

November 25, 2024

For Immediate Release

Investment Corporation:

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Notice Concerning Partial Changes to Asset Management Guidelines of Asset Manager

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that Daiwa House Asset Management Co., Ltd. (the “Asset Manager”), the asset manager to which DHR entrusts the management of its assets, decided at a meeting of the board of directors held today to change part of the Asset Management Guidelines for Daiwa House REIT Investment Corporation (the “Asset Management Guidelines”), which are internal rules of the Asset Manager, as described below.

1. Reasons for change

Among the properties in DHR’s portfolio, there have been some properties with multiple buildings part of which are wooden. A new building to be built by the reconstruction of Castalia Kamiikedai ^(Note) is scheduled to be a hybrid building part of which is wooden. The Asset Manager makes changes to the Asset Management Guidelines to further clarify that DHR may acquire wooden buildings.

(Note) For details, please refer to the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate Associated with Reconstruction of Castalia Kamiikedai” announced on June 25, 2024.

2. Outline of change

- (1) Addition of “Structure” section to “Selection Criteria for Investment Properties”
- (2) Addition of “Judgement Flow of Investment in Wooden Properties”

For details, please refer to the attachment “Changes in Asset Management Guidelines”.

3. Date of change

November 25, 2024

4. Outlook

This matter will not have any impact on the financial results of DHR.

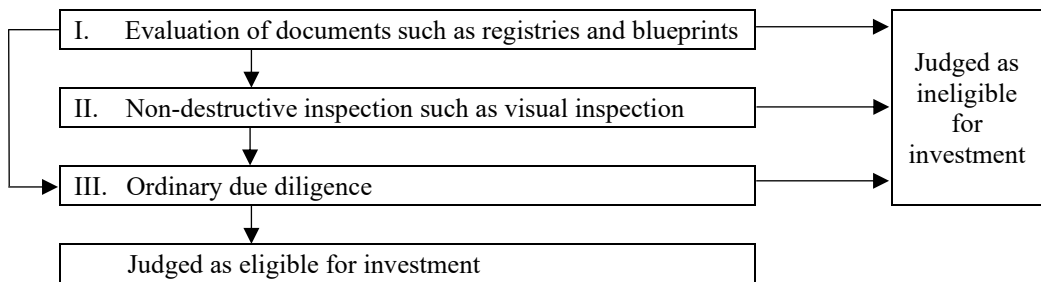
* DHR’s website: <https://www.daiwahouse-reit.co.jp/en>

< Attachment >

Changes in Asset Management Guidelines

(Note) From the viewpoint of comparing the contents before and after changes, some parts not subject to change are also shown. Underlined parts indicate where changes were made. Changes in numberings due to addition of items and notes are omitted.

Before changes	After changes								
Exhibit 3 “Selection Criteria for Investment Properties” <table border="1"> <tr> <td>(Newly added)</td><td></td></tr> <tr> <td><u>(5)</u> Quake resistance</td><td>In principle, buildings conforming to the new quake-resistance standards, performed with seismic reinforcement work, or buildings with expected earthquake loss rate (PML, or Probable Maximum Loss (Note <u>1</u>)) of less than 15%.</td></tr> </table>	(Newly added)		<u>(5)</u> Quake resistance	In principle, buildings conforming to the new quake-resistance standards, performed with seismic reinforcement work, or buildings with expected earthquake loss rate (PML, or Probable Maximum Loss (Note <u>1</u>)) of less than 15%.	Exhibit 3 “Selection Criteria for Investment Properties” <table border="1"> <tr> <td><u>(3)</u> Structure</td><td><u>Properties with structures in general including wooden (Note 1) which are judged to be suitable for major uses. They should be limited to newly built buildings in case of wooden structure.</u></td></tr> <tr> <td><u>(6)</u> Quake resistance</td><td>In principle, buildings conforming to the new quake-resistance standards (<u>in case of wooden residence, conforming to the standards revised in year 2000</u>), performed with seismic reinforcement work, or buildings with expected earthquake loss rate (PML, or Probable Maximum Loss (Note <u>2</u>)) of less than 15%.</td></tr> </table> (Note 1) “Wooden” indicates all or part of the main structure is made of <u>wood</u>.	<u>(3)</u> Structure	<u>Properties with structures in general including wooden (Note 1) which are judged to be suitable for major uses. They should be limited to newly built buildings in case of wooden structure.</u>	<u>(6)</u> Quake resistance	In principle, buildings conforming to the new quake-resistance standards (<u>in case of wooden residence, conforming to the standards revised in year 2000</u>), performed with seismic reinforcement work, or buildings with expected earthquake loss rate (PML, or Probable Maximum Loss (Note <u>2</u>)) of less than 15%.
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Exhibit 5 “Major Property Evaluation Items” Physical Evaluation Building Evaluation	Exhibit 5 “Major Property Evaluation Items” Physical Evaluation Building Evaluation <u>* In case of wooden structure, non-destructive inspection such as visual inspection is essential.</u>								

Newly added
Exhibit 6 “Judgement Flow of Investment in Wooden Properties”  <pre> graph TD I[I. Evaluation of documents such as registries and blueprints] --> Ineligible[Judged as ineligible for investment] II[II. Non-destructive inspection such as visual inspection] --> Ineligible III[III. Ordinary due diligence] --> Ineligible III --> Eligible[Judged as eligible for investment] </pre> If the property is assessed as wooden in document evaluation in I, proceed to II; otherwise, proceed to III. I, II, and III can be performed simultaneously. (Note) In non-destructive inspection such as visual inspection, verify safety by checking the following items. - Regarding structural body, visually check major parts of structural body including foundation, pillar, and beam, and ensure their consistency with the blueprints. - Visually check to ensure there are not any noticeable cracks on roofs or exterior walls, etc. - Visually check to ensure there are not any noticeable cracks inside the building or signs of leaks. - Visually check above the ceiling through the inspection hatches inside the building.