

**For Immediate Release***REIT Issuer:*

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**ORIX JREIT Announces New Debt Financing**  
**“Positive Impact Finance”**

TOKYO, December 24, 2021 — ORIX JREIT Inc. (“OJR”) announces that its asset management company, ORIX Asset Management Corporation (“OAM”), determined new debt financing as described below.





**1. Description of Positive Impact Finance**







OJR undertakes "Positive Impact Finance" with Sumitomo Mitsui Trust Bank, Limited (“SuMi TRUST Bank”) in line with the Principles for Positive Impact Finance (\*1), its model framework (Financial products for corporate with unspecified use of funds) and Positive Impact Real Estate Investment Framework released by the United Nations Environment Programme Finance Initiative (“UNEP FI”) (\*2). This Positive Impact Finance is the first of its kind for the J-REIT sector.

Positive Impact Finance (hereinafter “PIF”) is intended to support corporations’ activities of which we comprehensively analyze and evaluate the impacts (both positive and negative) related to the environment, society and economy. The most notable feature of PIF is that the degree of contribution from corporate activities, products and services in achieving Sustainable Development Goals (SDGs) is used as evaluation indicator and monitored based on publicly disclosed information and to support its activities through engagement.

OJR believes that it is vital to consider issues surrounding ESG in order to achieve sustainable asset management. OAM has established its ESG Policy to put these beliefs into practice and to achieve stable growth in unitholder value, which is in line with OJR's management philosophy. In September 2021, OJR updated its medium-term and long-term targets for climate change, and is promoting the acquirement of green building certifications and supporting TCFD(\*3) recommendations to achieve carbon neutrality by 2050. Also, OJR promotes activities contributing to improving customer satisfaction, and maintaining and improving the health and comfort of building users while at the same time enhancing the value of its properties through dialogue with stakeholders.

SuMi TRUST Bank assessed the following initiatives of OJR both qualitatively and quantitatively as initiatives that particularly have impact on achieving SDGs.

Themes	Contents	Goals and Indicators (KPI)	SDGs
Promotion of climate change countermeasures	<ul style="list-style-type: none"> <li>✓ Reduce greenhouse gas emissions by installing equipment that contributes to improving energy efficiency and energy saving at our properties</li> <li>✓ Work for visualization of objectivity and performance by acquiring “green building” certifications</li> </ul>	<p>a.Reduction of CO<sub>2</sub> emissions (Goals)</p> <ul style="list-style-type: none"> <li>✓ Achieve carbon neutrality by 2050</li> <li>✓ Reduce CO<sub>2</sub> emissions intensity by 35% by 2030 compared to 2018</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ CO<sub>2</sub> emissions intensity (t-CO<sub>2</sub>/m<sup>2</sup>)</li> </ul> <p>b.Reduction of energy consumption (Goal)</p> <ul style="list-style-type: none"> <li>✓ Reduce by an average of 1% or more a year the energy consumption intensity of the properties based on the intensity over the past five years</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Energy consumption intensity (kl/m<sup>2</sup>)</li> </ul> <p>c.Expansion of use of renewable energy (Goal)</p> <ul style="list-style-type: none"> <li>✓ Continue reviewing and disclosing the amount of renewable energy generation, and consider formulating the goal</li> </ul> <p>(Indicators (KPI))</p> <ul style="list-style-type: none"> <li>✓ The amount of renewable energy generation</li> <li>✓ The status of consideration in formulating the goal for renewable energy use</li> </ul> <p>d.Supplying tenants with renewable energy (Goal)</p> <ul style="list-style-type: none"> <li>✓ Consider reviewing and disclosing the status of supplying tenants with renewable energy</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Status of consideration in reviewing and disclosing the status of supplying tenants with renewable energy</li> </ul> <p>e.Promotion of acquiring green building certifications (Goal)</p> <ul style="list-style-type: none"> <li>✓ Achieve green certification for over 70% of floor space of properties under OJR’s operational control by 2030</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Rate of acquisition of green building certifications</li> </ul>	 
Management of waste and water resources	<ul style="list-style-type: none"> <li>✓ Promote efficient use of resources, waste reduction and recycling</li> <li>✓ When disposing of waste, comply with laws and regulations and dispose properly</li> <li>✓ Use water resources efficiently</li> </ul>	<p>a.Reduction of waste (Goal)</p> <ul style="list-style-type: none"> <li>✓ Maintain the landfill disposal rate at 1% or less in 2030</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Landfill disposal rate</li> </ul> <p>b.Reduction of use of water (Goal)</p> <ul style="list-style-type: none"> <li>✓ Reduce water use compared to the previous year</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ The amount of the use of water</li> </ul>	 

<p>Improve the health, safety and well-being of customers (tenants and users)</p>	<ul style="list-style-type: none"> <li>✓ At our properties, improve the satisfaction of customers and enhance the competitiveness of the properties by conducting environmental and energy-saving measures and asset management aimed at improving health, safety and well-being</li> <li>✓ Work for visualization of objectivity and performance by acquiring various “green building” certifications</li> <li>✓ Increase the intangible and tangible resiliency of properties through our asset management so that it leads to customer satisfaction</li> </ul>	<p>(Goal)</p> <ul style="list-style-type: none"> <li>✓ Improve the health, safety, well-being and satisfaction of customers (tenants and users)</li> </ul> <p>(Indicator(KPI))</p> <ul style="list-style-type: none"> <li>✓ Status of work for improvement of the health, safety, well-being and satisfaction for customers (tenants and users)</li> </ul>	  
<p>Collaboration with stakeholders / supply chain</p>	<ul style="list-style-type: none"> <li>✓ Promote ESG through the collaboration with stakeholders / supply chain</li> </ul>	<p>(Goal)</p> <ul style="list-style-type: none"> <li>✓ Promote the conclusion of property management agreements to include clauses regarding ESG</li> </ul> <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> <li>✓ Status of the conclusion of property management agreements including clauses regarding ESG</li> </ul>	  

The PIF has obtained a third-party opinion (\*4) from Japan Credit Rating Agency, Ltd. regarding compliance of the procedures related to this evaluation to the Principles as well as the rationality of the evaluation indicators.

(\*1) The Principles for Positive Impact Finance

The Principles for Positive Impact Finance was developed by UNEP FI in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs that is intended to guide the borrowers to increase positive impact and reduce negative impact.

The lending bank, as a responsible financial institution, will check if the impact is continuing or not by monitoring the indicators.

(\*2) The United Nations Environment Programme Finance Initiative (UNEP FI)

The United Nations Environment Programme (UNEP) is an executive body for implementing the “Human Environment Declaration” and the “International Environmental Action Programme”, established in 1972 as a subsidiary body to the United Nations system. UNEP FI represents a broad as well as close partnership between UNEP and more than 200 global financial institutions. Since its establishment in 1992, UNEP FI has been working in concert with financial institutions, policy/regulatory authorities to transform itself into a financial system that integrates economic development and ESG considerations.

(\*3) TCFD (Task Force on Climate-related Financial Disclosures)

The TCFD, chaired by Michael Bloomberg, was established by the Financial Stability Board (FSB) in response to a call from the G20 to develop a set of recommendations for use by companies on how to disclose climate-related information and respond to financial institutions.

(\*4) For the independent opinion from Japan Credit Rating Agency, Ltd., please visit:

<https://www.jcr.co.jp/en/>

## 2. Total amount of debt financing, use of proceeds and the scheduled timing of disbursement

### (1) Total amount of debt financing

JPY 2,560 million

### (2) Use of proceeds and the scheduled timing of disbursement

Use of proceeds	Total amount of debt financing (JPY million)	The scheduled timing of disbursement
To allocate to repay the long-term loan of JPY2,560 million due on March 31, 2022	2,560	March 31, 2022

## 3. New debt financing summary

### Long-term loan

a. Lender	Sumitomo Mitsui Trust Bank, Limited
b. Loan amount	JPY 2,560,000,000
c. Applicable interest rate <sup>(Note1)</sup>	To be determined (Fixed rate)
d. Drawdown date	March 31, 2022
e. Method of borrowing	Based on the term loan agreement dated December 24, 2021
f. Maturity date	March 22, 2032
g. Principal payment	Bullet payment on the maturity date
h. Collateral / Guarantee	Un-secured / Non-guaranteed
i. Purpose for new debt financing	To allocate to repay the long-term loan of JPY2,560 million due on March 31, 2022

#### Notes

1. The interest rate will be announced when applicable interest rate is determined.
2. The first interest is scheduled to be paid on June 20, 2022, each interest is thereafter scheduled to be paid on the 20th day of March, June, September and December in every year by the principal payment date and on the principal payment date respectively. But if any such date is not a business day, payment shall be made on the next business day or, if such next business day is in the following month, the immediately preceding business day.

#### 4. Change in interest-bearing liabilities and LTV post-drawdown

Unit: million yen

	Pre-drawdown As of December 24, 2021	Post-drawdown As of March 31, 2022	Change
Short-term loans	—	—	—
Long-term loans	267,137	267,137	—
Total of loans	267,137	267,137	—
Investment corporation bonds	30,500	30,500	—
Total interest-bearing liabilities	297,637	297,637	—
LTV based on total assets <sup>(Note)</sup>	43.5%	43.5%	—

Note: “LTV based on total assets” (%) = Interest-bearing liabilities ÷ Expected total assets × 100

“Expected total assets” is calculated by adding or subtracting the increase or decrease amount of interest-bearing liabilities and unitholders’ capital since September 1, 2021 to the total assets as of the end of the 39th fiscal period ended August 31, 2021. LTV figure is rounded to the one decimal place. Accordingly, change in the LTV figures may not tally due to rounding error.

#### 5. Additional information for investors

With respect to the risks associated with new debt financing, the content of “Investment Risks” stated in our Security Report (*Yukashoken Hokokusho*) for the 39th fiscal period ended August 31, 2021, has not changed.

Note: This is the English translation of original Japanese documents and is provided solely for information purposes. If there are any discrepancies between the translation and the Japanese original, the latter shall prevail.