

Green Bond Fact Sheet

Japan Housing Finance Agency			Date: 22-Feb-2019
Issue date: 21-Jan-2019 Maturity date: 20-Jan-2039 Tenor: 20			
Issuer Name	Japan Housing Finance Agency	Amount Issued	JPY10bn (USD91m)
Country of risk	Japan	CBI Database	Included
Issuer Type ¹	Government-backed entity	Bond Type	Green bond
Green Bond Framework	N/A	Second party opinion	N/A
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting			
Company information	<p>JHF is a government-backed agency, which acquires mortgages from originating banks and refinances itself in the bond market by issuing RMBS securitisations or bonds.</p>		
Firsts, records and certifications			
Proceeds description	<p>Its bond scheme was selected as a pilot project by the Ministry of the Environment of Japan (MoEJ) under its Pilot Project for Green Bond Issuance. The alignment of pilot projects to Japan’s Green Bond Guidelines 2017 is checked by MoEJ and its contractors – in this case, E&E Solutions and JCR.</p> <p>Eligible assets are limited to mortgages on newly constructed Flat 35S housing, which covers low-carbon houses with primary energy consumption level 4 or higher or thermal insulation performance level 4, as well as houses with an approved energy efficiency improvement plan, and each asset is verified by an inspection agent, certified by JHF. The pool of mortgages their debut green bond refinances were originated in autumn 2018.</p>		
Climate Bonds view	<p>JHF is a government-backed agency, which acquires mortgages from originating banks and refinances itself in the bond market by issuing RMBS securitisations or bonds. Similar to Fannie Mae in the US, it plays a key role in financing residential properties in Japan, and can leverage its position to promote investment in energy efficient buildings.</p> <p>Its Flat 35S is a fixed-rate mortgage product, which provides financial incentives for high-quality, energy-saving and earthquake-resilient housing. In addition to the green bond, JHF’s two recent RMBS deals (Series 140 and Series 141) include Flat 35S collateral, so we would hope to see more green issuance from JHF going forward.</p> <p>The energy consumption level and insulation performance level are graded from 1 to 5, where Level 5 is the best in terms of energy efficient performance and Level 1 is the worst. Level 4 corresponds to the current national energy efficiency standards, and Level 5 is 10% better. Consequently, the housing financed with the green bond is among the most energy efficient in Japan, which is aligned with the</p>		

	Climate Bonds Taxonomy. However, we encourage all issuers to make information on the assets financed by a green bond publicly available for market transparency.
Underwriters	
Deal comments	
Credit Rating	
Pricing summary	
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign