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For Immediate Release

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Notice Concerning Revision to Forecast of Results and Distributions for the Fiscal Periods Ending February 28, 2025 and August 31, 2025

Daiwa House REIT Investment Corporation (“DHR”) hereby announces the revision of its forecast of results and distributions for the fiscal period ending February 28, 2025 (from September 1, 2024 to February 28, 2025) and the fiscal period ending August 31, 2025 (from March 1, 2025 to August 31, 2025) announced on October 17, 2024, as shown below.

1. Revision of the forecast of results and distributions

(1) Revision of the forecast of results and distributions for the fiscal period ending February 28, 2025 (from September 1, 2024 to February 28, 2025)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (including distributions in excess of earnings) (yen)	Distributions per unit (excluding distributions in excess of earnings) (yen)	Distributions in excess of earnings per unit (yen)
Previous forecast (A)	32,271	14,850	12,960	12,960	6,300	5,615	685
Revised forecast (B)	32,463	14,864	12,982	12,981	7,000	5,656	1,344
Difference (B) – (A)	192	13	21	21	700	41	659
Percentage change	0.6%	0.1%	0.2%	0.2%	11.1%	0.7%	96.2%

* Anticipated number of investment units as of the end of the period and anticipated net income per unit in the previous forecast:
2,308,216 units and 5,614 yen

* Anticipated number of investment units as of the end of the period and anticipated net income per unit in the revised forecast:
2,295,239 units and 5,655 yen

(2) Revision of the forecast of results and distributions for the fiscal period ending August 31, 2025
(from March 1, 2025 to August 31, 2025)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (including distributions in excess of earnings) (yen)	Distributions per unit (excluding distributions in excess of earnings) (yen)	Distributions in excess of earnings per unit (yen)
Previous forecast (A)	29,773	13,194	11,176	11,176	5,700	4,842	858
Revised forecast (B)	33,528	16,571	14,562	14,561	6,200	6,200	0
Difference (B) – (A)	3,755	3,377	3,385	3,385	500	1,358	(858)
Percentage change	12.6%	25.6%	30.3%	30.3%	8.8%	28.0%	(100.0)%

* Anticipated number of investment units as of the end of the period and anticipated net income per unit in the previous forecast:
2,308,216 units and 4,841 yen

* Anticipated number of investment units as of the end of the period and anticipated net income per unit in the revised forecast:
2,295,239 units and 6,344 yen

(Note 1) The above forecasts are based on current assumptions shown in the attachment, “Assumptions for Forecasts of Results for the Fiscal Periods Ending February 28, 2025 and August 31, 2025”. Actual figures may fluctuate due to factors such as the acquisition and disposition of real estate and other transactions in the future, developments in the real estate market and other factors, issuances of new investment units in the future and other changes in circumstances surrounding DHR. The forecasts are not a guarantee of the forecasted distribution amount.

(Note 2) DHR may revise the above forecasts in the event that results are anticipated to vary from the forecasts over a certain level.

(Note 3) The anticipated net income per unit as above is calculated by dividing net income by the anticipated number of investment units as of the end of the period.

2. Reason for the revision

DHR has revised its forecast because forecast distributions per unit is expected to vary by more than 5% as a result of changes in assumptions for forecast of results for the fiscal period ending February 28, 2025 (from September 1, 2024 to February 28, 2025) and the fiscal period ending August 31, 2025 (from March 1, 2025 to August 31, 2025) announced on October 17, 2024 as a result of the disposition of the assets announced today in the press release “Notice Concerning Disposition of Trust Beneficiary Interests in Domestic Real Estate”.

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

<Attachment>

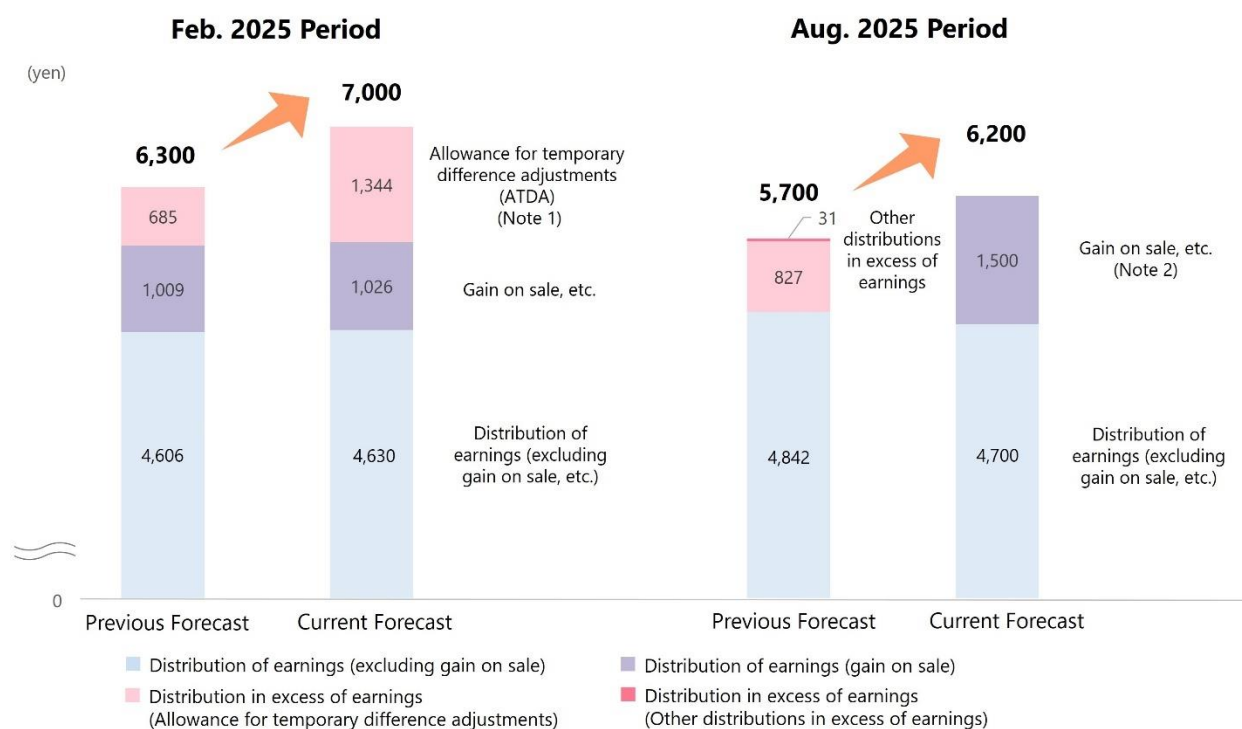
Assumptions for Forecasts of Results for the Fiscal Periods Ending February 28, 2025 and August 31, 2025

Item	Assumptions
Operating period	- Fiscal period ending February 28, 2025: (181 days from September 1, 2024 to February 28, 2025) - Fiscal period ending August 31, 2025: (184 days from March 1, 2025 to August 31, 2025)
Portfolio	- DHR has assumed that DHR will dispose of Castalia Toritsudaigaku on January 31, 2025 and FOLEO Hirakata on March 3, 2025, which are real estate trust beneficiary interests as described in the press release “Notice Concerning Disposition of Trust Beneficiary Interests in Domestic Real Estate” announced today. - DHR has assumed that there will be no changes (acquisition of new properties or disposition of the acquired assets) in the composition of DHR’s portfolio of 230 properties of real estate and real estate trust beneficiary interests that DHR currently owns as of today excluding the two properties scheduled to be disposed of until the end of the fiscal period ending August 31, 2025. - However, the composition of the portfolio may change.
Operating revenues	- DHR has assumed gain on sale of real estate properties of ¥2,354 million for the fiscal period ending February 28, 2025 associated with the disposition of D Project Kuki II and Castalia Toritsudaigaku and gain on sale of real estate properties of ¥3,774 million for the fiscal period ending August 31, 2025 associated with the disposition of FOLEO Hirakata. - Operating revenues include revenues from rent, common area charges, parking lot usage fees, incidental revenues, utilities expenses reimbursements and key money, etc. Each of these items is calculated based on past records and future estimates. - DHR has assumed no delinquencies or non-payment of rent by tenants.
Operating expenses (excluding amortization of goodwill)	- Operating expenses mainly comprise expenses related to rental business. Such expenses, excluding depreciation, are calculated based on past records, making certain adjustments as appropriate considering factors that may cause changes in expenses. - DHR has assumed that DHR will incur depreciation expenses of ¥5,524 million for the fiscal period ending February 28, 2025 and ¥5,466 million for the fiscal period ending August 31, 2025. These figures are calculated based on the straight-line method with incidental expenses added to purchase prices of non-current assets. - DHR has estimated property tax, city planning tax and depreciation asset tax of ¥2,443 million for the fiscal period ending February 28, 2025 and ¥2,483million for the fiscal period ending August 31, 2025. In connection with new acquisition of real estate, etc., property tax and city planning tax that will be paid by DHR and the seller (the former beneficiary) on a pro rata basis in accordance with the holding period and settled at the time of acquisition, and such taxes are deemed as acquisition costs of the property and not included in expenses. Accordingly, property tax and city planning tax for one property acquired in March 2024 will be expensed starting from the fiscal period ending August 31, 2025, and that amount is assumed to be ¥62 million. - Based on the medium- to long-term repair and maintenance plan prepared by Daiwa House Asset Management Co., Ltd., the Asset Manager to which DHR entrusts the management of its assets, DHR expects to incur repairs and maintenance expenses of ¥1,634 million for the fiscal period ending February 28, 2025 and ¥1,020 million for the fiscal period ending August 31, 2025. However, actual repairs and maintenance expenses in each fiscal period may change substantially from DHR’s forecasts, as (i) DHR may incur expenses for urgent repairs to properties due to damage caused by unforeseeable factors, (ii) generally, there is a substantial difference in expenses incurred between each fiscal period, and (iii) expenses are not incurred based on a regular schedule. - Selling, general and administrative expenses are estimated based on the actual values or rates, etc., of each item.
Amortization of goodwill	Amortization of goodwill is estimated at ¥1,982 million for the fiscal period ending February 28, 2025 and ¥1,982 million for the fiscal period ending August 31, 2025.
Non-operating expenses	DHR has assumed interest expenses and other borrowing-related expenses, etc. of ¥1,897 million for the fiscal period ending February 28, 2025 and ¥2,023 million for the fiscal period ending August 31, 2025.

Item	Assumptions
Interest-bearing debt	- As of the date of this document, the balance of interest-bearing debt is ¥411,550 million. - DHR has assumed that interest-bearing debt of ¥29,400 million for which repayment or maturity becomes due by the end of the fiscal period ending August 31, 2025 will be fully refinanced. - Other than the above, DHR has assumed the balance of interest-bearing debt will be unchanged until the end of the fiscal period ending August 31, 2025.
Investment units	The total number of investment units is based on DHR's assumption of 2,295,239 units, which is the number of investment units issued as of today. DHR has assumed there will be no change in the number of units outstanding resulting from the issuance of additional investment units, etc. until the end of the fiscal period ending August 31, 2025.
Distributions per unit	Changes in DHR's portfolio, fluctuations in rent income due to changes in tenants and other factors, unforeseen repairs and maintenance expenses and other factors may lead to changes in the amount of distributions per unit.
Distributions in excess of earnings per unit	- DHR has assumed that distributions in excess of earnings in the amount equivalent to amortization of goodwill are paid (distributions accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings (return of capital)). However, DHR has assumed that in the case of 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 abovementioned 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. In addition, DHR has assumed that DHR may reverse the allowance for temporary difference adjustments 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 has assumed that in the case of the occurrence of excess taxable income over accounting profit associated with sale of properties that causes a need for DHR to take action to maintain its favorable tax status, DHR will conduct additional distributions in excess of earnings (distribution accounted as an allowance for temporary difference adjustments). - It is assumed that total of distributions in excess of earnings for the fiscal period ending February 28, 2025 will be ¥3,084 million (¥1,344 per unit), of which the full amount is the allowance for temporary difference adjustments,.
Others	- DHR has assumed that no enforcement of such revisions to laws and regulations, tax systems, accounting standards, securities listing regulations and rules of The Investment Trusts Association, Japan, etc. that may affect the above forecasts. - DHR's forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.

<Reference>

Breakdown of Factors for Changes in Forecast Distributions per Unit for the Fiscal Periods Ending
February 28, 2025 and August 31, 2025 (vs. Previous Forecast)



(Note 1) ATDA is expected to increase due to absence of ATDA reduction related to sale of FOLEO Hirakata previously planned.

(Note 2) DHR plans to make the following adjustment to accounting gain on sale of FOLEO Hirakata.

(Deduction of the difference between the amount of reversal of ATDA which was recorded in the fiscal period ended Aug. 2024 and the amount equivalent to amortization of goodwill)