

Announcement of the Launch of DREAM Mezzanine Debt Fund 10
(Total Investor Commitments: JPY 35 billion)

Diamond Realty Management Inc. (DREAM) announces it has launched DREAM Mezzanine Debt Fund 10 (the Fund): the private fund specializing in the mezzanine loans backed by real estate assets in Japan.

The Fund has successfully completed fundraising with total equity commitments of JPY 35 billion (USD 241million), the largest ever for our mezzanine debt fund. The Fund is invested by several institutional investors in Japan, such as corporate pension funds, financial institutions, corporations and educational institutions. The fund has several features as follows:

- 1) Full-blind pool fund: The Fund can invest in new mezzanine loans using capital drawn from investors upon capital calls made by the Fund. Furthermore, proceeds from repayments during the investment period will be reinvested in new projects of the Fund.
- 2) Tranche structure (Leveraged within the fund): In order to offer investors attractive investment returns under the current competitive domestic real estate financing market, this Fund enables the debt financing in addition to the equity investment, which is collateralized by each mezzanine debt, through a tranche structure, allowing for leverage of up to 60%. Therefore the available capital allows the Fund to acquire mezzanine loans up to approximately JPY 87.5 billion. over its three-year investment period, including funds raised through borrowings within the fund.
- 3) Various Asset Types: This Fund can invest in a wide range of the asset sectors; office, residential, logistics, retail, hotel, data center, industrial properties including development projects by utilizing the asset management expertise of DREAM and the network of the Mitsubishi Corporation Group.

The mezzanine loans maintain an LTV (Loan-to-Value) ratio of 80% or below throughout the loan term, thereby limiting the risk of principal loss. Even though their product design makes it possible to benefit from rising base rates, stable returns are expected.

The Fund is the 10th mezzanine debt fund, marking a milestone in the DREAM Mezzanine Debt Fund series, which was first launched in October 2011. With continued strong support from institutional investors, DREAM will make continuous efforts to provide investment opportunities for mezzanine loans backed by real estate.

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

Fund Summary

1USD=145JPY

Fund name	DREAM Mezzanine Debt Fund 10 Investment Limited Partnership
Investment assets	<ul style="list-style-type: none"> • Mezzanine debts collateralized by office, residential, logistics, retail, hotel, data center, industrial properties, land lease and their complex or incidentals in Japan. • The above-mentioned development site and the building under development
LP Investment commitment size	JPY 35 Bil / USD 241Mil
Investment commencement date/ Closing date	July, 2025 (1st closing) June, 2026 (final closing)
Management term	Investment term: 3 years + Management term: 7 years
Number of investors	30 Domestic institutional investors

Diamond Realty Management Inc. Overview

Head Office: 16-1, Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo

Businesses Activities: Formation and management of real estate funds, advisory and consulting services.

Shareholder Composition: Mitsubishi Corporation (100%)

Representative: President and CEO, Masafumi Manno

Establishment: October 2004

For inquiries regarding press releases, please contact ir@mc-dream.com

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