



December 27, 2024

To Whom It May Concern,

Listed company name: MUGEN ESTATE Co., Ltd.
Representative: Shinichi Fujita, President
(Code: 3299 Standard Market)
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Notice of Financing through "Aigin Positive Impact Finance" from The Aichi Bank

MUGEN ESTATE (hereinafter, the "Company") hereby announces that it has acquired financing of 500 million yen through the "Aigin Positive Impact Finance" program provided by The Aichi Bank, Ltd. (Nagoya City, Aichi Prefecture; President: Yukinori Ito).

The Company plans to allocate the full amount of this financing to business funds for its core purchase and resale business. It recognizes its purchase and resale business constitutes an environmentally friendly business model that promotes the renovation and distribution of pre-owned real estate and makes effective use of existing resources, thereby contributing to the realization of a sustainable society. Additionally, as part of its sustainability management efforts, the Company is disclosing information based on TCFD recommendations, establishing human resource strategies linked to its management strategies and implementing other initiatives. Going forward, it will continue to actively promote initiatives that contribute to the resolution of environmental and social issues.

[Overview of financing]

Contract execution date	Friday, December 27, 2024
Amount raised	500 million yen
Loan period	5 years
Use of funds	Working capital

[Identified impact and KPIs to be measured (targets for 2030)]

(1) Promote the renovation of pre-owned real estate to reduce environmental impact
Achieve 540 renovations by fiscal 2029 using facilities that conserve water and electricity (Track record in the 4 years up to fiscal 2023: 336 projects/year)
(2) Enhance employee growth and job satisfaction
Increase annual educational investment to 27 million yen by FY 2029 to contribute to deepening expertise, improving management and sales capabilities, and employee engagement (6 million yen in fiscal 2023)

(3) Create a workplace that fosters a harmonious work-life balance and is easy to work in
(i) Aim for a paid leave utilization rate of 80% or more for managers by fiscal 2029 (Track record in the 4 years up to fiscal 2023: 69.9%)
(ii) Achieve Platinum Kurumin certification by fiscal 2025
(iii) At least 50% of male employees taking childcare leave by fiscal 2029 (Track record in the 4 years up to fiscal 2023: 44.4%)

About Positive Impact Finance

This is a loan product that observes the framework of international financial principles, and holistically analyzes and evaluates the impact of corporate activities on the environment, society, and the economy (hereinafter referred to as "impact assessment"). Through setting and monitoring targets (hereinafter referred to as "KPIs") for initiatives aimed at increasing positive impacts and reducing negative impacts identified through impact assessments, it supports continuous promotion of the initiatives.

The impact assessment and monitoring for this financing will be conducted by the Aichi Bank, Ltd. This framework has received a second opinion from Rating and Investment Information, Inc. (R&I) on its conformity with the Principles for Positive Impact Finance (PIF Principles) established by the United Nations Environment Programme Finance Initiative (UNEP FI).

Through this framework, the Company will further promote sustainable business activities that give due consideration to the environment and society.