

Green Bond Fact Sheet

ORIX JREIT		Date: 28/07/2019	
Issue date: 18-07-2019 Maturity date: 18-07-2024 Tenor: 5			
Issuer Name	ORIX JREIT Inc.	Amount Issued	JPY7bn (USD65m)
Country of risk	Japan	CBI Database	Included
Issuer Type ¹	Financial corporate	Bond Type	Senior unsecured
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	Green 1 (JCR)
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 checked="" type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input checked="" 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"/> Flood protection <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"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	<p>Since the proceeds will be allocated in full at issuance towards refinancing, no reporting on the use of proceeds is expected. However, disclosure will be made by OJR in the event of a major change in circumstances, such as the occurrence of unallocated proceeds due to the sale of the two properties refinanced with the bonds.</p> <p>In terms of environmental impacts, OJR will disclose the status and rating of building certifications of each asset, as well as energy and water consumption and CO2 emissions, as long as the green bond exists (i.e. until maturity).</p>
Company information	<p>ORIX JREIT Inc. (OJR) is Japan's first diversified Real Estate Investment Trust (J-REIT), established in 2001 and listed on the Tokyo Stock Exchange (Real Estate Investment Trust Securities Market) in 2002. OJR invests in logistics facilities, commercial facilities, housing, and hotels, with office buildings in the Tokyo metropolitan area at its core.</p>
Firsts, records and certifications	
Proceeds description	<p>The proceeds will be allocated for refinancing the acquisition of properties that meet the eligibility criteria established by OJR in its Green Finance Framework, i.e. properties that have obtained or are expected to obtain either three stars or more in the DBJ Green Building Certification, B+ or higher in CASBEE Certification, three stars or more in BELS Certification, or LEED Silver or higher.</p> <p>Specifically, the bond will refinance the acquisition of an office building (Lunar Sendai, in Miyagi) and a logistics facility (Toda Logistics Centre, in Saitama), with a total acquisition price of JPY18.1bn. Lunar Sendai has the highest BELS certification ranking of five stars, while Toda Logistics Centre has four stars. BELS certification assesses the degree of achievement of Energy Efficiency Standards.</p> <p>In February 2015, Lunar Sendai renewed its air-conditioning equipment and changed the electricity used in its exclusive and common use areas to LED, thereby reducing energy consumption. Toda Logistics Centre also works to conserve energy by adopting high-efficiency lighting equipment.</p>
Climate Bonds view	<p>While OJR's bond may lack "additionality", as it refinances the acquisition and energy improvement of two properties, we are pleased to see the issuer doing so via a green label, as it should support further growth in the Japanese market. It may also support the expansion of the country's building certifications.</p> <p>Japan's green bond market has been expanding rapidly in the last 18 months; after more than 30 bonds issued from the country in 2018, already 25 have been issued in 2019 (as of the time of writing). Most of these have been issued by corporates, with a significant portion financing buildings. We hope it becomes more diversified in terms of both types of projects and issuer types; even within financial corporates, it would be good to see more issuance from large financial institutions (e.g. banks), which has been lacking so far.</p>
Underwriters	<p>Daiwa, Mitsubishi UFJ Morgan Stanley Securities, SMBC Nikko Securities</p>

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