

April 9, 2021

For Immediate Release

REIT Issuer:

Daiwa House REIT Investment Corporation
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 Toshiharu Asada, Executive Director
 (TSE Code: 8984)

Asset Manager:

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it decided today to issue investment corporation bonds (the “Green Bonds”) based on the comprehensive resolution at the board of directors’ meeting held on March 26, 2021.

1. Overview of the investment corporation bonds

(1) Name	Daiwa House REIT Investment Corporation 14th Unsecured Investment Corporation Bonds (with pari passu conditions among specified investment corporation bonds) (green bonds) (Nickname: DHR Green Bonds)
(2) Total issue amount	4,000 million yen
(3) Form of bond certificate	No bond certificates for the Green Bonds will be issued subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc.
(4) Issue price	100 yen per value of 100 yen of each bond
(5) Redemption price	100 yen per value of 100 yen of each bond
(6) Interest rate	0.500% per annum
(7) Denomination of each bond	100 million yen
(8) Offering method	Public offering
(9) Subscription period	April 9, 2021 (Friday)
(10) Payment date	April 15, 2021 (Thursday)
(11) Collateral and guarantee	No collateral or guarantee is provided for the Green Bonds, and no asset is reserved as security specifically for the Green Bonds.
(12) Redemption method and date	The total issue amount will be redeemed on April 15, 2031. The Green Bonds may be retired by purchase at any time after the payment date unless otherwise stipulated by the depository.
(13) Interest payment date	April 15 and October 15 every year (In case such date is a bank holiday, the immediately preceding bank business day will be the date.)
(14) Financial covenants	Negative pledge clause is applicable.
(15) Credit rating	AA (Japan Credit Rating Agency, Ltd.)
(16) Fiscal, issuing and paying agent	Sumitomo Mitsui Trust Bank, Limited
(17) Underwriters	SMBC Nikko Securities Inc. Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Reason for the issuance

DHR decided to issue the Green Bonds with an aim to expand the investor base as well as ensure stable fundraising methods along with further promoting ESG initiatives.

The Green Bonds are to be issued as green bonds based on the mechanism of the issuance of the green bonds (green finance framework) formulated by DHR as described in the press release “Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds” on May 12, 2020.

As a third-party assessment on the Green Bonds, DHR received an evaluation rating of “Green 1”, the highest rating in the JCR Green Bond Evaluation, from the Japan Credit Rating Agency, Ltd. (“JCR”).

3. Amount of funds to be procured, use of proceeds and scheduled outlay period

(1) Amount of funds to be procured (approximate net proceeds)

3,974 million yen

(2) Use of proceeds and scheduled outlay period

DHR will use the proceeds on April 30, 2021 to refinance part of the long-term loans of 9,500 million yen scheduled for repayment on April 30, 2021. The long-term loans were originally borrowed to fund acquisition of assets including D Project Kakegawa, DPL Misato, D Project Urayasu III, and D Project Tomisato, which are eligible green assets.

4. Investors who declared investment in the Green Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Green Bonds.

- Aoi Mori Shinkin Bank
- GUNMAMIRAI Shinkumi Bank
- HYOGO SHINKIN BANK
- Iizuka Shinkin Bank
- KANONJI SHINKIN BANK
- Mutual Aid Foundation for Japan Postal Group
- Nagano Shinkin Bank
- Sawayaka Shinkin Bank
- SHIZUOKA YAIZU SHINKIN BANK
- SUWA SHINKIN BANK
- Takaoka Shinkin Bank
- The 77 Bank, Ltd.
- THE AWAJI SHINKIN BANK
- THE FUJI SHINKIN BANK
- The SAGAMI Shinkin Bank
- The Tsuruga Shinkin Bank
- TOKUSHIMA SHINKIN BANK

5. Status of interest-bearing debt after the issuance of the Green Bonds

(Unit: million yen)

	Before (as of April 9, 2021)	After (as of April 15, 2021)	Increase / Decrease
Short-term loans	—	—	—
Current portion of long-term loans	26,858	26,858	—
Long-term loans	321,700	321,700	—
Total loans	348,558	348,558	—
Current portion of investment corporation bonds	4,000	4,000	—
Investment corporation bonds due after one year	26,000	30,000	4,000
Total investment corporation bonds	30,000	34,000	4,000
Total interest-bearing debt	378,558	382,558	4,000

6. Other

For the risks concerning issuance and redemption, etc. of the Green Bonds, there are no changes from the Japanese language securities report submitted on November 27, 2020.

* DHR’s website: <https://www.daiwahouse-reit.co.jp/en/>