

Statement of Financial Performance for the 40th Fiscal Period

From: June 1, 2025
To: November 30, 2025

大和証券オフィス投資法人

Daiwa Office Investment Corporation

Stock
Code **8976**

1. Management Status and Other Performance Highlights Data

Fiscal Period		40th Period	39th Period	38th Period	37th Period	36th Period
		From June 1, 2025 To Nov. 30, 2025	From Dec. 1, 2024 To May 31, 2025	From June 1, 2024 To Nov. 30, 2024	From Dec. 1, 2023 To May 31, 2024	From June 1, 2023 To Nov. 30, 2023
(1) Operating Performance		(Millions of yen, except per unit data or where otherwise indicated)				
Operating revenues		16,056	15,208	15,215	13,570	13,646
Rental revenues		14,758	14,256	13,993	13,562	13,604
Operating expenses		7,462	7,286	7,242	6,698	6,898
Property-related expenses		5,982	5,853	5,802	5,348	5,559
Operating income		8,593	7,921	7,973	6,871	6,747
Ordinary income		7,497	6,950	7,164	6,215	6,151
Net income		7,496	6,949	7,163	6,214	6,192
(2) Properties, etc. (as of end of period)						
Total assets		488,321	491,803	491,237	488,526	482,200
[period-on-period percentage changes]		[-0.7%]	[+0.1%]	[+0.6%]	[+1.3%]	[-0.1%]
Interest-bearing liabilities		217,950	219,450	219,400	214,400	207,800
Net assets		242,491	244,417	244,968	247,342	247,523
[period-on-period percentage changes]		[-0.8%]	[-0.2%]	[-1.0%]	[-0.1%]	[-0.1%]
Unitholders' capital, net	Note 1	231,094	234,094	235,094	238,093	238,093
(3) Distributions						
Total distribution amount		7,496	6,526	6,549	6,552	6,552
Dividend payout		100.0%	93.9%	91.4%	105.4%	105.8%
(4) Per Unit Information						
Total number of units issued (units)		934,745	943,155	946,439	478,258	478,258
Net assets per unit (yen)	Notes 2	259,419	259,148	258,831	258,587	517,551
Distribution per unit (yen)		8,020	6,920	6,920	13,700	13,700
Distribution amount from earnings per unit (yen)		8,020	6,920	6,920	13,700	13,700
Distribution amount in excess of earnings per unit (yen)		–	–	–	–	–
(5) Financial Indicators						
ROA	Notes 3 and 4	1.5%	1.4%	1.5%	1.3%	1.3%
[annual rate]		[3.1%]	[2.8%]	[2.9%]	[2.6%]	[2.5%]
ROE	Notes 4 and 5	3.1%	2.8%	2.9%	2.5%	2.5%
[annual rate]		[6.1%]	[5.7%]	[5.8%]	[5.0%]	[5.0%]
Capital ratio		49.7%	49.7%	49.9%	50.6%	51.3%
[period-on-period percentage changes]		[-0.0%]	[-0.2%]	[-0.8%]	[-0.7%]	[-0.0%]
LTV (loan to value)		44.6%	44.6%	44.7%	43.9%	43.1%
Property leasing cash flows (NOI)	Note 6	10,655	10,288	10,113	10,037	9,832
(6) Other Referential Information						
Number of investment properties		58	59	59	59	58
Number of tenants	Note 7	668	673	674	667	643
Total rentable area (m ²)		360,119.82	364,468.07	366,992.46	360,981.39	357,215.08
Occupancy rate	Note 8	98.9%	98.1%	97.7%	97.0%	97.7%
Depreciation		1,879	1,886	1,922	1,823	1,787
Capital expenditures		1,500	1,098	980	964	994

(Note 1) Unitholders' capital, net: Unitholders' capital – Deduction from Unitholders' Capital

(Note 2) The Investment Corporation conducted a 2-for-1 investment unit split with May 31, 2024, as the record date and June 1, 2024, as the effective date. Net income per unit is calculated based on the assumption that said investment unit split was conducted at the beginning of the 37th Fiscal Period.

(Note 3) ROA: Ordinary income ÷ [(Total assets at beginning of period + Total assets at end of period) ÷ 2] × 100

(Note 4) Figures for the 36th Fiscal Period are the annualized figures calculated based on 183 days of management.
 Figures for the 37th Fiscal Period are the annualized figures calculated based on 183 days of management.
 Figures for the 38th Fiscal Period are the annualized figures calculated based on 183 days of management.
 Figures for the 39th Fiscal Period are the annualized figures calculated based on 182 days of management.
 Figures for the 40th Fiscal Period are the annualized figures calculated based on 183 days of management.

(Note 5) ROE: Net income ÷ [(Net assets at beginning of period + Net assets at end of period) ÷ 2] × 100

(Note 6) Property leasing cash flows (NOI): Rental revenues – Property-related expenses + Depreciation

(Note 7) Number of tenants is the number of end tenants. When there is a tenant occupying multiple buildings, the concerned tenant is counted and stated for each individual building.

(Note 8) Occupancy rate: Total leased area ÷ Total rentable area

2. Developments in Asset Management in the Fiscal Period under Review

(1) Brief History of the Investment Corporation

Daiwa Office Investment Corporation (the former DA Office Investment Corporation; hereinafter referred to as “DOI”) was established on July 11, 2005, in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including amendments thereto) with Daiwa Real Estate Asset Management Co., Ltd. (former name K.K. daVinci Select) (the “Asset Manager”) as the organizer. After its establishment, DOI implemented an additional issuance of investment units through a public offering (99,600 units) on October 18, 2005 and then listed on the Tokyo Stock Exchange, Inc. (TSE) Real Estate Investment Trust Section (stock code: 8976) on the following day.

Though initial assets under management were 79,573 million yen (sum total of acquisition price), subsequent activities, such as additional acquisition of properties and replacement of portfolio properties, resulted in the assets under management amounting to 464,354 million yen (excluding silent partnership equity interest) as of the last day of November 2025.

DOI strives to secure stable revenue and sustained growth of the investment assets based on a clear portfolio development policy of specializing in investment in office buildings, with a particular focus on investment in a total floor area of more than about 2,000 m² situated in downtown Tokyo, as well as through dedicated efforts to heighten tenant satisfaction levels.

(2) Investment Environment and Management Performance

(A) Investment Environment

The Japanese economy during the fiscal period under review saw real GDP growth rate (Second Preliminary Estimates) for July to September 2025 decrease by 0.6% quarter on quarter, registering negative growth for the first time in six quarters. In addition to weak domestic demand, such as a sharp decline in housing investments, downturn in capital investments and a decrease in public investments, external demand also decreased by 0.2% due to a decrease in automobile exports to the U.S. affected by the high tariff policy by the U.S. Trump administration as well as a drop in inbound consumption. The main reason was the decline in growth rate caused by such factors.

In the office building leasing market in central Tokyo, the average vacancy rate fell to about the 2% range in August 2025, last observed in July 2020, and was 2.44% as of the end of November 2025 (Miki Shoji’s average vacancy rate for the five central wards of Tokyo). Against the backdrop of strong corporate performance, demand for office relocation to expand business and secure human resources remains steady, and rent levels also continue to be on an upward trend due to a decline vacancy rate.

On the other hand, in the office building transaction market, the demand from domestic and overseas investors to invest in office buildings remains strong against the backdrop of declining vacancy rates and rising rents. Nevertheless, future developments warrant close monitoring.

(B) Management Performance

During the fiscal period under review, in view of increasing the ordinary EPS (EPS (net income per unit) after deducting gain on sale from properties) over the medium to long term, DOI continued to work on “external growth,” which aims to boost revenue through acquisition of properties, and “internal growth,” which aims to maximize income generating from owned properties.

Concerning external growth, DOI acquired “silent partnership equity interest in Godo Kaisha Shinjuku Maynds Tower” (acquisition price: 3,746 million yen (49.1% of total investment amount in silent partnership)) whose main investment asset is trust beneficiary interest with co-ownership interest equivalent to one-seventh of domestic real estate (Shinjuku Maynds Tower) as the trust asset in July 2025.

In addition, as for “Daiwa Tsukishima,” which was decided to be divested over three fiscal periods (the 38th Fiscal Period (ended November 2024), the 39th Fiscal Period (ended May 2025) and the 40th Fiscal Period (ended November 2025)) in July 2024, a divestment of 30% quasi co-ownership interest pertaining to trust beneficiary interest was conducted in November 2025. As for “Daiwa Sarugakucho,” it was decided that divestment of the property would occur over two fiscal periods (the 40th Fiscal Period (ended November 2025) and the 41st Fiscal Period (ending May 2026)), and 50% quasi co-ownership interest pertaining to trust beneficiary interest was conducted in November 2025. As a result, DOI’s assets under management as of the end of the 40th Fiscal Period (November 30, 2025) totaled 58 properties (total acquisition price: 464,354 million yen (excluding silent partnership equity interest)) and a silent partnership equity interest (3,746 million yen).

Concerning internal growth, DOI conducted proactive leasing, such as capturing needs for floor expansion within the same property through strengthening relationships with existing tenants and reinforcing collaboration with leasing brokers and property managers. Consequently, the occupancy rate as of the end of the 40th Fiscal Period (November 30, 2025) was 98.9%.

(3) Overview of Capital Procurement

(A) Procurement of Capital for Repayment of Borrowings

In the 40th Fiscal Period, DOI conducted the following borrowing activities to fund the repayment of borrowings.

- (i) DOI took out a loan of 1,500 million yen from Kansai Mirai Bank, Limited on August 29, 2025, to fund the repayment of the same amount borrowed from the same bank due for repayment on the same day.
- (ii) DOI took out a loan totaling 5,500 million yen from Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited and The Yamaguchi Bank, Ltd. on November 28, 2025, to fund the repayment of the same amount borrowed from the same three banks due for repayment on the same day.

(B) Status of Interest-Bearing Liabilities at End of the Fiscal Period Under Review

As a result of the above, the balance of interest-bearing liabilities outstanding as of the end of the 40th Fiscal Period (November 30, 2025) stood at 217,950 million yen in total (long-term loans payable: 210,450 million yen; investment corporation bonds: 7,500 million yen). The balance of the current portion of long-term loans payable stood at 22,400 million yen.

The average remaining period of interest-bearing liabilities as of the end of the 40th Fiscal Period stands at 4.1 years.

(4) Capital Expenditures during the 40th Fiscal Period

The following summarizes the primary construction work that constitutes capital expenditures implemented during the 40th Fiscal Period for existing portfolio properties. Capital expenditures for the 40th Fiscal Period amounted to 1,500 million yen and, when combined with the 408 million yen in repair expenses charged to the 40th Fiscal Period expenses, totals 1,909 million yen in construction work implemented.

Name of real estate properties (Location)	Purpose	Period	Construction amount paid (Millions of yen)
Daiwa Nishi-Shinjuku (Shinjuku-ku, Tokyo)	Upgrading of elevators	From: Jun. 2025 To: Nov. 2025	194
Daiwa Akasaka (Minato-ku, Tokyo)	Repair of exterior walls	From: Jun. 2025 To: Jul. 2025	172
CONCURRED Yokohama (Yokohama-shi, Kanagawa)	Upgrading of air-conditioning equipment	From: Jun. 2025 To: Nov. 2025	171
Other			962
Total			1,500

(5) Overview of Financial Performance and Distributions

As a result of the management described above, DOI posted financial performance for the 40th Fiscal Period of 16,056 million yen in operating revenue, 8,593 million yen in operating income, 7,497 million yen in ordinary income and 7,496 million yen in net income.

Concerning distributions, it is planned that the amount equivalent to distributions from earnings would be included in the amount of tax-deductible expenses based on application of special provisions for taxation of corporation tax (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957; including amendments thereto) (the "Special Taxation Measures Act")). Accordingly, DOI decided to distribute the entire amount of unappropriated retained earnings (excluding fractions of the distribution amount per unit that are less than 1 yen), and declared a distribution amount per unit of 8,020 yen.

3. Outlook for the Next Fiscal Period

(1) Investment Environment

The Japanese economy going forward is expected to see a moderate recovery, supported by movements such as improvement in income conditions resulting from wage and bonus increases and measures against rising prices taken by the government, including distribution of rice coupons. On the other hand, attention should continue to be paid to downside risks of overseas economies, such as the trend of the U.S.-China conflict and the impact of President Trump's government policies, while the impact of the fluctuations in crude oil prices, exchange rates and interest rates in the financial market, as well as the real estate recession in China and prolonged monetary tightening in the U.S., situations in the Middle East and Ukraine, fluctuations in the financial and capital markets and other factors should be monitored.

In the central Tokyo office building leasing market, demand for office relocation to expand business and secure human resources remains steady against the backdrop of strong corporate performance. Rent levels also continue to be on an upward trend due to a declining vacancy rate. However, the impact of the U.S. trade policies and fluctuations in the financial and capital markets on office demand from companies warrant close monitoring.

In the office building transaction market, the appetite among domestic and overseas investors to invest in office buildings is expected to remain against the backdrop of declining vacancy rates and rising rents. However, we will need to monitor how the market develops alongside changes in the socioeconomic situation as well as domestic and overseas fiscal policies.

(2) Future Management Policy and Tasks

(A) Strategy for Managing Existing Properties

As to macro trends for the office market, although demand for office relocation continues to expand against the backdrop of strong corporate performance and competition for human resources, companies are becoming increasingly selective about office space for the improvement of location and building grade. Although DOI has been steadily acquiring solid new demand mainly from small and medium-sized companies, it is striving to maintain and raise occupancy rates and raise rents by assessing the market environment in each area. Given that office needs are likely to change by company as work-style and workplace diversify, DOI considers that maintaining/improving competitiveness of buildings to qualify as prime offices that can increase the productivity of employees and accommodate needs of the times and environment will be the future issue, and is determined to continue carrying out operational management under the following policy.

(i) Maintain and raise occupancy rates

Concerning existing tenants, strive to reduce cancellation risks by improving the quality of buildings, equipment and management system. In addition, concerning new tenants, strive to maintain and raise occupancy rates through the provision of highly satisfactory services from gaining deeper understanding of tenant needs through proactive involvement in the market.

(ii) Maintain and raise profitability

Aim to secure stable revenue over the medium to long term through further strengthening good relationships with existing tenants, as well as proactively tapping the needs of new tenants by discerning the market environment.

(iii) Control operational management costs

Strive to control operational management costs based on maintaining office environments with high tenant satisfaction levels by implementing efficient operational management and reviewing systematic construction work through optimal leveraging of economies of scale achieved from proactively realizing external growth.

(B) Strategy for New Property Investments

DOI will invest in office buildings that have a total floor area of about 2,000 m² or more based on various external growth strategies, while maintaining a balance with the asset acquisition environment and financing situation. In principle, considerations will focus on Tokyo as the investment target area, but DOI will also consider investing in competitive properties in cities other than Tokyo from a viewpoint of territorially-distributed investments.

As pipeline support, in addition to expanding the Asset Manager's own information-sourcing channels, DOI will continue to search for properties that meet its investment criteria by proactively gathering real estate transaction market information through greater collaboration with the Sponsor Group and utilizing the Group's extensive network of clients, partners, etc.

In the 40th Fiscal Period, DOI acquired "silent partnership equity interest in Godo Kaisha Shinjuku Maynds Tower" (acquisition price: 3,746 million yen (49.1% of total investment amount in silent partnership)) whose main investment asset is trust beneficiary interest with co-ownership interest equivalent to one-seventh of domestic real estate (Shinjuku Maynds Tower) as the trust asset. We believe that the acquisition will contribute to further diversification and enhancement of the portfolio, and will continue to strive to acquire properties in accordance with the above investment strategy.

(C) Financial Strategy

DOI will conduct disciplined financial management of the following basic content.

- (i) Control leverage by keeping the ratio of interest-bearing liabilities to total assets (LTV) within the range of 40% to 50% at maximum, taking into consideration also the LTV, etc. based on appraisal value, as a principle.
- (ii) Diversify repayment deadlines, targeting 30.0 billion yen as the maximum amount of interest-bearing liabilities that shall become due during any single fiscal period as a principle.
- (iii) Aim to have long-term loans account for at least 70% of balance of loans as a principle.
- (iv) Achieve diversification of lenders, which shall mainly be Japanese financial institutions.
- (v) Pursuant to its fund management rules, maintain stability in its financial standing by managing necessary funds, such as the amount equivalent to distributions paid, separately from working capital.

(D) Schedule of Capital Expenditures for the 41st Fiscal Period

The following are the principal capital expenditures arising from renovation construction work, etc. currently planned for existing portfolio properties. Please note that the expected construction amount includes portions that are expensed as a separate account item of accounting costs.

Name of real estate properties (Location)	Purpose	Scheduled implementation period	Expected construction amount (Millions of yen)		
			Total amount	Amount paid during current period	Total amount already paid
Daiwa Higashi-Ikebukuro (Toshima-ku, Tokyo)	Upgrading of air-conditioning equipment	From: Dec. 2025 To: May 2026	186	-	-
Daiwa Ogikubo Tower (Suginami-ku, Tokyo)	Upgrading of elevators	From: Dec. 2025 To: May 2026	170	-	-
Daiwa River Gate (Chuo-ku, Tokyo)	Repair of rooftop outdoor air handling unit	From: Dec. 2025 To: May 2026	166	-	-
Daiwa River Gate (Chuo-ku, Tokyo)	Repair of exterior walls	From: Dec. 2025 To: May 2026	97	-	-
Kirin Nihonbashi (Chuo-ku, Tokyo)	Renovation of common area	From: Dec. 2025 To: May 2026	94	-	-

II. Balance Sheets

As of November 30, 2025 and May 31, 2025

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Assets		
Current Assets:		
Cash and cash equivalents (Note 3)	33,035,984	36,639,841
Tenant receivables	105,061	98,876
Income taxes refund receivable	7,591	190
Prepaid expenses	450,794	435,221
Other current assets	85,572	98,541
Total Current Assets	33,685,003	37,272,671
Investment Properties, at cost (Notes 5 and 6):		
Land	12,302,226	12,302,226
Buildings and structures	3,680,351	3,676,673
Tools, furniture and fixtures	23,492	23,002
Construction in progress	557	705
Land in trust accounts (Note 15)	353,794,001	356,550,775
Buildings and structures in trust accounts (Notes 14 and 15)	118,746,919	118,962,474
Machinery and equipment in trust accounts	1,463,560	1,358,173
Tools, furniture and fixtures in trust accounts	582,399	550,542
Construction in progress in trust accounts	49,547	37,588
Less: accumulated depreciation	(44,817,302)	(43,941,012)
Leasehold rights	2,398,275	2,398,275
Leasehold rights in trust accounts	306,884	306,884
Total Investment Properties, net	448,530,913	452,226,308
Investments and Other Assets:		
Investment securities	3,765,163	–
Lease and guarantee deposits in trust accounts	113,684	113,684
Long-term prepaid expenses	1,218,628	1,339,200
Derivative assets (Note 4)	831,427	672,262
Deferred investment corporation bond issuance costs	39,219	43,650
Others	137,885	136,096
Total Investments and Other Assets	6,106,007	2,304,895
Total Assets	488,321,924	491,803,875

The accompanying notes are an integral part of these financial statements.

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Liabilities		
Current Liabilities:		
Accounts payable	1,338,194	1,188,561
Investment corporation bonds due within one year (Notes 4 and 11)	–	1,500,000
Long-term debt due within one year (Notes 4 and 11)	22,400,000	20,700,000
Accounts payable – other	696,032	610,380
Income taxes payable	707	687
Accrued consumption taxes	361,581	641,748
Rent received in advance	2,451,769	2,419,129
Other current liabilities	664,063	805,677
Total Current Liabilities	27,912,348	27,866,184
Long-Term Liabilities:		
Investment corporation bonds (Notes 4 and 11)	7,500,000	7,500,000
Long-term debt (Notes 4 and 11)	188,050,000	189,750,000
Tenant security deposits including trust accounts (Note 4)	22,084,409	22,036,457
Deferred tax liabilities (Note 16)	283,743	233,776
Total Long-Term Liabilities	217,918,153	219,520,234
Total Liabilities	245,830,502	247,386,418
Net Assets (Notes 9 and 17)		
Unitholders' Equity:		
Unitholders' capital	251,551,759	251,551,759
Units authorized: 4,000,000 units		
Units issued and outstanding: 934,745 units as of November 30, 2025 and 943,155 units as of May 31, 2025		
Deduction from unitholders' capital	(20,457,273)	(17,457,533)
Unitholders' capital, net	231,094,485	234,094,225
Reserve for reduction entry	3,306,059	2,883,163
Retained earnings	7,496,795	6,949,528
Total Unitholders' Equity	241,897,340	243,926,917
Valuation and translation adjustments		
Deferred gains or losses on hedges	594,081	490,539
Total valuation and translation adjustments	594,081	490,539
Total Net Assets	242,491,422	244,417,457
Total Liabilities and Net Assets	488,321,924	491,803,875

The accompanying notes are an integral part of these financial statements.

III. Statements of Income and Retained Earnings

For the fiscal periods ended November 30, 2025 and May 31, 2025

(Thousands of yen)

	For the fiscal periods ended November 30, 2025	For the fiscal periods ended May 31, 2025
Operating Revenues (Note 7):		
Rental revenues (Note 8)	14,758,113	14,256,117
Other revenues related to property leasing (Note 8)	39,321	24,219
Gain on sale of investment properties (Note 13)	1,225,786	928,121
Dividend income	33,292	–
Total Operating Revenues	16,056,513	15,208,458
Operating Expenses:		
Property-related expenses (Note 8)	5,982,630	5,853,434
Asset management fees	1,238,292	1,187,157
Asset custody fees	24,400	24,504
Administrative service fees	73,771	73,901
Trust fees	19,176	18,596
Directors' compensation	7,200	7,200
Other operating expenses	117,475	122,018
Total Operating Expenses	7,462,947	7,286,812
Operating Income	8,593,566	7,921,645
Non-Operating Revenues:		
Interest income	7,854	3,168
Reversal of distribution payable	457	681
Insurance income	14,924	28,564
Other non-operating revenues	0	144
Total Non-Operating Revenues	23,237	32,559
Non-Operating Expenses:		
Interest expense	914,299	801,030
Interest expense on investment corporation bonds	33,818	34,417
Borrowing expenses	157,999	156,070
Other non-operating expenses	12,943	12,276
Total Non-Operating Expenses	1,119,061	1,003,794
Ordinary Income	7,497,742	6,950,410
Income Before Income Taxes	7,497,742	6,950,410
Income taxes – current	950	881
Income taxes – deferred	(3)	–
Total Income Taxes (Note 16)	946	881
Net Income	7,496,795	6,949,528
Retained Earnings Brought Forward	–	–
Retained Earnings at End of Period	7,496,795	6,949,528

The accompanying notes are an integral part of these financial statements.

IV. Statements of Changes in Net Assets

For the fiscal periods ended November 30, 2025 and May 31, 2025

(Thousands of yen)

	Number of Units (Units)	Unitholders' Equity					Retained Earnings	Treasury Investment Units	Deferred Gains or Losses on Hedges	Total Net Assets
		Unitholders' Capital	Deduction from Unitholders' Capital	Unitholders' Capital, net	Reserve for Reduction Entry					
Balance as of November 30, 2024	946,439	251,551,759	(16,457,533)	235,094,225	2,268,733	7,163,787	–	441,753	244,968,500	
Cash distributions declared	–	–	–	–	–	(6,549,357)	–	–	(6,549,357)	
Net income	–	–	–	–	–	6,949,528	–	–	6,949,528	
Provision of reserve for reduction entry	–	–	–	–	614,429	(614,429)	–	–	–	
Acquisition of treasury investment units	–	–	–	–	–	–	(999,999)	–	(999,999)	
Cancellation of treasury investment units (Note 10)	(3,284)	–	(999,999)	(999,999)	–	–	999,999	–	–	
Net changes of items other than unitholders' equity	–	–	–	–	–	–	–	48,785	48,785	
Balance as of May 31, 2025	943,155	251,551,759	(17,457,533)	234,094,225	2,883,163	6,949,528	–	490,539	244,417,457	
Cash distributions declared	–	–	–	–	–	(6,526,632)	–	–	(6,526,632)	
Net income	–	–	–	–	–	7,496,795	–	–	7,496,795	
Provision of reserve for reduction entry	–	–	–	–	422,896	(422,896)	–	–	–	
Acquisition of treasury investment units	–	–	–	–	–	–	(2,999,740)	–	(2,999,740)	
Cancellation of treasury investment units (Note 10)	(8,410)	–	(2,999,740)	(2,999,740)	–	–	2,999,740	–	–	
Net changes of items other than unitholders' equity	–	–	–	–	–	–	–	103,542	103,542	
Balance as of November 30, 2025	934,745	251,551,759	(20,457,273)	231,094,485	3,306,059	7,496,795	–	594,081	242,491,422	

The accompanying notes are an integral part of these financial statements.

V. Statements of Cash Flows

For the fiscal periods ended November 30, 2025 and May 31, 2025

(Thousands of yen)

	For the fiscal periods ended November 30, 2025	For the fiscal periods ended May 31, 2025
Cash Flows from Operating Activities:		
Income before income taxes	7,497,742	6,950,410
Depreciation and amortization	1,882,442	1,888,521
Amortization of bond issuance costs	4,431	4,939
Interest expense	948,118	835,447
(Increase) decrease in tenant receivables	(6,184)	11,728
(Decrease) increase in accounts payable	(105,621)	289,043
Increase in rent received in advance	32,640	104,677
Interest payments	(943,099)	(834,617)
(Decrease) increase in accrued consumption taxes	(280,167)	531,612
Increase in income taxes receivable	(7,401)	–
Decrease in consumption taxes receivable	–	131,361
Decrease due to sale of investment properties in trust accounts	3,329,848	1,860,052
Other, net	(27,379)	219,902
Net Cash Provided by Operating Activities	12,325,369	11,993,080
Cash Flows from Investing Activities:		
Payments for purchases of investment properties including trust accounts	(1,186,480)	(1,166,756)
Payments for purchases of intangible assets	(315)	–
Payments for purchases of investment securities	(3,765,163)	–
Proceeds from tenant security deposits including trust accounts	634,465	799,173
Refunds of tenant security deposits including trust accounts	(586,513)	(792,315)
Net Cash Used in Investing Activities	(4,904,006)	(1,159,897)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	7,000,000	16,050,000
Repayments of long-term debt	(7,000,000)	(16,000,000)
Redemption of investment corporation bonds	(1,500,000)	–
Payments for acquisition of treasury investment units	(2,999,740)	(999,999)
Distributions paid	(6,525,479)	(6,548,970)
Net Cash Used in Financing Activities	(11,025,219)	(7,498,970)
Net Change in Cash and Cash Equivalents	(3,603,856)	3,334,212
Cash and Cash Equivalents at Beginning of Period	36,639,841	33,305,628
Cash and Cash Equivalents at End of Period (Note 3)	33,035,984	36,639,841

The accompanying notes are an integral part of these financial statements.

For the fiscal periods ended November 30, 2025 and May 31, 2025

Note 1 – Organization and Basis of Presentation

Organization

Daiwa Office Investment Corporation (the former DA Office Investment Corporation; hereinafter referred to as “DOI”) was established on July 11, 2005 as an investment corporation under the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including subsequent revisions, hereinafter referred to as the “Investment Trust Act”) by the founder (the former daVinci Select; now, Daiwa Real Estate Asset Management (hereinafter referred to as the “Asset Manager”)).

DOI is an externally managed real estate fund, established as an investment corporation. The Asset Manager, as DOI’s asset management company, is engaged in acquiring, managing, leasing, and renovating office properties. Daiwa Securities Group Inc. currently owns 100% of the shares of the Asset Manager.

On October 18, 2005, DOI had raised approximately 49,498,710 thousand yen through an initial public offering of units. Those units were listed on the J-REIT section of the Tokyo Stock Exchange. DOI implemented a 2 for 1 split of its investment units with a record date of May 31, 2024 and an effective date of June 1, 2024.

As of November 30, 2025, DOI had ownership or trust beneficiary interests in 58 office properties with approximately 360,119.82 m² of rentable office space and had leased office space to 668 tenants engaged in a variety of businesses. The occupancy rate for the office properties was approximately 98.9%.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trust Act, the Financial Instruments and Exchange Act and their related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements have been reformatted and translated into English from the financial statements of DOI prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act. In preparing the accompanying financial statements, relevant notes have been expanded and certain reclassifications have been made from the Japanese GAAP financial statements. Certain supplementary information included in the statutory Japanese GAAP financial statements, but not required for fair presentation, is not presented in the accompanying financial statements. Certain reclassifications have been made to the prior period’s financial statements to conform to the presentation for the current period.

DOI maintains its accounting records in Japanese yen. Amounts less than 1 thousand yen have been rounded down. As a result, the total shown in the financial statements and notes does not necessarily agree to sum of individual account balances.

DOI’s fiscal period is a six-month period ending at the end of May and November of each year.

Note 2 – Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of acquisition.

(b) Investment Properties

Investment properties are recorded at cost, which includes the allocated purchase price, related costs and expenses for acquisition of the office properties and the trust beneficiary interests in trust. Investment property balances are depreciated using the straight-line method over the estimated useful lives as follows:

	As of November 30, 2025	May 31, 2025
Buildings and structures	5-64 years	5-64 years
Machinery and equipment	10-23 years	10-23 years
Tools, furniture and fixtures	3-15 years	3-15 years

Cost related to the renovation, construction improvement of properties is capitalized. Expenditures for repairs and maintenance which do not add to the value or prolong the useful life of property, are expensed as incurred.

(c) Investment Securities

Non-marketable available-for-sale equity securities are stated at cost determined by the moving-average method. For investments in silent partnerships, the net amount equivalent to the DOI's equity interests in silent partnerships is included in investment securities.

(d) Deferred Investment Corporation Bond Issuance Costs

Deferred investment corporation bond issuance costs are amortized on a straight-line basis over the respective terms of the bonds.

e) Income Taxes

Deferred tax assets and liabilities are computed based on the difference between the financial statements and income tax bases of assets and liabilities using the statutory rate.

(f) Real Estate Taxes

Investment properties are subject to various taxes, such as property taxes and city planning taxes. Owners of the properties are registered by records maintained in each jurisdiction by the local government. The taxes are imposed on the registered record owner as of January 1 of each year, based on an assessment made by the local government.

When a property is purchased within the calendar year, the taxes for the corresponding calendar year are imposed on the seller. DOI pays the seller the corresponding amount of the taxes for the period from property acquisition date to December 31 of the calendar year and capitalizes these amounts as acquisition costs of the property, rather than expensing them. In subsequent calendar years, such taxes on investment properties are charged as operating expenses in each fiscal period.

There were no capitalized real estate taxes for the fiscal periods ended November 30, 2025 and May 31, 2025.

(g) Consumption Taxes

Non-deductible consumption taxes relating to investment properties are amortized equally over five years.

(h) Hedge Accounting

DOI enters into derivative transactions for the purpose of hedging risks in the Articles of Incorporation of DOI in accordance with its general risk management policy. DOI uses interest-rate swaps as hedging instruments in order to hedge the risk of interest rate fluctuations related to borrowings. Pursuant to Japanese GAAP, DOI applies the special accounting treatment to interest-rate swaps which qualify for hedge

accounting and meet specific criteria. Under the special accounting treatment, the related differentials paid or received under such swap contracts can be recognized and included in interest expense or income of the hedged assets or liabilities, and the interest-rate swaps are not required to be measured at fair value separately. The assessment of hedge effectiveness has been made each fiscal period except for interest-rate swaps which meet the special criteria.

(i) Revenue Recognition

Operating revenues consist of rental revenues including base rents and common area charges, and other operating revenues such as utility charge reimbursements, parking space rental revenues and other income.

Major contents of performance obligations relating to revenue arising from contracts with DOI's customers and general timing of satisfying such performance obligations (general timing of revenue recognition) are as follows:

(1) Sales of Investment Properties

Revenue is recognized at the time when a purchaser of the investment property as a customer obtains control over the investment property by satisfying delivery obligation as described in a contract regarding the sale of the investment property.

(2) Utility Charge Revenue

Utility charge revenue is recognized depending on the volume of supply of electricity, water and others to a tenant as a customer based on the lease agreement of the related property and contents of ancillary agreements. For utility charge revenue for which DOI is determined to be an agent, the net amount is recognized as revenue, which is calculated by deducting the amount payable to other parties from utility charges received by DOI for electricity, water and others supplied by those parties.

(j) Accounting Treatment of Trust Beneficiary Interests in Real Estate

For trust beneficiary interests in real estate, all assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant balance sheet and income statement accounts of the accompanying financial statements.

(k) Accounting Estimates

Impairment of long-lived assets

Amounts of investment properties recorded on the financial statements as of November 30, 2025 and May 31, 2025 were as follows:

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Tangible fixed assets	445,825,752	449,521,148
Intangible fixed assets	2,705,160	2,705,160

DOI reviews investment properties for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable in conformity with the accounting standard for impairment of long-lived assets. The book value of investment properties has been reduced to its recoverable amount when the invested amount may not be recoverable due to decrease in profitability.

DOI's investment properties are grouped on an individual asset basis. DOI reviews the investment properties for impairment when factors such as consecutive operating losses, significant decline in the market price, deteriorated business environment and others related to investment properties indicate the carrying amount of an asset may not be recoverable.

An impairment loss is recognized if the carrying amount of an asset exceeds the sum of the undiscounted future cash flows expected from the asset. In such a case, the book value of the asset is reduced to the respective recoverable amount and the difference between the book value and recoverable amount is recorded as an impairment loss.

Future cash flows used in determining recoverable amounts are measured by comprehensive judgement on estimates based on market trends on rental revenues, occupancy rates, rental expenses and other factors as well as transaction information of similar properties.

Operating results and market prices of each investment property may be affected by trends in the property leasing market and property trading market. It is possible to have an impact on DOI's financial position and results of operations in the next fiscal period if assumptions used in estimates change.

Note 3 – Cash and Cash Equivalents

Cash and cash equivalents stated on the accompanying balance sheets and statements of cash flows as of November 30, 2025 and May 31, 2025 consisted of the following:

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Cash and deposits	28,975,304	32,706,917
Cash and deposits in trust accounts	4,060,680	3,932,923
Cash and cash equivalents	33,035,984	36,639,841

Note 4 – Financial Instruments

(a) Qualitative Information for Financial Instruments

Policy for Financial Instrument Transactions

DOI raises funds through borrowings, issuance of investment corporation bonds and issuance of investment units for acquisition and renovation of investment properties, cash distributions of dividends and repayment of bank borrowings. In financing through interest-bearing debt, DOI raises funds with longer term, fixed-rate and well-diversified maturities and utilizes commitment lines to secure stable financing capacity and avoid potential risk of rising interest rates.

Surplus funds are managed considering risk and liquidity, by investing in highly liquid monetary assets and securities (in principle, deposits).

DOI enters into derivative transactions only for the purpose of hedging interest rate risks arising from liabilities.

Nature and Extent of Risks arising from Financial Instruments and Risk Management

Proceeds from borrowings and investment corporation bonds are used mainly to acquire investment properties and repay or redeem outstanding borrowings and bonds. These borrowings and bonds are exposed to liquidity risk. Such risk is managed in ways such as maintaining the LTV ratio at low levels, diversifying maturities, keeping the ratio of long-term debt to total debt at high levels, and diversifying lenders. For the floating-rate borrowings exposed to the risk of future interest rate fluctuations, DOI uses derivative transactions (interest-rate swap) as hedging instruments, in order to avoid interest rate fluctuations and to fix the amount of interest payments for floating-rate borrowings.

DOI evaluates the effectiveness of hedges by the correlation between the change in aggregated amount of cash flow of the hedging instruments and the change in aggregated amount of cash flow of the hedged items. The assessment of hedge effectiveness is omitted for the interest-rate swaps which meet the specific criteria under the special accounting treatment.

Derivative transactions are executed and monitored in compliance with the rules and procedures set forth in the risk management policy of DOI.

Tenant security deposits including trust accounts are exposed to liquidity risk arising from refunding deposits in the event of vacating of properties by tenants. Such risk is managed by reserving some parts of the funds.

Bank deposits are used for investing DOI's surplus funds. These bank deposits are exposed to credit risks such as bankruptcy of the depository financial institutions. DOI manages credit risk by investing only in short-term deposit and setting a minimum credit rating requirement for the depository financial institutions (excluding deposits for settlement purposes).

Investment securities are composed of investments in silent partnerships and are exposed to issuer credit risk, market price fluctuation risk of real estate and interest rate risk. DOI manages these risks by regularly monitoring financial conditions of issuers and market values of real estate.

Supplemental Explanation regarding Fair Value of Financial Instruments

Since certain assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different value. Also, the contractual amounts of derivative transactions do not represent the market risk involved in these derivative transactions.

(b) Estimated Fair Value of Financial Instruments

The book value, fair value and difference between the two as of November 30, 2025 and May 31, 2025 were as follows. Cash and cash equivalents are not disclosed because the book values of these assets are deemed reasonable approximations of the fair values as they are cash or with short maturities. Disclosure of tenant security deposits and tenant security deposits in trust is also omitted because they are immaterial.

(Thousands of yen)

Liabilities	As of November 30, 2025			As of May 31, 2025		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Investment corporation bonds due within one year	–	–	–	1,500,000	1,497,450	(2,550)
Long-term debt due within one year	22,400,000	22,359,232	(40,767)	20,700,000	20,658,752	(41,247)
Investment corporation bonds	7,500,000	7,090,780	(409,220)	7,500,000	7,160,780	(339,220)
Long-term debt	188,050,000	186,432,188	(1,617,811)	189,750,000	188,442,339	(1,307,660)
Total	217,950,000	215,882,200	(2,067,799)	219,450,000	217,759,322	(1,690,677)
Derivative transactions (*)	877,841	877,841	–	724,329	724,329	–

(*) The value of assets and liabilities arising from derivatives is shown at net value and with the amount in parenthesis indicating the net liability position.

Notes:

1. Methods to estimate fair value of financial instruments and derivative transactions

Liabilities:

(1) Investment corporation bonds due within one year and investment corporation bonds

The fair value of investment corporation bonds is based on their quoted market price.

(2) Long-term debt due within one year and long-term debt

For long-term debt with floating interest rates, their fair value and book value are nearly identical and there are no significant changes in DOI's credit risk after borrowing. Therefore, for these items, their book value is assumed as their fair value. For long-term debt with fixed interest rates, their fair value is calculated based on the present value of principle and interest cash flows discounted at the current interest rate which is estimated to be applied if similar new debt is entered into. However, the fair value of certain floating-rate long-term debt that qualifies for the special treatment of interest-rate swaps is calculated based on the present value of principle and interest cash flows which are processed as a single unit with the interest-rate swap.

Derivative Transactions:

The Company applies the hedge accounting for all derivative transactions. Contractual amount and fair value were as follows:

			(Thousands of yen)		
Hedge accounting method	Type of derivative transaction	Hedged item	As of November 30, 2025		
			Contracted amount		Fair value (*1)
			Total	Due after one year	
Deferral hedge accounting method	Interest-rate swap Receive floating/ Pay fixed	Long-term debt	46,700,000	34,500,000	877,841
Special treatment for interest-rate swaps	Interest-rate swap Receive floating/ Pay fixed	Long-term debt	28,000,000	25,000,000	– (*2)
			74,700,000	59,500,000	877,841
			(Thousands of yen)		
Hedge accounting method	Type of derivative transaction	Hedged item	As of May 31, 2025		
			Contracted amount		Fair value (*1)
			Total	Due after one year	
Deferral hedge accounting method	Interest-rate swap Receive floating/ Pay fixed	Long-term debt	53,200,000	39,200,000	724,329
Special treatment for interest-rate swaps	Interest-rate swap Receive floating/ Pay fixed	Long-term debt	28,000,000	26,000,000	– (*2)
			81,200,000	65,200,000	724,329

(*1) The fair value is provided by financial institutions.

(*2) Fair values of interest-rate swaps with the special treatment are included in fair values of related long-term debt as the interest-rate swaps are processed as a single unit with the hedged long-term debt.

2. Investments in silent partnerships

Notes on investments in silent partnerships as stipulated in paragraph 4 (1) of “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 19, revised on March 31, 2020) are not disclosed by applying the treatment stipulated in paragraph 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, revised on June 17, 2021).

The balance sheet amount of investments in silent partnerships to which the above treatment is applied is 3,765,163 thousand yen and nil as of November 30, 2025 and May 31, 2025, respectively.

3. Redemption schedule for investment corporation bonds and long-term debt

(Thousands of yen)

As of November 30, 2025	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	–	–	–	2,200,000	2,400,000	2,900,000
Long-term debt	22,400,000	27,600,000	27,700,000	30,550,000	31,300,000	70,900,000
Total	22,400,000	27,600,000	27,700,000	32,750,000	33,700,000	73,800,000

(Thousands of yen)

As of May 31, 2025	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Investment corporation bonds	1,500,000	–	–	–	2,200,000	5,300,000
Long-term debt	20,700,000	20,200,000	33,100,000	22,150,000	36,000,000	78,300,000
Total	22,200,000	20,200,000	33,100,000	22,150,000	38,200,000	83,600,000

Note 5 – Tangible Fixed Assets of Investment Properties

Investment properties as of November 30, 2025 and May 31, 2025 consisted of the following:

(Thousands of yen)

	As of November 30, 2025			As of May 31, 2025		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
Land	12,302,226	–	12,302,226	12,302,226	–	12,302,226
Buildings and structures	3,680,351	(3,119,590)	560,760	3,676,673	(3,079,435)	597,238
Tools, furniture and fixtures	23,492	(21,458)	2,033	23,002	(21,219)	1,782
Construction in progress	557	–	557	705	–	705
Land in trust accounts	353,794,001	–	353,794,001	356,550,775	–	356,550,775
Buildings and structures in trust accounts	118,746,919	(40,510,411)	78,236,507	118,962,474	(39,748,550)	79,213,923
Machinery and equipment in trust accounts	1,463,560	(803,668)	659,892	1,358,173	(749,297)	608,875
Tools, furniture and fixtures in trust accounts	582,399	(362,173)	220,225	550,542	(342,509)	208,032
Construction in progress in trust accounts	49,547	–	49,547	37,588	–	37,588
Total	490,643,055	(44,817,302)	445,825,752	493,462,160	(43,941,012)	449,521,148

Note 6 – Fair Value of Investment and Rental Properties

The book value, net changes in the book value and the fair value of the investment and rental properties were as follows:

(Thousands of yen)

	For the fiscal period ended November 30, 2025	For the fiscal period ended May 31, 2025
Book value: (Note 1)		
Balance at beginning of period	452,188,015	454,835,435
Change during the period (Note 2)	(3,707,207)	(2,647,420)
Balance at end of period	448,480,807	452,188,015
Fair value (Note 3)	598,220,000	600,210,000

(Note 1) The book value represents the acquisition cost less accumulated depreciation.

(Note 2) Significant changes

For the fiscal period ended November 30, 2025, the major reason for the decrease is disposition of “Daiwa Tsukishima” (30% quasi co-ownership interest) and “Daiwa Sarugakucho” (50% quasi co-ownership interest) (3,329 million yen) and depreciation (1,879 million yen). For the fiscal period ended May 31, 2025, the major reason for the decrease is disposition of “Daiwa Tsukishima” (30% quasi co-ownership interest) (1,860 million yen) and depreciation (1,886 million yen).

(Note 3) The fair values as of November 30, 2025 and May 31, 2025 were determined by the sum of appraisal values provided by external real estate appraisers.

Note 7 – Revenue Recognition

Information on breakdown of revenues arising from contracts with customers for the fiscal periods ended November 30, 2025 and May 31, 2025 was as follows:

(Thousands of yen)

	For the fiscal period ended November 30, 2025	
	Revenues arising from contracts with customers (Note 1)	Sales to external customers
Sales of investment properties (Note 2)	5,490,000	1,225,786
Utility charge revenues	1,137,759	1,137,759
Other	–	13,692,968
Total	6,627,759	16,056,513

(Note 1) Rental revenues and other revenues relating to property leasing for which “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) is applied are not included in revenues arising from contracts with customers because the Accounting Standard for Revenue Recognition is not applied to such revenues. Major revenues arising from contracts with customers are sales of investment properties and utility charge revenues.

(Note 2) Sales of investment properties are presented in the net amount by deducting the cost of selling investment properties and other expenses related to the sales from the proceeds from the sales of investment properties in order to present gain/loss on the sales of investment properties on the statements of income and retained earnings in accordance with Article 48, paragraph (2) of the “Ordinance on Accountings of Investment Corporations” (Cabinet Office Order No. 47 of 2006).

(Thousands of yen)

	For the fiscal period ended May 31, 2025	
	Revenues arising from contracts with customers (Note 1)	Sales to external customers
Sales of investment properties (Note 2)	2,940,000	928,121
Utility charge revenues	1,000,667	1,000,667
Other	–	13,279,669
Total	3,940,667	15,208,458

(Note 1) Rental revenues and other revenues relating to property leasing for which “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) is applied are not included in revenues arising from contracts with customers because the Accounting Standard for Revenue Recognition is not applied to such revenues. Major revenues arising from contracts with customers are sales of investment properties and utility charge revenues.

(Note 2) Sales of investment properties are presented in the net amount by deducting the cost of selling investment properties and other expenses related to the sales from the proceeds from the sales of investment properties in order to present gain/loss on the sales of investment properties on the statements of income and retained earnings in accordance with Article 48, paragraph (2) of the “Ordinance on Accountings of Investment Corporations” (Cabinet Office Order No. 47 of 2006).

Note 8 – Rental Revenues and Expenses

Rental revenues and expenses for the fiscal periods ended November 30, 2025 and May 31, 2025 were as follows:

(Thousands of yen)

	For the fiscal period ended November 30, 2025	For the fiscal period ended May 31, 2025
Revenues from property leasing:		
Rental revenues	14,758,113	14,256,117
Other revenues related to property leasing	39,321	24,219
Total revenues from property leasing	14,797,434	14,280,336
Rental expenses:		
Consignment expenses	1,071,455	1,136,386
Utilities expenses	1,203,012	1,097,372
Taxes and dues	1,311,186	1,248,953
Insurance expenses	30,406	26,921
Repair expenses	408,409	380,351
Depreciation	1,879,890	1,886,001
Other	78,268	77,447
Total rental expenses	5,982,630	5,853,434
Income from property leasing	8,814,804	8,426,901

Note 9 – Net Assets

DOI issues non-par value units in accordance with the Investment Trust Act and all of the amounts issued are designated as stated capital. DOI maintains a minimum of 50 million yen of net assets as required by the Investment Trust Act.

Note 10 – Treasury Investment Units

Cancellation of treasury investment units as of November 30, 2025 and May 31, 2025 were as follows.

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Total number of own investments units cancelled (units)	41,382	32,972
Total amount of cancellation	20,457,273	17,457,533

Total number of treasury investment units cancelled and total amount of cancellation during the fiscal period ended November 30, 2025 were 8,410 units and 2,999,740 thousand yen, respectively. Total number of treasury investment units cancelled and total amount of cancellation during the fiscal period ended May 31, 2025 were 3,284 units and 999,999 thousand yen, respectively.

Note 11 – Long-Term Debt and Investment Corporation Bonds

Long-term debt and investment corporation bonds as of November 30, 2025 and May 31, 2025 consisted of the following:

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Unsecured loans due 2025 to 2035, principally from banks and insurance companies with interest rates mainly ranging from 0.3% to 1.5%	210,450,000	210,450,000
0.3% unsecured bond due 2025	–	1,500,000
0.8% unsecured bond due 2029	2,200,000	2,200,000
0.6% unsecured bond due 2030	2,400,000	2,400,000
0.7% unsecured bond due 2031	1,300,000	1,300,000
1.5% unsecured bond due 2034	1,600,000	1,600,000
Total	217,950,000	219,450,000

(Note) The interest rates presented are daily weighted average interest rates. As for long-term debts which were hedged by interest-rate swaps for the purpose of avoiding interest rate fluctuation risk, the swapped interest rates are used to calculate daily weighted average interest rates.

The annual maturities of long-term debt and investment corporation bonds as of November 30, 2025 were as follows:

(Thousands of yen)

	Due within one year	Due after one to two years	Due after two to three years	Due after three to four years	Due after four to five years	Due after five years
Long-term debt and investment corporation bonds	22,400,000	27,600,000	27,700,000	32,750,000	33,700,000	73,800,000

DOI maintains commitment line contracts with one financial institution. There was no borrowing execution balance as of November 30, 2025. The amounts of unused commitments on loans as of November 30, 2025 and May 31, 2025 were as follows:

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Total amounts of borrowing commitment lines	3,000,000	3,000,000
Borrowing execution balances	–	–
Net unused balance	3,000,000	3,000,000

Note 12 – Leases

As Lessor

The future minimum rental revenues under existing non-cancelable operating leases as of November 30, 2025 and May 31, 2025 were as follows:

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Due within one year	13,477,509	12,945,040
Due after one year	17,423,132	18,747,760
Total	30,900,642	31,692,800

Note 13 – Gain on Sale of Investment Properties

Gain on sale of investment properties for the fiscal period ended November 30, 2025 was as follows:

(Thousands of yen)

	For the fiscal period ended November 30, 2025
Daiwa Tsukishima: (30% quasi co-ownership interest)	
Proceeds from sale of investment property	2,940,000
Cost of selling investment property	(1,843,417)
Other expenses related to sale	(714,233)
Gain on sale of investment property	382,348
Daiwa Sarugakucho: (50% quasi co-ownership interest)	
Proceeds from sale of investment property	2,550,000
Cost of selling investment property	(1,486,430)
Other expenses related to sale	(220,131)
Gain on sale of investment property	843,437

Gain on sale of investment properties for the fiscal period ended May 31, 2025 was as follows:

(Thousands of yen)

	For the fiscal period ended May 31, 2025
Daiwa Tsukishima: (30% quasi co-ownership interest)	
Proceeds from sale of investment property	2,940,000
Cost of selling investment property	(1,860,052)
Other expenses related to sale	(151,825)
Gain on sale of investment property	928,121

Note 14 – Reduction of Investment Properties Purchased with Government Subsidies

Government subsidies of 77,363 thousand yen were deducted from the acquisition cost of the buildings in trust as of November 30, 2025 and May 31, 2025.

Note 15 – Reduction of Investment Properties Acquired through Exchange

The following amounts were deducted from the acquisition cost of the investment property in trust acquired through exchange as of November 30, 2025 and May 31, 2025.

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Buildings and structures in trust accounts	182,846	182,846
Land in trust accounts	887,074	887,074
Total	1,069,921	1,069,921

Note 16 – Income Taxes

DOI is subject to Japanese corporate income taxes on all of its taxable income. However, DOI may deduct the amount distributed to its unitholders from its taxable income when certain requirements, including a requirement to distribute in excess of 90% of distributable profit for the fiscal period, are met under the Special Taxation Measure Act of Japan. If DOI does not satisfy all of the requirements as specified in the Act, the entire taxable income of DOI will be subject to regular corporate income taxes in Japan.

DOI has made distribution in excess of 90% of its distributable profit for each fiscal period in order to be able to deduct such amount from taxable income.

The following table summarizes the significant difference between the statutory tax rate and DOI's effective tax rate for financial statement purposes.

(%)

	For the fiscal period ended May 31, 2025	For the fiscal period ended November 30, 2024
Statutory tax rate	31.46	31.46
Deductible cash distributions	(31.46)	(29.54)
Provision of reserve for reduction entry	–	(1.91)
Others	0.01	0.00
Effective tax rate	0.01	0.01

The significant components of deferred tax assets and liabilities as of November 30, 2025 and May 31, 2025 were as follows:

(Thousands of yen)

	As of November 30, 2025	As of May 31, 2025
Deferred tax assets:		
Accrued enterprise tax	16	13
Total deferred tax assets	16	13
Deferred tax liabilities:		
Deferred gains on hedges	283,760	233,789
Total deferred tax liabilities	283,760	233,789
Net deferred tax liabilities	(283,743)	(233,776)

Amendment on deferred tax assets and liabilities resulting from change in income tax rates

On March 31, 2025, the “Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13, 2025)” was enacted in the Diet session. As a result of the amendment, “Defense Special Corporate Tax” will be levied from the fiscal period beginning on or after April 1, 2026. Consequently, the statutory tax rate used in calculation of deferred tax assets and liabilities on temporary differences that are expected to be reversed from the fiscal period beginning on or after June 1, 2026 has been changed from 31.46% to 32.34%. The effect of this change of the statutory tax rate is immaterial.

Note 17 – Per Unit Information

Information about earnings per unit for the fiscal periods ended November 30, 2025 and May 31, 2025, and net assets per unit as of November 30, 2025 and May 31, 2025 were as follows:

(Yen)

	For the fiscal period ended November 30, 2025	For the fiscal period ended May 31, 2025
Earnings per Unit:		
Net income per unit	7,996	7,348
Weighted average number of units outstanding (units)	937,471	945,736

(Yen)

	As of November 30, 2025	As of May 31, 2025
Net Assets per Unit	259,419	259,148

The computation of earnings per unit is based on the weighted average number of units outstanding during the period. The computation of net assets per unit is based on the number of units outstanding at each period end as stated on the balance sheets.

The diluted net income per unit is not stated as there are no diluted investment units.

There is no amount that is not available to ordinary unitholders.

Note 18 – Distribution Information

DOI's Articles of Incorporation stipulate that DOI is required to make cash distribution in excess of 90% of distributable profit as defined in the Special Taxation Measure Act of Japan for each fiscal period. For the fiscal period ended November 30, 2025, DOI has determined to pay out as earnings distributions 7,496,654,900 yen, which is the largest integral multiple of the total number of investment units issued and outstanding (934,745 units) not in excess of unappropriated retained earnings, and for the fiscal period ended May 31, 2025, a total amount of dividends of 6,526,632,600 yen after deducting the amount of provision of reserve for reduction entry to unappropriated retained earnings. Furthermore, DOI does not pay out dividends that exceed accounting profits as outlined in Article 32-2 of DOI's Articles of Incorporation.

(Yen)

	For the fiscal period ended November 30, 2025	For the fiscal period ended May 31, 2025
I Unappropriated retained earnings	7,496,795,760	6,949,528,787
II Cash distributions declared	7,496,654,900	6,526,632,600
III Voluntary reserves	–	422,896,187
Provision of reserve for reduction entry		
IV Retained earnings brought forward	140,860	–

Cash distributions are declared by the board of directors after the end of each period. Such distributions are payable to unitholders of record at the end of each period. Information of cash distributions per unit and the board of directors meeting dates when the distributions were proposed and approved were as follows:

(Yen)

	For the fiscal period ended November 30, 2025	For the fiscal period ended May 31, 2025
Cash distributions per unit	8,020	6,920
Board of directors meeting dates	January 22, 2026	July 18, 2025

Note 19 – Related-Party Transactions

No related-party transaction was entered into for the fiscal periods ended November 30, 2025 and May 31, 2025.

DOI became a consolidated subsidiary of Daiwa Securities Group Inc., which is listed in Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. during the fiscal period ended May 31, 2021.

Note 20 – Segment Information

For the fiscal periods ended November 30, 2025 and May 31, 2025

Segment Information

Segment information has been omitted as DOI has only one segment, which is property leasing business.

Related Information

Information about Products and Services

Disclosure of this information has been omitted as operating revenues to external customers for a single product/service category account for more than 90% of the operating revenues on the statements of income and retained earnings.

Information about Geographic Areas

(1) Operating revenues

Disclosure of this information has been omitted as domestic operating revenues account for more than 90% of total operating revenues.

(2) Investment properties

Disclosure of this information has been omitted as domestic investment properties account for more than 90% of the book value of the total investment properties.

Information about Major Tenants

Disclosure of this information has been omitted as there is no tenant that accounts for 10% or more of the operating revenues recorded in the statements of income and retained earnings.

Note 21 – Additional Information

Sales of Assets

DOI concluded a contract to sell a trust beneficial interest in real estate on October 10, 2025 as described below.

Overview of the asset

Property name	Daiwa Sarugakucho	
Asset type	Trust beneficial interest in domestic real estate	
Sales price (planned)	5,100,000 thousand yen (excluding settlement amounts of property taxes and city planning taxes, consumption taxes, etc.)	
	(1) 2,550,000 thousand yen (Quasi co-ownership of 50%)	(2) 2,550,000 thousand yen (Quasi co-ownership of 50%)
Agreement date	October 10, 2025	
Delivery date (scheduled) (Note 1)	(1) November 28, 2025	(2) May 29, 2026
Purchaser (Note 2)	Not disclosed	

(Note 1) The sale of (1) has been completed on November 28, 2025.

(Note 2) The purchaser is a domestic company. Its information is not disclosed since consent for disclosure has not been obtained from the purchaser.



Independent Auditor's Report

To the Board of Directors of
Daiwa Office Investment Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Daiwa Office Investment Corporation (“the Investment Corporation”), which comprise the balance sheets as at November 30, 2025 and May 31, 2025, the statements of income and retained earnings, statements of changes in net assets, statements of cash flows for each of the six months periods then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as at November 30, 2025 and May 31, 2025, and its financial performance and its cash flows for each of the six months periods then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Investment Corporation in accordance with the ethical requirements in Japan (including those that are relevant to our audit of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Statement of Financial Performance, but does not include the financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Supervisory directors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Responsibilities of Management and Supervisory Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Investment Corporation or to cease operations, or has no realistic alternative but to do so.

Supervisory directors are responsible for overseeing the executive director's performance of his duties including the design, implementation and maintenance of the Investment Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Investment Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Corporation to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with executive director regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide executive director with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit provided to the Investment Corporation for the current period are 16,800 thousand yen, and there are no paid or payable non-audit services fees.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Investment Corporation which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yohei Morimoto

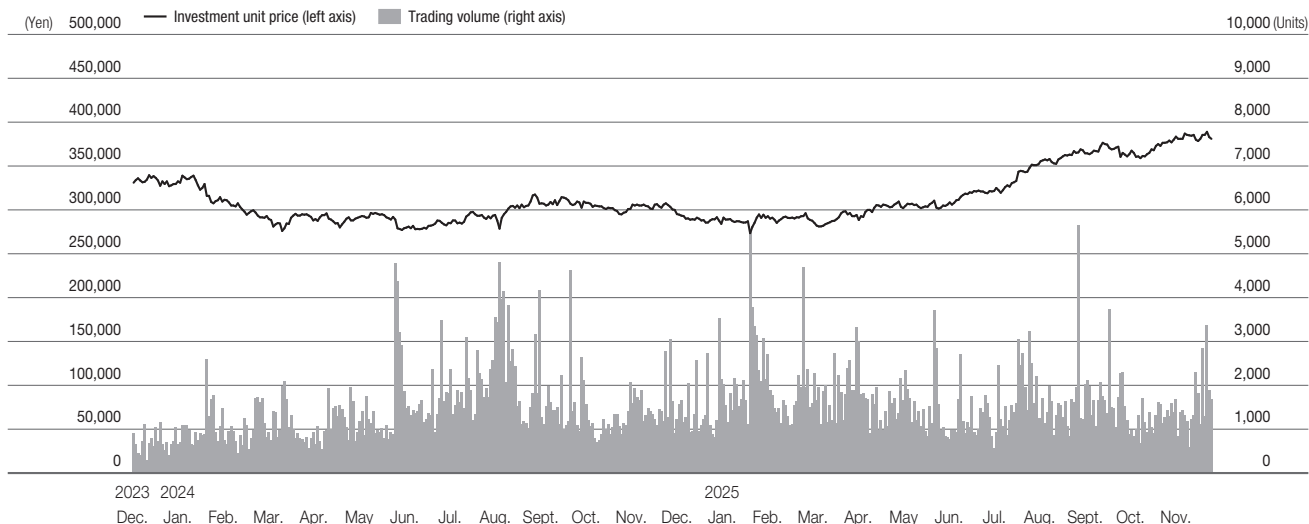
Designated Engagement Partner
Certified Public Accountant

Tomoaki Takeuchi

Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
February 16, 2026

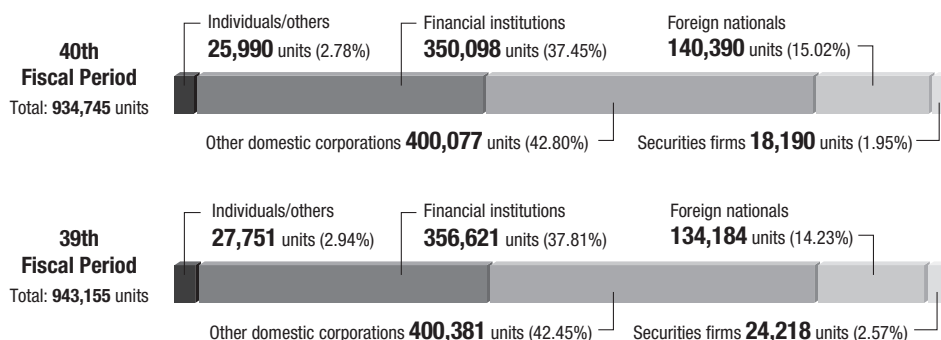
History of Investment Unit Price



(Note) A 2-for-1 split of investment units took place on June 1, 2024. This graph is based on the number of investment units after the split.

Overview of Investment Units and Unitholders (As of November 30, 2025)

No. of Investment Units by Investor Type



No. of Unitholders by Investor Type

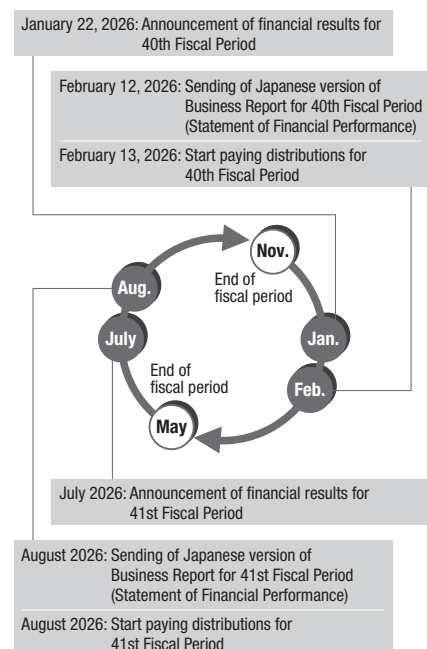
Individuals/others	5,065 (91.29%)
Financial institutions	94 (1.69%)
Other domestic corporations	120 (2.16%)
Foreign nationals	253 (4.56%)
Securities firms	16 (0.29%)
Total	5,548

Top Ten Unitholders (November 30, 2025)

Name of Unitholder	Number of Units Owned (Units)	Percentage Share (%)
1. Daiwa Investment Management Inc.	257,810	27.58
2. Daiwa Securities Group Inc.	134,642	14.40
3. Custody Bank of Japan, Ltd. (Trust Account)	132,721	14.20
4. The Master Trust Bank of Japan, Ltd. (Trust Account)	118,695	12.70
5. The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	30,692	3.28
6. STICHTING PENSIOEN FONDS ZORG EN WELZIJN	25,481	2.73
7. NOMURA BANK (LUXEMBOURG) S.A. - CLIENT ACCOUNT	9,900	1.06
8. STATE STREET BANK AND TRUST COMPANY 505001	8,362	0.89
9. Meiji Yasuda Life Insurance Company	7,662	0.82
10. JP MORGAN CHASE BANK 385781	7,545	0.81

(Note) The percentage share figures are rounded to the second decimal place.

IR Calendar



Investor Memo

End of fiscal period	May 31 and November 30 of each year
General Meeting of Unitholders	Held at least once every two years
Date for finalizing unitholders with voting rights for the General Meeting of Unitholders	Date prescribed in Article 15 of the Articles of Incorporation
Reference date for finalizing payment of distributions	May 31 and November 30 of each year (distributions are paid within three months of the record date of distribution payment)
Listed financial instruments exchange	Tokyo Stock Exchange (stock code: 8976)
Newspaper in which notice is posted	Nihon Keizai Shimbun
Manager of unitholder registry, etc.	Sumitomo Mitsui Trust Bank, Limited, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233
Office handling administrative affairs	Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233; Phone: 0120-782-031 (toll-free in Japan)
Service counter	Head Office and all branches of the Sumitomo Mitsui Trust Bank nationwide

Provision of Information on the Website

Daiwa Office Investment Corporation conducts information distribution on its website as an important tool for IR activities. For DOI's management status, please refer to the Presentation Material, Speech Presentation and Q&A in Earnings Announcement on the website. In addition, DOI also provides an e-mail delivery service, "IR Mail Delivery Service," which informs subscribers of updates to website content such as news release announcements free of charge via e-mail. The website will be continually enhanced and enriched so that the current situation and future strategies of DOI are clearly communicated.

Daiwa Office Investment Corporation

<https://www.daiwa-office.co.jp/en/>

Important information is distributed via e-mail. Please access and follow the simple steps if you wish to receive our IR mail delivery service.



大和証券オフィス投資法人

Daiwa Office Investment Corporation