Supplementary Material Regarding the Press Release Announced Today

Daiwa Office Investment Corporation

Stock Code No. 8976

November 24, 2026

"Notice Concerning Approval of Right Conversion Plan for "Shibuya 2-chome West District Type 1 Urban Redevelopment Project" and Decision on Participation in Project (Daiwa Shibuya Miyamasuzaka)"

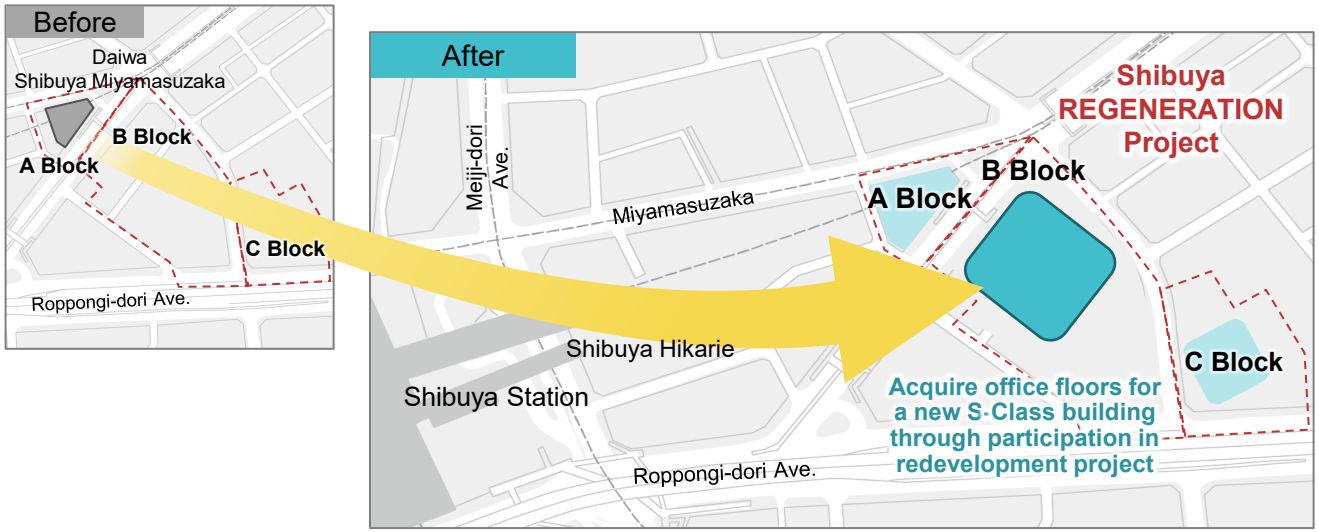
Overview of Redevelopment Project

Shibuya REGENERATION Project: One of the Largest Redevelopment Projects in the Shibuya Area

- The Shibuya REGENERATION Project is an integrated urban regeneration initiative consisting of two projects: an urban redevelopment project (A Block and B Block) for which Tokyo Tatemono Co., Ltd. (hereinafter referred to as “TTK”) and Urban Renaissance Agency serve as project partners and participating members, and a voluntary joint reconstruction project (C Block), for which TTK and others serve as project operators.
- The site area for the entire project is about 18,700 m^2, with a total floor area of about 305,800 m^2
  ⇒In terms of site area and total floor area, **it is one of the largest redevelopment projects in the Shibuya area.**



		Daiwa Shibuya Miyamasuzaka	Overview of Redevelopment Project (Shibuya 2-chome West District Type 1 Urban Redevelopment Project)	
Location		2-16-1 Shibuya, Shibuya-ku, Tokyo	Within 2-13, 2-14, and 2-16, Shibuya, Shibuya-ku, Tokyo	
Facility overview			A Block	B Block
	Site area	1,106.47 m^2	Approx. 1,670 m^2	Approx. 12,770 m^2
	Total floor area	8,340.48 m^2	Approx. 4,200 m^2	Approx. 235,000 m^2
	No. of floors	12 floors above ground and 1 below	5 floors above ground and 1 below	38 floors above ground and 3 below
	Use	Offices, gas station, garage	Retail stores, etc.	Offices, retail stores, hotel, human resource development hub, bus terminal, etc.
Start / completion of main construction		December 1988	2029 / 2035 (planned)	



Reasons for Participating in Redevelopment Project

Aiming to enhance medium- to long-term investor value by balancing the acquisition of high-quality office space with ensuring stable profits during the development period

Right conversion (December 2026) → Redevelopment period → After completion of new building (2035)

Image of Value Enhancement Due to Redevelopment

Appraisal value of existing property

13.1 billion yen

End of fiscal period ended May 2026

Value enhancement as construction progresses

Gradually reflected in the appraisals conducted each fiscal period

Estimated value*

21.8 billion yen

Value as of May 1, 2026, according to the Japan Real Estate Institute

Book value: approx. 7.0 billion yen (no change due to right conversion)

* This assumes that the building is already completed and suitable for leasing at the time of the valuation. Future appraisal values are not guaranteed.

Maintaining Revenue during Development and Increasing Rent after Completion

Rental income and rent compensation

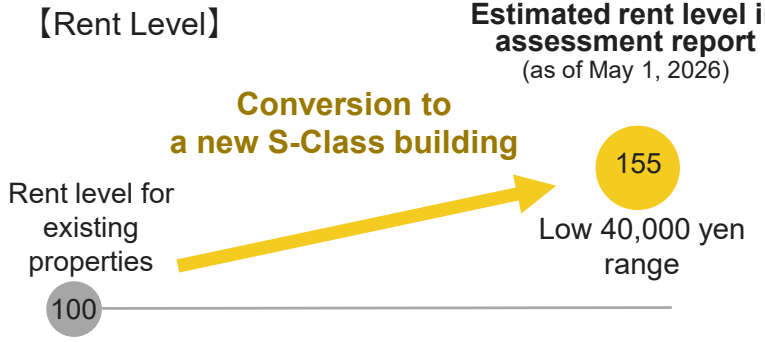
Annual NOI
Approx. 560 million yen

Compensation under the Urban Redevelopment Act

Annual NOI / Annual CF
Approx. 562 million yen
(Amortized NOI yield: 8.0%)

Revenue compensation helps maintain revenue during the construction period

【Rent Level】



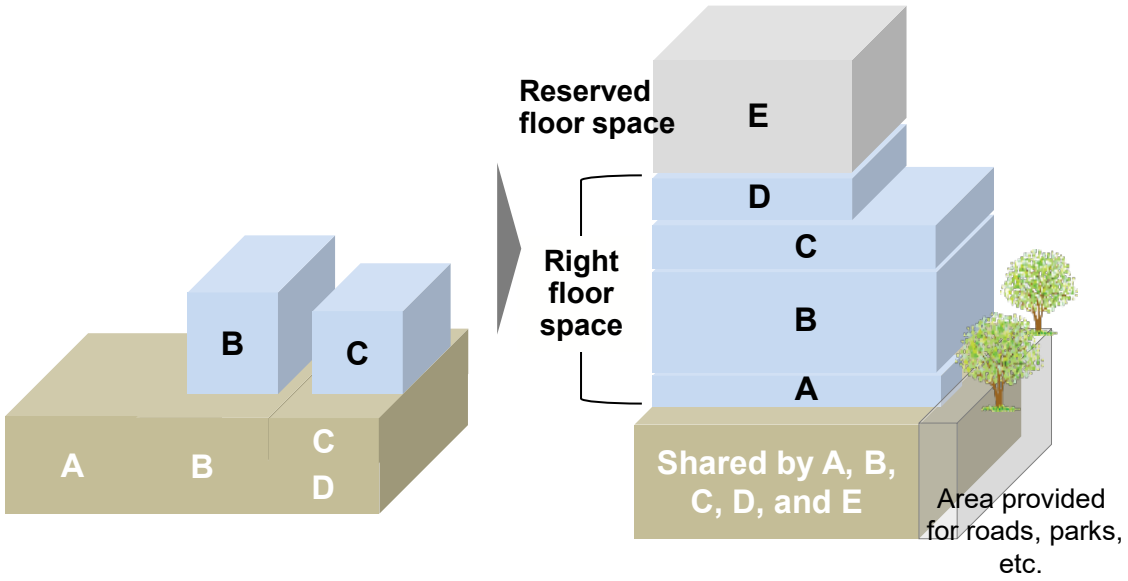
* Index taking the rent level (rent per tsubo) of existing properties as 100

Reference

Right Conversion

- The acquisition by a right holder of floor space in a new building and land rights, based on the valuation of the land and buildings that the right holder previously held (existing assets), is called "right conversion."
- Floor space acquired by a landowner based on the valuation of existing assets is called "right floor space," while floor space to be sold by a landowner to raise funds for a project is called "reserved floor space."

【Before Right Conversion】 【After Right Conversion】



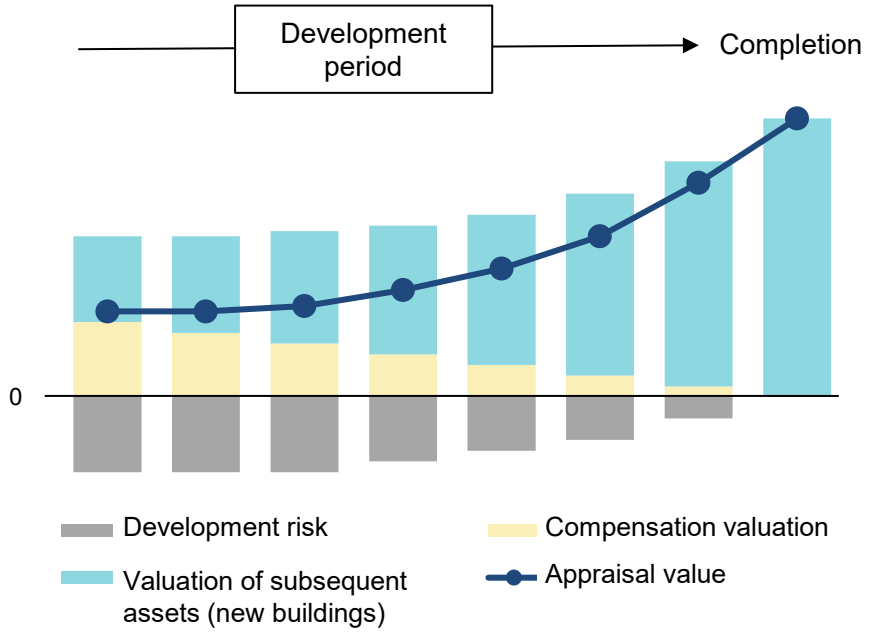
- For the appraisal of existing land and buildings, the appraisal value is determined based on an appraisal by a specialized third-party organization.
- Valuation of subsequent rights is also determined based on an assessment by a specialized third-party organization. In general, valuation differs depending on the building, usage, location, etc. of the floor space to be acquired.
- The book value before and after right conversion is the same (* When reduction entry is applied).

Approach to Appraisal in Redevelopment Projects

- The appraisal value during the development period is calculated as follows: compensation valuation + valuation of subsequent assets (new buildings) - development risk.
- The following are the two main factors expected to increase the appraisal value as the project nears completion:
  1) The development-related risk premium component of the discount rate decreases.
  2) The valuation weight of subsequent assets (new buildings) gradually increases.

【Diagram】

Appraisal value = compensation valuation + valuation of subsequent assets (new buildings) - development risk



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