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July 17, 2020

REIT Issuer: Daiwa Office Investment Corporation (Stock Code No.: 8976)  
Representative: Motoi Takahashi, Executive Director

Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.  
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## **Notice Concerning Establishment of Green Finance Framework, etc.**

We hereby give notice that Daiwa Office Investment Corporation (the "Investment Corporation") has established the "Green Finance Framework" (the "Framework") for the implementation of Green finance (Note 1).

### **1. Purposes and Backgrounds of Green Finance Decision**

The Investment Corporation believes that emphasizing ESGs ("Environment, Social, and Governance") will contribute to the improvement of corporate value over the medium-to long-term. We are working on environmental issues while referring to the three environmental policies consisting of Environmental Vision, Environmental Principles, and Basic Environmental Policies established by the sponsor, Daiwa Securities Group Inc. (the "Group").

As part of our environment-conscious initiatives, we have continued efforts to promote environment-friendliness and energy conservation, improve energy utilization and achieve sustainability at properties in our portfolio, by participating in GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment, in which the Investment Corporation has received a "Green Star" rating for the eight consecutive years, and proactively acquiring environmental certification and assessment from external certification/evaluation systems, including DBJ Green Building Certification, Certification for CASBEE for Real Estate, BELS Certification and LEED Certification (Note 2).

The Investment Corporation has formulated a Green Finance Framework based on the belief that it is socially significant to provide investors who are proactive in investing in ESGs through Green finance.

In addition, the Group, the sponsor of Daiwa Real Estate Asset Management Co. Ltd. (the "Asset Manager"), the Asset Manager entrusted by the Investment Corporation, has been committed to developing financial products and promoting various measures that contribute to resolving social issues for more than 10 years. In the Investment Corporation and the Asset Manager, we believe that through Green finance implementation, investments in green-qualified properties stipulated in this framework will contribute to "Affordable and Clean Energy," "Industry, Innovation and Infrastructure," and "Sustainable Cities and Communities," as set forth in the United Nations Sustainable Development Goals (SDGs). As a member of the Group, we will further strengthen our efforts to create sustainable societies.

### **2. Eligibility of the Green Finance Framework**

In order to implement Green finance, the Investment Corporation formulated the framework that conform to the Green Bond Principles 2018 (Note 3), Green Bond Guidelines 2020 (Note 4), Green Loan Principles (Note 5), and Green Loan and Sustainability Linked Loan Guidelines 2020 (Note 6).

Note: This press release was prepared as a public announcement regarding Establishment of Green Finance Framework, etc
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The Investment Corporation will apply the funds raised in Green finance to fund the acquisition of green eligible assets (i.e., existing or new specific assets that meet the eligibility criteria set out in this framework) or to refinance the funds.

In addition, the Investment Corporation has obtained Green1 (F), the highest rating in the JCR Green Finance Framework Evaluation (Note 7), as a third-party evaluation of this framework.

- (Note 1) This Asset Manager stipulates collectively as "Green finance" the issuance of borrowings or investment corporation bonds for the purpose of appropriating all procured funds for the acquisition of green eligible assets or the refinancing of such funds.
- (Note 2) For details of certification and assessment obtained from external systems, please refer to the Investment Corporation's website, "Initiatives for Sustainability" as below:  
<http://daiwa-office.jrt-desk.com/en/plan/environment.html>
- (Note 3) "Green Bond Principles 2018" is the internationally-recognized guidelines for issuance of green bonds, stipulated by Green Bond Principles Executive Committee, a private organization administered by the International Capital Market Association (ICMA).
- (Note 4) "Green Bond Guidelines 2020" is guidelines established and announced by Ministry of the Environment in March 2017, and revised in March 2020 in consideration of consistency with Green Bond Principles, provide issuers, investors and other market participants with illustrative examples of specific approaches and interpretations which are tailored to Japan's bond market to aid with decision-making regarding green bonds, for the purpose of further increase in issuance of green bonds in the domestic market.
- (Note 5) "Green Loan Principles" is a guideline for financing that restricts applications to the environmental field established by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA).
- (Note 6) "Green Loan and Sustainability Linked Loan Guidelines 2020" refers to the guidelines formulated and published by the Ministry of the Environment in March 2020. The guidelines provide examples of concrete responses that can be used by borrowers, lenders, and other officials of relevant organizations when examining concrete responses to green loans, and interpret them in accordance with the characteristics of Japan, in order to further promote green loans in Japan, while giving consideration to the consistency of green loans with the principles of green loans.
- (Note 7) "JCR Green Finance Framework Evaluation" means a third-party evaluation by JCR of the Green Bond Principles, Green Loan Principles, Green Bond Guidelines, and the Green Loan and Sustainability Linked Loan Guidelines issued by an issuer or borrower, or the Green Loan Guidelines (Green finance Policy). In this assessment, "Greenness Evaluation" is conducted to evaluate whether the project classification described in Green finance policy of the issuer or borrower falls under the green project, and "Management, Operation and Transparency Evaluation" is conducted to evaluate the management/operation system and transparency of the issuer or borrower, and "JCR Green Finance Framework Evaluation" is determined as a comprehensive evaluation of these evaluations. The "JCR Green Finance Framework Evaluation" is marked with (F) at the end of the valuation symbol to distinguish it from the valuation of individual bonds or borrowings. JCR Green Finance Framework Evaluations related to the Investment Corporation are described on the JCR website below.  
<https://www.jcr.co.jp/en/greenfinance/green/>

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\* Website URL of the Investment Corporation: <http://www.daiwa-office.co.jp/en/>

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