

May 12, 2020

For Immediate Release

## REIT Issuer:

Daiwa House REIT Investment Corporation  
2-4-8, Nagatacho, Chiyoda-ku, Tokyo  
Toshiharu Asada, Executive Director  
(TSE Code: 8984)

## Asset Manager:

Daiwa House Asset Management Co., Ltd.  
Koichi Tsuchida, President and CEO

## Inquiries:

Haruto Tsukamoto, Director and CFO  
TEL. +81-3-3595-1265

Notice Concerning Submission of Revised Shelf Registration Statement  
for Issuance of Green Bonds

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that it submitted a revised shelf registration statement for issuance of Daiwa House REIT Investment Corporation Unsecured Investment Corporation Bonds of which numbering is yet to be determined (with pari passu conditions among specified investment corporation bonds) (green bonds) (the “Green Bonds”) (nickname: DHR Green Bonds) to the Director-General of the Kanto Local Finance Bureau as of today.

#### 1. Content of the revised shelf registration statement

DHR today submitted a revised shelf registration statement for issuance of the Green Bonds to the Director-General of the Kanto Local Finance Bureau. DHR plans to appoint SMBC Nikko Securities Inc. (green bond structuring agent) (Note), Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the lead managers for the issuance of the Green Bonds and to examine the viability of issuing the Green Bonds and the issue terms such as interest rates. Furthermore, DHR plans to use all the proceeds from the Green Bonds to fund the acquisition of eligible green assets that meet the eligibility criteria (to be described in “3. Mechanism of the issuance of the Green Bonds (green finance framework)” below) and refinance the funds, or to fund renovation work and refinance the funds.

(Note) “Green bond structuring agent” refers to a party who supports the issuance of green bonds through the establishment of a green bond framework and advice on obtaining second-party opinions.

#### 2. Purpose and background of the issuance of the Green Bonds

The basic approach of Daiwa House Group, which DHR’s sponsor Daiwa House Industry Co., Ltd. as well as DHR’s asset manager Daiwa House Asset Management Co., Ltd. (the “Asset Manager”) fall under, is “Creating Dreams, Building Hearts.” As a group that co-creates value for individuals, communities and people's lifestyles, Daiwa House Group aims to build trust relationships with stakeholders and contribute to society through its businesses in addition to realizing a sustainable society by meeting the challenge of achieving “zero environmental impacts.”

The Asset Manager shares the Daiwa House Group's basic approach, and considers that including consideration for environment, society, and governance (“ESG”) in its real estate investment management operations contributes to DHR's basic policy of ensuring stable revenue and steady growth of assets over the long term. Therefore, it has established the “Sustainability Policy” to guide its real estate investment and management.

DHR has participated in the Global Real Estate Sustainability Benchmark (“GRESB”) Real Estate Assessment since 2017, and in 2019, it received for the second consecutive year a rating of “Green Star,” which is granted to companies that were evaluated highly in both the “Management & Policy” and “Implementation & Measurement” evaluation axes for the sustainability assessment. DHR has also received a rating of “3 Stars” on a scale of one to five in the GRESB Rating based on relative evaluation, and a rating of “A,” the highest rating on a scale of one to five in the GRESB Public Disclosure.

DHR decided to submit a revised shelf registration statement for issuance of the Green Bonds as it seeks to further promote ESG initiatives with an aim to expand the investor base as well as ensure stable fundraising methods.

### 3. Mechanism of the issuance of the Green Bonds (green finance framework)

#### (1) Eligibility as green bonds

DHR formulated a green finance framework in line with the Green Bond Principles (Note 1) 2018, Green Bond Guidelines, 2020 (Note 2), Green Loan Principles (Note 3) 2018, and Green Loan and Sustainability Linked Loan Guidelines, 2020 (Note 4) for the implementation of green finance including the issuance of green bonds. As a third-party assessment on the green finance framework and the Green Bonds, DHR received an evaluation rating of “Green 1 (F),” the highest rating in the JCR Green Finance Framework Evaluation (Note 5), and a preliminary evaluation rating of “Green 1”, the highest rating in the JCR Green Bond Evaluation (Note 6) from the Japan Credit Rating Agency, Ltd. (“JCR”).

- (Note 1) “Green Bond Principles” is the guidelines for green bond issuance formulated by the Green Bond Principles Executive Committee, a non-government organization whose secretariat is the International Capital Market Association (“ICMA”).
- (Note 2) “Green Bond Guidelines, 2020” is the guidelines drafted and announced in March 2017 and revised in March 2020 by the Ministry of the Environment aimed at further promoting green bonds in Japan by presenting examples of actual measures and indicating interpretation in conformity with Japan’s characteristics while paying attention to conformity with the Green Bond Principles so that they can be referred to by those market participants who are responsible for practical work when considering specific responses regarding green bonds.
- (Note 3) “Green Loan Principles” is the guidelines for loans formulated by Loan Market Association (“LMA”) and Asia Pacific Loan Market Association (“APLMA”) that limit the uses of proceeds to projects with environmental objectives.
- (Note 4) “Green Loan and Sustainability Linked Loan Guidelines, 2020” is the guidelines drafted and announced in March 2020 by the Ministry of the Environment aimed at further promoting green loans in Japan by presenting examples of actual measures and indicating interpretation of green loans in conformity with Japan’s characteristics while paying attention to conformity with the Green Loan Principles so that they can be referred to by those market participants including borrowers, lenders and other related entities who are responsible for practical work when considering specific responses regarding green loans.
- (Note 5) “JCR Green Finance Framework Evaluation” is the third-party evaluation by JCR on the issuer’s or borrower’s policy for green financing (i.e., issuance of green bonds or receipt of green loans) in light of the Green Bond Principles established by the ICMA, the Green Loan Principles established by the LMA and APLMA, and the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan Guidelines established by the Ministry of the Environment. In the evaluation, JCR evaluates “greenness” of a given finance by judging whether the use of proceeds as described in the issuer’s or the borrower’s green financing policy qualifies as a green project, in addition to evaluating the management, operation and transparency of the issuers or the borrowers. The results of the JCR Green Finance Framework Evaluation are decided comprehensively taking into account these evaluations, and are indicated with (F) at the end to distinguish themselves from evaluation results on individual bonds and loans. The result of the JCR Green Finance Framework Evaluation for DHR is disclosed on JCR’s website.  
<https://www.jcr.co.jp/en/greenfinance/>
- (Note 6) “JCR Green Bond Evaluation” is the third-party evaluation by JCR on green bond issuance in accordance with the Green Bond Principles established by ICMA and the Green Bond Guidelines established by the Ministry of the Environment. In the evaluation, JCR evaluates “greenness,” as to whether the proceeds of the bonds are used for green projects, in addition to evaluating the management, operation and transparency of the issuers, and the JCR Green Bond Evaluation is decided comprehensively taking into account these evaluations. The JCR Green Bond Evaluation for the Green Bonds is disclosed on JCR’s website.  
<https://www.jcr.co.jp/en/greenfinance/>

#### (2) Eligibility criteria

The proceeds from green bonds or green loans are planned to be used to fund the acquisition of eligible green assets that meet the following eligibility criteria and refinancing of such funds, or to fund renovation work and refinancing of such funds.

##### A) Eligibility criteria 1 (eligible green assets)

Properties which have received or will receive certification from a third-party certification body under any of the following 1) to 3).

- 1) DBJ Green Building Certification: 3 Stars, 4 Stars or 5 Stars
- 2) CASBEE for Real Estate Certification: B+ Rating, A Rating or S Rating
- 3) BELS Certification: 3 Stars, 4 Stars or 5 Stars

Status of DHR’s external certifications:

<https://www.daiwahouse-reit.co.jp/en/sustainability/certification.html>

##### B) Eligibility criteria 2 (renovation work)

Renovation work which is able to reduce energy consumption, CO<sub>2</sub> emissions or water consumption by 10% or more.

### 4. Upper limit of green bonds issue amount

The upper limit of the amount to be procured through green finance shall be calculated by multiplying the ratio of interest-bearing debt (as of the end of the most recent fiscal period) by the amount that is the sum of the total acquisition price of eligible green assets which meet eligibility criteria 1 and funds for renovation work which

meet eligibility criteria 2. The amount, which is to be referred to as the eligible green debt amount, shall be managed so the balance of green finance does not exceed the eligible green debt amount.

## 5. Reporting

In the event there are unallocated proceeds upon issuance of green bonds, DHR will announce the status of allocation of proceeds on its website once a year until all of the concerned unallocated proceeds are allocated. As long as the funds procured through green finance are outstanding, DHR will confirm twice a year that the balance of funds procured through green finance does not exceed the eligible green debt amount. Furthermore, as long as the funds procured through green finance are outstanding, DHR will disclose the following indicators on its website once a year.

- Number and type of environmental certification that owned properties have received
- Water consumption
- Energy consumption
- CO<sub>2</sub> emissions (GHG emissions)

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