

September 24, 2021

Diamond Realty Management Inc.

DREAM Private REIT Inc. Completes Funding through Green Loans

DREAM Private REIT Inc. ("DPR")—managed by Diamond Realty Management Inc. ("DREAM")— hereby announces the execution of 2 green loans.

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 17 properties in total 36 properties with green-building certifications.

As for financing, on January 2020, DREAM established the "DPR Green Finance Framework"(*1) , and became the first private REIT in Japan to procure a Green Loan. After procuring a second loan on March 2021, DPR has successfully funded 2 additional Green Loans as of today, making it a total of 4loans from 3 lenders (total loan balance: 3.7 billion yen).

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

The funds will be used to refinance loans regarding the acquisition of PUZZLE GINZA (a CASBEE ® S rank property as of 2021). Each lender evaluated the loans' Terms and Conditions using the methods shown below, and confirmed that it met the necessary standards of a Green Loan.

- Shinsei Bank : An independent evaluation following Shinsei Bank's Green/Social/Sustainable Finance Framework, which was established in compliance with the Green Loan Principles and other regulations.
- Sumitomo Mitsui Trust Bank : A third-party evaluation (Conducted by Japan Credit Rating Agency Ltd.) concerning the loans' compatibility with "DPR Green Finance Framework".

[Overview of the Property]

Property name	PUZZLE GINZA (*2)
Address	2-5-19, Ginza, Chuo-ku, Tokyo
Type of Property	Retail
Site area (registered area)	333.08 m ²
Floor area (registered area)	2,399.90 m ²
Number of floors	10 floors above ground
Type of Environmental Certification	S rank CASBEE ® (2021) (*3)

(*2)DPR has the quasi-co-ownership of the trust beneficiary interest, but the certification was granted towards the entire property.

(*3)Please refer to the following for the environmental certification

• CASBEE ® <https://www.ibec.or.jp/CASBEE/english/>

[Outline of DPR Green Finance Framework]

Target criteria	<p>Properties that have acquired or plan to acquire any of the following certifications by a third-party organization.</p> <p>① Three to Five stars for DBJ Green Building certification</p> <p>② B+ to S ratings for CASBEE certification</p> <p>③ Three to Five stars for BELS certification</p>
Financing type	<p>Borrowing (Loans) (*)</p> <p>(NOTE) Borrowings are limited to the loan as private REITs cannot issue corporation bonds.</p>
Uses of procurement funds	<p>• Funds for acquisition and refinancing of properties that meet the criteria above</p>
Unallocated fund management	<p>When the subject property is sold, etc., the loan will not be returned immediately, but instead is shifted to cover all the properties owned by DPR that meet the target criteria.</p> <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 > B.</p>

Disclosure Policy	<ul style="list-style-type: none"> • Terms and Conditions of the procurement is disclosed on the DPR website. • DPR discloses the status of green building certifications and energy usage (GHG/ energy consumption unit) on the DPR website. (*) <p>(NOTE) Energy usage reduction goals have been set as part of the ESG initiatives of the DPR, and the results have been disclosed.</p>
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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 equity 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: Ryuta Takeuchi, President and CEO

Establishment: 2004

Number of employees: 94 (as of the end of March, 2020)

【For Comments or Inquiries on this Press Release】

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