Disclaimers

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the "AIFMD") as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

European Economic Area and United Kingdom Investors

The AIFMD was adopted on June 8, 2011 and was required to be implemented by each Member State of the European Economic Area (the "EEA") into its national legislation by July 22, 2013. The units of Daiwa Office Investment Corporation ("Daiwa Office" or the "AIF") may not be marketed (within the meaning given to the term "marketing" under the AIFMD), and the Communication may not be conducted, to prospective investors domiciled or with a registered office in any Member State of the EEA or the United Kingdom unless: (i) the units of Daiwa Office may be marketed under any national private placement regime (including under the AIFMD) or other exemption in that Member State or the United Kingdom (as applicable); or (ii) the units of Daiwa Office can otherwise be lawfully marketed or sold in that Member State or the United Kingdom (as applicable) in circumstances in which the AIFMD does not apply, provided that any such offer or sale is not made to a retail investor as described above. We have made a notification to each of the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, the "AFM") and the United Kingdom Financial Conduct Authority (the "FCA") pursuant to Article 42 of the AIFMD in order to market the units of Daiwa Office in the Netherlands and the United Kingdom, respectively.

Netherlands

The units of Daiwa Office are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the "Wft"). In accordance with this provision, Daiwa Real Estate Asset Management Co. Ltd. (the "AIFM") notified with the AFM of its intention to offer these units in the Netherlands. The units of Daiwa Office will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft. As a consequence, neither the AIFM nor Daiwa Office is subject to the license requirement for investment institutions (beleggingsinstellingen) or their managers pursuant to the Wft. Consequently, the AIFM and Daiwa Office are only subject to the supervision of the

Netherlands Central Bank (*De Nederlandsche Bank*) or the AFM for the compliance with the ongoing regulatory requirements as referred to in the Dutch law implementation of Article 42 of the AIFMD. According to Article 23 of the AIFMD, the prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the "Prospectus Regulation") as amended and applicable in the Netherlands.

Prohibition of Sales to EEA Retail Investors

In addition to the restrictions under the AIFMD, the units of Daiwa Office are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, (the "MiFID II") including any client, beneficiary, principal, or similar of any person acting as a trustee, agent, nominee, or similar; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently, no key information document has been prepared, required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the units of Daiwa Office or otherwise making them available to retail investors in the EEA. Therefore offering or selling the units of Daiwa Office or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

The units of Daiwa Office are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the FCA of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"), Daiwa Office is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in Daiwa Office may be made only to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (ii) high net worth companies, unincorporated associations or other entities, falling within Articles 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may lawfully be communicated (all such persons, together being referred to as "Relevant Persons").

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

Prohibition of Sales to UK Retail Investors

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the units of Daiwa Office are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA; and the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the units to be offered so as to enable an investor to decide to purchase or subscribe the international units. Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation"), for offering or selling the units or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

Article 23 (1)(a)	
Objectives of the AIF	Daiwa Office's investment objective is to maximize unitholder value by continuing to improve the quality of its portfolio through acquisitions of select office buildings. In accordance with the guidelines set by the Asset Manager, Daiwa Office targets office buildings that have a total floor space generally in excess of 2,000 m^2 and are located mostly in the five central wards of Tokyo, but these target properties also can be located in the greater Tokyo area or major regional cities.
Investment strategy	Daiwa Office seeks to maximize unitholder value by improving the quality of its portfolio through selective acquisitions of office buildings while utilizing its experienced asset management team and its disciplined management structure to continue to enhance its assets and provide stable income over the long term. Its principal growth strategies are as follows: • <u>Grow its portfolio through selective acquisitions</u>. In line with its investment policies, Daiwa Office will continue to focus on acquiring select office buildings that will improve the stability and profitability of its portfolio. Daiwa Office will continue to principally focus on office buildings built within the last 25 years at the time of acquisition, located mostly in the greater Tokyo area, particularly in the five central wards of Tokyo, and located in areas with consistent demand for office buildings at appealing locations. • <u>Diversify risk by reducing dependence on its flagship property</u>. Daiwa Office's portfolio is composed of medium to large-scale office buildings and is able to meet the needs of a wide variety of tenants. However, historically, its portfolio has largely been dominated, in terms of contribution to its portfolio size and rental revenues, by Shinjuku Maynds Tower. Over time Daiwa Office has diversified its portfolio by reducing the concentration risk arising from this property. • <u>Improve portfolio quality through property replacement</u>. Daiwa Office will continue to improve the overall quality of its portfolio by replacing certain properties that are relatively less attractive from the perspective of long-term operating revenues and expenses.
Types of assets the AIF may invest in	Real estate, trust beneficiary interests in real estate, real estate securities, specified assets and other assets.
Techniques it may employ and all associated risks	Daiwa Office intends to achieve its objective by leveraging its experienced asset management team and its disciplined management structure to continue to enhance its assets and provide stable income over the long term. The principal risks with respect to investment in Daiwa Office are as follows:

- any adverse conditions in the Japanese economy could adversely affect Daiwa Office;
- Daiwa Office may not be able to acquire properties to execute the growth and investment strategy in a manner that is accretive to earnings;
- Daiwa Office relies on certain properties for a significant portion of its rental revenues;
- increases in prevailing market interest rates, including as a result of growing inflationary pressures and tightening monetary policies in response by the United States, Japan and other major countries, may increase the interest expense and may result in a decline in the market price of the units;
- Daiwa Office's reliance on Daiwa Securities Group Inc. could have a material adverse effect on its business;
- there are potential conflicts of interest between Daiwa Office and Daiwa Securities Group Inc., including the AIFM;
- Daiwa Office faces significant competition in seeking tenants and it may be difficult to find replacement tenants;
- most of the properties in Daiwa Office's portfolio are concentrated in the five central wards of Tokyo; and
- Daiwa Office's policy of investing solely in office buildings could have a material adverse effect on its business.

In addition, Daiwa Office is subject to the following risks:

- risks associated with global health events;
- risks associated with political developments and uncertainty, such as ongoing military conflicts in the Middle East and Ukraine, developments relating to Taiwan, and tension between South Korea and North Korea;
- risks related to impairment losses relating to its properties;
- risks related to loss of rental revenues;
- risks related to unitholders' limited control over changes in Daiwa Office's investment policies;
- risks related to dependence on the performance of service providers to which Daiwa Office is required to assign various key functions;
- Daiwa Office's ownership rights in some of its properties may be declared invalid or limited;
- risks related to loss of rights in a property due to the recharacterization of purchase of the property as a secured financing;
- risks related to leasehold or subleasehold rights;
- risks related to dilution as a result of further issuances of units;

	• risks related to inability to obtain financing for future acquisitions; • risks related to downgrading of credit rating; • risks related to illiquidity in the real estate market; • risks related to lack of control over operating costs; • risks related to decreases in tenant leasehold deposits and/or security deposits; • risks related to property defect; • risks related to the environmental assessments of Daiwa Office's properties made prior to its ownership; • risks related to insolvency of master lessees; • risks related to damage from a natural or man-made disaster; • regulatory and financial risks related to climate change; • risks related to a high loan-to-value, or LTV, ratio; • risks related to the restrictive covenants under debt financing arrangement; • risks related to entering into forward commitment contracts and contracts to purchase properties under development; • risks related to the insider trading regulations; • risks related to tight supervision by the regulatory authorities; • risks related to relying on expert appraisals and engineering, environmental and seismic reports; • risks related to relying on industry and market data; • risks related to cost of complying with regulations applicable to the properties; • risks related to violation of earthquake resistance standards; • risks related to Daiwa Office's dependence on the efforts of the AIFM's key personnel; • risks related to holding the property in the form of stratified ownership (*kubun shoyū*) interests or co-ownership interests (*kyōyū-mochibun*); • risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data; • risks related to holding Japanese anonymous association (*tokumei kumiai*) interests; • risks related to investment in Japanese special purpose companies or real estate investment funds; • risks related to investments in trust beneficiary interest; • risks related to the tax authority disagreement with the AIFM's interpretations of the Japanese tax laws and regulations; • risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs;

	• risks related to failure to satisfy a complex series of requirements pursuant to Japanese tax regulations; • risks related to changes in Japanese tax laws; • risks related to instability in the global financial system; and • risks related to uncertainty in the Bank of Japan's policy including its policy on prevailing market interest rates.
Any applicable investment restrictions	Daiwa Office is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the "ITA"), the Financial Instruments and Exchange Act (the "FIEA")) as well as its articles of incorporation. Daiwa Office must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (*chijō-ken*) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights. Furthermore, a listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (*tokumei kumiai*) interests for investment in real estate. Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances. Investment restrictions Daiwa Office places in its articles of incorporation are as follows: (1) Daiwa Office may invest in securities other than real estate-backed securities and in monetary claims, for the purpose of ensuring stability of investment in real estate and real estate-backed securities. (2) Daiwa Office may enter into derivative transactions for the purpose of hedging interest volatility risk stemming from its debt.
Circumstances in which the AIF may use leverage	Daiwa Office may take out loans or issue long-term or short-term investment corporation bonds for the purpose of investing in properties, conducting repairs, paying cash distributions, repaying obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term investment corporation bonds) and other activities.

The types and sources of leverage permitted and associated risks	Loans or investment corporation bonds. Daiwa Office currently does not have any outstanding guarantees, but may be subject to restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties. Furthermore, Daiwa Office may violate restrictive covenants contained in the loan agreements Daiwa Office executes, such as the maintenance of debt service coverage or loan-to-value ratios, which may entitle the lenders to require Daiwa Office to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that Daiwa Office has any debt with unhedged floating rates of interest or Daiwa Office incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties, and could cause the market price of the units to decline.
Any restrictions on leverage	The maximum amount of each loan and investment corporation bond issuance will be one trillion yen, and the aggregate amount of all such debt will not exceed one trillion yen.
Any restrictions on collateral and asset reuse arrangements	No applicable arrangements.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Daiwa Office has set an upper limit of 60% as a general rule for its loan-to-value, or LTV, ratio in order to operate with a stable financial condition. Additionally, Daiwa Office strives to maintain its LTV within a conservative range of 40 – 50%. Daiwa Office may, however, temporarily exceed any such levels as a result of property acquisitions or other events.

Article 23(1) (b)	
Procedure by which the AIF may change its investment strategy / investment policy	Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and Daiwa Office's articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted. Additionally, the guidelines of the AIFM, which provide more detailed policies within Daiwa Office's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.
Article 23(1) (c)	
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Daiwa Office is a corporate-type investment trust in the form of investment corporation (*toshi hojin*) provided for under the ITA. Therefore, the relationship between Daiwa Office and its unitholders is governed by Daiwa Office's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. Daiwa Office's articles of incorporation stipulate rules relating to general unitholders meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of Daiwa Office's directors. The relationship between Daiwa Office and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA. The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against Daiwa Office obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) Daiwa Office has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court. Daiwa Securities Group Inc., the sponsor of Daiwa Office, has entered into a sponsor support agreement with the AIFM dated as of June 17, 2009, which is governed by Japanese law. Pursuant to the sponsor support agreement, Daiwa Securities Group Inc. has agreed to provide support to the AIFM in the following areas: • Information provision

	Daiwa Securities Group Inc. has agreed to provide information to the AIFM at any time regarding real estate, real estate trust beneficiary interests and other relevant assets or matters related to the management of the AIFM that, in the discretion of Daiwa Securities Group Inc., is helpful to Daiwa Office or the AIFM. Daiwa Securities Group Inc. shall provide such information in a manner that Daiwa Securities Group Inc. considers appropriate, unless prohibited by law, internal regulation or contracts to which Daiwa Securities Group Inc. is a party. • Support in securing personnel Daiwa Securities Group Inc. has agreed to support the AIFM in a commercially reasonable manner in its efforts to secure personnel as directors and employees. In the event that the personnel of Daiwa Securities Group Inc. are seconded or transferred to the AIFM, the AIFM shall bear the wages and any other expenses associated with such personnel. • Sponsor Support Agreement In addition, Daiwa Securities Group Inc. has agreed to support, at its discretion, the AIFM in other areas such as establishment of bridge funds. In addition, as part of sponsor support under the sponsor support agreement, a wholly owned subsidiary of Daiwa Securities Group Inc., Daiwa Securities Realty Co. Ltd. (“DRT”), and the AIFM entered into a basic warehousing agreement as of July 1, 2021, which was amended and restated as a basic agreement on pipeline support, etc. dated as of April 1, 2022. Under the terms of this agreement, if DRT independently obtains information on a certain property which DRT determines that the property meets the investment criteria of the investment corporations managed by the AIFM (including Daiwa Office), DRT shall notify the AIFM of the information on such property without delay, except in cases where providing the information on such property would result in DRT being in breach of its contractual obligations to a third party or in certain other circumstances. In addition, this agreement allows the AIFM to propose DRT to provide warehousing (i.e., investing in and temporary holding of a property with a goal of selling the property to Daiwa Office after a certain amount of time) in accordance with the terms of this agreement, and DRT shall, upon receipt of such proposal, hold discussions with the AIFM in good faith regarding such proposal for warehousing. Daiwa Office is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.
Article 23(1) (d)	
The identity of the AIFM, AIF's depository, auditor	• AIFM (Asset Manager): Daiwa Real Estate Asset Management Co. Ltd. The AIFM manages and operates portfolio assets. • Auditor: KPMG AZSA LLC

and any other service providers and a description of their duties and the investors' rights thereto	The auditor audits financial statements and prepare audit reports. • Custodian and Transfer Agent: Sumitomo Mitsui Trust Bank, Limited The custodian provides administrative services related to custody of assets. The transfer agent provides administrative services related to unitholders' register, issuance of investment securities, cash payment to unitholders, and addressing unitholders' claims, offers and notices. • General Administrators: Sumitomo Mitsui Trust Bank, Limited The general administrator provides administrative services including the services related to accounting and tax payment and preparation of accounting books. Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the asset manager in good faith. The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.
Article 23(1) (e)	
Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)	Not applicable.
Article 23(1) (f)	
Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated	Not applicable. There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.

by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	
Article 23(1) (g)	
Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets	Daiwa Office makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value. Daiwa Office shall evaluate assets in accordance with its Article of Incorporation. The methods and standards that Daiwa Office uses for the evaluation of assets shall be based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP. J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.
Article 23(1) (h)	
Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors	The AIFM stipulates basic provisions of risk management in its risk management rules. Additionally, the AIF uses various financing methods, including investment corporation bonds and long-term loans, to finance acquisitions and repayment obligations. Daiwa Office controls related risk by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits. For floating rate borrowings exposed to the risk of interest rate fluctuations, Daiwa Office closely monitors the movement of interest rates, and intends to increase the proportion of its obligations subject to fixed rate loans and similar instruments. Risks related to deposits are managed through the use of liquid deposits. As Daiwa Office is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.
Article 23(1) (i)	
Description of all fees, charges and expenses and a maximum amount which is directly /	Compensation: The articles of incorporation provide that Daiwa Office may pay its executive officer up to 800 thousand yen per month and each of its supervisory officers up to 500 thousand yen per month. The board of officers is responsible for determining a reasonable compensation amount for the executive officer and each of the supervisory officers.

indirectly borne by the investors	<u>Asset Manager</u>:
	
	• Asset Management Fee: Daiwa Office will pay the Asset Manager an asset management fee as follows:
	    o Type 1 management fee: Asset-based fee. Daiwa Office pays to the Asset Manager a type 1 management fee for each month. The amount of the type 1 management fee is calculated by multiplying the total evaluated value of the operated assets as of the end of each month (excluding national and local consumption taxes and expenses) by 0.05%, and then dividing by 12. The fee is paid by the end of the following month.
	    o Type 2 management fee: Leasing profit-based fee. Daiwa Office pays to the Asset Manager a type 2 management fee for each month. This type 2 management fee is payable within each month for 80% of the fee calculated based on the total property leasing profit prescribed in the annual asset management plan provided by the Asset Manager at the beginning of each fiscal period, and any amount remaining or overpaid is payable or receivable, respectively, after the settlement date for each fiscal period without delay. The amount of the fee is equal to 5.5% of leasing profit.
	    o Type 3 management fee: Distributable amount-based fee. The Asset Manager receives a type 3 management fee, which is equal to 3.5% of the distributable amount payable within one month after the approval of the financial statements for each fiscal period.
	    o Type 4 management fee: Acquisition fee. For each new property Daiwa Office acquires, the Asset Manager receives an acquisition fee, which is equal to up to 0.75%, or 0.5% in a case where the property is acquired from a related party in its rules regarding related-party transactions, of the purchase price (excluding national and local consumption taxes and expenses), payable by the end of the month immediately following the month of such acquisition.
	    o Type 5 management fee: Disposition fee. For each property Daiwa Office disposes of, the Asset Manager receives a disposition fee, which is equal to 0.5% of the disposition price (excluding national and local consumption taxes and expenses) payable by the end of the month immediately following the month of such disposition.
	
	<u>Custodian</u>:
	
	• Custodian Fee: Daiwa Office will pay the Custodian a fee per operational period calculated as follows:

The amount of total assets for the prior period x 0.03% p.a.

General Administrators:

- General Administrators Fee: Daiwa Office will pay the General Administrators a fee per operational period calculated as follows:

  The amount of total assets for the prior period x 0.09% p.a.

Transfer Agent:

- Transfer Agent Fee (Standard Fee):

  Standard transfer agent fees are for services such as preparation, maintenance and storage of Daiwa Office's unitholder register; preparation and reporting of the end-of-period unitholders register and unitholder statistical data.

  The monthly standard fees will be the total of the amount calculated using the following table divided by 6, with a minimum monthly fee of 200,000 yen.

Number of Unitholders	Fees per Unitholder
first 5,000 unitholders	480 yen
over 5,000 to 10,000	420 yen
over 10,000 to 30,000	360 yen
over 30,000 to 50,000	300 yen
over 50,000 to 100,000	260 yen
over 100,000	225 yen

- Other fees:

  Daiwa Office pays the transfer agent other fees for various other services, including in connection with the issuance of dividends.

Auditor:

- Auditor Fee:

  Daiwa Office may pay the independent auditor up to 20 million yen per fiscal period. The board of officers is responsible for determining the actual compensation amount.

The AIF may also incur other miscellaneous fees in connection with the issuance of units, investment corporation bonds and the operation, acquisition or disposition of properties.

Article 23(1) (j)

Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM	Under Article 77 paragraph 4 of the Act on the ITA, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number of units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.
Article 23(1) (k)	
The latest annual report referred to in Article 22(1)	Not applicable. (The semiannual reports of Daiwa Office are, however, available at https://www.daiwa-office.co.jp/en/ir/disclosure.html.)
Article 23(1) (l)	
The procedure and conditions for the issue and sale of the units	Daiwa Office is authorized under the articles of incorporation to issue up to 2,000,000 units. Its units have been listed on the Tokyo Stock Exchange since October 19, 2005. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.
Article 23(1) (m)	
Latest net asset value of the AIF or latest market price of the unit or share of the AIF	Daiwa Office's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information venders (including Reuters, which can be viewed at https://www.reuters.com/companies/8976.T.)
Article 23(1) (n)	

<table>
<tr><td>Details of the historical performance of the AIF, where available</td><td>The units of Daiwa Office were listed on the Tokyo Stock Exchange on October 19, 2005.

<table>
<tr><th>Fiscal period</th><th>Total Assets (JPY million)</th><th>Total Net Assets (JPY million)</th><th>Total unitholders' equity per unit (base value) (JPY)</th></tr>
<tr><td>32nd Fiscal Period (June 1, 2021 to November 30, 2021)</td><td>483,279</td><td>253,637</td><td>519,655</td></tr>
<tr><td>33rd Fiscal Period (December 1, 2021 to May 31, 2022)</td><td>483,461</td><td>250,538</td><td>519,220</td></tr>
<tr><td>34th Fiscal Period (June 1, 2022 to November 30, 2022)</td><td>481,049</td><td>247,491</td><td>517,484</td></tr>
<tr><td>35th Fiscal Period (December 1, 2022 to May 31, 2023)</td><td>482,471</td><td>247,849</td><td>518,232</td></tr>
<tr><td>36th Fiscal Period (June 1, 2023 to November 30, 2023)</td><td>482,200</td><td>247,523</td><td>517,551</td></tr>
</table>
The most recent five fiscal periods' performance of the units is as follows.</td></tr>
<tr><td>Article 23(1) (o)</td><td></td></tr>
<tr><td>Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of</td><td>No applicable prime broker.</td></tr>
</table>

liability to the prime broker that may exist	
Article 23(1) (p)	
Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)	The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and fiscal report.
Article 23(2)	
The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depository to contractually discharge itself of liability in accordance with Article 21(13)	Not applicable.
The AIFM shall also inform investors of any changes with respect to depositary liability without delay	Not applicable.
Article 23(4)(a)	
Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned	There are no assets that are subject to special arrangements arising from their illiquid nature.

Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements	There are no such special arrangements.
Valuation methodology applied to assets which are subject to such arrangements	There are no such special arrangements.
How management and performance fees apply to such assets	There are no such special arrangements.
Article 23(4)(b)	
Any new arrangements for managing the liquidity of the AIF	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (i.e. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Overview of changes to liquidity arrangements, even if not special arrangements	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Terms of redemption and circumstances where management discretion applies, where relevant	Daiwa Office is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.
Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included	There are no voting or other restrictions on the rights attaching to units.
Article 23(4)(c)	
The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks	The AIFM stipulates basic provisions of risk management in their risk management rules. Investment corporation bonds and long-term loans are used to finance rehabilitation obligations, acquisition of real estate and repayment of loans. These financial instruments are exposed to liquidity risk. Daiwa Office controls such risk by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits. For floating rate borrowings exposed to the risk of interest rate fluctuations, Daiwa Office, in order to reduce the impact caused by rising interest rates, closely monitors the movement of interest rates, and intends to increase the ratio of fixed rate loans compared to floating rate loans. Deposits are exposed to credit risks, including collapse of the financial institutions where deposits are made, and, thus, are managed through the use of liquid deposits.

Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed	No such measures have been implemented.
If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken	No such situation has occurred.
Article 23(5)(a)	
Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted	No such right or guarantee exists.
Details of any change in service providers relating to the above.	Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.
Article 23(5)(b)	
Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods	The aggregate amount of debt with interest is JPY 207,800 million as of November 30, 2023.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product Name: Daiwa Office Investment Corporation

Daiwa Office Investment Corporation ("DOI") promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088 ("SFDR"). DOI and Daiwa Real Estate Asset Management Co. Ltd. (the "Asset Manager") are hereinafter referred to collectively as "we," "us" or "our" unless noted otherwise. References to "fiscal year" or "FY" are to the 12 months began or beginning April 1 of the year specified in line with the fiscal year of the Asset Manager, unless noted otherwise.

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective**: __% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ **It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: __%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

DOI and the Asset Manager focus on promoting environmental, social and governance, or ESG characteristics in the belief that emphasis on ESG contributes to the enhancement of DOI's medium- to long-term corporate value. From the environmental perspective, we implement environmental protection measures, including those for resource conservation and energy-saving, in order to reduce the environmental impact of DOI's properties. From the social perspective, we conduct our business based on a social mission of providing high-quality and comfortable spaces, in partnership with stakeholders, while disclosing appropriate information to such stakeholders to fulfil our accountability. From the governance perspective, we make highly transparent and reasonable business decisions that are not only lawful and in compliance with regulatory requirements, but also meet our high ethical standards. Details are provided below.

DOI does not have a specific index designated as a reference benchmark to determine whether DOI is aligned with the environmental and/or social characteristics that it promotes.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  DOI and the Asset Manager use the following indicators to measure progress made on the environmental or social characteristics promoted by DOI:

- *Global Real Estate Sustainability Benchmark ("GRESB") Real Estate Assessment*. DOI and the Asset Manager have participated in the GRESB Real Estate Assessment every year since the fiscal period ended November 30, 2011. GRESB is an industry-led international organization that evaluates sustainability performance of real estate portfolios (including listed funds, private funds and direct investments). For the year 2023, DOI was awarded a "Green Star" rating for the twelfth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for promoting ESG and "Performance Component" that assesses environmental performance and initiatives, and a four-star GRESB rating out of its five-star ranking system.
- *Green-Qualified Assets*. We use various environmental certifications issued by third party organizations to monitor and keep track of the ESG performance at the building level. We use the Building-Housing Energy-Efficiency Labeling System ("BELS"), Comprehensive Assessment System for Built Environment Efficiency ("CASBEE"), the Development Bank of Japan ("DBJ") Green Building Certification, and the Leadership in Energy & Environmental Design ("LEED") rating system for environmental certification of the buildings in DOI's portfolio. We deem each of DOI's office buildings to be energy efficient and sufficiently environmentally friendly if it received a certification of B+ Rank or higher in the CASBEE ranking system, which consists of Rank S (excellent), Rank A (very good), Rank B+ (good), Rank B– (slightly inferior) and Rank C (inferior), a certification of three stars or higher in the five-star ranking system of BELS, three stars or higher in the five-star ranking system of the DBJ Green Building Certification, and/or silver rank or higher in the LEED rating system, and classify such office building as "Green-qualified Asset(s)." As of December 31, 2023, the proportion of Green-Qualified Assets in DOI's portfolio based on gross floor area was 63.1%. We aim to increase the proportion of Green-Qualified Assets in DOI's portfolio based on gross floor area to 70% by the end of FY2030.
- *Energy Saving Initiatives*. The Asset Manager tracks and monitors consumption of energy, including electricity, urban and propane gas, and steam energy in common areas of DOI's properties that the Asset Manager manages, and measures progress against annual and medium- to long-term targets. These targets are shared with property managers and tenants so that the Asset Manager can collaborate with such parties to continuously reduce DOI's properties' energy consumption. DOI achieved a reduction in energy consumption intensity from 0.178 MWh/m² in FY2021 to 0.173 MWh/m² in FY2022. We aim to reduce energy consumption intensity by 1% per year (5% over five years) for the properties in DOI's portfolio by FY2024 with FY2019 as the base year (0.207 MWh/m²). In addition, we have implemented eco-friendly equipment, such as LED lighting, high-efficiency heating equipment and energy-saving air conditioning systems at DOI's properties. As of November 30, 2023, we have installed LED lighting for approximately 84.0% of common areas and areas exclusively owned by DOI in its properties based on gross floor area. We intend to install LED lighting for 100% of common areas and areas exclusively owned by DOI in its properties based on gross floor area by the end of the fiscal period ending May 31, 2026.
- *Reduction of Greenhouse Gas ("GHG") Emissions Initiatives*. The Asset Manager tracks and monitors GHG emissions, including direct emissions from burning fuels (i.e., Scope 1) and indirect emissions from power purchases and procurement over the entire supply chain at DOI's properties (i.e., Scope 2) and measures progress against the established targets. The Asset Manager continuously strives to reduce environmental impact of DOI's properties that emit high levels of GHG. DOI's properties' CO_2 emissions intensity (including both Scope 1 and Scope 2) has decreased from 0.076 t-CO_2/m² in FY2021 to 0.071 t-CO2/m² in FY2022. DOI aims to reduce GHG emissions intensity (including both Scope 1 and Scope 2) for the properties in DOI's portfolio by 1% per year and 5% over five years by FY2024 with FY2019 as the base year (0.089 t-CO_2/m²), and by 46% by FY2030 with FY2013 as the base year, and to become carbon neutral by FY2050. We have installed equipment that contributes to reduction of GHG emissions, such as LED lighting, high-efficiency heating equipment and energy-saving air conditioning systems in DOI's properties.

- *Water-saving Initiatives*. The Asset Manager tracks and monitors water consumption in common areas of DOI's properties that the Asset Manager manages. The Asset Manager receives an overview of consumption volume of each property and cumulative consumption volume of DOI's entire portfolio and measures progress against annual and medium- to long-term targets. These targets are shared with property managers and tenants so that the Asset Manager can collaborate with such parties to continuously reduce water consumption. Water consumption intensity of DOI's properties was 0.580 m^3/m^2 in FY2021 and 0.610m^3/m^2 in FY2022. DOI aims to maintain the same level of water consumption intensity for the properties in DOI's portfolio with the level in FY2019 (0.787 m^3/m^2) until FY2024. We have installed water-saving equipment, such as water-saving toilets, in DOI's properties and promote water-saving to tenants by posting an announcement.

- *Third-Party Evaluation of Environmental Performance Data*. A third-party organization conducted evaluation (verification) of DOI's entire portfolio's environmental performance data (energy consumption, GHG emissions (including Scope 1 and 2), water consumption, and waste output) for FY2022.

- *Mitsubishi UFJ Financial Group ("MUFG") ESG Rating Certificate for J-REIT supported by Japan Credit Rating Agency ("JCR")*. DOI received the MUFG ESG Rating Certificate "S-Rank", in consideration of the certain ESG factors selected by MUFG Research and Consulting Co., Ltd. in collaboration with JCR.

- *JCR Green Finance Framework Evaluation.* The JCR Green Finance Framework Evaluation evaluates DOI's green bond issuances and green loan guidelines, based on JCR's green bond principles. JCR evaluates whether each of the projects conducted is in accordance with DOI's green finance policy may be deemed a "green project" as well as DOI's management/operations and their level of transparency. In June 2023, DOI received the highest grade from the JCR Green Finance Framework Evaluation, which indicates that DOI has only included in its green finance framework the buildings that passed JCR's selective criteria, and DOI's management and operations have been well established to promote green projects as planned.

- *MSCI ESG Rating.* Using an ESG evaluation framework created by MSCI ESG Research LLC, the MSCI ESG Rating assigns a rating on a seven-tiered scale, ranging from "AAA" to "CCC," based on exposure to industry-specific ESG risks and management capabilities for handling those risks in comparison with other companies in the same industry. The MSCI ESG Rating is one of the parameters for listing companies on the MSCI Japan ESG Select Leaders Index, which is considered as a qualifying ESG index for passive management by Japan's Government Pension Investment Fund and is used by over 1,300 institutional investors around the world and in the creation of over 1,000 investment indexes. DOI has obtained an MSCI ESG rating of "BB" as of April 2023.

- *The Task Force on Climate-related Financial Disclosures (TCFD).* The Asset Manager established the "Climate Change and Resilience Policy" to lay out our objectives and our corporate functions for addressing climate-change related issues and to widen the scope of disclosures of our climate-change related initiatives. We announced our support for the TCFD recommendations in December 2021. In January 2022, the Asset Manager joined the TCFD consortium, a group of domestic companies that support TCFD recommendations. As we recognize that climate change is an important issue, we will gradually strengthen our efforts to disclose information related to climate change, while identifying and analyzing risks and opportunities related to climate change and continuously working to reduce the environmental impact of our business based on the TCFD recommendations.

- *Sustainable Procurement Initiatives*. The Asset Manager takes into account the following criteria in addition to quality and economic efficiency when choosing products and services we use: (i) low-consumption of fossil fuels and energy, (ii) low usage and emission of substances with adverse effects on environment and human health, (iii) designed to conserve biodiversity and ecology, (iv) designed for long-term usage, (v) designed to be reusable and recyclable, (vi) uses reclaimed material and has environmental certification,

(vii) easily disposable, and (viii) reduces procurement amount to reduce waste. Furthermore, the Asset Manager takes into consideration property managers and suppliers' sustainability frameworks and ability to cooperate with the Asset Manager's ESG practices in making hiring decisions, in addition to their creditworthiness, product or service quality and price.

- *Sustainability Framework*. The Asset Manager considers whether the property manager or supplier, as the case may be, (i) has adopted an environmental management system, such as ISO14001, and obtains third-party certification, or otherwise fulfills the ESG requirements established by the Asset Manager, (ii) selects any subcontractor by taking into account its sustainability policy and makes it comply with the Asset Manager's ESG requirements, (iii) creates and maintains appropriate and employee-friendly work environment, (iv) promotes diversity of human resources and work-life balance, and prohibits unfair labor, (v) has corporate ethics guidelines including anti-corruption policy, (vi) engages in and contributes to the neighborhoods and communities surrounding DOI's properties, and (vii) has a disaster risk management system.
- *Cooperation with the Asset Manager's ESG practices.* The Asset Manager requires the property manager or supplier, as the case may be, to engage in (i) energy-saving, water-saving and reduction of GHG emission, (ii) appropriate waste management and recycling promotion, (iii) control and reduction of hazardous chemical substances and maintenance of health and safety including water quality, and (iv) maintenance of favorable relationships with tenants.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  Not applicable.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not applicable.

Principal Adverse Impact

Does this product consider principal adverse impacts on sustainability factors?

Yes, we consider principal adverse impacts on sustainability factors. We collect on an ongoing basis information on the principal adverse impact indicators of DOI's existing portfolio, including exposure to fossil fuels through real estate assets, exposure to energy-inefficient real estate assets, GHG emissions and energy consumption intensity. We aim to manage the risk connected to principal adverse impacts through our investment decisions in several ways, including use of general screening criteria and due diligence.

- *Exposure to fossil fuels through real estate assets*. DOI does not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.

- *Exposure to energy-inefficient real estate assets*. We consider DOI's properties that do not qualify as Green-Qualified Assets to be energy-inefficient real estate assets. As of December 31, 2023, 36.9% of DOI's properties did not qualify as Green-Qualified Assets based on gross floor area.

- *GHG emissions*. Total amount of GHG emissions (including both Scope 1 and Scope 2) generated by DOI's properties was 44,771 t-CO_2 in FY2019, 37,063 t-CO_2 in FY2021 and 34,589 t-CO_2 in FY2022. Scope 3 GHG emission is not applicable to DOI's properties.

- *Energy consumption intensity*. The amount of the energy consumption of DOI's properties per square meter was 0.181 MWh/m^2 in FY 2020, 0.178 MWh/m^2 in FY2021 and 0.173 MWh/m^2 in FY2022.

We believe that investment decisions that would negatively affect climate or other environment-related resources, or have negative implications for society, can create various risks and hindrance to value creation for DOI's unitholders. To this end, we consider the principal adverse impacts of our investment decisions on the above sustainability factors throughout all major steps of the investment decision and management process throughout the lifecycles of the properties in DOI's portfolio.

We consider, both at the entity-level (i.e., the Asset Manager) and at the fund-level (i.e., DOI), principal adverse impacts of our investment decisions on sustainability factors. Under the Investment Trust Act of Japan, we are prohibited from having any employees at the fund-level and are required to outsource asset management to a third party. Accordingly, as discussed in detail elsewhere, any consideration at the fund-level of principal adverse impacts of our investment decisions on sustainability is principally conducted by the Asset Manager, subject to approval of DOI's Board of Directors. In addition to the Asset Manager's contractual obligations to DOI under the asset management agreement, the Financial Instruments and Exchange Act (Act No. 25 of 1948) of Japan (the "FIEA") provides that the Asset Manager owes us (at the fund-level) a fiduciary duty in conducting its activities, including making investment decisions informed by sustainability considerations.

More information related to principal impacts on sustainability factors can be found on the following website: https://www.daiwa-office.co.jp/assets/pdf/sfdr_statement-en.pdf

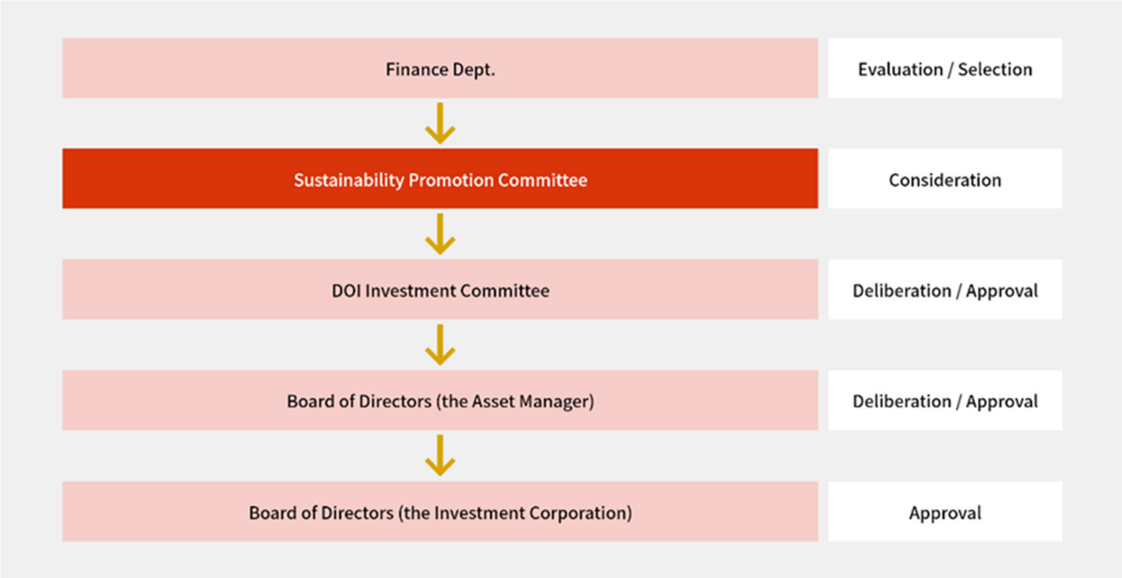
Investment Strategy

What investment strategy does this product follow?

We take into account sustainability in our investment process as follows.

- *Investment Policy*. The Asset Manager ensures that the office buildings that DOI invests in are environmentally-sound in various manners. Throughout lifecycles of properties in DOI's portfolio, DOI addresses ESG-related issues surrounding properties by implementing environmental protection measures and providing sustainable services such as bicycle sharing to improve the environment around the properties for neighborhood residents and makes continuous efforts to enhance DOI's unitholder value.
- *Due Diligence*. The Asset Manager investigates the environmental and geological conditions of each property to determine the possibility of presence of environmental hazardous substances and land pollution. The Asset Manager conducts, with assistance from outside experts, financial, property and legal due diligence review to evaluate investments. DOI only invests in properties that have no environmental hazardous substances. DOI generally does not invest in properties that exceed the land pollution threshold specified in the Ordinance for Enforcement of the Soil Contamination Countermeasures Act (Act No. 53 of 2002) of Japan (the "Soil Contamination Act"), and when DOI does, the Asset Manager consults professionals to weigh their impact on the surrounding environment and people against the economic benefits they would bring before making investment decisions.
- *Green Finance Framework*. DOI has established the Green Finance Framework to provide investors with investment opportunities with positive environmental impacts.
    - *Use of funds*. Funds raised through green bonds or green loans must be used to acquire and/or to refinance funds used to acquire Green-Qualified Assets.
    - *Selection process of projects*. The Asset Manager's Finance Department will evaluate and select projects based on sustainability considerations. The project is then examined by the Asset Manager's Sustainability Promotion Committee, which provides its opinion on it from a sustainability perspective, considered by the Asset Manager's Investment Committee and the Board of Directors, and approved by DOI's Board of Directors.

[Selection process of projects]



- *Management of procured funds.* Any unallocated funds will be managed in cash or cash equivalent. If any asset purchased with green bonds is subsequently sold, the proceeds from the sale will be managed so that total balance of outstanding green bonds will not exceed the green bonds-eligible debt limit, which is set at the total acquisition price of assets that meet the green bonds eligible criteria, multiplied by DOI's portfolio LTV.
- *Reporting*. The following matters will be disclosed annually on DOI's website: (i) the status of allocation of funds from green bonds proceeds and (ii) the number of Green-Qualified Assets and other buildings which have acquired certifications such as DBI Green Building Certification, CASBEE for Real Estate Certification and LEED Certification, and (iii) quantitative indicators such as amounts of energy consumption, CO_2 emissions and water consumption.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

A binding element of the investment strategy is DOI's green finance framework, which involves determination of whether a target property has satisfied the eligible criteria (described in detail above) as an eligible asset to receive the funding procured under the green finance framework. With respect to any property acquired or refinanced through the green finance framework, the Asset Manager's Sustainability Promotion Committee is required to provide its opinion on the property from a sustainability perspective, which is considered by the Asset Manager's Investment Committee and the Board of Directors and approved by DOI's Board of Director.

The other binding elements of the investment strategy are the exclusion of properties not meeting the thresholds for environmental hazardous substances, soil contamination and other environmental contamination in accordance with the Soil Contamination Act and other environmental laws and ordinances.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

As discussed above, DOI invests only in properties that have been subjected to ESG due diligence review. When investing in or refinancing properties using proceeds procured under the Green Finance Framework, DOI never invests in properties that do not meet the eligible criteria under the framework.

- ***What is the policy to assess good governance practices of the investee companies?***

  DOI invests directly or indirectly through trust beneficiary interests in real estate and real estate-related assets. Therefore, due diligence review (including the assessment of good governance practices) in relation to investee companies is not applicable.

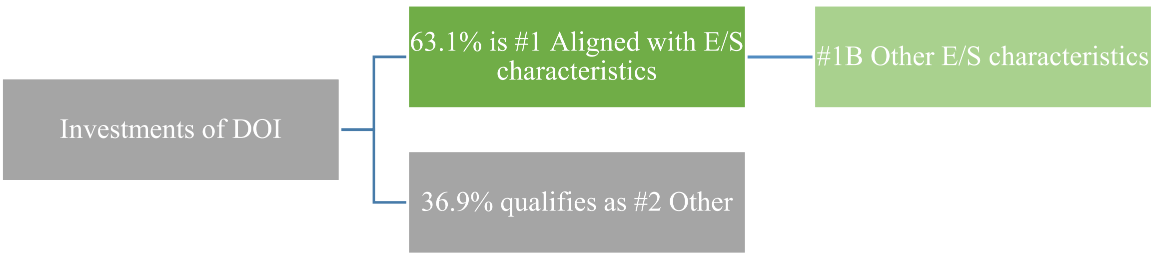
  While there is no third-party rating used for assessment of DOI's governance practices, DOI and the Asset Manager have implemented the following measures to assess and enhance DOI's governance systems:

  - *Adoption of performance-linked asset management fees.* DOI pays performance-linked fees based on the total asset valuation to the Asset Manager to align the interest of DOI's unitholders and the interest of the Asset Manager.
  - *Related-party transactions.* DOI is not allowed to carry out related-party transactions which amount exceed certain threshold without the approval of DOI's board of directors.
  - *Transparent and appropriate information disclosure.* DOI holds management calls for its overseas unitholders and engages with a wide range of unitholders at its earnings meetings, which are held via teleconference. DOI makes ongoing disclosures in Japanese pursuant to the FIEA and other applicable laws and regulations in Japan and provides English language disclosures or translations where practicable.

Asset Allocation

What is the asset allocation planned for this financial product?

As of December 31, 2023, 63.1% of DOI's properties based on gross floor area of the buildings qualified as Green-Qualified Assets, and 36.9% did not. As described in more detail above, all of DOI's properties are evaluated against the environmental characteristics promoted by DOI. We aim to increase the proportion of Green-Qualified Assets in DOI's portfolio based on gross floor area to 70% by the end of FY2030.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by this financial product?***

  Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

- ***Does this financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***

  No. DOI does not invest in real estate assets involved in fossil gas and/or nuclear energy-related activities.

- ***What is the minimum share of investments in transitional and enabling activities?***

  Not applicable.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other," what is their purpose and are there any minimum environmental or social safeguards?

"#2 Other" includes the properties in DOI's portfolio that have not received the sufficient environmental certification to qualify as Green-Qualified Assets. As of December 2023, 36.9% of the properties in DOI's portfolio based on gross floor area did not qualify as Green-Qualified Assets. Findings from due diligence review conducted prior to an acquisition of a property, including the environmental and geological conditions of each property to determine the possibility of environmental hazardous substances and land pollution, are binding on our investment strategy, and DOI will not acquire a property that does not meet certain criteria based on such findings.

Index as Reference Benchmark

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes?

Not applicable. DOI does not have a specific index designated as a reference benchmark to determine whether DOI is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the investment units of DOI?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designed index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

More Product-specific Information

Where can I find more product-specific information online?

More product-specific information can be found on the website: https://www.daiwa-office.co.jp/en/index.html

Note Regarding the EU Taxonomy Regulation

As set out above, we promote certain environmental characteristics.

The Asset Manager is required, under Regulation (EU) 2020/852 (the "EU Taxonomy Regulation"), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy regulation. The EU Taxonomy Regulation is to be complemented by technical standards and screening criteria. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021 and amended in June 2023. The amended criteria apply as of January 1, 2024. The technical screening criteria for the other four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) were adopted in June 2023. They apply as of January 1, 2024.

DOI invests in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The Asset Manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and/or amended and the fact that, as a result thereof, data on alignment of DOI's investments with these environmental objectives and climate related goals in line with EU Taxonomy Regulation are not sufficiently available, the Asset Manager is not currently in a position to disclose on an accurate and reliable basis to what extent DOI's investments technically qualify as Taxonomy-aligned or "environmentally sustainable" within the specific meaning of the EU Taxonomy Regulation. DOI's investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the Asset Manager is required to state that there is no minimum proportion of DOI's investments that qualify as such.

The Asset Manager further states that the "do no significant harm" principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF DOI (SFDR ARTICLE 6 DISCLOSURE)

Classification		Risk and Opportunity Factors in Real Estate Management	Potential Financial Impacts	Category	Financial Impacts				Countermeasures
					4°C		1.5°C/2°C		
					Medium Term	Long Term	Medium Term	Long Term	
Transition Risks and Opportunities	Policy and Legal	Stricter regulations against GHG emissions due to an introduction of carbon tax	- Increased tax burden due to the introduction of carbon tax, depending on the volume of GHG emissions from properties	Risk	Small	Small	Medium	Large	- Introduction of energy management systems and renewable energy - Planned reduction of energy consumption/GHG emissions at portfolio properties - Improvement in GHG emissions through strategic replacement/renovation of properties - Increase in environmental certification acquisition rates
		Stricter energy-saving standards, obligation to report emissions	- Increased renovation costs due to raised energy-saving standards - Increased business expenses related to emissions reporting	Risk	Small	Small	Large	Large	
		Enhanced competitiveness of properties that comply with legal regulations	- Increased rent income from portfolio properties with high environmental performance - Decreased utility bills thanks to improved energy efficiency	Opportunity	Small	Small	Medium	Medium	
	Technology	Advancement and spread of energy-saving and renewable energy technologies	- Increased renovation costs due to the introduction of new technologies	Risk	Small	Small	Large	Large	- Introduction of cutting-edge technologies - Planned renovation works - Promotion of transition to power from renewable energy
			- Decreased utility bills thanks to better energy-saving performance	Opportunity	Small	Small	Medium	Medium	
	Market	Fluctuations in properties' asset value depending on environmental performance	- Fluctuations in portfolio properties' asset value depending on environmental certification acquisition rates - Fluctuations in rent income depending on the proportion of portfolio properties with high environmental performance	Risk	Small	Small	Large	Large	- Increase in environmental certification acquisition rates - Promotion of transition to power from renewable energy - Sufficient information disclosure about portfolio properties' environmental performance
			- Decreased utility bills thanks to better energy-saving performance	Opportunity	Small	Small	Medium	Medium	
		Changes in the stances of investors/lenders/tenants on investing and lending	-Fluctuations in reputation from ESG-conscious investors and lenders - Fluctuations in ESG-conscious tenants' demand for moving in and out - Better/Worse terms and conditions in financing from financial institutions, etc.	Risk	Small	Small	Large	Large	- Appropriate disclosure of ESG-related information, including that on climate change - Higher ratings in ESG assessments by external institution - Reduction of financing costs through the use of sustainability finance
				Opportunity	Small	Small	Medium	Medium	
	Reputation	Decline in reputation from investors and customers	- Decreased investment unit prices/Lower ESG ratings - Decreased profitability of properties with low environmental performance/resilience	Risk	Small	Small	Medium	Large	- Appropriate disclosure of ESG-related information, including that on climate change - Stronger stakeholder engagement in the ESG area - Continuous improvement of environmental performance/ Continuous acquisition of environmental certifications
Physical Risks	Acute	Increased loss due to severer storm and flood damage	- Increased repair costs and insurance premiums - Decreased rent income due to lower occupancy rates - Loss of business opportunities/Increased business continuity risks - Increased renovation costs to protect portfolio properties from water intrusion, damage, destruction, etc.	Risk	Small	Medium	Small	Small	- Risk comprehension using hazard maps, etc. - Portfolio of highly resilient properties - Upgrading of facilities to install high-efficiency air conditioning systems, introduction of energy management systems - Collaborative energy saving initiatives with tenants, including green leases - Enhancement of BCP measures - Promotion of greening at portfolio properties
	Chronic	Increased damage from rise in average temperature/sea level		Risk	Small	Small	Small	Small	

※ Scenario analysis is based on currently available information and objective forecast data from third-party organizations and does not necessarily guarantee the accuracy of the information due to the inherent uncertainty of known and unknown risks.

DOI and the Asset Manager address sustainability risks by taking into account environmental, social and governance factors in our investment decision process and on a continuous basis.

From the environmental perspective, DOI and the Asset Manager implement environmental protection measures, including those for resource conservation and energy-saving. For example, we will continue to implement new facilities and equipment that help us reduce the environmental impact of DOI's properties. From the social perspective, we conduct our business based on a social mission of providing high-quality and comfortable spaces in partnership with stakeholders, while disclosing appropriate information to such stakeholders to improve our accountability. From the governance perspective, we continually aim to make transparent and reasonable business decisions not only to meet the applicable legal and regulatory requirements, but also to meet the ethical standards we have set for our business.

The Asset Manager's investment decision-making process involves assessment of material ESG-related risks and opportunities to ensure that DOI's sustainable investment strategy is implemented on a continuous basis. With each acquisition opportunity, DOI and the Asset Manager review ESG-related due diligence findings. These findings are required to be considered by the Asset Manager's Investment Committee before a final decision is made on the investment.

As part of due diligence review prior to investment, the Asset Manager investigates the environmental and geological conditions of each property to determine the possibility of environmental hazardous substances and land pollution. The Asset Manager conducts, with assistance from outside experts, financial, property and legal due diligence review to evaluate potential investments. DOI invests only in properties that have no environmental hazardous substances. DOI generally does not invest in properties that exceed a certain land pollution threshold specified in the Ordinance of Enforcement of the Soil Contamination Act. If a property exceeds the land pollution threshold, the Asset Manager consults professionals to weigh its impact on the surrounding environment and people against the economic benefits it would bring before making an investment decision.

In addition, the Asset Manager has established a sustainability promotion system and designated its President & CEO as the Chief Executive for Promoting Sustainability, in addition to establishing a Chief Sustainability Officer who is responsible for executing sustainability measures and managing progress, and the Sustainability Promotion Committee. Meetings of the Sustainability Promotion Committee are held regularly (once a month in principle) to discuss sustainability related matters, including policies, goals and measures, and social finance framework.

Furthermore, the Asset Manager tracks the sustainability measures including energy-saving initiatives, reduction of GHG emissions initiatives and water-saving initiatives.

As a result of the growing interest in ESG factors among DOI's investors and other stakeholders, we believe that insufficient engagement in ESG-related issues could materially adversely impact our reputation, business activities and DOI's unit price. Having established the Sustainability Policy, we will take ESG factors into serious consideration when investing in new properties and managing DOI's portfolio in accordance with such policy. We believe that our ongoing ESG initiatives will contribute to DOI's sustainable growth and improve unitholders' value while mitigating such ESG-related risks. In addition, we believe that such initiatives also contribute to reduction of the environmental impact on the Japanese economy while contributing to local communities and regional economies and at the same time, generating sustainable growth in unitholder returns.

While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as part of the agenda that DOI needs to address in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns.