

Dai-ichi Life Diversified REIT and DL Life Partner REIT Entered Into a Merger Agreement—Limited Impact on Their Ratings as of Now

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement by Dai-ichi Life Diversified REIT Inc. (security code: -) and DL Life Partner REIT Inc. (security code: -) that they have entered into a merger agreement.

- (1) Dai-ichi Life Realty Asset Management Co., Ltd. ("DLR"), the asset management company of Dai-ichi Life Diversified REIT Inc. ("DLDR") and DL Life Partner REIT Inc. ("DLPR") (collectively, the "Two Corporations")—both affiliated with Daiichi Life Group, Inc. ("DLG") and Marubeni Corporation, announced on October 8, 2026 that the Two Corporations have entered into a merger agreement, effective February 1, 2027 (the "Merger"). The Merger will make DLDR the surviving corporation and DLPR the absorbed corporation. DLDR primarily invests in offices, logistics facilities, retail facilities, etc., and DLPR in residential properties and QOL-enhancing assets—collective term for daycare centers, community-based retail facilities, medical facilities, healthcare facilities, etc., and the Merger will result in a portfolio mainly comprised of residential properties and offices. On a separate note, no material changes in the support system provided by DLG as the asset manager and sponsor are expected. Also, DLDR plans to change its trade name to Daiichi Life Private REIT following the Merger.
- (2) JCR currently assigns a long-term issuer rating of AA- with a Stable outlook to both DLDR and DLPR, and the Merger is the integration of the Two Corporations with the same level of creditworthiness. In terms of the portfolio as of today, it consists of 17 properties with a total acquisition price of 111.3 billion yen for DLDR, including investment units in DLPR, and 116 properties with a total acquisition price of 190.1 billion yen for DLPR. As a result of the Merger, the portfolio of DLDR as the surviving corporation will expand to 133 properties with a total acquisition price of 282.8 billion yen, net of the amount equivalent to investment units in DLPR held by DLDR, further enhancing diversification by asset type and property, which in JCR's view will have a positive impact on stability in earnings from leasing operations. For DLPR as the absorbed corporation, it already has a portfolio with greater diversification than DLDR, and thus the Merger will improve stability in earnings from leasing operations only limitedly. LTV level is not expected to change significantly before and after the Merger.
- (3) JCR assumes, at this point, that the Two Corporations' creditworthiness will improve to some degree within the current rating category after the Merger, but not to the extent of requiring changes in the rating or outlook for either DLDR or DLPR. Looking ahead, attention will be paid to progress in various procedures leading up to the Merger, as well as the post-merger operational performance.

Takanori Akiyama, Yusuke Koguchi

<Reference>

Issuer: Dai-ichi Life Diversified REIT Inc.

Long-term Issuer Rating: AA- Outlook: Stable

Issuer: DL Life Partner REIT Inc.

Long-term Issuer Rating: AA- Outlook: Stable

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