

July 20, 2020

To All Concerned Parties

REIT Issuer: Daiwa Securities Living Investment Corporation
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Notice Concerning Refinancing of Loans

Daiwa Securities Living Investment Corporation (hereinafter referred to as the “Investment Corporation”) announced today its decisions regarding debt financing below.

I. The Refinancing

1. Borrowing of Fund

(1) Reason for the Borrowing

- i) The Investment Corporation has decided to enter into new borrowings for purposes of refinancing the existing borrowings of totaling 7,349 million yen, which are due for repayment on July 22, 2020.
- ii) The fund procured from the debt financing will be used to redeem the existing bond (Unsecured Investment Corporation Bond #2) of 1,700 million yen, which is due on July 28, 2020.

(2) Summary of Borrowings

- i) The Investment Corporation has decided to borrow a total of 7,349 million yen from financial institutions with existing transactions and new these.

< Term Loan JJ 1st >

(1) Scheduled Lender	MUFG Bank, Ltd., Resona Bank, Limited, Shinsei Bank, Limited, The Norinchukin Bank
(2) Amount of borrowing	JPY 1,767 million
(3) Scheduled drawdown date	July 22, 2020
(4) Due date	January 30, 2026
(5) Interest payment dates	After the first interest payment on October 30, 2020, on the last day of January, April, July and October of each year and the due date. (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.3825%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement JJ) to be concluded with the lenders specified in (1) above on July 20, 2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

< Term Loan JJ 2nd >

(1) Scheduled Lender	MUFG Bank, Ltd., Resona Bank, Limited, Shinsei Bank, Limited, THE NISHI-NIPPON CITY BANK, LTD.
(2) Amount of borrowing	JPY 3,758 million
(3) Scheduled drawdown date	July 22, 2020
(4) Due date	July 30, 2027
(5) Interest payment dates	After the first interest payment on October 30, 2020, on the last day of January, April, July and October of each year and the due date. (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.4325%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement JJ) to be concluded with the lenders specified in (1) above on July 20, 2020.

(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

< Individual Term Loan >

(1) Scheduled Lender	Sumitomo Mitsui Banking Corporation
(2) Amount of borrowing	JPY 824 million
(3) Scheduled drawdown date	July 22, 2020
(4) Due date	January 30, 2026
(5) Interest payment dates	After the first interest payment on October 30, 2020, on the last day of January, April, July and October of each year and the due date. (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.3825%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lender specified in (1) above on July 20, 2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

(1) Scheduled Lender	Sumitomo Mitsui Banking Corporation
(2) Amount of borrowing	JPY 1,000 million
(3) Scheduled drawdown date	July 22, 2020
(4) Due date	July 30, 2027
(5) Interest payment dates	After the first interest payment on October 30, 2020, on the last day of January, April, July and October of each year and the due date. (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.4325%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lender specified in (1) above on July 20, 2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

The 3-month JBA Japanese Yen TIBOR rate as of two business days prior to the immediately preceding interest payment date will be used as the base rate to calculate the applicable interest rate for the interest calculation periods. Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) for 3-month JBA Japanese Yen TIBOR information.

ii) The Investment Corporation has decided to borrow a total of 1,700 million yen from financial institutions with existing transactions.

< Individual Term Loan >

(1) Scheduled Lender	MUFG Bank, Ltd.
(2) Amount of borrowing	JPY 1,000 million
(3) Scheduled drawdown date	July 27, 2020
(4) Due date	July 27, 2021
(5) Interest payment dates	On the last day of each month. (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.3000%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lender specified in (1) above on July 20, 2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

(1) Scheduled Lender	Sumitomo Mitsui Banking Corporation
(2) Amount of borrowing	JPY 700 million
(3) Scheduled drawdown date	July 27, 2020
(4) Due date	July 27, 2021
(5) Interest payment dates	On the last day of each month. (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date)

(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.3000%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lender specified in (1) above on July 20, 2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

The 1-month JBA Japanese Yen TIBOR rate as of two business days prior to the immediately preceding interest payment date will be used as the base rate to calculate the applicable interest rate for the interest calculation periods. Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) for 1-month JBA Japanese Yen TIBOR information.

2. The Date of This Agreement

July 20, 2020 for both i) and ii)

II. Status of the Balance and Interest-bearing Debt Ratio Before and After the Financing

(Unit: JPY million)

	Before the Financing (July 21, 2020)	After the Financing (July 28, 2020) (Note3)	Change
Short-term borrowings (Note1)	2,000	3,700	1,700
Long-term borrowings (Note1)	138,887	138,887	-
(Long-term borrowings due within one year) (Note2)	25,363	18,014	▲ 7,349
Total borrowings	140,887	142,587	1,700
Investment corporation bonds	11,800	10,100	▲ 1,700
Total interest-bearing debt	152,687	152,687	-

(Note1) The debt periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note2) Long-term borrowings due within one year represent borrowings due within one year from the respective dates indicated above.

(Note3) As of July 28, 2020.

III. Forecasts

There is minimal impact from the refinancing on asset management conditions for the fiscal period ending September 30, 2020 (April 1, 2020 to September 30, 2020) and the fiscal period ending March 31, 2021 (October 1, 2020 to March 31, 2021).

IV. Other

As for risks pertaining to the Refinancing, there are no material changes to the “Investment risks” stated in the most recent semiannual securities report (submitted June 19, 2020).

*URL: <https://www.daiwa-securities-living.co.jp/en/>