

August 18, 2022

For Immediate Release

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Daiwa House REIT Investment Corporation (“DHR”) hereby announces that a resolution was passed at a board of directors meeting held on August 18, 2022 to issue new investment units and conduct a secondary offering of investment units. The details are as follows.

1. Issuance of new investment units through offering (“Offering”)

(1) Number of investment units to be offered 42,000 units

(2) Issue price Undetermined

(offer price)

The issue price (offer price) shall be determined at a meeting of the board of directors of DHR, by using the price calculated by, if the Pricing Date (as defined in (4) below) falls under any day between Wednesday, August 24, 2022 and Monday, August 29, 2022, multiplying the closing price in regular trading of the investment units of DHR (the “DHR investment units”) on the Tokyo Stock Exchange, Inc. on the Pricing Date (or when there is no closing price on that day, the closing price on the most recent day preceding that day) after deducting 4,747 yen as forecast distribution per unit (excluding forecast distribution in excess of earnings) and 853 yen as forecast distribution in excess of earnings per unit of the fiscal period ending August 31, 2022 by a factor between 0.90 and 1.00 (and rounding down to the nearest yen) as the provisional price, or, if the Pricing Date falls under Tuesday, August 30, 2022, multiplying the closing price in regular trading of the DHR investment units on the Tokyo Stock Exchange, Inc. on the Pricing Date (or if there is no closing price on that day, the closing price on the most recent day preceding that day from which the forecast distribution per unit and forecast distribution in excess of earnings per unit are deducted) by a factor between 0.90 to 1.00 (and rounding down to the nearest yen) as the provisional price, in accordance with the method stated in Article 25 of

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the Regulations Concerning Underwriting, Etc. of Securities provided by the Japan Securities Dealers Association, and then taking demand conditions and other factors into account.

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| (3) | Total issue price (offer price) | Undetermined |
| (4) | Amount to be paid in (issue value) | Undetermined
The amount to be paid in (issue value) shall be determined at a meeting of the board of directors of DHR to be held on any day between Wednesday, August 24, 2022 and Tuesday, August 30, 2022 (the “Pricing Date”), in accordance with the method provided in Article 25 of the Rules Concerning Underwriting, Etc. of Securities set forth by the Japan Securities Dealers Association. |
| (5) | Total amount to be paid in (issue value) | Undetermined |
| (6) | Method of offering | All investment units subject to the Offering shall be purchased and underwritten by underwriters of which certain underwriters are the joint lead managers (collectively referred to as the “Joint Lead Managers”, and together with underwriters other than the Joint Lead Managers, the “Underwriters”). Some of the investment units purchased and underwritten may be offered to institutional investors in markets outside of Japan, mainly in Europe and Asia (excluding the United States and Canada). |
| (7) | Details of underwriting agreement | The Underwriters shall pay the amount equivalent to the total amount to be paid in (issue value) for the Offering to DHR on the payment date stated in (10) below. The difference between such amount and the total issue price (offer price) for the Offering shall be retained by the Underwriters. DHR shall pay no underwriting commission to the Underwriters. |
| (8) | Subscription unit | 1 unit or more in multiples of 1 unit |
| (9) | Subscription period | The subscription period shall be between the business day following the Pricing Date and the date that is two business days after the Pricing Date. |
| (10) | Payment date | The payment date shall be any day between Thursday, September 1, 2022 and Monday, September 5, 2022. However, the payment date shall be Thursday, September 1, 2022 if the Pricing Date is Wednesday, August 24, 2022, Thursday, August 25, 2022, or Friday, August 26, 2022, the payment date shall be Friday, September 2, 2022 if the Pricing Date is Monday, August 29, 2022, and the payment date shall be Monday, September 5, 2022 if the Pricing Date is Tuesday, August 30, 2022. |
| (11) | Delivery date | The business day following the payment date stated in (10) above |
| (12) | The issue price (offer price), the amount to be paid in (issue value) and any other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors of DHR. | |
| (13) | The above items shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect. | |

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2. Secondary offering (secondary offering through over-allotment)

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| (1) | Seller and number of investment units to be sold | An Underwriter 3,000 units
The above number indicates the maximum number of investment units to be sold. The number may decrease, or the secondary offering through over-allotment itself may not take place at all, depending on demand conditions for the Offering, among other factors. The number of investment units to be sold shall be determined at a meeting of the board of directors of DHR to be held on the Pricing Date, taking into account demand conditions for the Offering, among other factors. |
| (2) | Selling price | Undetermined
The selling price shall be determined on the Pricing Date. The selling price shall be the same as the issue price (offer price) for the Offering. |
| (3) | Total selling price | Undetermined |
| (4) | Offering method | Upon the Offering, an Underwriter, the bookrunner of the Offering, shall conduct a secondary offering of up to 3,000 units of DHR investment units which will be borrowed from Daiwa House Industry Co., Ltd., taking into account demand conditions for the Offering, among other factors. |
| (5) | Subscription unit | 1 unit or more in multiples of 1 unit |
| (6) | Subscription period | The same as the subscription period as for the Offering |
| (7) | Delivery date | The business day following the payment date for the Offering |
| (8) | The selling price and any other matters necessary for this secondary offering of investment units shall be determined at future meetings of the board of directors of DHR. | |
| (9) | The above items shall be subject to the conditions that the registration under the Financial Instruments and Exchange Act takes effect. | |

3. Issuance of new investment units through third-party allotment

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| (1) | Number of investment units to be offered | 3,000 units |
| (2) | Amount to be paid in (issue value) | Undetermined
The amount to be paid in (issue value) shall be determined at a meeting of the board of directors of DHR to be held on the Pricing Date. The amount to be paid in (issue value) shall be the same as the amount to be paid in (issue value) for the Offering. |
| (3) | Total amount to be paid in (issue value) | Undetermined |
| (4) | Allottee and number of investment units to be allotted | An Underwriter 3,000 units |
| (5) | Subscription unit | 1 unit or more in multiples of 1 unit |
| (6) | Subscription period (subscription date) | Monday, September 26, 2022 |

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- (7) Payment date Tuesday, September 27, 2022
- (8) The DHR investment units not subscribed by the subscription period (subscription date) stated in (6) above shall not be issued.
- (9) The amount to be paid in (issue value) and any other matters necessary for this issuance of new investment units shall be determined at future meetings of the board of directors of DHR.
- (10) The above items shall be subject to the condition that the registration under the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary offering through over-allotment, etc.

In connection with the Offering, an Underwriter, the bookrunner of the Offering, may conduct a secondary offering through over-allotment of up to 3,000 units of DHR investment units which will be borrowed from Daiwa House Industry Co., Ltd., taking into account demand conditions, among other factors. The number of investment units to be sold in the secondary offering through over-allotment is planned to be 3,000 units; however, the number of investment units to be sold indicates the maximum number of investment units to be sold. The number may decrease, or the secondary offering through over-allotment itself may not take place at all, depending on demand conditions and other factors.

In connection with the secondary offering through over-allotment, DHR adopted a resolution at a meeting of the board of directors of DHR held on Thursday, August 18, 2022 to conduct an issuance of new investment units through third-party allotment of 3,000 units of DHR investment units with an Underwriter as the allottee (the “Third-Party Allotment”), setting Tuesday, September 27, 2022 as the payment date, for the purpose of having the Underwriter acquire the DHR investment units necessary to return the DHR investment units which will be borrowed from Daiwa House Industry Co., Ltd. (the “Borrowed Investment Units”).

In addition, during the period from the day following the date on which the subscription period for the Offering and secondary offering through over-allotment ends to Tuesday, September 20, 2022 (the “Syndicate Covering Transaction Period”), the Underwriter may purchase DHR investment units on the Tokyo Stock Exchange, Inc. up to the number of investment units of the secondary offering through over-allotment (the “Syndicate Covering Transactions”) for the purpose of returning the Borrowed Investment Units. All DHR investment units that the Underwriter acquires through the Syndicate Covering Transactions will be used to return the Borrowed Investment Units. During the Syndicate Covering Transaction Period, the Underwriter may, at its discretion, not conduct the Syndicate Covering Transactions at all, or terminate the Syndicate Covering Transactions before the number of investment units reaches the number of investment units of the secondary offering through over-allotment.

Moreover, the Underwriter may conduct stabilizing transactions in conjunction with the Offering and secondary offering through over-allotment.

The DHR investment units acquired through the stabilizing transactions may, in whole or in part, be used to return the Borrowed Investment Units. The Underwriter plans to acquire DHR investment units by accepting the allotment of the Third-Party Allotment for the number of investment units corresponding to the number of investment units acquired through stabilizing transactions and the Syndicate Covering Transactions that are to be used to return the Borrowed Investment Units is deducted from the number of investment units of the secondary offering through over-allotment. For this reason, the number of investment units to be issued through the Third-Party Allotment may not be subscribed in whole or in part and, as a result, the final number of investment units to be issued through the Third-Party Allotment may decrease by the same extent, or the

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issuance itself may not take place at all, due to forfeiture.

The transactions above shall be conducted by the Underwriter in consultation with the other Joint Lead Managers.

2. Changes in total number of investment units issued after the issuance of new investment units

Total number of investment units outstanding as of today	2,320,000 units	
Increase in number of investment units associated with the issuance of new investment units through offering	42,000 units	
Total number of investment units outstanding after the issuance of new investment units through offering	2,362,000 units	
Increase in number of investment units associated with the Third-Party Allotment	3,000 units	(Note)
Total number of investment units outstanding after the Third-Party Allotment	2,365,000 units	(Note)

(Note) The number of investment units in the event that the Underwriter subscribes to all investment units to be issued through the Third-Party Allotment, and the issuance takes place.

3. Purpose and reason for the issuance

DHR believes that acquiring the specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereafter) (Note) would further enhance the growth of distribution per unit and improvement in quality of the portfolio. DHR decided to issue new investment units considering market trends, financial stability, level of distributions per unit and other factors.

(Note) For details of the specified assets, please refer to the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate” dated today.

4. Amount of funds to be procured, use of the funds and scheduled outlay period

(1) Amount of funds to be procured (approximate net proceeds)

13,461,885,000 yen (maximum)

(Note) The sum total amount of 12,564,426,000 yen in proceeds from the Offering, and 897,459,000 yen in maximum proceeds from the issuance of new investment units through the Third-Party Allotment. The above amount is the estimated amount calculated based on the closing price in regular trading of DHR investment units on the Tokyo Stock Exchange, Inc. as of Friday, July 29, 2022.

(2) Specific use of the funds to be procured and scheduled outlay period

Net proceeds to be procured through the Offering will be used to fund part of the acquisition of specified assets listed in the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate” dated today. Net proceeds to be procured through the Third-Party Allotment will be used to reserve as cash to fund part of acquisition of specified assets or fund part of repayment of loans in the future.

(Note) The proceeds will be deposited with financial institutions until the funds are to be expended.

5. Future prospects

Please refer to the press release “Notice Concerning Revision to Forecast of Results for the Fiscal Period Ending February 28, 2023 and Announcement of Forecast of Results for the Fiscal Period Ending August 31, 2023” dated today.

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6. Restrictions on sale, additional issuance, etc.

- (1) In connection with the Offering, Daiwa House Industry Co., Ltd. has agreed with the Joint Lead Managers that it shall not transfer DHR investment units or enter into certain other transactions (except for lending of DHR investment units in connection with the secondary offering through over-allotment and certain other transactions) during the period beginning on the Pricing Date and ending on the date that is 180 days after the delivery date of the Offering without the prior written consent of the Joint Lead Managers.

The Joint Lead Managers have the authority to cancel such agreement, in whole or in part, at their discretion even during the above period.

- (2) In connection with the Offering, DHR has agreed with the Joint Lead Managers that it shall not conduct an issuance of DHR investment units or certain other transactions (except for the issuance of new investment units in connection with the Offering, the Third-Party Allotment, a split of investment units and certain other transactions) during the period beginning on the Pricing Date and ending on the date that is 90 days after the delivery date of the Offering without the prior written consent of the Joint Lead Managers.

The Joint Lead Managers have the authority to cancel such agreement, in whole or in part, at their discretion even during the above period.

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

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