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For Immediate Release

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Notice Concerning Environmental Assessment by Sumitomo Mitsui Banking Corporation

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it has received an “A” grade from Sumitomo Mitsui Banking Corporation (“SMBC”) in recognition of its commitment to environmental initiatives in asset management, according to SMBC’s lending program based on an evaluation of environmental considerations.

1. Overview of SMBC’s lending program based on an evaluation of environmental considerations

SMBC’s lending program based on an evaluation of environmental considerations evaluates when executing loans corporate environmental initiatives on a seven-point scale with “AAA” being the highest according to evaluation criteria developed by SMBC and The Japan Research Institute, Limited.

2. Result of the assessment

DHR has received an “A” grade for maintaining high standards in the environmental management, environmental communication and implementation of environmental protection measures, among other environmental initiatives. In particular, the following factors were highly evaluated in the assessment.

- (1) Establishment of a “Sustainability Policy” at the Asset Manager for the reduction of environmental burden across the entire portfolio and setting a medium- to long-term target of “reducing energy consumption and CO₂ emission intensity by 10% over the 10-year period from 2018 to 2027” with regard to individual properties in order to promote efforts for continuously reducing the environmental burden of the portfolio properties.
- (2) Adoption of sustainability initiatives (participating in community co-creation activities, etc.) and tenant proposals (installation of LED lights, etc.) by the Asset Manager as evaluation items in its performance evaluation in order to enhance employees’ environmental awareness.
- (3) The Asset Manager’s promotion of the installation of LED lights and introduction of solar power generation systems in collaboration with tenants through conclusion of green lease agreements with tenants as specific environmental measures.

For the announcement by SMBC, please refer to the following website.

SMBC’s website: <https://www.smbc.co.jp/news/> (in Japanese only)

3. DHR’s future efforts

DHR will continue to make sustainability efforts through environmental and energy-saving consideration, social contribution and other measures.

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