

February 20, 2026

For Immediate Release

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Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate
(Finalization of Property Overview of Castalia Nishi Funabashi II)

Daiwa House REIT Investment Corporation (“DHR”) hereby announces regarding the acquisition of Castalia Nishi Funabashi II (the “Anticipated Acquisition”), announced in the press release “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate” on November 25, 2024, that some of the details previously undetermined as the building was yet to be completed at the time of the announcement have been finalized as described below. The underlined parts indicate changes from the plans as of November 25, 2024.

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)	Appraisal value (million yen) (Note 2)	NOI yield (Note 3)
RE-145	<u>Castalia Nishi Funabashi II</u>	Residential	Funabashi City, Chiba	February 27, 2026	<u>2,662.5</u>	<u>2,950</u>	<u>4.6%</u>

(Note 1) “Anticipated acquisition price” is based on the sale and purchase price set forth in the trust beneficiary interest sale and purchase amendment agreement related to the acquisition of Castalia Nishi Funabashi II. The figure excludes such amounts as expenses related to acquisition, amounts equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes. The anticipated acquisition price has been reduced by 62.5 million yen compared to the anticipated price as of November 25, 2024, due to a decrease in expenses such as sewage discharge charges incurred during the construction of the Anticipated Acquisition and an increase in construction costs associated with changes in building specifications.

(Note 2) “Appraisal value” is as of January 31, 2026.

(Note 3) “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 shown in the appraisal report (as of January 31, 2026) by the anticipated acquisition price.

- (2) Anticipated execution date of the sale and purchase amendment agreement : February 27, 2026
 (3) Seller : Mizuho Marubeni Leasing Corporation
 (4) Acquisition funds : Cash reserves

2. Details of the Anticipated Acquisition

	As of November 25, 2024 (planned)	As of February 20, 2026
Property name	<u>Castalia Nishifunabashi II (tentative name)</u>	<u>Castalia Nishi Funabashi II</u>
Property number	RE-145	
Asset class	Residential	
Type ^(Note 1)	Compact type 51.9%, Family type 48.1%	
(Anticipated) date of acquisition	February 27, 2026	

		As of November 25, 2024 (planned)	As of February 20, 2026
Anticipated acquisition price		<u>2,725</u> million yen	<u>2,662.5</u> million yen
Type of specified asset		Trust beneficiary interest in real estate	
Trustee		To be decided	<u>Mitsubishi UFJ Trust and Banking Corporation</u>
Trust maturity date			<u>February 29, 2036</u>
Location	Lot number	<u>641</u> , Innaicho, Funabashi City, Chiba	<u>640</u> , Innaicho, Funabashi City, Chiba
	Residence indication	-	<u>640</u> , Innaicho, Funabashi City, Chiba
Land	Type of ownership	Land lease right	
	Land area	2,654.53 m ²	
	Area classification	Category 1 residential district	
	Building coverage ratio	60%	
	FAR	200%	
Land lease right period		60 years from December 6, 2024	
Collateral		None	
Building	Type of ownership	Ownership	
	Gross floor area ^(Note 3)	<u>5,568.08</u> m ²	<u>5,462.48</u> m ²
	Use	Apartment complex, <u>retail, health clinic</u>	Apartment complex, <u>health clinic, retail</u>
	Structure	Reinforced concrete building	
	Number of floors	5 floors	
	Date of construction	<u>December 2025</u>	<u>January 22, 2026</u>
Overview of building condition evaluation	Evaluation company	To be decided	<u>Tokio Marine dR Co., Ltd.</u>
	Evaluation date		<u>February 2026</u>
	Urgent repair costs		<u>0 thousand yen</u>
	Short-term repair costs		<u>0 thousand yen</u>
	Long-term repair costs		<u>46,746 thousand yen (12 years)</u>
	PML		<u>3.8%</u>
Soil contamination inspector		Tokio Marine dR Co., Ltd.	
Contractor, etc.	Designer	Daiwa House Industry Co., Ltd.	
	Structural designer	Daiwa House Industry Co., Ltd.	
	Contractor	Daiwa House Industry Co., Ltd.	
	Inspection agency	JAPAN ERI CO., LTD.	
	Structural calculation evaluation agency	-	
Overview of leasing	Leasable area	<u>4,090.60</u> m ²	<u>4,090.34</u> m ²
	Leased area ^(Note 2)		
	Occupancy rate ^(Note 2)		
	Number of leasable units	60 units (6 retail sections and 54 residential units)	
	Master lease company	Daiwa Living Co., Ltd.	
	Master lease type	Pass-through type	
	Property management company	Daiwa Living Co., Ltd.	
Appraisal value, etc. ^(Note 3)	Anticipated annual rent (excluding consumption taxes) ^(Note 4)	<u>177</u> million yen	<u>180</u> million yen
	NOI (annualized)	<u>116</u> million yen	<u>121</u> million yen
	NOI yield	<u>4.3%</u>	<u>4.6%</u>

		As of November 25, 2024 (planned)	As of February 20, 2026
	Appraisal value	<u>2,830</u> million yen (valuation date: October 31, 2024)	<u>2,950</u> million yen (valuation date: January 31, 2026)

(Note 1) Unit types are categorized as compact-type units with leasable area of 60m² or less and family-type units of more than 60m². A ratio of units is the ratio of the units leased by type to the total number of units for lease (excluding for retail and other non-residential uses) and rounded to the nearest tenth. Therefore, the sum may not add up to 100%.

(Note 2) While the building has been completed as of February 20, 2026, it is not yet in operation and “leased area” and “occupancy rate” are not shown. DHR will focus on leasing activities as interior viewings of the property become available.

(Note 3) As the building was yet to be built as of November 25, 2024, an appraisal of the unfinished building in accordance with real estate appraisal standards was conducted with October 31, 2024 as the valuation date.

(Note 4) “Anticipated annual rent” is represented by operating revenue based on a direct capitalization method as shown in the appraisal report.

3. Seller profile

(1)	Name	Mizuho Marubeni Leasing Corporation
(2)	Location	6 Yonbancho, Chiyoda Ward, Tokyo
(3)	Representative	Kunio Negishi, President and CEO
(4)	Business activities	General leasing and related businesses
(5)	Capital	4,390 million yen (as of March 31, 2025)
(6)	Foundation date	December 24, 1993
(7)	Net assets	35,619 million yen (as of March 31, 2025)
(8)	Total assets	310,281 million yen (as of March 31, 2025)
(9)	Major shareholder and shareholding ratio	Mizuho Leasing Company, Limited 50% Marubeni Corporation 50% (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 seller.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and the seller.
	Business relationship	There is no business relationship requiring disclosure between DHR/the Asset Manager and the seller.
	Status of classification as related party	The seller is not a related party of DHR or the Asset Manager.

4. Outlook

This matter is already factored in the forecast 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) and there are no revisions to the forecast.

5. Overview of property appraisal

Property name	Castalia Nishi Funabashi II
Appraisal value	2,950 million yen
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal date	January 31, 2026

Item	Content	Basis
Value based on income method	2,950 million yen	Estimated the value based on income method by giving weight to the value based on discount cash flow method, and also by comparing with the value based on capitalization method
Value based on direct capitalization method	3,050 million yen	
Operating revenue	180 million yen	
Potential gross revenue	192 million yen	Assessed the rents that can be received stably over the medium to long term
Loss from vacancies	11 million yen	Assessed in consideration of standard occupancy rates and the individuality of the property

Operating expense	59 million yen	
Maintenance	7 million yen	Judged the estimates as reasonable with reference to the level of similar properties
Utility cost	2 million yen	Assessed with reference to the level of similar properties
Repair	1 million yen	With estimates in the engineering report deemed reasonable, allocated 30% of the standardized amount
Residential restoration cost	1 million yen	Assessed based on the assumed turnover rate with reference to similar properties
Property management fee	5 million yen	Assessed with reference to similar properties
Advertisement and other leasing cost	4 million yen	Assessed in consideration of local customs and move-out rates
Renewal fee	1 million yen	Assessed in consideration of turnover rate
Tax	11 million yen	Assessed in consideration of age-related depreciation
Insurance	0 million yen	Judged the estimates in the submitted materials as reasonable
Other cost	24 million yen	Recorded land rent and internet fee
Net operating income (NOI)	121 million yen	
Investment income of lump sum	0 million yen	Assessed with an investment yield set at 1.0%
Capital expenditure	2 million yen	With estimates in the engineering report deemed reasonable, allocated 70% of the standardized amount
Net cash flow (NCF)	118 million yen	
Cap rate	3.9%	Assessed in consideration of the discount rate and fluctuation risk of revenue and principal
Value based on discounted cash flow method	2,900 million yen	
Discount rate	3.7%	Assessed based on the standard yields by considering the risk factors related to local characteristics and individuality of the property and also comprehensively considering the market trends, etc.
Terminal cap rate	4.1%	Assessed based on the cap rate by considering the forecast uncertainty of the changes in NCF in the future, deterioration of the property over time and the risks related to sale of the property in the future
Value based on cost method	3,020 million yen	
Proportion of land	49.4%	
Proportion of building	50.6%	
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

RE-145 Castalia Nishi Funabashi II



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	51.7%
Residential properties	131 properties	244,602	26.7%
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	231 properties	915,434	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.