to ICT utilization in the health and medical fields (introduction of telemedicine systems, etc.) ○ Improvement of local living infrastructure and services
		Target Populations (*3)	● Aging populations ● People with disabilities ○ Populations living in areas with geographical and socioeconomic difficulties ○ Patients

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Achieving Good Health and Longevity (correspondence to the aging society), Promoting Diversity, Promoting Barrier-Free Environments

Providing programs aimed at promoting good health and preventing illness

Achieving good health and longevity (correspondence to the aging society), promoting diversity, promoting barrier-free environments

■ Status of expected social issues in Japan

- Isolation of the elderly (from Cabinet Office "Annual Report on the Ageing Society" [1])
 - In terms of "degree of association with neighbors" by type of household, more than half of single-person male households aged 65 or older answered "degree of greeting" and the percentage of "almost no association" was higher than that of other types.
 - The number of deaths at home among people aged 65 or older living alone in Tokyo's 23 wards was 3,936 in 2019.
- Loneliness and isolation of young people (from Cabinet Office "White Paper on Children and Young People 2021"[2])
 - As the spread of COVID-19 will continue for a long time, the problem of loneliness and isolation among young people has become more serious.
 - In February 2021, the Office for Measures against Loneliness and Isolation was established within the Cabinet Secretariat to develop a system to tackle the problem of solitude and isolation.
- Loneliness and isolation measures (from "Priority Plan for Loneliness and Isolation Measures"[3])
 - loneliness and isolation are issues that must be addressed by society as a whole, and there are concerns about their serious impact on physical and mental health.
 - As the basic policy of measures against solitude and isolation, it is mentioned to secure the creation of places and spaces for observation and interaction, to build communities where people can feel a connection between people, and to support the activities of NPOs working on measures against loneliness and isolation, and to strengthen cooperation among the government, the private sector, and NPOs.

Source: [1] Cabinet Office, "Annual Report on the Ageing Society FY2021"

(<https://www8.cao.go.jp/kourei/english/annualreport/index-wh.html>)

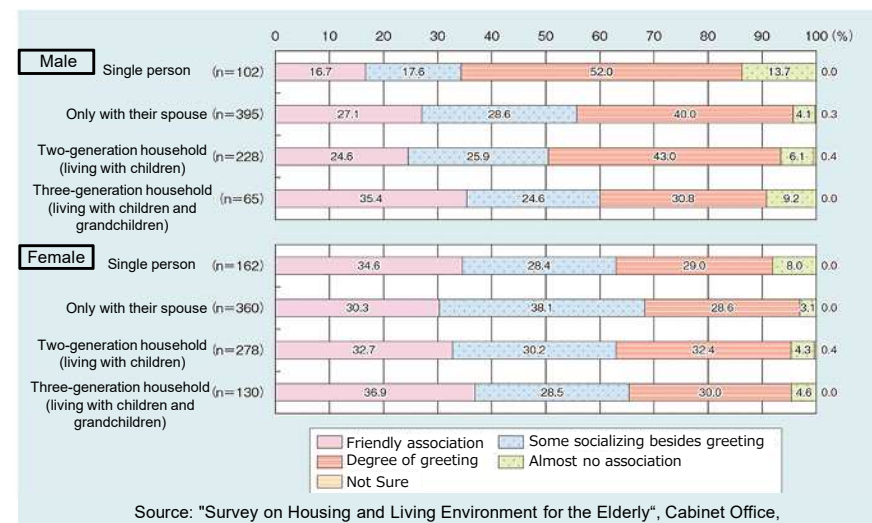
[2] Cabinet Office, "White Paper on Children and Young People 2021"

(<https://www8.cao.go.jp/youth/english/index-wh.html>)

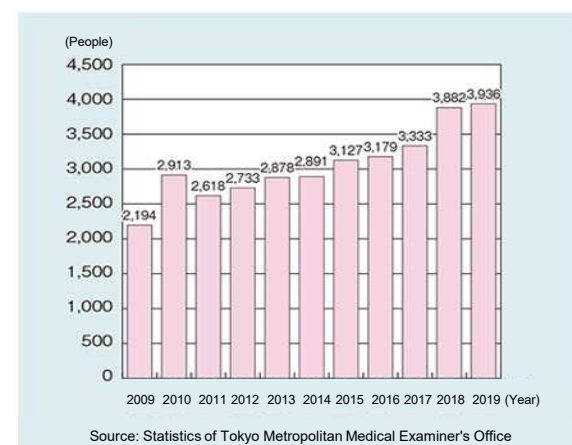
[3] "Priority Plan for Loneliness /Isolation Measures "(decided by the Council for the Promotion of Measures to Prevent Loneliness and Isolation 28 December 2021)

(https://www.cas.go.jp/jp/seisaku/juten_keikaku/pdf/jutenkeikaku_honbun.pdf (Japanese Only))

Degree of Association with Neighbors^[1]

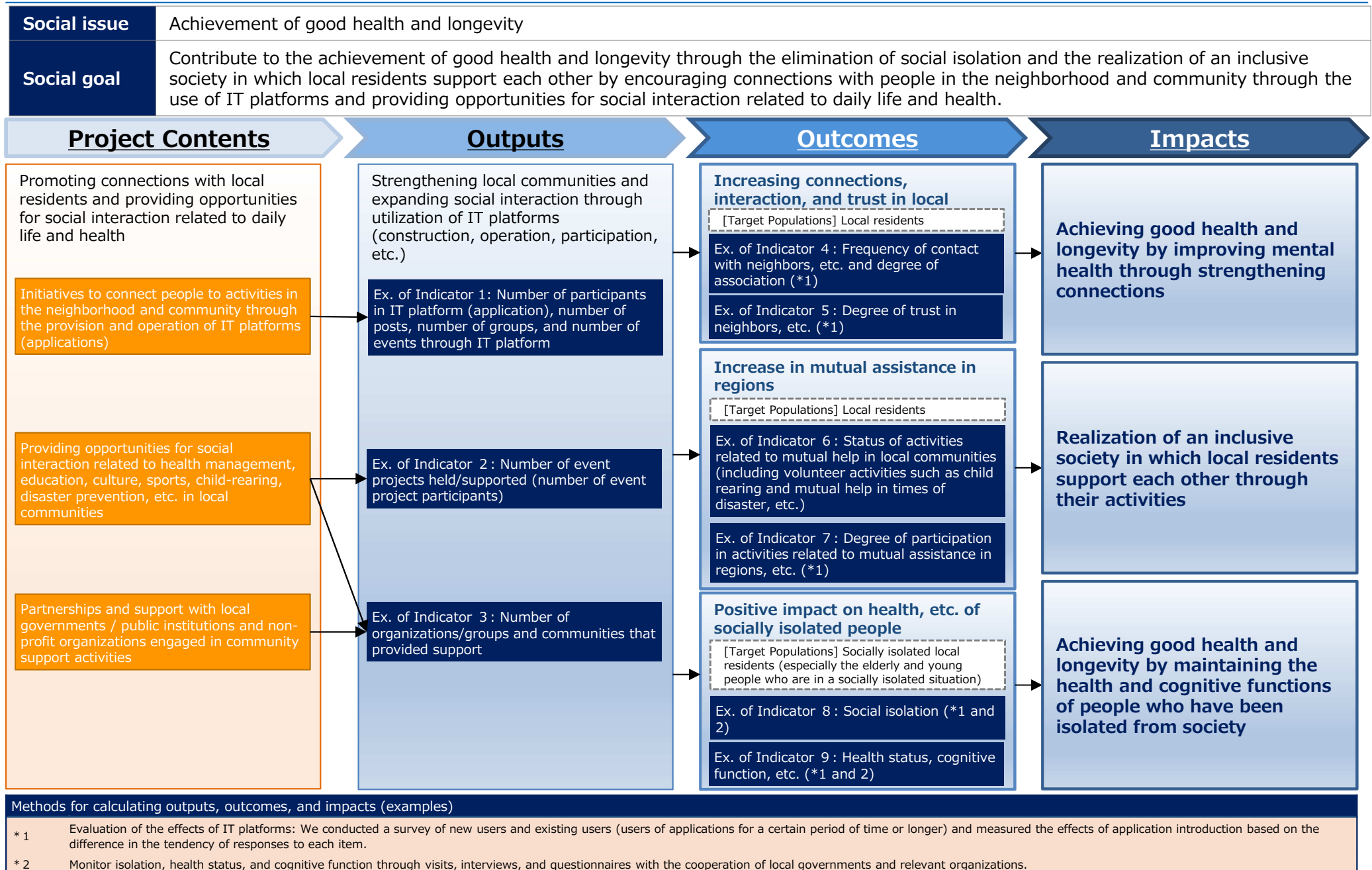


The Number of Deaths at Home among People Aged 65 or Older Living Alone in Tokyo's 23 Wards^[1]



Examples of Processes Leading to Impact and Indicators, etc.

Providing programs aimed at promoting good health and preventing illness



Social Project Overview

Providing programs aimed at promoting good health and preventing illness

Social projects	Social objectives (*1)		Contribute to the achievement of good health and longevity through the elimination of social isolation and the realization of an inclusive society in which local residents support each other by encouraging "connections" with neighboring and local residents through the use of IT platforms and by providing opportunities for social interaction related to daily life and health.
	Overview of Specific Social Projects		■ Promoting connections with local residents and providing opportunities for social interaction related to daily life and health • Initiatives to connect people to activities in the neighborhood and community through the provision and operation of IT platforms (applications) • Providing opportunities for social interaction related to health management, education, culture, sports, child-rearing, disaster prevention, etc. in local communities • Partnerships and support with local governments / public institutions and non-profit organizations engaged in community support activities
	Relationship with the Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	● Health ● Health management ● Education ○ Welfare and nursing care for the elderly ○ Support for access to essential services ○ ICT ● Equitable access to and control over assets, services, resources, and opportunities ● Equitable participation and integration into the market and society, including reducing income inequality ○ Prevention of nursing care
		Examples of Social Projects (Use of Proceeds) (*3)	○ Provision of programs aimed at improving good health and preventing illness
		Target Populations (*3)	● Aging populations and vulnerable youth ● Excluded and/or marginalised populations and/or communities ○ Local residents

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

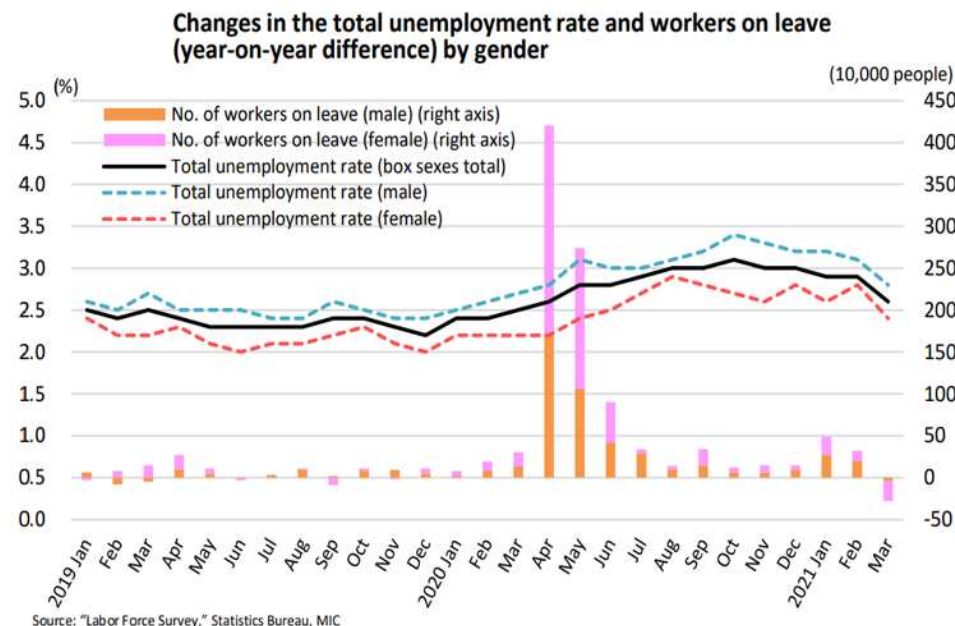
Expected Social Issues in Japan: Countermeasures against COVID-19 by companies (Countermeasures against economic impact)

Countermeasures against COVID-19 by companies
(Countermeasures against economic impact)

Supporting countermeasures against infectious diseases at companies, facilities, stores, etc. (preparation of equipment to measure temperature and prevent infection, etc.); providing support to SMEs, etc. that have been economically affected by the spread of infectious diseases.

■ Status of expected social issues in Japan

- COVID-19 has spread rapidly since the country's first case was identified on 15 January 2020.^[1]
- On April 7, 2020, a state of emergency was issued in seven prefectures. On the 16th, the application was expanded nationwide. Stay-at-home orders and executive orders for business suspension of restaurants were made. Measures to halt economic activity greatly affected the economy and employment, causing a major impact on people's lives. Real GDP growth in 2020 was - 4.7% year on year.^[1]
- The number of workers on leave sharply increased in April 2020. After that, the state of emergency was lifted for a time and issued again in January 2021, but there were no sharp moves as seen in April 2020. Economic activity is gradually returning, but as of March 2021, the unemployment rate remains at a high level compared to before the COVID-19 pandemic, and the ratio of active job openings to active job seekers has fallen sharply, indicating that the employment situation remains severe (right figure).^[1]
- The "Guidelines for Measures Against a New Strain of Influenza at Businesses and Workplaces" state that it is important for businesses to voluntarily consider and make preparations for business continuity in order to combat COVID-19, not only from the perspective of the survival of the company but also from the perspective of fulfilling their social responsibilities.^[2]



Source: [1] Ministry of Health, Labour and Welfare, "Annual Health, Labour and Welfare Report 2021" (<https://www.mhlw.go.jp/english/wp/wp-hw14/index.html>)

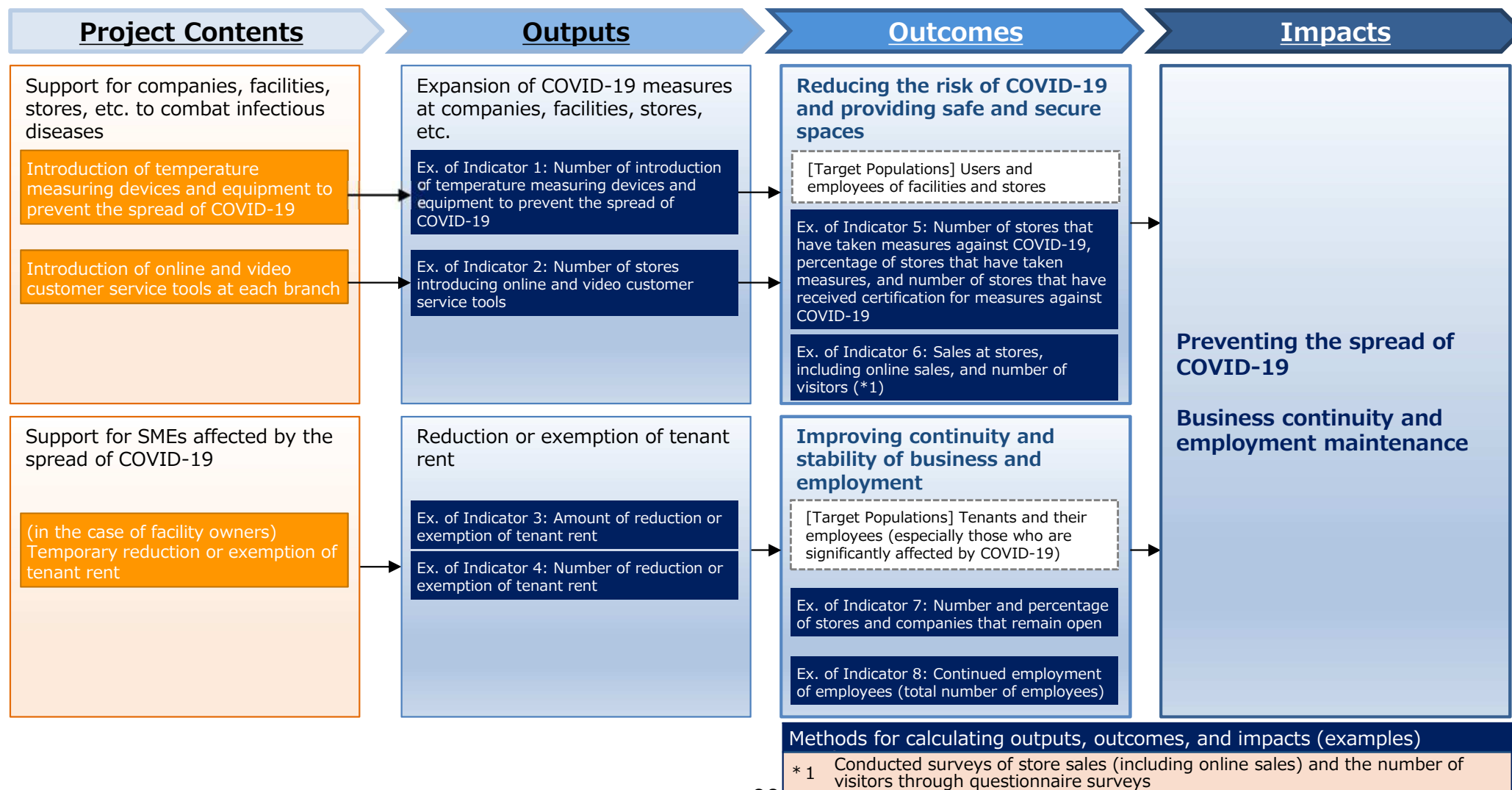
[2] Ministry of Health, Labour and Welfare, "Guidelines for Measures Against a New Strain of Influenza at Businesses and Workplaces" (<https://www.mhlw.go.jp/bunya/kenkou/kekkaku-kansenshou04/pdf/09-11.pdf> (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Supporting countermeasures against infectious diseases at companies, facilities, stores, etc. (preparation of equipment to measure temperature and prevent infection, etc.); providing support to SMEs, etc. that have been economically affected by the spread of infectious diseases.

Social issue Measures against COVID-19

Social goal We will contribute to the prevention of the spread of COVID-19 and the continuation of corporate business and the maintenance of employment by providing support to companies, facilities, stores, etc. for measures against infectious diseases as well as to SMEs that have been affected by the spread of infectious diseases.



Examples of Social Projects

Supporting countermeasures against infectious diseases at companies, facilities, stores, etc. (preparation of equipment to measure temperature and prevent infection, etc.); providing support to SMEs, etc. that have been economically affected by the spread of infectious diseases.

Social projects	Social Objectives (*1)		We will contribute to the prevention of the spread of COVID-19 and the continuation of corporate business and the maintenance of employment by providing support to companies, facilities, stores, etc. for measures against infectious diseases as well as to SMEs that have been affected by the spread of infectious diseases.
	Overview of Specific Social Projects		■ Support services for companies, facilities, stores, etc. to combat infectious diseases ● Introduction of temperature measuring devices and equipment to prevent the spread of COVID-19 ● Introduction of online and video customer service tools at each branch ■ Support for SMEs and other businesses affected by the spread of COVID-19 ● Temporary reduction or exemption of tenant rent (in the case of facility owners)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	2. Access to essential services 4. Employment generation
		Details of Categories (Sub-Categories) (*3)	● Health ● Health management ○ Responding to the socioeconomic crisis caused by the spread of infectious diseases
		Examples of Social Projects (Use of Proceeds) (*3)	○ Measures for companies, facilities, stores, etc. against infectious diseases (introduction of temperature measuring equipment, support for business continuity, acquisition of equipment to prevent infection, etc.) ○ Support for SMEs, etc. that have been economically affected by the spread of COVID-19 (financing and investment for business and employment continuity, etc.)
		Target Populations (*3)	● Other vulnerable groups, including as a result of natural disasters ○ General public ○ SMEs whose businesses have been affected by the spread of COVID-19

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Regional Revitalization

Providing support for local employment / employment generation and providing investments and loans to promote and support the business growth of local SMEs

■ Status of expected social issues in Japan

● Securing employment and employment opportunities in local communities

- The 2nd term "Creating Town, People and Work Creation Comprehensive Strategy" aims to realize "vibrant local communities" and correct "overconcentration in the Tokyo area." As the population of Japan as a whole continues to decline, it is important to create rewarding and attractive employment opportunities so that everyone can work with peace of mind^[1].

● Small and medium-sized enterprises in the 21st century under the Small and Medium Enterprises Basic Act

- Small and medium-sized enterprises (SMEs) are regarded as an important part of supporting the Japanese economy. Under the 1999 revision of the Small and Medium-Sized Enterprise Basic Act, they are expected to play a role as providers of employment opportunities and developers of local economies and communities^[2].

Image of SMEs in the 21st century

Nursery of market competition

Innovators

(Provision of diverse finance and services, formation of new relationships for the division of labor)

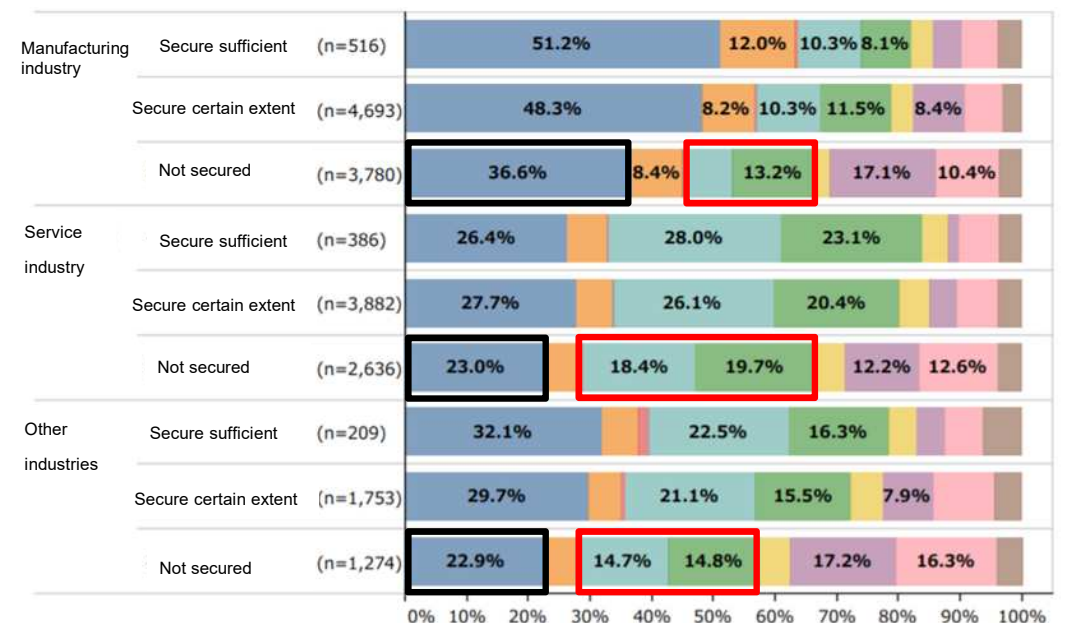
Providers of attractive working opportunities

Developers of local economies and communities

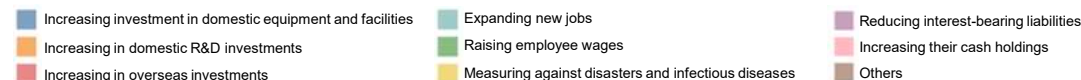
● Firms' intention to invest funds and the status of securing funds (see right figure)^[3]

- According to the 2021 White Paper on Small and Medium Enterprises in Japan, "expanding new jobs" and "raising employee wages" rank among high areas in which companies want to invest money in the next three years.
- In addition, "increasing investment in domestic equipment and facilities" is also a high priority area for investment.
- Although this varies by industry, a considerable proportion of enterprises are unable to secure sufficient funds for this purpose.

Areas in Which SMEs Would Like to Invest the Most in the Next Three Years, Broken Down by the Status of Securing Profits and Surplus for Investing Funds.



Areas which SMEs would like to invest the most in the next three years

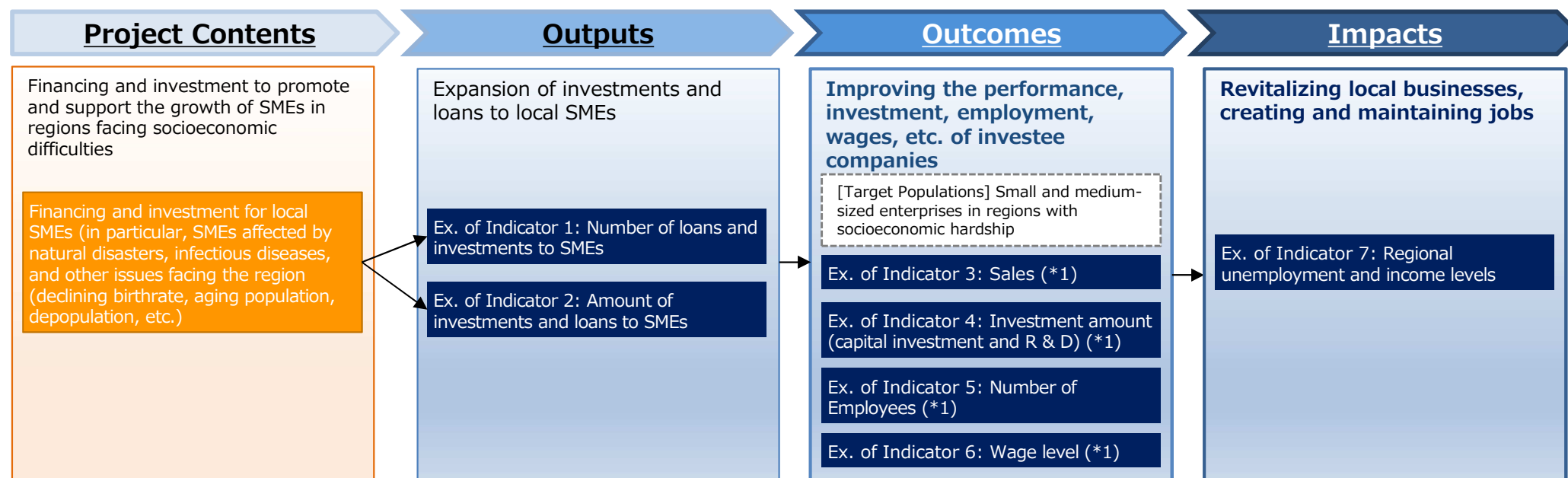


Source:[1] The 2nd term "Creating Town, People and Work Creation Comprehensive Strategy" (21 December 2019) (<https://www.chisou.go.jp/sousei/info/pdf/r02-12-21-senryaku2020.pdf> (Japanese Only))
 [2] The Small and Medium Enterprise Agency, "2019 White Paper on Small and Medium Enterprises in Japan" (https://www.chusho.meti.go.jp/sme_english/whitepaper/whitepaper.html)
 [3] The Small and Medium Enterprise Agency, "2021 White Paper on Small and Medium Enterprises in Japan" (<https://www.chusho.meti.go.jp/pamflet/hakusyo/2021/PDF/chusho.html> (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Providing support for local employment / employment generation and providing investments and loans to promote and support the business growth of local SMEs

Social issue	Regional revitalization
Social goal	Contribute to the revitalization of local businesses, creation and maintenance of jobs, and regional revitalization through investments and loans to promote and support the growth of small and medium-sized enterprises in regions facing socioeconomic difficulties.



Methods for calculating outputs, outcomes, and impacts (examples)

* 1 Identify the status of improvement through financial statements of investee companies, reports from investee companies, and questionnaires.

[Examples of environmental and social risks that may have incidental negative effects on the environment and society]

- It may prolong the life of businesses that cannot be expected to grow because future debt payments are not expected, and may discourage investment in new businesses or local industries.
- Potential for increased environmental impacts (e.g., energy consumption and GHG emissions) associated with active operations, including new facilities, at investee companies

Examples of Social Projects

Providing support for local employment / employment generation and providing investments and loans to promote and support the business growth of local SMEs

Social projects	Social objectives (*1)		Contribute to the revitalization of local businesses, creation and maintenance of jobs, and regional revitalization through investments and loans to promote and support the growth of small and medium-sized enterprises in regions facing socioeconomic difficulties.
	Overview of Specific Social Projects		■ Financing and investment to promote and support the growth of SMEs in regions facing socioeconomic difficulties ● Financing and investment for local SMEs (in particular, SMEs affected by natural disasters, infectious diseases, and other issues facing the region (declining birthrate, aging population, depopulation, etc.))
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	4. Employment generation 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	○ Regional revitalization and revitalization ● Equitable access to and control over assets, services, resources, and opportunities ● Equitable participation and integration into the market and society, including reducing of income inequality
		Examples of Social Projects (Use of Proceeds) (*3)	○ Support for local employment and job creation ○ Investments and loans to promote and support the growth of local SMEs
		Target Populations (*3)	○ Businesses and residents in areas with geographical and socioeconomic difficulties

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Regional Revitalization

Improving local living infrastructure and services (improvement of ICT environment in geographically disadvantaged areas, etc.)

■ Status of expected social issues in Japan

- According to the Ministry of Internal Affairs and Communications, as of the end of March 2021, 99.3% of all Japanese broadband infrastructure (optical fiber installation) was in place, accounting for 390,000 households that did not yet have such infrastructure. However, at the prefectural level, compared to Tokyo (100%), some areas with many remote islands and mountainous areas are lagging behind (see the right figure).^[1]
- In order to steadily develop an advanced wireless environment such as 5G and IoT in regions with unfavorable geographical conditions, support measures have been taken, such as promoting the installation of optical fiber up to the entrance of radio stations.^[2]
- The development of the ICT environment is expected to contribute to regional revitalization by advancing the use of IoT in sectors such as tourism, education, and agriculture in rural areas. In addition, as teleworking is being promoted due to the COVID-19 pandemic, it is also possible to realize vibrant regional communities that are decentralized by utilizing satellite offices in rural areas.
- In addition to land-based communications technology, there is a movement to enable communications in areas where large-scale disasters have occurred and to contribute to lifesaving and restoration activities through the utilization and development of communications technology using satellites and HAPS.

Prefectural Coverage Rate for Fiber Optic Broadband Services

(As of March 31, 2021)^[1]

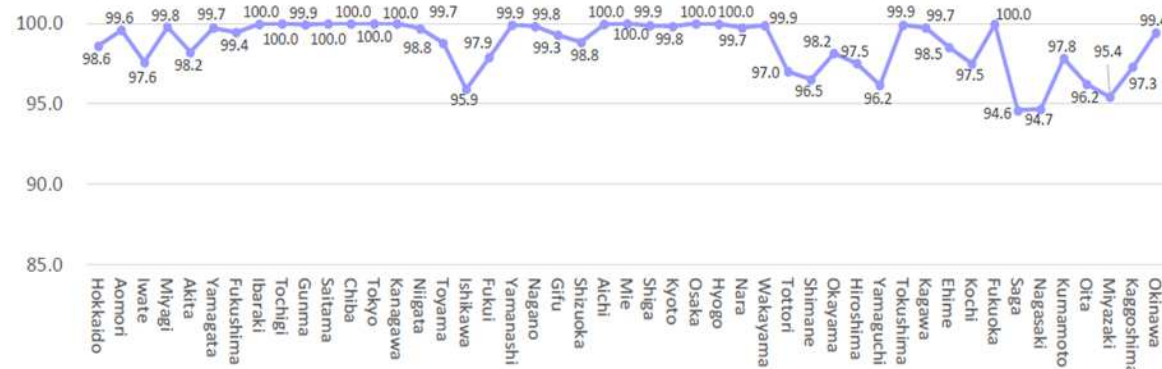
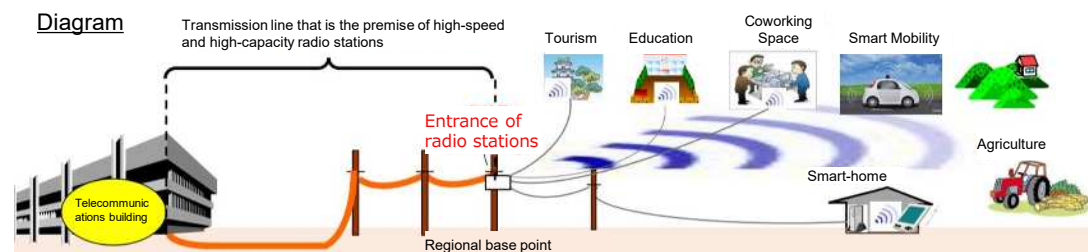


Diagram of Advanced Wireless Environments such as 5G and IoT ^[2]



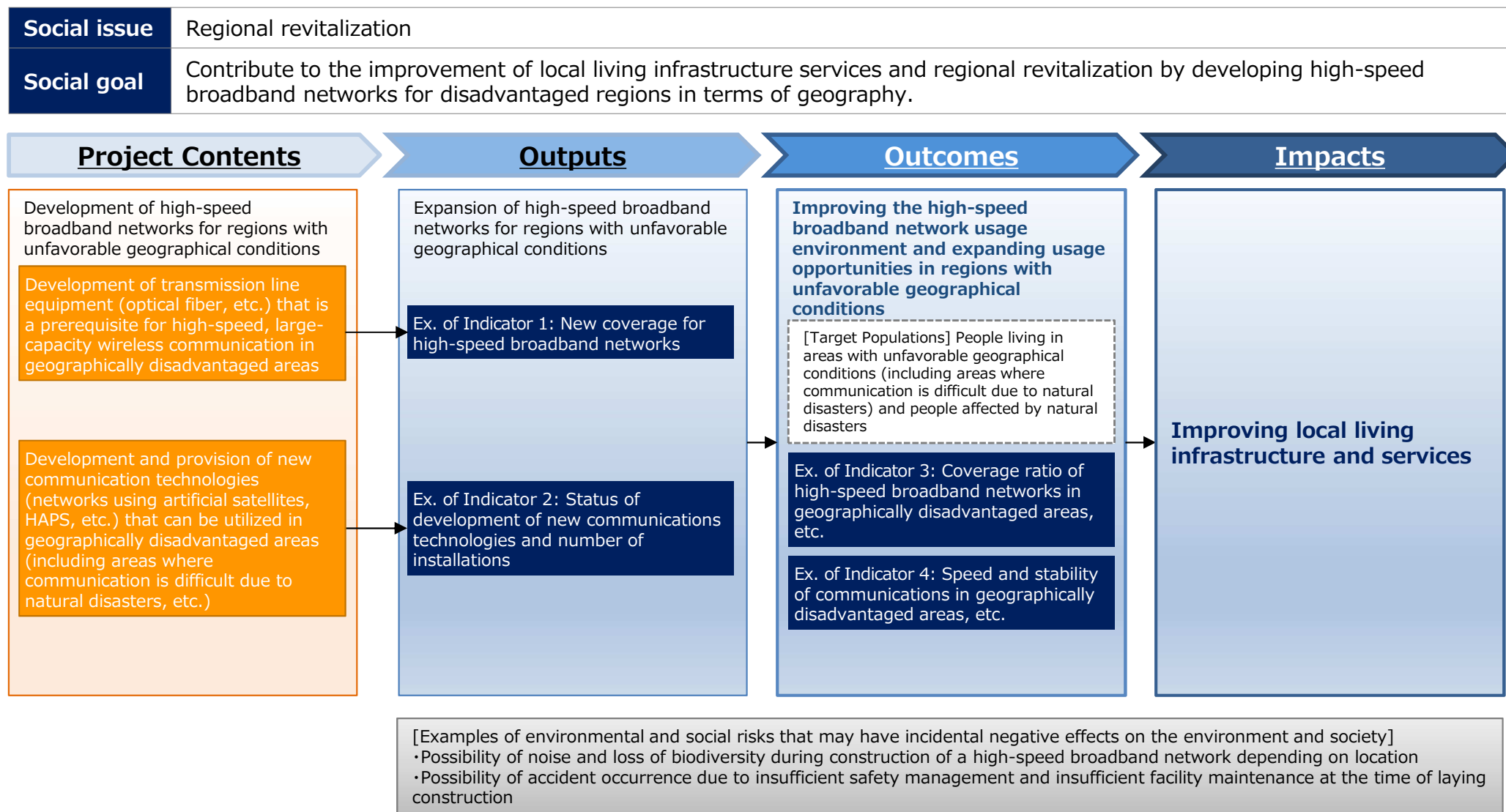
Source:[1] Ministry of Internal Affairs and Communications, "Fiber optic broadband service coverage rate in Japan as of March 2021"

(https://www.soumu.go.jp/main_sosiki/joho_tsusin/eng/pressrelease/2022/pdf/Attachment1_Fiber_optic_broadband_service_coverage_rate_in_Japan_as_of_March_2021.pdf)

[2] Ministry of Internal Affairs and Communications, "Advanced Wireless Environment Promotion Project" (https://www.soumu.go.jp/main_content/000816392.pdf (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Improving local living infrastructure and services (improvement of ICT environment in geographically disadvantaged areas, etc.)



Social Project Overview

Improving local living infrastructure and services (improvement of ICT environment in geographically disadvantaged areas, etc.)

Social projects	Social Objectives (*1)		Contribute to the improvement of local living infrastructure services and regional revitalization by developing high-speed broadband networks for disadvantaged regions in terms of geography.
	Overview of Specific Social Projects		■ Development of high-speed broadband networks for regions with unfavorable geographical conditions ● Development of transmission line equipment (optical fiber, etc.) that is a prerequisite for high-speed, large-capacity wireless communication in geographically disadvantaged areas ● Development and provision of new communication technologies (networks using artificial satellites, HAPS, etc.) that can be utilized in geographically disadvantaged areas (including areas where communication is difficult due to natural disasters, etc.)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	1. Affordable basic infrastructure 2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	○ICT infrastructure ○ICT ○Regional revitalization and revitalization ●Equitable access to and control over assets, services, resources, and opportunities ●Equitable participation and integration into the market and society, including reducing income inequality
		Examples of Social Projects (Use of Proceeds) (*3)	○Improvement of local living infrastructure services (development of ICT environment in geographically disadvantaged areas, etc.)
		Target Populations (*3)	○Businesses and residents in areas with geographical and socioeconomic difficulties ●Other vulnerable groups, including as a result of natural disasters

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ●Examples in the ICMA Social Bond Principles ○Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Sustainable and Resilient Land Use (disaster prevention and mitigation, measures for aging infrastructure)

Sustainable and resilient land use
(disaster prevention and mitigation,
measures for aging infrastructure)

Constructing facilities with disaster prevention and mitigation measures, providing evacuation shelters and supplies in the event of a disaster, conducting projects to promote the sustainable development of towns

■ Status of expected social issues in Japan

- In Japan, the experience of the Great East Japan Earthquake has made it even more important to take measures for people who require special care (elderly people in need of care, people with disabilities, children with medical care, pregnant women, infants, people with chronic diseases such as allergies, foreign nationals etc.) in disaster prevention measures. Regarding the development of evacuation centers, it is necessary to take measures to secure a good living environment, such as the establishment of barrier-free toilets, ramps for people with disabilities and other facilities, as well as the establishment of privacy through the establishment of dressing rooms and nursing rooms, the establishment of spaces for children to play and learn, and the development of an information provision environment that takes into consideration people with disabilities and foreign nationals.^[1] It is also necessary to work on the provision of stockpiles and medical and welfare services that give consideration to the use of people who require special care, such as food products that respond to food allergies, childcare, nursing care, and medical supplies.^[1] Furthermore, measures against infectious diseases at evacuation centers have recently become important.
- The Government of Japan's "SDGs Action Plan 2021"^[2] includes the development of social infrastructure with a focus on building national resilience, disaster prevention and mitigation measures, securing living functions such as medical care, welfare, and commerce, and building towns where residents, including elderly people, can live with peace of mind.

Source:[1] Cabinet Office (Disaster Management), "Guidelines for Securing Good Living Environment at the Evacuation Centers (Revised in April 2016)"

(<https://www.bousai.go.jp/taisaku/hinanjo/pdf/1605kankyokakuho.pdf> (Japanese Only))

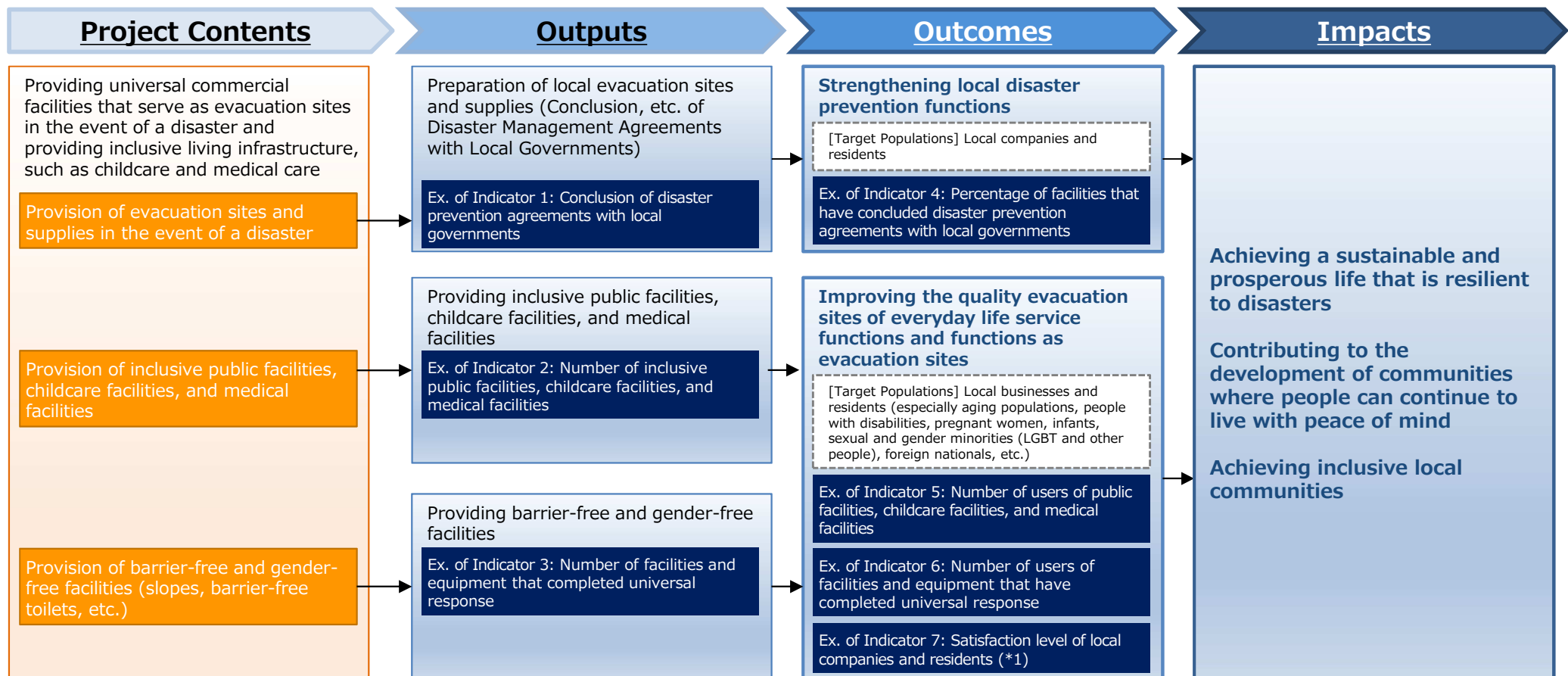
[2] SDGs Promotion Headquarters, "SDGs Action Plan 2021" (December 2020)

(https://www.mofa.go.jp/mofaj/gaiko/oda/sdgs/pdf/SDGs_Action_Plan_2021.pdf (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Constructing facilities with disaster prevention and mitigation measures, providing evacuation shelters and supplies in the event of a disaster, conducting projects to promote the sustainable development of towns

Social issue	Sustainable and resilient national land (disaster prevention and mitigation measures, measures for aging infrastructure)
Social goal	While providing the living infrastructure assets of local communities, such as childcare, medical facilities, and commercial facilities, while giving consideration to inclusion such as barrier-free and gender-free, a project to build facilities that will become evacuation sites in times of disasters where support for people who require special consideration is possible in advance will contribute to the creation of towns that are durable and sustainable against disasters and that can continue to live with peace of mind, as well as the realization of inclusive local communities.



[Examples of environmental and social risks that may have incidental negative effects on the environment and society]
 •Possibility of noise, etc. due to repair work of facilities, etc.
 •Possibility of involuntary eviction or relocation during the property acquisition process

Methods for calculating outputs, outcomes, and impacts (examples)

* 1 Questionnaire to local businesses and residents (users of facilities and equipment) for the purpose of ascertaining their evaluation and satisfaction with the functions of living infrastructure services, such as public facilities, childcare facilities, and medical facilities, as well as the functions of evacuation sites

Social Project Overview

Constructing facilities with disaster prevention and mitigation measures, providing evacuation shelters and supplies in the event of a disaster, conducting projects to promote the sustainable development of towns

Social projects	Social Objectives (*1)		Contribute to the creation of sustainable and prosperous lives resistant to disasters and the creation of inclusive local communities where people can continue to live with peace of mind through a project to build facilities that will become evacuation sites in times of disasters that can be supported in advance, while providing living infrastructure assets for local communities, such as childcare, medical facilities, and commercial facilities while giving consideration to inclusiveness such as barrier-free and gender-free.
	Overview of Specific Social Projects		■ Provision of universal commercial facilities that serve as evacuation sites in the event of a disaster and provision of living infrastructure, such as childcare and medical care ● Provision of evacuation sites and supplies in the event of a disaster ● Providing inclusive public facilities, childcare facilities, and medical facilities ● Provision of barrier-free and gender-free facilities (slopes, barrier-free toilets, etc.)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	1. Affordable basic infrastructure 2. Access to essential services 6. Socioeconomic advancement and empowerment
		Details of Categories (Sub-Categories) (*3)	○ Disaster Prevention and Mitigation Measures ● Health ● Health management ○ Childcare support ● Equitable access to and control over assets, services, resources, and opportunities ● Equitable participation and integration into the market and society, including reducing income inequality ○ Promotion of barrier-free and universal design
		Examples of Social Projects (Use of Proceeds) (*3)	○ Providing evacuation sites and supplies in the event of a disaster ○ Projects to promote sustainable community development
		Target Populations (*3)	○ Local businesses and residents ● Other vulnerable groups, including as a result of natural disasters ● People with disabilities ● Women (○ Especially pregnant women) ○ People with infants and children ● Sexual and gender minorities (○ LGBT and other people) ● Aging populations ○ Foreign nationals

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan: Housing support for people in need of special care in securing housing

Constructing and renovating affordable housing with a certain level of quality for people in need of special care in securing housing

■ Status of Expected Social Issues in Japan

- In Japan, it is expected that the number of people in need of consideration in securing housing for the elderly, people with disabilities and child-rearing households, etc. will continue to increase.^[1] People in need of special care in securing housing include low-income earners, disaster victims, the elderly, people with disabilities, child-rearing households and foreign nationals, etc. The promotion of housing for the elderly, who have a large number of eligible people and many opportunities for daily contact, is recognized as one of the top priorities in the real estate industry.^[2]
- However, the amount of public housing under management as housing for people in need of special care in securing housing is on the decline. In the future, amid accelerating population decline and severe administrative and fiscal conditions, no significant increase is expected. On the other hand, the amount of vacant private rental housing is increasing, and its utilization, etc. is required from the viewpoints of disaster prevention, crime prevention, hygiene, landscape and regional revitalization, etc.^[3]
- In Japan, a new housing safety net system^(*) went into effect in 2017 in order to make use of unoccupied houses and vacant rooms and strengthen the housing safety net function.^[1]

[* New Housing Safety Net System]

The new housing safety net system consists of three pillars: (1) a registration system for rental housing for people in need of special care in securing housing, (2) renovation of registered housing and financial support for residents, and (3) residential support for people in need of special care in securing housing.

Source: [1] Japan (MLIT), brochure, "Please utilize the new housing safety net system utilizing private housing" (<https://www.mlit.go.jp/common/001349874.pdf> (Japanese Only))

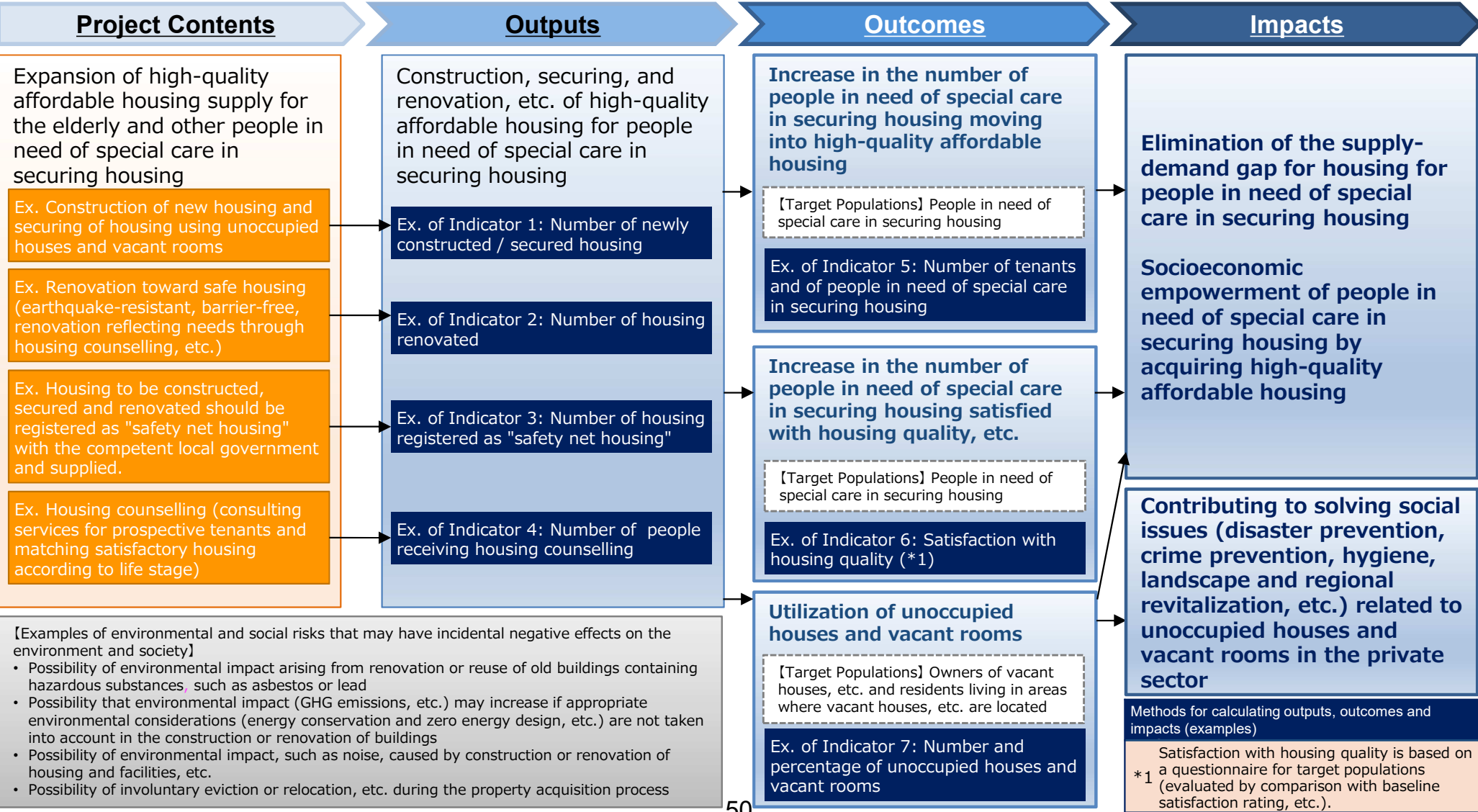
[2] National Federation of Real Estate Brokerage Associations and National Association of Real Estate Brokerage Guarantee Corporation, "Research Report on Residential Support for People in Need of Special Care in Securing Housing" (March 2019) (https://www.zentaku.or.jp/cms/wp-content/themes/zentaku2020/assets/pdf/research/report/research_project/archive2018/housing-support.pdf (Japanese Only))

[3] SENZUI Takehiro, "Current Status and Challenges of Housing Safety Net - The New Housing Safety Net System -," "Legislation and Survey," (September 2018) No. 404 (https://www.sangiin.go.jp/japanese/annai/chousa/rippou_chousa/backnumber/2018pdf/20180907084.pdf (Japanese Only))

Examples of Processes Leading to Impact and Indicators, etc.

Constructing and renovating affordable housing with a certain level of quality for people in need of special care in securing housing

Social Issues	Housing support for people in need of special care in securing housing
Social Objectives	Contribute to social and economic empowerment through the acquisition of affordable and high-quality housing by providing affordable and high-quality housing to people in need of special care in secure housing, etc. and contribute to solving social issues (disaster prevention, crime prevention, hygiene, landscape and regional revitalization, etc.) related to unoccupied houses and vacant rooms when utilizing them in the private sector.



Overview of Social Projects

Constructing and renovating affordable housing with a certain level of quality for people in need of special care in securing housing

Social Project	Social Objectives (*1)		Contribute to social and economic empowerment through the acquisition of affordable and high-quality housing by providing affordable and high-quality housing to people in need of special care in secure housing, etc. and contribute to solving social issues (disaster prevention, crime prevention, hygiene, landscape, regional revitalization, etc.) related to unoccupied houses and vacant rooms when utilizing them in the private sector.
	Overview of Specific Social Projects		■ Expansion of housing supply for elderly and other people in need of special care in securing housing • Ex. Construction of new housing and securing of housing using unoccupied houses and vacant rooms • Ex. Renovation toward safe housing (earthquake-resistant, barrier-free, renovation reflecting needs through housing counselling, etc.) • Ex. Housing to be constructed, secured and renovated above should be registered as "safety net housing" with the competent local government and supplied. • Ex. Housing counselling (consulting services for prospective tenants and matching satisfactory housing according to life stage)
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	3. Affordable housing
		Details of Categories (Sub-Categories) (*3)	—
		Examples of Social Projects (Use of Proceeds) (*3)	○Construction and renovation of affordable housing with a certain level of quality for people in need of special care in securing housing (○Constructing and renovating high-quality affordable housing for low-income earners, etc.)
		Target Populations (*3)	● Aging populations ● People with disabilities ● Other vulnerable groups, including as a result of natural disasters ○ Low-income earners ○ Families raising children ○ Foreign nationals

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Expected Social Issues in Japan:

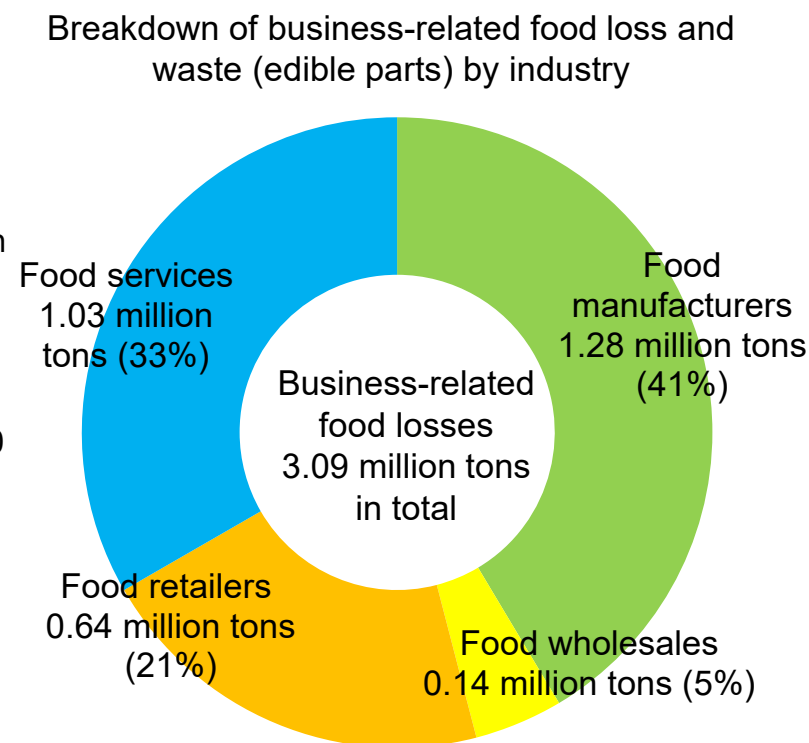
Reduction and Recycling of Food Loss and Waste / International Cooperation (to achieve food security and improved nutrition in developing countries)

Reduction and recycling of food loss and waste / international cooperation (to achieve food security and improved nutrition in developing countries)

Conducting projects related to addressing issues of food loss and waste in the process from food production to distribution (supply chain)

■ Status of expected social issues in Japan

- One in ten people in the world suffers from hunger,^[1] while one third of the world's amount of food production is disposed of every year.^[2] In Japan, approximately 5.7 million tons^{[3][4]} of food is discarded as food loss and waste even though it is edible, which is 1.4 times more than the amount provided by the UN World Food Programme (WFP) to people suffering from hunger in 2020 (4.2 million tons).^[5] More than half of food loss and waste (54%), or 3.09 million tons, are business-related food loss and waste generated by food-related businesses, with food manufacturers (41%) and food services (33%) accounting for most of the amount (right figure).^[4]
- Goal 12 of the SDGs, "Responsibility to Produce and Consumption," calls for halving global per capita food waste at the retail and consumption levels by 2030 and reducing post-harvest losses and other food losses in the production and supply chain. In Japan, as well, the Food Recycling Act set a basic policy in July 2019 to halve business-related food loss and waste by fiscal 2030 compared to fiscal 2000.^[3]
- In developing countries, on the other hand, there is a problem of "post-harvest loss," where food is discarded during production and after harvest, mainly because of inadequate farmers' conservation facilities and lack of transportation to bring the harvest to the market.^[6]
- Food loss and waste occurs at each stage of the supply chain: production, processing, distribution, retail and consumption.
- The Food Recycling Act aims to reduce waste disposal and establish a recycling-oriented society with less environmental impact by "reducing the generation" of processing residues from food production, etc., unsold food and food leftovers, etc. from food distribution and consumption, etc. and by "recycling" the generated food loss and waste, etc. as feed, and fertilizer or so on.^[7]



Source:[1] UNICEF, "The State of Food Security and Nutrition in the World 2021" (<https://data.unicef.org/resources/sofi-2021/>)

[2] FAO, "GLOBAL FOOD LOSSES AND FOOD WASTE" (<https://www.fao.org/3/mb060e/mb060e00.htm>)

[3] Ministry of the Environment, "Publication of Estimated Amounts of Food Loss in Japan (FY 2019)," November 30, 2021 (<http://www.env.go.jp/press/110247.html>) (Japanese Only)

[4] Ministry of Agriculture, Forestry and Fisheries, "Food Loss Decreased by 0.3 Million Tons from the Previous Year - Food Loss Estimate Released in 2019", November 30, 2021

(<https://www.maff.go.jp/j/press/shokuhin/recycle/211130.html>) (Japanese Only)

[5] WFP, "Mission" (https://www.wfp.org/overview?_ga=2.147748208.691070647.1664857458-440872651.1664857458)

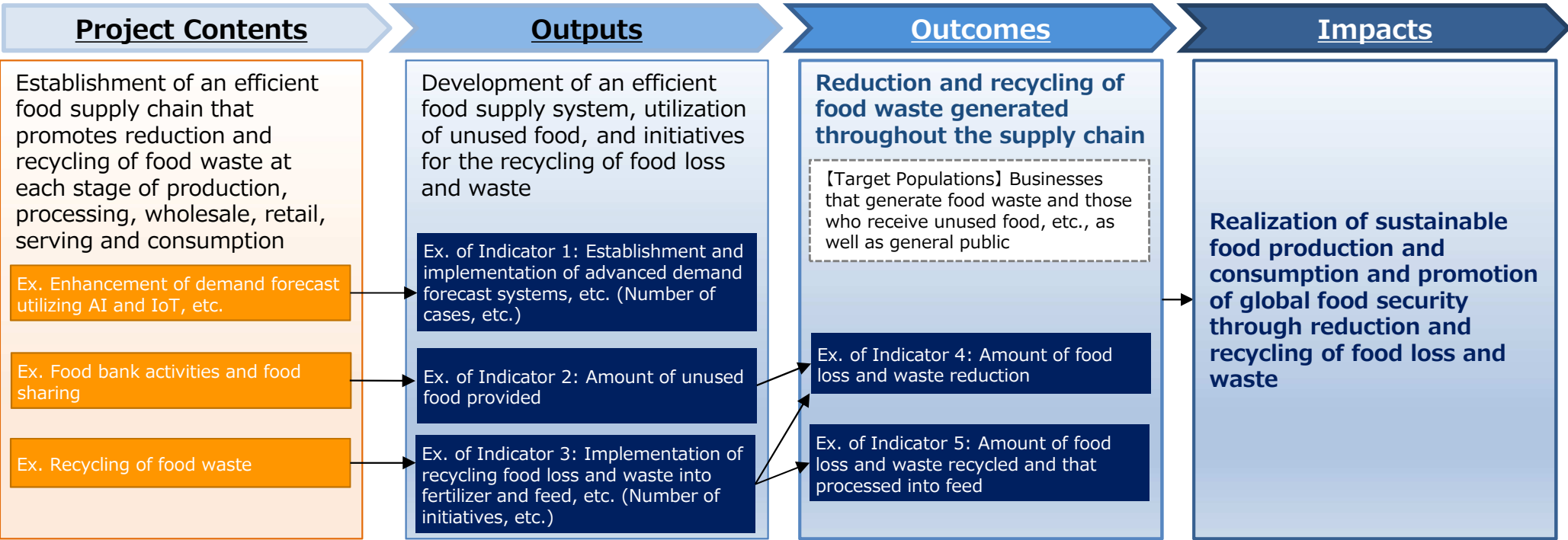
[6] WFP, "Food Loss and Hunger: Thinking about Food Imbalance" (<https://ja.wfp.org/stories/shipinrosutojie-shinobujunheng-nitsuitekaoeru>) (Japanese Only)

[7] Ministry of Agriculture, Forestry and Fisheries, "Waste Reduction under the Food Recycling Act" (https://www.maff.go.jp/j/shokusan/recycle/syokuhin/hassei_yokusei.html) (Japanese Only)

Examples of Processes Leading to impact and indicators, etc.

Conducting projects related to addressing issues of food loss and waste in the process from food production to distribution (supply chain)

Social Issues	Promoting sustainable production and consumption, and reduction and recycling of food loss and waste / international cooperation (to achieve food security and improved nutrition in developing countries)
Social Objectives	Contribute to the realization of sustainable food production and consumption and the promotion of global food security through the establishment of an efficient food supply chain that promotes the reduction and recycling of food waste at each stage of production, processing, wholesale, retail, serving and consumption (including enhancement of demand forecast to reduce food loss, adjustment of order lead-time, sales commensurate with demand, review of commercial practices such as extensive display of best-before dates like best-before month, extension of best-before date and relaxation of delivery deadlines, food bank activities, promotion of food sharing, development of consumer awareness and promotion of recycling, etc.).



【Examples of environmental and social risks that may have incidental negative effects on the environment and society】^[1]

- If the accuracy of demand forecasts is low, there may be a situation where the supply of food to consumers is delayed or there may be an oversupply.
- When recycling is implemented, if the recycling method is inefficient, the environmental impact over the entire life cycle may increase (e.g., significant increase in GHG emissions, etc.).
- When implementing waste treatment of food loss and waste that is difficult to recycle or residues (sludge, etc.) generated as a result of recycling, inappropriate waste treatment may result in air pollution caused by exhaust gas, water pollution caused by waste water, offensive odors and negative impacts on public health.

[1] See Ministry of the Environment's "Green Bond Guidelines 2020" and "Green Loan and Sustainability Linked Loan Guidelines 2020"

Overview of Social Projects

Conducting projects related to addressing issues of food loss and waste in the process from food production to distribution (supply chain)

Social Project	Social Objectives (*1)		Contribute to the realization of sustainable food production and consumption and the promotion of global food security through the establishment of an efficient food supply chain that promotes the reduction and recycling of food loss and waste at each stage of production, processing, wholesale, retail, serving and consumption (including enhancement of demand forecast to reduce food loss and waste, adjustment of order lead times, sales commensurate with demand, review of commercial practices such as extensive display of best-before date like best-before month, extension of best-before date and relaxation of delivery deadlines, food bank activities, promotion of food sharing, development of consumer awareness and promotion of recycling, etc.).
	Overview of Specific Social Projects		■ Establishment of an efficient food supply chain that promotes reduction and recycling of food loss and waste at each stage of production, processing, wholesale, retail, serving and consumption. • Ex. Enhancement of demand forecast utilizing AI and IoT, etc. • Ex. Food bank activities and food sharing • Ex. Recycling of food waste
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	5. Food security and sustainable food systems
		Details of Categories (Sub-Categories) (*3)	● Reduction of food loss and waste ○ Improvement of food systems utilizing advanced technology
		Examples of Social Projects (Use of Proceeds) (*3)	○ Projects related to addressing food loss and waste issues in the process from food production to distribution (supply chain)
		Target Populations (*3)	Businesses that are causing food loss and those who receive unutilized food, including the following people in addition to general public: ● Living below the poverty line ● Other vulnerable groups, including as a result of natural disasters ○ Small-scale producers/suppliers

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

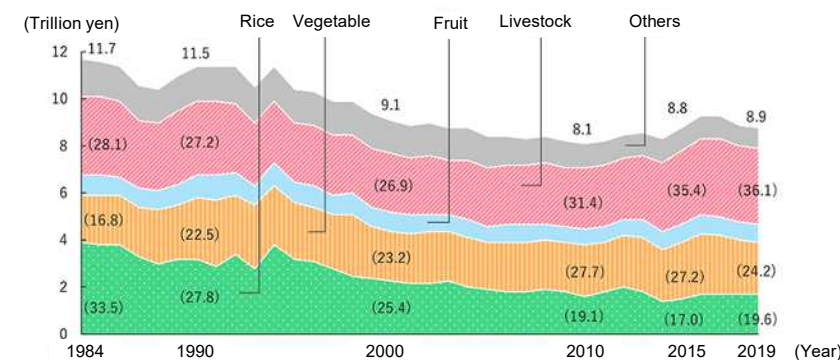
Expected Social Issues in Japan: Promoting Sustainable Production and Consumption

Providing guidance, advice and support programs on sustainable production and agricultural practices

■ Status of Expected Social Issues in Japan

- In 2020, the number of agricultural management bodies in Japan stood at 1,076,000, down 21.9% from five years ago, while the number of basic farmers stood at 1,363,000, down 33.6% from 10 years ago, and the population is aging.^[1]
- Gross agricultural output in Japan (upper right figure) has been decreasing for a long time but has remained flat in recent years.
- On the other hand, looking at the agricultural management balance per organization (lower right figure), gross agricultural profit has remained flat since 2017 and increased by 0.9% year-on-year to 8.92 million yen in 2019, while agricultural income decreased by 1.7% year-on-year to 1,941,000 yen due to an increase in agricultural management expenses.
- In Japan's agriculture, where labor shortages are worsening, it is necessary to continue to improve productivity through the development of agricultural production bases and the utilization of cutting-edge technologies. Therefore, it is becoming important to take measures based on factors other than labor input.
- It is necessary to improve agricultural productivity through such technical assistance and raise the level of agricultural management.

Gross agricultural output

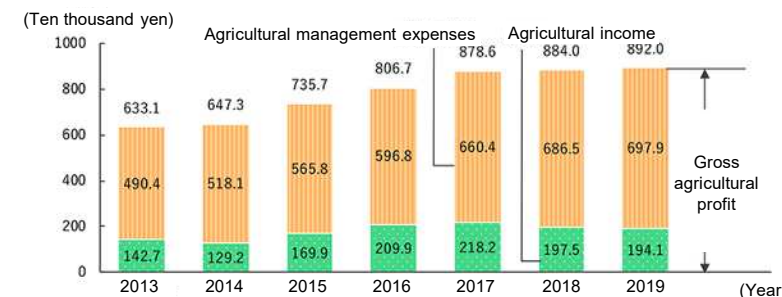


Source: Ministry of Agriculture, Forestry and Fisheries, "Production Agricultural Income Statistics"

Note 1: Others is total of wheat, millet, beans, flower, industrial crops, other crops, Processed crops

Note 2: The number in () means the percentage of the amount of output

Agricultural management balance per organization



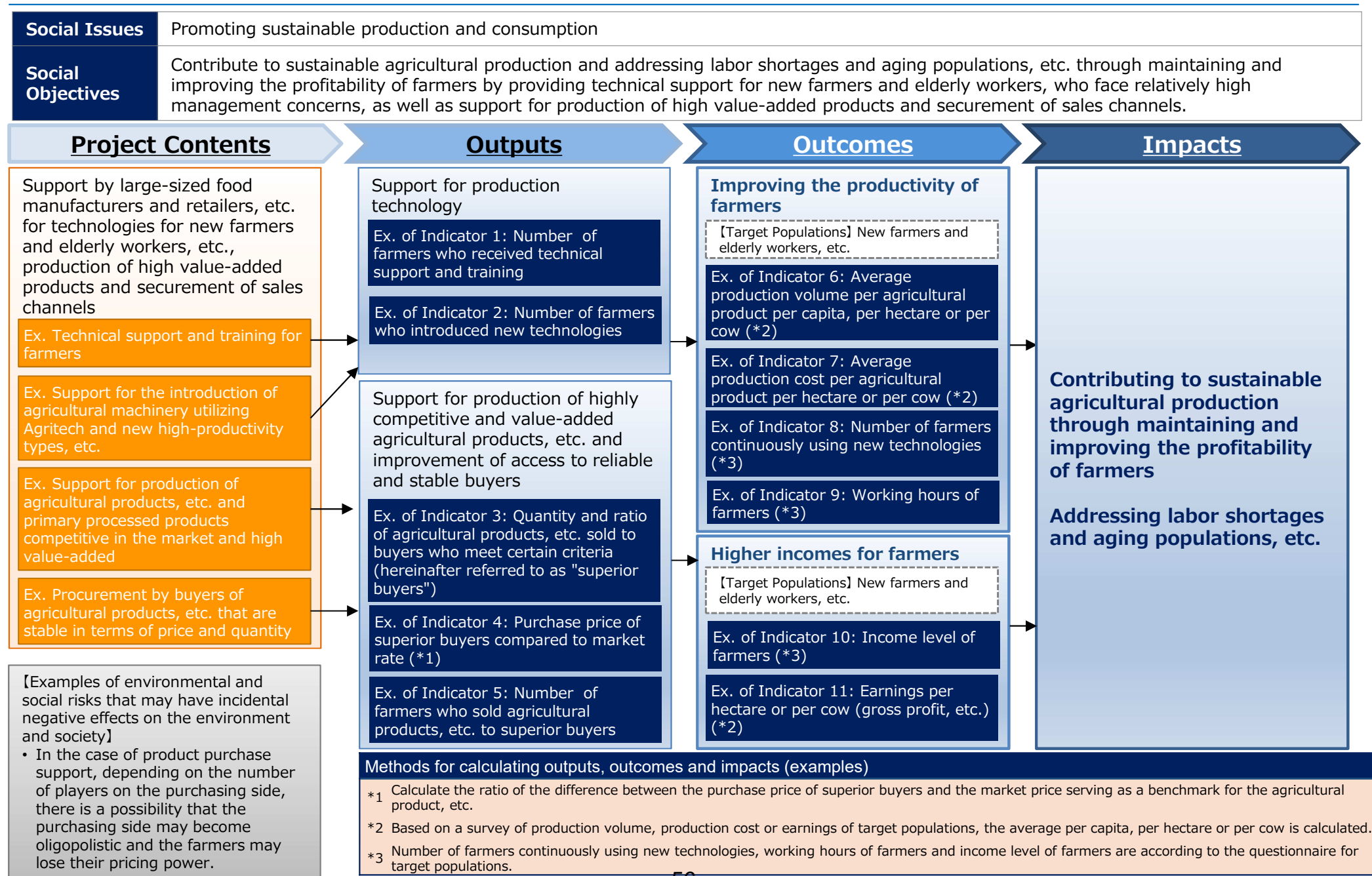
Source: Ministry of Agriculture, Forestry and Fisheries, "Statistical Survey on Farm Management Management balance of agricultural management bodies in 2019" (February, 2021)

Source: [1] Ministry of Agriculture, Forestry and Fisheries, "Annual Report on Food, Agriculture and Rural Areas in Japan FY2020" (May 25, 2021)

(<https://www.maff.go.jp/e/data/publish/#Annual>)

Examples of Processes Leading to Impact and Indicators, etc.

Providing guidance, advice and support programs on sustainable production and agricultural practices



Overview of Social Projects

Providing guidance, advice and support programs on sustainable production and agricultural practices

Social Project	Social Objectives (*1)		Contribute to sustainable agricultural production and addressing labor shortages and aging populations, etc. through maintaining and improving the profitability of farmers by providing technical support for new farmers and elderly workers who face relatively high management concerns, as well as support for production of high value-added products and securement of sales channels.
	Overview of Specific Social Projects		■ Support by large-sized food manufacturers and retailers, etc. for technologies for new farmers and elderly workers, etc., production of high value-added products and securement of sales channels • Ex. Technical support and training for farmers • Ex. Support for the introduction of agricultural machinery utilizing Agritech and new high-productivity types, etc. • Ex. Support for production of agricultural products, etc. and primary processed products competitive in the market and high value-added • Ex. Procurement by buyers of agricultural products, etc. that are stable in terms of price and quantity
	Relationship with Social Bond Guidelines (*2)	Social Project Categories in the ICMA Social Bond Principles	5. Food security and sustainable food systems
		Details of Categories (Sub-Categories) (*3)	● Resilient agricultural practices ● Improved productivity of small-scale producers
		Examples of Social Projects (Use of Proceeds) (*3)	○ Provision of guidance/advice and support programs on sustainable production and agricultural practices
		Target Populations (*3)	○ Small-scale producers/suppliers (new farmers and elderly workers, etc.)

(*1) Social objectives are the social benefits that issuers intend to achieve through the issuance of Social Bonds and the ultimate social benefit that Social Projects strive to achieve.

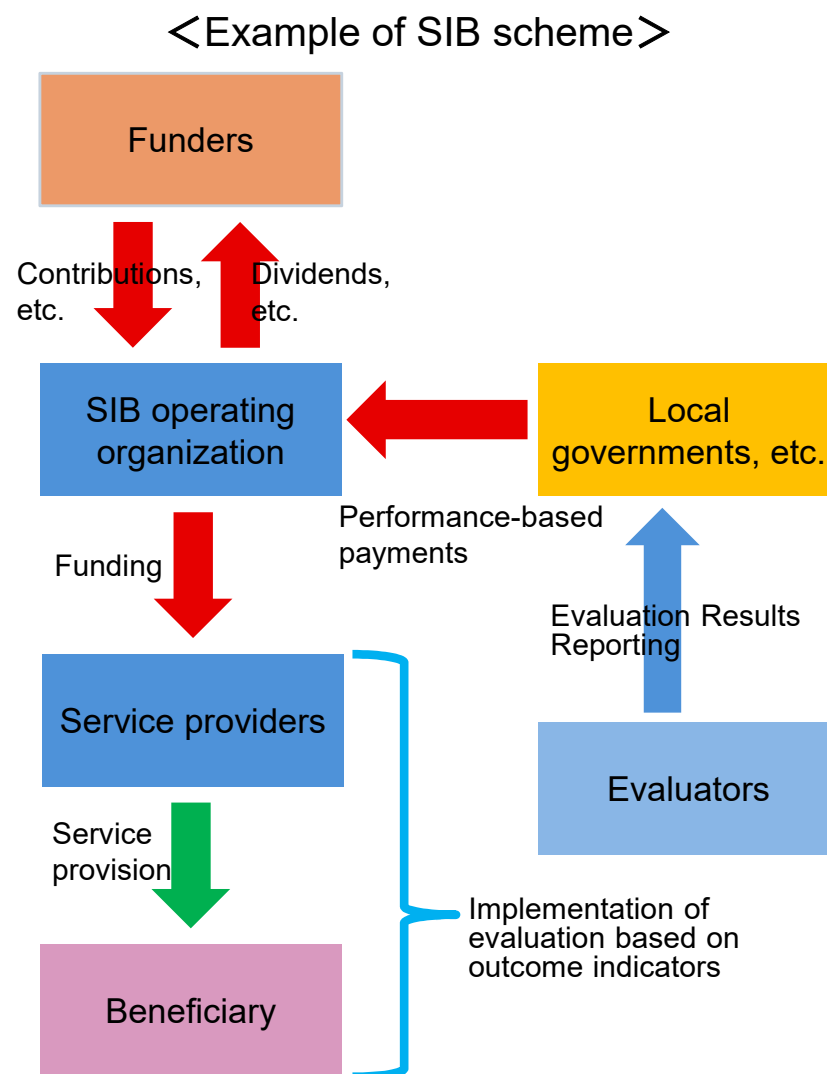
(*2) In Social Bond Guidelines, Annex1 provides examples of Social Project "categories" and the details of Projects corresponding to each "category" (sub-categories), while Annex 2 provides concrete examples on use of proceeds of Social Bonds (It should be noted that the examples provided herein are by no means exhaustive, and there is no intention thereby to limit or preclude other potential eligible project categories and project details.).

(*3) ● Examples in the ICMA Social Bond Principles ○ Additional Examples Listed in Social Bond Guidelines

Reference (Social Impact Bonds (SIBs) and Outcome Indicators)

【Reference】 Social Impact Bonds (SIBs) and Outcome Indicators

- The following types of projects are being implemented by the national and local governments, etc. under the Pay for Success (PFS) contracting system:
 - ✓ Projects that are entrusted, etc. to a private business operator,
 - ✓ Outcome indicators are set for social issues that the project aims to resolve, and
 - ✓ Projects are entrusted for resolving social issues from national government or local public entities, where its payments, etc. are made according to the performance shown by the outcome indicators ^[1]
- SIB is a type of PFS contracting system with the project fundraising from a financial institution or other fund provider, and repayments, etc. are made in accordance with the performance-based payments by local governments. ^[1]
(See the right for an example of an SIB scheme.)
- Although the purpose differs in part from social bond indicators set by social bond issuers for disclosure, etc. of social benefits of social projects, outcome indicators will be set for PFS/SIBs as described above.
- The following pages provide examples of PFS/SIBs' learning support programs in the field of recidivism prevention and their outcome indicators, etc. as a reference.



Source: Prepared by the FSA referring to "METI New Public-Private Partnership Framework: Social Impact Bonds (SIBs)"

[1] Prepared by the FSA referring to CAO, "Pay-for-Success (PFS)" (<https://www8.cao.go.jp/pfs/pfstoha.html> (Japanese Only))

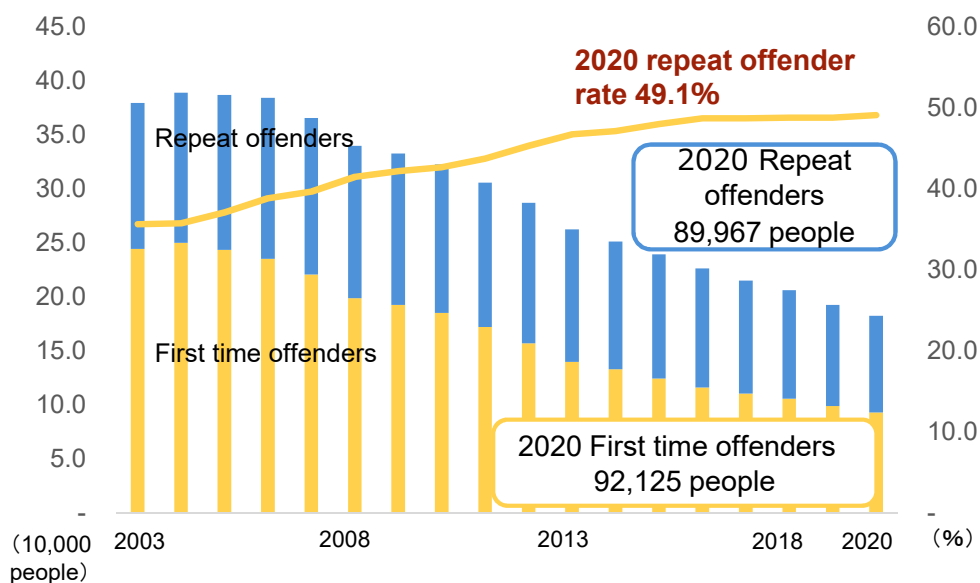
Social Issues in Japan: Realizing a safe and secure society through promotion of recidivism prevention

Provision of various types of support in response to the difficulties faced by those who have committed crime and promotion of recidivism prevention

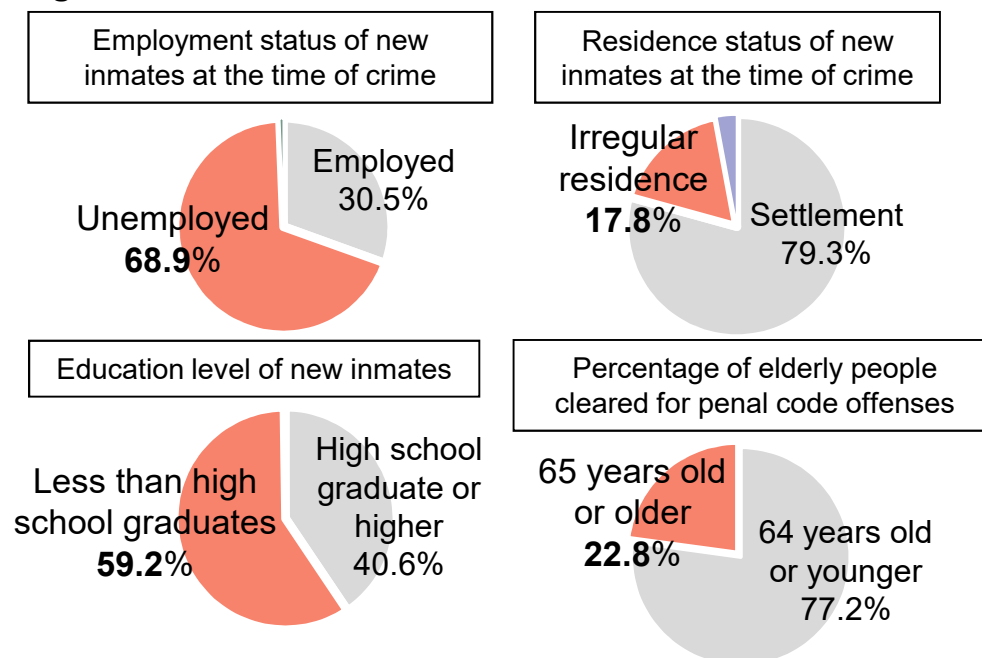
■ Status of Social Issues

- In Japan, approximately half of people cleared for penal code offenses are repeat offenders who have been cleared for a crime in the past (Figure 1). In order to realize a safe and secure society free from crime, it is necessary to promote recidivism prevention to prevent the repetition of crime.
- Criminals and juvenile delinquents (hereinafter referred to as "criminals, etc.") often face multiple challenges, such as poverty, old age and disability, and a poor growth environment, which makes their smooth reintegration into society difficult (Figure 2).
- In order to prevent criminals, etc. from committing crime again (recidivism prevention), it is necessary to provide guidance and support for improving the living conditions of criminals, etc. to stabilize their lives. The active involvement of resource-rich companies as well as the national and local governments is desirable.
- By promoting recidivism prevention, it is possible to realize a safe and secure society that does not give rise to new crimes or new victims through enabling criminals, etc. to become members of society again with the understanding and cooperation of the people, including companies, without being isolated or left behind in society.

【Fig. 1】Number of people cleared for penal code offenses and repeat offender rate^[1]



【Fig. 2】Current Status of Offenders, etc.^{[2][3]}



Source : [1] 2021 White Paper on promotion of recidivism prevention (https://www.moj.go.jp/hisho/saihanboushi/hisho04_00009.html) (Japanese Only)

[2] 2020 Annual Report of Statistics on Corrections (https://www.moj.go.jp/housei/toukei/toukei_ichiran_kousei.html) (Japanese Only)

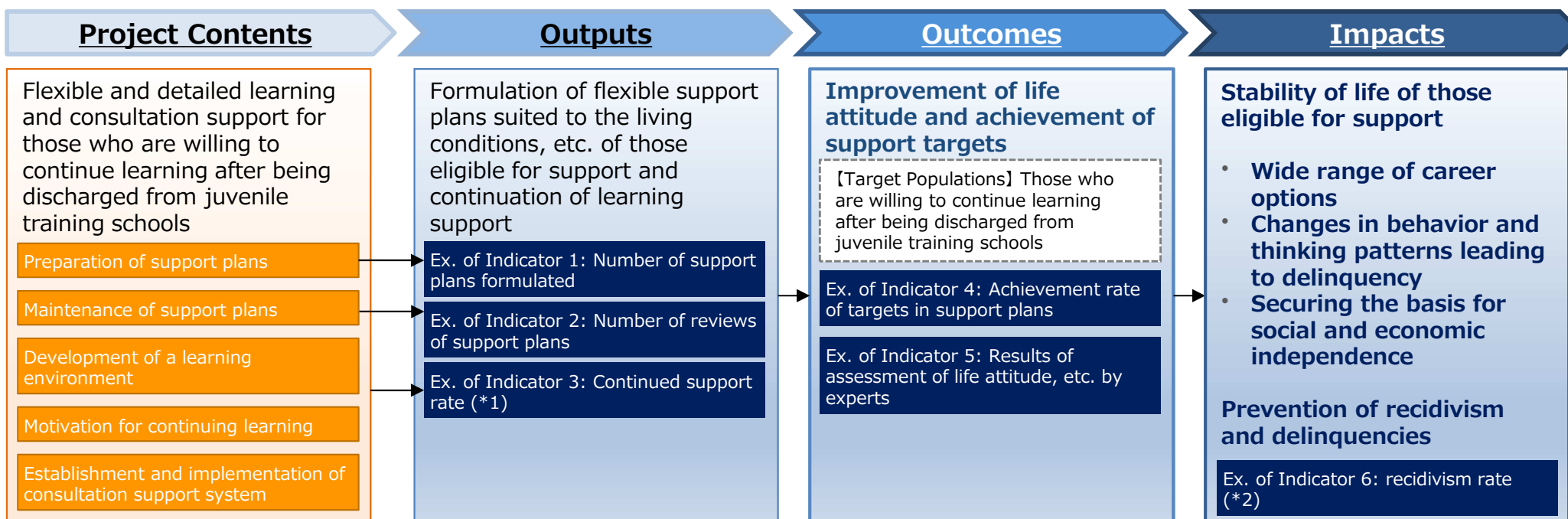
[3] 2021 White Paper on Crime (https://www.moj.go.jp/EN/housouken/housou_hakusho2.html)

Examples of Processes Leading to Impact and Indicators, etc.

Provision of various types of support in response to the difficulties faced by those who have committed crime and promotion of recidivism prevention

- As part of efforts to realize a safe and secure society through promotion of recidivism prevention, the Ministry of Justice has implemented learning support programs for juvenile delinquents using SIBs. The indicators are as follows:

Social Issues	Realizing a safe and secure society through prevention of recidivism and delinquencies by learning support, etc.
Social Objectives	Through flexible and detailed learning and consultation support for juvenile delinquents by public-private partnerships, the Government aims to stabilize lives of criminals, etc. as members of society and prevent recidivism and delinquencies by improving the life attitude of those eligible for support and achieving their respective support targets.



Methods for calculating outputs, outcomes and impacts (examples)

- *1 Period during which support was provided / Period of support in support plans
- *2 Comparison of recidivism rate between the target group supported by this project and the control group

(Reference) Implementation of learning support programs for juvenile delinquents using Social Impact Bonds (SIBs)
https://www.moj.go.jp/hisho/saihanboushi/hisho04_00065.html (Japanese Only))