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News Release (Translation)

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Notice Concerning Partial Sale of Investment Units of
Daiwa House REIT Investment Corporation and Continuation of Sponsor Support

Daiwa House Industry Co., Ltd. (hereinafter "the Company") hereby announces that it has decided on the partial sale of investment units of Daiwa House REIT Investment Corporation (hereinafter "DHR"), a listed real estate investment trust (hereinafter "J-REIT") whose asset management is entrusted to Daiwa House Asset Management Co., Ltd., a subsidiary of the Company.

The proceeds from the sale will be reinvested in development of profitable assets. The Company will continue to provide diverse sponsor support to DHR, the only J-REIT in the Group, including the granting of preferential negotiation rights.

1. The Partial Sale of Investment Units of DHR

The Company has decided on the partial sale of investment units of DHR in order to improve the Company's capital efficiency for the purpose of evolving a revenue model that achieves sustainable growth as stated in the 7th Medium-Term Management Plan announced in May 2022. As for the sale method, as a result of discussions with Daiwa House Asset Management Co., Ltd., the Company has decided to select the secondary offering, valuing a fair opportunity for investment and dialogue with a wide range of investors, including existing DHR unitholders.

The Company's percentage of ownership after the sale will be 3.9%*, maintaining the average level of ownership rate compared to J-REITs with the same level of asset size as DHR. In addition, the Company intends to continue to hold the investment units that it holds after the partial sale with no plans for additional sales.

*The rate assumes 91,200 units when the sale of up to 100,000 units is completed.

2. The Continuation of the Sponsor Support

The proceeds from this offering will be used for expanding real estate development investments in accordance with the Company's financial and investment strategies.

The Company will continue to support the growth of DHR through a variety of sponsor support activities, including the grant of preferential negotiation rights and the provision of leasing support, know-how and advice, human resources, warehousing functions, support for redevelopment of investment properties, and property management advisory.

End

Disclaimers:

-This announcement is prepared for the public disclosure of partial sale of investment units of DHR and continuation of sponsor support and has not been prepared for the purpose of soliciting investment within or outside of Japan. With respect to investments, investors are advised to make any investment decision based on their sole judgement after reviewing the prospectus on the secondary offering of investment units (and revisions thereto) prepared by DHR. This announcement does not constitute any offer of securities in the United States. The securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. The securities referred to above will not be offered in the United States.

-This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text of the press release dated August 31, 2023.