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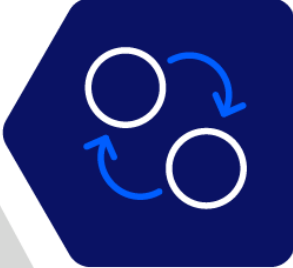
External Reviewer's Perspectives on Resilience Bonds

13-April-2026

Four key themes will drive sustainable debt in 2026

Steady issuance volumes in 2026

\$900 billion globally with diverging regional trends



Adaptation and resilience in focus

Rising risks from severe weather to drive financing for adaptation projects



Transition finance will blossom

New standards will support growth in transition-labeled bonds and loans



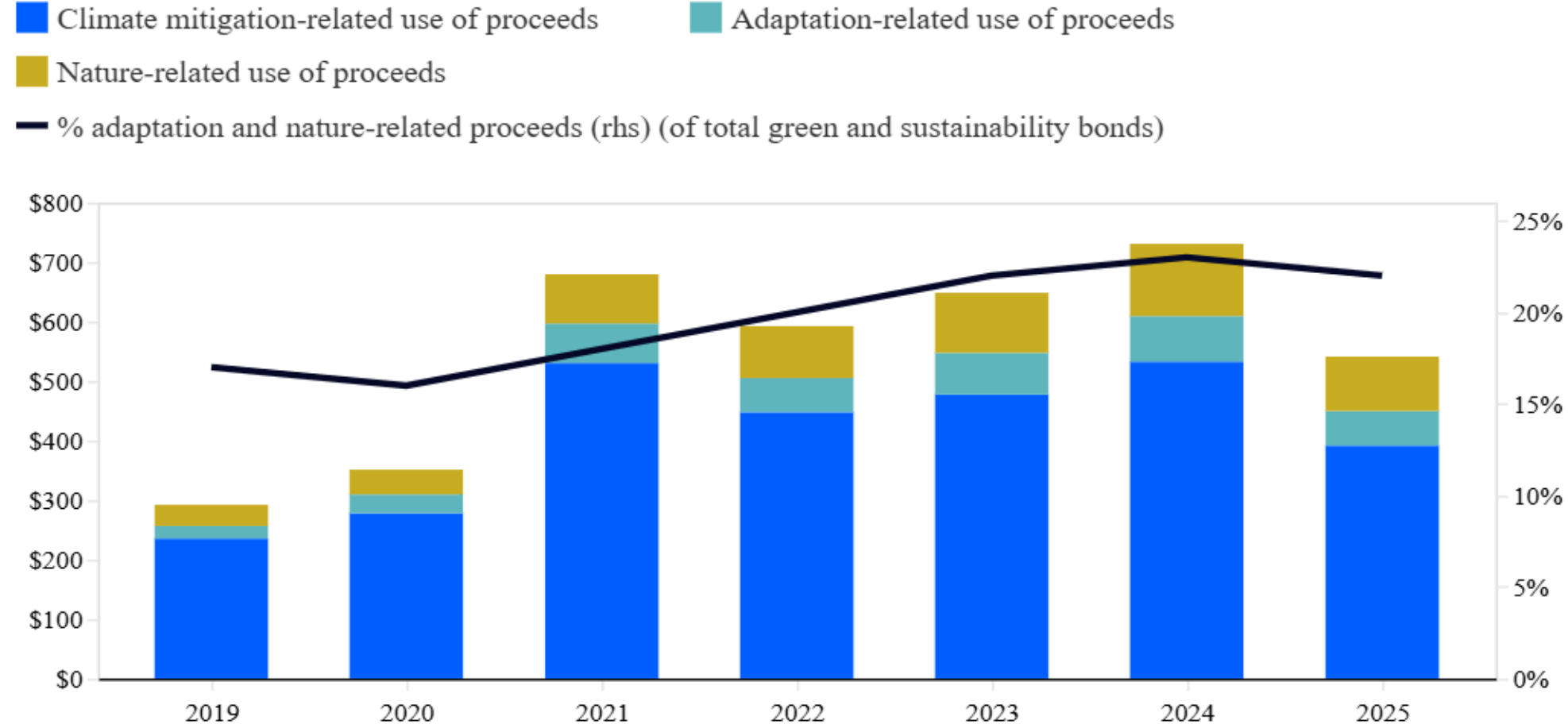
New opportunities in digital infrastructure

Surge in data-center demand is an emerging area for sustainable bonds

Source: Sustainable Finance – Global: [2026 Outlook – Transition, adaptation and digital needs will drive sustainable debt](#), Moody's Ratings

Share of adaptation and nature use of proceeds has been rising since 2020

Absolute volume (\$ billions) and share of green and sustainability bond proceeds (%)



Source: Sustainable Finance – Global: [2026 Outlook - Transition, adaptation and digital needs will drive sustainable debt](#), Moody's Ratings

Moody's approach to providing SPO assessment

ALIGNMENT WITH PRINCIPLES SCORE

Indicates our opinion of the degree of alignment of a framework/instrument with standards and Moody's Ratings identified best practices. Signals the level of transparency and accountability.

4-point scale

Alignment with principles

Overall alignment



Use of proceeds

- Use of proceeds
- Evaluation and selection
- Management of proceeds
- Reporting

Sustainability-linked

- Selection of the KPIs
- Calibration of the sustainability performance targets
- Instrument characteristics
- Reporting
- Verification

Contribution to sustainability

Overall contribution



Use of proceeds

- Relevance of the sustainability issue
- Magnitude of the benefits

Sustainability-linked

- Relevance of the KPIs
- Magnitude of the ambition

+ Additional contribution to sustainability considerations

CONTRIBUTION TO SUSTAINABILITY SCORE

Indicates our opinion of the expected contribution of projects or assets financed by the proceeds, or key performance targets, to the issuer's advancement of long-term sustainable development.

5-point scale

Sustainability quality score



SUSTAINABILITY QUALITY SCORE

Combines the Alignment with Principles score and the Contribution to Sustainability score to indicate our opinion of the overall sustainability quality of a financial instrument or financing framework.

5-point scale



- Is the best available technology being used?
- Are there any negative E&S externalities?
- Is there carbon lock-in?

Case study: Tokyo Metropolitan Resilience Bonds

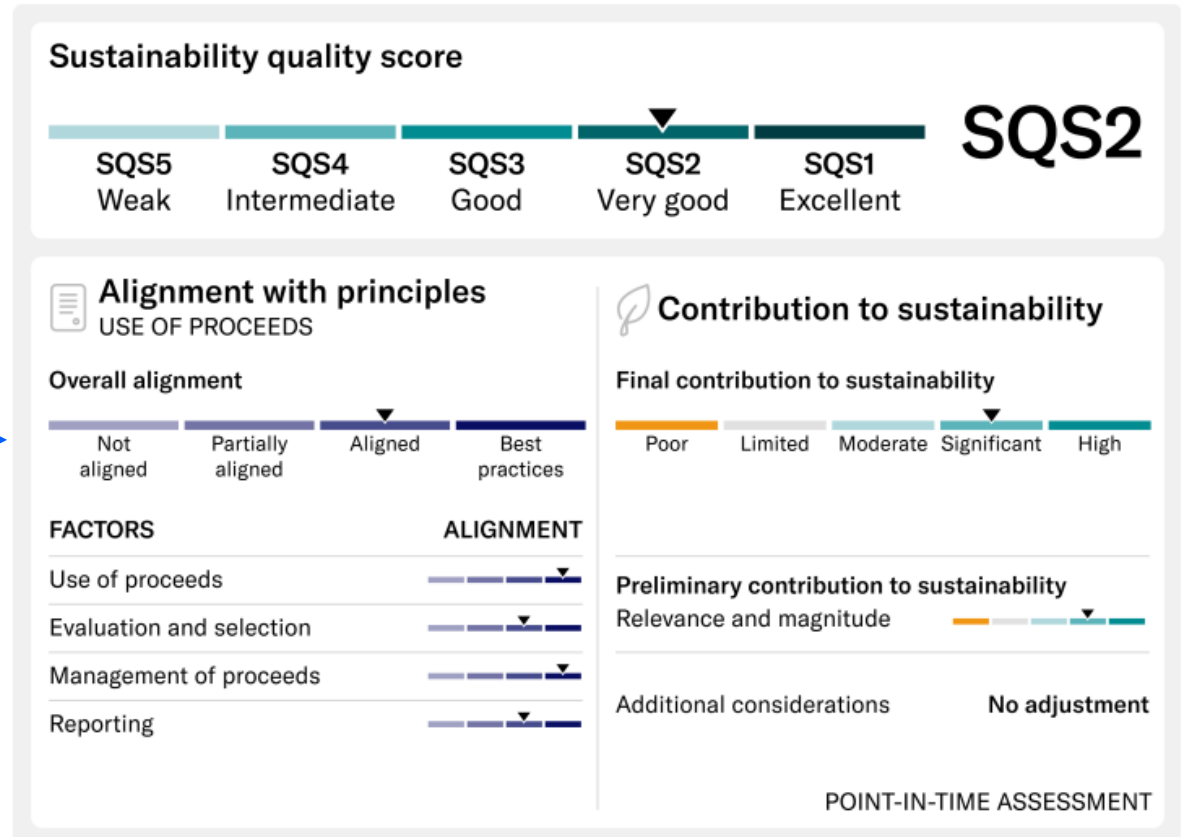
Japan | Sub-sovereign

Issuer Profile:

- Administrative body of the Tokyo metropolis, with the population of 14 million
- Plans to raise \$330million through its Resilience Bond, which is the first of a kind

Resilience Bonds Framework:

- Finance 2 categories:
 - Climate change adaptation
 - Affordable basic infrastructure
 - Access to essential services



Source: [Tokyo Metropolitan Government - Second Party Opinion - Resilience Bonds Framework Assigned SQS2 Sustainability Quality Score](#), October 2025, Moody's Ratings

Case study: Tokyo Metropolitan Resilience Bonds

Japan | Sub-sovereign

Summary

- To finance projects across one green category and one category with combined social and environmental objectives.
- Aligned with the four core components of the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

Strengths

- Projects will substantially enhance the resilience of Tokyo's public infrastructure and reduce vulnerability to natural disaster risks, such as flooding, earthquakes and typhoons, thereby safeguarding the city's critical systems and improving the overall safety of residents.
- Projects are clearly defined and details of projects that will be financed in the current fiscal year are disclosed in the framework.

Challenges

- Projects that involve large-scale construction projects could lead to negative E&S externalities, but they are not subject to a separate environmental and social impact assessment (ESIA). Nonetheless, such externalities are mitigated to some extent by TMG's adherence to relevant environmental laws and regulations.

Source: [Tokyo Metropolitan Government - Second Party Opinion – Resilience Bonds Framework Assigned SQS2 Sustainability Quality Score](#), October 2025, Moody's Ratings

What are they financing?

Climate Change Adaptation

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
To prevent flooding caused by heavy rain, and storm surges, and other related hazards to the greatest extent possible	Upgrading small and medium-sized rivers to enhance flood resilience	Climate change adaptation	Completion of river development (%) Storage capacity of regulating reservoirs (m ³)
	Developing and upgrading coastal protection facilities for the Port of Tokyo and remote islands	Climate change adaptation	Length completed (km) Number of structures developed
	Reinforcing river facilities to strengthen water and seismic resilience	Climate change adaptation	Length completed (km)

Relevance (High)	Magnitude (Significant)
<ul style="list-style-type: none"> ▪ Tokyo faces high flood risk from intensifying rainfall, storm surges, and sea-level rise. ▪ Exposure is elevated: ~20% of the 23 wards lie below sea level (“zero-meter zones”). ▪ Implication: Strengthening flood defenses is critical to Tokyo’s climate resilience efforts. 	<ul style="list-style-type: none"> ▪ Significant impact: Projects use proven flood-defense technologies that enhance Tokyo’s long-term resilience to storm surges and coastal hazards. ▪ Construction externalities: Large-scale infrastructure works may have temporary environmental and social impacts, though compliant with applicable regulations. ▪ Mitigation measures: Impacts are partly mitigated through environmental laws, construction standards, and biodiversity-aware maintenance plans.



What are they financing?

Climate Change Adaptation, Affordable Basic Infra, Access to Essential Services

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
To prevent damage from strong winds and heavy rain caused by typhoons and other severe storms	Undergrounding utility poles to prevent collapse in the event of a disaster	Climate change adaptation	Length completed (km) Number of airports upgraded Number of ports upgraded
	Developing and upgrading sediment disaster prevention and coastal protection facilities	Climate change adaptation	Number of structures developed/upgraded
	Renovating port facilities to protect remote islands vulnerable to typhoons and coastal hazards	Access to essential services Target population: Local residents and others who use port facilities	Number of ports upgraded

Relevance (High)	Magnitude (High)
<ul style="list-style-type: none"> • Rationale: Increasing typhoon intensity poses rising physical and economic risks to Tokyo. • Benefits: Measures improve storm resilience, reduce damage from floods, landslides, and debris flows, and support evacuation and recovery. • Limitations: Relevance is not high, as more direct adaptation measures (e.g. building retrofits, flood barriers) address primary disaster impacts, and some targeted risks are lower-probability. 	<ul style="list-style-type: none"> • High overall impact driven mainly by utility pole undergrounding, which receives most of the proceeds. • Resilience benefits: Measures reduce secondary disaster risks (power outages, fire hazards) and protect critical evacuation and transport routes. • Proven structural solutions: Includes sabo dams, retaining walls, and offshore breakwaters with demonstrated effectiveness. • Environmental considerations: Large-scale construction poses risks, but impacts are mitigated through regulatory compliance and nature-conserving methods. • Social contribution: Port upgrades enhance safety and service continuity for residents of Tokyo's outlying islands, with costs largely publicly funded.



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Thank you

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