

For Immediate Release

REIT Issuer:

ORIX JREIT Inc. (TSE: 8954)

Hiroshi Miura

Executive Director

Asset Management Company:

ORIX Asset Management Corporation

Yoshitaka Kamemoto

President and CEO

Inquiries:

Mitsuru Tanaka

Director, Corporate Senior Vice President

TEL: +81 3 5776 3323

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

TOKYO, December 15, 2022 — ORIX JREIT Inc. (“OJR”) announces that its asset management company, ORIX Asset Management Corporation, determined new debt financing as described below.

1. Description of debt financing

Lender	Loan amount (JPY million)	Interest rate ^(Note3)		Drawdown date	Maturity date	Repayment method and Collateral
Sumitomo Mitsui Banking Corporation (Green Loan) ^(Note1)	1,500	Fixed	To be determined	December 20, 2022	March 21, 2028	Bullet payment on the maturity date, Un-secured / Non-guaranteed
Resona Bank, Limited (Green Loan) ^(Note1)	1,200	Fixed	To be determined	December 20, 2022	June 20, 2030	
Sumitomo Mitsui Trust Bank, Limited (Positive Impact Finance) ^(Note2)	5,000	Fixed	To be determined	December 20, 2022	December 22, 2031	
Sumitomo Mitsui Trust Bank, Limited (Positive Impact Finance) ^(Note2)	700	Fixed	To be determined	March 20, 2023	December 20, 2029	
Total	8,400					

Note1: This debt financing falls under the category of “Green Loan” provided by Sumitomo Mitsui Banking Corporation and Resona Bank, Limited to be allocated to repay the loan originally borrowed to fund one of our eligible green assets “Round-Cross Shinjuku” under our Green Finance Framework. For details of Green Finance Framework, please refer to our website: https://www.orixjreit.com/en/feature/initiatives6.html?id=ini_06_01

Note2: This debt financing falls under the category of “Positive Impact Finance” provided by Sumitomo Mitsui Trust Bank, Limited. For details, please refer to the Section 3. Description of Positive Impact Finance.

Note3: The interest rate will be announced when applicable interest rate is determined.

2. Use of proceeds

To allocate to refinance the long-term loan

Note: For the details, please refer to the press release “ORIX JREIT Announces New Debt Financing” announced on December 16, 2014, June 11, 2015 and March 14, 2018.



3. Description of Positive Impact Finance






OJR concludes a “Positive Impact Finance (with unspecified use of funds)” loan agreement (hereinafter “this agreement”) with Sumitomo Mitsui Trust Bank, Limited (hereinafter “SuMi TRUST Bank”) under a “Positive Impact Evaluation” by SuMi TRUST Bank in line with the Principles for Positive Impact Finance (*1) released by the United Nations Environment Programme Finance Initiative (hereinafter “UNEP FI”) (*2), its Model Framework for Financial Products for Corporates with Unspecified Use of Funds and its Positive Impact Real Estate Investment Framework. This Positive Impact Evaluation, the target of which is not an individual loan but an investment corporation as a whole, is the first of its kind for the J-REIT sector.




Positive Impact Finance (hereinafter “PIF”) is a type of loan agreement that SuMi TRUST Bank intends to support corporations to comprehensively analyze and evaluate the impacts (both positive and negative) of business activities related to the environment, society and economy on an ongoing basis. 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 an evaluation indicator and monitored based on publicly disclosed information, and that SuMi TRUST Bank supports corporations’ activities to achieve these goals through engagement.

OJR believes that it is vital to consider issues surrounding ESG in order to achieve sustainable asset management. ORIX Asset Management Corporation, the asset manager for OJR, 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.

【Overview of Positive Impact Evaluation】In concluding this agreement, SuMi TRUST Bank assessed the following initiatives of OJR both qualitatively and quantitatively as initiatives that particularly have an impact on achieving SDGs.

Theme	Content	Goals and Indicators (KPI)	SDGs
Promotion of climate change countermeasures	<ul style="list-style-type: none"> ✓ Reduce greenhouse gas emissions by installing equipment that contributes to improving energy efficiency and energy saving at our properties ✓ Work for visualization of objectivity and performance by acquiring “green building” certifications 	<p>a.Reduction of CO₂ emissions (Goals)</p> <ul style="list-style-type: none"> ✓ Achieve carbon neutrality by 2050 ✓ Reduce CO₂ emissions intensity by 35% by 2030 compared to 2018 (Indicator (KPI)) ✓ CO₂ emissions intensity (t-CO₂/m²) <p>b.Reduction of energy consumption (Goal)</p> <ul style="list-style-type: none"> ✓ 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 (Indicator (KPI)) ✓ Energy consumption intensity (kl/m²) <p>c.Expansion of use of renewable energy</p>	 

		<p>(Goal)</p> <ul style="list-style-type: none"> ✓ Continue reviewing and disclosing the amount of renewable energy installation, and consider formulating the goal <p>(Indicators (KPI))</p> <ul style="list-style-type: none"> ✓ The amount of renewable energy installation ✓ The status of consideration in formulating the goal for renewable energy installation <p>d.Promotion of acquiring green building certifications</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Achieve green certification (DBJ, CASBEE, BELS) for over 70% of floor space of properties under OJR's operational control by 2030 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Rate of acquisition of green building certifications 	
Management of waste and water resources	<ul style="list-style-type: none"> ✓ Promote efficient use of resources, waste reduction and recycling ✓ When disposing of waste, comply with laws and regulations and dispose properly ✓ Use water resources efficiently 	<p>a.Reduction of waste</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Maintain the landfill disposal rate at 1% or less in 2030 <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ Landfill disposal rate <p>b.Reduction of use of water</p> <p>(Goal)</p> <ul style="list-style-type: none"> ✓ Reduce water use compared to the previous year <p>(Indicator (KPI))</p> <ul style="list-style-type: none"> ✓ The amount of the use of water 	 
Improve the health, safety and well-being of customers (tenants and users)	<ul style="list-style-type: none"> ✓ 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 ✓ Work for visualization of objectivity and performance by acquiring various “green building” certifications ✓ Increase the intangible and tangible resiliency of properties through our asset management so that it leads to customer satisfaction 	<p>(Goal)</p> <ul style="list-style-type: none"> ✓ Improve the health, safety, well-being and satisfaction of customers (tenants and users) <p>(Indicator)</p> <ul style="list-style-type: none"> ✓ Status of work for improvement of the health, safety, well-being and satisfaction for customers (tenants and users) 	  

Collaboration with stakeholders / supply chain	✓ Promote ESG through the collaboration with stakeholders / supply chain	(Goal) ✓ Promote the conclusion of property management agreements to include clauses regarding ESG (Indicator (KPI)) ✓ Status of the conclusion of property management agreements including clauses regarding ESG	  
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This agreement has obtained a third-party opinion (*4) from Japan Credit Rating Agency, Ltd. regarding the compliance of the procedures related to this agreement's 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 the positive impact and reduce the 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 a 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

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) Third-party opinion

For the third-party opinion from Japan Credit Rating Agency, Ltd., please visit:

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

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

Unit: million yen

	Pre-drawdown As of December 15, 2022	Post-drawdown As of March 20, 2023	Change
Short-term loans	—	—	—
Long-term loans	263,587	263,587	—
Total of loans	263,587	263,587	—
Investment corporation bonds	30,500	30,500	—
Total interest-bearing liabilities	294,087	294,087	—
LTV based on total assets (Note)	43.1%	43.1%	—

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, 2022 to the total assets as of the end of the 41st fiscal period ended August 31, 2022. 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 41st fiscal period ended August 31, 2022, 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.