



Supplementary Material for Proposed Introduction of First “Sustainability Index-linked Fee” in J-REITs

This supplementary material is based on the contents disclosed in the press release “Notice Concerning Partial Amendments to the Articles of Incorporation and Appointment of Directors (Introducing First “Sustainability Index-linked Fee” in J-REITs)” dated October 15, 2021 and summarizes the related information.

This material includes forward-looking information that reflects the plans and expectations of Daiwa House REIT Investment Corporation (“DHR”). Such forward-looking information is based on certain assumptions and beliefs of DHR in light of the information currently available to DHR. Actual figures may fluctuate and DHR cannot guarantee the forecasted figures.

Introduction of Sustainability Index-linked Fee

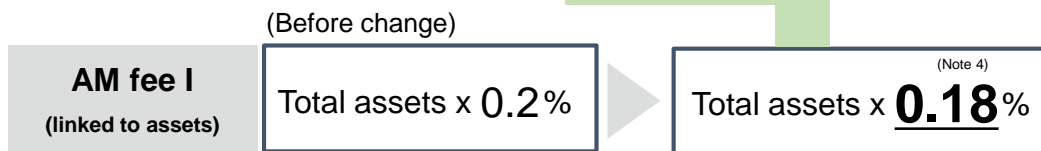
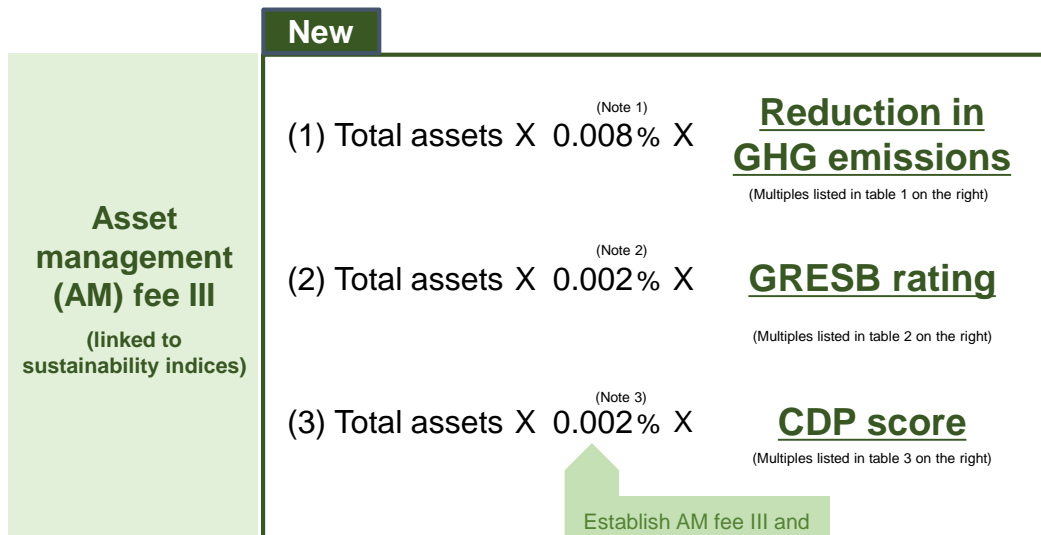
- ◆ Newly establishing sustainability index-linked fee (AM fee III)*
- ◆ Remuneration for Executive Director of DHR and officers of the Asset Manager will also be linked

First initiative in-REITs

Enhancing commitment to ESG issues
Improving governance

(Note) Upon approval by the General Meeting of Unitholders scheduled on Nov. 30, 2021, the proposed asset management fees shall be applied to the fee incurred after Mar. 1, 2022.

Asset Management Fee Structure (Proposed)



(Note 1) The upper limit is 0.012% for the index (1) of asset management fee III.
 (Note 2) The upper limit is 0.004% for the index (2) of asset management fee III.
 (Note 3) The upper limit is 0.004% for the index (3) of asset management fee III.
 (Note 4) The upper limit is 0.4% for the asset management fee I and 5.0% for the asset management fee II.

Table 1

Multiple	1 - GHG Emissions Reduction Ratio
	* -32.2% in FY ended Mar. 2021 (applied multiple is 1.322)

* GHG emissions reduction ratio: ((b) - (a)) / (a)
 (a): GHG emissions intensity in FY ended Mar. 2018 (Apr. 2017 - Mar. 2018) 0.0556 (t-CO₂/m²)
 (b): GHG emissions intensity in the immediately preceding FY (Apr. - Mar.) (t-CO₂/m²)

Table 2

GRESB rating	★	★★	★★★	★★★★	★★★★★
Multiple	0.8	0.9	1.0	1.1	1.2

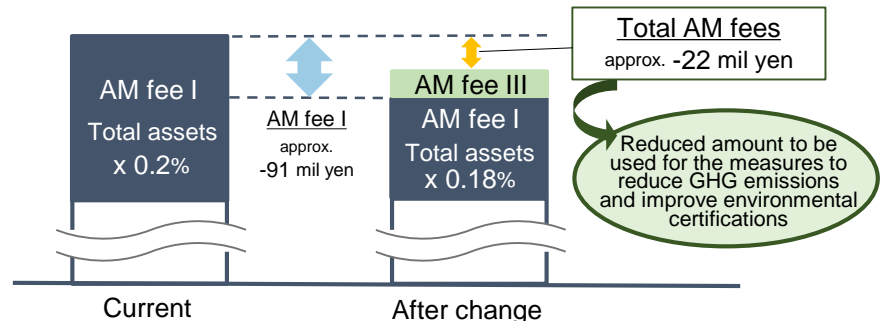
* Multiple is determined based on the rating in the immediately preceding fiscal period.

Table 3

CDP score	D-	D	C-	C	B-	B	A-	A
Multiple	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3

* Multiple is determined based on the score in the immediately preceding fiscal period.

Fee Calculation (Simulation for Aug. 2022 Period)



(Note) Calculated based on GHG emissions for the period from Apr. 2020 to Mar. 2021, 2021 GRESB rating and 2020 CDP score.