

January 21, 2021

To All Concerned Parties

REIT Issuer: Daiwa Securities Living Investment Corporation
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(Securities Code: 8986)
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Notice Concerning Issuance of Investment Corporation Bonds

Daiwa Securities Living Investment Corporation (hereinafter referred to as the “Investment Corporation”) hereby announces that today it has decided to issue investment corporation bonds (hereinafter referred to as the “Investment Corporation Bonds”), based on the comprehensive resolution on issuance of the Investment Corporation Bonds of its Board of Directors held on December 23, 2020. Details are provided below.

I. Outline of the Investment Corporation Bonds

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| (1) Name of the Investment Corporation Bonds | 1st Unsecured Investment Corporation Bonds of Daiwa Securities Investment Corporation (with special pari passu conditions among specified Investment Corporation Bonds) |
| (2) Total issue amount | JPY 4 billion |
| (3) Form of bond certificate | Under the Act on Book-Entry of Company Bonds, Shares, etc., bond certificates for the Investment Corporation Bonds will not be issued. |
| (4) Issue Price | ¥100 per value of ¥100 of each bond |
| (5) Redemption price | ¥100 per value of ¥100 of each bond |
| (6) Interest rate | 0.550% per annum |
| (7) Amount of each bond | ¥100 million |
| (8) Offering method | Public offering |
| (9) Subscription date | January 21, 2021 (Thursday) |
| (10) Payment date | January 28, 2021 (Thursday) |
| (11) Collateral / Guarantee | There is no collateral or guarantee on the Investment Corporation Bonds. There are no assets reserved as security for the Investment Corporation Bonds |
| (12) Redemption method and date | January 28, 2026 (Wednesday)
The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case of business regulations and other rules that the securities depository stated in (16) otherwise stipulates. |
| (13) Interest payment date | The first payment date is July 28, 2021 (Wednesday). Thereafter, January 28 and July 28 of each year. (If the date of interest payment falls on a bank holiday, the said payment is moved up to the preceding bank business day.) |
| (14) Financial covenant | The provision for restriction on provision of security is included. |
| (15) Rating | A+ (Japan Credit Rating Agency, Ltd.) |
| (16) Securities depository | Japan Securities Depository Center, Incorporated |
| (17) Financial agent, issuing agent and paying agent | Sumitomo Mitsui Banking Corporation |
| (18) Underwriters | Daiwa Securities Co. Ltd.
SMBC Nikko Securities Inc. |

(1) Name of the Investment Corporation Bonds	2nd Unsecured Investment Corporation Bonds of Daiwa Securities Investment Corporation (with special pari passu conditions among specified Investment Corporation Bonds) (nickname: "Tsunagaru-sai")
(2) Total issue amount	JPY 6 billion
(3) Form of bond certificate	Under the Act on Book-Entry of Company Bonds, Shares, etc., bond certificates for the Investment Corporation Bonds
(4) Issue Price	¥100 per value of ¥100 of each bond
(5) Redemption price	¥100 per value of ¥100 of each bond
(6) Interest rate	0.550% per annum
(7) Amount of each bond	¥1 million
(8) Offering method	Public offering
(9) Subscription date	from January 22, 2021 (Friday) to February 8, 2021 (Monday)
(10) Payment date	February 9, 2021 (Tuesday)
(11) Collateral / Guarantee	There is no collateral or guarantee on the Investment Corporation Bonds. There are no assets reserved as security for the Investment Corporation Bonds
(12) Redemption method and date	February 9, 2026 (Monday) The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case of business regulations and other rules that the securities depository stated in (16) otherwise stipulates.
(13) Interest payment date	The first payment date is August 9, 2021 (Monday). Thereafter, August 9 and February 9 of each year. (If the date of interest payment falls on a bank holiday, the said payment is moved up to the preceding bank business day.)
(14) Financial covenant	The provision for restriction on provision of security is included.
(15) Rating	A+ (Japan Credit Rating Agency, Ltd.)
(16) Securities depository	Japan Securities Depository Center, Incorporated
(17) Financial agent, issuing agent and paying agent	Mizuho Bank, Ltd.
(18) Underwriters	Daiwa Securities Co. Ltd. SMBC Nikko Securities Inc.

II. Reason for Issuance

The Investment Corporation has decided to make a repayment of its outstanding borrowings and appropriation for the acquisition of assets by fund procured through issuance of bonds in order to diversify the financing methods.

III. Total Amount to be Procured, Use of Funds and Scheduled Expenditure Date

- (1) Total amount to be procured (approximate net amount to be obtained)
¥9,938 million

- (2) Use of funds and the scheduled expenditure date

The funds procured would be appropriated for the repayment of borrowings including short-term borrowings (2,000 million yen) due on January 29, 2021 (Note1) and for the property acquisition announced on October 21, 2020 (Note2).

(Note1) The outline of the loan is shown in the table below.

Lenders	Amount of borrowing (JPY million)	Drawdown date	Borrowing period	Interest rate
MUFG Bank, Ltd.	2,000	February 12, 2020	1.0 year	1-month JBA Japanese Yen TIBOR+0.300%

(Note2) Please refer to the "Notice Concerning Acquisition of Assets (Solid Magome and 6 Other Properties)" dated October 21, 2020.

IV. Status of the Balance and Interest-bearing Debt Ratio Before and After the Financing, etc.

(Unit: JPY million)

	Before the Financing (January 20, 2021)	After the Financing (February 9, 2021)	Change
Short-term borrowings (Note1)	4,070	2,070	-2,000
Long-term borrowings (Note1)	150,637	150,637	0
(Long-term borrowings due within one year) (Note2)	17,014	17,014	0
Total borrowings	154,707	152,707	-2,000
Investment corporation bonds	10,100	20,100	+10,000
Total interest-bearing debt	164,807	172,807	+8,000

(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.

V. Forecasts

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

VI. Other

As for risks pertaining to the Financing etc., there are no material changes to the “Investment risks” stated in the 29th Financial Period Securities Report submitted on December 23, 2020.

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