

November 19, 2019

Diamond Realty Management Inc.

Launch of “DREAM US Private REIT”

Diamond Realty Management Inc. (“DREAM”) announces it has recently launched “DREAM US Private REIT”¹ a new, US version of Private REIT for Japanese investors, investing in the US real estate properties.

DREAM, as a 100% subsidiary of Mitsubishi Corporation (“MC”), has been actively engaged in asset management of domestic real estate, mainly by its domestic private REIT (DREAM Private REIT Inc.). For the past few years, it has expanded its business to overseas assets and formed “DREAM US Fund I, II, III”, which invest in development projects in the US with an aim to obtain capital gain, the “Build to Core Fund”, which invest in a property from its development stage to after completion and the stabilization when the property becomes a core investment, and the “DREAM US Mezzanine Debt Fund” that invest in mezzanine debts for development projects. DREAM receives a favorable reputation by Japanese investors.

Under such circumstances, and with investors’ growing demand for investment opportunities that provide long-term stable income supported by growing population and sound economic growth of the US, DREAM decided to establish DREAM US Private REIT (the “Fund”), a new flagship fund of the firm following the domestic Private REIT, as the first open-end real estate core fund to be managed by a Japanese asset manager to invest only in the US. Details of the Fund are as follows:

The Fund invests in stabilized real estate properties located in the US through a master fund vehicle (will qualify as a real estate investment trust (“REIT”) for US tax purposes by January 2020) for which DREAM acts as the fund manager, with a focus on multifamily and industrial properties located in US major markets. Asset management and property acquisition will be performed by Diamond Realty Management America Inc. (a 100% subsidiary of Mitsubishi Corporation (Americas), “DRM”) based in Los Angeles, who would work closely with DREAM along management and operation of the Fund. The Fund aims to realize income and capital return supported by stable rental income and long-term appreciation of asset value generated from rent growth, by making selective investments in major US markets where employment and economy growth create strong demand.

¹ “DREAM US Private REIT” refers to DRM US Core REIT, LLC, a private fund formed to hold a diversified portfolio of US commercial real estate that expects to qualify as a REIT and each of its feeder funds sponsored by DREAM.

The Fund is an open-ended blind pool fund with perpetual term, with total assets of approximately \$300 million invested in three multifamily properties located in Chicago, Atlanta and Dallas as of first closing, and targets to expand to \$1,500 million in total acquisition price within five years. The first three properties were developed by joint ventures of Diamond Realty Investments, Inc. ("DRI"), a 100% subsidiary of Mitsubishi Corporation (Americas), and its partners, and DRI may continue to be a good supplier of pipeline property for the Fund. At the same time, DRM, as the asset manager, is expected to source abundant investment opportunities from the US market which contributes to steady growth of the Fund.

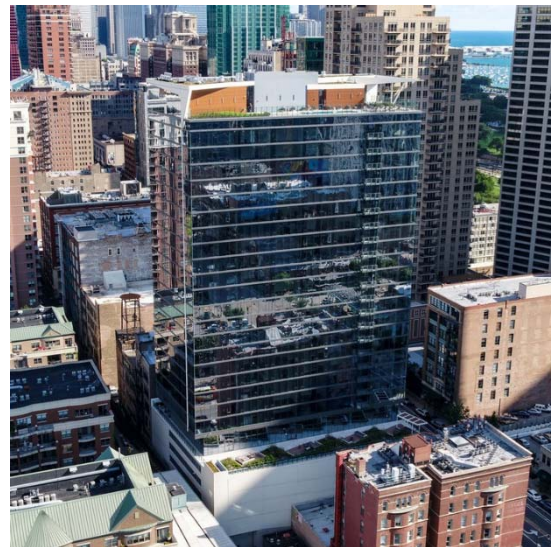
DREAM will continue expansion of its US asset management business from development to core strategies, while utilizing Mitsubishi Corporation Group's extensive relationship and experience in various industries, as well as its own expertise in real estate business with high credibility, and provide high-quality real estate investment management services by further offering international investment opportunities that will satisfy various demand of a diverse investor pool.



Multifamily in Atlanta, Georgia



Multifamily in Dallas, Texas



Multifamily in Chicago, Illinois

(Reference)

1. Mitsubishi Corporation

- (1) Head Office: 3-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan
- (2) Businesses: MC is a global integrated business enterprise that develops and operates business across virtually every industry including industrial finance, energy, metals, machinery, chemicals, foods, and environmental business. MC's current activities are expanding far beyond its traditional trading operations as its diverse business ranges from natural resources development to investment in retail business, infrastructure, financial products and manufacturing of industrial goods.
- (3) Representative: Takehiko Kakiuchi, President and Chief Executive Officer
- (4) Date of Established: 1950
- (5) Number of Employees: 79,994 (consolidated basis, as of March 31, 2019)

2. Diamond Realty Investments, Inc.

- (1) Head Office: 5215N. O'Connor Boulevard, Suite 1000, Irving, TX 75039 USA
- (2) Representative: Zack Zaizen, President and Chief Executive Officer
- (3) Date of Establishment: 1994
- (4) Number of Employees: 32 (as of September 30, 2019)

3. Diamond Realty Management America Inc.

- (1) Head Office: 515 S. Flower St. Suite 4860 Los Angeles, CA 90071 USA
- (2) Representative: Masanobu Fujita, President and Chief Executive Officer
- (3) Date of Establishment: 2018
- (4) Number of Employees: 8 (as of September 30, 2019)

[About Diamond Realty Management Inc.]

Diamond Realty Management Inc.

- Head Office: 16-1, Hirakawacho 2-Chome, Chiyoda-ku, Tokyo, Japan
- Businesses: Real estate asset management business/advisory services
- Representative: Katsumi Nakamoto, President and Chief Executive Officer
- Date of Established: 2004
- Number of Employees: 84 (as of September 30, 2019)
- Website: <http://www.mc-dream.com/>

【For Comments or Inquiries on this Press Release】

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