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October 20, 2021

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Representative: Seiya Miyamoto, Executive Director

Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.  
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## **Notice Concerning Asset Replacement and Conclusion of Agreements Concerning Development Project with World Holdings Group (Kandasudacho 2-Chome Development Project)**

Daiwa Office Investment Corporation (the “Investment Corporation”) hereby announces that Daiwa Real Estate Asset Management Co. Ltd. (the “Asset Manager”), to which the Investment Corporation entrusts management of its assets, has determined today to acquire domestic real estate trust beneficiary rights (the “Acquisition”) related to the development site of the development project (the “Property to Be Acquired”) and transfer 2 domestic real estate trust beneficiary rights (the “Properties to Be Transferred”) (the “Transfer”, and the Acquisition and the Transfer are collectively referred to as the “Replacement”) with the World Holdings Group (Note). In addition, we are pleased to inform you that we have decided to conclude various contracts related to the office building development project (the “Project”) on the Property to Be Acquired.

(Note) World Holdings Group refers to World Holdings Co., Ltd., which is listed on the First Section of the Tokyo Stock Exchange and is engaged in a wide range of businesses, including the real estate business, human resources and education business, and the information and communications business and its consolidated subsidiaries.,

### **1. Summary of the Replacement**

|   |  |
|---|--|
| Scheduled Date of Conclusion of Replacement Agreement | October 20, 2021   |
| Scheduled Delivery Date                               | December 16, 2021  |
| The Counterparty of the Replacement                   | World Residential Co., Ltd.<br>Nichimo Real Estate Co., Ltd. |

(Note) World Residential Co., Ltd. and Nichimo Real Estate Co., Ltd., which are the counterparty of the replacement, are the consolidated subsidiaries of World Holdings Co., Ltd.

#### **I. Summary of the Acquisition**

|                         |   |
|-------------------------|---|
| Asset Name              | Kandasudacho 2-Chome Development Site (land)  |
| Type of Specified Asset | Trust beneficial interest in domestic real estate   |
| Location                | 19-19, and 17 other parcels of land, Kanda Suda-cho 2-chome, Chiyoda-ku, Tokyo            |
| Acquisition Price       | 10,600 million yen<br>(excluding acquisition expenses and consumption tax, etc.) (Note 1) |
| Seller                  | World Residential Co., Ltd. and Nichimo Real Estate Co., Ltd. (Note 2)                    |
| Funding for Acquisition | Appropriation based on proceeds from the Transfer and cash on hand                        |
| Payment Method          | Lump-sum payment at the time of delivery  |

(Note 1) The acquisition price is only for the Property to Be Acquired.

(Note 2) The Investment Corporation will acquire a quasi-co-ownership interest in the trust beneficiary interest (1,978,232 of 10,600,000 of the equity interest) from World Residential Co., Ltd. and a quasi-co-ownership interest in the trust beneficiary interest (8,621,768 of 10,600,000 of the equity interest) from Nichimo Real Estate Co., Ltd..

(Note 3) The intermediary is neither an interested person, etc., as stipulated in the Order for Enforcement of the Act on Investment Trusts and Investment Corporations nor a related party as stipulated in “Rules on Conflicts of Interest,” the Asset Manager’s internal regulations.

## II. Summary of the Transfer

| Asset Name              | Type of Asset                                     | Planned Sale Price (million yen) (Note 1) | Book Value (million yen) (Note 2) | Difference between the Sale Price and the Book Value (million yen) (Note 3) | Purchaser                   | Payment Method                                    |
|-------------------------|---|---|-----------------------------------|---|-----------------------------|---|
| Daiwa Minami-Aoyama     | Trust beneficial interest in domestic real estate | 4,990                                     | 4,390                             | 599   | World Residential Co., Ltd. | Lump-sum payment at the time of delivery (Note 4) |
| Daiwa Kojimachi 4-chome |   | 3,200                                     | 2,822                             | 377   |                             |   |
| Total                   |   | 8,190                                     | 7,213                             | 976   |                             |   |

(Note1) The planned sale price excludes settlement amounts of fixed asset tax and city planning tax, and consumption tax.

(Note2) Book Value is as of May 31, 2021.

(Note3) The figure differs from a capital gain from the Transfer. It is a simple calculation of difference between the sale price and the book value for reference.

(Note4) The funds obtained through the Transfer will be used for the acquisition of the Property to Be Acquired.

(Note5) The intermediary for the Transfer is neither an interested person, etc. as stipulated in the Order for Enforcement of the Act on Investment Trusts and Investment Corporations nor a related party as stipulated in the "rules on conflicts of interest," the Asset Manager's internal regulations.

## 2. Reason for the Replacement and the Project

The Investment Corporation decided to conduct the Replacement and the Project based on the basic policy for asset management set forth in the Articles of Incorporation and the management policy of the Investment Corporation as rejuvenation of the portfolio in terms of building age and improvement in medium- to long-term profitability can be expected.

Please refer to the following for further details.

### I. Acquisition

#### (1) Location

This property is located 4 minutes on foot from Kanda Station on the JR Yamanote Line and Tokyo Metro Ginza Line, 5 minutes on foot from Akihabara Station on the JR Yamanote Line and Tokyo Metro Hibiya Line, and 4 minutes on foot from Iwamoto-cho Station on the Toei Subway Shinjuku Line. It takes 2 minutes from Kanda Station to Tokyo Station, which has good access to the city center.

The Kanda area, where the Property to Be Acquired is located, is close to Marunouchi and Otemachi, etc., which are large business clusters, and has a high level of traffic convenience, and maintains relatively cheap rent levels. As a result, tenant demand is expected from small and medium-sized manufacturers, wholesalers, and other industries.

#### (2) Project Highlight

In October 2020, the Investment Corporation decided on the first development project for the Nihonbashi Bakurocho 1-Chome Development Project (Note) and is promoting the project. The Project is the second development project for the Investment Corporation. In the situation where competition in the real estate transaction market remains fierce, the Project will carry out the development of a new office property on development site to be acquired in central Tokyo, and the Project is deemed important as it is expected to rejuvenate the portfolio and improve its medium- to long-term profitability.

In addition to the fact that the Asset Manager has created an in-house real estate development team with expertise, by outsourcing project management to THE SANKEI BUILDING CO., LTD., which has a wealth of experience in office development, risks concerning development such as excessive development costs, schedule delays, and quality of the property developed are reduced. Moreover, by outsourcing design and construction to Taisei Corporation, which has produced many results and has extensive experience in a wide range of fields along completion risks are reduced.

Furthermore, the Asset Manager's asset management department will aim to lease up the building as soon as possible after construction is completed, leveraging its past leasing experience and tenant networks.

(Note) For details of the Nihonbashi Bakurocho 1-Chome Development Project, please refer to the "Notice of Acquisition and Conclusion of Agreements Concerning Development Project (Nihonbashi Bakurocho 1-Chome Development Project)" announced on October 21, 2020 and the "Notice of Nihonbashi Bakurocho 1-Chome Development Project (Follow-Up)" announced on May 20, 2021.

#### Summary of the Property to Be Acquired

|  |  |
|--|--|
| Asset Name                             | Kandasudacho 2-Chome Development Site (land)                                   |
| Type of Specified Asset                | Trust beneficial interest in real estate                                       |
| Trustee                                | Mizuho Trust & Banking Co., Ltd. (planned)                                     |
| Trust Period                           | December 16, 2021 through December 15, 2031 (planned)                          |
| Location (Lot Number)                  | 19-19, and 17 other parcels of land, Kanda Suda-cho 2-chome, Chiyoda-ku, Tokyo |
| Ownership Form                         | Ownership  |
| Area                                   | 1,346.71 m <sup>2</sup>  |
| Soil Contamination Risk Survey Company | Earth-Appraisal Co., Ltd.  |
| Acquisition Price                      | 10,600 million yen (Excluding acquisition costs, consumption tax, etc.)        |
| Appraisal Value (Appraisal Date)       | 11,500 million yen (as of September 30, 2021)                                  |
| Appraiser                              | JLL Morii Valuation & Advisory K.K.  |
| Collateral                             | None   |
| Other Matters of Special Note          | Not Applicable   |

## II. Summary of the Properties to Be Transferred

### (1) Daiwa Minami-Aoyama

|  |  |
|--|--|
| Asset Name                                 | Daiwa Minami-Aoyama  |
| Type of Specified Asset                    | Trust beneficial interest in domestic real estate  |
| Trustee                                    | Sumitomo Mitsui Trust Bank, Limited  |
| Maturity of Trust Period                   | October 31, 2025   |
| Location (Address)                         | 2-31-8, Minami-Aoyama, Minato-ku, Tokyo  |
| Use (Real Property Registry)               | Office and parking   |
| Ownership Form                             | (i) Land: Ownership (ii) Building: Ownership   |
| Site Area (Real Property Registry)         | 963.12 m <sup>2</sup>  |
| Total Floor Area (Real Property Registry)  | 4,379.34 m <sup>2</sup> (total floor area of the whole building)                                     |
| Structure (Real Property Registry)         | Steel-framed and steel-framed reinforced concrete structure, 5-story building with 2 basement floors |
| Construction Date (Real Property Registry) | September 21, 1990   |
| Book Value                                 | 4,390 million yen (As of May 31, 2021)   |
| Appraisal Value (Date of Valuation)        | 4,740 million yen (as of May 31, 2021)   |
| Appraiser                                  | JLL Morii Valuation & Advisory K.K.  |
| Summary of Tenants (as of August 31, 2021) |  |
| Total Number of Tenants                    | 5  |
| Rent Revenue                               | 131 million yen (Note)   |
| Security Deposit and Guaranty              | 176 million yen  |
| Total Leased Floor Space                   | 2,715.54 m <sup>2</sup>  |
| Total Leasable Floor Space                 | 2,715.54 m <sup>2</sup>  |
| Occupancy Rate                             | 100.0%   |

(Note) Rent revenue is for the fiscal period ended May 31, 2021 (from December 1, 2020, to May 31, 2021).

(2) Daiwa Kojimachi 4-chome

|  |  |
|--|--|
| Asset Name                                 | Daiwa Kojimachi 4-chome  |
| Type of Specified Asset                    | Trust beneficial interest in domestic real estate                                  |
| Trustee                                    | Mitsubishi UFJ Trust and Banking Corporation                                       |
| Maturity of Trust Period                   | October 31, 2026   |
| Location (Address)                         | 4-7-2 other, Kojimachi, Chiyoda-ku, Tokyo  |
| Use (Real Property Registry)               | Office, store, residence and parking   |
| Ownership Form                             | (i) Land: Ownership (ii) Building: Unit ownership (unit ownership: 100%)           |
| Site Area (Real Property Registry)         | 608.42 m <sup>2</sup>  |
| Total Floor Area (Real Property Registry)  | 3,942.61 m <sup>2</sup>  |
| Structure (Real Property Registry)         | Steel-framed reinforced concrete structure 9-story building with 2 basement floors |
| Construction Date (Real Property Registry) | October 8, 1987  |
| Book Value                                 | 2,822 million yen (As of May 31, 2021)   |
| Appraisal Value (Date of Valuation)        | 2,920million yen (as of May 31, 2021)  |
| Appraiser                                  | JLL Morii Valuation & Advisory K.K.  |
| Summary of Tenants (as of August 31, 2021) |  |
| Total Number of Tenants                    | 7  |
| Rent Revenue                               | 90 million yen (Note)  |
| Security Deposit and Guaranty              | 110 million yen  |
| Total Leased Floor Space                   | 2,695.31 m <sup>2</sup>  |
| Total Leasable Floor Space                 | 2,695.31 m <sup>2</sup>  |
| Occupancy Rate                             | 100.0%   |

(Note) Rent revenue is for the fiscal period ended May 31, 2021 (from December 1, 2020, to May 31, 2021).

### 3. Summary of the Seller

In the Replacement, the Investment Corporation will acquire a quasi-co-ownership interest (1,978,232 of 10,600,000 shares of the equity interest) in the trust beneficiary right from World Residential Co., Ltd. and a quasi-co-ownership interest (8,621,768 of 10,600,000 shares of the equity interest) in the trust beneficiary right from Nichimo Real Estate Co., Ltd., each of which is a trust asset for the Kandasudacho 2-Chome Development Site (Land). In addition, the Investment Corporation shall transfer beneficial interest in trust with the land and buildings of the Daiwa Minami-Aoyama and Daiwa Kojimachi 4-chome to World Residential Co., Ltd.

|                                      |  |
|--------------------------------------|--|
| (1) Name                             | World Residential Co., Ltd.  |
| (2) Address                          | 2-14-1, Higashi-Shimbashi, Minato-ku, Tokyo  |
| (3) Job Title/Name of Representative | Representative Director and President Hitoshi Yukawa   |
| (4) Description of Businesses        | <ol style="list-style-type: none"> <li>1. Operations with respect to the buying and selling, leasing, brokerage, appraisal, management and consulting of real estate</li> <li>2. Operations with respect to the development and development of land</li> <li>3. Operations with respect to the planning, design, construction, supervision, contracting, and consulting of construction and civil engineering works</li> <li>4. Money lending operations relating to real estate</li> <li>5. Non-life insurance agent</li> <li>6. Operations with respect to general leases and general rentals</li> <li>7. Operations with respect to the manufacture, sale, sales agency, brokerage, and import and export of building materials, furniture, household electrical appliances, interior decorations, air-conditioning and air-conditioning equipment, kitchen equipment, and water supply and drainage equipment</li> <li>8. Operations related to the management of theme parks, sightseeing farms, amusement parks, sports facilities, accommodation facilities, retail outlets,</li> </ol> |

|      |   |  |
|------|---|--|
|      |   | eating and drinking places, agricultural and livestock processing facilities, pastures, etc., and entrusted operations related thereto<br>9.Operations with respect to the holding, sale and purchase of beneficial interest in trust, and intermediation<br>10.Security services, etc.  |
| (5)  | Paid-in Capital   | 300 million yen  |
| (6)  | Net sales   | We have not disclosed the sales because we have not obtained consent from the replacement company to disclose the sales amount.  |
| (7)  | Date of establishment   | April 6, 2010  |
| (8)  | Net assets  | Net assets have not been disclosed because consent to disclosure has not been obtained from the replacement company.   |
| (9)  | Total assets  | We have not disclosed the total assets since we have not obtained consent from the replacement company to disclose the total assets.   |
| (10) | Major Shareholders  | Replacement is a consolidated subsidiary of World Holdings Co., Ltd.   |
| (11) | Relationship between the relevant company and the Investment Corporation/Asset Management Company |  |
|      | Capital relationship  | There is no capital relationship between the Company and the Investment Corporation or the Asset Management Company. In addition, there is no noteworthy capital relationship between the relevant company's affiliates and the affiliates of the Investment Corporation and the Asset Management Company and their affiliates.                                  |
|      | Human relations   | There is no human relationship that should be stated between the Company and the Investment Corporation or the Asset Management Company. In addition, there is no noteworthy personal relationship between the relevant company's affiliates or affiliates and the relevant persons or affiliates of the Investment Corporation or the Asset Management Company. |
|      | Business relationship   | The Investment Corporation and the Asset Management Company have no business relationship with the Company.  |
|      | Status of classification as related party   | The Company is not a related party.  |

|     |                                  |   |
|-----|----------------------------------|---|
| (1) | Name                             | Nichimo Real Estate Co., Ltd.   |
| (2) | Address                          | 2-14-1, Higashi-Shimbashi, Minato-ku, Tokyo   |
| (3) | Job Title/Name of Representative | Representative Director Yukitaka Takahashi  |
| (4) | Description of Businesses        | 1.Purchase and sale, rental, and agency and brokerage of land and buildings<br>2.Design, construction, supervision and contracting of buildings<br>3.Control of land, buildings and facilities incidental thereto<br>4.Consulting services such as building surveys and diagnostics and long-term building repair plans<br>5.Projects based on Act on Specified Joint Real Estate Ventures<br>6.Loans secured by real estate and other money<br>7.Investment in, and the sale and purchase, brokerage, and management of equity investments in, a Specific Purpose Company, a Special Purpose Company (a company specified in the Rules on Terminology, Forms, and Preparation Methods of Financial Statements, etc.), and a Real Estate Investment Trust;<br>8.Holding, trading, brokerage and management of securities and receivables<br>9.Sales, agency and brokerage of construction materials, etc.<br>10.Front service and security services in apartment houses, etc. |
| (5) | Paid-in Capital                  | 160 million yen   |
| (6) | Net sales                        | We have not disclosed the sales because we have not obtained consent from the replacement company to disclose the sales amount.   |
| (7) | Date of establishment            | June 12, 2009   |

|      |   |  |
|------|---|--|
| (8)  | Net assets  | Net assets have not been disclosed because consent to disclosure has not been obtained from the replacement company.   |
| (9)  | Total assets  | We have not disclosed the total assets since we have not obtained consent from the replacement company to disclose the total assets.   |
| (10) | Major Shareholders  | Replacement is a consolidated subsidiary of World Holdings Co., Ltd.   |
| (11) | Relationship between the relevant company and the Investment Corporation/Asset Management Company |  |
|      | Capital relationship  | There is no capital relationship between the Company and the Investment Corporation or the Asset Management Company. In addition, there is no noteworthy capital relationship between the relevant company's affiliates and the affiliates of the Investment Corporation and the Asset Management Company and their affiliates.                                  |
|      | Human relations   | There is no human relationship that should be stated between the Company and the Investment Corporation or the Asset Management Company. In addition, there is no noteworthy personal relationship between the relevant company's affiliates or affiliates and the relevant persons or affiliates of the Investment Corporation or the Asset Management Company. |
|      | Business relationship   | The Investment Corporation and the Asset Management Company have no business relationship with the Company.  |
|      | Status of classification as related party   | The Company is not a related party.  |

#### 4. Overview of the Project

This project is scheduled to be conclude the contracts on October 20, 2021, deliver the Property to Be Acquired on December 16, 2021, and develop and complete the building (hereinafter referred to as the “Building”) by the end of March 2024.

After development, the Building is scheduled to secure a leasable area of 12 stories, a total floor area of 11,423.00 square meters, and about 235 tsubo per floor. The shape of the rentable room is intended to allow rental by division and to increase the flexibility and efficiency of the layout.

Details of the specifications of this building are currently under consideration, and we will inform you again at the time of the decision.

#### Property Overview After Completion of the Building (Note 1)

|                            |  |   |
|----------------------------|--|---|
| Expected Acquisition Price | Price of Land                              | 15,286 million yen  |
|                            | Main Fees Related to Construction (Note 2) | 10,600 million yen  |
|                            |  | 4,686 million yen   |
| Building (Note 3)          | Structure                                  | Steel framed structure flat roof, 12 stories above ground |
|                            | Construction Date                          | March 2024 (Planned)                                      |
|                            | Building Area                              | 894 m <sup>2</sup>  |
|                            | Gross Floor Area                           | 11,423 m <sup>2</sup>                                     |
|                            | Total Leasable Space                       | 9,147 m <sup>2</sup>                                      |
|                            | Use  | Office  |

(Note 1) This is based on the current plan and does not guarantee the details after development.

(Note 2) Main Fees Related to Construction include the total amount of the current estimates for construction fees, design supervision fees, and project management fees (excluding consumption tax, etc.), but may change depending on the progress of the Project in the future. The same applies hereafter.

(Note 3) Based on current design documents.

#### 5. Impact of the Project on Management Status

##### I. Construction Costs

As of the date of this document, a design supervision contract and a construction contract has been concluded with Taisei Corporation, and a project management contract has been concluded with THE SANKEI BUILDING CO., LTD.

The main fees related to construction (the “Construction Costs”) of the Project are currently expected to be a total of 4,686 million yen (excluding consumption tax). The Construction Costs are scheduled to be paid in installments corresponding to the completed amount of construction and will be capitalized as



construction in progress in each period based on the timing of payment.

Construction Costs are scheduled to be financed through borrowings and cash on hand, and a new announcement will be made when the amount and timing of the borrowing is determined.

## II. Expected Revenue and Expenses of the Project

Rental revenues from the real estate business will not be generated during the period from the start of the Project to the completion of construction (scheduled from December 2021 to March 2024). The income and expenditure after the completion of this business is also undecided at this time because it will fluctuate depending on the tenant's occupancy status. However, we expect to generate real estate leasing business revenues during the cruising period in which tenant occupancy is anticipated, as shown below.

|   | Normal Operation Period (Expected) (Note 1) |
|---|---|
| Real Estate Rental Revenue                                  | 746 million yen                             |
| NOI (Note 2)  | 604 million yen                             |
| NOI Yield<br>(Based on Expected Acquisition Price (Note 3)) | 4.0%  |

(Note 1) Figures are based on the calculations of the Asset Manager after the completion of the Project, excluding special factors. The estimated occupancy rate used in the calculations is 96%.

(Note 2) Net Operating Income = Real estate rental income – Real estate rental costs + Depreciation

(Note 3) The amount is the sum of the acquisition price of the Property and the estimated Construction Costs as of today.

## 6. Overview of the Contracting Party

The following is an overview of the parties to the development contracts. Furthermore, none of said parties are an interested person, etc., as stipulated in the Order for Enforcement of the Act on Investment Trusts and Investment Corporations or a related party as stipulated in “Rules on Conflicts of Interest”, the Asset Manager’s internal regulations.

### I. Project Management Contract (Note)

|                                  |  |
|----------------------------------|--|
| (1) Name                         | THE SANKEI BUILDING CO., LTD.  |
| (2) Location                     | 1-7-2 Otemachi, Chiyoda-ku, Tokyo  |
| (3) Title/Name of Representative | President & CEO Kazunobu Iijima  |
| (4) Nature of Business           | <ol style="list-style-type: none"> <li>1. Real-estate leasing</li> <li>2. Real-estate brokerage</li> <li>3. Civil work, design of construction work, supervising, and contracting</li> <li>4. Real-estate management and appraisal</li> <li>5. Providing nursing care services and management, planning, and operation of fee-based homes for the elderly</li> <li>6. Planning &amp; production of plays, movies, and other performances, management and operation of rental meeting rooms</li> <li>7. Restaurant management</li> <li>8. Hotel management</li> <li>9. General leasing operations and brokerage/transaction mediation and buying/selling of art objects</li> <li>10. Direct investment and sales, brokerage, or management of investments in special purpose companies (companies so defined by the regulations regarding language, format, and preparation of relevant financial statements), and REITs</li> <li>11. Other related services</li> </ol> |
| (5) Stated Capital               | 28,120,460,000 yen   |

(Note) The general supervision, construction management, and auxiliary coordination for the Project have been entrusted.

### II. Construction Contract and Design Supervision Contract

|                                  |  |
|----------------------------------|--|
| (1) Name                         | Taisei Corporation                               |
| (2) Location                     | 25-1, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo |
| (3) Title/Name of Representative | President Aikawa Yoshio                          |

|                        |  |
|------------------------|--|
| (4) Nature of Business | <ol style="list-style-type: none"> <li>1. The trade or business of planning, surveying, designing, supervising, construction and installation, engineering, management and consulting relating to building works, civil engineering works, plant installation works and other construction works of all kinds</li> <li>2. The trade or business of regional development, urban development, ocean development, aerospace development, resources development, energy supply, emissions trading and development of infrastructure, and investigation, planning, designing, supervising, engineering, management and consulting therefor</li> <li>3. The trade or business of planning, designing, supervising, construction and installation, holding, lease, transfer, maintenance, management and operation of roads, railways, harbors, airports, river facilities, water supplies and sewerage, government buildings, waste disposal facilities, parking and other public facilities as well as other similar facilities, etc.</li> <li>4. The trade or business of holding, leasing, maintenance and management of hotels, sports facilities, recreational facilities, commercial facilities such as shops and restaurants, etc., offices, medical facilities, and educational and cultural facilities</li> <li>5. The trade or business of soil cleanup, environmental conservation such as water cleanup of river, lake and harbor, collection, transportation, arrangement, disposal and reuse of wastes and construction by-products as well as investigation, planning, designing, supervising, construction, management, and consulting therefor</li> <li>6. The trade or business of manufacture, procurement, sale, lease and repair of plant, tools and materials for construction, and of brokerage and agency therefor</li> <li>7. The trade or business concerning examination, evaluation, security, and protection of buildings, infrastructure and civil engineering structures</li> <li>8. The trade or business of purchase, sale, lease, brokerage, maintenance, management, appraisal of real property and consulting therefor as well as management and consulting related to investment in real property</li> <li>9. The trade or business of, investment in real-property-related SPCs and real-estate investment trust funds and sales and purchases of the equity interest therein, sales and purchases of, intermediary or agency services for sales and purchases of, and handling of private placement of beneficial interest in trust, and the real-estate specified joint enterprise ("Fudosan-Tokutei- Kyodo-Jigyo")</li> <li>10. The trade or business of designing, supervising, construction and sale of houses, etc.</li> </ol> |
| (5) Stated Capital     | 122,742,150,000 yen  |

#### **7. Impact on the Investment Corporation's Financial Conditions in the event that the Investment Corporation is unable to fulfill its forward commitments, etc.**

The Mutual Sale and Purchase Agreement for Trust Beneficial Interests (hereinafter referred to as the "Sale and Purchase Agreement") concluded with a replacement company falls under the category of forward commitments, etc. (note) by investment corporations as set forth in the Financial Services Agency's Comprehensive Supervisory Guideline for Financial Instruments Business Operators, etc. Under the sales contract, in the event of a violation by the Investment Corporation or the seller of any of the provisions of the sales contract, the counterparty may cancel the sales contract and claim an amount equivalent to 5% of the sales price as a penalty. Provided, however, that even in the event of any damages in excess of the applicable penalty, the Company shall not be entitled to claim compensation for damages in excess of the applicable penalty. In addition, the Investment Corporation's obligations are subject to financing for the acquisition of the Acquired Properties.

(note) The term means a sales contract dated earlier and for which settlement and delivery of property are to be made after one month or more has elapsed from the conclusion of the contract or any other similar contract.

#### **8. Project Schedule**

|   |                         |
|---|-------------------------|
| Conclusion of Design Supervision and Construction Contracts | October 20, 2021        |
| Scheduled Building Certification Date                       | June 2022               |
| New Construction Work (scheduled)                           | July 2022 to March 2024 |
| Scheduled Completion Date                                   | March 2024              |

(Note) This is the current schedule based on certain assumptions and could change based on the building



specifications and deliberations with the contractor. The Construction Costs are scheduled to be paid in installments corresponding to the completed amount of construction.

## **9. Future Prospect**

The Replacement is scheduled for delivery on December 16, 2021, and the completed building is scheduled for delivery at the end of March 2024. Accordingly, there is no impact on the forecast of the status of operations for the fiscal period ending November 2021 (the 32nd fiscal period).

In addition, through the Transfer, we expect to record a gain on sale of real estate, etc. (approximately ¥906 million) in the fiscal period ending May 31, 2022 (the 33rd fiscal period), but we plan to retain the majority of this gain as a reserve for reduction entry of property. Revisions to the forecast of the status of operations for the fiscal period ending May 31, 2022 (the 33rd fiscal period) are under scrutiny in conjunction with the status of operations of existing properties, and will be disclosed at the time of the announcement of financial results for the fiscal period ending November 2021 (the 32nd fiscal period), which is scheduled for January 2022.

## 10. Summary of Appraisal Report

### I. Details of the Asset to Be Divested (Kandasudacho 2-Chome Development Site (land))

|   |                                     |
|---|-------------------------------------|
| Appraiser   | JLL Morii Valuation & Advisory K.K. |
| Appraisal Date                                      | September 30, 2021                  |
| Appraisal Value                                     | 11,500 million yen                  |
| Comparable Value Based on Sales Comparison Approach | 10,800 million yen                  |
| Income Approach Value (Development Leasing-Type)    | 11,500 million yen                  |

|   |   |
|---|---|
| Other Things Appraiser Noted Upon Appraisal | For the appraisal, upon taking into account the regional and individual analyses, the characteristics of the comparable value, and the suitability of the comparable value relative to the income value, in addition to determining the relative reliability of the documents utilized in each valuation approach, it was determined that the income value was the more convincing price. |
|---|---|

(Note) The above values are based on the appraisal report and are not the figures forecast by the Investment Corporation or the Asset Manager.

### II. Details of the Asset to Be Divested

#### (1) Daiwa Minami-Aoyama

|                 |                                     |
|-----------------|-------------------------------------|
| Appraiser       | JLL Morii Valuation & Advisory K.K. |
| Appraisal Date  | May 31, 2020                        |
| Appraised Value | 4,740 million yen                   |

| Items                          | Breakdown<br>(million yen) (Note 1) | Outline, etc.   |
|--------------------------------|-------------------------------------|---|
| Income Approach Value          | 4,740                               | Estimated equally based on direct capitalization value and discounted cash flow value.                  |
| Direct Capitalization Value    | 4,800                               |   |
| (1) Operating Revenue          | 245                                 |   |
| Potential Annual Rent Revenue  | 257                                 | Assessed rent, which is stable over the medium to long term, etc.                                       |
| Amount of Loss due to Vacancy  | 12                                  | Assessed by taking into account the standard vacancy rate and specific factors of the subject property. |
| (2) Operating Expenses         | 58                                  |   |
| Maintenance and Operation Cost | 11                                  | Assessed based on actual historical data and the level of peer properties.                              |
| PM Fee                         | (Note 2)                            |   |
| Water & Utility Charges        | 13                                  | Assessed based on actual historical data and the level of peer properties.                              |
| Repair                         | 4                                   | Referred to the ER estimate, assessed as 30% of the levelled amount.                                    |
| Leasing Fee                    | 1                                   | Amount equivalent to new monthly rent for 1.2 months.   |

|  |                                     |       |   |
|--|-------------------------------------|-------|---|
|  | Tax                                 | 25    | Based on actual historical amount.  |
|  | Non-life Insurance                  | 0     | Deemed actual amount, etc. as being appropriate.  |
|  | Others                              | 0     |   |
|  | (3) Net Operating Revenue           | 186   |   |
|  | (4) Profit from deposits/guarantees | 1     | Return yield is assumed at 1.0%.  |
|  | (5) Capital Expenditures            | 10    | Amount equivalent to 70% of the levelled amount based on the estimate on the ER.  |
|  | (6) Net Revenue ((3)+(4)-(5))       | 177   |   |
|  | (7) Capitalization Rate             | 3.7%  | Assessed by reflecting fluctuation risks of income and principal in the discount rate.  |
| Discounted Cash Flow Value                   |                                     | 4,680 |   |
|  | Discount Rate                       | 3.5%  | Assessed by comprehensively taking into account the market trends, etc. after considering the regional factors, specific factors, etc. of the subject property. |
|  | Terminal Capitalization Rate        | 3.9%  | Assessed considering future uncertainties, deterioration of buildings and divestment risks, based on capitalization rate.                                       |
| Integrated Value by Using Cost Method        |                                     | 4,520 |   |
|  | Ratio of Land                       | 93.1% |   |
|  | Ratio of Building                   | 6.9%  |   |
| Other, things appraiser noted upon valuation |                                     |       | —   |

(Note 1) The above revenue and expenses are based on the appraisal report and are not the figures forecasted by the Investment Corporation or the Asset Manager.

(Note 2) With no prospective PM's permission given for a specific disclosure of the PM fees, there is no disclosure of the breakdown of the fees. Disclosure of the PM fee figures in a specific manner may cause adverse effects on other business operations of the prospective PM, leading to bring about negative impact on the planned efficient operation based on the maintenance policy of the investment-target property of the Investment Corporation that the Investment Corporation is to contract with the PM. This may in return further cause adverse effects on unitholders' interest. Therefore, the figure presented in this column is calculated together with maintenance and operation costs.

## (2) Daiwa Kojimachi 4-chome

|                 |                                     |
|-----------------|-------------------------------------|
| Appraiser       | JLL Morii Valuation & Advisory K.K. |
| Appraisal Date  | May 31, 2021                        |
| Appraised Value | 2,920 million yen                   |

| Items                         | Breakdown<br>(million yen) (Note 1) | Outline, etc.   |
|-------------------------------|-------------------------------------|---|
| Income Approach Value         | 2,920                               | Estimated equally based on direct capitalization value and discounted cash flow value.                  |
| Direct Capitalization Value   | 2,960                               |   |
| (1) Operating Revenue         | 177                                 |   |
| Potential Annual Rent Revenue | 189                                 | Assessed rent, which is stable over the medium to long term, etc.                                       |
| Amount of Loss due to Vacancy | 11                                  | Assessed by taking into account the standard vacancy rate and specific factors of the subject property. |

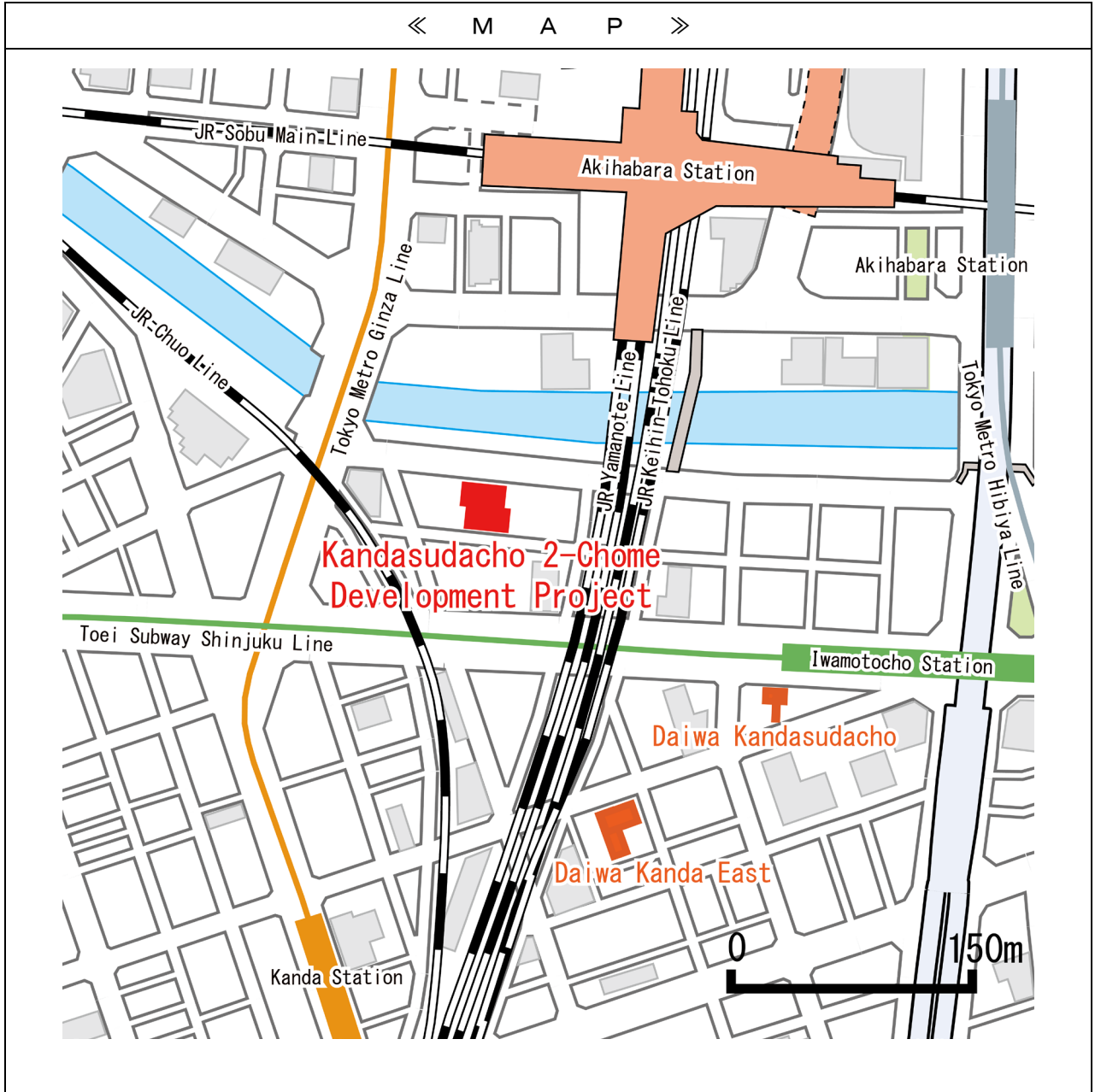
|  |          |   |
|--|----------|---|
| (2) Operating Expenses                       | 66       |   |
| Maintenance and Operation Cost               | 10       | Assessed based on actual historical data and the level of peer properties.  |
| PM Fee                                       | (Note 2) |   |
| Water & Utility Charges                      | 16       | Assessed based on actual historical data and the level of peer properties.  |
| Repair                                       | 3        | Referred to the ER estimate, assessed as 30% of the levelled amount.  |
| Leasing Fee                                  | 1        | Amount equivalent to new monthly rent for 1.2 months.   |
| Tax  | 33       | Based on actual historical amount.  |
| Non-life Insurance                           | 0        | Deemed actual amount, etc. as being appropriate.  |
| Others                                       | 0        |   |
| (3) Net Operating Revenue                    | 110      |   |
| (4) Profit from deposits/guarantees          | 0        | Return yield is assumed at 1.0%.  |
| (5) Capital Expenditures                     | 8        | Amount equivalent to 70% of the levelled amount based on the estimate on the ER.  |
| (6) Net Revenue ((3)+(4)-(5))                | 103      |   |
| (7) Capitalization Rate                      | 3.5%     | Assessed by reflecting fluctuation risks of income and principal in the discount rate.  |
| Discounted Cash Flow Value                   | 2,870    |   |
| Discount Rate                                | 3.3%     | Assessed by comprehensively taking into account the market trends, etc. after considering the regional factors, specific factors, etc. of the subject property. |
| Terminal Capitalization Rate                 | 3.7%     | Assessed considering future uncertainties, deterioration of buildings and divestment risks, based on capitalization rate.                                       |
| Integrated Value by Using Cost Method        | 4,720    |   |
| Ratio of Land                                | 93.8%    |   |
| Ratio of Building                            | 6.2%     |   |
| Other, things appraiser noted upon valuation |          | —   |

(Note 1) The above revenue and expenses are based on the appraisal report and are not the figures forecasted by the Investment Corporation or the Asset Manager.

(Note 2) With no prospective PM's permission given for a specific disclosure of the PM fees, there is no disclosure of the breakdown of the fees. Disclosure of the PM fee figures in a specific manner may cause adverse effects on other business operations of the prospective PM, leading to bring about negative impact on the planned efficient operation based on the maintenance policy of the investment-target property of the Investment Corporation that the Investment Corporation is to contract with the PM. This may in return further cause adverse effects on unitholders' interest. Therefore, the figure presented in this column is calculated together with maintenance and operation costs.

End

[Reference Material 1] Map of the Property



**[Reference Material 2] Portfolio Overview After the Replacement**

| Region                               | Name of Property             | Date of (Scheduled) Acquisition | Acquisition Price (million yen) | Investment Ratio (Note 4) |
|--------------------------------------|------------------------------|---------------------------------|---------------------------------|---------------------------|
| Five Central Wards of Tokyo (Note 1) | Daiwa Ginza                  | Oct 21, 2005                    | 14,100.0                        | 3.0%                      |
|                                      | Daiwa Ginza Annex            | Oct 21, 2005                    | 3,050.0                         | 0.7%                      |
|                                      | Daiwa Shibaura               | Oct 21, 2005                    | 8,265.0                         | 1.8%                      |
|                                      | Daiwa Sarugakucho            | Oct 21, 2005/<br>Mar 30, 2012   | 3,190.0                         | 0.7%                      |
|                                      | Daiwa A Hamamatsucho         | Oct 21, 2005                    | 2,865.0                         | 0.6%                      |
|                                      | Daiwa Jingumae               | Oct 21, 2005                    | 2,800.0                         | 0.6%                      |
|                                      | Daiwa Shibadaimon            | Oct 21, 2005                    | 2,578.0                         | 0.6%                      |
|                                      | Daiwa Misakicho              | Oct 21, 2005                    | 2,346.0                         | 0.5%                      |
|                                      | Daiwa Tsukijiekimae          | Jan 27, 2006                    | 1,560.0                         | 0.3%                      |
|                                      | Daiwa Tsukiji                | Jan 27, 2006                    | 1,240.0                         | 0.3%                      |
|                                      | Daiwa Tsukishima             | Mar 24, 2006                    | 7,840.0                         | 1.7%                      |
|                                      | Daiwa Nihonbashi Horidomecho | May 1, 2006                     | 2,520.0                         | 0.5%                      |
|                                      | Daiwa Azabudai               | May 1, 2006                     | 1,600.0                         | 0.3%                      |
|                                      | Shinjuku Maynds Tower        | Jul 13/ Nov 26, 2007            | 66,900.0                        | 14.3%                     |
|                                      | Daiwa SHIBUYA EDGE           | Jul 13, 2007                    | 5,900.0                         | 1.3%                      |
|                                      | Daiwa Kodenmacho             | Aug 31, 2007                    | 2,460.0                         | 0.5%                      |
|                                      | Daiwa Nishi-Shimbashi        | Aug 13, 2010                    | 5,000.0                         | 1.1%                      |
|                                      | Daiwa Kayabacho Building     | Mar 25, 2011                    | 5,600.0                         | 1.2%                      |
|                                      | Daiwa Jimbocho 3-chome       | Mar 29, 2011                    | 3,550.0                         | 0.8%                      |
|                                      | E SPACE TOWER                | Jul 8, 2011                     | 24,000.0                        | 5.1%                      |
|                                      | Daiwa Nihonbashi Hongokucho  | May 11, 2012                    | 1,721.0                         | 0.4%                      |
|                                      | shinyon curumu               | Dec 3, 2012/<br>Apr 12, 2013    | 9,650.0                         | 2.1%                      |
|                                      | Daiwa Akasaka                | Aug 9, 2013                     | 9,200.0                         | 2.0%                      |
|                                      | Daiwa Shibuya Miyamasuzaka   | Sep 27, 2013                    | 7,000.0                         | 1.5%                      |
|                                      | Daiwa Azabu Terrace          | Jul 4, 2014                     | 14,000.0                        | 3.0%                      |
|                                      | Daiwa Ebisu 4-chome          | Dec 1, 2014                     | 4,135.2                         | 0.9%                      |
|                                      | LAQUAS Higashi Shinjuku      | Dec 3, 2014                     | 8,450.0                         | 1.8%                      |
|                                      | Daiwa Aoyama                 | Mar 2, 2015                     | 9,800.0                         | 2.1%                      |
|                                      | Shinsen Place                | Mar 2, 2015                     | 4,800.0                         | 1.0%                      |
|                                      | Daiwa Shibuya Square         | May 1, 2015                     | 16,000.0                        | 3.4%                      |
|                                      | Daiwa River Gate             | Jun 2, 2015                     | 28,000.0                        | 6.0%                      |
|                                      | Daiwa Hatchobori ekimae      | Sep 11, 2015                    | 2,871.0                         | 0.6%                      |
| Daiwa Hatchobori ekimae West         | Sep 11, 2015                 | 1,647.0                         | 0.4%                            |                           |
| Daiwa Nishi-Shinjuku                 | Mar 29, 2016                 | 13,710.0                        | 2.9%                            |                           |
| Kirin Nihonbashi Building            | May 26, 2016                 | 8,180.0                         | 1.8%                            |                           |



| Region  | Name of Property                                 | Date of Acquisition       | Acquisition Price<br>(million yen) | Investment Ratio<br>(Note 4) |
|---|--|---------------------------|------------------------------------|------------------------------|
|   | Daiwa Higashi-Nihonbashi                         | Jun 1, 2016               | 6,370.0                            | 1.4%                         |
|   | Daiwa Daikanyama                                 | Jun 29, 2016              | 2,280.0                            | 0.5%                         |
|   | Daiwa Shinjuku West                              | Jul 21, 2016              | 942.0                              | 0.2%                         |
|   | Daiwa Kanda Mikuracho Building                   | Dec 21, 2016              | 1,592.0                            | 0.3%                         |
|   | Daiwa Kanda East                                 | Jan 12, 2018              | 4,200.0                            | 0.9%                         |
|   | Daiwa Kandasudacho                               | Jun 7, 2018/ Nov 1, 2018  | 2,295.0                            | 0.5%                         |
|   | Daiwa Sasazuka Tower                             | Oct 30, 2018              | 15,500.0                           | 3.3%                         |
|   | Daiwa Sasazuka                                   | Dec 27, 2018              | 3,000.0                            | 0.6%                         |
|   | Daiwa Harumi                                     | Feb 27, 2019              | 11,200.0                           | 2.4%                         |
|   | Daiwa Mita 2-Chome                               | Jul 1, 2019               | 2,635.0                            | 0.6%                         |
|   | Nihonbashi Central Square                        | May 21, 2020              | 3,521.5                            | 0.8%                         |
|   | Nihonbashi-Bakurocho 1-Chome<br>Development Site | Nov 13, 2020              | 3,775.0 (note 5)                   | 0.8%                         |
|   | Kandabashi PR-EX                                 | Sep. 29, 2021             | 1,970.0                            | 0.4%                         |
|   | Kandasudacho 2-Chome<br>Development Site (land)  | Oct. 20, 2021 (Scheduled) | 10,600.0 (note 6)                  | 2.3%                         |
| Total Number of Properties located in Five Central Wards of Tokyo: 49 |  |                           | 376,408.7                          | 80.7%                        |
| Greater Tokyo<br>(Note 2)   | Daiwa Higashi-Ikebukuro                          | Oct 21, 2005              | 2,958.0                            | 0.6%                         |
|   | Daiwa Shinagawa North                            | Jul 13, 2007              | 7,710.0                            | 1.7%                         |
|   | Daiwa Kamiooka                                   | Mar 1, 2013               | 2,000.0                            | 0.4%                         |
|   | Daiwa Ogikubo Tower                              | May 29, 2014              | 15,220.0                           | 3.3%                         |
|   | Daiwa Meguro Square                              | May 1, 2015               | 5,600.0                            | 1.2%                         |
|   | Daiwa Ogikubo                                    | Jul 21, 2016              | 3,800.0                            | 0.8%                         |
|   | CONCURRED Yokohama                               | Jan 11, 2018              | 38,100.0                           | 8.2%                         |
|   | Daiwa Shinagawa Gotenyama                        | Sep 13, 2018              | 2,500.0                            | 0.5%                         |
|   | Daiwa Nakano-Sakaue                              | Dec 13, 2019              | 2,750.0                            | 0.6%                         |
| Total Number of Properties located in Greater Tokyo: 9                |  |                           | 80,638.0                           | 17.3%                        |
| Major<br>Regional   | Daiwa Kitahama                                   | Aug 1, 2014               | 9,481.5                            | 2.0%                         |
| Total Number of Properties located in Major Regional Cities: 1        |  |                           | 9,481.5                            | 2.0%                         |
| Total Number of Properties: 59  |  |                           | 466,528.2                          | 100.0%                       |

(Note 1) "Five Central Wards of Tokyo" means Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku.

(Note 2) "Greater Tokyo" means Tokyo (excluding the Five Central Wards of Tokyo), Kanagawa, Chiba, and Saitama prefectures.

(Note 3) "Major Regional Cities" means Osaka area (i.e., Osaka, Kyoto and Hyogo Prefectures), Nagoya area (Aichi, Mie and Gifu Prefectures), ordinance-designated cities, and core cities under the Local Autonomy Act.

(Note 4) Figures in the "Investment Ratio" column represent the percentage of the acquisition price of each property to the aggregate amount of the acquisition price and are rounded to the first decimal place. Please note that adding up of the investment ratio of the properties may not exactly match the investment ratio for each investment region or for the overall portfolio.

(Note 5) Only the acquisition price for development sites is indicated. For more details, please refer to "Notice Concerning Acquisition and Conclusion of Agreements Concerning Development Project (Nihonbashi-Bakurocho 1-Chome Development Project)" announced on October 21, 2020.

(Note 6) Only the acquisition price for development sites is indicated.

Rejuvenate the age of the portfolio and seize opportunities to acquire new properties in good locations through mutual sales

## [Transfer] Daiwa Minami-Aoyama

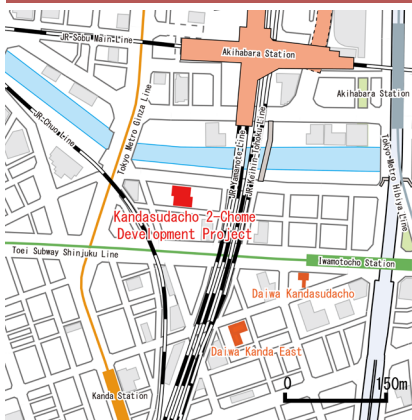
|                                   |  |
|-----------------------------------|--|
| Date of Transfer (scheduled)      | December 16, 2021  |
| Location/Distance from Station    | Minami Aoyama, Minato-ku, Tokyo/<br>5-minute walk from Gaenmae Station on Tokyo Metro Ginza Line     |
| Transfer Price / Book Value       | 4,990 million yen / 4,390 million yen<br>(end of the fiscal period ended May 2021)                   |
| Appraisal Value                   | 4,740 million yen (end of the fiscal period ended May 2021)  |
| Gain on Sale                      | Approx. 543 million yen (expected) <sup>(note1)</sup>  |
| Land Area / Total Floor Area      | 963.12 m <sup>2</sup> / 4,379.34 m <sup>2</sup>  |
| Structure/Floor                   | Steel-framed and steel-framed reinforced concrete structure, 5-story building with 2 basement floors |
| Construction Date                 | September 1990 (31 years)  |
| NOI Yield Based on Transfer Price | 4.3% <sup>(note2)</sup>  |

## [Transfer] Kojimachi 4-chome

|                                   |   |
|-----------------------------------|---|
| Date of Transfer (scheduled)      | December 16, 2021   |
| Location/Distance from Station    | Kojimachi, Chiyoda-ku, Tokyo/<br>2-minute walk from Kojimachi Station on Tokyo Metro Yurakucho Line |
| Transfer Price / Book Value       | 3,200 million yen / 2,822 million yen<br>(end of the fiscal period ended May 2021)                  |
| Appraisal Value                   | 2,920 million yen (end of the fiscal period ended May 2021)   |
| Gain on Sale                      | Approx. 363 million yen (expected) <sup>(note1)</sup>   |
| Land Area / Total Floor Area      | 608.42 m <sup>2</sup> / 3,942.61 m <sup>2</sup>   |
| Structure/Floor                   | Steel-framed reinforced concrete structure 9-story building with 2 basement floors                  |
| Construction Date                 | October 1987 (34 years)   |
| NOI Yield Based on Transfer Price | 3.8% <sup>(note2)</sup>   |



## [Acquisition] Kandasudacho 2-Chome Development Project



|   |  |
|---|--|
| Scheduled Acquisition Date of Land                                | December 16, 2021  |
| Location/Distance from Station                                    | Kanda Suda-cho, Chiyoda-ku, Tokyo<br>4-minute walk from Kanda Station on the JR Yamanote Line and Tokyo Metro Ginza Line, 5-minute walk from Akihabara Station on the JR Yamanote Line and Tokyo Metro Hibiya Line |
| Expected Acquisition Price after Building Completion              | 15,286 million yen (scheduled)   |
| Price of Land   | 10,600 million yen   |
| Main Fees Related to Construction                                 | 4,686 million yen (scheduled)  |
| Land Area/<br>Gross Floor Area after Building Completion          | 1,346.71m <sup>2</sup> / 11,423.00m <sup>2</sup>   |
| Structure after Building Completion                               | Steel framed structure flat roof,<br>12 stories above ground (scheduled)   |
| Completion Date   | March 2024 (scheduled)   |
| NOI Yield Assumed for<br>Normal Operation Period after Completion | 4.0%   |

## Purpose and Results of Replacement

- Acquisition of the land near the station:**  
 Acquisition of the rare location a 5-minute walk from Akihabara Station, one of the major terminal stations in Tokyo
- Rejuvenation of building age:**  
 Elimination of the risks of declining competitiveness in leasing, etc., incurring medium- to long-term repair and renewal costs, and rebuilding in the future by rejuvenating building age of properties over 30 years old
- Planned to record the gain on sale of 900 million yen:**  
 Property to be transferred at 1.07 times the appraisal value

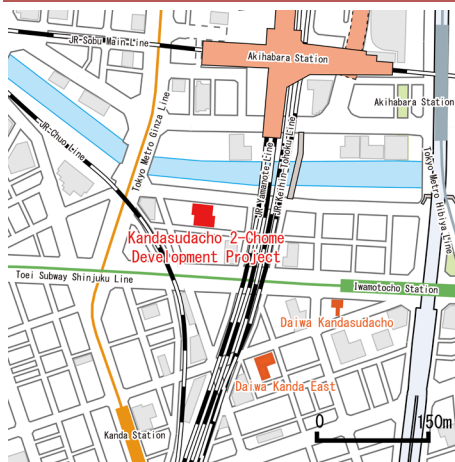
(Note1) The gain on sale is an estimated amount as of October 20, 2021, taking into account various costs associated with the sale, and may differ from the actual figure.

(Note2) This figure is calculated by dividing the annualized NOI for the fiscal period ended May 2021 (31th fiscal period) by the transfer price. The figure has been rounded to the first decimal place.

# Efforts on Kandasudacho 2-Chome Development Project

Gain opportunity to acquire a newly constructed office property in central Tokyo amid a harsh acquisition environment by pursuing own development project

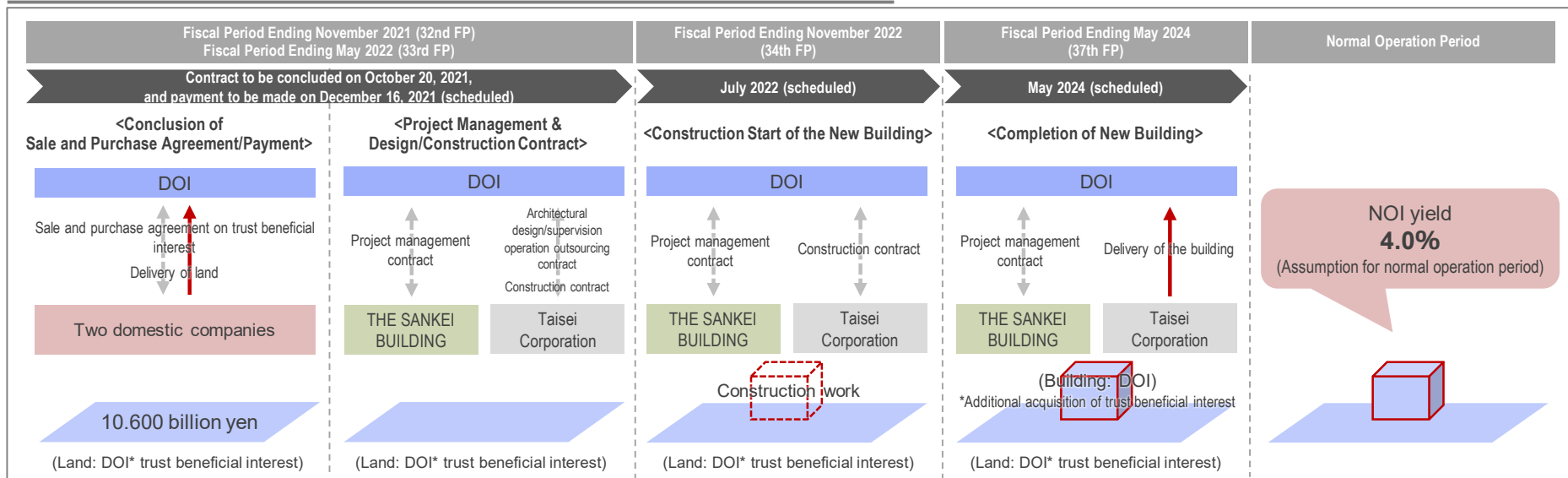
## Kandasudacho 2-Chome Development Project



|  |   |
|--|---|
| Scheduled Acquisition Date of Land                             | December 16, 2021   |
| Location/Distance from Station                                 | Kanda Suda-cho, Chiyoda-ku, Tokyo / 4-minute walk from Kanda Station on the JR Yamanote Line and Tokyo Metro Ginza Line, 5-minute walk from Akihabara Station on the JR Yamanote Line and Tokyo Metro Hibiya Line |
| Expected Acquisition Price after Building Completion           | 15,286 million yen (scheduled)  |
| Price of Land  | 10,600 million yen  |
| Main Fees Related to Construction                              | 4,686 million yen (scheduled)   |
| Land Area/<br>Gross Floor Area after Building Completion       | 1,346.71㎡ / 11,423.00㎡  |
| Structure after Building Completion                            | Steel framed structure flat roof, 12 stories above ground (scheduled)   |
| Completion Date  | March 2024 (scheduled)  |
| NOI Yield Assumed for Normal Operation Period after Completion | 4.0%  |

- This is the **Second development** project of the Investment Corporation. In a context where competition in the real estate transaction market remains fierce, the project will develop a new office property upon acquiring a development site in central Tokyo.
- The Asset Manager **has created an in-house real estate development team** with expertise.
- **Outsource project management to THE SANKEI BUILDING CO., LTD.:** Reduce risks concerning development (excessive development costs, schedule delays, and the quality of the property developed, etc.)
- **Concluded a construction contract and a design supervision contract with Taisei Corporation:** Reduce completion risks
- **Aim to lease up the building as soon as possible after construction is completed** by leveraging the past leasing experience and tenant networks of the Asset Manager.
- Assume **NOI yield of 4.0% in normal operation period** after completion.

## Scheme and Schedule for Kandasudacho 2-Chome Development Project



(Note) The above includes figures, etc. based on assumption or schedule as of present, and actual results may vary.