

March 31, 2021

Diamond Realty Management Inc.

DPR Executes a Green Loan for the Second Consecutive Year.

DREAM Private REIT Inc. ("DPR"), which is managed by Diamond Realty Management Inc. ("DREAM"), is pleased to announce that it has got finance through green loans for the Second Consecutive year.

DREAM and DPR have actively promoted ESG initiatives, recognizing that holding environmentally sustainable properties is an important element in fund management for a private REIT. As a result, in 2020 DPR received Green Star for the third consecutive years and rated four-star in comparative assessment in GRESB and for the first time, DPR was selected for "ASIA Sector Leader" (Diversified, Non-listed). DPR has 13 properties in total 35 properties with green-building certifications.

On the other hand, in terms of financing, DREAM established the "DPR Green Finance Framework" (\*) in January last year, and became the first private REIT in Japan to procure a green loan. This is the second consecutive year that DPR has got has finance through green loans.

(NOTE) please refer to "Outline of DPR Green Finance Framework " below.

Under this initiative, the arrangement of refinance defined to cover a part of acquisition value of SG Realty Maishima (5-star DBJ Green Building certification obtained (2018)) and Kobe Minato Warehouse(CASBEE® S rank obtained (2017), 5-star BELS evaluation obtained (2020)). The loan will be executed after an independent evaluation by Shinsei Bank's Green/Social/Sustainable Finance Framework, which was established in compliance with the Green Loan Principles and other regulations.

### [Overview of the Properties]

|  |  |   |
|--|--|---|
| <b>Property name</b>                       | SG Realty Maishima(*)                                | Kobe Minato Warehouse                       |
| <b>Address</b>                             | 2-5-33 Hokko Shiratsu, Konohana-ku, Osaka-shi, Osaka | 2-1, nadahama, Nada-ku, Kobe-shi, Hyogo     |
| <b>Type of Property</b>                    | Logistics  | Logistics                                   |
| <b>Site area</b> (registered area)         | 30,424.43 m <sup>2</sup>                             | 32,807.64 m <sup>2</sup>                    |
| <b>Floor area</b> (registered area)        | 95,539.04 m <sup>2</sup>                             | 70,109.21 m <sup>2</sup>                    |
| <b>Number of floors</b>                    | 6 floors above ground                                | 4 floors above ground                       |
| <b>Type of Environmental Certification</b> | 5-star DBJ Green Building (2018)<br>(*)              | S rank CASBEE® (2017)<br>5-star BELS (2020) |

(NOTE)DPR has a part of co-ownership of the trust beneficiary interest in the property, but the certification was acquired for the entire property.

(NOTE)Please refer to the following for each environmental certification

- DBJ Green Building <http://igb.jp/en/index.html>
- BELS <https://www.hyoukakyokai.or.jp/bels/bels.html>
- CASBEE® <https://www.ibec.or.jp/CASBEE/english/>

### [Outline of DPR Green Finance Framework]

|                             |   |
|-----------------------------|---|
| Target criteria             | Properties that have acquired or plan to acquire any of the following certifications by third-party organization.<br>① Three to Five stars for DBJ Green Building certification<br>② B+ to S ratings for CASBEE certification<br>③ Three to Five stars for BELS certification |
| Financing type              | Borrowing (Loans) (*)<br>(NOTE) Borrowings are limited to the loan as private REITs cannot issue corporation bonds.   |
| Uses of procurement funds   | Funds for acquisition and refinancing of properties that meet the above criteria  |
| Unallocated fund management | When the subject property is sold, etc., the loan will be shifted to cover all the properties in the portfolio that meet the above target criteria owned by DPR without immediate return.   |

|                   |   |
|-------------------|---|
|                   | <p>[Specific methods]</p> <p>A: Total value of real estate appraisal applicable to the subject properties at the end of the period × LTV (*)</p> <p>(NOTE) LTV is based on the market value LTV of the entire DPR at the end of the same period.</p> <p>B: Green Loan Procurement Balance</p> <p>Continue borrowing under the condition of A = B or A &gt; B.</p> |
| Disclosure Policy | <ul style="list-style-type: none"> <li>· Procurement is disclosed on the DPR website.</li> <li>· DPR discloses the status of green building certifications and energy usage (GHG/ energy consumption unit) on DPR website. (*)</li> </ul> <p>(NOTE) These have been set as targets for the ESG initiatives of the DPR, and the results have been disclosed.</p>   |

## 2. Future Policies

DREAM and DPR will continue to actively promote ESG/SDGs initiatives for sustainable growth. Through this green loan procurement, DREAM and DPR seek to diversify funding sources and to offer not only equity investors but also debt investors various opportunities to invest in green financial products.

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[About Diamond Realty Management Inc.]

Head Office: 16-1, Hirakawacho 2-Chome, Chiyoda-ku, Tokyo, Japan

Businesses: Real estate asset management business/advisory & consulting services

Shareholder: Wholly owned by Mitsubishi Corp.

Representative: Katsumi Nakamoto, President and CEO

Establishment: 2004

Number of employees: 91 (as of the end of June, 2020)

[For Comments or Inquiries on this Press Release]

Diamond Realty Management Inc.

TEL:+ 81-3-5212-4811 / FAX: + 81-3-5212-4818

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