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To All Concerned Parties

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Notice concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds

One REIT, Inc. (hereinafter referred to as “One REIT”) announced that it today submitted to the Director-General of the Kanto Local Finance Bureau an amended shelf registration statement concerning shelf registration statement for issuance of investment corporation bonds submitted on January 29, 2021, for the issuance of green bonds (unsecured investment corporation bonds) (hereinafter referred to as the “Green Bonds”). Details are as follows.

1. Content of the revised shelf registration statement for issuance of the Green Bonds

One REIT has today submitted to the Director-General of the Kanto Local Finance Bureau an amended shelf registration statement concerning investment corporation bonds to enable issuance of the Green Bonds.

Based on the green finance framework (indicated in 3. below), One REIT plans to use all the proceeds from the Green Bonds for the acquisition and renovation work of eligible green assets that meet eligibility criteria (indicated in 3. (2) below; The same applies hereinafter), or repayment of the loans needed or redemption of the investment corporation bonds issued for such.

2. Purpose and background of the issuance of the Green Bonds

Mizuho REIT Management Co., Ltd. (hereinafter referred to as the “Asset Management Company”), the asset management company of One REIT, will continue to make efforts aimed at reducing environmental load and realizing a sustainable society as our corporate social responsibility by recognizing the importance of consideration for environment, social, and governance issues in real estate investment management in the asset management of One REIT.

Along with promoting sustainability initiatives, One REIT and the Asset Management Company aim to strengthen the funding platform by expanding the ESG investor base through procurement of funds using the Green Bonds. To this end, One REIT has submitted the amended shelf registration statement.

3. Outline of the green finance framework

To promote green finance, including the issuance of the Green Bonds, One REIT has formulated a green finance framework in line with the “Green Bond Principles (2021)” (Note 1), the “Green Loan Principles (2021)” (Note 2), the “Green Bond Guidelines (2020)” (Note 3), and the “Green Loan and Sustainability Linked Loan Guidelines (2020)” (Note 4). Mizuho Securities Co., Ltd. was mandated as green bond structuring agents (Note 5) in connection with devising the green finance framework.

- (Note 1) “Green Bond Principles (2021)” refers to the guidelines for green bond issuance formulated by the Green Bond Principles Executive Committee, a non-government organization for which the International Capital Market Association (ICMA) serves as secretariat, and are hereinafter referred to as the “Green Bond Principles and Social Bond Principles Executive Committee.”
- (Note 2) “Green Loan Principles (2021)” refers to the guidelines for loans made available exclusively for use on green projects formulated by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications & Trading Association (LSTA), and are hereinafter referred to as the “Green Loan Principles.”
- (Note 3) “Green Bond Guidelines (2020)” refers to the guidelines formulated and published in March 2017 and revised in March 2020 by the Ministry of the Environment of Japan. The Guidelines, in accordance with the Green Bond Principles, seek to provide market participants with illustrative examples of specific approaches and interpretations tailored to the Japanese market to aid with decision-making regarding green bonds, thereby promoting green bond issuances and investments in Japan. The Guidelines are hereinafter referred to as the “Green Bond Guidelines.”
- (Note 4) “Green Loan and Sustainability-Linked Loan Guidelines (2020)” refers to the guidelines formulated and published in March 2020 by the Ministry of the Environment of Japan. The Guidelines, in accordance with the Green Loan Principles for green loans, seek to provide borrowers, lenders and other market participants with illustrative examples of specific approaches and interpretations tailored to the Japanese market to aid with decision-making regarding green loans, thereby spurring utilization of green loans in Japan.
- (Note 5) “Green bond structuring agents” refers to agents that assisted in the issuance of the Green Bonds through devising the green finance framework and obtaining second party opinions.

(1) Use of proceeds

Funds procured through green finance will be used for funds for the acquisition of eligible green assets and renovation work that meet eligibility criteria described below as well as refinancing of funds required for them.

(2) Eligibility Criteria

Eligible green assets refer to assets that meet either Eligibility Criteria 1 or Eligibility Criteria 2 described below.

a. Eligibility Criteria-1

Properties which have already acquired/renewed or are scheduled to acquire/renew one of the following certifications (i) to (iv) granted by a third-party certification body.

- (i) DBJ Green Building Certification (Note 6): three stars, four stars or five stars
- (ii) CASBEE Appraisal (Note 7): rank B+, A, or S
- (iii) LEED Certification (Note 8): Silver, Gold or Platinum
- (iv) BELS Certification (Note 9): three stars, four stars or five stars

b. Eligibility Criteria-2

Renovation work of facilities, etc. that meets any of the following (i) to (iii).

- (i) Renovation work intending to improve the number of stars or the rank by one or more for any Eligibility Criteria-1 (green building) certification.
- (ii) Renovation work under management with the objective to enhance energy efficiency, reduce water usage, and any other environmental improvements (expected to reduce consumption or emissions by 30% or more compared to previous levels).
- (iii) Installation or acquisition of equipment related to renewable energy.

(Note 6) “DBJ Green Building Certification” is for real estate that is environmentally and socially friendly (Green Building), using a comprehensive scoring model originally developed by Development Bank of Japan (DBJ). DBJ performs assessments based on a graded scale of 1 to 5 stars.

(Note 7) “CASBEE (Comprehensive Assessment System for Built Environment Efficiency)” is a method to evaluate and rate the environmental performance of buildings (C rank to S rank). It is a system that comprehensively evaluates the environmental performance of buildings, including consideration for the landscape, in addition to the aspects of reducing environmental load such as energy saving, resource saving, and recycling performance.

(Note 8) “LEED (Leadership in Energy and Environment Design)” is an environmental performance rating system for buildings and urban environments developed and operated by the US Green Building Council (USGBC), and the certification level is based on the total number of points earned in each category and is rated in the order of Certified, Silver, Gold, and Platinum.

(Note 9) “BELS (Building-Housing Energy-efficiency Labeling System)” is a public evaluation system established by the Ministry of Land, Infrastructure, Transport and Tourism. It is a system that evaluates energy-saving performance on a graded scale (1 to 5 stars) based on the primary energy consumption of a building.

(3) Process for evaluation and selection of projects

At the Asset Management Company, the Finance & Administration Division will select a project that will use the proceeds, and the Manager of Investment & Asset Management Division I, Compliance Officer and Chief Executive Officer will discuss and confirm conformity with the eligibility criteria. Subsequently, the board of directors, etc. resolves the implementation of green finance in accordance with the rules of One REIT and the Asset Management Company.

(4) Management of proceeds

Once the procured funds are transferred to the designated accounts, the Finance & Administration Division of the Asset Management Company will immediately instruct the asset custodian to remit the funds and the asset custodian will remit the funds, except when the procured funds are directly transferred to the repayment account in the case the procured funds are to be allocated to repayment of loans or reimbursement of the issued investment corporation bonds used for the acquisition of eligible green assets and such.

The Finance & Administration Division plans to regularly track and manage the difference between the amount of proceeds and the amount allocated to the project, or the total amount, so that the proceeds will be used to pay for the project. Until the proceeds are allocated to the target project, such unallocated funds will be managed in cash or cash equivalents (negotiable certificate of deposit, etc.).

Furthermore, even if the eligible green assets to which One REIT allocated the procured funds are sold or if the eligible green assets do not meet the eligibility criteria for some reason, by setting the amount calculated by multiplying the scale of the eligible green project (the total acquisition price of owned properties that meet Eligibility Criteria 1 and the total amount of expenses of construction and renovation projects that meet Eligibility Criteria 2) by the LTV (Loan to Value (ratio of interest-bearing debt)) based on total assets as of the end of the most recent fiscal year as the “upper limit of eligible green debt,” the balance of green finance is managed so that it does not exceed the upper limit of eligible green debt.

(5) Reporting

One REIT plans to post at least once a year and to the extent reasonably practicable the following information on its website.

a. Reporting on funding status

- (i) Appropriation status of the funds until the entire amount of the funds is fully applied to the projects that meet the eligibility criteria.
- (ii) As long as the green finance balance exists, the green finance balance does not exceed the upper limit of eligible green debt.

b. Impact reporting

Output	Acquisition of properties that have acquired environmental certification and implementation of equipment renovation work for the purpose of environmentally beneficial improvements
Outcome	<ul style="list-style-type: none"> (i) About projects that meet Eligibility Criteria-1 <ul style="list-style-type: none"> I. Energy consumption (MWh) II. Greenhouse gas emissions (t-CO₂) III. Water usage (m³) IV. Acquisition status of environmental certifications (number of properties, total floor area, certificate type, grade/ranking in certificate) (ii) About projects that meet Eligibility Criteria-2 <ul style="list-style-type: none"> I. Outline of equipment renovation work (target property, construction amount, implementation time, etc.) II. Quantitative index of the following items that are expected to have a reduction effect <ul style="list-style-type: none"> a. Energy consumption (MWh) b. Greenhouse gas emissions (t-CO₂) c. Water usage (m³)
Impact	Global environmental protection through efforts such as reduction of greenhouse gas emissions, efficient use of resources and energy, water saving and sustainable use of water resources, reduction of waste emissions and proper treatment through environmental management of asset portfolio

c. Reporting on significant changes

Any significant changes involving initially allocated funds that generate unallocated funds are disclosed on the One REIT's website upon seeking approval from the Asset Management Company.

4. Third-party evaluation

For eligibility of the green finance framework, One REIT has been assigned "Green 1 (F)", the highest evaluation grade in the JCR Green Finance Framework Evaluation (Note 10) by Japan Credit Rating Agency, Ltd. (hereinafter referred to as "JCR"). Furthermore, as an issuance supporter under the Ministry of the Environment of Japan's Fiscal 2021 Financial Support Programme for Green Bond Issuance (Note 11), JCR has received the notification of decision to grant the subsidy from the Green Finance Organization, making the assignment of third-party evaluation of the green finance framework of One REIT eligible for grant of the subsidy.

(Note 10) The "JCR Green Finance Framework Evaluation" refers to a third-party assessment of issuers or borrowers issuing green bonds, or green loan policies (green finance policies) based on the Green Bond Principles established by ICMA, the Green Loan Principles established by LMA, APLMA and LSTA and the Green Bond Guidelines and the Green Loan and Sustainability-Linked Loan Guidelines established by the Ministry of the Environment of Japan. In this assessment, JCR assess whether the project classification described in the issuer's or borrower's green finance policy corresponds to the green project. JCR evaluates green eligibility, the use of the proceeds (the proportion allocated to the green project) and the management, operation, and transparency of the issuer's or borrower's management and operation system. As a comprehensive evaluation, the "JCR Green Finance Framework Evaluation" is determined. In addition, "JCR Green Finance Framework Evaluation" is indicated with (F) at the end of the evaluation number in order to differentiate it with evaluation on individual bonds or borrowings. The "JCR Green Finance Framework Evaluation" of One REIT can be viewed on JCR's website.

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

(Note 11) "Fiscal 2021 Financial Support Programme for Green Bond Issuance" refers to a program providing subsidies for the expenses required by the registered supporters who support companies, municipalities and other bodies who seek to issue green bonds, etc. in the form of granting external reviews, consultation on establishing a green bond or other framework, etc. The requirement for green bonds, etc. to be eligible is that all of the following requirements are met at the time of issuance.

- (1) In case of green bonds, 100% of the proceeds must be used for green projects, and the project must meet either the following (i) or (ii) at the time of issuance. In the case of sustainability bonds, at least 50% of the proceeds must be used for green projects, and the project must meet the following (i) at the time of issuance and must not have substantial negative impact in terms of the environment in the case it includes social project.
 - (i) A project that contributes mainly to domestic decarbonization (renewable energy, energy-saving, etc.)
 - A project in which half or a greater percentage of the amount of proceeds is used for domestic decarbonization-related projects, or half or a greater percentage of the number of green projects is for domestic decarbonization-related projects.
 - (ii) A project that has a significant effect on decarbonization and vitalization of local economies.
 - Decarbonization effect: Projects whose subsidy amount per ton of domestic CO2 reduction is less than the specified amount.
 - Regional revitalization: Projects that are deemed to contribute to regional revitalization in light of ordinances, plans, etc. established by local governments, and projects and other activities that are expected to receive investments from local governments, etc.
- (2) Compliance of the green bond or other framework with the Green Bond Guidelines has been confirmed by an external review organization before issuance.
- (3) Not a so-called "green-wash bond" (bond claiming to be green bond, etc. even though it does not actually have an environmental improvement effect or the proceeds are not properly allocated to environmental projects)."

One REIT corporate website: <https://one-reit.com/en/>