

Daiwa Office Investment Corporation

Daiwa Office Investment Corporation

Presentation Meeting to Explain the Fiscal Period Ended November 2025 (Summary / Q&A)

January 23, 2026

Presentation

Moderator: Now that it is time, we will begin the presentation meeting to explain the fiscal period ended November 2025 for Daiwa Office Investment Corporation. Thank you very much for taking the time to participate in this presentation today.

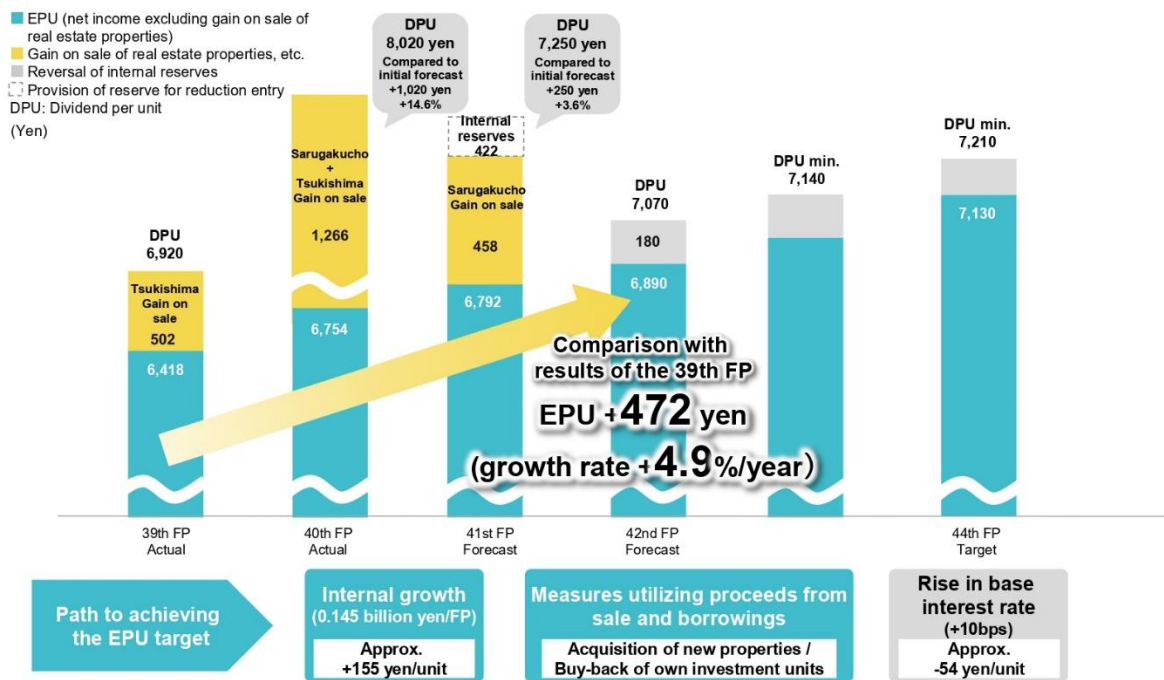
For this presentation meeting, we hold it as a Web presentation meeting in the form of a live broadcast via Zoom. If the broadcast is interrupted or the video freezes while you are viewing, please try accessing again after some time. If you experience any issues with video or audio and are unable to view sufficiently, we ask that you please view the financial results explanation video scheduled to be posted on our homepage at a later date. The Q&A session from the presentation meeting will also be posted on our homepage at a later date.

Today, Abe, Head of the Investment Management Division, will explain the financial results overview. Following that, we will conduct a question and answer session. Now, Head Abe, please proceed.

Abe: I am Abe from Daiwa Real Estate Asset Management Co. Ltd. Thank you very much for taking the time to participate in the financial results presentation for Daiwa Office Investment Corporation today. I will now explain the financial results for the fiscal period ended November 2025 and our current operational status. Thank you for your attention.

Favorable DPU and EPU Growth

Achieved steady EPU growth toward the EPU target (44th FP: 7,130 yen)
Returned gain on sale for four consecutive periods since 38th FP



See page one. We are steadily realizing EPU growth toward the target for EPU: net income per unit per period excluding gains on sales, which we announced previously.

For the fiscal period ended November 2026, which we have newly disclosed earnings forecasts for, as shown by the fourth bar from the left in the graph, we expect continued EPU growth at a high level of JPY472 higher than the results for the fiscal period ended May 2025, or 4.9% on an annualized basis.

Additionally, following the decision in October of last year to implement a split sale of Daiwa Sarugakucho Building, DPU for the fiscal period ended November 2025 is expected to be JPY8,020, 14.6% higher than the initial forecast, and DPU for the fiscal period ended May 2026 is expected to be JPY7,250, 3.6% higher than the initial forecast, significantly exceeding the initial forecast.

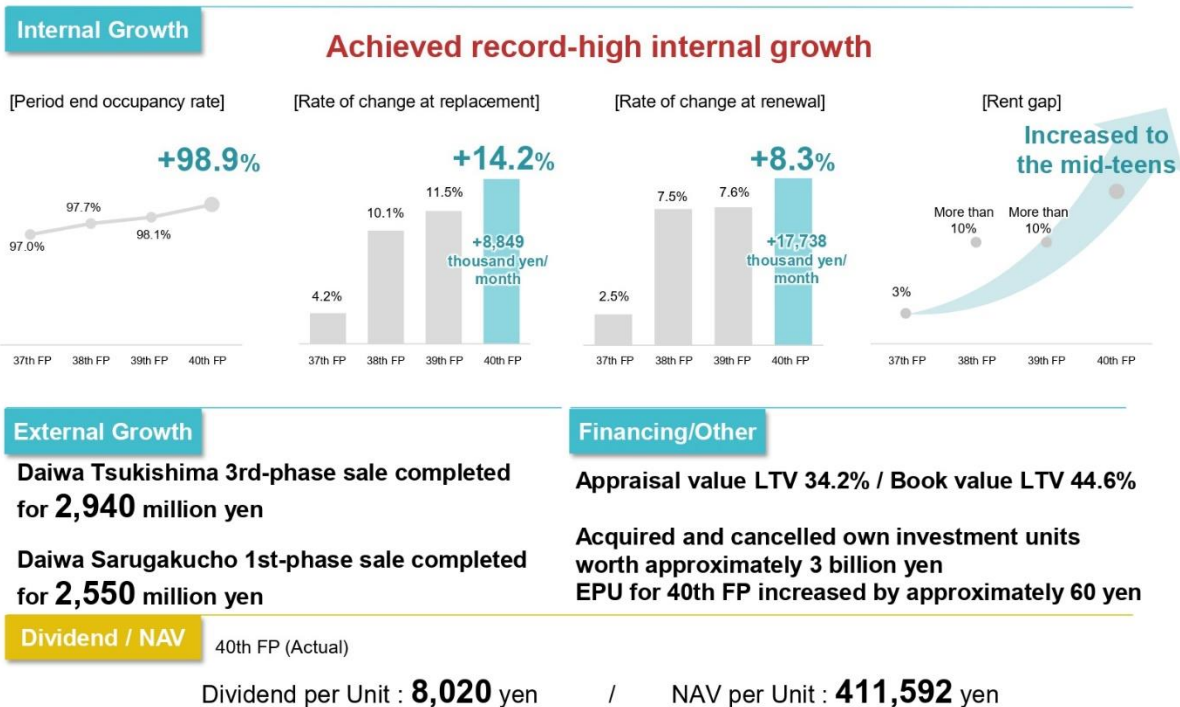
DPU for the fiscal period ended November 2026 and onwards is presented at the lower limit, as was the case previously. However, in cases where gains on sales occur due to ongoing property replacement, there is a possibility of upside revisions similar to the results of this period.

The drivers for achieving the EPU target are, as noted in the lower section of the materials, internal growth in the existing portfolio, as well as measures such as acquisition of new properties utilizing proceeds from sales and borrowings. Depending on the situation of investment unit prices, we will also proactively implement buy-back of own investment units.

As negative factors, we anticipate an increase in costs due to rising interest rates and the like. However, we aim to realize strong internal growth that exceeds this.

In addition to continuous dividend growth centered on EPU growth, Daiwa Office Investment will work to enhance unitholder value through returns of gains on sales accompanying property replacement.

Executive Summary



Please see page two. First, regarding internal growth, we achieved favorable operational results across all indicators in the fiscal period ended November 2025.

From the left, the actual occupancy rate is 98.9%, exceeding the initial forecast by 0.5%, maintaining a high occupancy rate.

The two bar graphs in the center each show the change in unit contract rent upon replacement and renewal. The light blue represents the results for the fiscal period ended November 2025, and the change in unit contract rent upon replacement is plus 14.2%, and the change in unit contract rent upon renewal is plus 8.3%, realizing a change rate at the highest level ever recorded.

Additionally, due to rising market rents and the penetration of inflation mindset, the rate of acceptance of rent increases by tenants subject to contract renewal has increased compared to the previous period. The percentage of area-based rent increases is noted on page 17. In the fiscal period ended November 2025, 15% of tenants overall were subject to contract renewal, and among these, we were able to obtain rent increase acceptance from 65.4% of tenants.

Further exceeding the previous period, when the rate of increases surpassed 50% for the first time in five years, we achieved a result exceeding 65%.

We believe we were able to demonstrate strong operational results in the fiscal period ended November 2025 following the previous period, and we believe that this favorable leasing environment will continue in the fiscal period ending May 2026, which is currently underway, as well as going forward.

The graph on the far right shows the rent gap for the entire portfolio. Despite the contraction resulting from harvesting part of the rent gap, the increase in market rents has been larger, and we believe the overall portfolio rent gap has expanded to the mid-10% range.

We also note that this rent gap is not a figure overly dependent on any specific properties but represents an overall expansion across the entire portfolio.

To capture this rent gap, we are setting the occupancy rate target at approximately 98%, aiming for further rent increases and acceleration of the pace of increases, and will continue our leasing strategy accordingly.

Regarding external growth and replacement strategy, the sale of Daiwa Tsukishima Building has been completed, and the first sale of Daiwa Sarugakucho Building has been executed.

Regarding financing, the appraisal value LTV is 34.2%, and the book value LTV is 44.6%. Based on this situation, I will explain later our approach to LTV as Daiwa Office Investment.

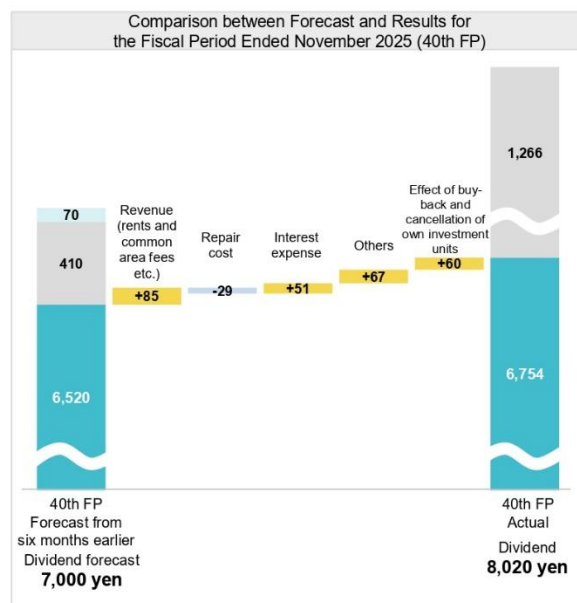
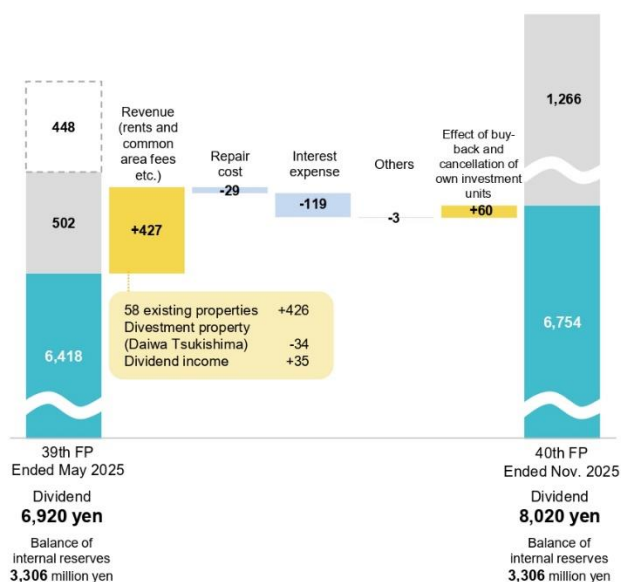
Additionally, through the buy-back and cancellation of own investment units executed in the fiscal period ended November 2025, EPU improved by approximately JPY60. As a result, the dividend per unit for the fiscal period ended November 2025 is JPY8,020, and the NAV per unit is JPY411,592.

Factors of Change in Dividend per Unit

Comparison with Results of the Fiscal Period Ended November 2025

EPU increased mainly due to the increase in revenue (rents and common area fees) resulting from rent increases at existing properties

(Yen)



Legend:
 ■ EPU (net income excluding gain on sale of real estate properties) ■ Reversal of internal reserve
 ■ Increase due to gain on sale of real estate properties, etc. (after provision for reserve for reduction entry and after subtracting management fees related to sale)
 □ Provision for reserve for reduction entry ■ Increase factors ■ Decrease factors

Please see page three. I will explain the factors affecting the dividend per unit.

First, regarding the fiscal period ended November 2025, I will compare with the previous period results.

Due to rent increases for existing properties and receipt of dividends from the silent partnership equity interest from Shinjuku Mines Tower, revenue (rents and common area fees etc.) increased by JPY427 compared to the previous period.

On the other hand, through the acceleration of strategic repair work using a portion of gains on sales, we increased repair costs, resulting in a decrease of JPY29 compared to the previous period.

Interest expense decreased by JPY119 compared to the previous period but increased by JPY60 due to the effect of buy-back of own investment units.

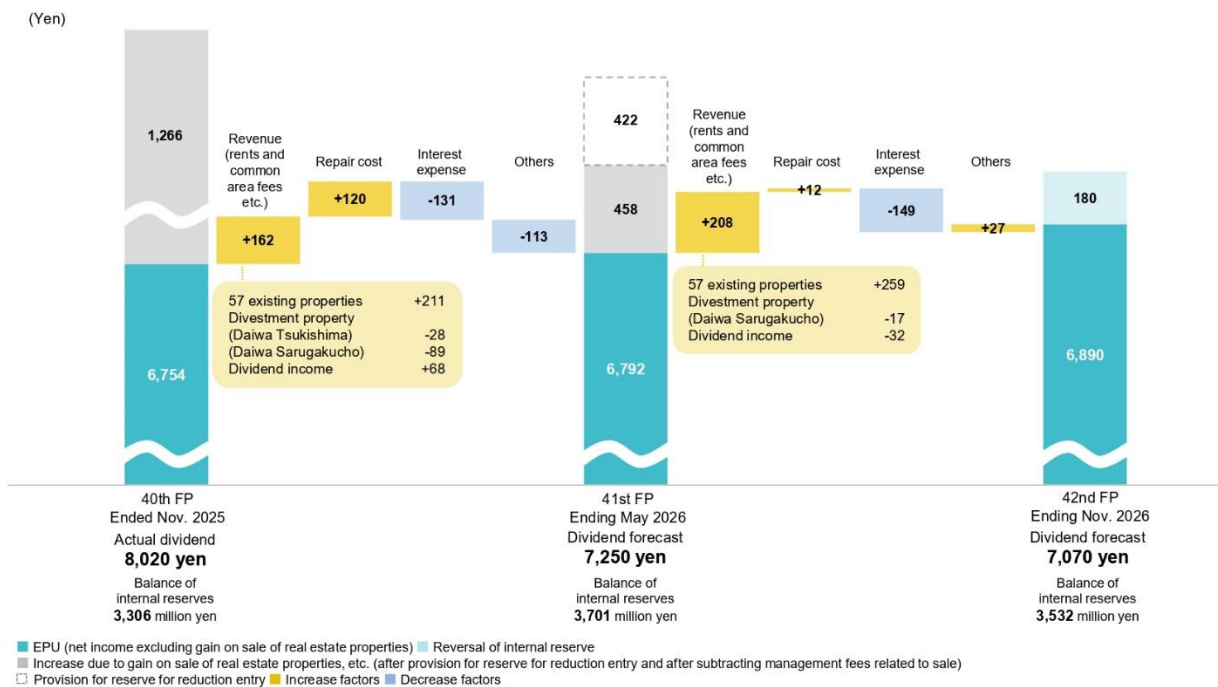
As a result, EPU was JPY6,754, and DPU, through the return of gains on sales from Daiwa Tsukishima Building in addition to Daiwa Sarugakucho Building, became JPY8,020.

With respect to the H1 forecast for the fiscal period ended November 2025, EPU exceeded the forecast by JPY234 due to better-than-expected growth in revenue (rents and common area fees etc.), smaller-than-expected interest rate fluctuation, and the effect of buy-back of own investment units.

Factors of Change in Dividend per Unit

Forecasts for the Fiscal Period Ending May 2026 and Fiscal Period Ending November 2026

Despite the absence of revenue (rents and common area fees) resulting from property sale, EPU increased due to rent increases for existing properties



Please see page four. I will explain the forecasts for the fiscal period ending May 2026 and the fiscal period ending November 2026.

First, the forecast for the fiscal period ending May 2026.

Although there will be a decline in revenue (rents and common area fees etc.) accompanying property sales, due to the positive contribution from rent increases on existing properties and the full-period contribution of received dividends from silent partnership equity interests, overall revenue (rents and common area fees etc.) is expected to increase by JPY162 compared to the previous period.

Repair costs are expected to decrease by JPY120 due to the completion of strategic repair work utilizing gains on sales.

Interest expense is expected to be JPY131 lower than the previous period, and as a result, EPU is expected to be JPY6,792.

Through the return of gains from the second sale of Daiwa Sarugakucho Building, and by retaining a portion internally, DPU is set at JPY7,250.

Next, regarding the forecast for the fiscal period ending November 2026.

Revenue (rents and common area fees etc.) is expected to increase by JPY208 compared to the previous period due to rent increases on existing properties in addition to the elimination of free rent provisions extended in prior periods. Interest expense is expected to be JPY149 lower than the previous period. However, EPU is expected to be JPY6,890.

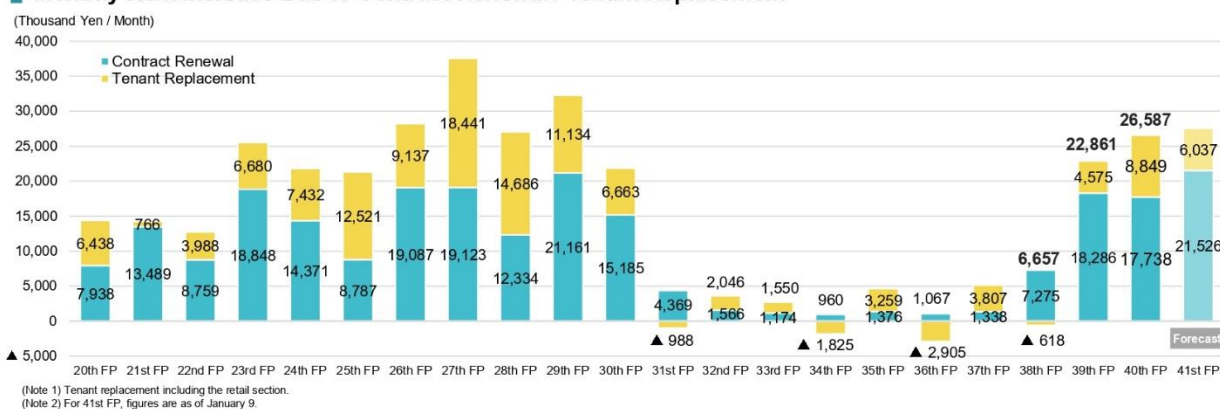
While there will be a decline in gains on sales, through the utilization of internal reserves of JPY180, DPU is set at JPY7,070.

We also believe that depending on the outcome of ongoing sales activities, dividends for both the fiscal period ending May 2026 and the fiscal period ending November 2026 may exceed the amounts we have explained.

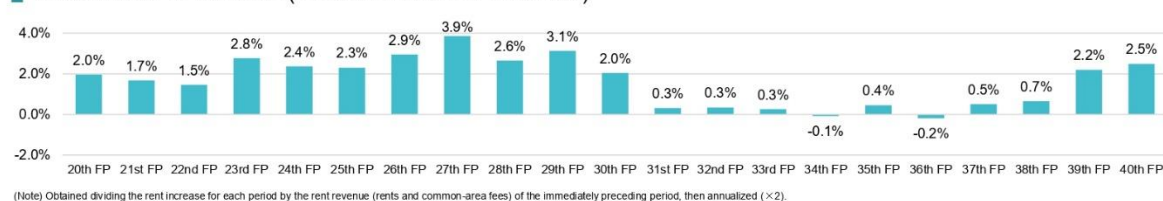
Analysis of Leasing Business Improvement in Basic Strength

Following 39th FP, rent increases approached the highest levels seen in the past 10 years.

Monthly Rent Increase Due to Contract Renewal / Tenant Replacement



Growth rate of revenue (rents and common area fees)



Please see page five. This shows the transition of monthly rent increases accompanying renewals and replacements since the fiscal period ended November 2015.

Looking at the graph, it is immediately apparent that in the fiscal period ended November 2025, we recorded increases at a level similar to around 2019, realizing rent increases approaching the peak period of the past 10 years.

The improvement in lease revenues, which is the core of dividends as internal growth and the essence of REITs, is clearly evident.

Additionally, for the fiscal period ending May 2026, significant increases in revenue (rents and common area fees etc.) are already anticipated, and we will continue to realize strong internal growth.

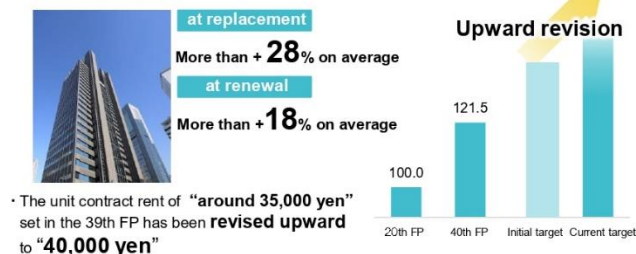
Consistent with our previous explanation, for mid-size office buildings, we anticipate that supply will continue to decline due to high construction costs and competition from other asset types such as hotels and condominiums beginning at the land stage. For Daiwa Office Investment, which has mid-size office buildings as the main asset, this represents an increasingly favorable situation.

The medium-term forecast for the office building market is noted on page 15. Even in years with high overall new supply going forward, when focusing solely on mid-size buildings, we can see that the supply situation continues to be limited.

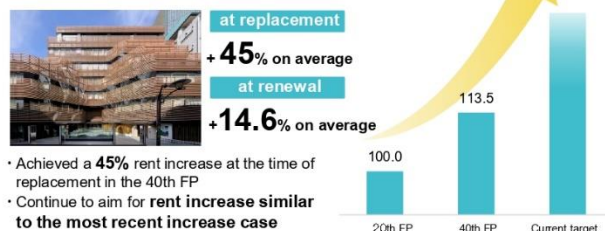
Acceleration of Growth New Era of Unit Rent

Achieved record-high rent increase

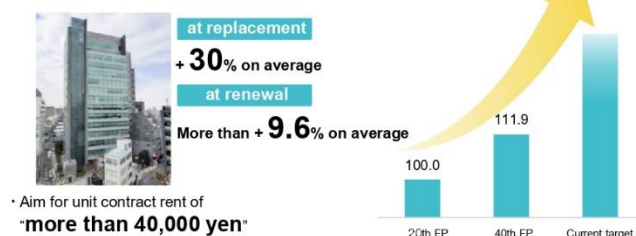
Shinjuku Maynds Tower



Daiwa Akasaka



E SPACE TOWER



Daiwa Tsukijiekimae



(Note 1) State the rent increase rates based on recent examples
(Note 2) Change in average unit contract rent (indexed with 20th FP as 100 for each property)

Please see page six. Regarding strong internal growth, I will explain based on the rent increases that Daiwa Office Investment has realized.

First, for two properties held by Daiwa Office Investment, we have newly set unit contract rent targets.

Regarding Shinjuku Maynds Tower, for which we acquired a silent partnership equity interest, we previously announced that we aim for an increase to the mid-JPY30,000 range on a contract rent per unit basis six months ago. Based on recent transaction examples, we have revised this upward to JPY40,000.

For E SPACE TOWER as well, capturing strong demand in the Shibuya area, we are aiming for a contract rent per unit exceeding JPY40,000.

As noted earlier, the current office market represents a favorable situation for Daiwa Office Investment, which has mid-size office buildings as its main asset. However, as shown on the right side of the page, mid-size office buildings are also realizing rent increases equal to or exceeding those of large office buildings.

While these are merely examples, we will continue to pursue further rent increases and accelerate the pace of increases going forward.

Increase in Profitability

Sale of Low-Growth Assets

Sold Daiwa Sarugakucho Building at a price significantly exceeding the unrealized gain based on the replacement strategy

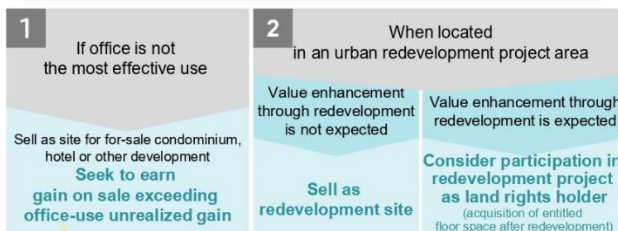
Implemented property sale based on the previously announced replacement strategy

Replacement Policy: Sale of low-growth assets

- Taking into account the rent gap and future repairs/CAPEX, proactively sell properties of relatively low growth potential



Replacement Strategy 1: Sell to players with different investment perspectives Seek to earn gain on sale exceeding unrealized gain



Replacement Strategy 2: Explore exchange transactions (alternative properties)

Seek opportunities to acquire prime properties at fair prices by exploring transactions for exchanging with highly profitable / high-quality properties when selling properties

- Sold Daiwa Sarugakucho Building, which was included in the potential properties for sale
- Executed the sale after comprehensively taking into account such factors as future growth potential in response to the main tenant's intention to cancel the lease contract



Asset sold	Daiwa Sarugakucho
Construction date	June 1985 (40 years old)
Planned sale price	5,100 million yen
Expected gain on sale	1,691 million yen
(Planned) sale date	(1) November 28, 2025 (50%) (2) May 29, 2026 (50%)



- Achieved sales "exceeding unrealized gains" based on the replacement strategy



Please see page seven.

As communicated previously, we will continue our policy of carrying out property replacement with the objective of creating a more growth-oriented, efficient portfolio.

In the fiscal period ended November 2025, we newly decided to implement the sale of Daiwa Sarugakucho Building. Daiwa Sarugakucho Building has been in operation for 40 years, and we recognized that maintaining competitive property strength requires commensurate repair and capital expenditure, and that it is a property with relatively low growth potential.

In the graph shown previously, Daiwa Sarugakucho Building was positioned as the highest priority property candidate for sale.

Under these circumstances, following the notice of intent to vacate by the main tenant, we anticipated occupancy would decline to approximately 15% after their departure. Taking into comprehensive consideration future leasing prospects and the costs required for these efforts, we began considering the sale.

In executing the sale, considering the location and building age of Daiwa Sarugakucho Building, based on the replacement strategy presented previously, we conducted sales activities targeting players who would view the property as a development site for hotels or condominiums rather than as an office building. As a result, we realized a sale at a price significantly exceeding the appraised valuation.

Regarding the gains on sales, as mentioned earlier, we will return them to unitholders as dividends over two periods.

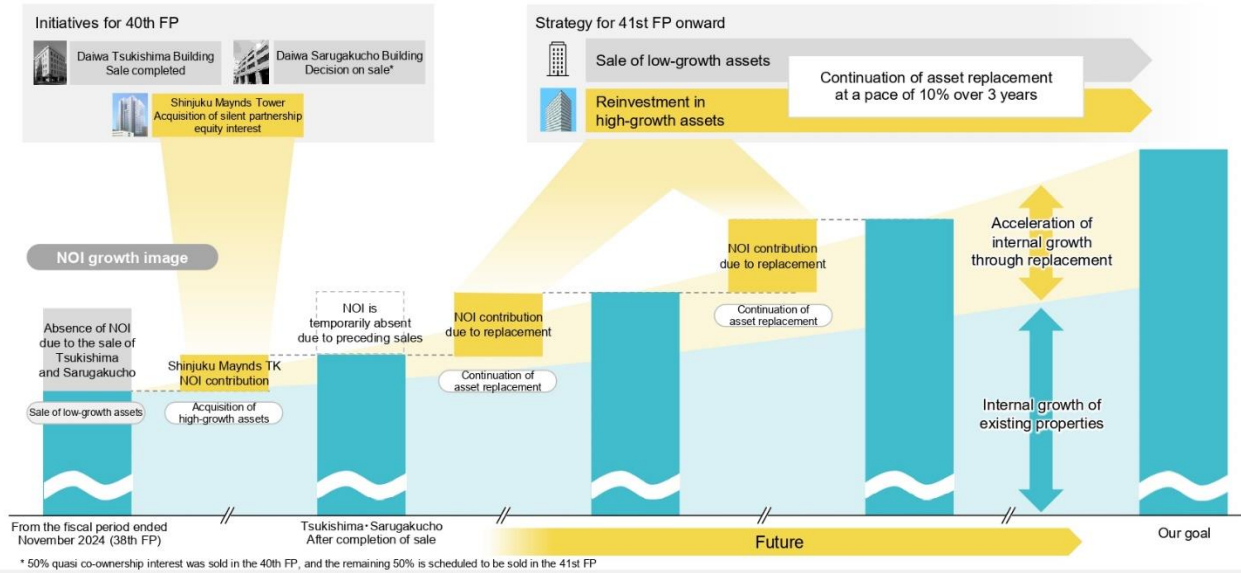
We will continue to conduct sales activities based on this strategy, and we intend to implement property replacement at a pace of three years and 10%.

Increase in Profitability Acquisition of High-Growth Assets

Promote the increase in NOI, the revenue base, for EPU growth

Path to NOI increase: Replacement with high-growth assets

- Following Daiwa Tsukishima, the sale of Daiwa Sarugakucho was newly decided in the 40th FP
- Temporary absence of NOI is expected due to preceding sales
- Fully consider reinvesting in new properties and promote the increase in NOI against the backdrop of strong internal growth potential
- On the other hand, property replacement at a pace of 10% over 3 years will continue to be implemented



Please see page eight.

Currently, following the sale of Daiwa Tsukishima Building, we have decided on the sale of Daiwa Sarugakucho Building. We recognize that property sales are temporarily ahead of reinvestment, with NOI, which is base earnings, declining by the amount of sold properties. Therefore, we are considering reinvestment in new properties accompanying replacement in order to increase NOI as base earnings.

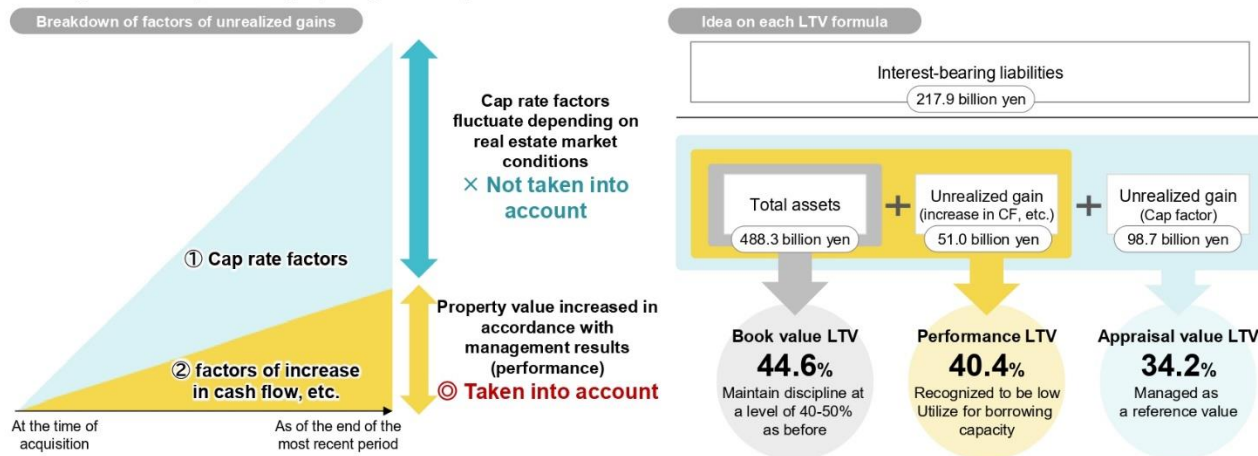
Based on Daiwa Office Investment's favorable internal growth results, we will of course continue strong internal growth in existing properties. However, not only through property sales but also through acquisition of new properties, properly increasing NOI as base earnings is important for maximizing unitholder benefit and increasing EPU.

Idea on Property Acquisition Capacity

Utilizing property acquisition capacity backed by strong internal growth and management results:
Performance LTV (Appraisal value LTV excluding cap rate factors)

Idea on LTV reflecting management results

- Unrealized gains supporting the calculation of appraisal value LTV can be decomposed into ① **cap rate factors**+ ② **factors of increase in cash flow, etc. (factors other than cap rate)**
- Of these, ① is recognized as lacking medium- to long-term stability and sustainability as it is greatly affected by changes in the transaction market (market factors)
- ② **Factors of increase in cash flow, etc. (factors other than cap rate)** reflect the performance backed by the Investment Corporation's management results, and are appropriately utilized = performance LTV



Please see page nine. I will explain our approach to the asset acquisition capacity backed by strong internal growth.

Daiwa Office Investment will maintain its conventional policy of positioning book value-based LTV at a cruising level of 40% to 50%, while also considering appraisal value-based LTV.

On the other hand, appraisal value-based LTV is at a relatively low level of 34.2%, and we believe there is significant room for utilization of borrowing capacity.

Please look at the diagram on the left.

The unrealized gains underlying the appraisal value LTV calculation can be broadly divided into: (1) cap factor and (2) factors from increase in cash flow and the like, that is, factors other than cap factor.

Of these, cap factor is likely to fluctuate with market sale trends and is difficult to describe as a stable indicator in the medium-to-long term. On the other hand, factors from increase in cash flow and the like represent substantial improvement in property value resulting from operational results such as rent increases and internal growth, and therefore, we believe it is appropriate to consider only this portion.

When we apply these to the LTV calculation formula, we arrive at the diagram on the right.

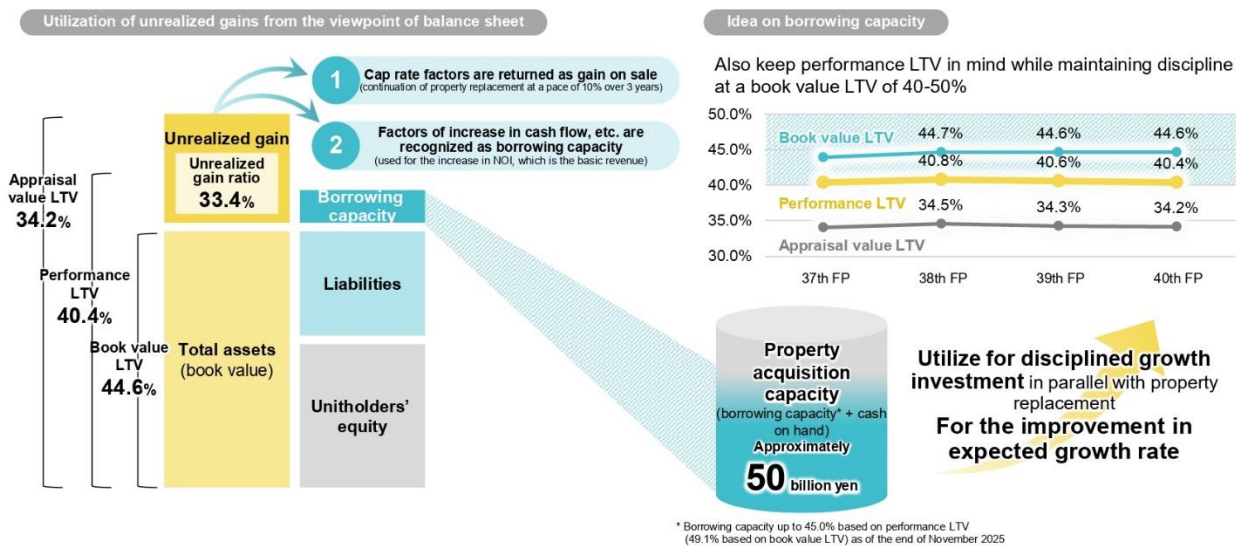
When considering only factors from increase in cash flow and the like, within unrealized gains, we can derive LTV excluding cap factor, as shown in the center. Daiwa Office Investment refers to LTV excluding cap factor as performance LTV. At the end of the fiscal period ended November 2025, we recognize that the performance LTV of Daiwa Office Investment is at a low level of 40.4%, similar to appraisal value LTV.

Policy for Utilizing Performance LTV

Despite utilizing performance LTV, the conventional financial discipline of 40-50% book value LTV is also maintained

Improvement in capital efficiency and utilization as source of cash flow growth

- The Investment Corporation boasts the highest unrealized gain ratio of 33.4% among office REITs
- Unrealized gains are used for growth investments without impairing basic revenue by being realized as ① gain on sale and ② recognizing borrowing capacity as property acquisition capacity



Please see page 10. I will supplement this approach from the perspective of capital efficiency.

On the left, I show a conceptual diagram of the balance sheet. Book value LTV uses the left side of the balance sheet as the denominator. Appraisal value LTV is an indicator that additionally factors in unrealized gains.

The unrealized gains rate of Daiwa Office Investment is 33.4%, which is among the top class among office REITs.

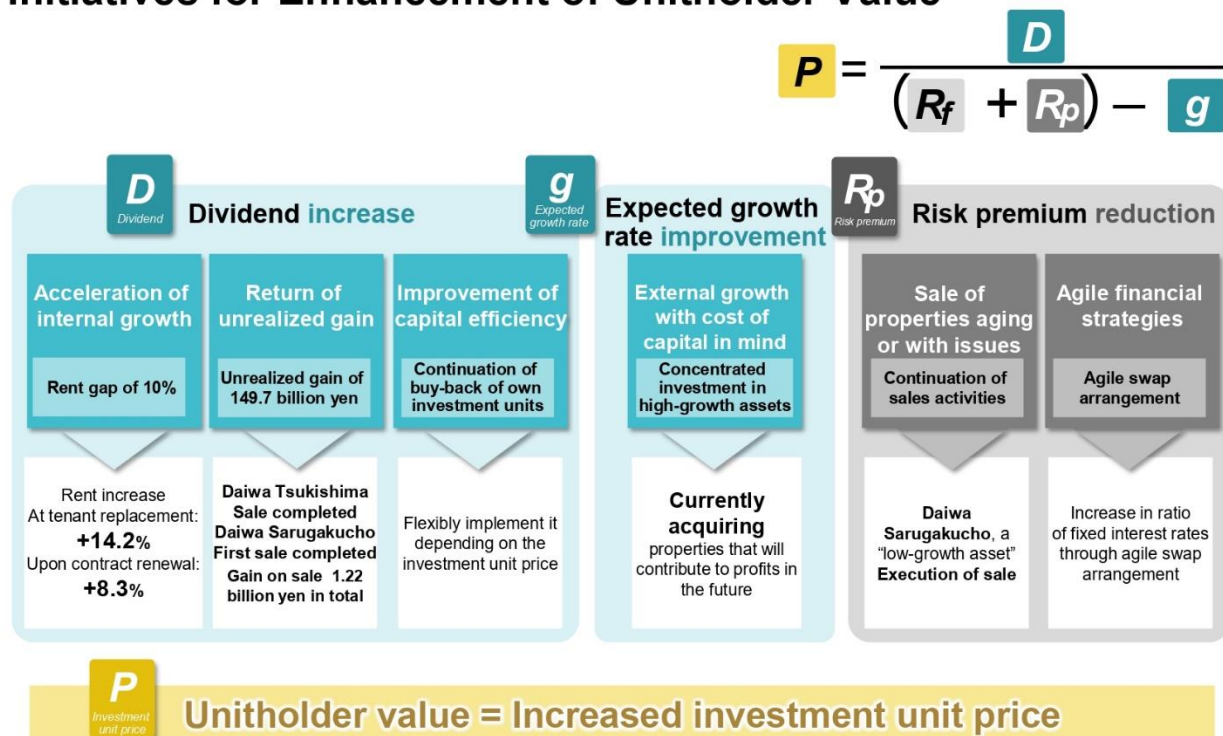
In the course of continuous property replacement at a pace of three years and 10%, we have returned these unrealized gains to unitholders as gains on sales. Going forward, we will utilize this as borrowing capacity, that is, as asset acquisition capacity, while taking into account performance LTV.

Currently, we recognize that we have approximately JPY50 billion of asset acquisition capacity when combining this borrowing capacity and cash on hand, which we will allocate to external growth investment without accompanying equity increases.

However, we believe it is important to execute disciplined investment, rather than simply seeking to expand asset scale through property acquisition.

By selectively investing in properties that contribute to the EPU growth we have promised to unitholders and that offer higher expected growth in the medium to long term, we will work to enhance unitholder value.

Initiatives for Enhancement of Unitholder Value



Please see page 11. Based on the model presented from the previous period, I will summarize our initiatives in this period toward enhancing unitholder value.

Through harvesting rent gaps, we realize stronger rent increases upon replacement and renewal. Additionally, while returning gains on sales to unitholder dividend based on our replacement strategy, we work to reduce risk premiums through the sale of low-growth assets.

Going forward, we will also utilize performance LTV and invest in high-growth assets, thereby raising expected growth rates.

In this manner, we will continue to actively deploy various measures going forward and aim to enhance unitholder value, that is, the price of investment units.

While there remain many matters requiring continued monitoring, such as increases in operational costs due to inflation and interest rate trends, as the asset management company, we will respond appropriately to various changes and continue to leverage the strengths of mid-size offices to work toward enhancing unitholder value for Daiwa Office Investment.

Daiwa Office Investment, thanks to your support, marks the 20th anniversary since the start of operations. Using this occasion, we would like to once again express our gratitude to the investors and financial institutions who have supported Daiwa Office Investment. We look forward to your continued support.

This concludes the explanation of the financial results for the fiscal period ended November 2025. Thank you for your attention.