

For Immediate Release*REIT Issuer:*

ORIX JREIT Inc. (TSE: 8954)

Teruo Ozaki

Executive Director

Asset Management Company:

ORIX Asset Management Corporation

Yoshitaka Kamemoto

President and CEO

Inquiries:

Shinji Yamana

Executive Officer and CFO

TEL: +81 3 5776 3323

**ORIX JREIT Announces Submission of Revised Shelf Registration Statement
for Issuance of Green Bonds**

TOKYO, June 13, 2019 – ORIX JREIT Inc. (OJR) announces that it has submitted a revised shelf registration statement (the original shelf registration statement was submitted on February 9, 2018) for the issuance of green bonds today as described below.

1. Purpose and Background of Issuance of Green Bonds

In order to achieve sustainable growth of unitholder value, which is OJR's management philosophy and implement asset management in consideration of ESG factors (environment, society and governance), ORIX Asset Management Corporation (OAM), our asset manager, has established an ESG Policy and is working to reduce environmental load, collaborating with tenants, business partners and others for a sustainable society and ensuring thorough risk management and compliance.

Such ESG initiatives of OJR have earned recognition from third-party institutions as well. In addition to acquiring a Green Star rating for the fourth consecutive year in the 2018 Global Real Estate Sustainability Benchmark (GRESB), a rating of "4 Stars" (second-highest rating) was acquired in the GRESB Rating, a relative evaluation of the GRESB score, as well as an "A" (highest rating) in the GRESB Public Disclosure evaluation. Moreover, on December 3, 2018, OJR was included in the MSCI Japan ESG Select Leaders Index provided by MSCI.

Particularly with regard to the environment, OJR focuses on the improvement of energy efficiency and installation of energy-saving facilities and equipment at properties we owns while actively acquiring DBJ Green Building Certification, CASBEE Certification and BELS Certification which assess the environmental performance, etc. of each property.

OJR believes that efforts for the issuance of green bonds will further promote ESG considerations in asset management and enhance our procurement base through broadening our investor universe, particularly those interested in ESG investment. It is with this belief that OJR today submitted a revised shelf registration statement for the issuance of green bonds.

2. OJR's Mechanism of Green Finance including Green Bonds

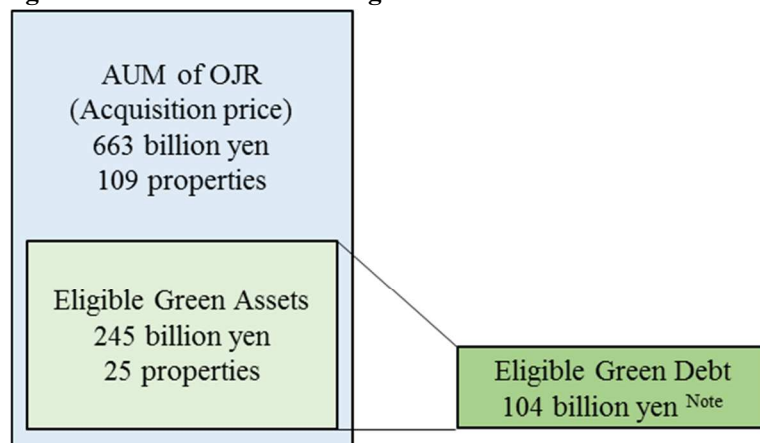
In order to implement green financing in line with the requirements of the Green Bond Principles 2018 of the International Capital Market Association (ICMA), Green Loan Principles of the Loan Market Association (LMA) and Asia Pacific Loan Market Association (APLMA) and 2017 Green Bond Guidelines of Ministry of the Environment of Japan, OJR has formulated a green finance framework and shall conduct implementation, assessment and management of green financing based on this framework.

Funds acquired through green financing shall be allotted to funds for the acquisition of assets which meet the eligible criteria ^(Note 1) (hereinafter referred to as "Eligible Green Assets"), funds for renovation work

which meets the eligible criteria ^(Note 2) or funds for repayment of loans or redemption of investment corporation bonds required for such.

Moreover, the total amount of funds procured through green bonds or green loans shall be managed so as not to exceed the eligible green debt ^(Note 3). There are 25 properties corresponding to Eligible Green Assets, and their total acquisition price is 245 billion yen, while the eligible green debt is 104 billion yen as of today.

Eligible Green Assets and of Eligible Green Debt



Note : Calculation Method of Debt of Eligible Green Projects
 $\text{Eligible Green Assets} \times \text{LTV at the end of FP34 ended Feb. 28, 2019 (42.7\%)}$

While green bonds or green loans are extant, OJR plans to disclose the status of allotment of funds procured through green financing, the fact that the balance of green financing has not exceeded the eligible green debt, the status of acquisition of certification and evaluation of certification for each Eligible Green Asset to which funds procured through green financing were allotted, the quantitative indices of Eligible Green Assets overall (energy consumption, CO₂ emissions and water consumption), etc. annually on our website.

Notes:

- Assets meeting the eligible criteria (Eligible Green Assets) are assets that have acquired or are scheduled to acquire/recertify the following certifications.
 - 3-star, 4-star or 5-star ratings in DBJ Green Building Certification
 - 3-star, 4-star or 5-star ratings in BELS Certification
 - B+, A or S rankings in CASBEE Certification
 - Silver, gold or platinum ratings in LEED Certification
- Renovation work which meets the eligible criteria is renovation work, etc. which correspond to either of the following.
 - Renovation work which aim to increase the rating or ranking by more than one in one of the certifications for Eligible Green Assets
 - Renovation work which is able to reduce energy consumption, CO₂ emissions or water consumption by 10% or more
 - Installation or acquisition of equipment related to renewable energy
- Eligible green debt is the amount of debt calculated by multiplying the total acquisition price of Eligible Green Assets with the actual ratio of interest-bearing debt against total assets (LTV) (as of the end of the last period for which calculation on the date of payment of investment corporation bonds or drawdown date is possible, or as of the end of February of the year).

3. Assessment by External Institutions

Regarding the eligibility of the green finance framework, OJR has received a Green 1 (F) rating, the highest rating, in the JCR Green Finance Framework Evaluation ^(Note 1) from the Japan Credit Rating Agency, Ltd. (JCR), an institution which assesses green finance. The eligibility of the green bonds which are scheduled to be issued also received preliminary evaluation “Green 1 rating” in the JCR Green Bond Evaluation ^(Note 2) by JCR. Furthermore, regarding the acquisition of third-party assessment for the issuance of green bonds, JCR, as a supporter of green bond issuance, has received notification from the Green Finance Organisation, a group which helps in issuance with regard to the Ministry of the Environment’s 2018 Financial Support Programme for Green Bond Issuance ^(Note 3), stating that it has been decided that JCR shall be targeted for

subsidies.

Notes:

1. The JCR Green Finance Framework Evaluation denotes the third-party evaluation by JCR of green bond issuance or green loan policies (green finance policies) of the issuers or borrowers in accordance with the Green Bond Principles established by ICMA, Green Loan Principles established by LMA and APLMA and the 2017 Green Bond Guidelines published by the Ministry of the Environment of Japan. In this evaluation, JCR evaluates the greenness of project classification indicated in the green finance policy of the issuer or borrower, as to whether or not they correspond to green projects, in addition to evaluating the management, operation and transparency of the issuer or borrower and the JCR Green Finance Framework Evaluation is decided comprehensively taking these evaluations into account. In order to distinguish JCR Green Finance Framework Evaluation from evaluation of individual bonds or borrowings, an (F) is added on the end of the assessment sign.
The JCR Green Finance Framework Evaluation of OJR can be seen at JCR's website.
<https://www.jcr.co.jp/en/greenfinance/>
2. JCR Green Bond Evaluation denotes the third-party evaluation by JCR of green bonds in accordance with the Green Bond Principles established by ICMA and the 2017 Green Bond Guidelines published by the Ministry of the Environment of Japan. In this evaluation, JCR evaluates the greenness of individual green bonds, as to whether the proceeds of the bonds are used for green projects, in addition to evaluating the management, operation and transparency of the issuer of individual green bonds and the JCR Green Bond Evaluation is decided comprehensively taking these evaluations into account. The JCR Green Bond Evaluation of the green bonds of OJR (preliminary evaluation) can be seen at JCR's website.
<https://www.jcr.co.jp/en/greenfinance/>
3. Financial Support Programme for Green Bond Issuance refers to a program providing subsidies for expenses incurred by registered issuance supporters that support companies, municipalities and other bodies who seek to issue green bonds in granting outside review, consultation on establishing a green bond framework, etc. The requirements for the eligible green bonds are that the full amount of proceeds from the bonds is to be used for green projects and that it has to satisfy all the following at the time of issuance.
 - (i) Must correspond to any of the following at the time of issuance of the green bonds:
 - 1) A project that contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
 - Project for which half or more than half of proceeds, or of which half or more than half of the number of projects are for domestic decarbonization-related projects.
 - 2) Has a significant effect on decarbonization and vitalization of local economy
 - Decarbonization – Those whose subsidy amount per ton of domestic CO₂ reduction is less than the specified amount.
 - Vitalization of local economy – Projects that are expected to contribute to vitalization of local economy as part of the ordinance and plan, etc. decided by the municipality, projects for which investment by municipalities can be anticipated, etc.
 - (ii) The green bond framework has to be confirmed by an external review organization for compliance with the Green Bond Guidelines before issuance.
 - (iii) It is not a so-called green-wash bond.

For details of Financial Support Programme for Green Bond Issuance, please visit the following link.
Green Bond Issuance Promotion Platform website of the Ministry of the Environment:
<http://greenbondplatform.env.go.jp/en/support/subsidy-eligible-costs.html>

4. Future Plans

While the date of issuance, amount and other terms of the green bonds are yet to be determined, OJR is scheduled to deliberate the terms of issuance of green bonds through marketing.

For further information on OJR's ESG initiatives, please visit the website of OJR:

<https://www.orixjreit.com/en/feature/index.html>