

December 18, 2020

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

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it decided today to issue investment corporation bonds (the “Bonds”) based on the comprehensive resolution at the board of directors’ meeting held on November 27, 2020.

1. Overview of the investment corporation bonds

(1) Name	Daiwa House REIT Investment Corporation 13th Unsecured Investment Corporation Bonds (with pari passu conditions among specified investment corporation bonds)
(2) Total issue amount	3 billion yen
(3) Form of bond certificate	No bond certificates 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	0.600% per annum
(7) Denomination of each bond	100 million yen
(8) Offering method	Public offering
(9) Subscription period	December 18, 2020 (Friday)
(10) Payment date	December 24, 2020 (Thursday)
(11) Collateral and guarantee	No collateral or guarantee is provided for the Bonds, and no asset is reserved as security specifically for the Bonds.
(12) Redemption method and date	The total issue amount will be redeemed on December 24, 2032. The Bonds may be retired by purchase at any time after the payment date unless otherwise stipulated by the depository.
(13) Interest payment date	June 24 and December 24 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	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc.

2. Reason for the issuance

DHR decided to issue the Bonds to lengthen and diversify debt maturities by using the proceeds from the Bonds as part of the funds for redemption of the existing investment corporation bonds.

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

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

2,986 million yen

(2) Use of proceeds and scheduled outlay period

DHR will use the proceeds as part of the funds for redemption of the 2nd unsecured investment corporation bonds with maturity of 6 years and due for maturity on January 22, 2021. The balance of 13 million yen between the redemption amount of 3,000 million yen and the procurement amount of 2,986 million yen will be paid by cash on hand.

4. Status of interest-bearing debt after the issuance of the Bonds and redemption of the 2nd unsecured investment corporation bonds

(Unit: million yen)

	Before (as of December 18, 2020)	After (as of January 22, 2021)	Increase (Decrease)
Short-term loans	—	—	—
Current portion of long-term loans	23,000	23,000	—
Long-term loans	325,558	325,558	—
Total loans	348,558	348,558	—
Current portion of investment corporation bonds	3,000	4,000	1,000
Investment corporation bonds due after one year	27,000	26,000	(1,000)
Total investment corporation bonds	30,000	30,000	—
Total interest-bearing debt	378,558	378,558	—

5. Other

For the risks concerning issuance and redemption, etc. of the 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/>