



Daiwa
House
REIT



Leveraging comprehensive strengths
of Daiwa House Group and aiming to
continuously increase unitholder value

Sustainability Report 2025
Daiwa House REIT Investment Corporation

Sustainability Report

Please visit our Sustainability Report website at the following URL or by using the QR code.

https://www.daiwahouse-reit.co.jp/file/en-esg_reports-e83248da3f04b9ff4a45afce00b8d2a131b620f3.pdf



 Daiwa House REIT Investment Corporation

<https://www.daiwahouse-reit.co.jp/en/>

 Daiwa House REIT Investment Corporation

Semi-Annual Report for the **40th** Fiscal Period

From September 1, 2025 to February 28, 2026



Securities Code | 8984

Overview of the 40th Fiscal Period Ended February 28, 2026

We would like to report on the financial results and give an overview of operations of Daiwa House REIT Investment Corporation (hereinafter referred to as "DHR") in the 40th fiscal period ended February 28, 2026.

DHR disposed of one logistics property (80% quasi co-ownership interest), and acquired one hotel property and one residential property, aiming to increase the quality of its portfolio through property replacement. As a result, DHR's portfolio as of the end of the current fiscal period consisted of 231 properties with an asset size of ¥915.4 billion (total acquisition price), and occupancy rate at the end of the current fiscal period was 99.1%. Also, a 2-for-1 split of investment units was implemented effective as of September 1, 2025, and distributions per unit were ¥3,458.

Looking at the Japanese economy going forward, although prices are continuing to rise, personal consumption remains steady, supported by improvements in the income environment. Corporate earnings are maintaining a high level overall, and business sentiment is also progressing favorably, leading to a moderate increase in capital investment. Although housing investment continues to show signs of weakness, the Japanese economy is believed to be growing at a moderate pace overall. On the other hand, it is necessary to closely monitor the potential impact on the Japanese economy from various risk factors. These include trends in monetary policy by central banks worldwide, domestic and overseas economic and price developments, and the increasing geopolitical risks such as the heightened tensions in the Middle East.

DHR will work to continuously improve unitholder value by ensuring stable revenue and steady growth of its portfolio over the medium to long term through full utilization of its sponsor Daiwa House Group's comprehensive strengths and knowhow regarding real-estate development.

In closing, we ask for the continued support of our unitholders and the investment community as we move forward.



Tsuyoshi Saito

Executive Director
Daiwa House REIT Investment Corporation



Koji Narumiya

President and CEO
Daiwa House Asset Management Co., Ltd.

CONTENTS

Overview of the 40th Fiscal Period Ended February 28, 2026	2	IV. Statements of Changes in Net Assets	52
Financial Highlights	3	V. Statements of Cash Distributions	54
Portfolio Highlights	4	VI. Statements of Cash Flows	56
I. Asset Management Report	5	VII. Notes to Financial Statements	58
II. Balance Sheets	48	VIII. Independent Auditor's Report	93
III. Statements of Income and Retained Earnings	51	Investor Information	96

Financial Highlights

Distributions

Distributions per Unit ^(Note 1)

40th period **¥3,458**

(From September 1, 2025 to February 28, 2026)
*Distribution payments start date is May 11, 2026.

Forecast Distributions per Unit ^(Note 2)

41st period **¥2,920**

(From March 1, 2026 to August 31, 2026)

42nd period **¥2,950**

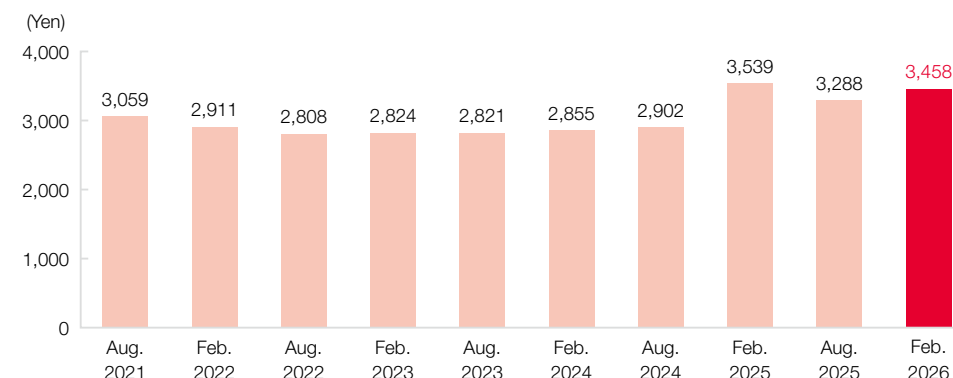
(From September 1, 2026 to February 28, 2027)

(Note 1) Distributions per unit for the fiscal period ended February 28, 2026 include distributions in excess of earnings of ¥768 (which do not apply to return of capital).

(Note 2) Forecast distributions per unit are as of April 16, 2026, and actual distributions per unit may vary from the forecast. These forecasts also do not guarantee the amount of distributions.

In addition, distributions per unit include distributions in excess of earnings, and we forecast distributions in excess of earnings per unit of ¥437 (including return of capital of ¥8) for the fiscal period ending August 31, 2026 and ¥436 (including return of capital of ¥5) for the fiscal period ending February 28, 2027.

Distributions per Unit



(Note) A 2-for-1 split of investment units was implemented with August 31, 2025 as the record date and September 1, 2025 as the effective date. The figures of distributions per unit for the fiscal period ended August 31, 2025 and before are stated after taking into account the split.

Operating Results

	Fiscal period ended August 31, 2025	Fiscal period ended February 28, 2026
Operating revenues	¥34,308 million	¥32,063 million
Operating income	¥16,966 million	¥14,205 million
Net income	¥15,022 million	¥12,213 million

Asset size (acquisition price basis) **¥915.4 billion**

Period-end occupancy rate **99.1%**

LTV (excluding goodwill) **45.5%**

Credit rating **JCR: AA (Stable)
R&I: AA- (Stable)**

Summary

(As of February 28, 2026)

Number of properties

231 properties

Asset size (acquisition price basis)

¥915.4 billion

Logistics
64 properties ¥473.0 billion

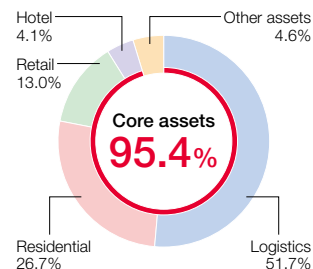
Residential
131 properties ¥244.6 billion

Retail
22 properties ¥118.6 billion

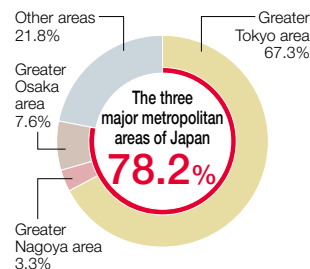
Hotel
8 properties ¥37.5 billion

Other assets
6 properties ¥41.6 billion

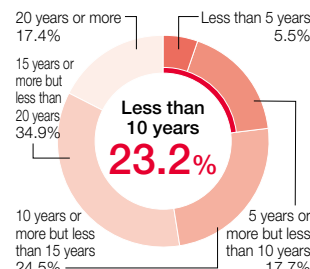
By asset class



By area

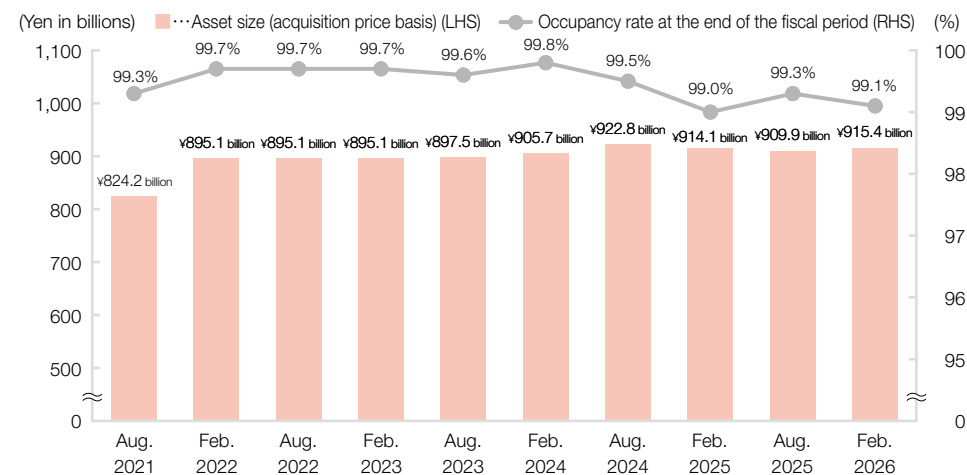


By property age



(Note) Ratios are rounded to the nearest tenth. Total figures may not match due to the rounding of ratios.

Trends of Asset Size (Acquisition Price Basis) and Occupancy Rate at the End of the Fiscal Period



I. Asset Management Report

1. Summary of Asset Management

(1) Historical Operating Results

		36th period February 2024	37th period August 2024	38th period February 2025	39th period August 2025	40th period February 2026
Operating revenue (Note 1)	Yen in millions	29,643	32,253	32,412	34,308	32,063
Of which, real estate rental revenues	Yen in millions	29,643	30,822	30,057	29,975	29,829
Operating expenses	Yen in millions	17,505	20,330	17,389	17,342	17,857
Of which, real estate rental expenses	Yen in millions	12,145	13,506	12,914	12,838	13,387
Operating profit	Yen in millions	12,138	11,923	15,022	16,966	14,205
Ordinary profit	Yen in millions	10,378	10,056	13,166	15,024	12,216
Net profit	Yen in millions	10,378	10,055	13,165	15,022	12,213
Total assets	Yen in millions	957,752	963,486	952,383	948,096	937,407
Period-on-period changes	%	(0.1)	0.6	(1.2)	(0.5)	(1.1)
Net assets	Yen in millions	515,502	509,370	506,176	504,944	495,064
Period-on-period changes	%	(0.5)	(1.2)	(0.6)	(0.2)	(2.0)
Unitholders' capital	Yen in millions	268,042	268,042	268,042	268,042	268,042
Total number of investment units issued	Units	2,320,000	2,308,216	2,295,239	2,295,239	4,539,845
Net assets per unit (Note 2)	Yen	222,199	220,677	220,533	109,998	109,048
Total distributions	Yen in millions	13,249	13,396	16,245	15,093	15,698
Distributions per unit	Yen	5,711	5,804	7,078	6,576	3,458
Of which, earnings distributions per unit	Yen	4,491	4,394	5,736	6,545	2,690
Of which, distributions in excess of earnings per unit	Yen	1,220	1,410	1,342	31	768
Ordinary profit to total assets ratio (Note 3)	%	1.1	1.0	1.4	1.6	1.3
Annualized	%	2.2	2.1	2.8	3.1	2.6
Return on equity (Note 4)	%	2.0	2.0	2.6	3.0	2.4
Annualized	%	4.0	3.9	5.2	5.9	4.9
Equity ratio	%	53.8	52.9	53.1	53.3	52.8
Period-on-period changes	%	(0.2)	(1.0)	0.3	0.1	(0.4)
Payout ratio	%	100.4	101.1	100.2	100.0	100.5
<Other Reference Information>						
Rental NOI (Note 5)	Yen in millions	23,148	23,018	22,635	22,630	21,938
FFO per unit (Note 2) (Note 6)	Yen	8,153	8,080	7,973	3,960	3,848
FFO multiple (Note 7)	Times	14.9	14.7	15.4	16.2	17.1
Debt service coverage ratio (Note 8) (Note 9)	Times	14.2	14.1	14.4	14.6	12.6
Interest-bearing debt	Yen in millions	409,550	420,550	411,550	410,950	407,950
Interest-bearing debt to total assets ratio (Note 10)	%	42.8	43.6	43.2	43.3	43.5

- (Notes)
- Operating revenue, etc., do not include consumption taxes.
 - A 2-for-1 split of DHR investment units was implemented with an effective date of September 1, 2025. The calculation is based on the assumption that the split of investment units was implemented at the beginning of the fiscal period ended August 31, 2025.
 - Ordinary profit to total assets ratio = Ordinary profit / ((Total assets at the beginning of period + Total assets at the end of period) / 2) × 100
 - Return on equity = Net profit / ((Net assets at the beginning of period + Net assets at the end of period) / 2) × 100
 - Rental NOI = Real estate rental revenues - Real estate rental expenses + Depreciation and amortization during the period
 - FFO per unit = (Net profit + Depreciation and amortization + Amortization of goodwill + Amortization of investment corporation bond issuance costs + Amortization of trademark rights +/- Loss/gain on sale of real estate properties + Impairment losses +/- Extraordinary loss/income) / Total number of investment units issued
 - FFO multiple = Investment unit price at the end of period / Annualized FFO per unit
 - Debt service coverage ratio = Net profit before interest, depreciation and amortization / Interest expense
 - Net profit before interest, depreciation and amortization = Net profit + Depreciation and amortization + Amortization of goodwill + Amortization of investment corporation bond issuance costs + Amortization of trademark rights + Interest expense and Interest expense on investment corporation bonds + Impairment losses
 - Interest-bearing debt to total assets ratio = Interest-bearing debt at the end of period / Total assets at the end of period × 100

(2) Asset Management during the Period

i) Transition of DHR

Daiwa House REIT Investment Corporation (hereinafter referred to as the "DHR") is a real estate investment trust (J-REIT) whose sponsor is Daiwa House Industry Co., Ltd. (hereinafter referred to as "Daiwa House") and whose asset manager is Daiwa House Asset Management Co., Ltd. (hereinafter referred to as the "Asset Manager"), a wholly owned subsidiary of Daiwa House.

DHR was listed on the Real Estate Investment Trust (REIT) Market of Tokyo Stock Exchange, Inc. (hereinafter referred to as the "Tokyo Stock Exchange") on March 22, 2006, and then later merged with New City Residence Investment Corporation (hereinafter referred to as "NCR") on April 1, 2010 (hereinafter referred to as "the merger with NCR"). Subsequently on December 1, 2011, DHR changed its corporate name to Daiwa House Residential Investment Corporation (the corporation prior to change of corporate name to "Daiwa House REIT Investment Corporation" is hereinafter referred to as the "former DHI"), and accordingly changed its investment targets to residential properties.

The former Daiwa House REIT Investment Corporation (the Daiwa House REIT Investment Corporation, which was dissolved upon having merged with DHR as of September 1, 2016, is hereinafter referred to as the "former DHR") was established on September 14, 2007, whose asset manager was Daiwa House REIT Management Co., Ltd., a wholly owned subsidiary of Daiwa House. The former DHR was listed on the REIT Market of Tokyo Stock Exchange on November 28, 2012, as a REIT that targets investment in logistics and retail properties.

As of September 1, 2016, the former DHI and the former DHR (hereinafter collectively referred to as the "Investment Corporations") conducted an absorption-type merger (hereinafter referred to as the "Merger") whereby the former DHI was the surviving corporation and the former DHR was the absorbed corporation. DHR shifted to a diversified portfolio strategy, targeting investment in new asset classes such as hotel and office properties, in addition to those that the Investment Corporations had targeted for investment in the past, and changed its corporate name from Daiwa House Residential Investment Corporation to Daiwa House REIT Investment Corporation.

ii) Performance for the Current Fiscal Period

DHR 1) disposed of one logistics property (80% quasi co-ownership interest) for a disposition price of ¥9.3 billion in September 2025; 2) acquired one hotel property for an acquisition price^(Note 1) of ¥10.1 billion in November 2025; and 3) acquired one residential property for an acquisition price of ¥2.6 billion in February 2026.

As a result, DHR's portfolio as of the end of the current fiscal period consists of 231 properties with an asset size^(Note 2) of ¥915.4 billion.

(Notes) 1. "Acquisition price" is the purchase price stipulated in the respective purchase agreements (including amendment agreements) of assets owned by DHR (not including expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, or leasehold guarantee deposits, etc.), except as otherwise noted. However, the acquisition prices of properties previously owned by NCR have been presented as the appraisal values as of February 28, 2010, which were the prices received at the time of the merger with NCR, and the acquisition prices of properties previously owned by the former DHR have been presented as the appraisal values as of August 31, 2016, which were the prices received at the time of the merger with the former DHR. The "total acquisition price" has been rounded down to the nearest unit. The same shall apply hereinafter.
2. "Asset size" is the aggregate total of the acquisition prices of respective assets owned by DHR at respective points in time, except as otherwise noted. The same shall apply hereinafter.

iii) Overview of Financing

DHR 1) arranged refinancing of ¥9,000 million to provide for the repayment of ¥9,000 million in existing loans due on September 29, 2025; 2) arranged refinancing of ¥8,600 million to provide for the repayment of ¥8,600 million in existing loans due on September 30, 2025; 3) arranged refinancing of ¥7,000 million to provide for the repayment of ¥7,000 million in existing loans due on October 1, 2025; 4) conducted early repayment of ¥3,000 million of the ¥7,000 million in existing loans due on February 27, 2026 using funds in hand on October 31, 2025; and 5) arranged refinancing of ¥4,000 million to provide for the repayment of ¥4,000 million in existing loans due on February 27, 2026.

As a result, the balance of interest-bearing debt outstanding as of the end of the current fiscal period amounted to ¥407,950 million (loan balance: ¥369,550 million, investment corporation bond balance: ¥38,400 million). As of the end of the current fiscal period, its LTV (including goodwill)^(Note 1) was 43.5%, and its LTV (excluding goodwill)^(Note 2) was 45.5%.

(Notes) 1. "LTV (including goodwill)" is obtained using the following formula. The same shall apply hereinafter.
LTV (including goodwill) = total amount of interest-bearing debt (loans + investment corporation bonds) ÷ total assets (including goodwill) × 100
2. "LTV (excluding goodwill)" is obtained using the following formula. The same shall apply hereinafter.
LTV (excluding goodwill) = total amount of interest-bearing debt (loans + investment corporation bonds) ÷ total assets (excluding goodwill) × 100

The credit ratings of DHR as of the date of this report are as follows:

Rating agency	Type	Rating/Outlook
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA- Stable
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA Stable

iv) Difference Between Real Estate Appraisal Value and Book Value

The total appraisal value of assets held at the end of the current fiscal period was ¥1,130,806 million, and the amount of unrealized gain^(Note) on the portfolio, which is the difference compared to the book value was ¥281,547 million.

(Note) "Unrealized gain" is the positive valuation difference when the appraisal value exceeds the book value of real estate properties (excluding construction in progress and construction in progress in trust) as of the last day of each fiscal period. (Negative valuation difference is referred to as unrealized loss.) The same shall apply hereinafter. Please note that unrealized gain is not guaranteed to be realized as a result of the sale of real estate.

v) Overview of Financial Results

As a result of the investment management activities mentioned above, in the current fiscal period, DHR posted operating revenue of ¥32,063 million, operating profit of ¥14,205 million, ordinary profit of ¥12,216 million, and net profit of ¥12,213 million. Based on its distribution policy, DHR calculated the total distribution amount as follows. ¥1,982 million in amortization of goodwill and ¥1,525 million in valuation difference at the time of merger due to disposition of properties (excess taxable income over accounting profit) were added to net profit and ¥20 million as the amount corresponding to a portion of gain on sale of real estate properties, etc., was deducted from profit, resulting in ¥15,700 million. From this amount, the total amount of distributions was ¥15,698 million (¥3,458 per investment unit) after the fractional parts of amounts less than ¥1 per investment unit for each type of distribution listed in the breakdown of distributions below were adjusted.

Furthermore, the breakdown of distributions includes profit of ¥12,212 million (¥2,690 per investment unit) as earnings distributions as provided for in Article 136, paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended. Hereinafter referred to as the "Investment Trusts Act") and an allowance for temporary difference adjustments of ¥3,486 million (¥768 per investment unit) as distributions in excess of earnings.

(3) Summary of Capital Increase

Changes in DHR's total number of investment units issued and unitholders' capital for the most recent five years until February 28, 2026 are as follows:

Date	Event	Total number of investment units issued (Units)		Unitholders' capital (Yen in millions)		Remark
		Change	Balance	Change	Balance	
September 1, 2021	Capital increase through public offering	115,000	2,311,000	33,643	265,409	(Note 1)
September 28, 2021	Capital increase through third-party allotment	9,000	2,320,000	2,632	268,042	(Note 2)
July 31, 2024	Cancellation	(11,784)	2,308,216	–	268,042	(Note 3)
November 29, 2024	Cancellation	(12,977)	2,295,239	–	268,042	(Note 4)
September 1, 2025	Split	2,295,239	4,590,478	–	268,042	(Note 5)
January 30, 2026	Cancellation	(50,633)	4,539,845	–	268,042	(Note 6)

(Notes) 1. Investment units were issued by public offering with an issue price of ¥301,791 per unit (paid-in amount: ¥292,552) in order to raise funds for the acquisition of new properties, etc.
2. Additional investment units were issued with a paid-in amount of ¥292,552 per unit in order to raise funds for the acquisition of new properties, etc.
3. Between April 17, 2024 and July 12, 2024, DHR repurchased its investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement pertaining to the repurchase of investment units with a securities company. In accordance with a resolution passed at a meeting of the Board of Directors of DHR held on July 26, 2024, all the repurchased investment units (11,784 units) were cancelled on July 31, 2024. In addition, because the funds for the repurchase of investment units were deducted from capital surplus, there was no change in unitholders' capital.
4. Between October 18, 2024 and November 15, 2024, DHR repurchased its investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement pertaining to the repurchase of investment units with a securities company. In accordance with a resolution passed at a meeting of the Board of Directors of DHR held on November 25, 2024, all the repurchased investment units (12,977 units) were cancelled on November 29, 2024. In addition, because the funds for the repurchase of investment units were deducted from capital surplus, there was no change in unitholders' capital.
5. A 2-for-1 split of investment units was implemented with August 31, 2025 as the record date and September 1, 2025 as the effective date.
6. Between October 20, 2025 and December 30, 2025, DHR repurchased its investment units through market purchases on the Tokyo Stock Exchange based on a discretionary trading agreement pertaining to the repurchase of investment units with a securities company. In accordance with a resolution passed at a meeting of the Board of Directors of DHR held on January 28, 2026, all the repurchased investment units (50,633 units) were cancelled on January 30, 2026. In addition, because the funds for the repurchase of investment units were deducted from capital surplus, there was no change in unitholders' capital.

[Changes in market price of investment securities]

The highest and lowest prices and the closing prices at the beginning and the end of the period in the REIT Market of Tokyo Stock Exchange, on which DHR's investment securities are listed, by period are as follows:

	36th period	37th period	38th period	39th period	40th period
Fiscal period ended	February 2024	August 2024	February 2025	August 2025	February 2026
Highest	¥276,800	¥269,600	¥247,600	(Note 1) ¥262,000 (Note 2) ¥131,000	¥143,900
Lowest	¥238,800	¥229,400	¥224,700	(Note 1) ¥229,200 (Note 2) ¥114,600	¥124,800
Beginning of period	¥265,500	¥241,300	¥234,800	(Note 1) ¥237,600 (Note 2) ¥118,800	¥128,100
End of period	¥244,400	¥235,900	¥247,600	(Note 1) ¥253,800 (Note 2) ¥126,900	¥133,000

(Notes) 1. In connection with the 2-for-1 split of investment units with the effective date of September 1, 2025, the investment unit price is listed for the period before the ex-rights date (through August 27, 2025).
2. In connection with the 2-for-1 split of investment units with the effective date of September 1, 2025, the investment unit price is listed for the period after the ex-rights date (August 28, 2025 onwards).

(4) Distributions

For the current fiscal period, of the total amount of ¥15,700,689,898 when combining net profit of ¥12,213,074,373, amortization of goodwill of ¥1,982,226,586 and valuation difference at the time of merger due to disposition of properties (excess taxable income over accounting profit) of ¥1,525,469,184, and deducting from that ¥20,080,245 as the amount corresponding to the portion of gain on sale of real estate properties, etc., DHR decided to pay a total of ¥15,698,784,010 in distributions (¥3,458 per unit) after adjusting the fractional parts of amounts less than ¥1 per investment unit for each type of distribution listed in the breakdown of distributions below.

The breakdown of distributions was ¥12,212,183,050 as earnings distributions (¥2,690 per unit) and ¥3,486,600,960 in allowance for temporary difference adjustments as distributions in excess of earnings (¥768 per unit).

	36th period From September 1, 2023 to February 29, 2024	37th period From March 1, 2024 to August 31, 2024	38th period From September 1, 2024 to February 28, 2025	39th period From March 1, 2025 to August 31, 2025	40th period From September 1, 2025 to February 28, 2026
Unappropriated retained earnings (Yen in thousands)	10,506,085	10,142,898	13,166,274	15,023,353	12,214,088
Retained earnings carried forward (Note) (Yen in thousands)	86,965	597	783	1,014	1,905
Total distributions (Yen in thousands)	13,249,520	13,396,885	16,245,701	15,093,491	15,698,784
Distributions per unit (Yen)	5,711	5,804	7,078	6,576	3,458
Of the above, total earnings distributions (Yen in thousands)	10,419,120	10,142,301	13,165,490	15,022,339	12,212,183
Earnings distributions per unit (Yen)	4,491	4,394	5,736	6,545	2,690
Of the above, total capital refunds (Yen in thousands)	2,830,400	3,254,584	3,080,210	71,152	3,486,600
Capital refunds per unit (Yen)	1,220	1,410	1,342	31	768
Of total capital refunds, total distributions deemed as distributions from the allowance for temporary difference adjustments (Yen in thousands)	2,777,040	3,254,584	3,080,210	71,152	3,486,600
Of capital refunds per unit, distributions deemed as distributions from the allowance for temporary difference adjustments per unit (Yen)	1,197	1,410	1,342	31	768
Of total capital refunds, total distributions deemed as distributions from capital refunds for tax purposes (Yen in thousands)	53,360	-	-	-	-
Of capital refunds per unit, distributions deemed as distributions from capital refunds for tax purposes per unit (Yen)	23	-	-	-	-

(Note) Retained earnings carried forward indicates the retained earnings carried forward to the following period.

(5) Future Operating Policies and Issues to Be Addressed

i) Investment Environment

Looking at the Japanese economy going forward, although prices are continuing to rise, personal consumption remains steady, supported by improvements in the income environment. Corporate earnings are maintaining a high level overall, and business sentiment is also progressing favorably, leading to a moderate increase in capital investment. Although housing investment continues to show signs of weakness, the Japanese economy is believed to be growing at a moderate pace overall. On the other hand, it is necessary to closely monitor the potential impact on the Japanese economy from various risk factors. These include trends in monetary policy by central banks worldwide, domestic and overseas economic and price developments, and the increasing geopolitical risks such as the heightened tensions in the Middle East.

In the J-REIT market, the Tokyo Stock Exchange REIT Index was 1,999 points at the end of February 2026. In December 2025, the Bank of Japan raised the short-term interest rate (uncollateralized call rate) to 0.75%. However, going forward, if wages and resource prices continue to move in line with the Bank of Japan's outlook, its policy will be to raise policy rates and adjust the degree of monetary easing, and we must continue to be aware of trends in monetary policy management.

In the real estate trading market, because interest rates are still low relative to those of major overseas countries, and because the accommodative financial environment is expected to be maintained for the time being, demand for the acquisition of properties, particularly among overseas investors, continues to be strong. On the other hand, factors such as the rising price of land and persistently high construction costs have resulted in transaction prices of properties remaining at elevated levels.

ii) Future Operating Policies and Issues to Be Addressed

(a) Growth Strategy

Due to its shift to a diversified portfolio strategy as a result of the Merger, taking advantage of the expanded opportunities to acquire properties from an extensive range of asset classes, DHR aims to steadily grow its asset size while maximizing unitholder value by securing stable income over the long term.

With a diversified portfolio strategy, DHR's portfolio includes a range of assets with varying risk-return profiles, and as of the date of this report, maintains high occupancy rates for assets held. By investing in various types of assets, DHR deems that it will be able to diversify its portfolio and mitigate the risk of excessive reliance on a limited number of tenants in order to boost portfolio income and generate cash flows that are more consistent.

DHR carefully selects and acquires assets that contribute to increasing unitholder value mainly through the Daiwa House Group's pipeline and plans to maintain its policy of selective investment going forward.

Furthermore, through continuous property replacement, DHR aims to increase the quality of its portfolio and realize increased unitholder value.

(b) ESG Initiatives

DHR and the Asset Manager share the Daiwa House Group's basic approach of "Creating Dreams, Building Hearts." To attain a sustainable society, it is essential that we include environmental, social, and governance ("ESG") considerations in real estate investment management operations. We also believe that this will contribute to DHR's basic policy of ensuring stable revenue and achieving steady asset growth over the medium to long term.

In line with this basic approach, the Asset Manager established the "Sustainability Policy (the 'Policy')" in April 2017, and has been putting it into practice through the real estate investment management business. Furthermore, under DHR's growth strategy, DHR has been making efforts to maximize unitholder value by combining business value (financial value) and social value (non-financial value). As a strategy for enhancing social value (non-financial value), DHR has put forward the following commitments.

a. Improvement of ESG ratings by third parties

For the fifth consecutive year, DHR gained recognition as a climate change A List company under the 2025 CDP Climate Change Program, upon having received the highest-rated "A" score in recognition of exhibiting high standards internationally when it comes to addressing issues of climate change and disclosing information in that regard. For the 2025 GRESB Real Estate Assessment, DHR was awarded the rating of "4 Stars." In addition, DHR was selected for the second consecutive year as a "Sustainability Yearbook Member" in "The Sustainability Yearbook 2026," which lists the companies with outstanding sustainability performance assessed by S&P Global Inc. in the U.S., a global research and assessment company in the field of ESG investment. Furthermore, at the Seventh ESG Finance Awards Japan sponsored by the Ministry of Environment of Japan, DHR was awarded as an "Environmentally Sustainable Company" for the fourth consecutive year as a company meeting certain standards in terms of level of disclosure fulfillment.

b. Response to climate change

<Governance>

The Asset Manager established the "Regulations Concerning the System for Promoting Sustainability" and rules on topics such as internal framework, collaboration with stakeholders and information disclosure policy to secure an appropriate system for promoting sustainability.

The Board of Directors of the Asset Manager receives and monitors reports from the Sustainability Committee on considerations for climate and nature-related and other global environmental issues and risk management for natural disasters, etc.

As the Chief Executive related to climate and nature-related issues at the Board of Directors and the Chief Executive of the Sustainability Committee, the President and CEO of the Asset Manager provides final approval of various climate and nature-related goals and measures, evaluates the status of efforts, and gives instructions for review.

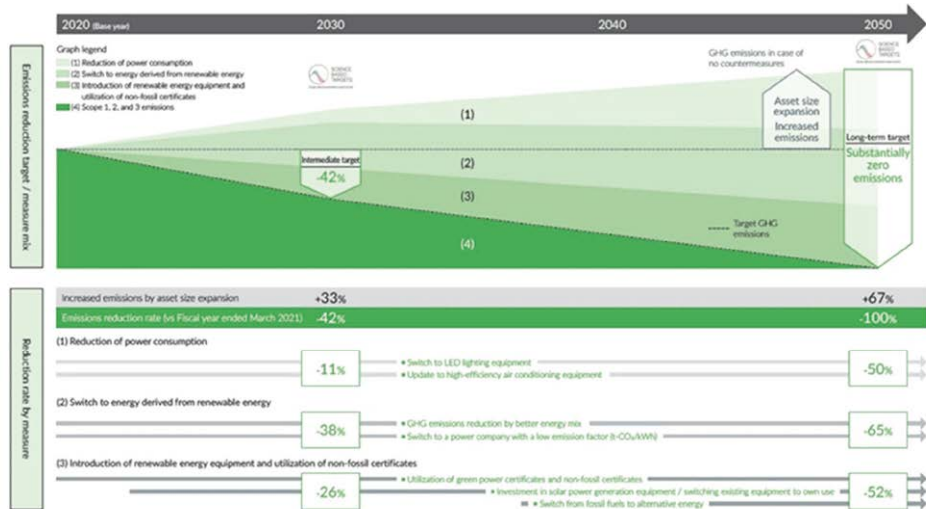
The Sustainability Committee, which was established in May 2017, was raised to a formal committee in April 2022 and must be held at least once a month. An outside expert advisor who has a high level of insight and expertise in sustainability was also appointed.

The Sustainability Committee deliberates and resolves on sustainability-related policy and strategy development such as addressing climate and nature-related issues and execution of sustainability-related operations.

<Strategy>

Understanding the risks and opportunities for DHR in the future due to unusual weather caused by climate change and increasing social demands for climate change measures, the Asset Manager verifies and analyzes the effectiveness of the current climate change measures.

In accordance with the TCFD (Task Force on Climate-Related Financial Disclosures) Recommendations, the Asset Manager conducted analysis based on multiple scenarios of below 2°C scenario and 4°C scenario and formulated a roadmap for achieving the targets certified by the Science Based Targets initiative (SBTI)^(Note 1).



<Risk management>

While recognizing climate change risk as well as nature-related dependency, impact, and risk as one of the risks that could pose a significant impact on business in the medium to long term, the Asset Manager sees such risk as areas of potential and manages the risk by incorporating it in its overall risk management process. The Asset Manager has established the "Risk Management Regulations" and "Risk Management Implementation Guidelines" as internal regulations in order to accurately identify risks and opportunities inherent in business, including those that are climate change-related and nature-related, develop a system for appropriately managing potential losses and profits when the identified risks and opportunities are realized, ensure the soundness of management and operate business in a fair manner.

The Board of Directors of the Asset Manager shall oversee the development of an appropriate risk management system based on the "Risk Management Policy" after considering where and what the risk is based on the strategic goals set separately by the Board of Directors.

The President and CEO of the Asset Manager shall be responsible for all risks in accordance with the provisions of the "Risk Management Regulations" of Daiwa House Group, develop an appropriate risk management system and be responsible for promoting and implementing risk management.

The Compliance Officer, who is responsible for risk management, shall establish methods including measurement, monitoring and management based on the type of risk along with the risk management policy and shall develop internal regulations to ensure the effectiveness of these methods.

<Metrics and targets>

DHR has set targets for reducing greenhouse gas ("GHG") emissions by FY2030 and FY2050 as described below, and in February and August 2022, it became the first J-REIT to acquire certification for its emission targets from the Science Based Targets initiative (SBTi)^(Note 1), which certifies that the targets are science-based targets consistent with the standards required by the Paris Agreement.

Item	Coverage	Base year	Target year	Target
GHG emissions (Scope 1 and 2)	All properties	2020	2030	Reduce total emissions by 42%
GHG emissions (Scope 3)	Properties with data available	2020	2030	Calculate and reduce total emissions
GHG emissions (Value chain)	All properties	2020	2050	Net zero

Internal carbon price is set at ¥20,000 / t-CO2 and used as an incentive for low-carbon promotion works, guidelines for investment decision making and a reference index to identify risks of rising costs.

We are promoting the acquisition of third-party external certifications and evaluations to increase the objectivity and reliability of our initiatives to reduce environmental impact at portfolio properties and improve the asset value over the medium to long term. Our policy is to increase the percentage of properties with environmental certification (based on gross floor area) to 75% or more by the fiscal year ending March 2031.

For details on DHR's response to climate change, please refer to the "Information Disclosure Based on TCFD Recommendations | Daiwa House REIT Investment Corporation" page of the DHR website.

c. Promotion of biodiversity conservation

By promoting initiatives in business activities such as measures to mitigate climate change, reduction of surplus consumption, sustainable production and investments for biodiversity, DHR and the Asset Manager not only expect to contribute to the promotion of nature positivity but also believe such efforts will lead to stronger competitiveness.

DHR has adopted the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), and registered as a "TNFD Adopter^(Note 2)" in December 2023. In January 2024, DHR became the first J-REIT to disclose nature-related information aligned with the TNFD Recommendations.

d. The Asset Manager's promotion of human capital management and health management

Under the Policy, the Asset Manager aims to establish an internal framework for promoting sustainability and take steps to develop personnel by conducting regular employee education and training. The Asset Manager also aims to create workplaces where people can work safely and healthily, and workplaces where diverse employees can work flexibly.

Based on these goals, the Asset Manager expects that its initiatives for improving the health of employees will bring new vigor to the overall organization in such forms as improved vitality of employees and enhanced productivity, and lead to improved financial results and enhanced value as an organization. For the fourth consecutive year, the Asset Manager was certified as the 2026 Outstanding Organization of KENKO Investment for Health (SME category) by the Ministry of Economy, Trade and Industry in recognition of its various efforts in the field of health

management such as management philosophy and guidelines and organizational structure, its measures to maintain and promote employee health, and its initiatives regarding legal compliance and risk management, etc. In addition, for the fourth consecutive year, the Asset Manager was certified as one of the "Bright 500," the top 500 corporations in the Outstanding Organizations of KENKO Investment for Health (SME category).

e. Promoting ESG by introduction of sustainability index-linked fee
In November 2021, the Asset Manager introduced a provision to fluctuate the amount of asset management fees to the Asset Manager in conjunction with the sustainability indices as the first initiative in J-REITs for the purpose of increasing unitholder value by encouraging the reduction of GHG emissions of DHR properties and enhancing the external evaluations of its sustainability initiatives. This is to increase or decrease the amount of asset management fees based on the sum of indexed GHG emissions reduction ratio, GRESB Real Estate Rating and CDP Climate Change Program Score multiplied by the total assets of DHR, and is aimed at strengthening the commitment to solving ESG issues and improving governance.

Furthermore, remuneration for Executive Director of DHR and remuneration for directors of the Asset Manager are linked to sustainability indices including GHG emissions reduction ratio, GRESB Real Estate Rating and CDP Climate Change Program Score.

- (Notes)
1. SBT refers to Science Based Targets (emissions reduction targets based on scientific reasoning).
 2. "TNFD Adopter" refers to a company or organization that has registered on the TNFD website their intention to disclose information aligned with the TNFD Recommendations. TNFD Adopters are required to make public disclosures aligned with the TNFD Recommendations in their corporate reporting in respect of their financial year 2024 or 2025.

(c) Distribution Policy

DHR changed part of its distribution policy in the fiscal period ended February 28, 2017 and made it a policy to distribute the amount equivalent to amortization of goodwill to top up net profit, and distributions in excess of earnings in the amount equivalent to amortization of goodwill are paid (distribution accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings).

Furthermore, in the case of the occurrence of excess taxable income over accounting profit associated with sale of properties or recording of impairment losses or the like that cause a need for DHR to take action to maintain its favorable tax status, DHR plans to conduct additional distributions in excess of earnings (distribution accounted as an allowance for temporary difference adjustments) to reduce the incurrence of corporate taxes.

However, where there is an occurrence of special gains such as gain on sale of real estate properties, other distributions in excess of earnings, which is a part of the above-mentioned distributions in excess of earnings in the amount equivalent to amortization of goodwill, can be reduced by an amount equivalent to part of the gain on sale of real estate properties, etc. In addition, in cases where the excess taxable income over accounting profit is resolved mainly through the sale of properties for which impairment losses were recorded, DHR may reverse the allowance for temporary difference adjustments.

DHR's policy is to pay distributions in excess of earnings (distribution accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings) to realize stabilization of distributions on a medium- to long-term basis^(Note 3) while ensuring the level of distributions not impacted by the amortization of goodwill that accompanied the Merger.

(Note) Under the above distribution policy, DHR has the policy to stabilize distributions. However, it is not intended as a guarantee or promise of the payment of distribution and amounts thereof.

iii) Financial Strategy

DHR seeks as its basic policy to plan and execute a well-planned and flexible financial strategy with the aim of ensuring stable income on a medium- to long-term basis, contributing to the steady growth and efficient management of its properties and creating management stability.

DHR is working to maintain and expand its strong lender formation as well as diversify its capital-raising methods by issuing investment corporation bonds. In raising capital, while the basic approach involves fixing interest rates for the long term and staggering repayment dates, DHR will flexibly consider the borrowing period each time and enhance the stability of its financial base by incorporating variable interest rate financing to control interest costs.

(6) Significant Events after Balance Sheet Date

A. Debt Financing

DHR conducted debt financing for the funds for the repayment of ¥4,500 million in long-term loans due on March 31, 2026, and ¥2,000 million in long-term loans due on April 1, 2026, as follows:

Lender	Borrowing amount (Yen in millions)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
The Dai-ichi Life Insurance Company, Limited (Green Loan) ^(Note)	1,500	1.950% (Fixed interest rate)	March 31, 2026	March 30, 2029	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd. The Chiba Bank, Ltd. The 77 Bank, Ltd.	3,000	JBA 1-month yen TIBOR +0.250% (Floating interest rate)	March 31, 2026	September 30, 2033	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited MUFG Bank, Ltd. Development Bank of Japan Inc.	2,000	2.47625% (Fixed interest rate)	April 1, 2026	March 31, 2031	Bullet repayment	Unsecured and non-guaranteed

(Note) This debt financing is conducted as a green loan based on the green finance framework designed by DHR. The green finance framework has received an evaluation as "Green 1 (F)," the highest rating among "JCR Green Finance Framework Evaluation" by Japan Credit Rating Agency, Ltd. ("JCR").

2. Overview of the Investment Corporation

(1) Status of Investment Units

	36th period As of February 29, 2024	37th period As of August 31, 2024	38th period As of February 28, 2025	39th period As of August 31, 2025	40th period As of February 28, 2026
Total number of authorized investment units	8,000,000	8,000,000	8,000,000	8,000,000	16,000,000
Total number of investment units issued	2,320,000	2,308,216	2,295,239	2,295,239	4,539,845
Unitholders' capital (Yen in thousands)	268,042,601	268,042,601	268,042,601	268,042,601	268,042,601
Number of unitholders	19,768	20,937	21,640	22,425	24,605

(2) Matters concerning Investment Units

The major unitholders as of February 28, 2026 are as follows:

Name	Number of investment units held (Units)	Percentage of investment units held against the total number of investment units issued (%) (Note)
Custody Bank of Japan, Ltd. (Trust account)	1,100,012	24.2
The Master Trust Bank of Japan, Ltd. (Trust account)	775,461	17.1
Daiwa House Industry Co., Ltd.	262,400	5.8
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	229,213	5.0
JPMorgan Securities Japan Co., Ltd.	67,571	1.5
State Street Bank and Trust Company 505001	64,960	1.4
JP MORGAN CHASE BANK 385781	62,668	1.4
State Street Bank and Trust Company 505103	58,771	1.3
SMBC Nikko Securities Inc.	51,285	1.1
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	50,143	1.1
Total	2,722,484	60.0

(Note) The percentages are rounded to the first decimal place.

(3) Officers

The following table provides information about the officers.

Title and post	Name	Major concurrent position	Total remuneration per title during the 40th period (Yen in thousands)
Executive Director	Tsuyoshi Saito	Outside Auditor, NIHON KAGAKU SANGYO CO., LTD.	2,458
Supervisory Directors	Junko Kogayu	Professor, Tohoku University Accounting School Certified Public Accountant, Junko Kogayu Certified Public Accountant Firm Certified Public Tax Accountant, Ayako Takeuchi Certified Public Tax Accountant Firm Outside Director and Audit & Supervisory Committee Member, NITCHO Corporation Outside Audit & Supervisory Board Member, Private Finance Initiative Promotion Corporation of Japan External Director and Audit & Supervisory Committee Member, The Shoko Chukin Bank, Ltd. Outside Audit & Supervisory Board Member, TBS HOLDINGS, INC. Audit & Supervisory Board Member, TOKYO BROADCASTING SYSTEM TELEVISION, INC. Audit and Inspection Commissioner, Tokyo Metropolitan Government Part-time Lecturer, Meiji Gakuin University Graduate School of Business and Law	2,100
	Tomoe Kitagawa (Note 2)	Attorney (Daini Tokyo Bar Association), Kioicho Law Office Professor, Keio University Law School	1,050
Accounting Auditor	Ernst & Young ShinNihon LLC		18,500

- (Notes) 1. The Executive Director and Supervisory Directors do not hold investment units of DHR under their own or another person's name. Any Supervisory Director may serve as an executive of a corporation other than those listed above, but such corporations including those listed above do not have any interest in DHR.
 2. Former Supervisory Director Hiroshi Ishikawa retired on November 30, 2025, and on December 1, 2025, Tomoe Kitagawa was newly appointed as Supervisory Director.
 3. Dismissal or non-reappointment of the Accounting Auditor shall be discussed at DHR's board of directors pursuant to the provisions of the Investment Trusts Act for dismissal, taking into full account all relevant factors for non-reappointment such as the quality of audits and remuneration for audits.
 4. The amount of remuneration based on non-auditing duties paid to firms that belong to the same network as the Accounting Auditor was ¥8,816 thousand.

(4) Liability Insurance Policy for Officers

The liability insurance policy for officers entered into by DHR is as follows:

Scope of insureds	Summary of the policy
Executive Directors and Supervisory Directors	(Outline of insured accidents to be covered) The policy covers compensation for damages, legal costs, etc. incurred by insureds as a result of a claim for damages arising from an act performed by insureds based on their position. (Percentage of insurance premiums to be paid) The entire amount is borne by DHR. (Measures to ensure that the appropriateness of the execution of duties is not impaired) Damages incurred by the insured due to criminal acts or acts committed with the knowledge that they violate laws and regulations are not covered.

(5) Asset Manager, Custodian and General Administrators

Business	Name
Asset manager	Daiwa House Asset Management Co., Ltd.
Custodian	Sumitomo Mitsui Trust Bank, Limited
General administrator	Sumitomo Mitsui Trust Bank, Limited
Transfer agent / Special account administrator	Sumitomo Mitsui Trust Bank, Limited
Administrator of investment corporation bonds	Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited

3. Portfolio of DHR

(1) Composition of Assets

The following table provides information about the composition of assets.

Type of assets	Asset class	Area (Note 1)	39th period August 31, 2025		40th period February 28, 2026		
			Total amount held (Yen in millions) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount held (Yen in millions) (Note 2)	Percentage to total assets (%) (Note 3)	
Real estate	Residential properties	Greater Tokyo area	23,183	2.4	23,191	2.5	
		Three major metropolitan areas of Japan	886	0.1	878	0.1	
		Greater Nagoya area	12,779	1.3	12,791	1.4	
	Retail properties	Greater Osaka area	3,279	0.3	3,281	0.4	
		Other	1,471	0.2	1,471	0.2	
	Subtotal		41,600	4.4	41,614	4.4	
	Logistics properties	Three major metropolitan areas of Japan	Greater Tokyo area	337,478	35.6	328,854	35.1
			Greater Nagoya area	14,717	1.6	14,717	1.6
		Greater Osaka area	24,350	2.6	24,158	2.6	
		Other	74,679	7.9	74,092	7.9	
Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	160,292	16.9	162,799	17.4	
		Greater Nagoya area	4,920	0.5	4,902	0.5	
	Greater Osaka area	6,720	0.7	6,680	0.7		
	Other	1,020	0.1	1,020	0.1		
	Greater Tokyo area	31,703	3.3	31,592	3.4		
Retail properties	Three major metropolitan areas of Japan	Greater Nagoya area	2,390	0.3	2,390	0.3	
		Greater Osaka area	18,287	1.9	18,294	2.0	
	Other	62,492	6.6	62,507	6.7		
	Greater Tokyo area	12,722	1.3	22,878	2.4		
Hotel properties	Three major metropolitan areas of Japan	Greater Nagoya area	5,194	0.5	5,211	0.6	
		Greater Osaka area	1,367	0.1	1,358	0.1	
Other		7,769	0.8	7,728	0.8		
Other	Three major metropolitan areas of Japan	Greater Tokyo area	3,054	0.3	3,055	0.3	
		Other	35,709	3.8	35,477	3.8	
Subtotal		804,872	84.9	807,719	86.2		
Deposits and other assets		101,623	10.7	88,073	9.4		
Total assets		948,096	100.0	937,407	100.0		

- (Notes) 1. Three major metropolitan areas of Japan in "Area" are the greater Tokyo area (Tokyo, Kanagawa, Saitama and Chiba), the greater Nagoya area (Aichi, Gifu and Mie) and the greater Osaka area (Osaka, Kyoto, Hyogo, Nara and Shiga). The same shall apply hereinafter.
 2. "Total amount held" represents the amounts recorded on the balance sheets as of the last day of each fiscal period (August 31, 2025 and February 28, 2026), which are rounded down to the nearest million yen. For real estate properties and trust beneficiary interests in real estate (may be referred to as "real estate in trust" or "trust beneficiary interests in real estate"), the amounts are their acquisition prices (including expenses associated with the acquisition) less accumulated depreciation. "Acquisition price" is the purchase price stipulated in the respective purchase agreements (including amendment agreements) of assets owned by DHR (not including expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, or leasehold guarantee deposits, etc.), except as otherwise noted. However, the acquisition prices of properties previously owned by NCR have been presented as the appraisal values as of February 28, 2010, which were the prices received at the time of the merger with NCR, and the acquisition prices of properties previously owned by the former DHR have been presented as the appraisal values as of August 31, 2016, which were the prices received at the time of the merger with the former DHR. The same shall apply hereinafter.
 3. "Percentage to total assets" is rounded off to the first decimal place.

(2) Principal Assets Held

The overview of principal assets held by DHR as of February 28, 2026 (top ten properties in terms of book value at the end of period) is as follows:

Property name	Book value (Yen in millions) (Note 1)	Leasable area (m ²) (Note 2)	Leased area (m ²) (Note 3)	Occupancy rate (%) (Note 4)	Rate to total real estate rental revenues (%) (Note 5)	Primary use
ias Tsukuba	33,389	138,900.39	138,900.39	100.0	3.6	Retail
DPL Nagareyama I	31,087	124,494.95	124,494.95	100.0	(Note 6)	Logistics
DPL Nagareyama III	30,948	107,147.56	107,147.56	100.0	(Note 6)	Logistics
DPL Urayasu III	29,703	57,235.33	46,433.39	81.1	(Note 6)	Logistics
GRANODE Hiroshima	26,981	29,905.20	29,905.20	100.0	3.3	Other assets
D Project Urayasu II	24,769	72,320.01	72,320.01	100.0	(Note 6)	Logistics
DPL Misato	15,832	55,862.26	55,862.26	100.0	(Note 6)	Logistics
D Project Hiratsuka	14,562	65,272.52	65,272.52	100.0	(Note 6)	Logistics
D Project Hachioji	14,267	62,394.17	62,394.17	100.0	(Note 6)	Logistics
DPL Fukuoka Kasuya	12,246	73,757.59	73,492.61	99.6	(Note 6)	Logistics
Total	233,790	787,289.98	776,223.06	98.6	23.1	-

- (Notes) 1. "Book value" is the amount recorded on the balance sheets as of February 28, 2026 (in the case of real estate and real estate in trust, "Book value" is the acquisition price (including expenses associated with the acquisition) less accumulated depreciation), which is rounded down to the nearest million yen.
2. "Leasable area" means the leasable area of the building (or land in the case of land properties) in relation to each real estate or each real estate in trust and the figures stated refer to the area DHR believes is leasable as indicated in the relevant lease agreement or drawing of the building, etc. in relation to each real estate or each real estate in trust as of February 28, 2026. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leasable area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.
3. "Leased area" represents the leased area in the leasable area as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2026. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the leased area to end-tenants indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 28, 2026 is provided. As some lease agreements for each real estate or each real estate in trust may indicate leased area that includes portions not included in the gross floor area, the leased area may exceed the gross floor area. In particular, at logistics properties, when eaves are included in the leased area, the leased area may significantly exceed the gross floor area. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leased area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.
4. "Occupancy rate" represents occupancy rate (the percentage of leased area to the leasable area) of each property as of February 28, 2026, which is rounded to the nearest tenth.
5. "Rate to total real estate rental revenues" is the rental revenues from each real estate or each real estate in trust expressed as a percentage of the total rental revenues from the entire portfolio, rounded off to the first decimal place.
6. Undisclosed as consent for disclosure has not been obtained from the lessee.

(3) Description of Portfolio

The overview of portfolio assets held by DHR as of February 28, 2026 (real estate and real estate in trust, etc.) is as follows:

Asset class	Property name	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Assessed value at the end of period (Yen in millions) (Note 3)	Book value (Yen in millions) (Note 4)
	D Project Hachioji	3-21-1, Minami-Osawa, Hachioji City, Tokyo	Real estate in trust	62,394.17	19,600	14,267
	D Project Aikawa-Machi	4020-12, Aza Sakuradai, Nakatsu, Aikawa-machi, Aiko District, Kanagawa	Real estate in trust	14,240.84	4,750	3,483
	D Project Urayasu I	12-1, Chidori, Urayasu City, Chiba	Real estate in trust	36,515.81	11,900	9,009
	D Project Urayasu II	11-5, Chidori, Urayasu City, Chiba	Real estate in trust	72,320.01	30,700	24,769
	D Project Akanehama	3-2-8, Akanehama, Narashino City, Chiba	Real estate in trust	11,671.49	3,560	2,834
	D Project Noda	1-1, Aza Tamei, Futatsuka, Noda City, Chiba	Real estate in trust	29,232.53	7,290	5,804
	D Project Inuyama	5-5, Aza Takanebora, Inuyama City, Aichi	Real estate in trust	54,197.80	13,120	9,776
	D Project Neyagawa	2-24-12, Shimeno, Neyagawa City, Osaka	Real estate in trust	11,151.51	7,280	5,522
	D Project Morioka	3-18, Ogama-kazabayashi, Takizawa City, Iwate	Real estate in trust	9,558.32	1,210	1,109
	D Project Tsuchiura	20-29, Aza Harayama, Hongo, Tsuchiura City, Ibaraki	Real estate in trust	17,448.86	3,920	2,932
	D Project Fukuoka Umi	384-15, Aza Noguchi, Oaza Ino, Umi-machi, Kasuya District, Fukuoka	Real estate in trust	24,729.56	6,050	3,826
	D Project Tosu	1624, Aza Hasuhara, Himekata-machi, Tosu City, Saga	Real estate in trust	17,858.01	6,850	4,889
	D Project Kuki I	6004-2, Aza Taikoda, Shobu-cho Shobu, Kuki City, Saitama	Real estate in trust	22,708.72	4,980	3,517
	D Project Kawagoe I	3-2-3, Yoshinodai, Kawagoe City, Saitama	Real estate in trust	16,150.88	4,370	3,221
	D Project Kawagoe II	3-2-4, Yoshinodai, Kawagoe City, Saitama	Real estate in trust	19,872.00	5,790	4,431
	DPL Inuyama	1-8, Aza Nakahiratsuka, Oaza Haqurosinden, Inuyama City, Aichi	Real estate in trust	21,628.50	4,730	3,549
	D Project Fukuoka Hakozaki	5-2-1, Hakozakifuto, Higashi Ward, Fukuoka City, Fukuoka	Real estate in trust	34,710.80	5,210	3,978
	D Project Kuki III	6004-1, Aza Taikoda, Shobu-cho Shobu, Kuki City, Saitama	Real estate in trust	26,937.41	9,500	6,802
	D Project Kuki IV	6201-5, Aza Kazarimen, Shobu-cho Sanga, Kuki City, Saitama	Real estate in trust	26,460.00	6,810	4,885
	D Project Kuki V	6201-6, Aza Kazarimen, Shobu-cho Sanga, Kuki City, Saitama	Real estate in trust	47,320.89	11,800	7,382
	D Project Kuki VI	48-3, Kiyoku-cho, Kuki City, Saitama	Real estate in trust	29,244.66	6,740	4,526
	D Project Yashio	50-1, Oaza Shin-machi, Yashio City, Saitama	Real estate in trust	21,965.04	7,150	5,955
	D Project Nishiyodogawa	2-7-48, Nakashima, Nishiyodogawa Ward, Osaka City, Osaka	Real estate in trust	39,584.80	12,700	9,265
	D Project Matsudo	700-3, Aza Nishinoda, Kamihongo, Matsudo City, Chiba	Real estate in trust	26,776.67	8,560	6,790
	D Project Hibiki Nada	3-1-5, Hibiki-machi, Wakamatsu Ward, Kitakyushu City, Fukuoka	Real estate in trust	23,933.75	2,390	1,784
	D Project Morioka II	3-15, Ogama-kazabayashi, Takizawa City, Iwate	Real estate in trust	4,481.00	1,320	1,129
	D Project Kawagoe III	2-8-55, Yoshinodai, Kawagoe City, Saitama	Real estate in trust	39,572.32	8,950	6,489
	D Project Kazo	2-16-1, Okuwa, Kazo City, Saitama	Real estate in trust	18,437.60	4,120	2,991
	D Project Urayasu III	12-1, Chidori, Urayasu City, Chiba	Real estate in trust	39,441.32	10,600	8,220
	D Project Kyotanabe	3-50-1, Kannabidai, Kyotanabe City, Kyoto	Real estate in trust	10,965.68	4,240	3,202
	D Project Sendai Izumi	2-9-1, Akedori, Izumi Ward, Sendai City, Miyagi	Real estate in trust	10,764.05	1,860	1,321
	D Project Oyama	2333-34, Aza Atago, Oaza Hari, Oyama City, Tochigi	Real estate in trust	14,106.91	2,230	1,774
	D Project Sano	570-9, Nishiura-cho, Sano City, Tochigi	Real estate in trust	15,668.44	2,040	1,534
	D Project Tatebayashi	110-8, Aza Uchiya, Shimosagawada-cho, Tatebayashi City, Gunma	Real estate in trust	13,521.56	3,560	2,718
	D Project Kakegawa	653-14, Aza Oyabu, Sakagawa, Kakegawa City, Shizuoka	Real estate in trust	39,341.44	7,050	5,345
	D Project Hiroshima Seifu	2-2-1, Tomonishi, Asaminami Ward, Hiroshima City, Hiroshima	Real estate in trust	19,004.72	4,730	3,420
	D Project Tosu II	1621, Aza Hasuhara, Himekata-machi, Tosu City, Saga	Real estate in trust	13,012.50	2,560	1,469
	D Project Kawagoe IV	3-2-1, Yoshinodai, Kawagoe City, Saitama	Real estate in trust	24,684.47	6,740	5,433
	D Project Kuki VII	6004-3, Aza Taikoda, Shobu-cho Shobu, Kuki City, Saitama	Real estate in trust	3,225.46	1,310	982
	D Project Chibakita	461-1, Naganumacho, Inage Ward, Chiba City, Chiba	Real estate in trust	24,368.86	9,090	7,125
	D Project Matsudo II	700-1, Aza Nishinoda, Kamihongo, Matsudo City, Chiba	Real estate in trust	25,305.82	9,280	7,591
	D Project Tomisato II	1-6, Misawa, Tomisato City, Chiba	Real estate in trust	40,870.56	8,040	6,188
	D Project Osaka Hirabayashi	2-6-15, Hirabayashikita, Suminoe Ward, Osaka City, Osaka	Real estate in trust	22,485.08	4,160	3,156
	D Project Sendai Izumi II	3-1-1, Akedori, Izumi Ward, Sendai City, Miyagi	Real estate in trust	39,580.46	8,850	6,418
	D Project Fuji	2261-6, Aza Shiroyama, Obuchi, Fuji City, Shizuoka	Real estate in trust	23,795.40	3,960	3,195
	D Project Tosu III	3-1-3, Yayoigaoka, Tosu City, Saga	Real estate in trust	65,215.07	11,100	8,201
	D Project Kitahachioji I	2969-2, Ishikawamachi, Hachioji City, Tokyo	Real estate in trust	16,523.82	4,890	4,153
	D Project Kitahachioji II	2969-18, Ishikawamachi, Hachioji City, Tokyo	Real estate in trust	21,402.20	6,510	5,447

Logistics properties

Asset class	Property name	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Assessed value at the end of period (Yen in millions) (Note 3)	Book value (Yen in millions) (Note 4)	
Logistics properties	D Project Kitahachioji III	2969-19, Ishikawamachi, Hachioji City, Tokyo	Real estate in trust	27,457.34	8,480	6,969	
	D Project Itabashi Shingashi	1-2-2, Shingashi, Itabashi Ward, Tokyo	Real estate in trust	33,763.46	14,300	11,949	
	D Project Sagamihara	1-2-31, Miyashimo, Chuo Ward, Sagamihara City, Kanagawa	Real estate in trust	16,599.30	4,520	3,626	
	D Project Kuki VIII	49-3, Kiyokuchō, Kuki City, Saitama	Real estate in trust	29,560.48	7,320	5,701	
	D Project Yokkaichi	1947-14, Aza Hiro, Nakamura-cho, Yokkaichi City, Mie	Real estate in trust	6,185.46	1,620	1,390	
	D Project Ibaraki Ishioka	6-4, Kashiwabara, Ishioka City, Ibaraki	Real estate in trust	24,493.54	4,600	3,722	
	D Project Wako A	5-7-5, Niikura, Wako City, Saitama	Real estate in trust	39,258.06	12,100	10,436	
	D Project Hiratsuka	7-12-10, Okami, Hiratsuka City, Kanagawa	Real estate in trust	65,272.52	16,400	14,562	
	D Project Kadoma I	1-7, Kitajimahigashimachi, Kadoma City, Osaka	Real estate in trust	12,194.39	3,410	3,011	
	DPL Misato	1-3-5, Inter-Minami, Misato City, Saitama	Real estate in trust	55,862.26	21,100	15,832	
	DPL Fukuoka Kasuya	4-642-1, Uchihashinishi, Kasuyamachi, Kasuya District, Fukuoka	Real estate in trust	73,757.59	19,300	12,246	
	DPL Kitakyushu	5-14, Sonokitamachi, Kokuraminami Ward, Kitakyushu City, Fukuoka	Real estate in trust	26,672.98	4,270	3,073	
	DPL Nagareyama I	1-1374-1, Morino Logistics Park, Nagareyama City, Chiba	Real estate in trust	124,494.95	38,500	31,087	
	DPL Shin-Narashino	1-7-1, Akanehama, Narashino City, Chiba	Real estate in trust	12,681.70	7,290	5,681	
	DPL Nagareyama III	1-1597-1, Morino Logistics Park, Nagareyama City, Chiba	Real estate in trust	107,147.56	38,300	30,948	
	DPL Urayasu III	77-3, Minato, Urayasu City, Chiba	Real estate in trust	57,235.33	31,000	29,703	
		Logistics properties – Subtotal			1,977,024.69	566,660	441,773
		Qiz Ebisu	4-3-1, Ebisu, Shibuya Ward, Tokyo	Real estate in trust	5,230.39	11,800	7,231
		Castalia Azabujuban Shichimenzaka	2-7-5, Azabujuban, Minato Ward, Tokyo	Real estate in trust	3,492.93	5,260	4,029
		Castalia Shibakoen	3-32-10, Shiba, Minato Ward, Tokyo	Real estate in trust	2,707.51	3,170	2,338
		Castalia Ginza	1-14-13, Ginza, Chuo Ward, Tokyo	Real estate in trust	2,226.42	3,040	2,245
		Castalia Hiroo	3-13-3, Nishi Azabu, Minato Ward, Tokyo	Real estate in trust	1,621.59	2,460	2,021
		Castalia Nihonbashi	11-2, Nihonbashi Kabuto-cho, Chuo Ward, Tokyo	Real estate in trust	1,458.73	1,570	1,021
		Castalia Hacchobori	3-27-5, Hacchobori, Chuo Ward, Tokyo	Real estate in trust	2,969.57	2,990	2,019
		Castalia Azabujuban	2-10-1, Azabujuban, Minato Ward, Tokyo	Real estate in trust	2,400.00	3,330	2,717
		Castalia Azabujuban II	2-21-2, Azabujuban, Minato Ward, Tokyo	Real estate in trust	2,094.58	2,970	2,491
		Castalia Shinjuku Natsumezaka	10-1, Kikui-cho, Shinjuku Ward, Tokyo	Real estate in trust	1,917.62	1,900	1,745
		Castalia Ginza II	1-23-4, Ginza, Chuo Ward, Tokyo	Real estate in trust	1,817.56	2,320	1,581
		Castalia Shibuya Sakuragaoka	29-21, Sakuragaoka-cho, Shibuya Ward, Tokyo	Real estate in trust	1,123.80	1,630	1,340
		Castalia Nishi Azabu Kasumicho	1-3-12, Nishi Azabu, Minato Ward, Tokyo	Real estate in trust	2,779.77	3,050	2,209
		Castalia Ochanomizu	3-24-1, Kanda-Ogawamachi, Chiyoda Ward, Tokyo	Real estate in trust	2,559.21	2,830	1,605
		Castalia Sangubashi	4-52-12, Yoyogi, Shibuya Ward, Tokyo	Real estate in trust	1,898.47	2,100	1,424
		Castalia Suitengu	2-8-13, Nihonbashi Kakigara-cho, Chuo Ward, Tokyo	Real estate in trust	1,940.94	1,850	1,124
		Castalia Suitengu II	1-38-16, Nihonbashi Kakigara-cho, Chuo Ward, Tokyo	Real estate in trust	1,858.34	1,680	1,009
		Castalia Shintomicho	3-10-10, Irfune, Chuo Ward, Tokyo	Real estate in trust	1,444.52	1,360	838
		Castalia Shintomicho II	2-6-4, Irfune, Chuo Ward, Tokyo	Real estate in trust	1,244.54	1,200	751
	Castalia Harajuku	3-55-3, Sendagaya, Shibuya Ward, Tokyo	Real estate in trust	1,225.26	1,220	886	
	Castalia Yoyogi Uehara	1-17-16, Uehara, Shibuya Ward, Tokyo	Real estate in trust	811.95	896	618	
	Castalia Sendagaya	2-9-10, Sendagaya, Shibuya Ward, Tokyo	Real estate in trust	803.03	804	561	
	Castalia Shinjuku 7 chome	7-17-16, Shinjuku, Shinjuku Ward, Tokyo	Real estate in trust	957.60	646	419	
	Castalia Ningyocho	7-15, Nihonbashi Tomisawacho, Chuo Ward, Tokyo	Real estate in trust	1,747.90	1,710	824	
	Castalia Ningyocho II	8-12, Nihonbashi Tomisawacho, Chuo Ward, Tokyo	Real estate in trust	1,826.80	1,770	924	
	Castalia Shin-Ochanomizu	2-3-3, Kanda Awaji-cho, Chiyoda Ward, Tokyo	Real estate in trust	1,308.38	1,420	837	
	Castalia Higashi Nihonbashi II	12-11, Nihonbashi Tomisawacho, Chuo Ward, Tokyo	Real estate in trust	2,117.46	2,190	1,195	
	Castalia Jinbocho	2-40-8, Kanda-Jinbocho, Chiyoda Ward, Tokyo	Real estate in trust	1,628.80	1,810	1,060	
	Castalia Shintomicho III	2-8-8, Irfune, Chuo Ward, Tokyo	Real estate in trust	972.51	979	601	
	Castalia Shinjuku Gyoen	2-14-4, Shinjuku, Shinjuku Ward, Tokyo	Real estate in trust	3,594.16	3,840	2,620	
	Castalia Takanawadai	3-4-12, Takanawa, Minato Ward, Tokyo	Real estate in trust	1,147.44	1,370	814	
	Castalia Higashi Nihonbashi III	3-5-6, Higashi-Nihonbashi, Chuo Ward, Tokyo	Real estate in trust	1,105.20	941	592	
	Castalia Shinjuku Gyoen II	1-29-15, Shinjuku, Shinjuku Ward, Tokyo	Real estate in trust	668.79	649	444	
	Castalia Shintomicho IV	3-10-8, Irfune, Chuo Ward, Tokyo	Real estate in trust	681.00	585	378	
	Castalia Takanawadai II	3-5-6, Takanawa, Minato Ward, Tokyo	Real estate in trust	1,567.84	1,710	1,126	
	Castalia Minami Azabu	2-2-27, Minami Azabu, Minato Ward, Tokyo	Real estate in trust	882.67	987	608	
	Castalia Ginza III	8-18-2, Ginza, Chuo Ward, Tokyo	Real estate in trust	3,494.42	3,960	2,662	
	Castalia Kayabacho	2-1, Nihonbashi Koami-cho, Chuo Ward, Tokyo	Real estate in trust	4,602.95	4,320	2,417	
	Castalia Takanawa	2-17-12, Takanawa, Minato Ward, Tokyo	Real estate in trust	10,408.26	11,700	7,162	
	Castalia Higashi Nihonbashi	9-14, Nihonbashi Yokoyama-cho, Chuo Ward, Tokyo	Real estate in trust	6,442.28	5,340	3,086	
	Castalia Shinjuku	2-6-11, Shinjuku, Shinjuku Ward, Tokyo	Real estate in trust	3,150.80	4,300	2,834	
	Castalia Ichigaya	16-24, Ichigaya Yakui-cho, Shinjuku Ward, Tokyo	Real estate in trust	1,546.34	1,590	821	

Asset class	Property name	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Assessed value at the end of period (Yen in millions) (Note 3)	Book value (Yen in millions) (Note 4)
Residential properties	Shibaura Island Bloom Tower	4-20-2, 4-20-3, 4-20-4, Shibaura, Minato Ward, Tokyo	Real estate in trust	16,849.50	9,880	5,684
	Castalia Hatsudai	1-10-9, Honmachi, Shibuya Ward, Tokyo	Real estate in trust	3,077.05	2,970	1,907
	Castalia Hatsudai II	1-33-7, Honmachi, Shibuya Ward, Tokyo	Real estate in trust	2,339.42	2,670	1,851
	Castalia Ebisu	3-15-6, Ebisu, Shibuya Ward, Tokyo	Real estate in trust	1,659.71	1,930	1,332
	Castalia Meguro Kamurozaka	4-31-23, Nishi Gotanda, Shinagawa Ward, Tokyo	Real estate in trust	4,967.97	5,270	3,872
	Castalia Yukigaya	2-13-3, Higashi Yukigaya, Ota Ward, Tokyo	Real estate in trust	1,542.30	1,390	959
	Castalia Yutenji	2-14-21, Yutenji, Meguro Ward, Tokyo	Real estate in trust	1,380.35	1,560	1,260
	Castalia Otsuka	3-17-4, Minami Otsuka, Toshima Ward, Tokyo	Real estate in trust	1,871.70	1,880	1,278
	Castalia Kikukawa	2-1-12, Kikukawa, Sumida Ward, Tokyo	Real estate in trust	1,168.18	1,060	719
	Castalia Meguro	2-1-13, Meguro, Meguro Ward, Tokyo	Real estate in trust	1,414.73	1,410	816
	Castalia Otsuka II	2-32-20, Higashi-Ikebukuro, Toshima Ward, Tokyo	Real estate in trust	1,784.50	1,580	918
	Castalia Jiyugaoka	1-20-1, Jiyugaoka, Meguro Ward, Tokyo	Real estate in trust	1,472.47	1,790	1,145
	Castalia Mejiro	2-8-16, Takada, Toshima Ward, Tokyo	Real estate in trust	1,658.90	1,360	919
	Castalia Ikebukuro	3-1-12, Nishi-Ikebukuro, Toshima Ward, Tokyo	Real estate in trust	3,644.35	3,430	2,327
	Castalia Kaname-cho	5-26-10, Nishi-Ikebukuro, Toshima Ward, Tokyo	Real estate in trust	1,624.06	1,630	1,053
	Castalia Tower Shinagawa Seaside	4-10-18, Higashi Shinagawa, Shinagawa Ward, Tokyo	Real estate in trust	12,732.35	11,800	6,492
	Castalia Yakumo	2-20-5, Yakumo, Meguro Ward, Tokyo	Real estate	1,276.91	995	829
	Castalia Togoshiekimae	1-7-16, Hiratsuka, Shinagawa Ward, Tokyo	Real estate	2,014.12	2,430	1,433
	Castalia Honjo Azumabashi	3-7-11, Honjo, Sumida Ward, Tokyo	Real estate in trust	2,255.88	1,520	902
	Castalia Kitazawa	1-15-5, Kitazawa, Setagaya Ward, Tokyo	Real estate in trust	1,220.16	991	709
	Castalia Monzennakacho	1-17-12, Fukuzumi, Koto Ward, Tokyo	Real estate in trust	887.94	689	428
	Castalia Hatanodai	1-4-15, Kamiikedai, Ota Ward, Tokyo	Real estate in trust	406.31	443	427
	Castalia Morishita	1-16-12, Morishita, Koto Ward, Tokyo	Real estate in trust	1,383.90	1,340	745
	Castalia Wakabayashikoen	4-39-4, Wakabayashi, Setagaya Ward, Tokyo	Real estate in trust	1,425.43	1,040	744
	Castalia Asakusabashi	2-16-21, Yanagi-bashi, Taito Ward, Tokyo	Real estate in trust	1,537.84	1,210	748
	Castalia Iriya	3-1-28, Shitaya, Taito Ward, Tokyo	Real estate in trust	1,415.15	811	492
	Castalia Kita Ueno	1-15-5, Kita-Ueno, Taito Ward, Tokyo	Real estate in trust	4,197.66	3,930	2,307
	Castalia Morishita II	2-12-11, Shin-Qhashi, Koto Ward, Tokyo	Real estate	1,275.60	1,090	599
	Castalia Minowa	5-24-4, Negishi, Taito Ward, Tokyo	Real estate	2,406.41	1,970	1,232
	Castalia Oyamada I	7-14-13, Todoroki, Setagaya Ward, Tokyo	Real estate	857.32	722	495
	Castalia Nakano	2-12-13, Arai, Nakano Ward, Tokyo	Real estate	1,613.86	1,590	949
	Castalia Yoga	1-3-12, Tamagawadai, Setagaya Ward, Tokyo	Real estate	1,472.38	1,450	852
	Castalia Sumiyoshi	2-8-11, Sumiyoshi, Koto Ward, Tokyo	Real estate	1,362.60	1,310	799
	Castalia Monzennakacho II	2-2-9, Tomioka, Koto Ward, Tokyo	Real estate	3,038.98	3,370	1,859
	Castalia Oshiage	3-5-2, Mukojima, Sumida Ward, Tokyo	Real estate	1,785.24	1,460	984
	Castalia Kuramae	3-9-4, Kuramae, Taito Ward, Tokyo	Real estate	1,994.93	1,850	1,075
	Castalia Nakanobu	4-7-11, Nakanobu, Shinagawa Ward, Tokyo	Real estate in trust	2,421.82	2,770	1,602
	Royal Parks Toyosu	3-5-21, Toyosu, Koto Ward, Tokyo	Real estate in trust	18,112.03	11,500	5,311
	Castalia Togoshi	5-2-1, Togoshi, Shinagawa Ward, Tokyo	Real estate in trust	2,629.59	2,780	1,570
	Castalia Oimachi	4-2-11, Ooi, Shinagawa Ward, Tokyo	Real estate	1,413.75	1,860	1,077
	Castalia Omori	1-19-20, Omori kita, Ota Ward, Tokyo	Real estate in trust	2,046.36	2,090	1,324
	Castalia Mishuku	1-3-39, Taishidou, Setagaya Ward, Tokyo	Real estate in trust	2,640.86	2,800	1,729
	Castalia Arakawa	2-3-1, Arakawa, Arakawa Ward, Tokyo	Real estate in trust	3,797.92	2,720	1,438
	Castalia Omori II	1-8-13, Omori kita, Ota Ward, Tokyo	Real estate in trust	2,818.70	3,400	2,201
	Castalia Nakameguro	1-18-7, Aobadai, Meguro Ward, Tokyo	Real estate in trust	3,166.71	5,470	3,866
	Castalia Meguro Chojyamaru	2-8-1, Kamiosaki, Shinagawa Ward, Tokyo	Real estate in trust	2,123.77	2,910	2,004
	Castalia Meguro Takaban	1-6-19, Takaban, Meguro Ward, Tokyo	Real estate in trust	1,961.52	2,270	1,677
Castalia Omori III	5-21-11, Minami-ooi, Shinagawa Ward, Tokyo	Real estate in trust	2,004.80	2,040	1,400	
Castalia Meguro Tairamachi	1-23-8, Tairamachi, Meguro Ward, Tokyo	Real estate in trust	1,278.52	1,510	1,142	
Royal Parks SEASIR	1-16-2, Nishiarai Sakae-cho, Adachi Ward, Tokyo	Real estate in trust	17,269.74	5,230	3,234	
Castalia Honkomagome	6-21-2, Honkomagome, Bunkyo Ward, Tokyo	Real estate in trust	2,224.41	2,000	1,401	
Cosmo Heim Musashikosugi	2-8, Kizuki Ise-cho, Nakahara Ward, Kawasaki City, Kanagawa	Real estate in trust	4,208.83	2,470	1,605	
Castalia Tsurumi	3-5-10, Tsurumi Chuo, Tsurumi Ward, Yokohama City, Kanagawa	Real estate in trust	1,452.09	930	570	
Castalia Funabashi	4-4-8, Honcho, Funabashi City, Chiba	Real estate in trust	1,552.01	942	628	
Castalia Nishi Funabashi	4-19-16, Nishi Funa, Funabashi City, Chiba	Real estate in trust	1,597.32	1,090	689	
Castalia Nogeiyama	1-8-1, Hinodecho, Naka Ward, Yokohama City, Kanagawa	Real estate in trust	744.90	383	293	
Castalia Ichikawa	1-24-3, Ichikawa, Ichikawa City, Chiba	Real estate in trust	876.89	657	387	
Royal Parks Hanakoganei	1-8-2, Hanakoganei, Kodaira City, Tokyo	Real estate in trust	18,153.57	6,950	4,215	
Castalia Musashikosugi	2-21, Imaikami-cho, Nakahara Ward, Kawasaki City, Kanagawa	Real estate in trust	2,179.80	2,090	1,577	
Royal Parks Wakabadai	2-1-1, Wakabadai, Inagi City, Tokyo	Real estate in trust	21,367.93	4,730	2,930	
Pacific Royal Court Minatomirai Urban Tower	5-3-3, Minatomirai, Nishi Ward, Yokohama City, Kanagawa	Real estate in trust	26,294.49	11,000	6,488	

Asset class	Property name	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Assessed value at the end of period (Yen in millions) (Note 3)	Book value (Yen in millions) (Note 4)
Residential properties	L-Place Shinkoyasu	3-298-1, Koyasu-dori, Kanagawa Ward, Yokohama City, Kanagawa	Real estate in trust	3,009.74	2,330	1,458
	Royal Parks Musashikosugi	13-8, Aza Shinjuku-kochi, Nakamaruko, Nakahara Ward, Kawasaki City, Kanagawa	Real estate in trust	3,808.97	1,350	778
	Castalia Sakaisui Honmachi	1-3-7, Kyutarochi, Chuo Ward, Osaka City, Osaka	Real estate in trust	3,471.39	2,210	1,243
	Castalia Shin-Umeda	6-8-21, Nakatsu, Kita Ward, Osaka City, Osaka	Real estate in trust	3,279.90	2,040	1,149
	Castalia Abeno	2-4-37, Abeno-Suji, Abeno Ward, Osaka City, Osaka	Real estate	10,920.75	7,200	3,851
	Castalia Sakae	4-16-10, Sakae, Naka Ward, Nagoya City, Aichi	Real estate	2,836.00	1,430	878
	Castalia Higashi Hie	5-31, Hie-cho, Hakata Ward, Fukuoka City, Fukuoka	Real estate	3,061.60	1,390	797
	Castalia Tower Nagahoribashi	1-15-25, Shimanouchi, Chuo Ward, Osaka City, Osaka	Real estate	8,747.40	5,490	2,818
	Castalia Sannomiya	3-2-31, Isobedori, Chuo Ward, Kobe City, Hyogo	Real estate	3,071.60	1,690	983
	Castalia Kotodaikoen	3-10-24, Kokubun-cho, Aoba Ward, Sendai City, Miyagi	Real estate	1,684.10	639	397
	Castalia Ichibancho	1-6-27, 1-6-30, Ichibancho, Aoba Ward, Sendai City, Miyagi	Real estate	2,800.32	1,010	630
	Castalia Omachi	2-5-8, Omachi, Aoba Ward, Sendai City, Miyagi	Real estate	2,149.08	893	589
	Castalia Uemachidai	4-1-12, Uehonmachi Nishi, Chuo Ward, Osaka City, Osaka	Real estate	5,415.39	3,250	1,903
	Castalia Tower Higobashi	1-2-24, Tosabori, Nishi Ward, Osaka City, Osaka	Real estate	6,230.20	4,070	2,223
	Castalia Fushimi	1-8-49, Nishiki, Naka Ward, Nagoya City, Aichi	Real estate in trust	7,022.69	3,230	1,829
	Castalia Yakui	2-3-13, Imaizumi, Chuo Ward, Fukuoka City, Fukuoka	Real estate	2,784.83	1,450	866
	Castalia Mibu	79, Mibu Aiai-cho, Nakagyo Ward, Kyoto City, Kyoto	Real estate in trust	2,828.39	1,740	983
	Castalia Tsutsujigaoka	4-2-35, Shintera, Wakabayashi Ward, Sendai City, Miyagi	Real estate in trust	4,471.11	1,940	1,020
	Royal Parks Namba	2-2-40, Minato machi, Naniwa Ward, Osaka City, Osaka	Real estate in trust	10,354.15	2,960	2,279
	Castalia Shigahondori	1-15-2, Wakabadori, Kita Ward, Nagoya City, Aichi	Real estate in trust	5,086.69	2,380	1,407
Castalia Kyoto Nishioji	100-1, Shichijyo Goshonouchi Minamimachi, Shimogyo Ward, Kyoto City, Kyoto	Real estate	2,035.37	1,060	1,011	
Castalia Ningyocho III	1-2-3, Nihonbashi Ningyocho, Chuo Ward, Tokyo	Real estate in trust	2,897.06	3,220	1,849	
Royal Parks Umejima	5-25-33, Umeda, Adachi Ward, Tokyo	Real estate in trust	6,828.78	2,370	1,656	
Castalia Shinsakae II	1-29-21, Shinsakae, Naka Ward, Nagoya City, Aichi	Real estate in trust	4,425.46	1,920	1,665	
Castalia Sumiyoshi II	1-16-1, Sumiyoshi, Koto Ward, Tokyo	Real estate in trust	1,687.89	1,560	1,501	
Castalia Nishi Funabashi II	640, Innaicho, Funabashi City, Chiba	Real estate in trust	4,090.34	2,950	2,806	
Cerezo Brote Sakura-shimmachi	4-12-17, Tsurumaki, Setagaya Ward, Tokyo	Real estate in trust	2,503.45	1,470	1,157	
Castalia Kyoto Nishi-shichijo	29-1, Nishi-shichijo Nakanochi, Shimogyo Ward, Kyoto City, Kyoto	Real estate in trust	1,648.95	1,010	1,023	
Residential properties – Subtotal				451,984.42	339,912	215,538
ACROSSMALL Shinkamagaya	2-12-1, Shin-Kamagaya, Kamagaya City, Chiba	Real estate in trust	41,742.84	9,000	7,350	
QIZ GATE URAWA	3720, Aza Fudodani, Oaza Nakao, Midori Ward, Saitama City, Saitama	Real estate in trust	9,720.49	4,530	3,937	
UNICUS Takasaki	1150-5, Aza Nishikanai, Iizuka-machi, Takasaki City, Gunma	Real estate in trust	9,277.08	3,230	2,820	
ACROSSPLAZA Miyoshi (Land)	855-403, Aza Kitashinno, Oaza Fujikubo, Miyoshi-machi, Iruma District, Saitama	Real estate in trust	24,018.00	4,120	3,740	
DREAM TOWN ALI	3-1-1, Hamada, Aomori City, Aomori	Real estate in trust	22,336.11	8,220	7,496	
ASOBOX (Land)	2-2-16, Nakatsuguchi, Kokura Kita Ward, Kitakyushu City, Fukuoka	Real estate in trust	11,207.90	2,310	1,617	
FOLEO Ome Imai	3-10-9, Imai, Ome City, Tokyo	Real estate in trust	8,637.91	3,980	3,531	
FOLEO Otsu Ichiriyama	7-1-1, Ichiriyama, Otsu City, Shiga	Real estate in trust	62,917.73	8,720	7,713	
FOLEO Hakata (Note 6)	1-14-46, Higashinaka, Hakata Ward, Fukuoka City, Fukuoka	Real estate in trust	23,230.77	3,790	3,141	
ACROSSMALL Semboku (Land)	5-456-67, Harayamadai, Minami Ward, Sakai City, Osaka	Real estate in trust	30,824.72	4,020	3,383	
ias Tsukuba	5-19, Kenyugakuen, Tsukuba City, Ibaraki	Real estate in trust	138,900.39	37,400	33,389	
LIFE Sagamihara Wakamatsu	5-19-5, Wakamatsu, Minami Ward, Sagamihara City, Kanagawa	Real estate in trust	2,973.44	2,410	1,614	
FOLEO Sendai Miyanomori	4-14-5, Higashisendai, Miyagino Ward, Sendai City, Miyagi	Real estate in trust	20,050.86	8,070	6,732	
ACROSSPLAZA Inazawa (Land)	5-1-1, Otsuka Minami, Inazawa City, Aichi	Real estate in trust	31,981.70	2,700	2,390	
Sports Depo and GOLF5 Kokurahigashi IC Store	2-18-17, Kamikuzuhara, Kokuraminami Ward, Kitakyushu City, Fukuoka	Real estate in trust	8,899.89	2,670	2,003	
Hiratsuka Retail Property (Land)	1-2, Kuryozutsumi, Hiratsuka City, Kanagawa	Real estate in trust	28,002.92	7,190	5,857	
Royal Home Center Morinomiya (Land)	1-540-1, Tamatsukuri, Chuo Ward, Osaka City, Osaka	Real estate in trust	6,669.74	5,680	4,541	

Asset class	Property name	Location (Note 1)	Form of ownership	Leasable area (m ²) (Note 2)	Assessed value at the end of period (Yen in millions) (Note 3)	Book value (Yen in millions) (Note 4)	
Retail properties	Aoyama Tailor Bunkyo Sengoku Ekimae Store	2-29-21, Honkomagome, Bunkyo Ward, Tokyo	Real estate in trust	1,066.95	774	755	
	FOLEO Shobu	6006-1, Aza Terada, Shobu, Shobucho, Kuki City, Saitama	Real estate in trust	19,104.17	5,310	4,805	
	Hapias Kaita (Land)	2-1262-11, Une, Kaita-cho, Aki District, Hiroshima	Real estate	13,415.52	1,590	1,471	
	COMBOX310	1-107-1, Miyamachi, Mito City, Ibaraki	Real estate in trust	30,517.69	5,310	5,307	
Sports Plaza Ibaraki	6-2, Eidaicho, Ibaraki City, Osaka (Retail Building) 9-22, Eidaicho, Ibaraki City, Osaka (Land of Parking Garage)	Real estate in trust	9,470.27	2,620	2,656		
Retail properties – Subtotal				554,967.09	133,644	116,255	
Hotel properties	Daiwa Roynet Hotel Yokohama Kannai	2-7-4, Hagoromochi, Naka Ward, Yokohama City, Kanagawa	Real estate in trust	7,932.38	5,400	4,502	
	Super Hotel JR Nara Station Sanjo Street	500-1, Sanjo-cho, Nara City, Nara	Real estate in trust	2,637.18	1,440	1,358	
	Daiwa Roynet Hotel Nagoya	1-23, Tsubakicho, Nakamura Ward, Nagoya City, Aichi	Real estate in trust	7,605.41	4,400	5,211	
	AMANEK Kanazawa	2-25-17, Katamachi, Kanazawa City, Ishikawa	Real estate in trust	7,011.58	5,280	4,804	
	Candeo Hotels Nagasaki Shinchi Chinatown	3-12 Doza-machi, Nagasaki City, Nagasaki	Real estate in trust	6,770.65	4,010	2,905	
	MIMARU Tokyo Akasaka	7-9-6, Akasaka, Minato Ward, Tokyo	Real estate in trust	1,943.83	3,370	3,109	
	MIMARU Tokyo Hatchobori	3-8-8, Nihonbashi Kayabacho, Chuo Ward, Tokyo	Real estate in trust	3,506.72	5,550	5,074	
Daiwa Roynet Hotel Nishi-Shinjuku	6-12-39, Nishi-shinjuku, Shinjuku Ward, Tokyo	Real estate in trust	12,127.64	12,400	10,192		
Hotel properties – Subtotal				49,535.39	41,850	37,158	
Other assets	Urban Living Inage	327-1, Sanno-cho, Inage Ward, Chiba City, Chiba	Real estate in trust	4,177.52	1,320	730	
	Aburatsubo Marina HILLS	1523-1, Aza Shirasu, Misaki-machi Moriso, Miura City, Kanagawa	Real estate in trust	3,901.14	1,320	957	
	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	1-1-12, Omoromachi, Naha City, Okinawa	Real estate in trust	13,480.00	8,790	6,767	
	Sharp Hiroshima Building	2-13-4, Nishihara, Asaminami Ward, Hiroshima City, Hiroshima	Real estate in trust	3,064.89	2,000	1,728	
	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	5-25-21, Omorinishi, Ota Ward, Tokyo	Real estate in trust	1,345.60	1,410	1,367	
	GRANODE Hiroshima	3-5-7, Futabanosato, Higashi Ward, Hiroshima City, Hiroshima	Real estate in trust	29,905.20	33,900	26,981	
	Other – Subtotal				55,874.35	48,740	38,532
	Total				3,089,385.94	1,130,806	849,258

- (Notes) 1. "Location" means displayed address of each real estate or each real estate in trust. If a property does not have a displayed address, the address of the building in the register (when there is more than one address, any of them) is shown. For land properties, the address of the land in the register is shown as location.
2. "Leasable area" means the leasable area of the building (or land in the case of land properties) in relation to each real estate or each real estate in trust and the figures stated refer to the area DHR believes is leasable as indicated in the relevant lease agreement or drawing of the building, etc. in relation to each real estate or each real estate in trust as of February 28, 2026. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leasable area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.
3. "Assessed value at the end of period" is the appraisal value as of February 28, 2026 provided by real estate appraisers (Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., The Tanizawa Sogo Appraisal Co., Ltd., Japan Real Estate Institute and JLL Mori Valuation & Advisory K.K.) in accordance with the Articles of Incorporation of DHR as well as "Regulations on Accounting of Investment Corporations." The amounts are rounded down to the nearest million yen. There is no special interest between DHR and each real estate appraiser.
4. "Book value" is the amount recorded on the balance sheets as of February 28, 2026 (in the case of real estate and real estate in trust, "Book value" is the acquisition price (including expenses associated with the acquisition) less accumulated depreciation), which is rounded down to the nearest million yen.
5. Separately from the building of this property, a part of the land of this property is leased to the lessee for the purpose of subleasing to Fukuoka Prefecture and other third parties as land for a police station, etc. Therefore, the area of such leased land is not included in the leasable area.
6. DHR plans to acquire the following properties as of the date of this report. The acquisition of the properties is planned to fall under a "forward commitment, etc." ^{(Note (ii))} as defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency. For details on the properties scheduled to be acquired, please refer to "Notice Concerning Acquisition and Disposition of Trust Beneficiary Interests in Domestic Real Estate" (property name: AMANEK Kumamoto) released on July 25, 2025.

Asset class	Property number	Property name	Location	Anticipated date of acquisition	Anticipated acquisition price (Yen in millions)	Appraisal value (Yen in millions) (Note (ii))
Hotel properties	HO-008	AMANEK Kumamoto	Kumamoto City, Kumamoto	December 22, 2026	4,750	5,300

- (Notes) i. Forward commitment, etc. is a purchase and sale agreement executed one month or more in advance of the actual date on which the purchase price is paid and the property is transferred to the purchaser, as well as certain other similar contracts.
- ii. "Appraisal value" is as of February 28, 2026, which is the fiscal period-end date.

The status of rental business related to each asset held by DHR is as follows:

Asset class	Property name	39th period (From March 1, 2025 to August 31, 2025)			40th period (From September 1, 2025 to February 28, 2026)		
		Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)	Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)
	D Project Machida (Note 4)	100.0	(Note 3)	(Note 3)	—	(Note 3)	(Note 3)
	D Project Hachioji	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Aikawa-Machi	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Urayasu I	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Urayasu II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Akanehama	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Noda	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Inuyama	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Neyagawa	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Morioka	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Tsuchiura	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Fukuoka Umi	100.0	136,880	0.5	100.0	139,418	0.5
	D Project Tosu	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kuki I	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kawagoe I	100.0	102,933	0.3	100.0	102,938	0.3
	D Project Kawagoe II	100.0	142,686	0.5	100.0	142,686	0.5
	DPL Inuyama	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Fukuoka Hakozaki	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kuki III	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kuki IV	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kuki V	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kuki VI	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Yashio	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Nishiyodogawa	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Matsudo	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Hibiki Nada	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Morioka II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kawagoe III	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kazo	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Urayasu III	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kyotanabe	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Sendai Izumi	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Oyama	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Sano	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Tatebayashi	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kakegawa	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Hiroshima Seifu	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Tosu II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kawagoe IV	100.0	161,023	0.5	100.0	161,429	0.5
	D Project Kuki VII	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Chibakita	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Matsudo II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Tomisato II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Osaka Hirabayashi	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Sendai Izumi II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Fuji	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Tosu III	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kitahachioji I	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kitahachioji II	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kitahachioji III	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Itabashi Shingashi	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Sagamihara	100.0	102,828	0.3	100.0	102,828	0.3
	D Project Kuki VIII	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Yokkaichi	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)

Asset class	Property name	39th period (From March 1, 2025 to August 31, 2025)			40th period (From September 1, 2025 to February 28, 2026)		
		Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)	Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)
	D Project Ibaraki Ishioka	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Wako A	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Hiratsuka	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	D Project Kadoma I	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	DPL Misato	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	DPL Fukuoka Kasuya	94.1	(Note 3)	(Note 3)	99.6	(Note 3)	(Note 3)
	DPL Kitakyushu	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	DPL Nagareyama I	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	DPL Shiin-Narashino	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	DPL Nagareyama III	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	DPL Urayasu III	100.0	(Note 3)	(Note 3)	81.1	(Note 3)	(Note 3)
	Logistics properties – Subtotal	99.8	14,052,005	46.9	99.4	13,568,509	45.5
	Oiz Ebisu	95.2	243,883	0.8	95.4	241,323	0.8
	Castalia Azabujuban Shichimenzaka	94.6	120,333	0.4	98.4	124,372	0.4
	Castalia Shibakoen	91.6	76,773	0.3	93.0	75,175	0.3
	Castalia Ginza	95.5	74,502	0.2	98.7	75,221	0.3
	Castalia Hiroo	94.9	54,824	0.2	100.0	53,275	0.2
	Castalia Nihonbashi	98.4	42,304	0.1	98.2	42,202	0.1
	Castalia Hacchobori	98.2	72,924	0.2	96.6	72,628	0.2
	Castalia Azabujuban	100.0	77,272	0.3	95.7	79,491	0.3
	Castalia Azabujuban II	95.7	68,524	0.2	92.8	72,335	0.2
	Castalia Shinjuku Natsumezaka	94.0	47,462	0.2	94.0	48,635	0.2
	Castalia Ginza II	89.7	53,616	0.2	94.8	55,440	0.2
	Castalia Shibuya Sakuragaoka	94.4	36,057	0.1	84.6	37,465	0.1
	Castalia Nishi Azabu Kasumicho	100.0	80,923	0.3	96.9	80,797	0.3
	Castalia Ochanomizu	97.6	65,596	0.2	97.8	64,002	0.2
	Castalia Sangubashi	100.0	51,949	0.2	100.0	52,306	0.2
	Castalia Suitengu	98.7	49,007	0.2	97.9	49,869	0.2
	Castalia Suitengu II	94.4	44,062	0.1	97.7	44,595	0.1
	Castalia Shintomicho	93.0	35,781	0.1	100.0	37,276	0.1
	Castalia Shintomicho II	100.0	31,842	0.1	100.0	34,738	0.1
	Castalia Harajuku	100.0	29,244	0.1	89.5	26,518	0.1
	Castalia Yoyogi Uehara	100.0	23,431	0.1	96.2	23,496	0.1
	Castalia Sendagaya	94.5	22,145	0.1	94.5	21,054	0.1
	Castalia Shinjuku 7 chome	100.0	19,602	0.1	89.5	20,237	0.1
	Castalia Ningyocho	94.4	40,678	0.1	94.1	41,143	0.1
	Castalia Ningyocho II	93.9	42,251	0.1	93.9	41,504	0.1
	Castalia Shin-Ochanomizu	97.3	36,179	0.1	97.2	35,290	0.1
	Castalia Higashi Nihonbashi II	98.5	55,409	0.2	100.0	55,985	0.2
	Castalia Jinbocho	96.7	45,029	0.2	98.4	44,982	0.2
	Castalia Shintomicho III	86.2	24,463	0.1	100.0	25,595	0.1
	Castalia Shinjuku Gyoen	100.0	86,689	0.3	100.0	86,814	0.3
	Castalia Takanawadai	93.3	31,524	0.1	100.0	30,509	0.1
	Castalia Higashi Nihonbashi III	100.0	24,359	0.1	100.0	26,687	0.1
	Castalia Shinjuku Gyoen II	100.0	16,636	0.1	92.6	16,592	0.1
	Castalia Shintomicho IV	100.0	17,475	0.1	93.3	16,749	0.1
	Castalia Takanawadai II	97.5	41,538	0.1	100.0	41,644	0.1
	Castalia Minami Azabu	91.6	22,783	0.1	100.0	23,271	0.1

Asset class	Property name	39th period (From March 1, 2025 to August 31, 2025)			40th period (From September 1, 2025 to February 28, 2026)		
		Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)	Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)
	Castalia Ginza III	97.8	92,492	0.3	95.1	92,560	0.3
	Castalia Kayabacho	97.8	107,338	0.4	97.8	110,942	0.4
	Castalia Takanawa	96.9	273,968	0.9	96.3	274,150	0.9
	Castalia Higashi Nihonbashi	97.3	154,026	0.5	98.9	153,068	0.5
	Castalia Shinjuku	100.0	92,554	0.3	100.0	93,212	0.3
	Castalia Ichigaya	94.9	40,307	0.1	92.9	41,131	0.1
	Shibaura Island Bloom Tower	96.7	425,053	1.4	97.2	428,293	1.4
	Castalia Hatsudai	92.5	72,512	0.2	98.7	77,654	0.3
	Castalia Hatsudai II	92.7	60,304	0.2	100.0	65,184	0.2
	Castalia Ebisu	97.1	45,303	0.2	97.1	47,843	0.2
	Castalia Meguro Kamurozaka	95.3	135,370	0.5	99.0	140,088	0.5
	Castalia Yukigaya	96.9	36,993	0.1	95.3	37,665	0.1
	Castalia Yutenji	100.0	37,961	0.1	95.0	38,932	0.1
	Castalia Otsuka	98.7	50,272	0.2	96.8	49,255	0.2
	Castalia Kikukawa	93.0	29,116	0.1	95.8	28,435	0.1
	Castalia Meguro	85.3	32,869	0.1	100.0	35,757	0.1
	Castalia Otsuka II	97.7	40,617	0.1	95.7	40,256	0.1
	Castalia Jiyugaoka	100.0	40,318	0.1	100.0	42,096	0.1
	Castalia Mejiro	100.0	46,052	0.2	96.9	35,167	0.1
	Castalia Ikebukuro	97.6	91,324	0.3	100.0	92,069	0.3
	Castalia Kaname-cho	98.6	41,673	0.1	100.0	42,502	0.1
	Castalia Tower Shinagawa Seaside	96.6	308,815	1.0	97.3	308,234	1.0
	Castalia Yakumo	100.0	25,732	0.1	100.0	25,604	0.1
	Castalia Togoshiekimae	100.0	54,250	0.2	100.0	54,407	0.2
	Castalia Honjo Azumabashi	94.9	41,753	0.1	100.0	41,887	0.1
	Castalia Kitazawa	100.0	28,451	0.1	100.0	29,601	0.1
	Castalia Monzennakacho	100.0	17,670	0.1	100.0	17,704	0.1
	Castalia Hatanodai	0.0	0	0.0	56.2	0	0.0
	Castalia Morishita	97.8	34,481	0.1	92.7	33,864	0.1
	Castalia Wakabayashikoen	95.8	28,956	0.1	100.0	30,132	0.1
	Castalia Asakusabashi	85.5	34,923	0.1	87.5	32,143	0.1
	Castalia Iriya	100.0	25,077	0.1	100.0	26,317	0.1
	Castalia Kita Ueno	96.3	96,612	0.3	99.1	100,485	0.3
	Castalia Morishita II	100.0	30,462	0.1	92.6	29,391	0.1
	Castalia Minowa	97.9	53,852	0.2	97.3	52,736	0.2
	Castalia Oyamadai	100.0	17,486	0.1	100.0	17,503	0.1
	Castalia Nakano	100.0	38,505	0.1	97.7	38,466	0.1
	Castalia Yoga	97.2	35,382	0.1	96.6	36,639	0.1
	Castalia Sumiyoshi	100.0	35,822	0.1	98.4	35,591	0.1
	Castalia Monzennakacho II	90.8	66,573	0.2	100.0	66,871	0.2
	Castalia Oshiage	97.7	43,628	0.1	95.4	38,893	0.1
	Castalia Kuramae	100.0	43,807	0.1	100.0	43,830	0.1
	Castalia Nakanobu	95.4	70,812	0.2	100.0	71,434	0.2
	Royal Parks Toyosu	100.0	349,695	1.2	100.0	351,033	1.2
	Castalia Togoshi	91.5	77,530	0.3	99.2	78,722	0.3
	Castalia Ooimachi	100.0	43,424	0.1	96.9	43,599	0.1
	Castalia Omori	96.6	53,827	0.2	93.7	54,001	0.2
	Castalia Mishuku	94.1	71,700	0.2	95.2	72,534	0.2
	Castalia Arakawa	91.2	69,983	0.2	98.4	73,209	0.2

Residential properties

Asset class	Property name	39th period (From March 1, 2025 to August 31, 2025)			40th period (From September 1, 2025 to February 28, 2026)		
		Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)	Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)
	Castalia Omori II	96.3	83,202	0.3	96.5	84,097	0.3
	Castalia Nakameguro	96.6	122,417	0.4	100.0	121,908	0.4
	Castalia Meguro Chojimaru	96.4	67,743	0.2	93.9	67,188	0.2
	Castalia Meguro Takaban	100.0	56,591	0.2	100.0	57,848	0.2
	Castalia Omori III	95.4	50,507	0.2	97.1	51,382	0.2
	Castalia Meguro Tairamachi	96.0	34,796	0.1	100.0	36,823	0.1
	Royal Parks SEASIR	100.0	249,352	0.8	100.0	250,898	0.8
	Castalia Honkomagome	97.0	53,448	0.2	98.7	54,161	0.2
	Cosmo Heim Musashikosugi	100.0	60,229	0.2	100.0	60,164	0.2
	Castalia Tsurumi	100.0	30,736	0.1	93.8	30,662	0.1
	Castalia Funabashi	96.6	32,275	0.1	95.5	31,708	0.1
	Castalia Nishi Funabashi	97.5	35,333	0.1	100.0	35,895	0.1
	Castalia Nogeiyama	96.7	15,264	0.1	90.0	14,815	0.0
	Castalia Ichikawa	100.0	19,690	0.1	100.0	19,680	0.1
	Royal Parks Hanakoganei	100.0	248,762	0.8	100.0	249,203	0.8
	Castalia Musashikosugi	95.4	87,033	0.3	78.5	51,396	0.2
	Royal Parks Wakabada	100.0	263,817	0.9	100.0	263,839	0.9
	Pacific Royal Court Minatomirai Urban Tower	100.0	528,224	1.8	100.0	524,757	1.8
	L-Place Shinkoyasu	100.0	56,946	0.2	100.0	57,110	0.2
	Royal Parks Musashikosugi	100.0	70,419	0.2	100.0	70,984	0.2
	Castalia Sakaisuji Honmachi	96.4	62,557	0.2	96.9	64,437	0.2
	Castalia Shin-Umeda	96.3	57,560	0.2	96.6	57,453	0.2
	Castalia Abeno	97.4	187,635	0.6	97.1	219,173	0.7
	Castalia Sakae	98.4	43,507	0.1	96.0	48,786	0.2
	Castalia Higashi Hie	100.0	48,119	0.2	97.2	47,559	0.2
	Castalia Tower Nagahoribashi	96.5	171,542	0.6	99.3	173,860	0.6
	Castalia Sannomiya	96.4	54,015	0.2	95.5	53,119	0.2
	Castalia Kotodaikoen	95.9	23,982	0.1	93.5	23,589	0.1
	Castalia Ichibancho	98.4	38,828	0.1	98.4	39,050	0.1
	Castalia Omachi	100.0	32,234	0.1	94.4	32,915	0.1
	Castalia Uemachidai	97.2	92,208	0.3	100.0	94,489	0.3
	Castalia Tower Higobashi	96.4	132,688	0.4	96.8	135,448	0.5
	Castalia Fushimi	89.8	104,722	0.3	97.0	106,095	0.4
	Castalia Yakuin	97.5	46,283	0.2	99.2	46,925	0.2
	Castalia Mibu	98.8	49,662	0.2	97.5	50,078	0.2
	Castalia Tsutsujigaoka	91.5	58,454	0.2	96.1	59,633	0.2
	Royal Parks Namba	100.0	141,254	0.5	100.0	141,446	0.5
	Castalia Shigahondori	91.2	77,466	0.3	94.2	72,642	0.2
	Castalia Kyoto Nishioji	96.2	34,092	0.1	88.8	32,850	0.1
	Castalia Ningyocho III	95.0	72,481	0.2	94.0	73,884	0.2
	Royal Parks Umajima	100.0	105,117	0.4	100.0	104,496	0.4
	Castalia Shinsakae II	100.0	59,680	0.2	100.0	59,811	0.2
	Castalia Sumiyoshi II	96.6	36,584	0.1	100.0	38,423	0.1
	Castalia Nishi Funabashi II	-	-	-	0.0	0	0.0
	Cerezo Brote Sakura- shimmachi	100.0	49,264	0.2	100.0	57,630	0.2
	Castalia Kyoto Nishi-shichijo	96.1	986	0.0	98.8	28,667	0.1
	Residential properties – Subtotal	97.4	9,600,468	32.0	97.1	9,687,345	32.5

Residential properties

I. Asset Management Report

Asset class	Property name	39th period (From March 1, 2025 to August 31, 2025)			40th period (From September 1, 2025 to February 28, 2026)		
		Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)	Occupancy rate (as of the end of period) (%) (Note 1)	Rental revenues (during the period) (Yen in thousands)	Rate to total real estate rental revenues (%) (Note 2)
Retail properties	ACROSSMALL Shinkamagaya	100.0	280,500	0.9	100.0	280,500	0.9
	FOLEO Hirakata (Note 5)	–	14	0.0	–	–	–
	QIZ GATE URAWA	100.0	205,880	0.7	100.0	203,421	0.7
	UNICUS Takasaki	100.0	129,870	0.4	100.0	129,870	0.4
	ACROSSPLAZA Miyoshi (Land)	100.0	94,446	0.3	100.0	94,446	0.3
	DREAM TOWN ALi	81.6	318,068	1.1	80.5	304,122	1.0
	ASOBOX (Land)	100.0	47,460	0.2	100.0	47,466	0.2
	FOLEO Ome Imai	100.0	125,820	0.4	100.0	125,820	0.4
	FOLEO Otsu Ichiriyama	100.0	326,440	1.1	100.0	322,620	1.1
	FOLEO Hakata	100.0	126,816	0.4	100.0	126,816	0.4
	ACROSSMALL Semboku (Land)	100.0	90,612	0.3	100.0	90,612	0.3
	ias Tsukuba	100.0	1,075,000	3.6	100.0	1,075,000	3.6
	LIFE Sagamihara Wakamatsu	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	FOLEO Sendai Miyanomori	100.0	252,474	0.8	100.0	252,474	0.8
	ACROSSPLAZA Inazawa (Land)	100.0	69,840	0.2	100.0	69,840	0.2
	Sports Depo and GOLF5 Kokurahigashi IC Store	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	Hiratsuka Retail Property (Land)	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	Royal Home Center Morinomiya (Land)	100.0	107,076	0.4	100.0	107,082	0.4
	Aoyama Tailor Bunkyo Sengoku Ekimae Store	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	Hotel properties	FOLEO Shobu	100.0	160,391	0.5	100.0	160,914
Hapias Kaita (Land)		100.0	39,078	0.1	100.0	39,240	0.1
COMBOX310		100.0	168,900	0.6	100.0	186,300	0.6
Sports Plaza Ibaraki		100.0	82,884	0.3	100.0	82,884	0.3
Retail properties – Subtotal		99.3	3,991,942	13.3	99.2	3,989,800	13.4
Daiwa Roynet Hotel Yokohama Kannai		100.0	164,311	0.5	100.0	161,229	0.5
Super Hotel JR Nara Station Sanjo Street		100.0	50,994	0.2	100.0	51,116	0.2
Daiwa Roynet Hotel Nagoya Shinkansenguchi		100.0	126,000	0.4	100.0	125,025	0.4
AMANEK Kanazawa		100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
Candeo Hotels Nagasaki Shinchi Chinatown		100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
Other assets	MIMARU Tokyo Akasaka	100.0	70,619	0.2	100.0	71,059	0.2
	MIMARU Tokyo Hatchobori	100.0	115,838	0.4	100.0	116,468	0.4
	Daiwa Roynet Hotel Nishi- Shinjuku	–	–	–	100.0	239,018	0.8
	Hotel properties – Subtotal	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	Urban Living Inage	100.0	39,060	0.1	100.0	39,060	0.1
	Aburatsubo Marina HILLS	100.0	43,749	0.1	100.0	43,749	0.1
	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	100.0	365,244	1.2	98.1	359,582	1.2
	Sharp Hiroshima Building	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	100.0	(Note 3)	(Note 3)	100.0	(Note 3)	(Note 3)
	GRANODE Hiroshima	94.3	1,004,979	3.4	100.0	999,052	3.3
Other assets – Subtotal	97.0	(Note 3)	(Note 3)	99.6	(Note 3)	(Note 3)	
Total	99.3	29,975,855	100.0	99.1	29,829,310	100.0	

- (Notes) 1. "Occupancy rate (as of the end of period)" is the leased area expressed as a percentage of the leasable area of each real estate or each real estate in trust as of August 31, 2025 and February 28, 2026, rounded to the first decimal place.
2. "Rate to total real estate rental revenues" is the rental revenues from each real estate or each real estate in trust expressed as a percentage of total rental revenues from the entire portfolio, rounded to the first decimal place.
3. Undisclosed as consent for disclosure has not been obtained from the lessee. In addition, certain subtotals (rental revenues and rate to total real estate rental revenues for "Hotel properties – Subtotal" and "Other assets – Subtotal"), disclosure of which would reveal items for which the consent for disclosure has not been obtained from the lessee, are undisclosed.
4. The disposition of the property was completed on September 1, 2025.
5. The disposition of the property was completed on March 3, 2025.

(4) Description of Renewable Energy Power Generation Facilities, etc.

Not applicable.

(5) Description of Operating Rights of Public Facilities, etc.

Not applicable.

(6) Summary of Outstanding Contracted Amount and Fair Value of Specified Transactions

The following summarizes contracted amount and fair value of specified transactions of DHR as of February 28, 2026.

Classification	Type	Contracted amount (Yen in thousands) (Note 1)		Fair value (Yen in thousands) (Note 2) (Note 3)
			Portion due after one year	
Transaction other than market transaction	Interest rate swap transaction			
	Receipt: floating interest rate Payment: fixed interest rate	50,400,000	44,400,000	2,726,508
Total		50,400,000	44,400,000	2,726,508

(Notes) 1. "Contracted amount" is based on the notional principal amount.
2. "Fair value" is quoted by counterparties based on the prevailing market interest rate.
3. With respect to fair value amounts, the transactions for which the special treatment for interest rate swap contracts under the accounting standard for financial instruments is applied are not carried at fair value in the balance sheets.

(7) Status of Other Assets

Real estate and trust beneficiary interests in real estate are all listed in "(3) Description of Portfolio" presented earlier in this report. The following are other specified assets as of February 28, 2026.

(Yen in thousands)

Type	Issue name	Total face value	Book value	Accrued interest	Prepaid accrued interest	Fair value	Valuation gain or loss	Remark
Government bonds	30-year principal-stripped government bonds (Series 27)	10,000	9,601	-	-	7,567	(2,034)	Deposited as business security deposit
Total		10,000	9,601	-	-	7,567	(2,034)	

(8) Holding of Assets by Country and Region

Not applicable.

▶ 4. Capital Expenditures for Properties Held

(1) Schedule of Capital Expenditures

The following table shows major scheduled capital expenditures for planned renovation work, etc. for owned properties (real estate, real estate in trust, etc.) as of February 28, 2026. The estimated construction cost includes the portion charged to expenses.

Property name (Location)	Purpose	Scheduled period	Estimated construction cost (Yen in thousands)		
			Total amount	Payment during the period	Total amount paid
D Project Tosu (Tosu City, Saga)	Replacement of freezing equipment and installation of support frames	From November 2026 to February 2027	203,500	-	-
D Project Kitahachioji II (Hachioji City, Tokyo)	Outer wall repairs and installation of inspection hatch baskets (second phase)	From January 2026 to September 2026	102,880	48,856	48,856
Pacific Royal Court Minatomirai Urban Tower (Yokohama City, Kanagawa)	Large-scale renovations (second phase)	From March 2026 to August 2026	253,000	-	-
FOLEO Otsu Ichiriyama (Otsu City, Shiga)	Installation of new pollution control system	From March 2026 to August 2026	105,160	-	-
	Replacement of automatic fire alarm relay base	From February 2026 to August 2026	64,900	-	-
iias Tsukuba (Tsukuba City, Ibaraki)	Replacement of HVAC (fifth phase)	From March 2026 to April 2026	143,000	-	-
	Outer wall renovations (fourth phase)	From March 2026 to August 2026	109,780	-	-

(2) Capital Expenditures during the Period

For owned properties (real estate, real estate in trust, etc.), an overview of major construction work conducted during the current fiscal period that falls into DHR's capital expenditures is as follows: Capital expenditures during the current fiscal period were ¥2,422,518 thousand together with ¥1,751,943 thousand in repairs and maintenance expenses and ¥348,734 thousand in restoration costs classified as expenses for the current fiscal period, making a total of ¥4,523,196 thousand in construction work.

Property name (Location)	Purpose	Period	Construction cost (Yen in thousands)
Castalia Harajuku (Shibuya Ward, Tokyo)	Renovation of entrance interior	From December 2025 to February 2026	25,148
Castalia Sendagaya (Shibuya Ward, Tokyo)	Private area renovation work	From December 2025 to February 2026	11,550
Castalia Ningyocho II (Chuo Ward, Tokyo)	Private area renovation work	From September 2025 to December 2025	10,722
Castalia Shinjuku Gyoen (Shinjuku Ward, Tokyo)	Large-scale renovations	From January 2025 to October 2025	151,848
Castalia Takanawadai II (Minato Ward, Tokyo)	Elevation and renovation of bicycle parking and garbage area	From November 2025 to December 2025	12,968
Castalia Asakusabashi (Taito Ward, Tokyo)	Renovation of entrance interior	From January 2026 to February 2026	24,543
Castalia Sumiyoshi (Koto Ward, Tokyo)	Intercom renewal	From February 2026 to February 2026	9,666
Castalia Oshiage (Sumida Ward, Tokyo)	Large-scale renovations	From October 2025 to February 2026	89,679
Castalia Yakuin (Fukuoka City, Fukuoka)	Replacement of electric water heaters	From November 2025 to February 2026	25,735
Castalia Kyoto Nishioji (Kyoto City, Kyoto)	Large-scale renovations	From September 2025 to February 2026	80,351
Castalia Sumiyoshi II (Koto Ward, Tokyo)	Renovation of 1F common area	From February 2026 to February 2026	15,151
FOLEO Hakata (Fukuoka City, Fukuoka)	Renewal of HVAC system (first phase)	From September 2025 to January 2026	70,169
Daiwa Roynet Hotel Nagoya Shinkansenguchi (Nagoya City, Aichi)	Car elevator renovation work	From November 2025 to January 2026	50,702
Aburatsubo Marina HILLS (Miura City, Kanagawa)	Replacement of HVAC for 2F-5F common area	From December 2025 to December 2025	13,306

(3) Cash Reserves for Long-Term Repair and Maintenance Plans

DHR accumulates the following cash reserves for repair and maintenance in order to provide for payment of funds for future maintenance of the value of assets and the renewal of facilities and equipment.

Operating period	(Yen in thousands)				
	36th period From September 1, 2023 to February 29, 2024	37th period From March 1, 2024 to August 31, 2024	38th period From September 1, 2024 to February 28, 2025	39th period From March 1, 2025 to August 31, 2025	40th period From September 1, 2025 to February 28, 2026
Balance of reserves at the beginning of period	1,562,915	1,576,995	1,591,075	1,575,075	1,589,155
Amount of reserves during period	14,080	14,080	14,080	14,080	14,080
Amount of reversal of reserves during period	-	-	30,080	-	30,080
Reserves carried forward	1,576,995	1,591,075	1,575,075	1,589,155	1,573,154

5. Expenses and Liabilities

(1) Expenses Incurred in Connection with Management of Assets

(Yen in thousands)

Item	39th period	40th period
	From March 1, 2025 to August 31, 2025	From September 1, 2025 to February 28, 2026
Asset management fees (Note)	1,920,564	1,869,820
Asset custody fees	38,267	37,965
Administrative service fees	95,498	106,643
Directors' remuneration	6,658	6,658
Other expenses	461,095	467,023
Total	2,522,085	2,488,112

(Note) As for the asset management fees, in addition to the amount shown above, there were a management fee for property acquisition included in the cost of acquisition of individual investment properties, etc. of ¥9,306 thousand and a management fee for disposition of properties of ¥20,012 thousand for the 39th period. For the 40th period, there were a management fee for property acquisition included in the cost of acquisition of individual investment properties, etc. of ¥64,182 thousand and a management fee for disposition of properties of ¥23,400 thousand.

(2) Debt Financing

The status of loans per financial institution as of February 28, 2026 is as follows:

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Short-term loans								
Sumitomo Mitsui Trust Bank, Limited	February 28, 2025	1,750,000	-	0.84%	February 27, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation	February 28, 2025	1,750,000	-	0.84%	February 27, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.	February 28, 2025	1,750,000	-	0.84%	February 27, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.	February 28, 2025	1,750,000	-	0.84%	February 27, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Subtotal	-	7,000,000	-	-	-	-	-	-
Sumitomo Mitsui Banking Corporation		1,000,000	-					
Sumitomo Mitsui Trust Bank, Limited	April 1, 2015	1,000,000	-	1.23% (Note 2)	October 1, 2025	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	-					
Mizuho Bank, Ltd.		1,000,000	-					
MUFG Bank, Ltd.	April 1, 2015	3,000,000	-	1.18% (Note 3)	October 1, 2025	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,500,000	-					
Sumitomo Mitsui Trust Bank, Limited		1,500,000	-					
MUFG Bank, Ltd.		2,000,000	-					
Mizuho Bank, Ltd.	September 28, 2016	1,500,000	-	0.63% (Note 3)	September 29, 2025	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Resona Bank, Limited		500,000	-					
Mizuho Trust & Banking Co., Ltd.		500,000	-					
SBI Shinsei Bank, Limited		500,000	-					
Shinkin Central Bank		500,000	-					
The Bank of Fukuoka, Ltd.		500,000	-					
Taiyo Life Insurance Company	September 27, 2018	1,000,000	-	0.60% (Note 3)	September 30, 2025	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		2,200,000	-					
Aozora Bank, Ltd.		1,500,000	-					
The Norinchukin Bank		1,100,000	-					
Sumitomo Mitsui Banking Corporation	March 29, 2019	700,000	-	0.43% (Note 3)	September 30, 2025	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
The Chiba Bank, Ltd.		600,000	-					
Mizuho Bank, Ltd.		500,000	-					
The Bank of Fukuoka, Ltd.		500,000	-					
The Shizuoka Bank, Ltd.		500,000	-					
Current portion of long-term loans								

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Sumitomo Mitsui Banking Corporation		500,000	500,000					
MUFG Bank, Ltd.	April 1, 2014	500,000	500,000	2.03% (Note 2)	April 1, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
Development Bank of Japan Inc.		500,000	500,000					
Sumitomo Mitsui Banking Corporation	April 11, 2017	1,800,000	1,800,000	0.76% (Note 3)	April 30, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		2,200,000	2,200,000					
Mizuho Bank, Ltd.		1,200,000	1,200,000					
Resona Bank, Limited		1,100,000	1,100,000					
Mizuho Trust & Banking Co., Ltd.		1,000,000	1,000,000					
SBI Shinsei Bank, Limited	April 11, 2017	1,000,000	1,000,000	0.76% (Note 3)	April 30, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
The Bank of Fukuoka, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Trust Bank, Limited		700,000	700,000					
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
MUFG Bank, Ltd.	November 30, 2015	1,000,000	1,000,000	1.09% (Note 2)	May 29, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
Mizuho Bank, Ltd.		1,000,000	1,000,000					
Development Bank of Japan Inc.	April 10, 2018	2,000,000	2,000,000	0.65% (Note 3)	April 30, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	April 5, 2019	1,000,000	1,000,000	0.45% (Note 3)	April 30, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	April 1, 2020	1,000,000	1,000,000	0.40% (Note 3)	April 30, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
The Dai-ichi Life Insurance Company, Limited	April 3, 2020	500,000	500,000	0.40% (Note 3)	March 31, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
The Dai-ichi Life Insurance Company, Limited	September 30, 2020	1,000,000	1,000,000	0.44% (Note 3)	March 31, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
Sumitomo Mitsui Banking Corporation		500,000	500,000					
MUFG Bank, Ltd.	October 1, 2021	500,000	500,000	0.28% (Note 3)	March 31, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		500,000	500,000					
The Chiba Bank, Ltd.		500,000	500,000					
The 77 Bank, Ltd.		500,000	500,000					
Development Bank of Japan Inc.	September 28, 2016	-	1,000,000	0.69% (Note 3)	September 28, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note	
									Lender
Current portion of long-term loans	Sumitomo Mitsui Banking Corporation	-	3,000,000						
	Mizuho Bank, Ltd.	-	3,000,000						
	MUFG Bank, Ltd.	November 29, 2016	-	5,000,000	0.87% (Note 3)	November 30, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	3,000,000					
	Resona Bank, Limited		-	1,000,000					
	Mitsui Sumitomo Insurance Company, Limited	April 3, 2020	-	500,000	0.41% (Note 3)	September 30, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation		-	1,200,000					
	Sumitomo Mitsui Trust Bank, Limited		-	600,000					
	Mizuho Bank, Ltd.	April 30, 2021	-	600,000	0.28% (Note 3)	September 30, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
	MUFG Bank, Ltd.		-	600,000					
	The Norinchukin Bank		-	1,500,000					
	Nippon Life Insurance Company		-	1,000,000					
Nippon Life Insurance Company	September 9, 2022	-	1,000,000	0.51% (Note 3)	January 29, 2027	Bullet repayment	(Note 5)	Unsecured and non-guaranteed	
Subtotal	-	49,100,000	47,500,000	-	-	-	-	-	
Development Bank of Japan Inc.	April 1, 2015	1,500,000	1,500,000	1.46% (Note 3)	April 1, 2027	Bullet repayment	(Note 4)	Unsecured and non-guaranteed	
Development Bank of Japan Inc.	September 28, 2016	1,000,000	-	0.69% (Note 3)	September 28, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed	
Sumitomo Mitsui Banking Corporation		3,000,000	-						
Mizuho Bank, Ltd.		3,000,000	-						
MUFG Bank, Ltd.	November 29, 2016	5,000,000	-	0.87% (Note 3)	November 30, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed	
Sumitomo Mitsui Trust Bank, Limited		3,000,000	-						
Resona Bank, Limited		1,000,000	-						
Development Bank of Japan Inc.	March 9, 2017	2,000,000	2,000,000	0.85% (Note 3)	March 31, 2027	Bullet repayment	(Note 6)	Unsecured and non-guaranteed	
Sumitomo Mitsui Banking Corporation		2,100,000	2,100,000						
MUFG Bank, Ltd.		3,700,000	3,700,000						
Sumitomo Mitsui Trust Bank, Limited	April 11, 2017	1,800,000	1,800,000	1.02% (Note 3)	April 28, 2028	Bullet repayment	(Note 4)	Unsecured and non-guaranteed	
Mizuho Bank, Ltd.		1,800,000	1,800,000						
Mizuho Trust & Banking Co., Ltd.		600,000	600,000						
Sumitomo Mitsui Trust Bank, Limited		3,400,000	3,400,000						
Sumitomo Mitsui Banking Corporation	July 31, 2017	3,400,000	3,400,000	0.89% (Note 3)	July 30, 2027	Bullet repayment	(Note 5)	Unsecured and non-guaranteed	
Mizuho Bank, Ltd.		3,400,000	3,400,000						
MUFG Bank, Ltd.		1,900,000	1,900,000						

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Sumitomo Mitsui Banking Corporation		2,500,000	2,500,000					
MUFG Bank, Ltd.		2,000,000	2,000,000					
Development Bank of Japan Inc.		3,000,000	3,000,000					
Sumitomo Mitsui Trust Bank, Limited		2,500,000	2,500,000					
Mizuho Bank, Ltd.	November 29, 2017	2,500,000	2,500,000	0.90% (Note 3)	November 30, 2027	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
The 77 Bank, Ltd.		1,000,000	1,000,000					
The Nishi-Nippon City Bank, Ltd.		1,000,000	1,000,000					
The Iyo Bank, Ltd.		500,000	500,000					
The Bank of Kyoto, Ltd.		500,000	500,000					
The Chugoku Bank, Limited		500,000	500,000					
MUFG Bank, Ltd.	March 27, 2018	1,500,000	1,500,000	0.75% (Note 3)	September 30, 2027	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		3,000,000	3,000,000					
Sumitomo Mitsui Banking Corporation		3,000,000	3,000,000					
Mizuho Bank, Ltd.	April 10, 2018	2,500,000	2,500,000	0.89% (Note 3)	April 28, 2028	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Mizuho Trust & Banking Co., Ltd.		1,000,000	1,000,000					
Resona Bank, Limited		500,000	500,000					
Sumitomo Mitsui Banking Corporation		1,100,000	1,100,000					
Sumitomo Mitsui Trust Bank, Limited	December 7, 2018	1,100,000	1,100,000	0.88% (Note 3)	December 29, 2028	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,100,000	1,100,000					
Japan Post Insurance Co., Ltd.		1,100,000	1,100,000					
MUFG Bank, Ltd.		600,000	600,000					
Nippon Life Insurance Company	April 5, 2019	500,000	500,000	0.50% (Note 3)	April 30, 2027	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Development Bank of Japan Inc.	April 5, 2019	1,500,000	1,500,000	0.59% (Note 3)	April 28, 2028	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		2,500,000	2,500,000					
Mizuho Bank, Ltd.		2,700,000	2,700,000					
Sumitomo Mitsui Trust Bank, Limited	April 10, 2019	2,500,000	2,500,000	0.75% (Note 2)	April 27, 2029	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Resona Bank, Limited		1,000,000	1,000,000					
Mizuho Trust & Banking Co., Ltd.		1,000,000	1,000,000					
MUFG Bank, Ltd.		700,000	700,000					
Sumitomo Mitsui Banking Corporation		2,000,000	2,000,000					
Sumitomo Mitsui Trust Bank, Limited	November 29, 2019	2,000,000	2,000,000	0.66% (Note 2)	November 30, 2029	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		2,000,000	2,000,000					
Mizuho Bank, Ltd.		2,000,000	2,000,000					
Development Bank of Japan Inc.		2,000,000	2,000,000					

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Development Bank of Japan Inc.	January 31, 2020	1,500,000	1,500,000	0.59% (Note 3)	January 31, 2029	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
Aozora Bank, Ltd.		2,400,000	2,400,000					
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
MUFG Bank, Ltd.	January 31, 2020	1,000,000	1,000,000	0.46% (Note 3)	July 30, 2027	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,000,000	1,000,000					
The Norinchukin Bank		1,000,000	1,000,000					
Mizuho Trust & Banking Co., Ltd.		500,000	500,000					
The Yamaguchi Bank, Ltd.		500,000	500,000					
Sumitomo Mitsui Banking Corporation		2,200,000	2,200,000					
Sumitomo Mitsui Trust Bank, Limited		3,400,000	3,400,000					
Mizuho Trust & Banking Co., Ltd.	January 31, 2020	1,300,000	1,300,000	0.61% (Note 2)	January 31, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,200,000	1,200,000					
Mizuho Bank, Ltd.		900,000	900,000					
Mitsui Sumitomo Insurance Company, Limited	April 3, 2020	500,000	-	0.41% (Note 3)	September 30, 2026	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Development Bank of Japan Inc.	April 3, 2020	1,000,000	1,000,000	0.51% (Note 3)	September 29, 2028	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
Resona Bank, Limited		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation		500,000	500,000					
MUFG Bank, Ltd.	April 3, 2020	500,000	500,000	0.51% (Note 2)	April 27, 2029	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		500,000	500,000					
SBI Shinsei Bank, Limited		500,000	500,000					
Shinkin Central Bank		500,000	500,000					
The Bank of Fukuoka, Ltd.		500,000	500,000					
The Nishi-Nippon City Bank, Ltd.		500,000	500,000					
MUFG Bank, Ltd.		2,000,000	2,000,000					
Sumitomo Mitsui Trust Bank, Limited	April 3, 2020	2,000,000	2,000,000	0.62% (Note 2)	April 30, 2030	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		2,000,000	2,000,000					
Mizuho Bank, Ltd.		2,000,000	2,000,000					
Mizuho Trust & Banking Co., Ltd.		1,000,000	1,000,000					
The Bank of Kyoto, Ltd.	April 3, 2020	500,000	500,000	0.62% (Note 2)	April 30, 2030	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
The Yamanaishi Chuo Bank, Ltd.		500,000	500,000					
SBI Shinsei Bank, Limited	September 30, 2020	1,000,000	1,000,000	0.46% (Note 3)	September 30, 2027	Bullet repayment	(Note 4)	Unsecured and non-guaranteed

Long-term loans

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
The Norinchukin Bank	January 29, 2021	3,500,000	3,500,000	0.37% (Note 3)	January 31, 2028	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		500,000	500,000					
Sumitomo Mitsui Trust Bank, Limited	April 1, 2021	500,000	500,000	0.70% (Note 3)	April 1, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	1,000,000					
Mizuho Bank, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation		1,200,000	-					
Sumitomo Mitsui Trust Bank, Limited	April 30, 2021	600,000	-	0.28% (Note 3)	September 30, 2026	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		600,000	-					
MUFG Bank, Ltd.		600,000	-					
The Norinchukin Bank		1,500,000	-					
Nippon Life Insurance Company		1,000,000	-					
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
MUFG Bank, Ltd.		1,000,000	1,000,000					
Mizuho Bank, Ltd.		1,000,000	1,000,000					
Development Bank of Japan Inc.		1,000,000	1,000,000					
Mizuho Trust & Banking Co., Ltd.	September 3, 2021	1,000,000	1,000,000	0.56% (Note 3)	August 29, 2031	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
SBI Shinsei Bank, Limited		1,000,000	1,000,000					
The Yamanaishi Chuo Bank, Ltd.		1,000,000	1,000,000					
Kansai Mirai Bank, Limited		1,000,000	1,000,000					
Shinkin Central Bank		500,000	500,000					
The Bank of Kyoto, Ltd.		500,000	500,000					
The Yamaguchi Bank, Ltd.		500,000	500,000					
The Dai-ichi Life Insurance Company, Limited	September 3, 2021	1,000,000	1,000,000	0.80% (Note 3)	August 31, 2033	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	1,000,000					
Mizuho Bank, Ltd.		1,000,000	1,000,000					
The Norinchukin Bank		1,500,000	1,500,000					
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation	October 1, 2021	1,000,000	1,000,000	0.37% (Note 3)	September 29, 2028	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Development Bank of Japan Inc.		1,000,000	1,000,000					
Aozora Bank, Ltd.		1,000,000	1,000,000					
Resona Bank, Limited		1,000,000	1,000,000					
The Nishi-Nippon City Bank, Ltd.		1,000,000	1,000,000					
The Keiyo Bank, Ltd.		1,000,000	1,000,000					

Long-term loans

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	November 30, 2021	1,000,000	1,000,000	0.45% (Note 3)	May 31, 2029	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		3,000,000	3,000,000					
Mizuho Bank, Ltd.	November 30, 2021	1,000,000	1,000,000	0.45% (Note 3)	May 31, 2029	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Resona Bank, Limited		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation		900,000	900,000					
The Norinchukin Bank		1,600,000	1,600,000					
Sumitomo Mitsui Trust Bank, Limited		1,550,000	1,550,000					
Aozora Bank, Ltd.	January 31, 2022	1,100,000	1,100,000	0.42% (Note 3)	July 31, 2028	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		700,000	700,000					
MUFG Bank, Ltd.		500,000	500,000					
Mizuho Trust & Banking Co., Ltd.		400,000	400,000					
The Chiba Bank, Ltd.		100,000	100,000					
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
MUFG Bank, Ltd.	April 1, 2022	1,000,000	1,000,000	0.90% (Note 3)	March 31, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
Sumitomo Mitsui Trust Bank, Limited		1,950,000	1,950,000					
Sumitomo Mitsui Banking Corporation		1,300,000	1,300,000					
The Norinchukin Bank		1,600,000	1,600,000					
Mizuho Bank, Ltd.		1,150,000	1,150,000					
Aozora Bank, Ltd.	April 28, 2022	1,100,000	1,100,000	0.80% (Note 3)	October 31, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,050,000	1,050,000					
Mizuho Trust & Banking Co., Ltd.		500,000	500,000					
Nippon Life Insurance Company		500,000	500,000					
Development Bank of Japan Inc.		400,000	400,000					
The Shizuoka Bank, Ltd.		250,000	250,000					
The Chiba Bank, Ltd.		200,000	200,000					
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
Mizuho Bank, Ltd.		500,000	500,000					
The Shizuoka Bank, Ltd.		500,000	500,000					
The Chiba Bank, Ltd.		500,000	500,000					
The Bank of Fukuoka, Ltd.	April 28, 2022	500,000	500,000	0.75% (Note 3)	April 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
The Nishi-Nippon City Bank, Ltd.		500,000	500,000					
The 77 Bank, Ltd.		500,000	500,000					
The Chugoku Bank, Limited		500,000	500,000					
The Iyo Bank, Ltd.		500,000	500,000					
The Yamaguchi Bank, Ltd.		250,000	250,000					
The Keiyo Bank, Ltd.		250,000	250,000					

Long-term loans

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Nippon Life Insurance Company	September 9, 2022	1,000,000	-	0.51% (Note 3)	January 29, 2027	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation	September 28, 2022	1,000,000	1,000,000	0.96% (Note 3)	September 30, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	1,000,000					
Mizuho Bank, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation	October 3, 2022	1,000,000	1,000,000	0.87% (Note 3)	September 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,000,000	1,000,000					
The Norinchukin Bank		1,000,000	1,000,000					
Sumitomo Mitsui Banking Corporation	December 28, 2022	1,300,000	1,300,000	1.26% (Note 3)	December 26, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		2,700,000	2,700,000					
Resona Bank, Limited		1,400,000	1,400,000					
Sumitomo Mitsui Trust Bank, Limited	December 28, 2022	1,300,000	1,300,000	1.26% (Note 3)	December 26, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,300,000	1,300,000					
SBI Shinsei Bank, Limited		500,000	500,000					
Sumitomo Mitsui Trust Bank, Limited	March 27, 2023	2,000,000	2,000,000	0.80% (Note 3)	March 29, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,700,000	1,700,000					
MUFG Bank, Ltd.		2,700,000	2,700,000					
Sumitomo Mitsui Trust Bank, Limited	March 31, 2023	1,700,000	1,700,000	0.99% (Note 3)	September 30, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,700,000	1,700,000					
Aozora Bank, Ltd.		1,500,000	1,500,000					
Resona Bank, Limited		800,000	800,000					
SBI Shinsei Bank, Limited		300,000	300,000					
Mitsui Sumitomo Insurance Company, Limited	March 31, 2023	1,000,000	1,000,000	0.62% (Note 3)	September 29, 2028	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
Mizuho Bank, Ltd.	May 31, 2023	1,000,000	1,000,000	1.03% (Note 3)	May 31, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Trust Bank, Limited		1,000,000	1,000,000					
Nippon Life Insurance Company	September 29, 2023	1,000,000	1,000,000	0.75% (Note 3)	September 30, 2027	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		4,000,000	4,000,000					
Sumitomo Mitsui Trust Bank, Limited	September 29, 2023	4,000,000	4,000,000	1.08% (Note 3)	September 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	1,000,000					
Mizuho Trust & Banking Co., Ltd.		1,000,000	1,000,000					

Long-term loans

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Lender								
Sumitomo Mitsui Trust Bank, Limited		900,000	900,000					
MUFG Bank, Ltd.		1,900,000	1,900,000					
Sumitomo Mitsui Banking Corporation	September 29, 2023	900,000	900,000	1.32% (Note 3)	September 30, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		900,000	900,000					
Resona Bank, Limited		800,000	800,000					
The Norinchukin Bank		500,000	500,000					
The Chiba Bank, Ltd.		500,000	500,000					
SBI Shinsei Bank, Limited		300,000	300,000					
The Dai-ichi Life Insurance Company, Limited		September 29, 2023	1,000,000					
SBI Shinsei Bank, Limited	October 2, 2023	1,000,000	1,000,000	1.30% (Note 3)	March 31, 2032	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Kansai Mirai Bank, Limited	October 2, 2023	1,000,000	1,000,000	1.30% (Note 3)	March 31, 2032	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
Development Bank of Japan Inc.	January 31, 2024	2,000,000	2,000,000	1.43% (Note 3)	January 31, 2034	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.	March 1, 2024	3,000,000	3,000,000	0.74% (Note 3)	February 28, 2029	Bullet repayment	(Note 4)	Unsecured and non-guaranteed
The Chiba Bank, Ltd.		600,000	600,000					
The Keiyo Bank, Ltd.		500,000	500,000					
The Yamaguchi Bank, Ltd.		500,000	500,000					
Kansai Mirai Bank, Limited		400,000	400,000					
Mitsui Sumitomo Insurance Company, Limited	March 29, 2024	1,000,000	1,000,000	1.00% (Note 3)	March 31, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.	March 29, 2024	2,800,000	2,800,000	1.14% (Note 7)	March 31, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,800,000	1,800,000					
Sumitomo Mitsui Banking Corporation		1,800,000	1,800,000					
Mizuho Bank, Ltd.		1,800,000	1,800,000					
Aozora Bank, Ltd.		1,500,000	1,500,000					
Resona Bank, Limited		900,000	900,000					
SBI Shinsei Bank, Limited		400,000	400,000					
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
MUFG Bank, Ltd.		1,000,000	1,000,000					
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
Development Bank of Japan Inc.	500,000	500,000						
Sumitomo Mitsui Trust Bank, Limited	April 1, 2024	500,000	500,000	0.91% (Note 3)	March 29, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,500,000	1,500,000					
Mizuho Bank, Ltd.		1,000,000	1,000,000					
The Norinchukin Bank		500,000	500,000					
Aozora Bank, Ltd.		500,000	500,000					
SBI Shinsei Bank, Limited		500,000	500,000					
Shinkin Central Bank		500,000	500,000					
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
Mizuho Bank, Ltd.		500,000	500,000					
The Chiba Bank, Ltd.		500,000	500,000					

Long-term loans

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Lender								
Sumitomo Mitsui Banking Corporation		1,000,000	1,000,000					
The Norinchukin Bank		1,100,000	1,100,000					
Sumitomo Mitsui Trust Bank, Limited	October 31, 2024	1,000,000	1,000,000	1.10% (Note 3)	April 30, 2031	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
SBI Shinsei Bank, Limited		1,000,000	1,000,000					
Shinkin Central Bank		1,000,000	1,000,000					
The Bank of Fukuoka, Ltd.		500,000	500,000					
The Chiba Bank, Ltd.		500,000	500,000					
The 77 Bank, Ltd.		500,000	500,000					
The Nishi-Nippon City Bank, Ltd.		500,000	500,000					
The Iyo Bank, Ltd.		500,000	500,000					
The Chugoku Bank, Limited		500,000	500,000					
Sumitomo Mitsui Trust Bank, Limited		500,000	500,000					
The Norinchukin Bank	1,000,000	1,000,000						
The 77 Bank, Ltd.	700,000	700,000						
The Chugoku Bank, Limited	700,000	700,000						
Resona Bank, Limited	600,000	600,000						
Sumitomo Mitsui Banking Corporation	500,000	500,000						
MUFG Bank, Ltd.	500,000	500,000						
Mizuho Bank, Ltd.	500,000	500,000						
The Chiba Bank, Ltd.	500,000	500,000						
The Iyo Bank, Ltd.	500,000	500,000						
Sumitomo Mitsui Banking Corporation	March 31, 2025	4,000,000	4,000,000	1.77% (Note 3)	September 30, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Aozora Bank, Ltd.		2,500,000	2,500,000					
Shinkin Central Bank		2,000,000	2,000,000					
MUFG Bank, Ltd.		1,500,000	1,500,000					
Resona Bank, Limited	1,000,000	1,000,000						
Sumitomo Mitsui Trust Bank, Limited	500,000	500,000						
Sumitomo Mitsui Banking Corporation	April 30, 2025	1,500,000	1,500,000	0.93%	October 31, 2028	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.	500,000	500,000						
Aozora Bank, Ltd.	500,000	500,000						
The Norinchukin Bank	500,000	500,000						
Resona Bank, Limited	500,000	500,000						
SBI Shinsei Bank, Limited	500,000	500,000						
Shinkin Central Bank	500,000	500,000						
Sumitomo Mitsui Banking Corporation	1,000,000	1,000,000						
Sumitomo Mitsui Trust Bank, Limited	May 30, 2025	1,000,000	1,000,000	1.40% (Note 3)	November 30, 2029	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.	1,000,000	1,000,000						
Mizuho Bank, Ltd.	1,000,000	1,000,000						

Long-term loans

Classification	Borrowing date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Average interest rate (Note 1)	Repayment date	Method of repayment	Use	Note
Sumitomo Mitsui Banking Corporation		-	1,500,000					
Sumitomo Mitsui Trust Bank, Limited		-	1,500,000					
MUFG Bank, Ltd.		-	2,000,000					
Mizuho Bank, Ltd.	September 29, 2025	-	1,500,000	0.91%	March 31, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Resona Bank, Limited		-	500,000					
Mizuho Trust & Banking Co., Ltd.		-	500,000					
SBI Shinsei Bank, Limited		-	500,000					
Shinkin Central Bank		-	500,000					
The Bank of Fukuoka, Ltd.	-	500,000						
SBI Shinsei Bank, Limited	September 30, 2025	-	1,000,000	0.90%	September 30, 2032	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		-	2,200,000					
Aozora Bank, Ltd.		-	1,500,000					
The Norinchukin Bank		-	1,100,000					
Sumitomo Mitsui Banking Corporation	September 30, 2025	-	700,000	0.96%	March 31, 2033	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
The Chiba Bank, Ltd.		-	600,000					
Mizuho Bank, Ltd.		-	500,000					
The Bank of Fukuoka, Ltd.		-	500,000					
The Shizuoka Bank, Ltd.		-	500,000					
MUFG Bank, Ltd.	October 1, 2025	-	3,000,000	1.71% (Note 3)	September 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		-	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	October 1, 2025	-	1,000,000	2.07% (Note 3)	March 31, 2034	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		-	1,000,000					
Mizuho Bank, Ltd.		-	1,000,000					
Sumitomo Mitsui Trust Bank, Limited	February 27, 2026	-	1,000,000	1.03%	August 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation	February 27, 2026	-	1,000,000	1.03%	August 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.	February 27, 2026	-	1,000,000	1.03%	August 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.	February 27, 2026	-	1,000,000	1.03%	August 30, 2030	Bullet repayment	(Note 5)	Unsecured and non-guaranteed
Subtotal	-	316,450,000	322,050,000	-	-	-	-	-
Total	-	372,550,000	369,550,000	-	-	-	-	-

- (Notes) 1. Average interest rate is the loan interest rate (weighted average during the applicable term) of the corresponding lenders, and is rounded to the second decimal place.
2. DHR currently uses interest rate swaps to hedge interest rate fluctuation risk; accordingly, the indicated interest rates are the figures reflecting the effect of the interest rate swaps.
3. This loan carries a fixed interest rate.
4. To be used to purchase trust beneficiary interests in real estate and related expenses.
5. To be used for repayment of existing loans (refinancing fund).
6. To be used for redemption of investment corporation bonds.
7. The interest rate (per annum) from March 29, 2024 to May 29, 2025 was 1.15375%. From the day after May 29, 2025 onward, an interest rate determined depending on the achieved level of a pre-defined Sustainability Performance Target (hereinafter referred to as "SPT") on each reference date is applied.

(3) Investment Corporation Bonds

The status of investment corporation bonds issued as of February 28, 2026 is as follows:

Issue name	Issue date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Interest rate	Maturity	Method of redemption	Use	Note
Daiwa House REIT Investment Corporation 6th Unsecured Investment Corporation Bonds (Note 1)	December 20, 2016	4,000,000	4,000,000	0.57%	December 18, 2026	Bullet repayment	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 7th Unsecured Investment Corporation Bonds (Note 1)	July 30, 2018	2,000,000	2,000,000	0.69%	July 30, 2030	Bullet repayment	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 8th Unsecured Investment Corporation Bonds (Note 1)	July 30, 2018	1,000,000	1,000,000	1.03%	July 30, 2038	Bullet repayment	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 9th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	November 25, 2019	6,000,000	6,000,000	0.53%	November 22, 2029	Bullet repayment	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 11th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	May 27, 2020	1,600,000	1,600,000	0.64%	May 27, 2030	Bullet repayment	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 12th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	May 27, 2020	1,000,000	1,000,000	1.00%	May 25, 2040	Bullet repayment	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 13th Unsecured Investment Corporation Bonds (Note 1)	December 24, 2020	3,000,000	3,000,000	0.60%	December 24, 2032	Bullet repayment	(Note 4)	Unsecured
Daiwa House REIT Investment Corporation 14th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	April 15, 2021	4,000,000	4,000,000	0.50%	April 15, 2031	Bullet repayment	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 15th Unsecured Investment Corporation Bonds (Note 1) (Sustainability Bonds)	November 17, 2021	3,000,000	3,000,000	0.40%	November 17, 2031	Bullet repayment	(Note 5)	Unsecured
Daiwa House REIT Investment Corporation 16th Unsecured Investment Corporation Bonds (Note 1) (Sustainability Bonds)	November 17, 2021	1,000,000	1,000,000	0.66%	November 17, 2036	Bullet repayment	(Note 5)	Unsecured
Daiwa House REIT Investment Corporation 17th Unsecured Investment Corporation Bonds (Note 1)	December 16, 2021	4,000,000	4,000,000	0.24%	December 16, 2027	Bullet repayment	(Note 4)	Unsecured
Daiwa House REIT Investment Corporation 18th Unsecured Investment Corporation Bonds (Note 1) (Sustainability-Linked Bonds) (Note 6)	May 25, 2022	4,000,000	4,000,000	0.55% (Note 7)	May 25, 2029	Bullet repayment	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 19th Unsecured Investment Corporation Bonds (Note 1)	December 19, 2022	2,000,000	2,000,000	0.77%	June 18, 2032	Bullet repayment	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 20th Unsecured Investment Corporation Bonds (Note 1) (Sustainability Bonds)	May 22, 2025	1,800,000	1,800,000	1.40%	May 22, 2030	Bullet repayment	(Note 8)	Unsecured

Issue name	Issue date	Balance at the beginning of period (Yen in thousands)	Balance at the end of period (Yen in thousands)	Interest rate	Maturity	Method of redemption	Use	Note
Total	-	38,400,000	38,400,000	-	-	-	-	-

- (Notes)
- The bonds have pari passu conditions among specified investment corporation bonds.
 - To be used for repayment of existing loans.
 - To be used for a part of the funds for the repayment of existing loans associated with "eligible green assets."
 - To be used for redemption of investment corporation bonds.
 - To be used for a part of the funds for the repayment of existing loans associated with "eligible sustainability assets."
 - A sustainability-linked bond is a bond whose terms vary depending on whether or not it meets a pre-defined SPT.
 - The interest rate (per annum) from the following day of May 25, 2022 to May 25, 2023 was 0.575%. From the day after May 25, 2023 onward, an interest rate determined annually depending on the achieved level of the SPT on each reference date is applied.
 - To be used for a part of the funds for the redemption of investment corporation bonds associated with "eligible sustainability assets."

(4) Short-Term Investment Corporation Bonds

Not applicable.

(5) Unit Acquisition Rights

Not applicable.

6. Status of Acquisition and Disposition during the Period

(1) Status of Acquisition and Disposition of Properties and Asset-Backed Securities, Infrastructure Assets, and Infrastructure Related Asset

Property name	Acquisition		Disposition			
	Date of acquisition	Acquisition price (Yen in millions) (Note 1)	Date of disposition	Disposition price (Yen in millions) (Note 1)	Book value (Yen in millions)	Gain or loss on sale (Yen in millions) (Note 2)
Daiwa Roynet Hotel Nishi-Shinjuku	November 4, 2025	10,174	-	-	-	-
Castalia Nishi Funabashi II	February 27, 2026	2,662	-	-	-	-
D Project Machida (80% quasi co-ownership interest)	-	-	September 1, 2025	9,360	7,102	2,234
Total		12,836		9,360	7,102	2,234

- (Notes)
- "Acquisition price" and "disposition price" are the amounts that do not include the various expenses required in the acquisition or disposition of the property, settlement money such as taxes and public dues, consumption taxes, and leasehold guarantee deposits, etc.
 - "Gain or loss on sale" represents the disposition price less book value of disposed property and any related expenses.

(2) Transaction of Other Assets

Not applicable. Other assets are mostly bank deposits or bank deposits in trust assets.

(3) Review on Value of Specified Assets

Properties, etc.

Acquisition or disposition	Property name	Transaction date	Type of assets	Acquisition price or disposition price (Yen in millions) (Note 1)	Appraisal value (Yen in millions) (Note 2)	Appraisal agency (Note 2)	Date of value appraised (Note 2)
Acquisition	Daiwa Roynet Hotel Nishi-Shinjuku	November 4, 2025	Trust beneficiary interests in real estate	10,174	12,400	Daiwa Real Estate Appraisal Co., Ltd.	September 30, 2025
Acquisition	Castalia Nishi Funabashi II	February 27, 2026	Trust beneficiary interests in real estate	2,662	2,950	JLL Morii Valuation & Advisory K.K.	January 31, 2026
Disposition	D Project Machida (80% quasi co-ownership interest)	September 1, 2025	Trust beneficiary interests in real estate	9,360	8,980	The Tanizawa Sōgō Appraisal Co., Ltd.	August 31, 2025

- (Notes)
- "Acquisition price or disposition price" is the amount that does not include the various expenses required in the acquisition or disposition of the property, settlement money such as taxes and public dues, consumption taxes, and leasehold guarantee deposits, etc.
 - Appraisal value shown above is based on "Real estate appraisal standards, Chapter 3, Appraisal of the value of real estate that is subject to securitization."

(4) Transactions with Interested Parties, etc.**i) Status of Transactions**

Not applicable for purchase and sale transactions, etc. with interested parties, etc. ^(Note) for the 40th period.

ii) Amount of Fees Paid

Classification	Total amount paid (A) (Yen in thousands)	Breakdown of transactions with interested parties, etc. (Note)		Rate to total amount paid (B/A) (%)
		Payment recipient	Amount paid (B) (Yen in thousands)	
Management fees	1,778,113	Daiwa Living Co., Ltd.	587,923	33.1
		Daiwa House Property Management Co., Ltd.	478,389	26.9
		Daiwa House Realty Mgt. Co., Ltd.	334,267	18.8
		Daiwa LifeNext Co., Ltd.	32,711	1.8
		Daiwa Lease Co., Ltd.	3,620	0.2
Utilities	565,035	Shinwa Agency Co., Ltd.	394	0.0
		Daiwa Energy Co., Ltd.	5,012	0.9
Repairs and maintenance expenses	1,751,943	Daiwa House Property Management Co., Ltd.	643,728	36.7
		Daiwa Living Co., Ltd.	550,891	31.4
		Daiwa House Realty Mgt. Co., Ltd.	441,392	25.2
		Daiwa LifeNext Co., Ltd.	2,595	0.1
		Daiwa Lease Co., Ltd.	1,008	0.1
Restoration costs	348,734	Daiwa Living Co., Ltd.	259,568	74.4
Other rental expenses	175,518	Daiwa Living Co., Ltd.	70,083	39.9
		Daiwa House Property Management Co., Ltd.	37,940	21.6
		Daiwa House Realty Mgt. Co., Ltd.	14,740	8.4
		Daiwa LifeNext Co., Ltd.	19	0.0
		Daiwa Lease Co., Ltd.	15	0.0

(Note) "Interested parties, etc." are interested parties, etc., of the Asset Manager with which DHR has concluded an asset management agreement as provided in Article 201, paragraph 1 of the Investment Trust Act, Article 123 of the Order for Enforcement of the Investment Trust Act, Article 244.3 of Regulation for Enforcement of Investment Trust Act and Article 26, Item 27 of Investment Management Association of Japan's Rules on Management Reports, etc., of Investment Trusts and Investment Corporations.

(5) Status of Transactions with Asset Manager Pertaining to Business Operated by Asset Manager as Subsidiary Business

Not applicable because the Asset Manager does not engage in any business as a subsidiary business that is a type I financial instruments business, type II financial instruments business, real estate brokerage or real estate specified joint enterprise.

7. Accounting**(1) Status of Assets, Liabilities, Principal and Income/Loss**

Please refer to "Balance Sheets," "Statements of Income and Retained Earnings," "Statements of Changes in Net Assets," "Notes to Financial Statements" and "Distribution Information."
Previous fiscal period information in the Balance Sheets, Statements of Income and Retained Earnings, Statements of Changes in Net Assets, Notes to Financial Statements and Distribution Information is for reference only and is not subject to audit by the Accounting Auditor under Article 130 of the Investment Trust Act for the current fiscal period.
Also, since the Statements of Cash Flows are not subject to audit by an independent auditor under Article 130 of the Investment Trust Act, they are not audited by the Accounting Auditor.

(2) Changes in Method to Calculate Depreciation Expenses

Not applicable.

(3) Changes in Method to Evaluate Properties and Infrastructure Assets

Not applicable.

(4) Status of Beneficiary Certificates of Investment Trust Established by DHR

Not applicable.

(5) Disclosure relating to Overseas Real Estate Holding Corporation and Real Estate Held by such Corporation

Not applicable.

8. Other**(1) Notice**

The overview of conclusions and changes, etc., of major contracts approved by DHR's board of directors during the current fiscal period is as follows:

Date of approval	Item	Description
October 17, 2025	Repurchase of investment units	For the repurchase of investment units, DHR approved the conclusion of an agreement with SMBC Nikko Securities Inc. on October 17, 2025 concerning the consigned purchase of investment units. This agreement concerning the consigned purchase of investment units terminated on December 30, 2025.

(2) Treatment of Fractions in Amounts and Rates

Unless otherwise specified, amounts less than the units indicated are truncated, while values of ratio are rounded up or down to the nearest value of the last digit in this report.

II. Balance Sheets

Daiwa House REIT Investment Corporation
BALANCE SHEETS
As of August 31, 2025 and February 28, 2026

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Assets		
Current assets		
Cash and deposits	¥31,766,533	¥21,224,933
Cash and deposits in trust	19,563,663	18,377,613
Operating accounts receivable	342,475	270,732
Prepaid expenses	715,012	853,034
Derivative assets	7,168	5,219
Other	20,360	9,233
Allowance for doubtful accounts	(148)	(1,155)
Total current assets	52,415,064	40,739,612
Non-current assets		
Property and equipment		
Buildings	26,852,959	27,139,770
Accumulated depreciation	(7,773,445)	(8,042,926)
Buildings, net	19,079,514	19,096,843
Structures	288,590	290,038
Accumulated depreciation	(80,254)	(84,587)
Structures, net	208,336	205,450
Machinery and equipment	513,714	513,714
Accumulated depreciation	(264,403)	(274,845)
Machinery and equipment, net	249,311	238,869
Tools, furniture and fixtures	1,037,110	1,063,090
Accumulated depreciation	(688,494)	(704,140)
Tools, furniture and fixtures, net	348,616	358,949
Land	21,711,324	21,711,324
Construction in progress	2,924	3,002
Buildings in trust *1	438,915,784	444,257,767
Accumulated depreciation	(86,828,360)	(90,776,454)
Buildings in trust, net	352,087,424	353,481,312
Structures in trust	10,320,462	10,333,989
Accumulated depreciation	(2,983,370)	(3,166,521)
Structures in trust, net	7,337,092	7,167,468
Machinery and equipment in trust	2,852,475	2,885,852
Accumulated depreciation	(1,664,644)	(1,706,110)
Machinery and equipment in trust, net	1,187,830	1,179,741
Tools, furniture and fixtures in trust	3,087,334	3,208,019
Accumulated depreciation	(1,775,875)	(1,904,910)
Tools, furniture and fixtures in trust, net	1,311,459	1,303,109
Land in trust	436,325,863	432,125,274
Construction in progress in trust	28,628	72,466
Total property and equipment	839,878,325	836,943,811
Intangible assets		
Goodwill	43,608,984	41,626,758
Land leasehold interests in trust	6,594,390	12,390,083
Trademark right	59	42
Total intangible assets	50,203,434	54,016,884

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Investments and other assets		
Investment securities *2	9,583	9,601
Long-term prepaid expenses	1,664,220	1,616,309
Deferred tax assets	60	199
Guarantee deposits	99	99
Leasehold and guarantee deposits in trust	3,785,340	3,955,440
Total investments and other assets	5,459,304	5,581,649
Total non-current assets	895,541,064	896,542,345
Deferred assets		
Investment corporation bond issuance costs	139,986	125,649
Total deferred assets	139,986	125,649
Total assets	¥948,096,115	¥937,407,607
Liabilities		
Current liabilities		
Operating accounts payable	¥1,521,742	¥3,001,306
Short-term borrowings	7,000,000	-
Current portion of investment corporation bonds	-	4,000,000
Current portion of long-term borrowings	49,100,000	47,500,000
Accounts payable - other	100,291	97,761
Accrued expenses	1,832,794	1,772,973
Income taxes payable	948	1,613
Accrued consumption taxes	52,228	121,701
Advances received	3,604,458	3,720,552
Unearned revenue	24,562	5,582
Deposits received	545,532	192,963
Derivative liabilities	2,935	352
Other	21,847	18,758
Total current liabilities	63,807,341	60,433,566
Non-current liabilities		
Investment corporation bonds	38,400,000	34,400,000
Long-term borrowings	316,450,000	322,050,000
Leasehold and guarantee deposits received	347,482	355,823
Leasehold and guarantee deposits received in trust	23,341,176	24,265,920
Asset retirement obligations	805,909	837,814
Total non-current liabilities	379,344,567	381,909,558
Total liabilities	¥443,151,908	¥442,343,125

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Net assets		
Unitholders' equity		
Unitholders' capital	¥268,042,601	¥268,042,601
Surplus		
Capital surplus	247,667,563	247,667,563
Deduction from unitholders' capital surplus		
Allowance for temporary difference adjustments *3	(19,696,159)	(19,767,311)
Other deduction from unitholders' capital surplus *4	(6,097,385)	(13,097,326)
Total deduction from unitholders' capital surplus	(25,793,544)	(32,864,637)
Capital surplus, net	221,874,018	214,802,925
Unappropriated retained earnings (undisposed loss)	15,023,353	12,214,088
Total surplus	236,897,372	227,017,014
Total unitholders' equity	504,939,973	495,059,615
Valuation and translation adjustments		
Deferred gains or losses on hedges	4,233	4,866
Total valuation and translation adjustments	4,233	4,866
Total net assets *5	504,944,206	495,064,482
Total liabilities and net assets	¥948,096,115	¥937,407,607

Daiwa House REIT Investment Corporation
STATEMENTS OF INCOME AND RETAINED EARNINGS

For the fiscal periods ended August 31, 2025 and February 28, 2026

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Operating revenue		
Leasing business revenue *1	¥28,547,543	¥28,553,048
Other leasing business revenue *1	1,428,311	1,276,261
Gain on sale of real estate properties *2	4,332,993	2,234,058
Total operating revenue	34,308,848	32,063,368
Operating expenses		
Expenses related to leasing business *1	12,838,201	13,387,349
Asset management fees	1,920,564	1,869,820
Asset custody fees	38,267	37,965
Administrative service fees	95,498	106,643
Remuneration for directors (and other officers)	6,658	6,658
Provision of allowance for doubtful accounts	55	1,007
Amortization of goodwill	1,982,226	1,982,226
Other operating expenses	461,040	466,016
Total operating expenses	17,342,513	17,857,688
Operating profit	16,966,335	14,205,680
Non-operating income		
Interest income	39,961	40,819
Gain on forfeiture of unclaimed distributions	5,441	5,056
Gain on adjustment of accounts payable	2,102	1,000
Gain on receipt of donated non-current assets	540	-
Other	17	432
Total non-operating income	48,062	47,308
Non-operating expenses		
Interest expenses	1,543,707	1,591,753
Interest expenses on investment corporation bonds	111,693	112,268
Amortization of investment corporation bond issuance costs	14,448	14,337
Financing fees	318,304	314,270
Other	2,016	4,003
Total non-operating expenses	1,990,170	2,036,633
Ordinary profit	15,024,227	12,216,354
Profit before income taxes	15,024,227	12,216,354
Income taxes - current	1,686	3,419
Income taxes - deferred	(29)	(139)
Total income taxes	1,657	3,280
Net profit	15,022,570	12,213,074
Retained earnings brought forward	783	1,014
Unappropriated retained earnings	¥15,023,353	¥12,214,088

IV. Statements of Changes in Net Assets

Daiwa House REIT Investment Corporation STATEMENTS OF CHANGES IN NET ASSETS

For the fiscal period ended August 31, 2025

	Unitholders' equity					
	Surplus					
	Capital surplus					
	Deduction from unitholders' capital surplus					
	Unitholders' capital	Capital surplus	Allowance for temporary difference adjustments	Other deduction from unitholders' capital surplus	Total deduction from unitholders' capital surplus	Capital surplus, net
(Yen in thousands)						
Balance as of February 28, 2025	¥268,042,601	¥247,667,563	¥(16,615,948)	¥(6,097,385)	¥(22,713,334)	¥224,954,229
Changes during period:						
Distributions in excess of earnings from allowance for temporary difference adjustments			(3,080,210)		(3,080,210)	(3,080,210)
Distributions of surplus						
Net profit						
Net changes in items other than unitholders' equity						
Total changes during period	–	–	(3,080,210)	–	(3,080,210)	(3,080,210)
Balance as of August 31, 2025	* ¥268,042,601	¥247,667,563	¥(19,696,159)	¥(6,097,385)	¥(25,793,544)	¥221,874,018

	Unitholders' equity		Valuation and translation adjustments			
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
	Unappropriated retained earnings	Total surplus				
(Yen in thousands)						
Balance as of February 28, 2025	¥13,166,274	¥238,120,503	¥506,163,104	¥13,440	¥13,440	¥506,176,545
Changes during period:						
Distributions in excess of earnings from allowance for temporary difference adjustments		(3,080,210)	(3,080,210)			(3,080,210)
Distributions of surplus	(13,165,490)	(13,165,490)	(13,165,490)			(13,165,490)
Net profit	15,022,570	15,022,570	15,022,570			15,022,570
Net changes in items other than unitholders' equity				(9,207)	(9,207)	(9,207)
Total changes during period	1,857,079	(1,223,131)	(1,223,131)	(9,207)	(9,207)	(1,232,338)
Balance as of August 31, 2025	¥15,023,353	¥236,897,372	¥504,939,973	¥4,233	¥4,233	¥504,944,206

For the fiscal period ended February 28, 2026

	Unitholders' equity					
	Surplus					
	Capital surplus					
	Deduction from unitholders' capital surplus					
	Unitholders' capital	Capital surplus	Allowance for temporary difference adjustments	Other deduction from unitholders' capital surplus	Total deduction from unitholders' capital surplus	Capital surplus, net
(Yen in thousands)						
Balance as of August 31, 2025	¥268,042,601	¥247,667,563	¥(19,696,159)	¥(6,097,385)	¥(25,793,544)	¥221,874,018
Changes during period:						
Distributions in excess of earnings from allowance for temporary difference adjustments			(71,152)		(71,152)	(71,152)
Distributions of surplus						
Net profit						
Repurchase of investment units				(6,999,940)	(6,999,940)	(6,999,940)
Cancellation of repurchased investment units						
Net changes in items other than unitholders' equity						
Total changes during period	–	–	(71,152)	(6,999,940)	(7,071,092)	(7,071,092)
Balance as of February 28, 2026	¥268,042,601	¥247,667,563	¥(19,767,311)	¥(13,097,326)	¥(32,864,637)	¥214,802,925

	Unitholders' equity		Valuation and translation adjustments				
	Surplus		Repurchased investment units	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
	Unappropriated retained earnings	Total surplus					
(Yen in thousands)							
Balance as of August 31, 2025	¥15,023,353	¥236,897,372	¥–	¥504,939,973	¥4,233	¥4,233	¥504,944,206
Changes during period:							
Distributions in excess of earnings from allowance for temporary difference adjustments		(71,152)		(71,152)			(71,152)
Distributions of surplus	(15,022,339)	(15,022,339)		(15,022,339)			(15,022,339)
Net profit	12,213,074	12,213,074		12,213,074			12,213,074
Repurchase of investment units			(6,999,940)	(6,999,940)			(6,999,940)
Cancellation of repurchased investment units		(6,999,940)	6,999,940	–			–
Net changes in items other than unitholders' equity					633	633	633
Total changes during period	(2,809,264)	(9,880,357)	–	(9,880,357)	633	633	(9,879,724)
Balance as of February 28, 2026	¥12,214,088	¥227,017,014	¥–	¥495,059,615	¥4,866	¥4,866	¥495,064,482

V. Statements of Cash Distributions

Daiwa House REIT Investment Corporation
STATEMENTS OF CASH DISTRIBUTIONS
For the fiscal periods ended August 31, 2025 and February 28, 2026

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen)	
	Total	Total
I. Unappropriated retained earnings	¥15,023,353,820	¥12,214,088,938
II. Deduction from unitholders' capital surplus:		
Allowance for temporary difference adjustments	71,152,409	3,486,600,960
III. Total cash distributions	15,093,491,664	15,698,784,010
[Total cash distribution per unit]	[6,576]	[3,458]
Of the above, cash distributions:		
Distribution of earnings	15,022,339,255	12,212,183,050
[Of the above, distribution of earnings per unit]	[6,545]	[2,690]
Of the above, distributions in excess of earnings from allowance for temporary difference adjustments	71,152,409	3,486,600,960
[Of the above, distributions in excess of earnings from allowance for temporary difference adjustments per unit]	[31]	[768]
IV. Retained earnings carried forward	¥1,014,565	¥1,905,888

Calculation method for distributions

In accordance with Article 37.1 and 2 of the bylaws set forth by DHR for cash distributions, DHR has a basic policy to distribute an amount equivalent to goodwill amortization expenses as distributions in excess of earnings (distributions in excess of earnings from allowance for temporary difference adjustments and other distributions in excess of earnings) in addition to net profit for the fiscal period.

(For the distribution related to the fiscal period ended August 31, 2025)

Based on the policy above, DHR determined the cash distribution amount of ¥15,093,491,664 (¥6,576 per unit) by (i) totaling net profit of ¥15,022,570,504, the amount equivalent to goodwill amortization expenses of ¥1,982,226,586 and valuation difference at the time of merger due to sale of real estate properties (the discrepancy between accounting profit and taxable income) of ¥399,258,612, (ii) deducting the amount of the discrepancy between accounting profit and taxable income of ¥2,246,130,486, which was solved upon the sale of impaired buildings, etc., and the amount equivalent to a part of gain on sale of real estate properties of ¥63,418,987, and (iii) adjusting the fractional parts of amounts less than ¥1 per investment unit. Of this cash distribution amount, ¥15,022,339,255 (¥6,545 per unit) is distributed as distribution of earnings, and ¥71,152,409 (¥31 per unit) as distributions in excess of earnings from allowance for temporary difference adjustments.

(For the distribution related to the fiscal period ended February 28, 2026)

Based on the policy above, DHR determined the cash distribution amount of ¥15,698,784,010 (¥3,458 per unit) by (i) totaling net profit of ¥12,213,074,373, the amount equivalent to goodwill amortization expenses of ¥1,982,226,586 and valuation difference at the time of merger due to sale of real estate properties (the discrepancy between accounting profit and taxable income) of ¥1,525,469,184, (ii) deducting the amount equivalent to a part of gain on sale of real estate properties of ¥20,080,245, and (iii) adjusting the fractional parts of amounts less than ¥1 per investment unit. Of this cash distribution amount, ¥12,212,183,050 (¥2,690 per unit) is distributed as distribution of earnings, and

¥3,486,600,960 (¥768 per unit) as distributions in excess of earnings from allowance for temporary difference adjustments.

VI. Statements of Cash Flows

Daiwa House REIT Investment Corporation STATEMENTS OF CASH FLOWS

For the fiscal periods ended August 31, 2025 and February 28, 2026

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Cash flows from operating activities		
Profit before income taxes	¥15,024,227	¥12,216,354
Depreciation	5,493,002	5,496,939
Amortization of goodwill	1,982,226	1,982,226
Amortization of investment corporation bond issuance costs	14,448	14,337
Amortization of trademark right	16	16
Loss on retirement of non-current assets	202,939	74,376
Gain on receipt of donated non-current assets	(540)	–
Interest income	(39,961)	(40,819)
Interest expenses	1,655,401	1,704,022
Decrease (increase) in operating accounts receivable	(89,442)	71,742
Decrease (increase) in prepaid expenses	19,956	(138,022)
Increase (decrease) in operating accounts payable	(529,953)	586,716
Increase (decrease) in accounts payable - other	(591)	(11,952)
Increase (decrease) in accrued consumption taxes	(1,148,172)	69,473
Increase (decrease) in accrued expenses	15,792	(50,901)
Increase (decrease) in deposits received	211,939	(352,568)
Increase (decrease) in advances received	19,424	116,094
Decrease (increase) in long-term prepaid expenses	165,793	47,911
Increase (decrease) in allowance for doubtful accounts	(191)	1,007
Decrease in property and equipment in trust due to sale	3,657,428	7,096,106
Decrease (increase) in leasehold and guarantee deposits in trust	(18,000)	(170,100)
Other, net	(14,791)	455,976
Subtotal	26,620,955	29,168,938
Interest received	39,961	40,819
Interest paid	(1,662,832)	(1,732,413)
Income taxes paid	(3,960)	(1,803)
Net cash provided by (used in) operating activities	24,994,123	27,475,540
Cash flows from investing activities		
Purchase of property and equipment	(252,324)	(124,414)
Purchase of property and equipment in trust	(4,298,737)	(8,601,427)
Purchase of intangible assets in trust	(280,347)	(5,882,826)
Proceeds from leasehold and guarantee deposits received	25,113	26,725
Refund of leasehold and guarantee deposits received	(13,907)	(16,577)
Proceeds from leasehold and guarantee deposits received in trust	367,656	1,424,515
Refund of leasehold and guarantee deposits received in trust	(640,066)	(942,164)
Net cash provided by (used in) investing activities	(5,092,613)	(14,116,170)
Cash flows from financing activities		
Repayments of short-term borrowings	–	(7,000,000)
Proceeds from long-term borrowings	20,000,000	28,600,000
Repayments of long-term borrowings	(20,000,000)	(24,600,000)
Proceeds from issuance of investment corporation bonds	1,787,030	–
Redemption of investment corporation bonds	(2,400,000)	–
Repurchase of investment units	–	(6,999,940)
Distributions paid	(16,240,134)	(15,087,078)
Net cash provided by (used in) financing activities	(16,853,104)	(25,087,019)

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Net increase (decrease) in cash and cash equivalents	3,048,406	(11,727,649)
Cash and cash equivalents at beginning of period	48,281,790	51,330,196
Cash and cash equivalents at end of period *	¥51,330,196	¥39,602,547

VII. Notes to Financial Statements

Daiwa House REIT Investment Corporation Notes to Financial Statements

As of and for the fiscal periods ended August 31, 2025 and February 28, 2026

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Act on Investment Trust and Investment Corporations (the “Investment Trust Act,” Act No. 198 of 1951, as amended), the Financial Instruments and Exchange Act of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements have been reformatted and translated into English from the financial statements of DHR prepared in accordance with Japanese GAAP. In preparing the accompanying financial statements, relevant notes have been supplemented and expanded with additional explanation as necessary.

DHR maintains its accounting records in Japanese yen, the currency of the country in which DHR operates. As permitted by the regulations under the Financial Instruments and Exchange Act, amounts of less than one thousand yen have been omitted. Unless otherwise specified, amounts of less than the units indicated are truncated, while values of ratios are rounded up or down to the nearest value of the last digit in the accompanying financial statements. As a result, totals shown in the accompanying financial statements do not necessarily agree with the sums of the individual amounts.

DHR’s fiscal period is a six-month period ending at end of February and August of each year.

Notes on the Going Concern Assumption

None to report.

Summary of Significant Accounting Policies

1. Valuation Basis and Valuation Method for Assets

Investment Securities

Held-to-maturity bonds are stated at amortized cost using the straight-line method.

2. Depreciation Method for Non-Current Assets

(1) Property and Equipment (including trust assets)

Property and equipment are stated at cost, net of accumulated depreciation. The cost of property and equipment includes the allocated purchase price, related costs and expenses for acquisition. Depreciation is calculated on a straight-line basis over the estimated useful lives as stated below.

	Years
Buildings	2 – 70
Structures	4 – 63

Machinery and equipment	7 – 28
Tools, furniture and fixtures	2 – 28

Costs related to the renovation, construction and improvement of properties are capitalized. Expenditures for repairs and maintenance, which do not add to the value or prolong the useful life of a property, are expensed as incurred.

(2) Intangible Assets (including trust assets)

Goodwill, which was generated through the absorption-type merger with the former DHR in September 2016, is amortized on a straight-line basis over 20 years. Land leasehold interests (general fixed-term land leasehold interests) are amortized on a straight-line basis over the life of each contract.

3. Accounting Treatment for Deferred Assets

Investment Corporation Bond Issuance Costs

Investment corporation bond issuance costs are amortized on a straight-line basis over the redemption periods.

4. Basis for Allowance

Allowance for Doubtful Accounts

To cover possible losses on collection, allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

5. Basis for Revenue and Expenses

(1) Revenue Recognition

DHR recognizes leasing business revenue in accordance with Accounting Standards Board of Japan (“ASBJ”) Statement No. 13 “Accounting Standard for Lease Transactions.”

As for revenue from contracts with customers as defined in ASBJ Statement No. 29 “Accounting Standard for Revenue Recognition,” DHR recognizes such revenue when DHR satisfies a performance obligation by transferring a control of a promised good or service to a customer, at the amount of consideration to which DHR expects to be entitled in exchange for transferring promised goods or services.

Details of major performance obligations related to revenue from contracts with customers and a typical point in time at which DHR satisfies a performance obligation and recognizes revenue are as follows:

(i) Sale of real estate properties

As to sale of real estate properties, DHR recognizes revenue when a buyer, who is a customer, obtains a control of a property by DHR’s satisfying the performance obligation to transfer the property as prescribed in the purchase and sale contract of the property.

(ii) Utilities expenses reimbursements (incidental revenue)

As to utilities expenses reimbursements, DHR recognizes revenue based on the supply amount of electricity, water, etc. to a tenant, who is a customer, in accordance with the property lease contract and related agreements.

When it is determined that DHR is regarded as an agent, the net amount received as utilities charges for electricity, water, etc. supplied by another party, less the amount paid to the party, is recognized as revenue.

(2) Taxes on Property and Equipment

Property and equipment are subject to various taxes, such as property taxes and city planning taxes. An owner

of a property is registered in a record maintained by the local government of the applicable jurisdiction, and taxes are imposed on the owner registered in the record as of January 1, based on an assessment made by the local government. The taxes are determined in April to June of each year and are paid in four installments during the year.

When a property is purchased prior to January 1 of any given calendar year, taxes for the previous year are imposed on the seller. DHR pays the seller the corresponding amount of the taxes for the period from the property's acquisition date to December 31 of the previous year as included in the purchase price of the property, and capitalizes this amount as an acquisition cost of the property.

6. Derivatives and Hedge Accounting

Deferral hedge accounting is applied for derivatives. DHR uses interest-rate swaps as hedging instruments in order to hedge the risk of interest rate fluctuations related to borrowings. Pursuant to Japanese GAAP, DHR applies the special accounting treatment to interest-rate swaps which qualify for hedge accounting and meet specific criteria. Under the special accounting treatment, the related differentials paid or received under such swap contracts can be recognized and included in interest expenses or income of the hedged assets or liabilities, and the interest-rate swaps are not required to be measured at fair value separately.

The assessment of hedge effectiveness is omitted when the significant terms of the hedged item and hedging instrument, including the notional principal amount, are the same and changes in cash flows of the hedged item can be expected to be offset in full from the commencement of a hedge relationship and continuously thereafter. The assessment of hedge effectiveness is also omitted for all interest-rate swaps which meet the specific criteria under the special accounting treatment.

7. Cash and Cash Equivalents in Statements of Cashflows

Cash and cash equivalents consist of cash on hand and in trust, bank deposits and deposits in trust redeemable on demand, and short-term investments, which are readily convertible to cash, with maturities of three months or less from the date of acquisition, and insignificant risk of market value fluctuation.

8. Other Matters that Serve as the Basis for Preparation of Financial Statements

(1) Trust Beneficiary Interests

For trust beneficiary interests in real estate, each of the trust assets and liabilities as well as all income generated and expenses incurred in trusts are recorded in the relevant balance sheet and income statement accounts.

Of trust assets and liabilities recorded in the relevant account, the following material accounts are presented as separate line items in the balance sheet.

- (i) Cash and deposits in trust
- (ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust
- (iii) Land leasehold interests in trust
- (iv) Leasehold and guarantee deposits in trust
- (v) Leasehold and guarantee deposits received in trust

(2) Non-Deductible Consumption Taxes

Non-deductible consumption taxes for acquisition of assets are added on to the acquisition cost of each asset.

Significant Accounting Estimates

Impairment Losses on Property and Equipment

DHR recognizes impairment losses on property and equipment based on accounting estimates.

- (1) Items subject to accounting estimates and amount recognized based on accounting estimates

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Property and equipment	¥839,878,325	¥836,943,811

- (2) Information on details of accounting estimates for an item identified

In accordance with accounting standards for the impairment of property and equipment, DHR applies the accounting treatment to reduce the book value of property and equipment to their recoverable amount when it is no longer expected to recover its investment value due to a decline in profitability.

For the application of this accounting treatment, DHR considers each property and equipment as a single asset group and determines whether or not to recognize an impairment loss when it is certain that there are indications of impairment, such as continuous operating losses, significant declines in market prices, significant deterioration of the business environment and others.

The estimated cash flows are used to determine whether or not an impairment loss should be recognized. If an impairment loss is determined to be necessary, the book value of the asset is reduced to its recoverable amount and the amount of the reduction is recognized as an impairment loss.

The assumptions to estimate future cash flows, including rents, occupancy rates and expenses related to leasing business, are determined by comprehensively taking into account market trends, examples of transactions with similar properties and other factors.

The performance and market price of each property may be affected by trends in the real estate leasing market and the real estate trading market. Therefore, any change in the assumptions for the estimates may affect the DHR's financial position and operating results in the following fiscal period.

Accounting Standard Issued but Not Yet Applied

"Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)

"Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)

1. Overview

As part of efforts to align Japanese GAAP with international standards, the ASBJ has been discussing the development of an accounting standard for leases that would require lessees to recognize an asset and a liability for all leases, in line with international accounting standards. As a general policy, while IFRS 16's single accounting model serves as a basis, the ASBJ has primarily adopted its major provisions, rather than all of its provisions. Accordingly, the new accounting standard was issued with the aim of being simple and practical, as well as compatible with the application of IFRS 16 provisions in non-consolidated financial statements without requiring adjustments.

As the accounting treatment for lessees, a single accounting model is applied to all leases in the same manner as IFRS 16, whereby depreciation on the right-of-use asset and interest expense on the lease liability are recognized,

regardless of whether the lease is a finance lease or an operating lease.

2. Planned Date of Application

DHR plans to apply the new accounting standard and guidance from the beginning of the fiscal period ending February 29, 2028.

3. Effect of Application

The impact on DHR's financial statements from the application of the new accounting standard and guidance is under evaluation.

Additional Information – Allowance for Temporary Difference Adjustments

In connection with the distributions related to the fiscal periods ended August 31, 2025 and February 28, 2026, changes in allowance for temporary difference adjustments are reflected on the balance sheet in the following fiscal period. The temporary difference adjustments which will be adjusted after the respective balance sheet date are summarized as follows:

	Reason for provision	Subsequent to	
		August 31, 2025	February 28, 2026
		(Yen in thousands)	
		Allowance for temporary difference adjustments	
Related assets, etc.			
Goodwill	Amortization of goodwill	¥1,918,024	¥1,961,131
Buildings in trust, etc.	Sale of buildings, etc. in trust		
	with valuation difference at the time of merger	399,258	1,525,469
Increase-subtotal		2,317,282	3,486,600
Buildings in trust, etc.	Sale of impaired buildings, etc. in trust (*)	(2,246,130)	—
		(2,246,130)	—
Total		¥71,152	¥3,486,600

(*) Reversal of temporary difference adjustments

In principle, DHR will not reverse the allowance for temporary difference adjustments provided for amortization of goodwill.

For the allowance for temporary difference adjustments provided for impairment losses on buildings, etc. in trust, DHR will reverse the corresponding amount when the relevant property is sold.

Relating to the fiscal period ended August 31, 2025, the amount of ¥2,246,130,486 is the discrepancy between accounting profit and taxable income, which is solved upon the sale of impaired buildings, etc. in trust and deducted from the balance above.

Notes to Balance Sheets

1. Tax Reduction Entry

The property and equipment for which the subsidy was allocated and the amount of the reduction entry are as follows:

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Buildings in trust	¥23,413	¥23,413

2. Investment Securities

Investment securities held by DHR are Japanese government bonds deposited with the Tokyo Legal Affairs Bureau as business security deposits in accordance with the Building Lots and Building Transaction Business Act.

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Investment securities	¥9,583	¥9,601

3. Allowance for Temporary Difference Adjustments

Changes in balances of allowance for temporary difference adjustments for the fiscal periods ended August 31, 2025 and February 28, 2026 are as follows:

Breakdown of changes	For the fiscal period ended			
	August 31, 2025			
	(Yen in thousands)			
	Goodwill amortization	Impairment losses on buildings, etc. in trust	Valuation difference at the time of merger due to sale of property and equipment	Total
Amount originally incurred	¥50,508	¥889,442	¥—	n/a
Beginning balance	14,289,468	2,326,479	—	¥16,615,948
Provision for the period	1,906,144	—	1,254,415	3,160,559
Reversal for the period (*)	—	(80,349)	—	(80,349)
Ending balance	¥16,195,612	¥2,246,130	¥1,254,415	¥19,696,159

(*) Reversal of temporary difference adjustments were made due to recognition of impairment losses upon demolishing buildings, etc. in trust.

Breakdown of changes	For the fiscal period ended			
	February 28, 2026			
	(Yen in thousands)			
	Goodwill amortization	Impairment losses on buildings, etc. in trust	Valuation difference at the time of merger due to sale of property and equipment	Total
Amount originally incurred	¥50,508	¥889,442	¥1,254,415	n/a
Beginning balance	16,195,612	2,246,130	1,254,415	¥19,696,159
Provision for the period	1,918,024	—	399,258	2,317,282
Reversal for the period (*)	—	(2,246,130)	—	(2,246,130)
Ending balance	¥18,113,637	¥—	¥1,653,674	¥19,767,311

(*) Reversal of temporary difference adjustments were made due to recognition of an impairment loss upon the sale of impaired buildings, etc. in trust.

In principle, DHR will not reverse the allowance for temporary difference adjustments provided for amortization of goodwill and valuation difference at the time of merger due to sale of property and equipment.

For the allowance for temporary difference adjustments provided for impairment losses on buildings, etc. in trust, DHR will reverse the corresponding amount when the relevant property is sold.

4. Cancellation of Repurchased Investment Units

In the fiscal period ended February 28, 2026, DHR repurchased and cancelled the following investment units.

	As of	
	August 31, 2025	February 28, 2026
Total number of units cancelled	— units	50,633 units
Total amount of cancellation	¥— thousand	¥6,999,940 thousand

5. Net Assets

DHR issues only non-par value units in accordance with the Investment Trust Act and all issue amounts of new units are designated as stated capital. DHR maintains net assets of at least ¥50,000 thousand as required by Paragraph 4 of Article 67 of the Investment Trust Act.

6. Commitment Line Agreement

DHR has entered into a commitment line agreement with four financial institutions in order to secure flexible and stable financing. The status of the commitment line agreement as of August 31, 2025 and February 28, 2026 is as follows:

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Total amount of commitment line	¥25,000,000	¥25,000,000
Balance executed as loans	—	—
Unused line of credit	¥25,000,000	¥25,000,000

Notes to Statement of Income

1. Leasing Business Revenue and Expenses

Leasing business revenue generated from real estate properties and related expenses for the fiscal periods ended August 31, 2025 and February 28, 2026 are as follows:

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
A. Leasing business revenue:		
Leasing business revenue	¥27,974,112	¥27,969,348
Common area charges	573,431	583,700
Subtotal	28,547,543	28,553,048
Other leasing business revenue:		
Facility charges	477,921	469,853
Incidental revenue	587,147	519,058
Other revenue	363,242	287,349
Subtotal	1,428,311	1,276,261
Total leasing business revenue	¥29,975,855	¥29,829,310
B. Expenses related to leasing business:		
Management fees	¥1,622,908	¥1,778,113
Utilities	621,236	565,035
Taxes and public dues	2,501,329	2,473,000
Repairs	1,122,419	1,751,943
Restoration costs	421,995	348,734
Insurance premiums	54,973	53,894
Custodian fees	61,249	64,807
Depreciation and amortization	5,493,002	5,496,939
Other operating expenses	939,086	854,880
Total expenses related to leasing business	¥12,838,201	¥13,387,349
C. Operating profit from leasing business (A-B)	¥17,137,653	¥16,441,960

2. Gain on Sale of Real Estate Properties

For the fiscal period ended August 31, 2025, DHR sold two real estate properties and reported gains as follows:

	For the fiscal period ended
	August 31, 2025
	(Yen in thousands)
FOLEO Hirakata	
Proceeds from sale of real estate properties	¥5,665,000
Cost of real estate properties sold	1,875,358
Other sales expenses	14,162
Gain on sale of real estate properties	¥3,775,478
D Project Machida (20% quasi co-ownership)	
Proceeds from sale of real estate properties	¥2,340,000
Cost of real estate properties sold	1,775,635
Other sales expenses	6,850
Gain on sale of real estate properties	¥557,514

For the fiscal period ended February 28, 2026, DHR sold two real estate properties and reported gains as follows:

	For the fiscal period ended
	February 28, 2026
	(Yen in thousands)
D Project Machida (80% quasi co-ownership)	
Proceeds from sale of real estate properties	¥9,360,000
Cost of real estate properties sold	7,102,541
Other sales expenses	23,400
Gain on sale of real estate properties	¥2,234,058

Notes to Statement of Changes in Net Assets

1. Number of Units Authorized and Number of Units Issued and Outstanding

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Units)	
Number of units authorized	8,000,000	16,000,000
Number of units issued and outstanding	2,295,239	4,539,845

Notes to Statement of Cash Flows

Cash and cash equivalents shown in the statement of cash flows consist of the following balance sheet items.

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Cash and bank deposits	¥31,766,533	¥21,224,933
Cash and bank deposits in trust	19,563,663	18,377,613
Cash and cash equivalents	¥51,330,196	¥39,602,547

Lease Transactions

Future minimum lease payments under existing non-cancelable operating leases as a lessee as of August 31, 2025 and February 28, 2026 are as follows:

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Due within one year	¥129,795	¥129,795
Due after one year	227,800	194,200
Total	¥357,595	¥323,995

Future minimum lease revenue under existing non-cancelable operating leases as a lessor as of August 31, 2025 and February 28, 2026 are as follows:

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Due within one year	¥27,937,893	¥29,108,789
Due after one year	136,722,505	132,634,588
Total	¥164,660,399	¥161,743,377

Financial Instruments

1. Qualitative Information on Financial Instruments

Policy on financial instruments

As a policy, when acquiring real estate and other properties, as well as when repaying its obligations, DHR raises necessary funds through loans from financial institutions, issuance of investment corporation bonds and issuance of investment units, etc. DHR carefully pays attention to ensure their financing to be long-term, cost effective and stable, while considering applying various financial methods and dispersing repayment dates.

DHR may use derivative financial instruments for such purposes as hedging interest rate fluctuation risk, but does not use them for speculative purposes. DHR currently uses interest-rate swaps to hedge interest rate fluctuation risk.

VII. Notes to Financial Statements

Surplus funds can be invested in securities or monetary claims; however, as a current policy of DHR, they are deposited in interest-bearing accounts.

Nature and extent of risks arising from financial instruments and risk management

The Asset Manager stipulates basic provisions of risk management in its risk management rules.

Investment corporation bonds and loans are used to finance acquisitions of real estate and repayments of loans. Although these financial instruments are exposed to liquidity risk, DHR controls such risk by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, dispersing repayment dates, and retaining a certain amount of highly liquid cash and deposits.

Floating rate loans are exposed to the risk of interest rate fluctuations. In order to reduce the impact caused by rising interest rates, DHR closely monitors the movement of interest rates and intends to increase fixed rate loans.

Deposits are exposed to credit risks, including collapse of the financial institutions where deposits are made. DHR manages such risks through the use of liquid deposits.

Supplemental explanation concerning fair value of financial instruments

Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value.

2. Estimated Fair Value of Financial Instruments

Book value on the balance sheet, fair value and the difference as of August 31, 2025 and February 28, 2026 are as shown below. The disclosure for “Cash and bank deposits” “Cash and bank deposits in trust” and “Short-term borrowings” is omitted since their fair value approximates their book value due to short maturity. The disclosure for “Leasehold and guarantee deposits received” and “Leasehold and guarantee deposits received in trust” is also omitted due to immateriality.

	As of					
	August 31, 2025			February 28, 2026		
	(Yen in thousands)					
	Book value	Fair value	Difference	Book value	Fair value	Difference
Assets						
(1) Investment securities:						
Held-to-maturity bonds	¥9,583	¥7,917	¥(1,666)	¥9,601	¥7,567	¥(2,034)
Total	¥9,583	¥7,917	¥(1,666)	¥9,601	¥7,567	¥(2,034)
Liabilities						
(2) Current portion of investment corporation bonds	¥—	¥—	¥—	¥4,000,000	¥3,970,494	¥(29,505)
(3) Current portion of long-term borrowings	49,100,000	49,064,367	(35,632)	47,500,000	47,381,271	(118,728)
(4) Investment corporation bonds	38,400,000	36,187,669	(2,212,330)	34,400,000	31,790,627	(2,609,372)
(5) Long-term borrowings	316,450,000	307,394,377	(9,055,622)	322,050,000	307,878,887	(14,171,112)
Total	¥403,950,000	¥392,646,414	¥(11,303,585)	¥407,950,000	¥391,021,280	¥(16,928,719)
(6) Derivatives (*)	¥4,233	¥4,233	¥—	¥4,866	¥4,866	¥—

(*) Amounts arising from derivative transactions are shown on a net basis with any amounts inside parentheses () indicating a net liability position.

Notes:

1. Methods to estimate fair value of financial instruments and matters regarding derivatives

(1) Investment securities

The fair value is based on reference statistical prices for OTC bond transactions.

For held-to-maturity bonds, please see “Investment Securities” for their book value on the balance sheet, fair value and the difference.

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

The fair value of these bonds is measured as the present value, which is calculated by discounting the total of principal and interest by the interest rate assumed based on the remaining period until maturity and credit risk.

(3) Current portion of long-term borrowings and (5) Long-term borrowings

For long-term borrowings with floating interest rates, their fair value is approximately equal to their book value. Thus, the book value is used as the fair value. However, for those which are hedged by interest rate swaps meeting hedge accounting criteria, DHR employs a method to calculate the fair value by discounting the total of the principal and interest accounted for under the special accounting treatment for interest rate swaps by an interest rate assumed to be applied if similar types of loans are entered into.

For long-term borrowings with fixed interest rates, DHR employs a method to calculate the fair value by discounting the total of the principal and interest by an interest rate assumed to be applied if similar types of borrowings are entered into.

(6) Derivatives

Please see “Derivative Transactions.”

2. Redemption schedule for monetary claims after August 31, 2025 and February 28, 2026 is as follows:

As of August 31, 2025	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
		¥—	¥—	¥—	¥—	¥—
Total	¥—	¥—	¥—	¥—	¥—	¥10,000

As of February 28, 2026	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
		¥—	¥—	¥—	¥—	¥—
Total	¥—	¥—	¥—	¥—	¥—	¥10,000

3. Repayment schedule for investment corporation bonds and long-term borrowings after August 31, 2025 and February 28, 2026 is as follows:

As of August 31, 2025	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
	(Yen in thousands)					
Investment corporation bonds	¥—	¥4,000,000	¥4,000,000	¥4,000,000	¥11,400,000	¥15,000,000
Long-term borrowings (*)	49,100,000	52,500,000	51,350,000	51,400,000	44,500,000	116,700,000
Total	¥49,100,000	¥56,500,000	¥55,350,000	¥55,400,000	¥55,900,000	¥131,700,000

(*) The figures above include the current portion.

As of February 28, 2026	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
	(Yen in thousands)					
Investment corporation bonds (*)	¥4,000,000	¥4,000,000	¥—	¥10,000,000	¥5,400,000	¥15,000,000
Long-term borrowings (*)	47,500,000	52,500,000	57,350,000	45,400,000	51,500,000	115,300,000
Total	¥51,500,000	¥56,500,000	¥57,350,000	¥55,400,000	¥56,900,000	¥130,300,000

(*) The figures above include the current portion.

Investment Securities

Book value on the balance sheet, fair value and the difference as of August 31, 2025 and February 28, 2026 are as follows:

	As of					
	August 31, 2025			February 28, 2026		
	Book value	Fair value	Difference	Book value	Fair value	Difference
(Yen in thousands)						
Fair value exceeding the book value						
Held-to-maturity bonds:						
Government bonds	¥—	¥—	¥—	¥—	¥—	¥—
Fair value not exceeding the book value						
Held-to-maturity bonds:						
Government bonds	9,583	7,917	(1,666)	9,601	7,567	(2,034)
Total	¥9,583	¥7,917	¥(1,666)	¥9,601	¥7,567	¥(2,034)

Derivative Transactions

1. *Derivative Transactions for Which Hedge Accounting Has Not Been Applied* — None

2. *Derivative Transactions for Which Hedge Accounting Has Been Applied*

Contract amount or notional principal amount of derivative transactions classified by hedge accounting method is as follows:

Type of derivative transaction	Hedged item	As of				
		August 31, 2025		February 28, 2026		
		Contract amount	Fair value	Contract amount	Fair value	Fair value
(Yen in thousands)						
		Total	Due after one year		Total	Due after one year
<u>Principle method</u>						
Interest-rate swap						
Receive floating/	Long-term borrowings	¥10,000,000	¥—	¥4,233	¥6,000,000	¥—
Pay fixed				(Note 1)		¥4,866
<u>Special treatment for interest-rate swaps</u>						
Interest-rate swap						
Receive floating/	Long-term borrowings	44,400,000	44,400,000	(Note 2)	44,400,000	44,400,000
Pay fixed						(Note 2)
Total		¥54,400,000	¥44,400,000	¥4,233	¥50,400,000	¥44,400,000

Notes:

- Fair value is quoted by counterparties based on the prevailing market interest rates.
- Under the special accounting treatment, interest-rate swaps are accounted for as part of the long-term borrowings, the hedged item; thus, the fair value is included in the fair value of the long-term borrowings. (Please refer to “Financial Instruments.”)

Equity in Earnings of Affiliates

None to report, as there are no affiliates.

Related-Party Transactions

Related-party transactions for the fiscal periods ended August 31, 2025 and February 28, 2026 are as follows:

1. *Controlling Company and Major Corporate Investors* — None

2. *Affiliates* — None

3. *Transactions under Common Control* — None

4. *Directors and Major Individual Investors* — None**Deferred Income Taxes**

DHR is subject to Japanese corporate income taxes on all of its taxable income. However, DHR may deduct the amount distributed to its unitholders from its taxable income when certain requirements, including a requirement to distribute in excess of 90% of distributable profit for the fiscal period, are met under the Measures. If DHR does not satisfy all of the requirements as specified in the Measures, the entire taxable income of DHR will be subject to regular corporate income taxes in Japan.

1. *Significant Components of Deferred Tax Assets and Liabilities*

	As of	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Deferred tax assets:		
Excess provision of allowance for doubtful accounts	¥46	¥363
Deferred interest income	7,727	1,756
Valuation difference at the time of merger (Land and buildings)	1,635,275	1,572,607
Asset retirement obligations	253,539	263,576
Amortization of fixed-term land lease rights	328,730	356,143
Non-deductible accrued enterprise tax	60	199
Other	6,463	5,763
Subtotal	2,231,842	2,200,409
Valuation reserve	(2,231,782)	(2,200,210)
Total deferred tax assets	60	199
Deferred tax liabilities:		
Valuation difference at the time of merger (Investment securities)	¥(479)	¥(459)
Valuation difference at the time of merger (Land and buildings)	(12,470,217)	(11,956,695)
Asset retirement costs	(202,923)	(210,418)
Deferred gains or losses on hedges	(1,331)	(1,530)
Subtotal	(12,674,951)	(12,169,104)
Valuation reserve	12,674,951	12,169,104
Total deferred tax liabilities	—	—
Net deferred tax assets	¥60	¥199

Based on the cash distribution policy set forth in Article 37 of the Articles of Incorporation, DHR may distribute an amount of cash that exceeds profit in order to minimize taxable income. DHR does not assume corporate income tax payments in future accounting periods; therefore, deferred tax liabilities are not recorded.

2. *Significant Differences Between the Statutory Tax Rate and the Effective Tax Rate After Applying Deferred Income Tax Accounting*

The following table summarizes the significant differences between the statutory tax rate and DHR's effective tax rate for financial statement purposes.

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
Statutory tax rate	31.46%	31.46%
Adjustments:		
Tax-deductible cash distributions paid	(31.61)	(40.43)
Amortization of goodwill	4.15	5.10
Change in valuation reserve	(4.00)	3.89
Other	0.01	0.00
Effective tax rate	0.01%	0.03%

Retirement Benefits

None to report, as there are no retirement benefit plans.

Asset Retirement Obligations

DHR recognizes asset retirement obligations associated with restoration obligations upon expiration of the fixed-term land lease agreements with some landowners and those associated with contractual and legal obligations for asbestos removal.

For the calculation of asset retirement obligations, DHR estimates the useful lives of applicable assets as the remaining period of the fixed-term land lease agreements (44 – 68 years), and uses discount rates of 1.0 – 3.2% and 1.0 – 3.8% for the fiscal periods ended August 31, 2025 and February 28, 2026, respectively. For buildings containing asbestos, DHR estimates the useful life to be 35 years, and uses a 0.6% discount rate. Changes in asset retirement obligations for the fiscal periods ended August 31, 2025 and February 28, 2026 are as follows:

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen in thousands)	
Balance at beginning of the period	¥792,058	¥805,909
Increase due to acquisitions of property and equipment	6,206	23,876
Accretion expense	7,644	8,029
Balance at end of the period	¥805,909	¥837,814

Fair Value of Property and Equipment

DHR owns logistics, residential, retail and hotel properties, and other assets for lease in the Tokyo metropolitan area and other areas for the purpose of earning leasing business revenue. The book value of these property and equipment including land leasehold interests in trust, net change in the book value and the fair value are as follows:

	<u>As of / For the fiscal periods ended</u>	
	<u>August 31, 2025</u>	<u>February 28, 2026</u>
	(Yen in thousands)	
Book value:		
Balance at beginning of the period	¥851,746,962	¥846,472,716
Net change during the period	(5,274,246)	2,861,179
Balance at end of the period	¥846,472,716	¥849,333,895
Fair value at end of the period	¥1,116,417,000	¥1,130,806,000

Notes:

- The book value is calculated by deducting accumulated depreciation from the acquisition costs.
- For the fiscal period ended August 31, 2025, the increase is mainly due to the acquisition of three properties (¥2,532,307 thousand) including Cerezo Brote Sakura-shimmachi, while the decrease is mainly attributable to the sale of two properties (¥3,650,993 thousand) including FOLEO Hirakata, and depreciation.
For the fiscal period ended February 28, 2026, the increase is mainly due to the acquisition of two properties (¥13,044,526 thousand) including Daiwa Roynet Hotel Nishi-Shinjuku, while the decrease is mainly attributable to the sale of D Project Machida (80% quasi co-ownership; ¥7,102,541 thousand) and depreciation.
- The fair value at end of the period represents the value assessed by third-party real estate appraisers.
As of August 31, 2025, the fair value of D Project Machida (80% quasi co-ownership), which was sold on September 1, 2025, is determined based on the sale price (¥9,360,000 thousand) in the purchase and sale contract dated August 27, 2025.

Please see “Notes to Statement of Income” for leasing business revenue and expenses.

Revenue from Contracts with Customers**1. Information on Disaggregated Revenue from Contracts with Customers**

	<u>For the fiscal periods ended</u>			
	<u>August 31, 2025</u>		<u>February 28, 2026</u>	
	(Yen in thousands)			
	<u>Revenue from contracts with customers (Note 1)</u>	<u>Operating revenue from external customers</u>	<u>Revenue from contracts with customers (Note 1)</u>	<u>Operating revenue from external customers</u>
Proceeds from sale of real estate properties	¥8,005,000	¥4,332,993 (Note 2)	¥9,360,000	¥2,234,058 (Note 2)
Utilities expenses reimbursements	572,986	572,986	501,460	501,460
Other	—	29,402,868	—	29,327,849
Total	¥8,577,986	¥34,308,848	¥9,861,460	¥32,063,368

Notes:

- The amounts do not include leasing business revenue, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” and transfer of real estate properties, etc. subject to ASBJ Transferred Guidance, No.10, which was transferred from the Japan Institute of Certified Public Accountants Accounting Practice Committee Statement No. 15, “Practical Guidelines on Accounting by Transferors for Securitization of Real Property by Using Special Purpose Companies” since these are not within the scope of application of the Accounting Standard for Revenue Recognition. Revenue from contracts with customers in the above table mainly consist of proceeds from sale of real estate properties and utilities expenses reimbursements.
- Proceeds from sale of real estate properties are shown in the statements of income and retained earnings as gain (loss) on sale of real estate properties (the net amount after deducting cost of real estate properties sold and other sales expenses from proceeds from sale of real estate properties). At DHR, gain on sale of real estate properties is recorded under operating revenue, while loss on sale of real estate properties is recorded under operating expenses. Therefore, in the above table, only the amount of gain on sale of real estate properties is presented.

2. Information on basis for understanding revenue from contracts with customers

Please refer to “Summary of Significant Accounting Policies, 5. Revenue Recognition.”

3. Information regarding relationship between fulfillment of performance obligations in accordance with contracts with customers and cash flow arising from the contracts, as well as amounts and timing of revenue expected to be recognized in the following fiscal period onward from contracts with customers existing at the end of the current fiscal period

- Balance of contract assets and contract liabilities

	<u>For the fiscal periods ended</u>	
	<u>August 31, 2025</u>	<u>February 28, 2026</u>
	(Yen in thousands)	
Receivables arising from contracts with customers (Balance at beginning of the period)	¥205,391	¥263,223
Receivables arising from contracts with customers (Balance at end of the period)	263,223	187,245
Contract assets (Balance at beginning of the period)	—	—
Contract assets (Balance at end of the period)	—	—
Contract liabilities (Balance at beginning of the period)	—	—
Contract liabilities (Balance at end of the period)	—	—

- Transaction price allocated to remaining performance obligations

As of August 31, 2025, the transaction prices allocated to remaining performance obligations related to the sales of properties, etc. were ¥4,750,000 thousand and ¥9,360,000 thousand in connection with properties, etc. for which the purchase and sale contracts were concluded on July 31, 2025 and August 27, 2025, respectively. With regard to the remaining performance obligations, DHR recognized revenue for the latter upon delivery on September 1, 2025, and expects to recognize revenue for the former on December 22, 2026.

For utilities expenses reimbursements, DHR has the right to receive from customers the amount of consideration directly corresponding to the value to the lessee, who is the customer, for the portion for which performance is completed by the end of the fiscal period. Therefore, in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized in the

amount for which DHR has the right to request payment. Accordingly, DHR has applied the provision of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition and does not include utilities expenses reimbursements in this note of the transaction price allocated to remaining performance obligations.

Segment Information

1. Segment Information

Since DHR has been engaged in a single segment of the real estate leasing business, and there is no other business segment for disclosure, segment information has been omitted.

2. Related Information

Information about products and services

Since operating revenue from external customers for a single segment of product and service account for over 90% of total operating revenue in DHR's statements of income and retained earnings for the fiscal periods ended August 31, 2025 and February 28, 2026, information about products and services has been omitted.

Information about geographic areas

(1) Operating revenue

Since operating revenue from external customers within Japan account for over 90% of total operating revenue in DHR's statements of income and retained earnings for the fiscal periods ended August 31, 2025 and February 28, 2026, information about geographic areas has been omitted.

(2) Property and equipment

Since over 90% of total property and equipment on the balance sheets as of August 31, 2025 and February 28, 2026, are located within Japan, information about geographic areas on such property and equipment has been omitted.

Information about major customers

		For the fiscal periods ended	
		August 31, 2025	February 28, 2026
		(Yen in thousands)	
Name of customer	Related segment	Operating revenue	
Daiwa House Industry Co., Ltd.	Real estate leasing business	¥5,348,762	¥-

Per Unit Information

Earnings per unit for the fiscal periods ended August 31, 2025 and February 28, 2026 and net assets per unit as of August 31, 2025 and February 28, 2026 are as follows:

	For the fiscal periods ended	
	August 31, 2025	February 28, 2026
	(Yen)	
Earnings per unit:		
Net profit per unit	¥3,272	¥2,676
Weighted average number of units outstanding (units)	4,590,478	4,563,282
	As of	
	August 31, 2025	February 28, 2026
	(Yen)	
Net assets per unit	¥109,998	¥109,048

Net profit per unit is calculated by dividing net profit by the weighted average number of investment units during the period. Net assets per unit are calculated by dividing net assets by the number of units outstanding at each balance sheet date. Diluted earnings per unit are not disclosed since there were no diluted units.

DHR implemented a 2-for-1 split of its investment units on September 1, 2025. Earnings per unit and net assets per unit are calculated based on the assumption that the split was implemented at the beginning of the fiscal period ended August 31, 2025.

The basis of calculating the net profit per unit is as follows:

	As of	
	August 31, 2025	February 28, 2026
Net profit (Yen in thousands)	¥15,022,570	¥12,213,074
Amount not attributable to common unit holders (Yen in thousands)	-	-
Amount attributable to common unit holders (Yen in thousands)	15,022,570	12,213,074
Weighted average number of units during the period (Units)	4,590,478	4,563,282

Subsequent Events

None to report.

[Annexed Detailed Schedules]

1. Securities

(1) Stocks – None

(2) Securities other than stocks

(Unit: Yen in thousands)

Class	Issue	Face value	Book value	Accrued interest	Prepaid accrued interest	Fair value	Unrealized gain (loss)
Government bonds	30-year Stripped Japanese Government Bond (27 th) (*)	¥10,000	¥9,601	¥–	¥–	¥7,567	¥(2,034)
Total		¥10,000	¥9,601	¥–	¥–	¥7,567	¥(2,034)

(*): It is deposited as business security deposits.

2. Contract Amount, etc. and Fair Value of Derivative Transactions and Foreign Exchange Forward Contracts

(Unit: Yen in thousands)

Classification	Type	Contract amount, etc.		Fair value
			Due after one year	
OTC transaction	Interest-rate swap Receive floating/ Pay fixed	¥6,000,000	¥–	¥4,866
OTC transaction	Interest-rate swap Receive floating/ Pay fixed	44,400,000	44,400,000	(Note 3)
Total		¥50,400,000	¥44,000,000	¥4,866

Notes:

- Contract amount, etc. is presented based on notional principal.
- Fair value is quoted by counterparties based on the prevailing market interest rates.
- This interest rate swap is accounted for using the special accounting treatment. Please see “Financial Instruments.”

3. Summary Table of Detailed Statement of Real Estate, etc.

(Unit: Yen in thousands)

Asset type	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Accumulated depreciation/amortization		Net book value
						Depreciation/amortization for the period	
Current assets	¥–	¥–	¥–	¥–	¥–	¥–	¥–
Non-current assets							
Buildings	¥26,852,959	¥294,809	¥7,998	¥27,139,770	¥8,042,926	¥272,470	¥19,096,843
Structures	288,590	1,447	–	290,038	84,587	4,333	205,450
Machinery and equipment	513,714	–	–	513,714	274,845	10,442	238,869
Tools, furniture and fixtures	1,037,110	43,952	17,972	1,063,090	704,140	30,519	358,949
Land	21,711,324	–	–	21,711,324	–	–	21,711,324
Construction in progress	2,924	2,691	2,613	3,002	–	–	3,002
Buildings in trust	438,915,784	8,616,491	3,274,509	444,257,767	90,776,454	4,694,431	353,481,312
Structures in trust	10,320,462	69,919	56,392	10,333,989	3,166,521	205,267	7,167,468
Machinery and equipment in trust	2,852,475	38,145	4,769	2,885,852	1,706,110	44,181	1,179,741
Tools, furniture and fixtures in trust	3,087,334	145,785	25,100	3,208,019	1,904,910	148,160	1,303,109
Land in trust	436,325,863	399,410	4,600,000	432,125,274	–	–	432,125,274
Construction in progress in trust	28,628	84,707	40,869	72,466	–	–	72,466
Total	¥941,937,175	¥9,697,360	¥8,030,226	¥943,604,309	¥106,660,497	¥5,409,806	¥836,943,811
Intangible assets							
Goodwill	¥79,289,063	¥–	¥–	¥79,289,063	¥37,662,305	¥1,982,226	¥41,626,758
Land leasehold interests in trust	7,639,306	5,882,826	–	13,522,133	1,132,050	87,133	12,390,083
Trademark right	338	–	–	338	296	16	42
Total	¥86,928,709	¥5,882,826	¥–	¥92,811,536	¥38,794,651	¥2,069,377	¥54,016,884

(Note) Breakdown of the increase and decrease for the current period is as follows:

- Increase due to acquisition of properties

Buildings in trust	¥6,762,289 thousand yen
Land in trust	399,410 thousand yen
Land leasehold interests in trust	5,882,826 thousand yen
- Decrease due to sale of properties

Buildings in trust	¥3,170,259 thousand yen
Land in trust	4,600,000 thousand yen

4. Schedules of Other Specified Assets – None

5. Investment Corporation Bonds

(Unit: Yen in thousands)

Issue name	Issue date	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate	Maturity	Use	Note
Daiwa House REIT Investment Corporation 6th Unsecured Investment Corporation Bonds (Note 1)	December 20, 2016	¥4,000,000	¥ -	¥4,000,000	0.57%	December 18, 2026	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 7th Unsecured Investment Corporation Bonds (Note 1)	July 30, 2018	2,000,000	-	2,000,000	0.69%	July 30, 2030	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 8th Unsecured Investment Corporation Bonds (Note 1)	July 30, 2018	1,000,000	-	1,000,000	1.03%	July 30, 2038	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 9th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	November 25, 2019	6,000,000	-	6,000,000	0.53%	November 22, 2029	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 11th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	May 27, 2020	1,600,000	-	1,600,000	0.64%	May 27, 2030	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 12th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	May 27, 2020	1,000,000	-	1,000,000	1.00%	May 25, 2040	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 13th Unsecured Investment Corporation Bonds (Note 1)	December 24, 2020	3,000,000	-	3,000,000	0.60%	December 24, 2032	(Note 4)	Unsecured
Daiwa House REIT Investment Corporation 14th Unsecured Investment Corporation Bonds (Note 1) (Green Bonds)	April 15, 2021	4,000,000	-	4,000,000	0.50%	April 15, 2031	(Note 3)	Unsecured
Daiwa House REIT Investment Corporation 15th Unsecured Investment Corporation Bonds (Note 1) (Sustainability Bonds)	November 17, 2021	3,000,000	-	3,000,000	0.40%	November 17, 2031	(Note 5)	Unsecured
Daiwa House REIT Investment Corporation 16th Unsecured Investment Corporation Bonds (Note 1) (Sustainability Bonds)	November 17, 2021	1,000,000	-	1,000,000	0.66%	November 17, 2036	(Note 5)	Unsecured
Daiwa House REIT Investment Corporation 17th Unsecured Investment Corporation Bonds (Note 1)	December 16, 2021	4,000,000	-	4,000,000	0.24%	December 16, 2027	(Note 4)	Unsecured
Daiwa House REIT Investment Corporation 18th Unsecured Investment Corporation Bonds (Note 1) (Sustainability-Linked Bonds)	May 25, 2022	4,000,000	-	4,000,000	0.55% (Note 6)	May 25, 2029	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation 19th Unsecured Investment Corporation Bonds (Note 1)	December 19, 2022	2,000,000	-	2,000,000	0.77%	June 18, 2032	(Note 2)	Unsecured
Daiwa House REIT Investment Corporation	May 22, 2025	1,800,000	-	1,800,000	1.40%	May 22, 2030	(Note 7)	Unsecured

Issue name	Issue date	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate	Maturity	Use	Note
20th Unsecured Investment Corporation Bonds (Note 1) (Sustainability Bonds)								
Total	-	¥38,400,000	¥-	¥38,400,000	-	-	-	-

- (Notes) 1. The bonds have pari passu conditions among specified investment corporation bonds.
2. To be used for repayment of existing loans.
3. To be used for a part of the funds for the repayment of existing loans associated with “eligible green assets.”
4. To be used for redemption of investment corporation bonds.
5. To be used for a part of the funds for the repayment of existing loans associated with “eligible sustainability assets.”
6. A sustainability-linked bond is a bond whose terms vary depending on whether or not it meets a pre-defined SPT. The interest rate (per annum) from the following day of May 25, 2022 to May 25, 2023 was 0.575%. From the day after May 25, 2023 onward, an interest rate determined annually depending on the achieved level of the SPT on each reference date is applied.

CDP score	Interest rates
A	0.55% per annum (initial interest rate minus 2.5 bps)
A-	0.585% per annum (initial interest rate plus 1.0 bps)
B / B- / C / C- / D / D- / F	0.60% per annum (initial interest rate plus 2.5 bps)

7. To be used for the redemption of investment corporation bonds related to “Eligible Sustainability Assets.”
8. Repayment schedule for investment corporation bonds for each year within five years from the end of the current fiscal period is as follows:

	(Unit: Yen in thousands)				
	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years
Investment securities	¥4,000,000	¥4,000,000	¥-	¥10,000,000	¥5,400,000
Total	¥4,000,000	¥4,000,000	¥-	¥10,000,000	¥5,400,000

(This part is intentionally left blank.)

6. Detailed Schedule of Borrowings

(Yen in thousands)

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note	
										Lender
Short-term borrowings	Sumitomo Mitsui Trust Bank, Limited	February 28, 2025	¥1,750,000	¥	¥1,750,000	¥	0.84%	February 27, 2026	(Note 5)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2025	1,750,000	-	1,750,000	-	0.84%	February 27, 2026	(Note 5)	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	February 28, 2025	1,750,000	-	1,750,000	-	0.84%	February 27, 2026	(Note 5)	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.	February 28, 2025	1,750,000	-	1,750,000	-	0.84%	February 27, 2026	(Note 5)	Unsecured and non-guaranteed
	Subtotal	-	7,000,000	-	7,000,000	-	-	-	-	-
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	April 1, 2015	1,000,000	-	1,000,000	-	1.23% (Note 2)	October 1, 2025	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	-	1,000,000	-				
	MUFG Bank, Ltd.		1,000,000	-	1,000,000	-				
	Mizuho Bank, Ltd.	April 1, 2015	3,000,000	-	3,000,000	-	1.18% (Note 3)	October 1, 2025	(Note 4)	Unsecured and non-guaranteed
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	September 28, 2016	1,500,000	-	1,500,000	-	0.63% (Note 3)	September 29, 2025	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,500,000	-	1,500,000	-				
	MUFG Bank, Ltd.		2,000,000	-	2,000,000	-				
	Mizuho Bank, Ltd.		1,500,000	-	1,500,000	-				
	Resona Bank, Limited		500,000	-	500,000	-				
	Mizuho Trust & Banking Co., Ltd.		500,000	-	500,000	-				
	SBI Shinsei Bank, Limited		500,000	-	500,000	-				
	Shinkin Central Bank		500,000	-	500,000	-				
	The Bank of Fukuoka, Ltd.	500,000	-	500,000	-					
	Taiyo Life Insurance Company	September 27, 2018	1,000,000	-	1,000,000	-	0.60% (Note 3)	September 30, 2025	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 29, 2019	2,200,000	-	2,200,000	-	0.43% (Note 3)	September 30, 2025	(Note 5)	Unsecured and non-guaranteed
	Aozora Bank, Ltd.		1,500,000	-	1,500,000	-				
	The Norinchukin Bank		1,100,000	-	1,100,000	-				
Sumitomo Mitsui Banking Corporation	700,000		-	700,000	-					
The Chiba Bank, Ltd.	600,000		-	600,000	-					
Mizuho Bank, Ltd.	500,000		-	500,000	-					
The Bank of Fukuoka, Ltd.	500,000	-	500,000	-						
The Shizuoka Bank, Ltd.	500,000	-	500,000	-						

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note	
										Lender
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	April 1, 2014	500,000	-	-	500,000	2.03% (Note 2)	April 1, 2026	(Note 4)	Unsecured and non-guaranteed
	MUFG Bank, Ltd.		500,000	-	-	500,000				
	Sumitomo Mitsui Trust Bank, Limited		500,000	-	-	500,000				
	Development Bank of Japan Inc.		500,000	-	-	500,000				
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	April 11, 2017	1,800,000	-	-	1,800,000	0.76% (Note 3)	April 30, 2026	(Note 4)	Unsecured and non-guaranteed
	MUFG Bank, Ltd.		2,200,000	-	-	2,200,000				
	Mizuho Bank, Ltd.		1,200,000	-	-	1,200,000				
	Resona Bank, Limited		1,100,000	-	-	1,100,000				
	Mizuho Trust & Banking Co., Ltd.		1,000,000	-	-	1,000,000				
	SBI Shinsei Bank, Limited		1,000,000	-	-	1,000,000				
	The Bank of Fukuoka, Ltd.		1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited		700,000	-	-	700,000				
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	November 30, 2015	1,000,000	-	-	1,000,000	1.09% (Note 2)	May 29, 2026	(Note 5)	Unsecured and non-guaranteed
	MUFG Bank, Ltd.		1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Trust Bank, Limited		1,000,000	-	-	1,000,000				
	Mizuho Bank, Ltd.		1,000,000	-	-	1,000,000				
Current portion of long-term borrowings	Development Bank of Japan Inc.	April 10, 2018	2,000,000	-	-	2,000,000	0.65% (Note 3)	April 30, 2026	(Note 4)	Unsecured and non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	April 5, 2019	1,000,000	-	-	1,000,000	0.45% (Note 3)	April 30, 2026	(Note 4)	Unsecured and non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	April 1, 2020	1,000,000	-	-	1,000,000	0.40% (Note 3)	April 30, 2026	(Note 5)	Unsecured and non-guaranteed
	The Dai-ichi Life Insurance Company, Limited	April 3, 2020	500,000	-	-	500,000	0.40% (Note 3)	March 31, 2026	(Note 4)	Unsecured and non-guaranteed
	The Dai-ichi Life Insurance Company, Limited	September 30, 2020	1,000,000	-	-	1,000,000	0.44% (Note 3)	March 31, 2026	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 1, 2021	500,000	-	-	500,000	0.28% (Note 3)	March 31, 2026	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation		500,000	-	-	500,000				
	MUFG Bank, Ltd.		500,000	-	-	500,000				
	Mizuho Bank, Ltd.		500,000	-	-	500,000				
	The Chiba Bank, Ltd.		500,000	-	-	500,000				
The 77 Bank, Ltd.	500,000		-	-	500,000					
Development Bank of Japan Inc.	September 28, 2016	-	1,000,000	-	1,000,000	0.69% (Note 3)	September 28, 2026	(Note 4)	Unsecured and non-guaranteed	
Current portion of long-term borrowings	Sumitomo Mitsui Banking Corporation	November 29, 2016	-	3,000,000	-	3,000,000	0.87% (Note 3)	November 30, 2026	(Note 5)	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.		-	3,000,000	-	3,000,000				
	MUFG Bank, Ltd.		-	5,000,000	-	5,000,000				
	Sumitomo Mitsui Trust Bank, Limited		-	3,000,000	-	3,000,000				
	Resona Bank, Limited		-	1,000,000	-	1,000,000				

VII. Notes to Financial Statements

	Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note
	Lender									
Current portion of long-term borrowings	Mitsui Sumitomo Insurance Company, Limited	April 3, 2020	–	500,000	–	500,000	0.41% (Note 3)	September 30, 2026	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation	April 30, 2021	–	1,200,000	–	1,200,000	0.28% (Note 3)	September 30, 2026	(Note 5)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		–	600,000	–	600,000				
	Mizuho Bank, Ltd.		–	600,000	–	600,000				
	MUFG Bank, Ltd.		–	600,000	–	600,000				
	The Norinchukin Bank		–	1,500,000	–	1,500,000				
	Nippon Life Insurance Company		–	1,000,000	–	1,000,000				
	Nippon Life Insurance Company	September 9, 2022	–	1,000,000	–	1,000,000	0.51% (Note 3)	January 29, 2027	(Note 5)	Unsecured and non-guaranteed
	Subtotal		49,100,000	23,000,000	24,600,000	47,500,000				
	Long-term borrowings	Development Bank of Japan Inc.	April 1, 2015	1,500,000	–	–	1,500,000	1.46% (Note 3)	April 1, 2027	(Note 4)
Development Bank of Japan Inc.		September 28, 2016	1,000,000	–	1,000,000	–	0.69% (Note 3)	September 28, 2026	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		November 29, 2016	3,000,000	–	3,000,000	–	0.87% (Note 3)	November 30, 2026	(Note 5)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.			3,000,000	–	3,000,000	–				
MUFG Bank, Ltd.			5,000,000	–	5,000,000	–				
Sumitomo Mitsui Trust Bank, Limited			3,000,000	–	3,000,000	–				
Resona Bank, Limited			1,000,000	–	1,000,000	–				
Development Bank of Japan Inc.		March 9, 2017	2,000,000	–	–	2,000,000	0.85% (Note 3)	March 31, 2027	(Note 6)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		April 11, 2017	2,100,000	–	–	2,100,000	1.02% (Note 3)	April 28, 2028	(Note 4)	Unsecured and non-guaranteed
MUFG Bank, Ltd.			3,700,000	–	–	3,700,000				
Sumitomo Mitsui Trust Bank, Limited			1,800,000	–	–	1,800,000				
Mizuho Bank, Ltd.			1,800,000	–	–	1,800,000				
Mizuho Trust & Banking Co., Ltd.			600,000	–	–	600,000				
Sumitomo Mitsui Trust Bank, Limited		July 31, 2017	3,400,000	–	–	3,400,000	0.89% (Note 3)	July 30, 2027	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation			3,400,000	–	–	3,400,000				
Mizuho Bank, Ltd.			3,400,000	–	–	3,400,000				
MUFG Bank, Ltd.			1,900,000	–	–	1,900,000				
Sumitomo Mitsui Banking Corporation		November 29, 2017	2,500,000	–	–	2,500,000	0.90% (Note 3)	November 30, 2027	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.			2,000,000	–	–	2,000,000				
Development Bank of Japan Inc.			3,000,000	–	–	3,000,000				
Sumitomo Mitsui Trust Bank, Limited	2,500,000		–	–	2,500,000					
Mizuho Bank, Ltd.	2,500,000		–	–	2,500,000					
The 77 Bank, Ltd.	1,000,000		–	–	1,000,000					
The Nishi-Nippon City Bank, Ltd.	1,000,000		–	–	1,000,000					
The Iyo Bank, Ltd.	500,000		–	–	500,000					
The Bank of Kyoto, Ltd.	500,000		–	–	500,000					
The Chugoku Bank, Limited	500,000		–	–	500,000					

	Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note
	Lender									
Long-term borrowings	MUFG Bank, Ltd.	March 27, 2018	1,500,000	–	–	1,500,000	0.75% (Note 3)	September 30, 2027	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	April 10, 2018	3,000,000	–	–	3,000,000	0.89% (Note 3)	April 28, 2028	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation		3,000,000	–	–	3,000,000				
	Mizuho Bank, Ltd.		2,500,000	–	–	2,500,000				
	Mizuho Trust & Banking Co., Ltd.		1,000,000	–	–	1,000,000				
	Resona Bank, Limited		500,000	–	–	500,000				
	Sumitomo Mitsui Banking Corporation		December 7, 2018	1,100,000	–	–				
	Sumitomo Mitsui Trust Bank, Limited	1,100,000		–	–	1,100,000				
	Mizuho Bank, Ltd.	1,100,000		–	–	1,100,000				
	Japan Post Insurance Co., Ltd.	1,100,000		–	–	1,100,000				
	MUFG Bank, Ltd.	600,000		–	–	600,000				
	Nippon Life Insurance Company	April 5, 2019	500,000	–	–	500,000	0.50% (Note 3)	April 30, 2027	(Note 4)	Unsecured and non-guaranteed
	Development Bank of Japan Inc.	April 5, 2019	1,500,000	–	–	1,500,000	0.59% (Note 3)	April 28, 2028	(Note 4)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation	April 10, 2019	2,500,000	–	–	2,500,000	0.75% (Note 2)	April 27, 2029	(Note 4)	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.		2,700,000	–	–	2,700,000				
	Sumitomo Mitsui Trust Bank, Limited		2,500,000	–	–	2,500,000				
	Resona Bank, Limited		1,000,000	–	–	1,000,000				
	Mizuho Trust & Banking Co., Ltd.		1,000,000	–	–	1,000,000				
	MUFG Bank, Ltd.	700,000	–	–	700,000					
	Sumitomo Mitsui Banking Corporation	November 29, 2019	2,000,000	–	–	2,000,000	0.66% (Note 2)	November 30, 2029	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	2,000,000		–	–	2,000,000					
MUFG Bank, Ltd.	2,000,000		–	–	2,000,000					
Mizuho Bank, Ltd.	2,000,000		–	–	2,000,000					
Development Bank of Japan Inc.	2,000,000		–	–	2,000,000					
Development Bank of Japan Inc.	January 31, 2020	1,500,000	–	–	1,500,000	0.59% (Note 3)	January 31, 2029	(Note 5)	Unsecured and non-guaranteed	
Sumitomo Mitsui Banking Corporation	January 31, 2020	1,000,000	–	–	1,000,000	0.46% (Note 3)	July 30, 2027	(Note 5)	Unsecured and non-guaranteed	
Aozora Bank, Ltd.		2,400,000	–	–	2,400,000					
Sumitomo Mitsui Trust Bank, Limited		1,000,000	–	–	1,000,000					
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000					
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000					
The Norinchukin Bank		1,000,000	–	–	1,000,000					
Mizuho Trust & Banking Co., Ltd.		500,000	–	–	500,000					
The Yamaguchi Bank, Ltd.		500,000	–	–	500,000					

VII. Notes to Financial Statements

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note
Sumitomo Mitsui Banking Corporation	January 31, 2020	2,200,000	–	–	2,200,000	0.61% (Note 2)	January 31, 2030	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		3,400,000	–	–	3,400,000				
Mizuho Trust & Banking Co., Ltd.		1,300,000	–	–	1,300,000				
MUFG Bank, Ltd.		1,200,000	–	–	1,200,000				
Mizuho Bank, Ltd.		900,000	–	–	900,000				
Mitsui Sumitomo Insurance Company, Limited	April 3, 2020	500,000	–	500,000	0.41% (Note 3)	September 30, 2026	(Note 4)	Unsecured and non-guaranteed	
Development Bank of Japan Inc.	April 3, 2020	1,000,000	–	–	1,000,000	0.51% (Note 3)	September 29, 2028	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	April 3, 2020	500,000	–	–	500,000	0.51% (Note 2)	April 27, 2029	(Note 4)	Unsecured and non-guaranteed
Resona Bank, Limited		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Banking Corporation		500,000	–	–	500,000				
MUFG Bank, Ltd.		500,000	–	–	500,000				
Mizuho Bank, Ltd.		500,000	–	–	500,000				
SBI Shinsei Bank, Limited		500,000	–	–	500,000				
Shinkin Central Bank		500,000	–	–	500,000				
The Bank of Fukuoka, Ltd.		500,000	–	–	500,000				
The Nishi-Nippon City Bank, Ltd.		500,000	–	–	500,000				
MUFG Bank, Ltd.		2,000,000	–	–	2,000,000				
Sumitomo Mitsui Trust Bank, Limited	April 3, 2020	2,000,000	–	–	2,000,000	0.62% (Note 2)	April 30, 2030	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		2,000,000	–	–	2,000,000				
Mizuho Bank, Ltd.		2,000,000	–	–	2,000,000				
Mizuho Trust & Banking Co., Ltd.		1,000,000	–	–	1,000,000				
The Bank of Kyoto, Ltd.		500,000	–	–	500,000				
The Yamanashi Chuo Bank, Ltd.		500,000	–	–	500,000				
SBI Shinsei Bank, Limited		September 30, 2020	1,000,000	–	–				
The Norinchukin Bank	January 29, 2021	3,500,000	–	–	3,500,000	0.37% (Note 3)	January 31, 2028	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation	April 1, 2021	500,000	–	–	500,000	0.70% (Note 3)	April 1, 2031	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		500,000	–	–	500,000				
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000				
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Banking Corporation	April 30, 2021	1,200,000	–	1,200,000	–	0.28% (Note 3)	September 30, 2026	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		600,000	–	600,000	–				
Mizuho Bank, Ltd.		600,000	–	600,000	–				
MUFG Bank, Ltd.		600,000	–	600,000	–				
The Norinchukin Bank		1,500,000	–	1,500,000	–				
Nippon Life Insurance Company		1,000,000	–	1,000,000	–				

Long-term borrowings

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note
Sumitomo Mitsui Banking Corporation	September 3, 2021	1,000,000	–	–	1,000,000	0.56% (Note 3)	August 29, 2031	(Note 4)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,000,000	–	–	1,000,000				
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000				
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000				
Development Bank of Japan Inc.		1,000,000	–	–	1,000,000				
Mizuho Trust & Banking Co., Ltd.		1,000,000	–	–	1,000,000				
SBI Shinsei Bank, Limited		1,000,000	–	–	1,000,000				
The Yamanashi Chuo Bank, Ltd.		1,000,000	–	–	1,000,000				
Kansai Mirai Bank, Limited		1,000,000	–	–	1,000,000				
Shinkin Central Bank		500,000	–	–	500,000				
The Bank of Kyoto, Ltd.		500,000	–	–	500,000				
The Yamaguchi Bank, Ltd.		500,000	–	–	500,000				
The Dai-ichi Life Insurance Company, Limited	September 3, 2021	1,000,000	–	–	1,000,000	0.80% (Note 3)	August 31, 2033	(Note 4)	Unsecured and non-guaranteed
MUFG Bank, Ltd.	October 1, 2021	1,000,000	–	–	1,000,000	0.37% (Note 3)	September 29, 2028	(Note 4)	Unsecured and non-guaranteed
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000				
The Norinchukin Bank		1,500,000	–	–	1,500,000				
Sumitomo Mitsui Trust Bank, Limited		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Banking Corporation		1,000,000	–	–	1,000,000				
Development Bank of Japan Inc.		1,000,000	–	–	1,000,000				
Aozora Bank, Ltd.		1,000,000	–	–	1,000,000				
Resona Bank, Limited		1,000,000	–	–	1,000,000				
The Nishi-Nippon City Bank, Ltd.		1,000,000	–	–	1,000,000				
The Keiyo Bank, Ltd.		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Banking Corporation	November 30, 2021	1,000,000	–	–	1,000,000	0.45% (Note 3)	May 31, 2029	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,000,000	–	–	1,000,000				
MUFG Bank, Ltd.		3,000,000	–	–	3,000,000				
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000				
Resona Bank, Limited		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Banking Corporation	January 31, 2022	900,000	–	–	900,000	0.42% (Note 3)	July 31, 2028	(Note 5)	Unsecured and non-guaranteed
The Norinchukin Bank		1,600,000	–	–	1,600,000				
Sumitomo Mitsui Trust Bank, Limited		1,550,000	–	–	1,550,000				
Aozora Bank, Ltd.		1,100,000	–	–	1,100,000				
Mizuho Bank, Ltd.		700,000	–	–	700,000				
MUFG Bank, Ltd.		500,000	–	–	500,000				
Mizuho Trust & Banking Co., Ltd.		400,000	–	–	400,000				
The Chiba Bank, Ltd.	100,000	–	–	100,000					
Sumitomo Mitsui Banking Corporation	April 1, 2022	1,000,000	–	–	1,000,000	0.90% (Note 3)	March 31, 2032	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000				
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Trust Bank, Limited		500,000	–	–	500,000				

Long-term borrowings

VII. Notes to Financial Statements

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note					
										Lender				
Sumitomo Mitsui Trust Bank, Limited	April 28, 2022	1,950,000	–	–	1,950,000	0.80% (Note 3)	October 31, 2030	(Note 5)	Unsecured and non-guaranteed					
Sumitomo Mitsui Banking Corporation		1,300,000	–	–	1,300,000									
The Norinchukin Bank		1,600,000	–	–	1,600,000									
Mizuho Bank, Ltd.		1,150,000	–	–	1,150,000									
Aozora Bank, Ltd.		1,100,000	–	–	1,100,000									
MUFG Bank, Ltd.		1,050,000	–	–	1,050,000									
Mizuho Trust & Banking Co., Ltd.		500,000	–	–	500,000									
Nippon Life Insurance Company		500,000	–	–	500,000									
Development Bank of Japan Inc.		400,000	–	–	400,000									
The Shizuoka Bank, Ltd.		250,000	–	–	250,000									
The Chiba Bank, Ltd.		200,000	–	–	200,000									
Sumitomo Mitsui Trust Bank, Limited		April 28, 2022	1,000,000	–	–					1,000,000	0.75% (Note 3)	April 30, 2030	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation			1,000,000	–	–					1,000,000				
Mizuho Bank, Ltd.			500,000	–	–					500,000				
The Shizuoka Bank, Ltd.	500,000		–	–	500,000									
The Chiba Bank, Ltd.	500,000		–	–	500,000									
The Bank of Fukuoka, Ltd.	500,000		–	–	500,000									
The Nishi-Nippon City Bank, Ltd.	500,000		–	–	500,000									
The 77 Bank, Ltd.	500,000		–	–	500,000									
The Chugoku Bank, Limited	500,000		–	–	500,000									
The Iyo Bank, Ltd.	500,000		–	–	500,000									
The Yamaguchi Bank, Ltd.	250,000		–	–	250,000									
The Keiyo Bank, Ltd.	250,000		–	–	250,000									
Nippon Life Insurance Company	September 9, 2022		1,000,000	–	1,000,000	0.51% (Note 3)	January 29, 2027	(Note 5)	Unsecured and non-guaranteed					
Sumitomo Mitsui Trust Bank, Limited	September 28, 2022		1,000,000	–	–	1,000,000	0.96% (Note 3)	September 30, 2031	(Note 5)	Unsecured and non-guaranteed				
Sumitomo Mitsui Banking Corporation		1,000,000	–	–	1,000,000									
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000									
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000									
Sumitomo Mitsui Banking Corporation		1,000,000	–	–	1,000,000									
Mizuho Bank, Ltd.	October 3, 2022	1,000,000	–	–	1,000,000	0.87% (Note 3)	September 30, 2030	(Note 5)	Unsecured and non-guaranteed					
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000									
The Norinchukin Bank		1,000,000	–	–	1,000,000									
Sumitomo Mitsui Banking Corporation	December 28, 2022	1,300,000	–	–	1,300,000	1.26% (Note 3)	December 26, 2031	(Note 5)	Unsecured and non-guaranteed					
MUFG Bank, Ltd.		2,700,000	–	–	2,700,000									
Resona Bank, Limited		1,400,000	–	–	1,400,000									
Sumitomo Mitsui Trust Bank, Limited		1,300,000	–	–	1,300,000									
Mizuho Bank, Ltd.		1,300,000	–	–	1,300,000									
SBI Shinsei Bank, Limited		500,000	–	–	500,000									
Sumitomo Mitsui Trust Bank, Limited	March 27, 2023	2,000,000	–	–	2,000,000	0.80% (Note 3)	March 29, 2030	(Note 5)	Unsecured and non-guaranteed					

Long-term borrowings

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note					
										Lender				
Sumitomo Mitsui Banking Corporation	March 31, 2023	1,700,000	–	–	1,700,000	0.99% (Note 3)	September 30, 2031	(Note 5)	Unsecured and non-guaranteed					
MUFG Bank, Ltd.		2,700,000	–	–	2,700,000									
Sumitomo Mitsui Trust Bank, Limited		1,700,000	–	–	1,700,000									
Mizuho Bank, Ltd.		1,700,000	–	–	1,700,000									
Aozora Bank, Ltd.		1,500,000	–	–	1,500,000									
Resona Bank, Limited		800,000	–	–	800,000									
SBI Shinsei Bank, Limited		300,000	–	–	300,000									
Mitsui Sumitomo Insurance Company, Limited		March 31, 2023	1,000,000	–	–					1,000,000	0.62% (Note 3)	September 29, 2028	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation	May 31, 2023	1,000,000	–	–	1,000,000	1.03% (Note 3)	May 31, 2032	(Note 5)	Unsecured and non-guaranteed					
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000									
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000									
Sumitomo Mitsui Trust Bank, Limited	September 29, 2023	1,000,000	–	–	1,000,000	0.75% (Note 3)	September 30, 2027	(Note 5)	Unsecured and non-guaranteed					
Nippon Life Insurance Company		1,000,000	–	–	1,000,000									
Mizuho Bank, Ltd.		4,000,000	–	–	4,000,000									
Sumitomo Mitsui Trust Bank, Limited		4,000,000	–	–	4,000,000									
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000									
Mizuho Trust & Banking Co., Ltd.		1,000,000	–	–	1,000,000									
Sumitomo Mitsui Trust Bank, Limited		September 29, 2023	900,000	–	–					900,000	1.08% (Note 3)	September 30, 2030	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.			1,900,000	–	–					1,900,000				
Sumitomo Mitsui Banking Corporation			900,000	–	–					900,000				
Mizuho Bank, Ltd.			900,000	–	–					900,000				
Resona Bank, Limited			800,000	–	–					800,000				
The Norinchukin Bank		September 29, 2023	500,000	–	–					500,000	1.32% (Note 3)	September 30, 2032	(Note 5)	Unsecured and non-guaranteed
The Chiba Bank, Ltd.			500,000	–	–					500,000				
SBI Shinsei Bank, Limited			300,000	–	–					300,000				
The Dai-ichi Life Insurance Company, Limited	September 29, 2023	1,000,000	–	–	1,000,000	1.40% (Note 3)	September 30, 2033	(Note 5)	Unsecured and non-guaranteed					
SBI Shinsei Bank, Limited	October 2, 2023	1,000,000	–	–	1,000,000	1.30% (Note 3)	March 31, 2032	(Note 4)	Unsecured and non-guaranteed					
Kansai Mirai Bank, Limited	October 2, 2023	1,000,000	–	–	1,000,000	1.30% (Note 3)	March 31, 2032	(Note 4)	Unsecured and non-guaranteed					
Development Bank of Japan Inc.	January 31, 2024	2,000,000	–	–	2,000,000	1.43% (Note 3)	January 31, 2034	(Note 5)	Unsecured and non-guaranteed					
Mizuho Bank, Ltd.	March 1, 2024	3,000,000	–	–	3,000,000	0.74% (Note 3)	February 28, 2029	(Note 4)	Unsecured and non-guaranteed					
The Chiba Bank, Ltd.		600,000	–	–	600,000									
The Keiyo Bank, Ltd.		500,000	–	–	500,000									
The Yamaguchi Bank, Ltd.		500,000	–	–	500,000									
Kansai Mirai Bank, Limited		400,000	–	–	400,000									
Mitsui Sumitomo Insurance Company, Limited	March 29, 2024	1,000,000	–	–	1,000,000	1.00% (Note 3)	March 31, 2031	(Note 5)	Unsecured and non-guaranteed					

Long-term borrowings

VII. Notes to Financial Statements

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note
MUFG Bank, Ltd.	March 29, 2024	2,800,000	–	–	2,800,000	1.14% (Note 7)	March 31, 2032	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,800,000	–	–	1,800,000				
Sumitomo Mitsui Banking Corporation		1,800,000	–	–	1,800,000				
Mizuho Bank, Ltd.		1,800,000	–	–	1,800,000				
Aozora Bank, Ltd.		1,500,000	–	–	1,500,000				
Resona Bank, Limited		900,000	–	–	900,000				
SBI Shinsei Bank, Limited		400,000	–	–	400,000				
Sumitomo Mitsui Banking Corporation	April 1, 2024	1,000,000	–	–	1,000,000	0.91% (Note 3)	March 29, 2030	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Trust Bank, Limited		500,000	–	–	500,000				
Development Bank of Japan Inc.		500,000	–	–	500,000				
Sumitomo Mitsui Trust Bank, Limited	April 30, 2024	500,000	–	–	500,000	0.88%	April 30, 2027	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,500,000	–	–	1,500,000				
Mizuho Bank, Ltd.		1,000,000	–	–	1,000,000				
The Norinchukin Bank		500,000	–	–	500,000				
Aozora Bank, Ltd.		500,000	–	–	500,000				
SBI Shinsei Bank, Limited		500,000	–	–	500,000				
Shinkin Central Bank		500,000	–	–	500,000				
Sumitomo Mitsui Banking Corporation	October 31, 2024	1,000,000	–	–	1,000,000	1.10% (Note 3)	April 30, 2031	(Note 5)	Unsecured and non-guaranteed
The Norinchukin Bank		1,100,000	–	–	1,100,000				
Sumitomo Mitsui Trust Bank, Limited		1,000,000	–	–	1,000,000				
SBI Shinsei Bank, Limited		1,000,000	–	–	1,000,000				
Shinkin Central Bank		1,000,000	–	–	1,000,000				
The Bank of Fukuoka, Ltd.		500,000	–	–	500,000				
The Chiba Bank, Ltd.		500,000	–	–	500,000				
The 77 Bank, Ltd.		500,000	–	–	500,000				
The Nishi-Nippon City Bank, Ltd.		500,000	–	–	500,000				
The Iyo Bank, Ltd.		500,000	–	–	500,000				
The Chugoku Bank, Limited		500,000	–	–	500,000				
Sumitomo Mitsui Trust Bank, Limited		500,000	–	–	500,000				
The Norinchukin Bank		1,000,000	–	–	1,000,000				
The 77 Bank, Ltd.	700,000	–	–	700,000					
The Chugoku Bank, Limited	700,000	–	–	700,000					
Resona Bank, Limited	600,000	–	–	600,000					
Sumitomo Mitsui Banking Corporation	October 31, 2024	500,000	–	–	500,000	1.27% (Note 3)	October 29, 2032	(Note 5)	Unsecured and non-guaranteed
MUFG Bank, Ltd.		500,000	–	–	500,000				
Mizuho Bank, Ltd.		500,000	–	–	500,000				
The Chiba Bank, Ltd.		500,000	–	–	500,000				
The Iyo Bank, Ltd.		500,000	–	–	500,000				
The Chiba Bank, Ltd.		500,000	–	–	500,000				
The Iyo Bank, Ltd.		500,000	–	–	500,000				

Long-term borrowings

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note
Sumitomo Mitsui Banking Corporation	March 31, 2025	4,000,000	–	–	4,000,000	1.77% (Note 3)	September 30, 2032	(Note 5)	Unsecured and non-guaranteed
Aozora Bank, Ltd.		2,500,000	–	–	2,500,000				
Shinkin Central Bank		2,000,000	–	–	2,000,000				
MUFG Bank, Ltd.		1,500,000	–	–	1,500,000				
Resona Bank, Limited		1,000,000	–	–	1,000,000				
Sumitomo Mitsui Trust Bank, Limited	April 30, 2025	500,000	–	–	500,000	0.93%	October 31, 2028	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		1,500,000	–	–	1,500,000				
Mizuho Bank, Ltd.		500,000	–	–	500,000				
Aozora Bank, Ltd.		500,000	–	–	500,000				
The Norinchukin Bank		500,000	–	–	500,000				
Resona Bank, Limited		500,000	–	–	500,000				
SBI Shinsei Bank, Limited		500,000	–	–	500,000				
Shinkin Central Bank	500,000	–	–	500,000					
Sumitomo Mitsui Banking Corporation	May 30, 2025	1,000,000	–	–	1,000,000	1.40% (Note 3)	November 30, 2029	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited		1,000,000	–	–	1,000,000				
MUFG Bank, Ltd.		1,000,000	–	–	1,000,000				
Mizuho Bank, Ltd.	September 29, 2025	1,000,000	–	–	1,000,000	0.91%	March 31, 2032	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation		–	1,500,000	–	1,500,000				
Sumitomo Mitsui Trust Bank, Limited		–	1,500,000	–	1,500,000				
MUFG Bank, Ltd.		–	2,000,000	–	2,000,000				
Mizuho Bank, Ltd.		–	1,500,000	–	1,500,000				
Resona Bank, Limited		–	500,000	–	500,000				
Mizuho Trust & Banking Co., Ltd.		–	500,000	–	500,000				
SBI Shinsei Bank, Limited		–	500,000	–	500,000				
Shinkin Central Bank		–	500,000	–	500,000				
The Bank of Fukuoka, Ltd.		–	500,000	–	500,000				
SBI Shinsei Bank, Limited	September 30, 2025	–	1,000,000	–	1,000,000	0.90%	September 30, 2032	(Note 5)	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	September 30, 2025	–	2,200,000	–	2,200,000	0.96%	March 31, 2033	(Note 5)	Unsecured and non-guaranteed
Aozora Bank, Ltd.		–	1,500,000	–	1,500,000				
The Norinchukin Bank		–	1,100,000	–	1,100,000				
Sumitomo Mitsui Banking Corporation		–	700,000	–	700,000				
The Chiba Bank, Ltd.		–	600,000	–	600,000				
Mizuho Bank, Ltd.		–	500,000	–	500,000				
The Bank of Fukuoka, Ltd.		–	500,000	–	500,000				
The Shizuoka Bank, Ltd.	–	500,000	–	500,000					
MUFG Bank, Ltd.	October 1, 2025	–	3,000,000	–	3,000,000	1.71% (Note 3)	September 30, 2030	(Note 5)	Unsecured and non-guaranteed

Long-term borrowings

Classification	Borrowing date	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Average interest rate (Note 1)	Repayment date	Use	Note	
										Lender
Long-term borrowings	Sumitomo Mitsui Banking Corporation	–	1,000,000	–	1,000,000	2.07% (Note 3)	March 31, 2034	(Note 5)	Unsecured and non-guaranteed	
	Sumitomo Mitsui Trust Bank, Limited	–	1,000,000	–	1,000,000					
	MUFG Bank, Ltd.	–	1,000,000	–	1,000,000					
	Mizuho Bank, Ltd.	–	1,000,000	–	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited	February 27, 2026	–	1,000,000	–	1,000,000	1.03%	August 30, 2030	(Note 5)	Unsecured and non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 27, 2026	–	1,000,000	–	1,000,000	1.03%	August 30, 2030	(Note 5)	Unsecured and non-guaranteed
	MUFG Bank, Ltd.	February 27, 2026	–	1,000,000	–	1,000,000	1.03%	August 30, 2030	(Note 5)	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.	February 27, 2026	–	1,000,000	–	1,000,000	1.03%	August 30, 2030	(Note 5)	Unsecured and non-guaranteed
	Subtotal	–	¥316,450,000	¥28,600,000	¥23,000,000	¥322,050,000	–	–	–	–
	Total	–	¥372,550,000	¥51,600,000	¥54,600,000	¥369,550,000	–	–	–	–

- (Notes) 1. Average interest rate is the loan interest rate (weighted average during the applicable term) of the corresponding lenders, and is rounded to the second decimal place.
2. DHR currently uses interest rate swaps to hedge interest rate fluctuation risk; accordingly, the indicated interest rates are the figures reflecting the effect of the interest rate swaps.
3. This loan carries a fixed interest rate.
4. To be used to purchase trust beneficiary interests in real estate and related expenses.
5. To be used for repayment of existing borrowings (refinancing fund).
6. To be used for redemption of investment corporation bonds.
7. The interest rate (per annum) from March 29, 2024 to May 29, 2025 was 1.15375%. From the day after May 29, 2025 onward, an interest rate determined depending on the achieved level of a pre-defined SPT on each reference date is applied.

CDP score	Interest rates
A	0.55% per annum (initial interest rate minus 2.5 bps)
A-	0.585% per annum (initial interest rate plus 1.0 bps)
B / B- / C / C- / D / D- / F	0.60% per annum (initial interest rate plus 2.5 bps)

8. Repayment schedule for long-term borrowings for each year within five years from the end of the current fiscal period is as follows:
(Unit: Yen in thousands)

	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years
Long-term borrowings	¥52,500,000	¥57,350,000	¥45,400,000	¥51,500,000
Total	¥52,500,000	¥57,350,000	¥45,400,000	¥51,500,000



Independent Auditor's Report

The Board of Directors
Daiwa House REIT Investment Corporation

*The Audit of the Financial Statements***Opinion**

We have audited the accompanying financial statements of Daiwa House REIT Investment Corporation (the Company), which comprise the balance sheet as at February 28, 2026, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2026, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Semi-Annual Report that contains audited financial statements, but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. Supervisory Directors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Supervisory Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Fee-related Information

The fees paid or payable to us and other EY Member Firms for the audits of the financial statements of the Company and other non-audit fees charged in the audit period to the Company are presented in paragraph (3) titled "Officers" in Section 2 "Overview of the Investment Corporation" included in the Semi-Annual Report for the six-month period ended February 28, 2026 of the Company.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

May 19, 2026

Takuma Shimoda
Designated Engagement Partner
Certified Public Accountant

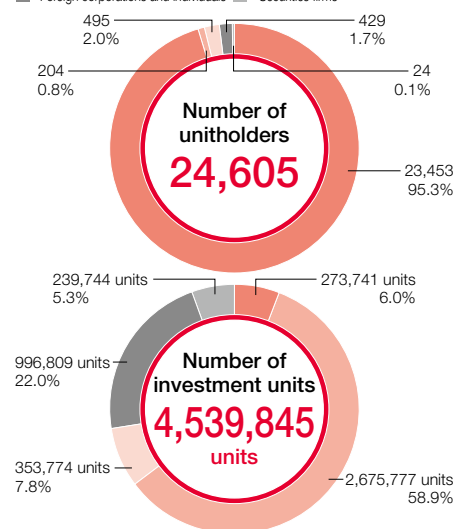
Satoshi Abe
Designated Engagement Partner
Certified Public Accountant

Investor Information

Unitholders Data

(As of February 28, 2026)

■ Individuals / Other
 ■ Financial institutions
 ■ Other domestic corporations
■ Foreign corporations and individuals
 ■ Securities firms



(Note) Ratios are rounded to the nearest tenth.
Total figures may not match due to the rounding of ratios.

Outline of the Asset Manager

Corporate Name	Daiwa House Asset Management Co., Ltd.
Location	7th Floor, Nissei Nagatacho Building, 2-4-8, Nagatacho, Chiyoda-ku, Tokyo 100-0014
Established	September 1, 2004
Paid-in Capital	¥300 million
Shareholder	Daiwa House Industry Co., Ltd. (100%)

Note for Unitholders

Account closing date	Last day of February and August of each year
Date for determining distribution payments	Last day of February and August of each year (Distributions are to be paid within three months of each date.)
Unitholders' Meeting	To be held at least once every two years
Date for finalizing general meeting voting rights	Date set forth in Article 16.1 in the Articles of Incorporation by DHR
Listing	REIT section of the Tokyo Stock Exchange (Securities code: 8984)
Public notices	The "Nikkei" newspaper (<i>Nihon Keizai Shimbun</i>)
Transfer agent	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, JAPAN Sumitomo Mitsui Trust Bank, Limited
Inquiries	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063, JAPAN Stock Transfer Agency Business Planning Dept. of Sumitomo Mitsui Trust Bank, Limited TEL: 0120-782-031 (toll-free, available within Japan only) Weekdays 9 a.m. to 5 p.m.

Procedures for Changes of Address, etc.

Please submit changes of address, name, etc., to your securities company, etc. For procedures regarding investment units registered in special accounts, please contact: Stock Transfer Agency Business Planning Dept. of Sumitomo Mitsui Trust Bank, Limited.

Receipt of Distributions

You can receive distributions when you bring your receipt for distributions to the local office of the Japan Post Bank in Japan or to a post office (bank agent). If the period for receiving distributions has elapsed, please contact the transfer agent Sumitomo Mitsui Trust Bank, Limited. If you would like to specify an account to which future distributions will be transferred, please follow the procedures of your securities company, etc. We will not pay and have no obligation to pay cash distributions not claimed within three years of the distribution date, as stipulated in our Articles of Incorporation. Please receive your distributions as soon as possible.

Distribution Statement

The "Distribution Statement" delivered upon payment of distributions includes the "Payment Notice," referred to in the provisions of the Act on Special Measures Concerning Taxation. This document may be used as a document when declaring income for tax purposes. However, for unitholders who have selected the system of dividend allotment to securities company accounts in proportion to the number of shares held, the amount of withholding tax will be calculated by your securities company, etc. For supporting documents when declaring income for tax purposes, please confirm with your securities company, etc. Furthermore, unitholders who receive distributions by way of a receipt for distributions also receive a "Distribution Statement" enclosed with it.

Outline of the Social Security and Tax Number System Nicknamed "My Number System" with Regard to Investment Units

Residents in Japan are notified of their Social Security and Tax Number (nicknamed "My Number") by their city, town or village. My Number is required when performing tax-related procedures with regard to investment units.

Use of the My Number for Investment Unit Related Business

As stipulated by laws and regulations, it is now required to state the My Number of the unitholder on payment records that are submitted to the tax office. Unitholders are therefore requested to submit their My Number to their securities company, etc.

[Contact address for inquiries on submitting My Number]

- Unitholders whose investment units are managed by a securities account ➔ Please direct your inquiries to your securities company, etc.
- Unitholders not conducting transactions via a securities company ➔ Please call the following toll-free phone number.
Stock Transfer Agency Business Planning Dept. of Sumitomo Mitsui Trust Bank, Limited TEL: 0120-782-031