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For Immediate Release

Investment Corporation:

Daiwa House REIT Investment Corporation
2-4-8, Nagatacho, Chiyoda-ku, Tokyo
Tsuyoshi Saito, Executive Director
(TSE Code: 8984)

Asset Manager:

Daiwa House Asset Management Co., Ltd.
Koji Narumiya, President and CEO
Inquiries:
Koyu Asahina, General Manager,
Fund Management Department, Daiwa House REIT Division
TEL: +81-3-3595-1265

Notice Concerning Disposition of Trust Beneficiary Interests in Domestic Real Estate

Daiwa House REIT Investment Corporation (“DHR”) hereby announces the decisions made today by Daiwa House Asset Management Co., Ltd. (the “Asset Manager”), the asset manager to which DHR entrusts the management of its assets, regarding the disposition of the following assets (the “Anticipated Dispositions”) by DHR (the “Disposition”) as described below.

The decision on the disposition of DPL Inuyama, one of the Anticipated Dispositions, has been approved by the board of directors of DHR based on the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951, as amended, the “Investment Trust Act”) and the Asset Manager’s voluntary rules regarding interested-party transactions.

1. Disposition overview

(1) Anticipated Dispositions

Property number	Real estate in trust (Property name)	Asset class	Anticipated date of disposition	Anticipated sale price (million yen) (Note 1)	Anticipated book value (million yen) (Note 2)	Gain or loss on sale (planned) (million yen) (Note 3)	Appraisal value (million yen) (Note 4)
LB-056	D Project Tosu III	Logistics (BTS type)	(1) October 30, 2026 (50% quasi co-ownership interest)	Total 11,100	Total 8,090	Total 2,979	11,100
			(2) March 1, 2027 (50% quasi co-ownership interest)	(1) 5,550 (2) 5,550	(1) 4,056 (2) 4,034	(1) 1,478 (2) 1,500	
LB-024	DPL Inuyama	Logistics (BTS type)	March 1, 2027	4,730	3,504	1,213	4,730
Total				15,830	11,594	4,193	15,830

(Note 1) “Anticipated sale price” excludes such amounts as expenses related to disposition, amounts equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 2) “Anticipated book value” is as of each anticipated date of disposition.

(Note 3) “Gain or loss on sale (planned)” represents an approximate reference figure calculated at this time as the difference between the anticipated sale price and the sum of the anticipated book value and disposition-related expenses; therefore, the actual gain or loss on sale is subject to change.

(Note 4) “Appraisal value” is as of August 31, 2026.

- (2) Planned date of execution of the sale : October 30, 2026
and purchase agreements
- (3) Buyer : Please refer to “4. Buyer profile” below
- (4) Method of settlement : Payment of entire amount upon transfer
- (5) Intermediary : None

2. Disposition rationale

As part of the external growth strategy, DHR has been promoting continuous property replacement to improve portfolio quality by enhancing profitability and rejuvenating portfolio age.

For property dispositions, DHR aims to dispose of the BTS type logistics properties, land properties, and other properties with limited internal growth potential, return the abundant gain on the properties to the unitholders and improve the quality of our portfolio.

The breakdown of the logistics properties in terms of acquisition price is 71.5% for BTS type and 28.5% for multi-tenant type as of today. Following the Disposition, the investment ratio of multi-tenant type logistics properties, which tend to have shorter period of lease agreements and thus are expected for more internal growth potential, will increase to 29.3%. DHR will conduct the Disposition in line with our growth strategy to pursue higher rents and target a highly inflation-resistant portfolio.

DHR plans to return the gain on sale of the Disposition as distributions to unitholders and utilize the remainder of the net proceeds to various initiatives attentive to capital cost. While a total of 4.1 billion yen of gain on sale by the Disposition is expected, disposition of D Project Tosu III will be executed over the fiscal period ending February 28, 2027 and the fiscal period ending August 31, 2027, to stagger the timing of the dispositions, level off gain on sale and contribute to raising distribution levels continuously.

3. Details of the Anticipated Dispositions

Property number		D Project Tosu III		Asset class		Logistics (BTS type)	
LB-056				Acquisition price		9,200 million yen	
Type of specified asset			Trust beneficiary interest in real estate				
Trustee			Mitsubishi UFJ Trust and Banking Corporation				
Trust maturity date			April 30, 2038				
Location	Lot number		3-1-3, Yayoigaoka, Tosu City, Saga				
	Address		3-1-3, Yayoigaoka, Tosu City, Saga				
Land	Type of ownership		Ownership				
	Land area		34,310.37 m ²				
	Area classification		Quasi-industrial district				
	Building coverage ratio		60%				
	FAR		200%				
Building	Type of ownership		Ownership				
	Gross floor area		64,984.95 m ²				
	Use		Warehouse, office				
	Structure		Steel-frame building				
	Number of floors		5 floors				
	Date of construction		March 21, 2012				
Collateral			None				
Overview of leasing (as of August 31, 2026)							
Leasable area		65,215.07 m ²		Number of tenants		1	
Leased area		65,215.07 m ²		Annual rent		Not disclosed (Note)	
Occupancy rate		100.0%		Tenant leasehold and security deposit		Not disclosed (Note)	
Historical occupancy rate	February 2024	August 2024	February 2025	August 2025		February 2026	
	100.0%	100.0%	100.0%	100.0%		100.0%	
Master lease company			-				
Master lease type			-				
Property management company			Daiwa House Property Management Co., Ltd.				
Lessee			Not disclosed (Note)				
Special items			None				

(Note) Not disclosed as consent for disclosure has not been obtained from the lessee.

Property number		DPL Inuyama		Asset class		Logistics (BTS type)	
LB-024				Acquisition price		3,940 million yen	
Type of specified asset			Trust beneficiary interest in real estate				
Trustee			Sumitomo Mitsui Trust Bank, Limited				
Trust maturity date			March 31, 2034				
Location	Lot number		1-8, Aza Nakahiratsuka, Oaza Haguroshinden, Inuyama City, Aichi				
	Address		1-8, Aza Nakahiratsuka, Oaza Haguroshinden, Inuyama City, Aichi				
Land	Type of ownership		Ownership				
	Land area		15,239.75 m ²				
	Area classification		Exclusive industrial district				
	Building coverage ratio		60%				
	FAR		200%				
Building	Type of ownership		Ownership				
	Gross floor area		20,872.50 m ²				
	Use		Warehouse				
	Structure		Steel-frame building				
	Number of floors		3 floors				
	Date of construction		September 18, 2013				
Collateral			None				
Overview of leasing (as of August 31, 2026)							
Leasable area		21,628.50 m ²		Number of tenants		1	
Leased area		21,628.50 m ²		Annual rent		Not disclosed (Note)	
Occupancy rate		100.0%		Tenant leasehold and security deposit		Not disclosed (Note)	
Historical occupancy rate	February 2024	August 2024	February 2025	August 2025	February 2026		
	100.0%	100.0%	100.0%	100.0%	100.0%		
Master lease company				-			
Master lease type				-			
Property management company				Daiwa House Property Management Co., Ltd.			
Lessee				Sagawa Global Logistics Co., Ltd.			
Special items				None			

(Note) Not disclosed as consent for disclosure has not been obtained from the lessee.

4. Buyer profile

(1) D Project Tosu III

i.	Name	Tosu Godo Kaisha
ii.	Location	Yuwa Tax Corporation, 4-7-1, Iidabashi, Chiyoda Ward, Tokyo
iii.	Representative	Representative: General Incorporated Association Futawa Person who executes duties: Masanori Nakatsu
iv.	Business activities	(a) Acquisition, holding, and disposal of trust beneficiary interests in real estate (b) Sale and purchase, leasing, management, acquisition, holding, disposition, and use of real estate (c) All other businesses incidental or related to the above business
v.	Capital	200,000 yen
vi.	Foundation date	September 8, 2026
vii.	Overview of investor	Daiwa House Industry Co., Ltd., and others
viii.	Relationships with DHR and the Asset Manager	
	Capital relationships	There is no capital relationship requiring disclosure between DHR/the Asset Manager and the subject company. Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, is scheduled to invest in the subject

		company.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and the subject company.
	Business relationship	There is no business relationship requiring disclosure between DHR/the Asset Manager and the subject company.
	Status of classification as related party	The subject company is not a related party of DHR/the Asset Manager.

(2) DPL Inuyama

i.	Name	Daiwa House Industry Co., Ltd.
ii.	Location	3-3-5, Umeda, Kita Ward, Osaka City, Osaka
iii.	Representative	Hirotsugu Otomo, Representative Director and President, COO
iv.	Business activities	General contractor
v.	Capital	162,602 million yen (as of March 31, 2026)
vi.	Foundation date	March 4, 1947
vii.	Net assets	3,022,275 million yen (as of March 31, 2026)
viii.	Total assets	8,412,419 million yen (as of March 31, 2026)
ix.	Major shareholder and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust) 16.09% Custody Bank of Japan, Ltd. (Trust) 5.62% (as of March 31, 2026)
x.	Relationships with DHR and the Asset Manager	
	Capital relationship	The subject company holds 5.8% of DHR's investment units outstanding as of August 31, 2026. The subject company also holds 100.0% of the Asset Manager's shares issued and outstanding as of today and thus falls under the category of an interested party, etc. as defined in the Investment Trust Act.
	Personnel relationship	Among the officers and employees of the Asset Manager, one is on secondment from the subject company, and one is on secondment to the subject company as of today.
	Business relationship	The subject company is a consignee of property management and other services for DHR and is a lessee of real estate owned by DHR. The subject company has executed a basic agreement regarding new pipeline support and other matters with DHR and the Asset Manager.
	Status of classification as related party	The subject company is not a related party of DHR. The subject company is the parent company of the Asset Manager and thus falls under the category of a related party of the Asset Manager.

5. Interested-party transactions

Daiwa House Industry Co., Ltd. as the buyer of DPL Inuyama is defined as an interest party, etc. in the Investment Trust Act. Tosu Godo Kaisha is a limited liability company with the aim to acquire, hold, and dispose of trust beneficiary interests in which Daiwa House Industry Co., Ltd. plans to invest and is an interested party under the voluntary rules regarding interested-party transactions adopted by the Asset Manager, but not an interested party defined in the Investment Trust Act.

The Asset Manager has gone through the necessary discussion and resolution procedures including the approval of the board of directors of DHR in accordance with Article 201-2 of the Investment Trust Act (Note) as well as its voluntary rules regarding interested-party transactions.

(Note) This refers to the article stipulated in Article 201-2 of the Investment Trust Act.

"If an asset management company invests assets as entrusted by a registered investment corporation, before dealings as referred to in Article 193, paragraph (1), item (i) through item (iv) (other than those that Cabinet Office Order prescribes as having only a minor influence on the assets of the registered investment corporation) come to be entered into between the registered investment corporation and an interested person or other close affiliate of the asset management company, the asset management company must first obtain the consent of the registered investment corporation."

6. Brokerage

None

7. Disposition schedule

Property name	Disposition decision date	Execution date of the sale and purchase agreement (planned)	Payment date and delivery date (planned)
D Project Tosu III	October 19, 2026	October 30, 2026	(1) October 30, 2026 (50% quasi co-ownership interest)
DPL Inuyama			(2) March 1, 2027 (50% quasi co-ownership interest)
			March 1, 2027

8. Outlook

For the forecasts of results for the fiscal periods ending February 28, 2027 (from September 1, 2026 to February 28, 2027) and August 31, 2027 (from March 1, 2027 to August 31, 2027) with the Disposition factored in, please refer to the “Financial Results for the Fiscal Period Ended August 31, 2026” announced today.

9. Overview of property appraisal

Property name	D Project Tosu III
Appraisal value	11,100 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	August 31, 2026

Item	Content	Basis
Value based on income method	11,100 million yen	Estimated the value based on income method with the value based on discount cash flow method as the standard and also by verifying the value based on direct capitalization method.
Value based on direct capitalization method	11,200 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	492 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	479 million yen	
Cap rate	4.3%	Assessed by comparing the multiple transaction yields in the neighboring areas or similar areas of the same supply and demand, and also by considering the volatility of the cash flow in the future and the relationship with the discount rate.
Value based on discounted cash flow method	11,100 million yen	
Discount rate	(1st year) 4.3% (from 2nd year) 4.5%	Assessed by factoring in the specific risks of the property into the base yield for the warehouse determined by the build-up approach based on yields of financial products.

	Terminal cap rate	4.5%	Assessed based on the cap rate in consideration of the prediction uncertainty.
Value based on cost method		10,900 million yen	
	Proportion of land	50.6%	
	Proportion of building	49.4%	
Other items considered by the appraiser in the appraisal		None	

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

Property name	DPL Inuyama
Appraisal value	4,730 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	August 31, 2026

Item	Content	Basis
Value based on income method	4,730 million yen	Estimated the value based on income method with the value based on discount cash flow method as the standard and also by verifying the value based on direct capitalization method.
Value based on direct capitalization method	4,720 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	200 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	198 million yen	
Cap rate	4.2%	Assessed by comparing the multiple transaction yields in the neighboring areas or similar areas of the same supply and demand, and also by considering the volatility of the cash flow in the future and the relationship with the discount rate.
Value based on discounted cash flow method	4,740 million yen	
Discount rate	(1st to 2nd year) 4.3% (from 3rd year) 4.4%	Assessed by factoring in the specific risks of the property into the base yield for the warehouse determined by the build-up approach based on yields of financial products.
Terminal cap rate	4.4%	Assessed based on the cap rate in consideration of the prediction uncertainty.
Value based on cost method	4,440 million yen	
Proportion of land	47.4%	
Proportion of building	52.6%	

Other items considered by the appraiser in the appraisal	None
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(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

* DHR's website: <https://www.daiwahouse-reit.co.jp/en/>

<Attachment>

Portfolio status after the Disposition (planned as of March 1, 2027)

Asset class	Number of properties	Acquisition price (million yen)	Investment ratio (Note)
Logistics properties	62 properties	457,779	49.7%
Residential properties	131 properties	244,602	26.5%
Retail properties	22 properties	126,739	13.8%
Hotel properties	10 properties	53,766	5.8%
Other assets	6 properties	38,620	4.2%
Portfolio total	231 properties	921,506	100.0%

(Note) Investment ratio indicates the ratio of the acquisition price for each asset to the total acquisition price, rounded to the nearest tenth.