

Launch of DREAM Mezzanine Debt Fund VIII (JPY 21.9Bil)

Diamond Realty Management Inc. (DREAM) announces it has launched DREAM Mezzanine Debt Fund VIII (the Fund): the private fund specializing in the mezzanine debts collateralized by real estate assets in Japan.

The total of equity investment commitment of the Fund amounts to about JPY 21.9 Bil (USD 209 Mil). The Fund is invested by several institutional investors, etc. in Japan, such as corporate pension funds, financial institutions, corporations and educational institutions.

This fund has several features as follows:

- a) Full-blind pool fund: This Fund can invest in new mezzanine debts with contributions by capital calls. Furthermore, the redemption money during the investment term will be reallocated to new projects of this Fund.
- b) Tranching structure (Leveraged within the fund): In order to offer investors attractive investment returns under current competitive domestic real estate finance market, this Fund enables the debt financing in addition to the equity investment, which is collateralized by each mezzanine debt, therefore the available capital has reached JPY54 Bil.
- c) Various Asset Type: This Fund can invest in many different kinds of the asset sectors; retail, logistics, residential, office, hotel, industrial properties including development projects by utilizing the asset management expertise of DREAM and the relation of the Mitsubishi Corporation Group.

On the ground that the LTV (Loan to Value) ratio of each asset is under 80%, the expected return is higher than the average dividend yield of J-REITs and private REITs while the risk of principal loss is limited.

The Fund is the 8th mezzanine debt fund as a series of DREAM Mezzanine Debt Fund I launched in October 2011. In accord with the high needs of institutional investors to seek debt products that realize stable returns in spite of limited risks of principal loss, DREAM will make continuous efforts to provide investment opportunities for debts collateralized by real estate.

DREAM will provide domestic and overseas institutional investors with financial intermediary functions connecting with the real assets and continue to launch private real estate/mezzanine debt funds with superiority for the asset management company originated from trading company.

【Fund Summary】

1USD=105JPY

Name	DREAM Mezzanine Debt Fund <u>VIII</u> Investment Limited Partnership
Asset Type	Mezzanine debts collateralized by retail, logistics, residential, office, hotel, industrial properties (development projects included) , land lease and their complex or incidentals in Japan
LP Investment Commitment Size	About JPY 21.9 Bil / USD 209Mil
Commencement Date of Investment Term	October , 2021
Term	Investment term: 2 years Management term: 7 years
Investor	21 Domestic institutional investors, etc.

[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: 100 (as of the end of December, 2021)

[For Comments or Inquiries on this Press Release]

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