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For Immediate Release

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Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate

Daiwa House REIT Investment Corporation (“DHR”) hereby announces the decision made today by Daiwa House Asset Management Co., Ltd. (the “Asset Manager”), the asset manager to which DHR entrusts the management of its assets, for DHR to acquire the following asset (the “Anticipated Acquisition”) as described below (the “Transaction”).

1. Acquisition overview

(1) Anticipated Acquisition

Property number	Real estate in trust (Property name)	Asset class	Location	Anticipated date of acquisition	Anticipated acquisition price (million yen) (Note 1) (Note2)	Appraisal value (million yen) (Note 3)	NOI yield (Note 4)
HO-009	Daiwa Roynet Hotel Nishi-Shinjuku	Hotel	Shinjuku Ward, Tokyo	November 4, 2025	10,174	12,400	5.3%

(Note 1) Excluding such amounts as expenses related to acquisition, amounts equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 2) At the time of the acquisition, DHR is scheduled to pay 170,100 thousand yen as settlement money for the building demolition deposit to the seller separately from the anticipated acquisition price.

(Note 3) Appraisal value as of September 30, 2025.

(Note 4) “NOI yield” is represented by a figure calculated by dividing the net operating income, calculated by deducting operating expenses from operating revenue based on a direct capitalization method, as stated in the appraisal report (as of September 30, 2025), by an anticipated acquisition price.

- (2) Anticipated execution date of the sale and purchase agreement : October 31, 2025
- (3) Seller : Fuyo General Lease Co., Ltd.
- (4) Acquisition funds : Cash reserves
- (5) Method of settlement : Payment of entire amount upon transfer
- (6) Intermediary : None

2. Rationale for acquisition

Based on the targets and policies prescribed in DHR’s Articles of Incorporation, the Asset Manager decided the acquisition having deemed that the acquisition of the Anticipated Acquisition would further increase the stability of cash flow and secure stable revenues in the long term. The Anticipated Acquisition is a hotel in Shinjuku area in central Tokyo where accommodation demand is strong throughout the year including inbound tourism and located a five-minute walk from Nishi-shinjuku Station on the Tokyo Metro Marunouchi Line. DHR will acquire the Anticipated Acquisition, which was planned and developed by Fujita Corporation, one of the pipeline support companies, through the pipeline of Daiwa House Group. For the details of the Anticipated Acquisition, please refer to “3. Details of the Anticipated Acquisition” below.

3. Details of the Anticipated Acquisition

Property number		Daiwa Roynet Hotel		Asset class		Hotel	
HO-009		Nishi-Shinjuku		Type		-	
Anticipated date of acquisition		November 4, 2025		Anticipated acquisition price		10,174 million yen	
Overview of specified asset							
Type of specified asset		Trust beneficiary interest in real estate					
Trustee		Mitsubishi UFJ Trust and Banking Corporation					
Trust maturity date		November 30, 2035					
Location	Lot number	726-9, Nishi-shinjuku, Shinjuku Ward, Tokyo					
	Residence indication	6-12-39, Nishi-shinjuku, Shinjuku Ward, Tokyo					
Land	Type of ownership	Superficies (partially ownership)		Building	Type of ownership	Ownership	
	Land area	1,766.83 m²			Gross floor area	11,384.66 m²	
	Area classification	Retail district			Use	Hotel and retail	
	Building coverage ratio	80% (Note 1)			Structure	Steel-frame, steel-frame and reinforced concrete building	
	FAR	600%/700%			Number of floors	14 floors with 1 basement floor	
Collateral		None			Date of construction	December 17, 2018	
Overview of building condition evaluation							
Evaluation company		Tokio Marine dR Co., Ltd.					
Urgent repair costs		0 thousand yen		Evaluation date		May 2025	
Short-term repair costs		0 thousand yen		PML		2.5%	
Long-term repair costs		191,358 thousand yen / 12 years					
Soil contamination inspector							
Inspector		Tokio Marine dR Co., Ltd.					
Designer, structural designer, contractor, inspection agency							
Designer		Fujita Corporation Office of Class-1 Architects					
Structural designer		Fujita Corporation Office of Class-1 Architects					
Contractor		Fujita Corporation Tokyo Branch					
Inspection agency		UDI Corporation					
Structural calculation evaluation agency		Kenchiku Kozo Center Co., Ltd.					
Overview of leasing (Note 2)							
Leasable area		12,127.64 m²		Number of tenants		1	
Leased area		12,127.64 m²		Annual rent		735,440 thousand yen	
Occupancy rate		100.0%		Tenant leasehold and security deposit		726,240 thousand yen	
Historical occupancy rate	Feb. 2024		Aug. 2024		Feb. 2025		Aug. 2025
	100.0%		100.0%		100.0%		100.0%
Master lease company				-			
Master lease type				-			
Property management company				Daiwa House Realty Mgt. Co., Ltd.			
Lessee				Daiwa House Realty Mgt. Co., Ltd.			
Special items							
The general fixed-term land lease right is outlined as below:							

Owner of land subject to superficies: Several individuals and companies
Holder of superficies: Mitsubishi UFJ Trust and Banking Corporation (Trustee)
Period of superficies: From June 15, 2016 to June 14, 2086
Leased land area: 1,721.00 m²
The trustee of the Anticipated Acquisition holds the right to claim return of the building demolition deposit to the owner of the land subject to superficies based on the fixed-term land lease agreement. At the time of the acquisition, DHR is scheduled to pay 170,100 thousand yen as settlement money for the building demolition deposit to the seller separately from the anticipated acquisition price.

Property characteristics

■ Location

The property has a great locational advantage and accessibility as a stay-only hotel, as it is located an approximately five-minute walk from Nishi-shinjuku Station on Tokyo Metro Marunouchi Line. Shinjuku area has developed as one of Japan's leading commercial hubs, centered around Shinjuku station, one of Japan's premier terminal stations. The area has abundant demands, and is highly recognized as a tourist destination, making it popular among inbound tourists and enabling extremely high ADR and occupancy rate in the area as a whole. Shinjuku area is largely divided into Nishi-shinjuku area (west side of Shinjuku) and Higashi-shinjuku area (east side of Shinjuku) with Shinjuku station as the border. Nishi-shinjuku area where the property is located, while less crowded than the bustling area around the Shinjuku station, is calm and quiet, making it popular among guests looking for peace and safety.

■ Property characteristics

"Daiwa Roynet Hotel" is one of the top stay-only hotel brands. The property has a competitive advantage considering the accessibility from Nishi-shinjuku station. It has 280 guest rooms, large enough to anticipate alternative tenants. The property is a highly convenient hotel as there are restaurants on the first and the second floors (one on the second floor is scheduled to reopen in November 2025 after renovation), and a convenience store on the basement floor.

(Note 1) While the building coverage ratio of the property is essentially 80%, it is set at 100% due to application of a fire-resistant building located in a fire prevention district.

(Note 2) Overview of leasing is based on information as of November 4, 2025, which is the anticipated acquisition date.

4. Seller profile

(1)	Name	Fuyo General Lease Co., Ltd.
(2)	Location	5-1-1, Kojimachi, Chiyoda Ward, Tokyo
(3)	Representative	Hiroaki Oda, President and Chief Executive Officer
(4)	Business activities	General leasing business
(5)	Capital	10,532 million yen (as of March 31, 2025)
(6)	Foundation date	May 1, 1969
(7)	Net assets	531,213 million yen (as of March 31, 2025)
(8)	Total assets	3,567,110 million yen (as of March 31, 2025)
(9)	Major shareholder and shareholding ratio	Hulic Co., Ltd. 13.95% The Master Trust Bank of Japan, Ltd. (Trust Account) 9.46% Meiji Yasuda Life Insurance Company 8.45% (as of March 31, 2025)
(10)	Relationships with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship requiring disclosure between DHR/the Asset Manager and the subject company.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and the subject company.
	Business relationship	There is no business relationship requiring disclosure between DHR/the Asset Manager and the subject company.
	Status of classification as related party	The subject company is not a related party of DHR/the Asset Manager.

5. Interested party transactions

Daiwa House Realty Mgt. Co., Ltd. as the property management company and the lessee of the Anticipated Acquisition is defined as an interested party, etc. in the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951, as amended). The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its voluntary rules regarding interested-party transactions.

6. Acquisition schedule

- (1) Acquisition decision date : October 17, 2025
 (2) Execution date of the sale and purchase agreement : October 31, 2025 (planned)
 (3) Date of payment : November 4, 2025 (planned)
 (4) Transfer date : November 4, 2025 (planned)

7. Outlook

For the forecasts of results for the fiscal period ending February 28, 2026 (from September 1, 2025 to February 28, 2026) and the fiscal period ending August 31, 2026 (from March 1, 2026 to August 31, 2026) with the Transaction factored in, please refer to the “Financial Results for the Fiscal Period Ended August 31, 2025” announced today.

8. Overview of property appraisal

Property name	Daiwa Roynet Hotel Nishi-Shinjuku
Appraisal value	12,400 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal date	September 30, 2025

Item	Content	Basis
Value based on income method	12,400 million yen	Estimated the value based on income method by judging the value based on discounted cash flow method was more convincing and also by verifying the value based on direct capitalization method.
Value based on direct capitalization method	12,500 million yen	
Operating revenue	726 million yen	
Effective gross revenue	726 million yen	Judged the rent based on the current lease contract deemed appropriate, by considering the new rent level and trend of similar properties with the same supply and demand, and also by considering the medium-to long-term competitiveness of the property.
Loss from vacancy	-	Not recorded assuming the tenant will rent the property for the long term.
Operating expense	187 million yen	
Maintenance	-	Not recorded as borne by the tenant.
Utility cost	-	Not recorded as borne by the tenant.
Repair	4 million yen	Recorded based on the amount in the engineering report.
Property management Fee	2 million yen	Based on the current contract.
Advertisement and other leasing cost	-	Not recorded assuming the tenant will rent the property for the long term.
Tax	36 million yen	Land: Recorded based on actual amounts in consideration of the level of burden. Buildings: Recorded based on actual amounts (including depreciable assets).
Insurance	0 million yen	Assessed based on insurance premium estimates.
Other cost	143 million yen	Land rent: Recorded based on the land lease contract Reserve funds: Assessed at 80 yen per tsubo per month per leasable area.
Net operating income (NOI)	538 million yen	
Investment income of lump sum	7 million yen	Assessed with the investment yield set at 1.0%
Investment loss of lumpsum	1 million yen	Assessed with the investment yield on the building demolition deposit set at 1.0%.
Capital expenditure	12 million yen	Recorded based on the amount in the engineering report.
Net cash flow (NCF)	531 million yen	
Discount rate	3.8%	Assessed in consideration of discount rates of other examples of fully owned properties and other factors.
Value based on Discounted	12,300	

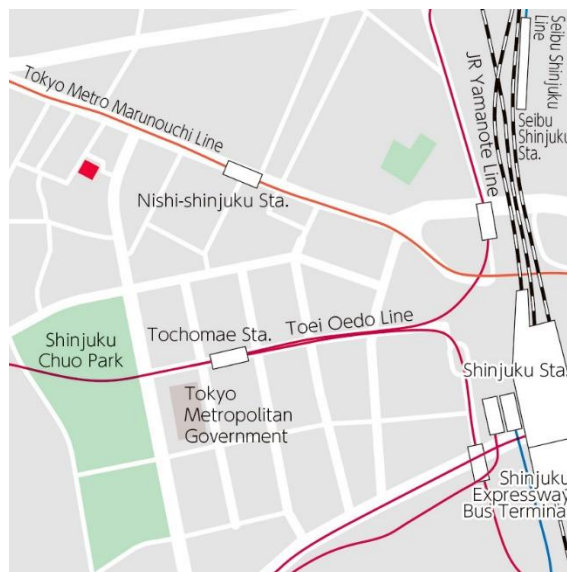
Cash Flow method	million yen	
Discount rate (from the first year to tenth year)	3.6%	Assessed in reference to the discount rate of the direct capitalization method and adjusting differences in future uncertainties, considering the discount cash flow method assumes holding period of 10 years.
Discount rate (from the eleventh year)	4.0%	Assessed in reference to the discount rate of the direct capitalization method and considering future uncertainties till the expiry of the land lease agreement
Value based on cost method	6,450 million yen	
Proportion of land	3.9%	
Proportion of leasehold	44.5%	
Proportion of building	51.6%	
Other items considered by the appraiser in the appraisal		None

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

<Attachments>

1. Photograph and location map of the Anticipated Acquisition

HO-009 Daiwa Roynet Hotel Nishi-Shinjuku



2. Portfolio status after the acquisition of the Anticipated Acquisition

Asset class	Number of properties	(Anticipated) acquisition price (million yen)	Investment ratio (Note)
Logistics properties	64 properties	473,019	51.8%
Residential properties	130 properties	241,940	26.5%
Retail properties	22 properties	118,639	13.0%
Hotel properties	8 properties	37,514	4.1%
Other assets	6 properties	41,660	4.6%
Portfolio Total	230 properties	912,772	100.0%

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