

For Immediate Release

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Notice Concerning Debt Financing and Repayment of Loans

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. 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 Banking Corporation; MUFG Bank, Ltd.; Resona Bank, Limited; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; Shinsei Bank, Limited	8,500	TBD (Fixed) (Note)	9.0 years	December 28, 2022	December 26, 2031	Bullet repayment	Unsecured and non-guaranteed

(Note) The interest rate will be announced once determined. The first interest payment date is the last day of February 2023 and subsequent interest payment dates are the last day of every three 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 to partially fund the repayment of long-term loans of 10,500 million yen due on December 28, 2022. The difference of 2,000 million yen between the repayment amount and the debt financing amount will be funded with the proceeds from issuance of the bonds (the “Bonds”) as described in the press release “Notice Concerning Issuance of Investment Corporation Bonds” dated December 9, 2022.

3. Details of the long-term loans to be repaid

Category	Lender	Borrowing amount (million yen)	Interest rate	Borrowing period	Date of execution	Repayment date	Method of repayment	Collateral
Long-term	Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; Resona Bank, Limited; Shinsei Bank, Limited	10,500	0.585% (Fixed) (Note)	7.0 years	December 28, 2015	December 28, 2022	Bullet repayment	Unsecured and non-guaranteed

(Note) Although the term loan agreement is based on a floating interest rate, the interest rate is fixed in effect by entering into an interest rate swap agreement.

4. Status of interest-bearing debt after the Transaction and issuance of the Bonds

(Unit: million yen)

	Before (as of December 16, 2022)	After (as of December 28, 2022)	Increase / Decrease
Short-term loans	—	—	—
Current portion of long-term loans	50,600	40,100	(10,500)
Long-term loans	314,950	323,450	8,500
Total loans	365,550	363,550	(2,000)
Current portion of investment corporation bonds	—	—	—
Investment corporation bonds due after one year	42,000	44,000	2,000
Total investment corporation bonds	42,000	44,000	2,000
Total interest-bearing debt	407,550	407,550	—

5. Other

For the risks concerning this matter, there are no changes from the Japanese language securities report submitted on November 25, 2022.

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