

April 28, 2022

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 between October 2021 and March 2022.

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, DPR was designated by the GRESB Real Estate Assessment in 2021, as “4 Stars” in the Relative Assessment for third consecutive year, and “Green Star” for fourth consecutive year, achieving high performance within the participants. In addition, DPR was selected for Asia Sector Leader in 2021 (Diversified, Non-listed), for the second time. DPR has 23 properties in total 38 properties with green-building certifications as of March 31,2022.

As for financing, on January 2020, DPR established the "DPR Green Finance Framework"(\*1), and became the first private REIT in Japan to procure a Green Loan. DPR has successfully funded 2 additional Green Loans in February 2022, making it a total of 6 loans from 4 lenders (total loan balance: 5.4 billion yen).

In addition, in September 2021, DPR obtained a rating of “Green 1 (F)” for the “DPR Green Finance Framework”. This is the highest rating offered in “JCR Green Finance Framework Evaluations”(\*2) conducted by the third party, Japan Credit Rating Agency, Ltd. (JCR).

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

(\*2) Please refer to JCR's website: <https://www.jcr.co.jp/en/greenfinance/>

The funds will be used to refinance loans regarding the acquisition of Kobe-Minato Warehouse (a CASBEE ® S rank (2017), BELS evaluation 5-star and ZEB Ready evaluation (2020)) and SG Realty Maishima (a CASBEE ® S rank (2021)). Each lender, Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, evaluated the loans' Terms and Conditions using a third-party evaluation (Conducted by JCR.) concerning the loans' compatibility with “DPR Green Finance Framework”.

[Overview of the Property]

<b>Property name</b>	Kobe-Minato Warehouse	SG Realty Maishima (*2)
<b>Address</b>	2-1, Nadahama-cho, Nada-ku, Kobe-shi, Hyogo	2-5-33, Hokko Shiratsu, Konohana-ku, Osaka-shi, Osaka
<b>Type of Property</b>	Logistics	Logistics
<b>Site area</b> (registered area)	32,807.64 m <sup>2</sup>	30,424.43 m <sup>2</sup>
<b>Floor area</b> (registered area)	70,109.21 m <sup>2</sup>	95,539.04 m <sup>2</sup>
<b>Number of floors</b>	4 floors above ground	6 floors above ground
<b>Type of Environmental Certification</b> (*3)	S rank CASBEE ®(2017) 5-star BELS, ZEB Ready (2020)	S rank CASBEE ®(2021)

(\*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/>
- BELS [www.hyoukakyokai.or.jp/bels/bels.html](http://www.hyoukakyokai.or.jp/bels/bels.html) (Japanese only)
- ZEB <http://www.env.go.jp/earth/zeb/detail/01.html> (Japanese only)

[Outline of DPR Green Finance Framework]

Target criteria	Properties that have acquired or plan to acquire any of the following certifications by a third-party organization. ① Three to Five stars for DBJ Green Building certification ② B+ to S ratings for CASBEE certification ③ Three to Five stars for BELS certification
Financing type	Borrowing (Loans) (*) (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 criteria above
Unallocated fund management	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. [Specific methods] A : Total value of real estate appraisal applicable to the subject properties at the end of the period × LTV (*) (NOTE) LTV is based on the market value LTV of the entire DPR at the end of the same

	<p>period.</p> <p>B : Green Loan Procurement Balance</p> <p>Continue borrowing under the condition of <math>A = B</math> or <math>A &gt; B</math>.</p>
Disclosure Policy	<ul style="list-style-type: none"> <li>· Terms and Conditions of the 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 the DPR website. (*)</li> </ul> <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>

## 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.

End

[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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