

Green Bond Fact Sheet

Activia Properties		Date: 04/10/2019	
Issue date: 09-07-2019 Maturity date: 09-07-2024 Tenor: 5			
Issuer Name	Activia Properties	Amount Issued	JPY5bn/USD46m
Country of risk	Japan	CBI Database	Included
Issuer Type ¹	Non-financial corporate	Bond Type	Senior unsecured
Green Bond Framework	Framework	Second party opinion	Sustainalytics
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 checked="" 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>The issuer will disclose on its website the list of eligible green projects or refurbishments financed/refinanced, allocation status, including the amount of unallocated proceeds, schedule of allocation and managing method, as well as other allocation information, of the net proceeds of green bonds as of end of every May until the proceeds are fully allocated. It will also report on the progress and levels of certifications of eligible green projects. Additionally, API will annually disclose energy, emissions, water and waste indicators of eligible green projects (estimated for refurbishments) until bond maturity.</p>
Company information	<p>Activia Properties Inc. (API) is a Japanese real estate investment trust (J-REIT) established on September 7, 2011. API primarily focuses on investments in urban retail properties and office buildings across Tokyo in Japan. As of January 10, 2019, the total number of properties owned was 45, with a total acquisition price of JPY502bn. In accordance with API's investment policy, the operation and management of its assets are entrusted to the asset manager, TLC REIT Management Inc. (TRM), a wholly owned subsidiary of Tokyu Land Corporation, a comprehensive real estate company in Japan.</p>
Firsts, records and certifications	
Proceeds description	<p>The proceeds of the green bond will be allocated to acquire the existing or new buildings that meet the eligibility criteria A, or refurbishments that meet the eligibility criteria B or to refinance the existing loan/investment corporation bonds which have been allocated to eligible green projects or refurbishments.</p> <p>A: Buildings that have achieved the following top two levels of third-party green building certification/recertification within 36 months prior to the payment date of green bonds or will achieve: A or S Rank under CASBEE; 4 or 5 Stars under DBJ Green Building Certification Program; 4 or 5 Stars under BELS.</p> <p>B: Refurbishments with a primary purpose of achieving one of the following criteria and are completed within 36 months prior to the payment date of green bond or will be completed:</p> <ul style="list-style-type: none"> • Refurbishments with more than 10% reduction in CO2 emissions or energy consumption; • Refurbishments with more than 10% reduction in water consumption; • Newly achieve the top two levels of green building certifications listed above or more than one level of star/rank improvement in the green building certifications <p>The REIT is aiming to reduce average energy consumption across its portfolio, and on average per property, by 1% a year.</p>
Climate Bonds view	<p>Many J-REITs and real estate companies have issued green bonds for Certified buildings and energy improvements in 2019. API's ambition to achieve the top two certification levels is commendable. While 10% improvements in energy and/or water consumption is below our 20% requirement, the fact that the asset owner is also aiming to continually reduce average energy consumption across its whole portfolio suggests that this may indeed be a floor. We hope to see higher levels of improvement for refurbishments.</p>

Underwriters	Mizuho, Daiwa, Mitsubishi, SMBC Nikko Securities
Deal comments	
Credit Rating	AA (JCR)
Pricing summary	
Investors summary	

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