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For Immediate Release

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Notice Concerning Debt Financing and Refinancing

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it decided today to conduct debt financing and repayment of loans (collectively referred to as the “Transaction”) as described below.

1. Debt financing scheduled on March 31, 2020 and April 1, 2020

(1) Details of the debt financing

Category	Lender	Anticipated borrowing amount (million yen)	Interest Rate	Borrowing Period	Anticipated date of execution	Principal repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Trust Bank, Limited; MUFG Bank, Ltd. (Note 1); Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd. ; Resona Bank, Limited; The Norinchukin Bank; The Chiba Bank, Ltd.; Shinsei Bank, Limited	6,700	JBA 1-month yen TIBOR +0.210% (Floating) (Note 2)	3.5 years	March 31, 2020	September 29, 2023	Bullet repayment	Unsecured and non- guaranteed
	Mitsui Sumitomo Insurance Company, Limited	1,000	TBD (Fixed) (Note 3)	6.1 years	April 1, 2020	April 30, 2026		
Total		7,700						

(Note 1) The anticipated loans from MUFG Bank, Ltd. apply to ESG Loans for J-REITs. For details of “ESG Loans for J-REITs”, please refer to the press release “Notice Concerning Acquisition of the Highest Rank of ‘S’ in ‘MUFG ESG Rating Certificate for J-REITs supported by JCR’” dated September 10, 2019. The same shall apply hereinafter.

(Note 2) Base interest rate is the Japanese Bankers Association (“JBA”) 1-month Japanese yen TIBOR (Tokyo Interbank Offered Rate) at 11 a.m. as of two business days prior to the loan disbursement date and subsequently the latest interest payment date. For the JBA Japanese yen TIBOR, which is the base interest rate, please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>). The first interest payment date is the last day of April 2020 and subsequent interest payment dates are the last day of every month thereafter and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).

(Note 3) The interest rate will be announced once determined. The first interest payment date is the last day of August 2020 and subsequent interest payment dates are the last day of every February and August thereafter and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).

Disclaimer: This announcement is prepared for the public disclosure of debt financing and refinancing of DHR and has not been prepared for the purpose of soliciting investment.

(2) Reason for conducting the debt financing

DHR will conduct the debt financing of 6,700 million yen on March 31, 2020 to repay part of its long-term loans of 6,900 million yen maturing on March 31, 2020. The difference of 200 million yen between the loans to be repaid and the debt financing will be repaid by cash on hand. DHR will also conduct the debt financing of 1,000 million yen on April 1, 2020 to repay its long-term loans of 1,000 million yen maturing on April 1, 2020.

(3) Details of the existing loan to be repaid

Category	Lender	Borrowing amount (million yen)	Interest rate	Borrowing Period	Date of execution	Principal repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Trust Bank, Limited; MUFG Bank, Ltd.; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Resona Bank, Limited; The Norinchukin Bank; The Chiba Bank, Ltd.; Shinsei Bank, Limited	6,900	0.21909% (Floating) (Note)	3.5 years	September 30, 2016	March 31, 2020	Bullet repayment	Unsecured and non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	1,000	0.57125% (Fixed)	5.0 years	April 1, 2015	April 1, 2020		
Total		7,900						

(Note) The interest rate applied from January 31, 2020 to February 27, 2020.

2. New debt financing scheduled on April 1, 2020 and April 3, 2020

(1) Details of the debt financing

Category	Lender	Anticipated borrowing amount (million yen)	Interest rate	Borrowing period	Anticipated date of execution	Principal repayment date	Method of repayment	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	1,250	JBA 1-month yen TIBOR +0.175% (Floating) (Note 2) (Note 3)	1.0 year	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	1,250						
	MUFG Bank, Ltd. (Note 1)	1,250						
	Mizuho Bank, Ltd.	1,250						

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Category	Lender	Anticipated borrowing amount (million yen)	Interest rate	Borrowing period	Anticipated date of execution	Principal repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Trust Bank, Limited; The Norinchukin Bank; The 77 Bank, Ltd.; The Chugoku Bank, Limited; Nippon Life Insurance Company; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd. (Note 1); Mizuho Bank, Ltd.; The Chiba Bank, Ltd.; The Iyo Bank, Ltd.	6,000	TBD (Fixed) (Note 4)	4.6 years	April 3, 2020	October 31, 2024	Bullet repayment	Unsecured and non-guaranteed
	The Dai-ichi Life Insurance Company, Limited	500	TBD (Fixed) (Note 5)	6.0 years		March 31, 2026		
	Mitsui Sumitomo Insurance Company, Limited	500	TBD (Fixed) (Note 5)	6.5 years		September 30, 2026		
	Development Bank of Japan Inc.	1,000	TBD (Fixed) (Note 5)	8.5 years		September 29, 2028		
	Sumitomo Mitsui Trust Bank, Limited; Resona Bank, Limited; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd. (Note 1); Mizuho Bank, Ltd.; Shinsei Bank, Limited; Shinkin Central Bank; The Bank of Fukuoka, Ltd.; The Nishi-Nippon City Bank, Ltd.	5,000	JBA 3-month yen TIBOR +0.315% (Floating) (Note 6) (Note 7)	9.1 years		April 27, 2029		
	MUFG Bank, Ltd. (Note 1); Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; The Bank of Kyoto, Ltd.; The Yamanashi Chuo Bank Ltd.	10,000	JBA 3-month yen TIBOR +0.400% (Floating) (Note 6) (Note 7)	10.1 years		April 30, 2030		
Total	28,000							

(Note 1) The anticipated loans from MUFG Bank, Ltd. apply to ESG Loans for J-REITs.

(Note 2) Base interest rate is the JBA 1-month Japanese yen TIBOR (Tokyo Interbank Offered Rate) at 11 a.m. as of two business days

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- prior to the loan disbursement date and subsequently the latest interest payment date. For the JBA Japanese yen TIBOR, which is the base interest rate, please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).
- (Note 3) The first interest payment date is the last day of April 2020 and subsequent interest payment dates are the last day of the every month thereafter and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).
- (Note 4) The interest rate will be announced once determined. The first interest payment date is the last day of May 2020 and subsequent interest payment dates are the last day of every 3 months thereafter and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).
- (Note 5) The interest rate will be announced once determined. The first interest payment date is the last day of August 2020 and subsequent interest payment dates are the last day of every February and August thereafter and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).
- (Note 6) Although the term loan agreement is based on a floating interest rate, DHR intends to fix the interest rate for the anticipated date of execution and thereafter by entering into an interest rate swap agreement. The execution of the interest rate swap agreement will be announced once determined. Base interest rate is the JBA 3-month Japanese yen TIBOR (Tokyo Interbank Offered Rate) at 11 a.m. as of two business days prior to the loan disbursement date and subsequently the latest interest payment date. For the JBA Japanese yen TIBOR, which is the base interest rate, please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>).
- (Note 7) The first interest payment date is the last day of May 2020 and subsequent interest payment dates are the last day of every 3 months thereafter and the principal repayment date (in case such date is not a business day, the following business day will be the interest payment date; however, in case this following business day falls into the following month, the immediately preceding business day will be the interest payment date).

(2) Reason for conducting the debt financing

DHR will conduct the debt financing of short-term loans and long-term loans totaling 28,000 million yen, to use as part of the funds for acquiring the trust beneficiary interests of the anticipated acquisitions (three properties with a total anticipated acquisition price of 70,800 million yen), as announced today in the press release “Notice Concerning Acquisition and Leasing of Trust Beneficiary Interests in Domestic Real Estate”, and other related expenses.

3. Status of interest-bearing debt after the Transaction

(Unit: million yen)

	Before (as of February 7, 2020)	After (as of April 3, 2020)	Increase / Decrease
Short-term loans	—	5,000	5,000
Current portion of long-term loans	11,400	6,500	(4,900)
Long-term loans	312,358	340,058	27,700
Total loans	323,758	351,558	27,800
Current portion of investment corporation bonds	3,000	3,000	—
Investment corporation bonds due after one year	22,000	22,000	—
Total investment corporation bonds	25,000	25,000	—
Total interest-bearing debt	348,758	376,558	27,800

4. Other

For the risks concerning this Transaction, there are no changes from the security registration statement submitted on February 7, 2020.

* Distribution of this material: This material is distributed to “Kabuto Club” (a media correspondents’ club at the Tokyo Stock Exchange), the press club at the Ministry of Land, Infrastructure, Transport and Tourism and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

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

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