

September 10, 2021

To All Concerned Parties

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Notice concerning Borrowing of Funds and Early Repayment of Loans

Daiwa Securities Living Investment Corporation (hereinafter referred to as the “Investment Corporation”) has decided today to borrow 7,520 million yen in total (hereinafter referred to as the “Financing”) and repay 980 million yen of existing borrowings prior to the due date (hereinafter referred to as the “Early Prepayment” and collectively referred to as the “Financing, etc.” together with the Financing).

I. The Financing

1. Borrowing of Funds

(1) Reason for the Borrowings

- i). The fund is to be appropriated for the acquisition of assets to be acquired on October 1, 2021 (hereinafter referred to as the “Assets to Be Acquired”). For the Assets to Be Acquired, please refer to the press release dated today entitled “Notice Concerning Acquisition and Leasing of Assets (2 Rental Apartments and 4 Healthcare Facilities)”.
- ii). The fund is to be appropriated for early prepayment of existing borrowings totaling 980 million yen under the loan agreement dated July 27, 2021 with MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation. As to the existing borrowings, please refer to the “Notice Concerning Borrowing of Funds” dated July 27, 2021.

(2) Summary of Borrowings

The Investment Corporation has decided to borrow a total of 7,520 million yen from financial institutions with existing transactions.

< Long-Term Borrowings >

① Term Loan NN

Individual Loans concerning Reason for the Borrowings i)

Lenders	Amount of borrowing (JPY million)	Interest rate	Drawdown date	Method	Due date
MUFG Bank, Ltd.	870	3-month JBA Japanese Yen TIBOR+0.5200% (Note1)	October 1, 2021	Unsecured, Lump-sum repayment on the due date	June 29, 2029
Shinsei Bank, Limited	630				
The 77 Bank, Ltd.	500				
Resona Bank, Limited	300				

Note: This press release is a document for making a public announcement concerning borrowing of funds and early repayment of loans, and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.

② Individual Loans

Individual Loans concerning Reason for the Borrowings i)

Lenders	Amount of borrowing (JPY million)	Interest rate	Drawdown date	Method	Due date
Sumitomo Mitsui Banking Corporation (Social Loan (Note2))	770	3-month JBA Japanese Yen TIBOR+0.5200% (Note1)	October 1, 2021	Unsecured, Lump-sum repayment on the due date	June 29, 2029
Mizuho Bank, Ltd.	630	3-month JBA Japanese Yen TIBOR+0.4825% (Note1)			September 29, 2028
Sumitomo Mitsui Trust Bank, Limited	500	3-month JBA Japanese Yen TIBOR+0.4075% (Note1)			September 30, 2026

Individual Loans concerning Reason for the Borrowings ii)

Lenders	Amount of borrowing (JPY million)	Interest rate	Drawdown date	Method	Due date
MUFG Bank, Ltd.	500	3-month JBA Japanese Yen TIBOR+0.5200% (Note1)	September 30, 2021	Unsecured, Lump-sum repayment on the due date	June 29, 2029
Sumitomo Mitsui Banking Corporation	450				

(Note1) The Interest Payment Date is the last day of March, June, September, and December of each year after December 30, 2021 (if the relevant day is not a business day, the next business day, and if the next business day falls into the next month, the immediately preceding business day). The base interest rate applied to the calculation period for interest paid on the Interest Payment Date is calculated on the basis of the 3-month JBA TIBOR published two business days prior to the commencement of the calculation period for interest.

(Note2) This borrowing will be procured as "Social Loan" based on the Social Finance Framework, which has been evaluated by JCR Social Finance Framework by Japan Credit Rating Agency, Ltd. For information on the JCR Social Finance Framework assessment, please refer to the press release, "Notice Concerning Establishment of Social Finance Framework and Acquisition of JCR Social Finance Framework Evaluation" dated May 20, 2021.

< Short-Term Borrowings >

Individual Loans concerning Reason for the Borrowings i)

Lenders	Amount of borrowing (JPY million)	Interest rate	Drawdown date	Method	Due date
MUFG Bank, Ltd.	1,000	1-month JBA Japanese Yen TIBOR+0.3000% (Note)	October 1, 2021	Unsecured, Lump-sum repayment on the due date	September 30, 2022
Sumitomo Mitsui Banking Corporation	1,000				
MUFG Bank, Ltd.	370				

(Note) The Interest Payment Date shall be the first date on October 29, 2021, and thereafter shall be the last day of each month (if the applicable day is not a business day, it shall be the next business day, and if the following business day falls into the next month, it shall be the immediately preceding business day). The base interest rate applied to the calculation period for interest paid on the Interest Payment Date shall be calculated on the basis of the 1-month TIBOR of the JBA published two business days prior to the commencement of the calculation period for interest.

Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) for JBA Japanese Yen TIBOR information.

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2. Summary of Early Prepayment

Lenders	MUFG Bank, Ltd.	Sumitomo Mitsui Banking Corporation
Amount of borrowing (JPY million)	500	480
Amount of Repayment (JPY million)	500	480
Drawdown date	July 30, 2021	
Due date	July 29, 2022	
Scheduled Repayment date	September 30, 2021	
Funds of Repayment	Appropriate from the Financing fund and own fund	
Collateral	Unsecured and unguaranteed	

3. The Date of This Agreement

September 10, 2021

II. Status of the Balance and Interest-bearing Debt Ratio Before and After the Financing, etc.

(Unit: JPY million)

	Before the Financing (September 29, 2021)	After the Financing (October 1, 2021)	Change
Short-term borrowings (Note1)	980	2,370	1,390
Long-term borrowings (Note1)	151,637	156,787	5,150
(Long-term borrowings due within one year) (Note2)	13,500	13,500	0
Total borrowings	152,617	159,157	6,540
Investment corporation bonds	20,100	20,100	0
Total interest-bearing debt	172,717	179,257	6,540

(Note1) The debt periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note2) Long-term borrowings due within one year represent borrowings due within one year from the respective dates indicated above.

III. Forecasts

Please refer to the press release “Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2022 (32nd Fiscal Period) and Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2022 (33rd Fiscal Period)” announced today.

IV. Other

As for risks pertaining to the Financing etc., there are no material changes to the “Part 2 Reference Information, 2 Supplement Information, (6) Investment risks” stated in the Securities Registration Statement submitted today.

*URL: <https://www.daiwa-securities-living.co.jp/en/>

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