

Daiwa House REIT Investment Corporation
Investor Presentation for the **10th** period
ended **February 2013**

Daiwa House REIT

10th

 Daiwa House REIT Investment Corporation

 Daiwa House REIT Management Co., Ltd.

DaiwaREIT
www.daiwa-reit.com

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Introduction

Executive Summary

Executive Summary

| | |
|---|--|
| <p>1 IPO Highlights</p> | <ul style="list-style-type: none"> ◆ TSE listing on November 28, 2012 ◆ Highest priority on long-term stable cash flow |
| <p>2 Operating Results (10th Period)</p> | <ul style="list-style-type: none"> ◆ Distributions per unit 7,278 yen ◆ Occupancy rate 99.99% |
| <p>3 Our Growth Strategy</p> | <ul style="list-style-type: none"> ◆ Portfolio expansion: Initial target AUM of 200 billion yen ◆ Leveraging the pipeline from Daiwa House Group ◆ Sourcing opportunities through the AM's own network (Acquisition of UNICUS Takasaki) |
| <p>4 Earnings Forecasts (Distributions per Unit)</p> | <ul style="list-style-type: none"> ◆ 11th Period ending August 2013 15,400 yen ◆ 12th Period ending February 2014 15,400 yen |

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IPO Highlights

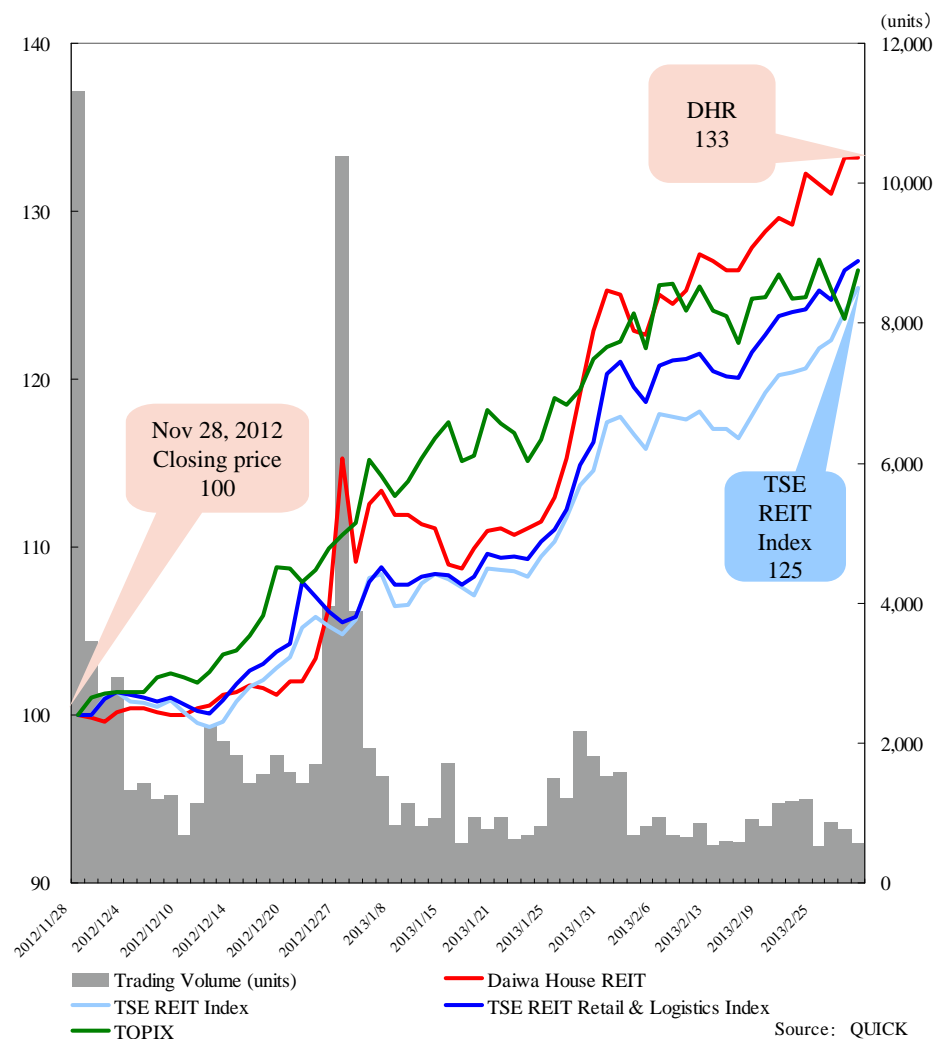
IPO Highlights

Offering Summary

| | | |
|-------------------------|---|-------------------------|
| Offering structure | Global Offering Japanese public offering and international offering (Reg.S+144A) | |
| Launch date | October 24, 2012 (Thu) | (TSE REIT Index: 1,047) |
| Pricing date | November 19, 2012 (Mon) | (TSE REIT Index: 1,057) |
| Listing date | November 28, 2012 (Wed) | (TSE REIT Index: 1,054) |
| Offer price | 500,000 yen | |
| Number of units offered | Domestic public offering: | 82,240 units |
| | Offering through over-allotment: | 5,140 units |
| | International offering: | 20,560 units |
| | Total offering: | 107,940 units |
| Total proceeds | 52,081 million yen | |

- ◆ Listed in 2012, 4 years after cancellation of listing in 2008
- ◆ Started management of newly-acquired 20 properties of 95,050 million yen, in addition to privately-managed 4 properties of 19,469 million yen
- ◆ Unit price has never fallen below the initial offering price and has outperformed TSE REIT Index year to date

Investment Unit Price Trend after IPO



Overview of Daiwa House REIT

Highest Priority on Long-term Stable Cash Flow

- 1 **Investment in High-performance Logistics Properties and Specialty Retail Complexes**
- 2 **Collaboration with Daiwa House Group**
- 3 **Focusing on Unitholders' Interests**
- 4 **Solid Financing Strategy**

◆ Our Portfolio Summary

As of February 28, 2013 (the end of 10th period)

| | |
|------------------------------|---|
| Total Acquisition Price | 114,519 million yen - Logistics properties: 89,010 million yen - Retail properties: 25,509 million yen |
| Number of Properties | 24 properties - Logistics properties: 19 - Retail properties: 5 |
| Average Lease Term | 17.5 years |
| Average Remaining Lease Term | 13.0 years |
| Average NOI Yield | 6.5 % |
| Average Property Age | 5.4 years |
| Occupancy Rate | 99.99 % |

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Operating Results

Financial Highlights

10th Fiscal Period ended February 2013 – Financial Highlights –

| | | |
|---------------------------|-------------------|--|
| Distributions per Unit | 7,278 yen | Forecast as of November 28, 2012: 6,420 yen |
| NOI Yield | 6.5% | Logistics properties: 6.7% Retail properties: 6.2% |
| Occupancy Rate | 99.99% | Logistics properties: 100.00% → 100.00% Retail properties: 99.92% → 99.98% |
| Unrealized Gains / Losses | 5,945 million yen | Appraisal value: 119,583 million yen Book value: 113,638 million yen |
| Rent Renewals | No rent change | Logistics properties: 1 tenant Retail properties: 2 major tenants, 14 other tenants |
| LTV | 47.7% | |

Financial Results (Statements of Income)

10th Fiscal Period ended February 2013 – Statements of Income –

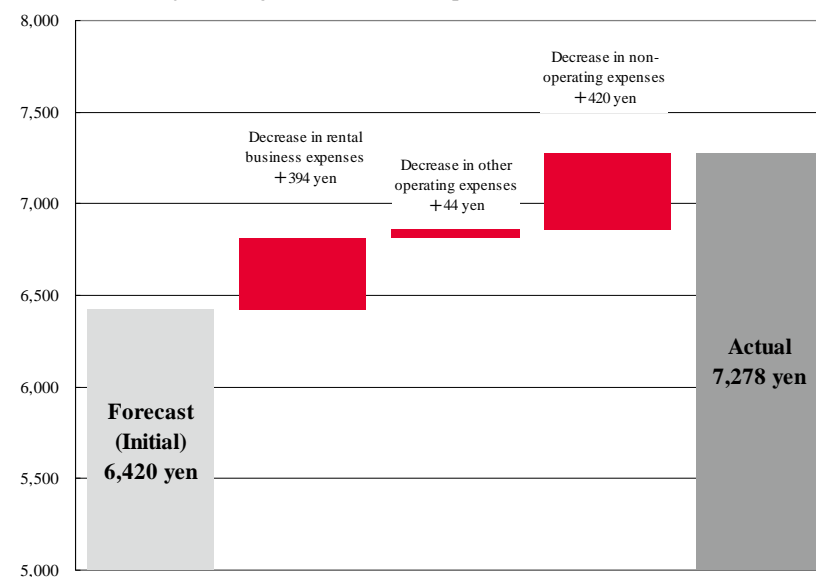
| | (yen in millions) | | |
|---|---------------------------------------|--|---------|
| | 10th Period Results ended Feb 2013 | 10th Period Forecast as of 2012/11/28 | Change |
| Operating Revenues | 2,421 | 2,421 | 0 |
| Rental business revenues | 2,421 | — | — |
| Rental revenues | 2,346 | — | — |
| Other revenues | 74 | — | — |
| Operating Expenses | 968 | — | — |
| Rental business expenses | 826 | — | — |
| Rental expenses (excl. depreciation) | 220 | — | — |
| Depreciation | 605 | 628 | -22 |
| Other operating expenses | 142 | — | — |
| Operating Income | 1,452 | — | — |
| Non-operating income | 1 | — | — |
| Non-operating expenses | 534 | — | — |
| Interest and borrowing expenses | 241 | 248 | -7 |
| Other non-operating expenses | 292 | 335 | -42 |
| Ordinary Income | 919 | — | — |
| Net Income | 918 | 813 | 105 |
| Distributions per unit (yen) | 7,278 yen | 6,420 yen | 858 yen |
| FFO (Funds from Operation) per unit (yen) | 12,444 yen | — | — |
| Rental NOI (Net Operating Income) | 2,200 | — | — |
| Rental NOI yield | 6.5% | — | — |
| Operation days (Note) | 93 days | 93 days | — |

(Note) Operation days after listing (November 28, 2012)

Major Changing Factors (versus Forecast)

| | |
|---|--|
| ✓ Rental business expenses (Repairs and maintenance expenses (Depreciation expenses) | -48 million yen -24 million yen -22 million yen) |
| ✓ Other operating expenses | -5 million yen |
| ✓ Non-operating expenses (Interest expenses and other borrowing costs (Investment unit issuance expenses) | -50 million yen -7 million yen -42 million yen) |

Reasons for Major Changes in Distributions per Unit for 10th Period (versus Forecast)



Financial Results (Balance Sheets)

10th Fiscal Period ended February 2013 – Balance Sheets –

| | (yen in millions) | | |
|---|--------------------------------------|---------------------------------------|---------------|
| | 9th Period Results ended Aug 2012 | 10th Period Results ended Feb 2013 | Change |
| Total Assets (1) | 21,330 | 127,779 | 106,448 |
| Total Liabilities (2) | 14,057 | 67,506 | 53,448 |
| Borrowings (3) | 12,400 | 61,000 | 48,600 |
| Tenant leasehold and security deposits (4) | 1,451 | 5,935 | 4,484 |
| Net Assets | 7,273 | 60,272 | 52,999 |
| | | | |
| LTV (3) / (1) | 58.1% | 47.7% | -10.4% |
| LTV (including tenant deposits) ((3)+(4))/(1) | 64.9% | 52.4% | -12.6% |
| | | | |
| Number of propertiees | 4 properties | 24 properties | 20 properties |
| Unrealized gains / losses | -1,070 | 5,945 | 7,015 |
| Book value | 18,490 | 113,638 | 95,148 |
| Appraisal value | 17,420 | 119,583 | 102,163 |
| | | | |
| Number of investment units issued | 14,600 units | 122,540 units | 107,940 units |
| Net assets per unit | 498,152 yen | 491,863 yen | -6,289 yen |
| NAV (Net Asset Value) per unit | 426,696 yen | 533,096 yen | 106,400 yen |

(Note) NAV per unit: (Net assets + Unrealized gains or losses) / Number of investment units issued

Portfolio Summary

| Property number | Property name | Location | Construction date (Note) | Acquisition price | | Appraisal value (yen in millions) | NOI yield | Total leasable area (㎡) | Occupancy rate | PML |
|-----------------------------|---------------------------|-------------------------|-----------------------------|-------------------|---------------|--------------------------------------|--------------|----------------------------|-------------------|-------------|
| | | | | (yen in millions) | (%) | | | | | |
| L-B-1 | D Project Machida | Machida, Tokyo | 2006/10/1 | 7,600 | 6.6% | 7,920 | 6.6% | 50,490.39 | 100.00% | 2.7% |
| L-B-2 | D Project Hachioji | Hachioji, Tokyo | 2008/12/1 | 12,600 | 11.0% | 12,900 | 6.8% | 62,394.17 | 100.00% | 6.0% |
| L-B-3 | D Project Aikawa-Machi | Aiko, Kanagawa | 2006/6/30 | 2,600 | 2.3% | 2,890 | 6.8% | 14,240.84 | 100.00% | 5.5% |
| L-B-4 | D Project Shin-Misato | Misato, Saitama | 2009/4/15 | 4,440 | 3.9% | 5,520 | 7.4% | 11,289.91 | 100.00% | 0.8% |
| L-B-5 | D Project Urayasu I | Urayasu, Chiba | 2005/5/31 | 7,700 | 6.7% | 8,070 | 6.0% | 36,515.81 | 100.00% | 3.5% |
| L-B-6 | D Project Urayasu II | Urayasu, Chiba | 2007/4/10 | 21,400 | 18.7% | 22,200 | 5.7% | 72,320.01 | 100.00% | 2.1% |
| L-B-7 | D Project Akanehama | Narashino, Chiba | 2005/10/11 | 2,550 | 2.2% | 2,620 | 6.1% | 11,663.39 | 100.00% | 1.7% |
| L-B-8 | D Project Noda | Noda, Chiba | 2007/9/30 | 5,100 | 4.5% | 5,580 | 6.9% | 29,232.53 | 100.00% | 1.7% |
| L-B-9 | D Project Inuyama | Inuyama, Aichi | 2009/12/10 | 6,650 | 5.8% | 7,520 | 7.6% | 43,723.70 | 100.00% | 3.4% |
| L-B-10 | D Project Gifu | Anpachi, Gifu | 2009/2/28 | 900 | 0.8% | 1,050 | 7.6% | 7,669.91 | 100.00% | 4.1% |
| L-B-11 | D Project Neyagawa | Neyagawa, Osaka | 2009/7/23 | 4,600 | 4.0% | 5,120 | 6.8% | 11,151.51 | 100.00% | 2.7% |
| L-B-12 | D Project Sapporo Minami | Kitahiroshima, Hokkaido | 2007/10/30 | 600 | 0.5% | 773 | 9.7% | 6,749.10 | 100.00% | 1.9% |
| L-B-13 | D Project Morioka | Iwate, Iwate | 2002/9/13 | 1,000 | 0.9% | 1,130 | 8.1% | 9,558.32 | 100.00% | 8.1% |
| L-B-14 | D Project Sendai Minami | Iwanuma, Miyagi | 2006/3/28 | 1,250 | 1.1% | 1,340 | 7.7% | 11,052.27 | 100.00% | 1.5% |
| L-B-15 | D Project Tsuchiura | Tsuchiura, Ibaraki | 2009/2/19 | 2,880 | 2.5% | 3,170 | 7.7% | 17,448.86 | 100.00% | 1.6% |
| L-B-16 | D Project Gotenba | Gotenba, Shizuoka | 2009/1/15 | 950 | 0.8% | 1,100 | 7.7% | 6,737.53 | 100.00% | 7.0% |
| L-B-17 | D Project Nishi-Hiroshima | Hiroshima, Hiroshima | 2008/1/10 | 990 | 0.9% | 1,130 | 8.6% | 5,093.51 | 100.00% | 2.3% |
| L-B-18 | D Project Fukuoka Umi | Kasuya, Fukuoka | 2006/5/1 | 3,100 | 2.7% | 3,500 | 7.6% | 24,729.56 | 100.00% | 1.3% |
| L-B-19 | D Project Tosu | Tosu, Saga | 2009/2/19 | 2,100 | 1.8% | 2,480 | 7.6% | 8,826.00 | 100.00% | 4.2% |
| Logistics Properties | | | 19 Properties | 89,010 | 77.7% | 96,013 | 6.7% | 440,887.32 | 100.00% | - |
| R-M-1 | ACROSSMALL Shinkamagaya | Kamagaya, Chiba | 2006/10/31 | 7,419 | 6.5% | 6,970 | 6.2% | 41,742.84 | 100.00% | 2.4% |
| R-M-2 | FOLEO Hirakata | Hirakata, Osaka | 2006/11/20 | 5,040 | 4.4% | 4,350 | 6.0% | 16,380.78 | 99.91% | 13.3% |
| R-M-3 | QiZ GATE URAWA | Saitama, Saitama | 2008/2/17 | 5,360 | 4.7% | 4,700 | 5.9% | 9,705.31 | 100.00% | 1.8% |
| R-R-1 | LIFE Sagamihara Wakamatsu | Sagamihara, Kanagawa | 2007/4/25 | 1,650 | 1.4% | 1,440 | 5.3% | 2,973.44 | 100.00% | 11.0% |
| R-R-2 | FOLEO Sendai Miyanomori | Sendai, Miyagi | 2009/10/6 | 6,040 | 5.3% | 6,110 | 7.8% | 19,845.72 | 100.00% | 2.8% |
| Retail Properties | | | 5 Properties | 25,509 | 22.3% | 23,570 | 6.2% | 90,648.09 | 99.98% | - |
| Portfolio Total | | | 24 Properties | 114,519 | 100.0% | 119,583 | 6.5% | 531,535.41 | 99.99% | 1.9% |

(Note) "Construction date" indicates the date of completion of the main building recorded on the registry. For properties with several main buildings, the construction date of the oldest building is listed.

Rent Renewal Schedule

| Property number | Property name | Tenant | Rent type | 2013 | 2014 | | | 2015 | | | 2016 | | 2017 | | 2018 | Rent renewal date | Expiration date |
|-----------------------------|-----------------------------------|--|------------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--|---------------|-------------------|-----------------|
| | | | | August | February | August | February | August | February | August | February | August | February | | | | |
| | | | | 11th | 12th | 13th | 14th | 15th | 16th | 17th | 18th | 19th | 20th | | | | |
| Logistics Properties | | | | | | | | | | | | | | | | | |
| L-B-1 | D Project Machida | Hitachi Capital Corporation | Fixed rent | | | | | | | | | | | | No revision | 2027/2/28 | |
| L-B-2 | D Project Hachioji | Mitsubishi Shokuhin Co., Ltd. | Fixed rent | | | | | | | | | | | | 2014/2/27 | Not disclosed | |
| L-B-2 | D Project Hachioji | Tokyo Logistics Factory CO. LTD | Fixed rent | | | | | | | | | | | | 2014/2/27 | 2029/2/28 | |
| L-B-3 | D Project Aikawa-Machi | Hitachi Capital Corporation | Fixed rent | | | | | | | | | | | | 2016/7/1 | 2026/6/30 | |
| L-B-4 | D Project Shin-Misato | Asahi Security Co., Ltd. | Fixed rent | | | | | | | | | | | | 2014/5/1 | 2029/4/30 | |
| L-B-5 | D Project Urayasu I | NAKANO SHOKAI CO., LTD. | Fixed rent | | | | | | | | | | | | No revision | 2026/2/28 | |
| L-B-6 | D Project Urayasu II | Hitachi Capital Corporation | Fixed rent | | | | | | | | | | | | Not disclosed | 2027/5/31 | |
| L-B-7 | D Project Akanehama | Hitachi Capital Corporation | Fixed rent | | | | | | | | | | | | 2015/10/11 | 2025/10/10 | |
| L-B-8 | D Project Noda | Mitsubishi Shokuhin Co., Ltd. | Fixed rent | | | | | | | | | | | | 2017/10/1 | Not disclosed | |
| L-B-9 | D Project Inuyama | Takihyo Co., Ltd. | Fixed rent | | | | | | | | | | | | 2015/1/1 | 2029/12/31 | |
| L-B-10 | D Project Gifu | GOTSU Co., Ltd. | Fixed rent | | | | | | | | | | | | 2014/3/23 | 2024/3/22 | |
| L-B-11 | D Project Neyagawa | Nippon Meat Packers, Inc. | Fixed rent | | | | | | | | | | | | 2015/8/1 | Not disclosed | |
| L-B-12 | D Project Sapporo Minami | Mitsubishi Shokuhin Co., Ltd. | Fixed rent | | | | | | | | | | | | 2017/12/1 | Not disclosed | |
| L-B-13 | D Project Morioka | Mitsubishi Shokuhin Co., Ltd. | Fixed rent | | | | | | | | | | | | - | Not disclosed | |
| L-B-14 | D Project Sendai Minami | Mitsubishi Shokuhin Co., Ltd. | Fixed rent | | | | | | | | | | | | 2016/4/1 | Not disclosed | |
| L-B-15 | D Project Tsuchiura | YAMATO MULTI-MAINTENANCE SOLUTIONS CO., LTD. | Fixed rent | | | | | | | | | | | | 2015/4/1 | 2029/4/14 | |
| L-B-16 | D Project Gotenba | HOKKOH Transportation, Inc. | Fixed rent | | | | | | | | | | | | 2014/1/15 | 2029/1/14 | |
| L-B-17 | D Project Nishi-Hiroshima Tower A | UCC FOODS CO., LTD. | Fixed rent | | | | | | | | | | | | 2013/12/25 | 2023/1/31 | |
| L-B-17 | D Project Nishi-Hiroshima Tower B | HOKKOH Transportation, Inc. | Fixed rent | | | | | | | | | | | | 2013/11/1 | 2028/10/31 | |
| L-B-18 | D Project Fukuoka Umi Tower A | Nippon Express Co., Ltd | Fixed rent | | | | | | | | | | | | - | 2016/1/20 | |
| L-B-18 | D Project Fukuoka Umi Tower B | CREATE CORPORATION | Fixed rent | | | | | | | | | | | | No revision | 2022/4/15 | |
| L-B-18 | D Project Fukuoka Umi Tower C | Fuji Logitech Co., Ltd. | Fixed rent | | | | | | | | | | | | - | 2016/5/31 | |
| L-B-18 | D Project Fukuoka Umi Tower D | Japan Beverage Holdings Inc. | Fixed rent | | | | | | | | | | | | 2015/9/1 | 2021/8/31 | |
| L-B-19 | D Project Tosu | Nippon Meat Packers, Inc. | Fixed rent | | | | | | | | | | | | 2015/4/1 | Not disclosed | |
| Retail Properties | | | | | | | | | | | | | | | | | |
| R-M-1 | ACROSSMALL Shinkamagaya | Daiwa Information Service Co., Ltd. | Fixed rent | | | | | | | | | | | | 2013/12/12 | 2017/12/11 | |
| R-M-2 | FOLEO Hirakata | Core tenant A | Fixed rent | | | | | | | | | | | | 2016/1/1 | 2026/12/8 | |
| R-M-2 | FOLEO Hirakata | Core tenant B | Fixed rent | | | | | | | | | | | | 2016/1/1 | 2026/12/14 | |
| R-M-3 | QiZ GATE URAWA | Core tenant A | Fixed rent | | | | | | | | | | | | 2014/3/27 | 2028/3/26 | |
| R-M-3 | QiZ GATE URAWA | Core tenant B | Fixed rent | | | | | | | | | | | | 2014/3/27 | 2028/3/26 | |
| R-R-1 | LIFE Sagamihara Wakamatsu | LIFE CORPORATION | Fixed rent | | | | | | | | | | | | 2013/5/22 | 2027/5/21 | |
| R-R-2 | FOLEO Sendai Miyanomori | Daiwa House Industry Co., Ltd. | Fixed rent | | | | | | | | | | | | No revision | 2022/11/30 | |

(Note) Regarding R-M-2 and R-M-3, only core tenants (leased space of over 2,000㎡) are shown above.

Financial Status ①

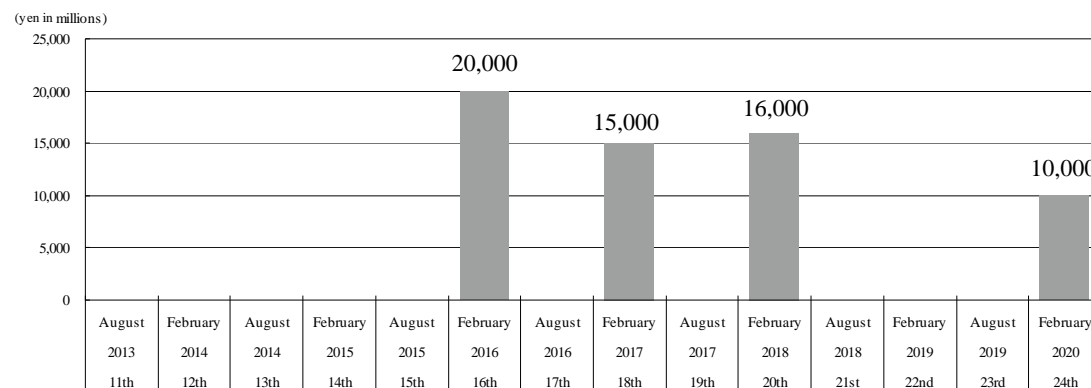
Financing Policy

- ◆ Maintain solid bank formation
- ◆ Extend debt maturity
- ◆ Diversify repayment maturities

Basic Financing Information (as of the end of 10th period)

| | |
|------------------------------------|--------------------|
| LTV | 47.7% |
| Total interest-bearing liabilities | 61,000 million yen |
| Fixed interest ratio | 100.0% |
| Long-term borrowing ratio | 100.0% |
| Average interest rate | 0.91% |
| Average remaining borrowing period | 4.2 years |
| Committed credit line | 10,000 million yen |

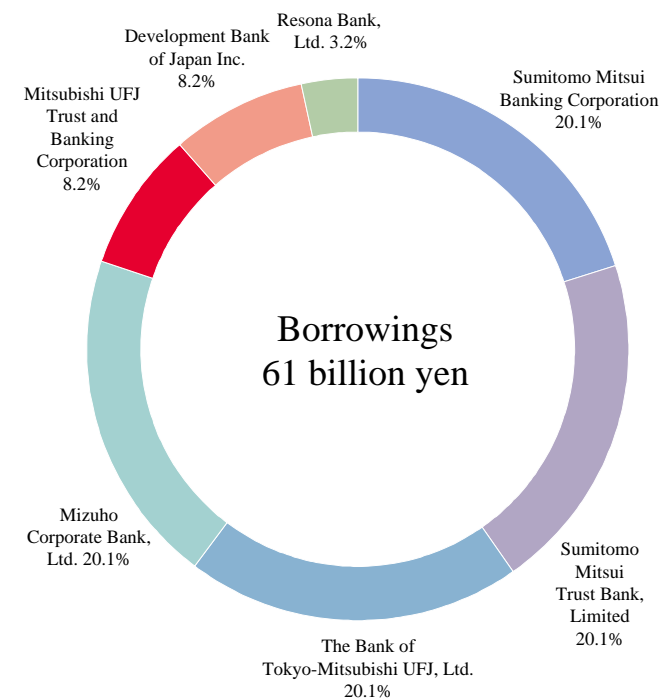
Diversification of Repayment Schedule (as of the end of 10th period)



Financial Status ②

Borrowings (as of the end of 10th period)

| Term | Lenders | Borrowings (yen in millions) | | Interest rate | Floating /Fixed | Borrowing date | Maturity date | Maturity | Note | Remaining term |
|--|--|------------------------------|--------------|---------------|-----------------|----------------|------------------|------------------------------|------------------------------|----------------|
| | | Amount | Total amount | | | | | | | |
| Long-term | Sumitomo Mitsui Banking Corporation | 4,250 | 20,000 | 0.72931% | Fixed | 2012/11/29 | 2015/11/30 | 3 years | Unsecured and non-guaranteed | 2.8 years |
| | Sumitomo Mitsui Trust Bank, Limited | 4,250 | | | | | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 4,250 | | | | | | | | |
| | Mizuho Corporate Bank, Ltd. | 4,250 | | | | | | | | |
| | Mitsubishi UFJ Trust and Banking Corporation | 2,000 | | | | | | | | |
| | Resona Bank, Ltd. | 1,000 | | | | | | | | |
| | Sumitomo Mitsui Banking Corporation | 3,000 | 15,000 | 0.83038% | Fixed | 2012/11/29 | 2016/11/29 | 4 years | Unsecured and non-guaranteed | 3.8 years |
| | Sumitomo Mitsui Trust Bank, Limited | 3,000 | | | | | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 3,000 | | | | | | | | |
| | Mizuho Corporate Bank, Ltd. | 3,000 | | | | | | | | |
| | Mitsubishi UFJ Trust and Banking Corporation | 2,000 | | | | | | | | |
| | Resona Bank, Ltd. | 1,000 | | | | | | | | |
| | Sumitomo Mitsui Banking Corporation | 3,000 | 16,000 | 0.95649% | Fixed | 2012/11/29 | 2017/11/29 | 5 years | Unsecured and non-guaranteed | 4.8 years |
| | Sumitomo Mitsui Trust Bank, Limited | 3,000 | | | | | | | | |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 3,000 | | | | | | | | |
| | Mizuho Corporate Bank, Ltd. | 3,000 | | | | | | | | |
| Mitsubishi UFJ Trust and Banking Corporation | 1,000 | | | | | | | | | |
| Development Bank of Japan Inc. | 3,000 | | | | | | | | | |
| Sumitomo Mitsui Banking Corporation | 2,000 | 10,000 | 1.28759% | Fixed | 2012/11/29 | 2019/11/29 | 7 years | Unsecured and non-guaranteed | 6.8 years | |
| Sumitomo Mitsui Trust Bank, Limited | 2,000 | | | | | | | | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,000 | | | | | | | | | |
| Mizuho Corporate Bank, Ltd. | 2,000 | | | | | | | | | |
| Development Bank of Japan Inc. | 2,000 | | | | | | | | | |
| Development Bank of Japan Inc. | 2,000 | | | | | | | | | |
| Total | | 61,000 | 0.91% | - | - | - | 4.4 years | - | 4.2 years | |



Credit Rating

| Rating Agency | Rating | Comment |
|----------------------------|------------------------------|-----------------|
| Japan Credit Rating Agency | Long-term Issuer Rating: AA- | Outlook: Stable |

3

Our Growth Strategy

Our Growth Strategy

External Growth Strategy

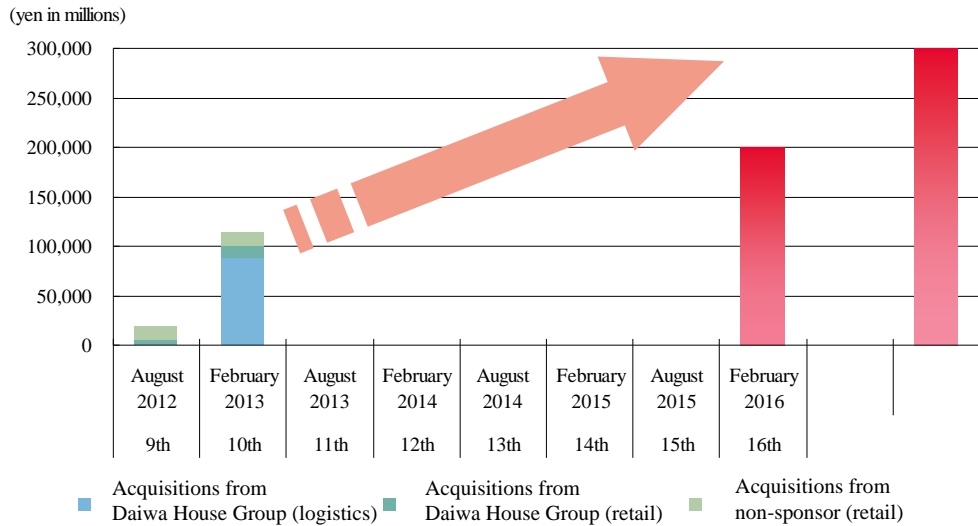
**<Phase 1: from March 2013 to February 2016>
 Founding a solid platform to capture long-term stable income and growth**

**Sustainable DPU level of 15,000 yen
 and prospect of stable growth**

Initial target AUM of 200 billion yen

- ◆ **Leveraging the pipeline from Daiwa House Group**
 - Logistics properties
Properties developed under the “D Project” scheme
 - Retail properties
Shopping centers operated by a sponsor, such as FOLEO

- ◆ **Sourcing opportunities through the AM’s own network**
 - Acquisition of UNICUS Takasaki in the 11th period



Collaboration with Daiwa House Group ①

Examples of Properties Developed by Daiwa House Group

| Property name | Type | Location | Construction date (planned) | Gross floor area (㎡) |
|-----------------------------------|--------------|---------------------------|-----------------------------|----------------------|
| Logistics Properties | | | | |
| D Project Kuki Shobu I Annex C | BTS | Kuki, Saitama | 2011/10 | 24,464 |
| D Project Kuki Shobu I Annex E | BTS | Kuki, Saitama | 2013/6 | 27,568 |
| D Project Kuki Shobu II Annex F | BTS | Kuki, Saitama | 2012/7 | 47,321 |
| D Project Kuki Shobu II Annex G | BTS | Kuki, Saitama | 2013/6 | 53,898 |
| D Project Kuki Shobu III Annex H | BTS | Kuki, Saitama | 2013/8 | 31,689 |
| D Project Kawagoe Annex B | BTS | Kawagoe, Saitama | 2011/5 | 17,487 |
| D Project Kawagoe Annex C | BTS | Kawagoe, Saitama | 2012/9 | 21,144 |
| D Project Higashi Matsuyama | BTS | Higashimatsuyama, Saitama | 2008/9 | 19,119 |
| D Project Yashio | BTS | Yashio, Saitama | 2011/6 | 23,055 |
| D Project Matsudo Annex B | BTS | Matsudo, Chiba | 2011/3 | 26,753 |
| D Project Nishi Yodogawa II | BTS | Osaka, Osaka | 2011/4 | 39,584 |
| D Project Sapporo Higashi Annex A | BTS | Sapporo, Hokkaido | 2009/10 | 13,225 |
| D Project Fukuoka Hakozaki | BTS | Fukuoka, Fukuoka | 2012/10 | 34,711 |
| D Project Hibikinada | BTS | Kitakyushu, Fukuoka | 2008/8 | 23,934 |
| DPL Sagamihara | Multi-tenant | Sagamihara, Kanagawa | 2013/12 | 83,547 |
| DPL Misato | Multi-tenant | Misato, Saitama | 2013/7 | 73,035 |
| Retail Properties | | | | |
| FOLEO Shoubu | Roadside | Kuki, Saitama | 2010/4 | 18,847 |
| FOLEO Hakata | Mall | Fukuoka, Fukuoka | 2008/1 | 29,001 |
| FOLEO Otsu Ichiriyama | Mall | Otsu, Shiga | 2008/10 | 66,038 |
| iiias Tsukuba | Mall | Tsukuba, Ibaraki | 2008/9 | 125,249 |

Note: As of the date of this document, we are not planning to acquire any of the above properties.

Collaboration with Daiwa House Group ②

◆ Logistics Properties



D Project Kuki Shobu I Annex C



D Project Kuki Shobu I Annex E



D Project Kuki Shobu II Annex F



D Project Kuki Shobu III Annex H



D Project Kawagoe Annex B



D Project Kawagoe Annex C



D Project Higashi Matsuyama



D Project Yashio



D Project Matsudo Annex B



D Project Nishi Yodogawa II



DPL Sagamihara



DPL Misato

Note: As of the date of this document, we are not planning to acquire any of the above properties.

◆ Retail Properties



FOLEO Shobu



FOLEO Hakata



FOLEO Otsu Ichiriyama



iias Tsukuba

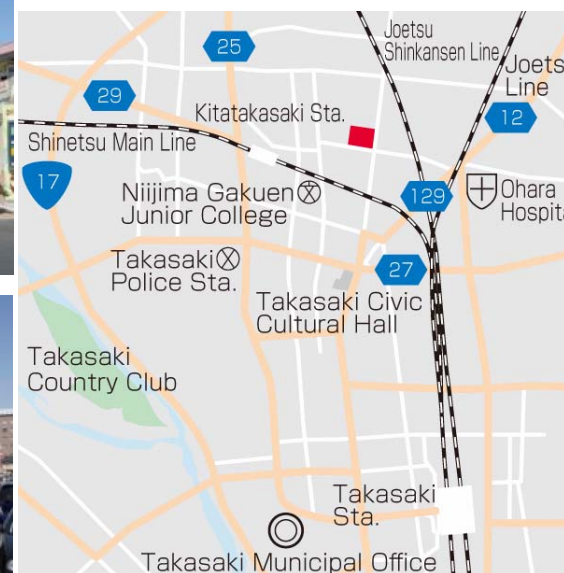
New Acquisition in the 11th Period <R-M-4 UNICUS Takasaki>

Property Details

| | |
|-----------------------|---|
| Acquisition date | March 27, 2013 |
| Location | 1150-5 Iizukamachi, Takasaki-shi, Gunma |
| Construction date | November 5, 2008 |
| Acquisition price | 2,570 million yen |
| Appraisal value | 2,690 million yen |
| Appraisal NOI yield | 7.6% |
| Lessee | P & D Consulting Co., Ltd. |
| Main tenant | YAOKO Co., Ltd. |
| Property descriptions | <ul style="list-style-type: none"> The property is located 2km north of JR Takasaki Station and has direct access from the four-lane residential road that connects central Takasaki to the Takasaki loop route. With the supermarket Yaoko as the core tenant, the property also has Sugi Pharmacy, SHOO-LA-RUE, Honeys, ABC Mart and Daiso and other daily life service providers. There is a population of 16,000 in the 1km trade area, 115,000 in the 3km trade area and 220,000 in the 5km trade area. The drive-time trade area is sufficiently wide as the 3km area can be traveled in 15 minutes by car. |

Related New Bank Financing

| | |
|---------------|--|
| Amount | 2,000 million yen |
| Lender | Sumitomo Mitsui Trust Bank, Limited |
| Maturity | 10 years (March 27, 2013 ~ March 27, 2023) |
| Interest rate | 3-month TIBOR +0.50% (floating rate) |





4

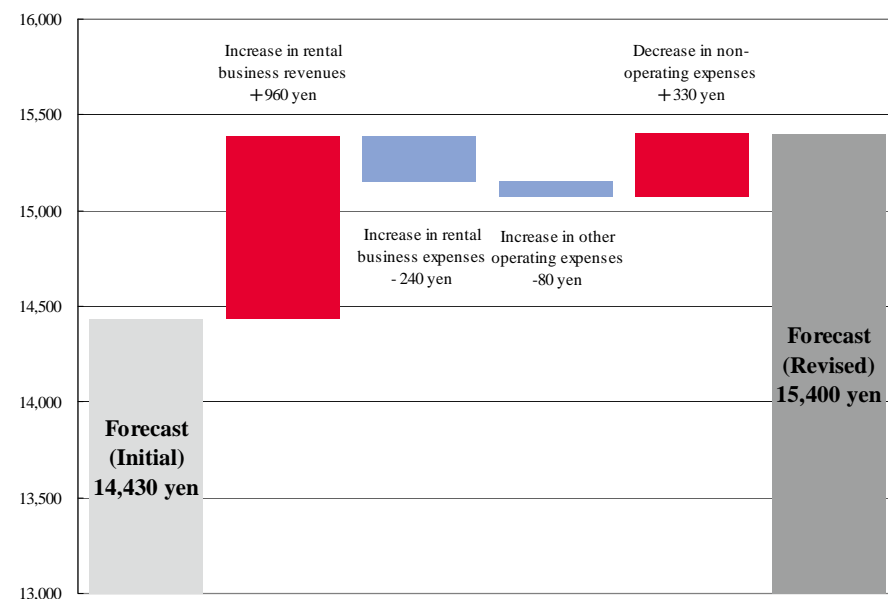
Earnings Forecasts

Earnings Forecasts

Forecasts for 11th (Aug 2013) & 12th (Feb 2014) Fiscal Periods

| | (yen in millions) | | | | |
|------------------------|---|--|---------|--|--------|
| | 11th Period Forecast ending Aug 2013 as of 2012/11/28 | 11th Period Forecast ending Aug 2013 as of 2013/4/12 | Change | 12th Period Forecast ending Feb 2014 as of 2013/4/12 | Change |
| Operating Revenues | 4,004 | 4,122 | 117 | 4,132 | 9 |
| Operating Income | — | 2,256 | — | 2,252 | -3 |
| Ordinary Income | — | 1,889 | — | 1,888 | 0 |
| Net Income | 1,769 | 1,888 | 118 | 1,888 | 0 |
| Distributions per unit | 14,430 yen | 15,400 yen | 970 yen | 15,400 yen | 0 yen |
| FFO per unit | 21,470 yen | 22,200 yen | 730 yen | 22,200 yen | 0 yen |

Reasons for Major Changes in Distributions per Unit for 11th period (vs Initial Forecast)



Major Changing Factors

11th
Period
(Ending in
August 2013)

《vs Initial
Forecast》

- ✓ Contribution of the 20 properties acquired at IPO to full-fiscal year revenues
- ✓ Tax and public dues on the 20 properties acquired at IPO
- ✓ Increase in rental revenues +117 million yen
 - Acquisition of UNICUS Takasaki (in March)
 - Rent renewal: 4 tenants
 - Contract expiration: 2 tenants (1 tenant has renewed)
- ✓ Increase in rental expenses +29 million yen
 - Acquisition of UNICUS Takasaki (in March)
 - Increase in repairs and maintenance expenses
 - Decrease in depreciation expenses
- ✓ Increase in other operating expenses +10 million yen
 - Increase in asset management fee
- ✓ Decrease in non-operating expenses -41 million yen
 - Decrease in interest expenses and other borrowing costs

12th
Period
(Ending in
February 2014)

《vs Forecast
for 11th
Period》

- ✓ Increase in rental revenues +9 million yen
 - Contribution of UNICUS Takasaki to full-fiscal year revenues
 - Rent renewal: 6 tenants
- ✓ Increase in rental expenses +4 million yen
 - Full-fiscal year expenses for UNICUS Takasaki

Thank you

 Daiwa House REIT Investment Corporation



5 Appendix

Focus on Logistics and Retail Properties

Logistics and retail properties as indispensable assets closely connected to daily life



▪ Indispensable under all economic conditions

▪ Long-term lease agreements with corporate tenants

▪ Stable occupancy rates

Logistics and retail properties are asset types suitable to achieve stability in profit on a long-term basis

Investment in High-performance Logistics Properties

Investment Criteria in High-performance Logistics Properties

Location

- Proximity to both consumption and production areas
- Accessibility to transportation
 - Highways, airports and harbors, etc.
- Ease in securing workforce and convenience in commuting for employees



Specifications

- Space and other specifications in principle
 - Gross floor area (6,000m² or more)
 - Floor weight capacity (1.5t/m² or more)
 - Ceiling height (5m or more)
 - Pillar interval spacing (8m or more)
- Building, equipment and other features (car berths, etc.) suited for the expected size and type of parcels to be delivered and shipping frequency

Investment in High-performance Logistics Properties

Specifications of Competitive High-performance Logistics Properties



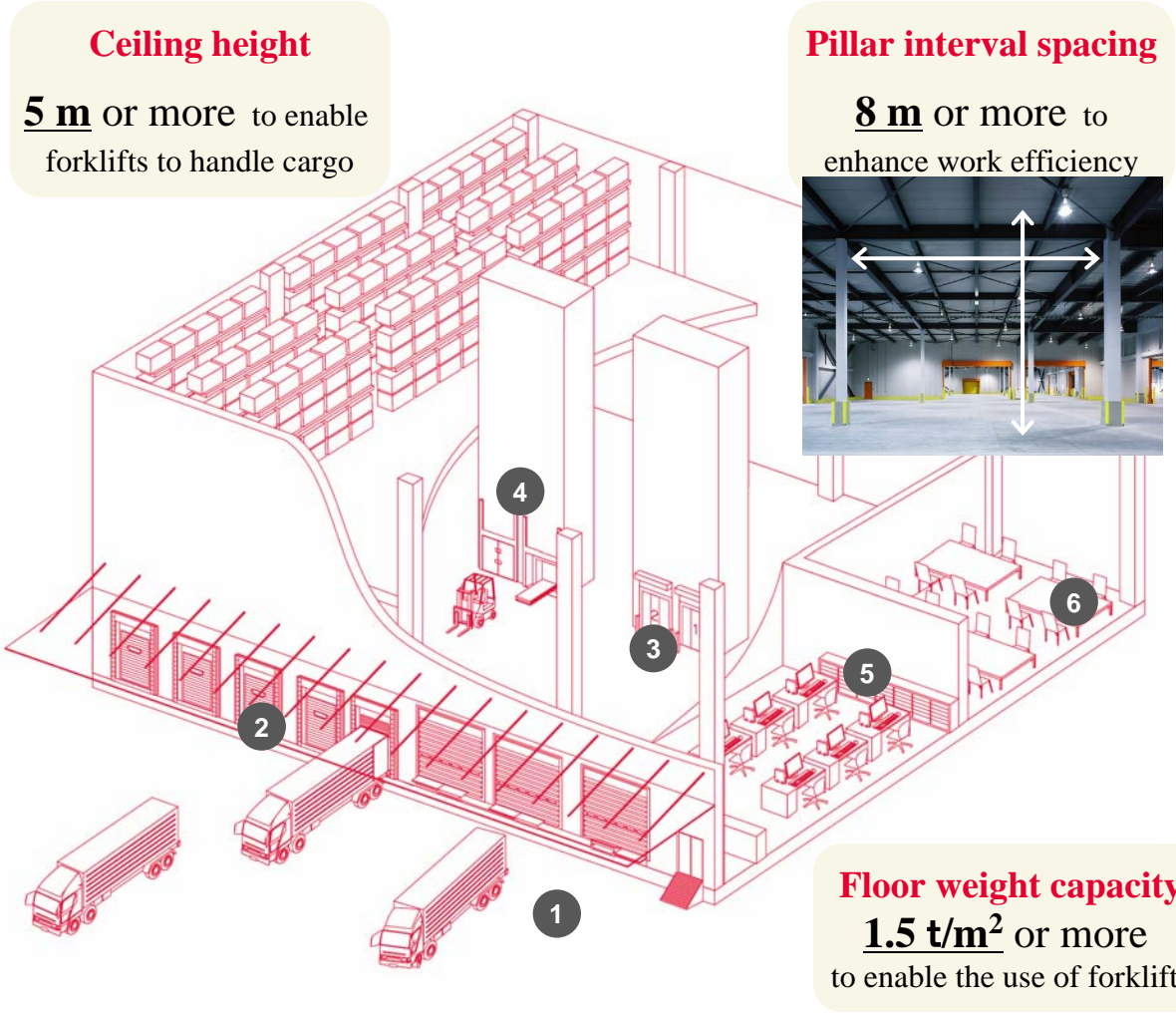
1 Car berths
Sufficient number of car berths to enhance efficiency in cargo loading



2 Dock shelters
To prevent entry of outside air, rain, wind, moisture, dust, etc., during cargo handling



3 Elevators
Sufficient number of elevators to enhance on-site distribution efficiency



Note: Not all logistics properties in our portfolio are necessarily equipped with all of the specifications above.



4 Vertical carrier machines
Sufficient number to convey cargo efficiently



5 Office space
Comfortable work environment for employees



6 Cafeteria
Hospitable work environment for employees

Investment in Specialty Retail Complexes

Investment Criteria in Specialty Retail Complexes

Location

- Maintain long-term stability through the ability to attract customers
 - Accessibility from main highways, residential roads and urban areas
 - High visibility of the building
- Characteristics suitable for the market areas and regions
 - Suitable floor composition, parking capacity, etc.
 - Adequate size



Tenants

- Competitive specialty stores
- Well-known tenants closely connected to people's daily life
- Long-term agreements with "core tenants"^(Note)
- Stable occupancy rate

Note: "Core tenants" have a lease area of at least 2,000 square meters.

Investment in Specialty Retail Complexes

Three Categories of Specialty Retail Complexes — Roadside, Mall and Urban Type Retail Properties

- Current portfolio consists of roadside and mall type retail properties

Roadside Type Retail Properties



- Single retail properties or retail complexes consisting of independent stores located along a main highway or residential road

Mall Type Retail Properties



- Either enclosed or open malls located along a main highway or residential road

Major Tenants

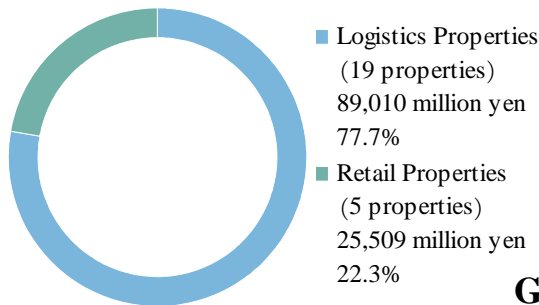


Note: Not all retail properties in our portfolio necessarily have all of the above tenants.

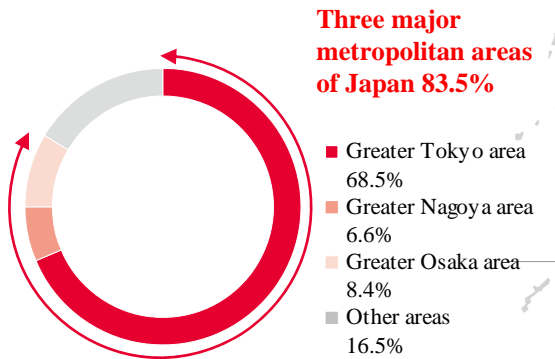
Portfolio Overview

Portfolio Diversification

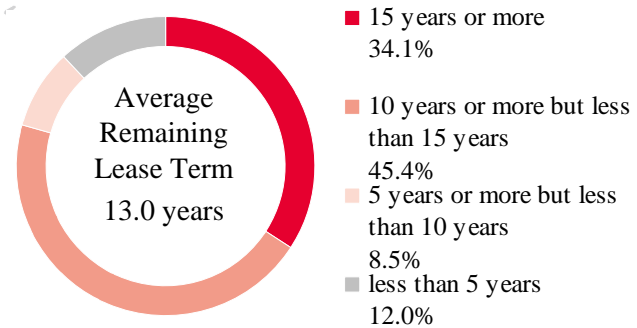
◆ By Property Type (Based on acquisition price)



◆ By Location (Based on acquisition price)

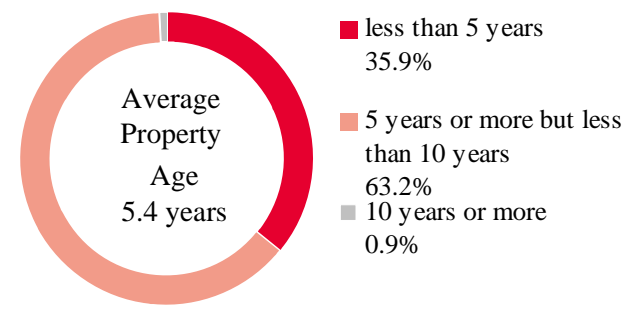


◆ By Remaining Lease Term (Based on annual rent)

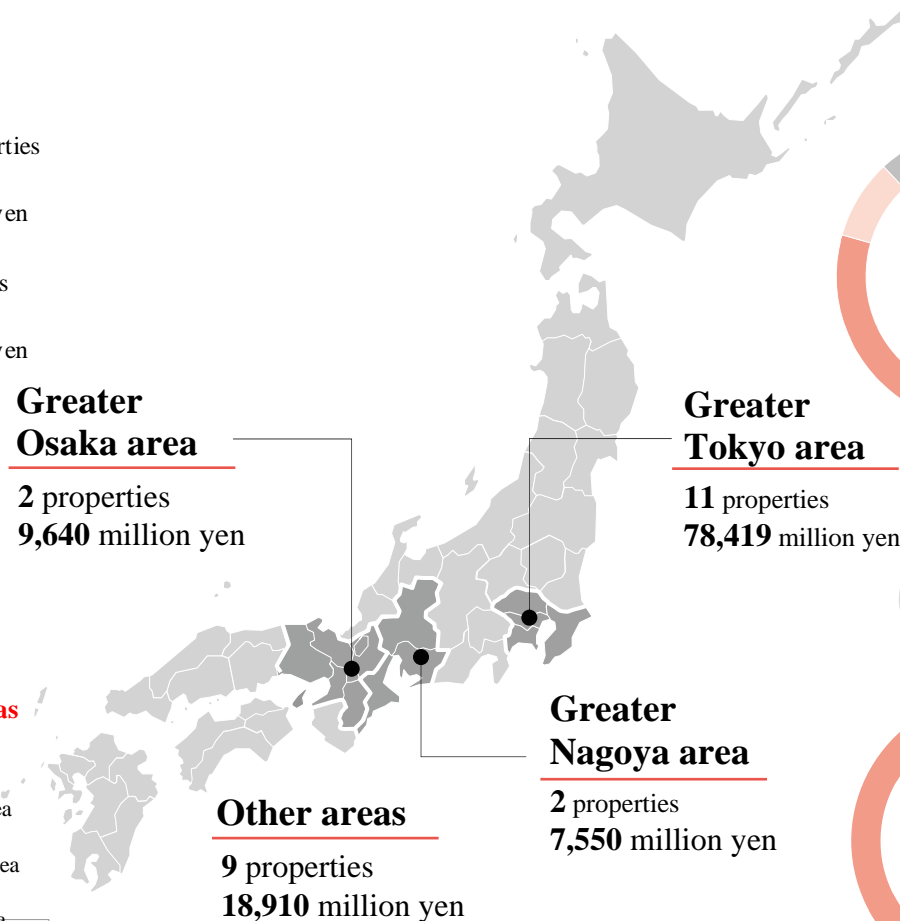


* Average lease term: 17.5 years

◆ By Property Age (Based on acquisition price)



As of February 28, 2013 (the end of 10th period)



Portfolio Appraisal Values

| Property number | Property name | Acquisition price (yen in millions) | Book value at end of 10th period (yen in millions) | Unrealized gains/losses (yen in millions) | Appraisal value (yen in millions) | | | Direct capitalization method | | | Discounted cash flow method | | | | | | Real estate appraiser (Note 2) |
|-----------------------------------|----------------------------|-------------------------------------|--|---|-----------------------------------|-----------------|------------|------------------------------|-----------------|------------|-----------------------------|-----------------|------------|------------------------------|-----------------|------------|--------------------------------|
| | | | | | IPO (Note1) | 10th period end | Difference | Capitalization rate | | | Discount rate | | | Terminal capitalization rate | | | |
| | | | | | | | | IPO (Note1) | 10th period end | Difference | IPO (Note1) | 10th period end | Difference | IPO (Note1) | 10th period end | Difference | |
| L-B-1 | D Project Machida | 7,600 | 7,619 | 301 | 7,920 | 7,920 | 0 | 5.4% | 5.4% | 0.0% | 5.4% | 5.4% | 0.0% | 5.7% | 5.7% | 0.0% | Tanizawa |
| L-B-2 | D Project Hachioji | 12,600 | 12,616 | 284 | 13,000 | 12,900 | -100 | 5.4% | 5.4% | 0.0% | (Note 3) | (Note 7) | - | 5.7% | 5.7% | 0.0% | Tanizawa |
| L-B-3 | D Project Aikawa-Machi | 2,600 | 2,610 | 280 | 2,900 | 2,890 | -10 | 5.5% | 5.5% | 0.0% | 5.6% | 5.6% | 0.0% | 5.8% | 5.8% | 0.0% | Tanizawa |
| L-B-4 | D Project Shin-Misato | 4,440 | 4,453 | 1,067 | 5,520 | 5,520 | 0 | 5.4% | 5.4% | 0.0% | 5.5% | 5.5% | 0.0% | 5.7% | 5.7% | 0.0% | Tanizawa |
| L-B-5 | D Project Urayasu I | 7,700 | 7,723 | 347 | 8,070 | 8,070 | 0 | 4.9% | 4.9% | 0.0% | 5.1% | 5.1% | 0.0% | 5.2% | 5.2% | 0.0% | Tanizawa |
| L-B-6 | D Project Urayasu II | 21,400 | 21,460 | 740 | 22,000 | 22,200 | 200 | 4.9% | 4.9% | 0.0% | 5.0% | 5.0% | 0.0% | 5.2% | 5.2% | 0.0% | Tanizawa |
| L-B-7 | D Project Akanehama | 2,550 | 2,560 | 60 | 2,630 | 2,620 | -10 | 5.2% | 5.2% | 0.0% | 5.4% | 5.4% | 0.0% | 5.5% | 5.5% | 0.0% | Tanizawa |
| L-B-8 | D Project Noda | 5,100 | 5,107 | 473 | 5,600 | 5,580 | -20 | 5.4% | 5.4% | 0.0% | 5.4% | 5.4% | 0.0% | 5.7% | 5.7% | 0.0% | Tanizawa |
| L-B-9 | D Project Inuyama | 6,650 | 6,659 | 861 | 7,570 | 7,520 | -50 | 5.8% | 5.8% | 0.0% | 5.8% | 5.8% | 0.0% | 6.1% | 6.1% | 0.0% | Tanizawa |
| L-B-10 | D Project Gifu | 900 | 903 | 147 | 1,050 | 1,050 | 0 | 5.9% | 5.9% | 0.0% | 5.9% | 5.9% | 0.0% | 6.2% | 6.2% | 0.0% | Tanizawa |
| L-B-11 | D Project Neyagawa | 4,600 | 4,612 | 508 | 5,150 | 5,120 | -30 | 5.5% | 5.5% | 0.0% | 5.6% | 5.6% | 0.0% | 5.8% | 5.8% | 0.0% | Tanizawa |
| L-B-12 | D Project Sapporo Minami | 600 | 604 | 169 | 771 | 773 | 2 | 6.5% | 6.5% | 0.0% | (Note 4) | (Note 8) | - | 6.8% | 6.8% | 0.0% | Tanizawa |
| L-B-13 | D Project Morioka | 1,000 | 1,003 | 127 | 1,130 | 1,130 | 0 | 6.4% | 6.4% | 0.0% | 6.4% | 6.4% | 0.0% | 6.7% | 6.7% | 0.0% | Tanizawa |
| L-B-14 | D Project Sendai Minami | 1,250 | 1,252 | 88 | 1,350 | 1,340 | -10 | 6.0% | 6.0% | 0.0% | (Note 5) | (Note 9) | - | 6.3% | 6.3% | 0.0% | Tanizawa |
| L-B-15 | D Project Tsuchiura | 2,880 | 2,883 | 287 | 3,190 | 3,170 | -20 | 5.6% | 5.6% | 0.0% | 5.6% | 5.6% | 0.0% | 5.9% | 5.9% | 0.0% | Tanizawa |
| L-B-16 | D Project Gotenba | 950 | 954 | 146 | 1,100 | 1,100 | 0 | 5.8% | 5.8% | 0.0% | 5.8% | 5.8% | 0.0% | 6.1% | 6.1% | 0.0% | Tanizawa |
| L-B-17 | D Project Nishi-Hiroshima | 990 | 999 | 131 | 1,140 | 1,130 | -10 | 5.9% | 5.9% | 0.0% | 6.0% | 6.0% | 0.0% | 6.2% | 6.2% | 0.0% | Tanizawa |
| L-B-18 | D Project Fukuoka Umi | 3,100 | 3,108 | 392 | 3,500 | 3,500 | 0 | 6.1% | 6.1% | 0.0% | (Note 6) | (Note 10) | - | 6.4% | 6.4% | 0.0% | Tanizawa |
| L-B-19 | D Project Tosu | 2,100 | 2,104 | 376 | 2,470 | 2,480 | 10 | 5.9% | 5.9% | 0.0% | 6.0% | 6.0% | 0.0% | 6.2% | 6.2% | 0.0% | Tanizawa |
| Logistics Properties Total | | 89,010 | 89,238 | 6,775 | 96,061 | 96,013 | -48 | - | - | - | - | - | - | - | - | - | - |
| R-M-1 | ACROSSMALL Shinkamagaya | 7,419 | 6,866 | 104 | 6,950 | 6,970 | 20 | 6.6% | 6.6% | 0.0% | 6.3% | 6.3% | 0.0% | 6.8% | 6.8% | 0.0% | JREI |
| R-M-2 | FOLEO Hirakata | 5,040 | 4,758 | -408 | 4,330 | 4,350 | 20 | 6.8% | 6.8% | 0.0% | 6.3% | 6.3% | 0.0% | 6.9% | 6.9% | 0.0% | JREI |
| R-M-3 | QiZ GATE URAWA | 5,360 | 5,044 | -344 | 4,700 | 4,700 | 0 | 6.5% | 6.5% | 0.0% | 6.0% | 6.0% | 0.0% | 6.5% | 6.5% | 0.0% | JREI |
| R-R-1 | LIFE Sagami-hara Wakamatsu | 1,650 | 1,649 | -209 | 1,440 | 1,440 | 0 | 6.0% | 6.0% | 0.0% | 5.6% | 5.6% | 0.0% | 6.1% | 6.1% | 0.0% | JREI |
| R-R-2 | FOLEO Sendai Miyanomori | 6,040 | 6,081 | 29 | 6,100 | 6,110 | 10 | 6.8% | 6.8% | 0.0% | 6.5% | 6.5% | 0.0% | 7.0% | 7.0% | 0.0% | JREI |
| Retail Properties Total | | 25,509 | 24,400 | -830 | 23,520 | 23,570 | 50 | - | - | - | - | - | - | - | - | - | - |
| Portfolio Total | | 114,519 | 113,638 | 5,945 | 119,581 | 119,583 | 2 | - | - | - | - | - | - | - | - | - | - |

(Note 1) L-B-1~19, R-R-2: as of June 30, 2012, R-M-1~3, R-R-1: as of August 31, 2012

(Note 3) 5.4% for 1st-7th year, 5.5% for 8th-10th year

(Note 4) 6.4% for 1st-5th year, 6.5% for 6th-10th year

(Note 5) 5.9% for 1st-9th year, 6.0% for 10th-11th year

(Note 6) Tower A: 5.9% for 1st-4th year, 6.0% from 5th year / Tower B: 5.9% / Tower C: 6.1% / Tower D: 6.0% for 1st-9th year, 6.1% from 10th year

(Note 2) Tanizawa: The Tanizawa Sogo Appraisal Co., Ltd., JREI: Japan Real Estate Institute

(Note 7) 5.4% for 1st-6th year, 5.5% for 7th-10th year

(Note 8) 6.4% for 1st-5th year, 6.5% for 6th-10th year

(Note 9) 5.9% for 1st-8th year, 6.0% for 9th-11th year

(Note 10) Tower A: 5.9% for 1st-3rd year, 6.0% from 4th year / Tower B: 5.9% for 1st-9th year, 6.1% from 10th year / Tower C: 6.1% / Tower D: 6.0% for 1st-9th year, 6.1% from 10th year

Rental Revenues and Expenses by Property ①

| (yen in millions) | | | | | | | | | | |
|--|-------------------|--------------------|------------------------|-----------------------|---------------------|----------------------|---------------------|----------------|-------------------|----------------|
| Property number | L-B-1 | L-B-2 | L-B-3 | L-B-4 | L-B-5 | L-B-6 | L-B-7 | L-B-8 | L-B-9 | L-B-10 |
| Property name | D Project Machida | D Project Hachioji | D Project Aikawa-Machi | D Project Shin-Misato | D Project Urayasu I | D Project Urayasu II | D Project Akanehama | D Project Noda | D Project Inuyama | D Project Gifu |
| Operation days | 92 days | 92 days | 93 days | 92 days | 93 days | 92 days | 93 days | 93 days | 93 days | 92 days |
| Revenues from property leasing | | | | | | | | | | |
| Rental revenues | | | | | | | | | | |
| Other revenues | | | | | | | | | | |
| Rental expenses | | | | | | | | | | |
| Real estate taxes | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed |
| Property management fees | | | | | | | | | | |
| Insurance | | | | | | | | | | |
| Repairs and maintenance | | | | | | | | | | |
| Other rental expenses | | | | | | | | | | |
| Rental NOI | 126 | 214 | 44 | 82 | 116 | 306 | 39 | 89 | 129 | 17 |
| Depreciation | 33 | 69 | 10 | 17 | 29 | 72 | 10 | 29 | 37 | 6 |
| Operating income from property leasing | 93 | 144 | 34 | 64 | 87 | 233 | 29 | 59 | 91 | 10 |
| NOI yield (annualized) | 6.6% | 6.8% | 6.8% | 7.4% | 6.0% | 5.7% | 6.1% | 6.9% | 7.6% | 7.6% |
| Yield after depreciation (annualized) | 4.9% | 4.6% | 5.2% | 5.8% | 4.5% | 4.3% | 4.5% | 4.6% | 5.4% | 4.8% |

| Property number | L-B-11 | L-B-12 | L-B-13 | L-B-14 | L-B-15 | L-B-16 | L-B-17 | L-B-18 | L-B-19 | Logistics Properties Total |
|--|--------------------|--------------------------|-------------------|-------------------------|---------------------|-------------------|---------------------------|-----------------------|----------------|----------------------------|
| Property name | D Project Neyagawa | D Project Sapporo Minami | D Project Morioka | D Project Sendai Minami | D Project Tsuchiura | D Project Gotenba | D Project Nishi-Hiroshima | D Project Fukuoka Umi | D Project Tosu | |
| Operation days | 93days | 93days | 92days | 93days | 92days | 93days | 92days | 93days | 93days | 92 days (Note) |
| Revenues from property leasing | | | | | | | | 62 | | 1,552 |
| Rental revenues | | | | | | | | 61 | | 1,539 |
| Other revenues | | | | | | | | 0 | | 12 |
| Rental expenses | | | | | | | | 2 | | 48 |
| Real estate taxes | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | Not disclosed | 0 | Not disclosed | 0 |
| Property management fees | | | | | | | | 1 | | 38 |
| Insurance | | | | | | | | 0 | | 2 |
| Repairs and maintenance | | | | | | | | 0 | | 1 |
| Other rental expenses | | | | | | | | 0 | | 5 |
| Rental NOI | 80 | 14 | 20 | 24 | 55 | 18 | 21 | 60 | 40 | 1,504 |
| Depreciation | 20 | 4 | 7 | 10 | 19 | 5 | 4 | 18 | 13 | 422 |
| Operating income from property leasing | 60 | 10 | 12 | 14 | 36 | 12 | 16 | 41 | 27 | 1,081 |
| NOI yield (annualized) | 6.8% | 9.7% | 8.1% | 7.7% | 7.7% | 7.7% | 8.6% | 7.6% | 7.6% | 6.7% |
| Yield after depreciation (annualized) | 5.1% | 6.7% | 5.1% | 4.5% | 5.1% | 5.3% | 6.7% | 5.3% | 5.1% | 4.8% |

(Note) Operation days are also weighted by acquisition price.

Rental Revenues and Expenses by Property ②

| | | | | | | | (yen in millions) | |
|--|-------------------------|----------------|----------------|---------------------------|-------------------------|-------------------------|-------------------|-------|
| Property number | R-M-1 | R-M-2 | R-M-3 | R-R-1 | R-R-2 | Retail Properties Total | Portfolio Total | |
| Property name | ACROSSMALL Shinkamagaya | FOLEO Hirakata | QiZ GATE URAWA | LIFE Sagamihara Wakamatsu | FOLEO Sendai Miyanomori | | | |
| Operation days | 181days | 181days | 181days | 181days | 92days | 160 days (Note) | 107 days (Note) | |
| Revenues from property leasing | 273 | 188 | 235 | Not disclosed | 121 | 869 | 2,421 | |
| Rental revenues | 273 | 187 | 174 | | 121 | 807 | 2,346 | |
| Other revenues | 0 | 1 | 60 | | 0 | 62 | 74 | |
| Rental expenses | 46 | 39 | 78 | | 2 | 172 | 220 | |
| Real estate taxes | 26 | 23 | 14 | | 0 | 68 | 68 | |
| Property management fees | 8 | 7 | 32 | | 1 | 52 | 90 | |
| Insurance | 0 | 0 | 0 | | 0 | 1 | 4 | |
| Repairs and maintenance | 9 | 3 | 0 | | 0 | 14 | 15 | |
| Other rental expenses | 0 | 3 | 30 | | 0 | 35 | 41 | |
| Rental NOI | 226 | 149 | 157 | | 43 | 119 | 696 | 2,200 |
| Depreciation | 69 | 41 | 50 | 4 | 17 | 183 | 605 | |
| Operating income from property leasing | 157 | 108 | 106 | 39 | 101 | 513 | 1,594 | |
| NOI yield (annualized) | 6.2% | 6.0% | 5.9% | 5.3% | 7.8% | 6.2% | 6.5% | |
| Yield after depreciation (annualized) | 4.3% | 4.3% | 4.0% | 4.8% | 6.7% | 4.6% | 4.7% | |

(Note) Operation days are also weighted by acquisition price.

List of Logistics Properties ①

| Property Name | D Project Machida | D Project Hachioji | D Project Aikawa-Machi | D Project Shin-Misato | D Project Urayasu I |
|-----------------------|--|---|---|--|--|
| Photo |  |  |  |  |  |
| Location | Machida, Tokyo | Hachioji, Tokyo | Aiko, Kanagawa | Misato, Saitama | Urayasu, Chiba |
| Acquisition Price | 7,600 million yen | 12,600 million yen | 2,600 million yen | 4,440 million yen | 7,700 million yen |
| Appraisal Value | 7,920 million yen | 12,900 million yen | 2,890 million yen | 5,520 million yen | 8,070 million yen |
| NOI Yield | 6.6% | 6.8% | 6.8% | 7.4% | 6.0% |
| Occupancy Rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Main Tenant | Hitachi Capital Corporation | Mitsubishi Shokuhin Co., Ltd. | Hitachi Capital Corporation | Asahi Security Co., Ltd. | NAKANO SHOKAI CO., LTD. |
| Line of Products | Household goods, etc. (mail-order company) | Food, etc. (food wholesale company) | Food, etc. (logistics company) | — | Home appliances (logistics company) |
| Number of Tenants | 1 | 2 | 1 | 1 | 1 |
| Property Descriptions | <ul style="list-style-type: none"> • Located near National Route 16, which connects to the Yokohama/Machida IC on the Tomei Expressway and the Hachioji IC on the Chuo Expressway • Distribution base that can be used for wider-area distribution, mainly in the southeastern region of the Tokyo metropolitan area • Sufficient parking lots on the premise | <ul style="list-style-type: none"> • Located near National Route 16, which connects to the Yokohama/Machida IC on the Tomei Expressway and the Hachioji IC on the Chuo Expressway • Distribution base that can be used for wider-area distribution, mainly in the southeastern region of the Tokyo metropolitan area • Sufficient parking lots on the premise | <ul style="list-style-type: none"> • National Route 129 is the closest highway • Favorable access to large-scale commercial areas in Hachioji, Kawasaki and Yokohama • Sagami Longitudinal Expressway will be completed in the FY2013, which would enable access to the Tomei and Chuo Expressways | <ul style="list-style-type: none"> • Easily accessible to highways which lead to the greater Tokyo area via the Misato IC on the Gaikan Expressway within approx. 3 km from this property • Possible to quickly collect from and distribute to major commercial areas centering around the northern part of Tokyo and the southern part of Saitama at a low cost • 7 minutes' walk from Shin-Misato Sta. on the JR Musashino Line | <ul style="list-style-type: none"> • 2~3 km from the Shuto Expressway Wangan (closest to the Maihama and Urayasu ICs) and National Route 357 which runs along the coast • Favorable location for a logistics property handling general consumer goods because it is close to a large-scale consumption area • Located within one of the major large logistics centers in Chiba Prefecture |
| Specifications | <ul style="list-style-type: none"> • Gross floor area: 50,490.34 m² • Floor weight capacity: 0.5~1.5 t/m² • Ceiling height: 3.3~7.2 m • Pillar interval: 9.0 m×11.0 m • Cargo EV: 6 • Vertical carrier machine: 1 • Connected car berths: 2 sides (for 40 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 58,678.15 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 6.3~7.4 m • Pillar interval: 10.0 m×10.8 m • Cargo EV: 3 (1st and 2nd floor)/ 4 (3rd and 4th floor) • Vertical carrier machines: 3 • Connected car berths: 2 sides (for 75 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 13,213.43 m² • Floor weight capacity: 0.8 t/m² • Ceiling height: 5.7~6.8 m • Pillar interval: 10.0 m×11.0 m • Cargo EV: 2 • Vertical carrier machines: 2 • Connected car berths: 1 side (for 23 vehicles) • Dock shelters: for 20 vehicles | <ul style="list-style-type: none"> • Gross floor area: 11,257.04 m² • Floor weight capacity: 1.5 t/m² (partly 2.5 t/m²) • Ceiling height: 4.0~6.0 m • Pillar interval: 10.2 m×10.0 m • Cargo EV: 2 • Connected car berths: 1 side (for 11 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 36,515.81 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 6.5~7.1 m • Pillar interval: 10.0 m×10.0 m • Cargo EV: 4 • Vertical carrier machines: 12 • Connected car berths: 2 sides (for 48 vehicles) |


List of Logistics Properties ②

| Property Name | D Project Urayasu II | D Project Akanehama | D Project Noda | D Project Inuyama | D Project Gifu |
|-----------------------|---|---|---|---|--|
| Photo |  |  |  |  |  |
| Location | Urayasu, Chiba | Narashino, Chiba | Noda, Chiba | Inuyama, Aichi | Anpachi, Gifu |
| Acquisition Price | 21,400 million yen | 2,550 million yen | 5,100 million yen | 6,650 million yen | 900 million yen |
| Appraisal Value | 22,200 million yen | 2,620 million yen | 5,580 million yen | 7,520 million yen | 1,050 million yen |
| NOI Yield | 5.7% | 6.1% | 6.9% | 7.6% | 7.6% |
| Occupancy Rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Main Tenant | Hitachi Capital Corporation | Hitachi Capital Corporation | Mitsubishi Shokuhin Co., Ltd. | Takihyo Co., Ltd. | GOTSU Co., Ltd. |
| Line of Products | Business equipment, etc. (warehouse company) | Vegetable, etc. (food retailer) | Food (food wholesale company) | Clothes, etc. (apparel wholesaler) | Beverage, etc. (logistics company) |
| Number of Tenants | 1 | 1 | 1 | 1 | 1 |
| Property Descriptions | <ul style="list-style-type: none"> • 2~3km from the Shuto Expressway Wangan (closest to the Maihama and Urayasu ICs) and National Route 357 which runs along the coast • Favorable location for a logistics property handling general consumer goods because it is close to a large-scale consumption area • Located within one of the major large logistics centers in Chiba Prefecture | <ul style="list-style-type: none"> • Favorable access to the Tokando Expressway, National Route 357 and Keiyo Road • Large-sized base covering the extensive commercial area in the greater Tokyo area extending from central Tokyo to Chiba • Slightly far from JR Shin-Narashino Sta., but still within walking distance | <ul style="list-style-type: none"> • A collection and distribution base centering around the commercial area in the east side of the greater Tokyo area from Chiba Prefecture to Saitama Prefecture, located near National Route 16, the major loop line in the greater Tokyo area • Regarded as a base for the entire greater Tokyo area, including the center of Tokyo, since it is easily accessible to the Tokyo Gaikan Expressway and Shuto Expressway | <ul style="list-style-type: none"> • Located within approx.10 km from the Komaki IC on the Tomei-Meishin Expressway, approx. 7 km from the Komaki Higashi IC on the Chuo Expressway and approx. 4 km from National Route 41 running north and south • Favorable location as a wide-area distribution base • Large motor vehicles have easy access to the frontal roads and peripheral highways | <ul style="list-style-type: none"> • Located within approx. 3 km from the Ogaki IC and approx. 6 km from the Gifu Hashima IC on the Meishin Expressway • The area can function as a base for procurement and distribution for the production of raw materials among production sites in the Chubu area and the Kinki area, and as a distribution site for consumer areas centering around the Chubu area • Relatively accessible from populous peripheral cities such as Ogaki City and Gifu City |
| Specifications | <ul style="list-style-type: none"> • Gross floor area: 72,320.01 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 5.4~7.1 m • Pillar interval: 10.5 m×10.7 m • Cargo EV: 10 • Vertical carrier machines: 8 • Connected car berths: 3 sides (for 99 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 11,656.89 m² • Floor weight capacity: 1.0 t/m² • Ceiling height: 5.0~6.2m • Pillar interval: 8.4 m×10.0 m • Cargo EV: 4 • Connected car berths: 1 side (for 21 vehicles) • Dock shelters: for 21 vehicles | <ul style="list-style-type: none"> • Gross floor area: 29,190.21 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 8.3~11.3 m • Pillar interval: 10.8 m×11.0 m • Cargo EV: 4 • Vertical carrier machines: 6 • Connected car berths: 3 sides (for 78 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 42,083.63 m² • Floor weight capacity: 0.5~1.5 t/m² • Ceiling height: 3.3~7.3 m • Pillar interval: 10.0 m×10.0 m • Cargo EV: 2 • Vertical carrier machines: 4 • Connected car berths: for 55 vehicles | <ul style="list-style-type: none"> • Gross floor area: 6,921.06 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 6.3~6.6 m • Pillar interval: 10.1(8.1) m ×10.5 m • Cargo EV: 1 • Vertical carrier machines: 2 |




List of Logistics Properties ③

| Property Name | D Project Neyagawa | D Project Sapporo Minami | D Project Morioka | D Project Sendai Minami | D Project Tsuchiura |
|-----------------------|---|--|--|--|---|
| Photo |  |  |  |  |  |
| Location | Neyagawa, Osaka | Kitahiroshima, Hokkaido | Iwate, Iwate | Iwanuma, Miyagi | Tsuchiura, Ibaraki |
| Acquisition Price | 4,600 million yen | 600 million yen | 1,000 million yen | 1,250 million yen | 2,880 million yen |
| Appraisal Value | 5,120 million yen | 773 million yen | 1,130 million yen | 1,340 million yen | 3,170 million yen |
| NOI Yield | 6.8% | 9.7% | 8.1% | 7.7% | 7.7% |
| Occupancy Rate | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Main Tenant | Nippon Meat Packers, Inc. | Mitsubishi Shokuhin Co., Ltd. | Mitsubishi Shokuhin Co., Ltd. | Mitsubishi Shokuhin Co., Ltd. | YAMATO MULTI-MAINTENANCE SOLUTIONS CO., LTD. |
| Line of Products | Frozen foods (food maker) | Food, etc. (food wholesale company) | Food, beverage, etc. (food wholesale company) | Snacks and beverage, etc. (food wholesale company) | PC support and maintenance center |
| Number of Tenants | 1 | 1 | 1 | 1 | 1 |
| Property Descriptions | <ul style="list-style-type: none"> • Located within approx. 4 km from the Osaka Chuo Kanjio Highway, approx. 5 km from the Settsu Minami IC on the Kinki Expressway, approx. 4.5 km from the entrance and exit of the Hanshin Expressway Moriguchi Route, and near Settsu City, a logistics area • Relatively good traffic access as National Route 1 is the major trunk line connecting Kyoto and Osaka • Large motor vehicles have easy access from National Route 1 | <ul style="list-style-type: none"> • Located near National Route 36, the major highway connecting Sapporo City to Tomakomai area via Shinchitose Airport. Favorable location as a distribution base for commercial areas including Sapporo City and its peripheral cities • Proximity to the commercial area and an industrial complex • Access to highways to major cities of Hokkaido, as it is located near the Wattu Smart IC and Kitahiroshima IC on the Hokkaido Expressway | <ul style="list-style-type: none"> • A base for distribution to the North Tohoku and Sendai areas, the central commercial area in the Tohoku area • Close to industrial areas and the central part of Morioka City • Located in Morioka Nishi Research Park, which has wide peripheral roads and is within 10.2 km from Morioka Sta. of the JR Tohoku Shinkansen and within 5.7 km from the Morioka IC on the Tohoku Expressway | <ul style="list-style-type: none"> • Located near Sendai Airport, relatively accessible to Sendai Port, and within approx. 3 km from the Sendai Airport IC on the Sendai Tobu Expressway • Favorable location for a logistics site as it is possible to distribute to the central part of Sendai via National Route 4 and the Sendai Tobu Expressway • Good operational environment | <ul style="list-style-type: none"> • Located within approx. 3 km from the Tsuchiura Kita IC on the Joban Expressway and approx. 1.5 km from National Route 125, and with favorable traffic access to highways • Located in the Higashi-Tsukuba and Niihari Industrial Area, which is a restricted industrial zone |
| Specifications | <ul style="list-style-type: none"> • Gross floor area: 11,303.11 m² • Floor weight capacity: 1.3 t/m² • Ceiling height: 4.5~8.5 m • Pillar interval: 11.0 m×12.0 m • Cargo EV: 1 • Vertical carrier machines: 4 • Connected car berths: for 25 vehicles • Dock shelters: for 25 vehicles | <ul style="list-style-type: none"> • Gross floor area: 6,749.10 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 8.0~9.0 m • Pillar interval: 11.0 m×11.0 m (partly 11.0 m×9.0 m) • Cargo EV: 1 • Vertical carrier machines: 1 • Connected car berths: 1 side (for 17 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 8,849.12 m² • Floor weight capacity: 1.5~2.0 t/m² • Ceiling height: 8.5~9.1 m • Pillar interval: 11.0 m×7.8 m • Cargo EV: 1 • Vertical carrier machines: 2 • Connected car berths: for 19 vehicles | <ul style="list-style-type: none"> • Gross floor area: 11,042.27 m² • Floor weight capacity: 1.5 t/m² • Ceiling height: 9.0~12.2 m • Pillar interval: 10.5 m×11.0 m • Cargo EV: 1 • Vertical carrier machines: 2 • Connected car berths: 1 side (for 19 vehicles) | <ul style="list-style-type: none"> • Gross floor area: 17,448.86 m² • Floor weight capacity: 0.5~1.5 t/m² • Ceiling height: 4.8~7.0 m • Pillar interval: 9.2 m×8.6 m • Cargo EV: 2 • Vertical carrier machines: 1 • Connected car berths: 1 side (for 17 vehicles) |

List of Logistics Properties ④

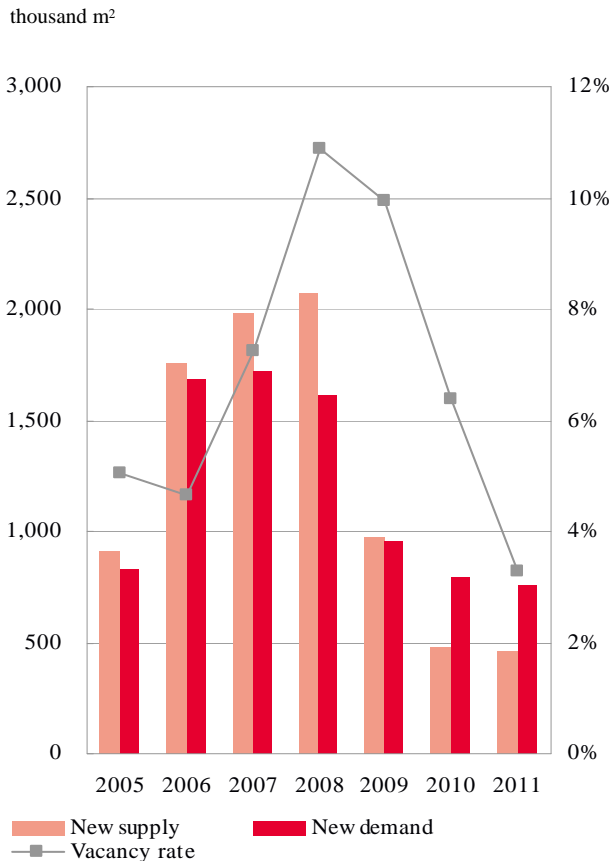
| Property Name | D Project Gotenba | D Project Nishi-Hiroshima | D Project Fukuoka Umi | D Project Tosu |
|-----------------------|--|--|---|---|
| Photo |  |  |  |  |
| Location | Gotenba, Shizuoka | Hiroshima, Hiroshima | Kasuya, Fukuoka | Tosu, Saga |
| Acquisition Price | 950 million yen | 990 million yen | 3,100 million yen | 2,100 million yen |
| Appraisal Value | 1,100 million yen | 1,130 million yen | 3,500 million yen | 2,480 million yen |
| NOI Yield | 7.7% | 8.6% | 7.6% | 7.6% |
| Occupancy Rate | 100.0% | 100.0% | 100.0% | 100.0% |
| Main Tenant | HOKKOH Transportation, Inc. | UCC FOODS CO., LTD | Nippon Express Co., Ltd | Nippon Meat Packers, Inc. |
| Line of Products | Materials for rubber and chemical products (logistics company) | Food and beverage (food wholesale company) / auto parts (logistics company) | Auto tire (logistics company) / household goods (logistics company) | Frozen foods (food maker) |
| Number of Tenants | 1 | 2 | 4 | 1 |
| Property Descriptions | <ul style="list-style-type: none"> • Good access to the Tomei Expressway via the Gotenba IC and Susono IC, which are approx. 7 km from the property • It can function as a procurement and distribution base for the production of raw materials in the Chubu area | <ul style="list-style-type: none"> • Located near the Hiroshima Seifu-Shinto IC in a convenient location as a distribution base • Many distribution and manufacturing bases in the peripheral industrial areas and wide peripheral connection roads | <ul style="list-style-type: none"> • Located in the suburbs of Fukuoka, relatively close to the city central, within approx. 4 km from the Tsukiguma junction on the Fukuoka Urban Expressway and approx. 6 km from Fukuoka Airport • Located in an industrial area with a number of distribution facilities and offices | <ul style="list-style-type: none"> • Significant logistics site near the Tosu IC, where the Kyushu Longitudinal Expressway and the Kyushu Transversal Expressway intersect • Located in a light-industrial district, within a distribution complex |
| Specifications | <ul style="list-style-type: none"> • Gross floor area: 6,457.26 m² • Floor weight capacity: 1.6~4.0 t/m² • Ceiling height: 6.1~7.0 m • Pillar interval: 9.4 m×10.0 m • Vertical carrier machines: 2 | <ul style="list-style-type: none"> • Gross floor area: 4,453.45 m² • Floor weight capacity: 1.6~4.0 t/m² • Ceiling height: 6.5~10.6 m • Pillar interval: 9.0 m×16.0 m / 11.0 m×8.0 m / 9.5 m×14.0 m (16.0 m) / 7.5 m×9.7 m • Connected car berths: for 8 vehicles • Dock shelters: for 11 vehicles | <ul style="list-style-type: none"> • Gross floor area: 23,742.02 m² • Floor weight capacity: 1.0~2.2 t/m² • Ceiling height: 6.4~10.9 m • Pillar interval: 8.1 m×8.7 m / 8.4 m×8.9 m • Cargo EV: 4 • Vertical carrier machines: 2 • Connected car berths: for 22 vehicles | <ul style="list-style-type: none"> • Gross floor area: 8,504.62 m² • Floor weight capacity: 1.3 t/m² • Ceiling height: 6.7~7.4 m • Pillar interval: 11.0 m×11.0 m • Cargo EV: 1 • Vertical carrier machines: 3 • Connected car berths: for 24 vehicles • Dock shelters: for 24 vehicles |

List of Retail Properties

| Property Name | ACROSSMALL Shinkamagaya | FOLEO Hirakata | QiZ GATE URAWA | LIFE Sagamihara Wakamatsu | FOLEO Sendai Miyanomori |
|------------------------------|--|---|--|---|---|
| Photo |  |  |  |  |  |
| Location | Kamagaya, Chiba | Hirakata, Osaka | Saitama, Saitama | Sagamihara, Kanagawa | Sendai, Miyagi |
| Acquisition Price | 7,419 million yen | 5,040 million yen | 5,360 million yen | 1,650 million yen | 6,040 million yen |
| Appraisal Value | 6,970 million yen | 4,350 million yen | 4,700 million yen | 1,440 million yen | 6,110 million yen |
| NOI Yield | 6.2% | 6.0% | 5.9% | 5.3% | 7.8% |
| Occupancy Rate | 100.0% | 100.0% | 99.9% | 100.0% | 100.0% |
| Main Tenant | Daiwa Information Service Co., Ltd. | Alpen Co., Ltd. | Vision Megane Corporation | LIFE CORPORATION | Daiwa House Industry Co., Ltd. |
| Number of Tenants | 1 | 23 | 11 | 1 | 1 |
| Located Market Area / Tenant | <ul style="list-style-type: none"> • Located on the center land designated for a Shinkamagaya land adjustment project in front of Shinkamagaya Sta. which is the hub for the three train lines of Hokusyo Railway, Shin-Keisei Electric Railway and Tobu Noda Line • 700 parking spaces and predominantly targets customers traveling by automobiles and trains • There is a population of approx. 11,000 within a 1 km-radius, approx. 158,000 within a 3 km-radius, and approx. 378,000 within a 5 km-radius of the commercial area. Market expansion can be expected as residential housing development is progressing in the peripheral area and the ratio of family households within a 3 km-radius is relatively high | <ul style="list-style-type: none"> • Good access to National Route 1, which runs north and south of the central part of Hirakata and provides good location for roadside stores • 930 parking spaces on the ground floor, the third floor and the rooftop • There is a population of approx. 17,000 within a 1 km-radius, approx. 190,000 within a 3 km-radius and approx. 371,000 within a 5 km-radius of the commercial area. From the west side to the southwest side of the property, there is a high residential density at an average level for a commercial area • Tenants include specialty stores such as Kadokawa Cineplex, Sports Depo (which includes Alpen and various other stores), as well as stores specializing in casual fashion, Shoe Plaza, a bookstore, a 100-yen shop and a pet shop, in addition to restaurants | <ul style="list-style-type: none"> • Located within approx. 2.7 km northeast of JR Urawa Sta., in a high traffic area where National Route 463 (which runs east to west) crosses with Second Industrial Road (which runs north to south) • There is a population of approx. 26,000 within a 1 km-radius, approx. 231,000 within a 3 km-radius and 604,000 within a 5 km-radius of the commercial area. Although there is a low residential density in the area from the north side to the east side of the property, the south side has a high residential density, which makes this commercial area attractive • Food supermarket, home furnishings, two specialty stores (pharmacy and eyeglasses store) and six service stores (beauty salon, clinic, dry cleaner, etc.) | <ul style="list-style-type: none"> • Located in Sagamihara City, a government-ordinance-designated city since 2010, within approx. 1.5 km northwest of Odakyu Odawara Line Sagami-Ono Sta. • 69 parking spaces on the rooftop • There is a population of approx. 34,000 within a 1 km-radius of the commercial area, approx. 122,000 within a 2 km-radius, and approx. 265,000 within a 3 km-radius of the commercial area, in which more than one food supermarket can be established • A major food supermarket chain, LIFE CORPORATION, rents the entire property, which gives LIFE CORPORATION an advantageous scale in the neighboring commercial area • The second floor, which is where the parking lot is located, is subleased to restaurants | <ul style="list-style-type: none"> • Located close to the center part of Sendai City, approx. 3 km northeast of the JR Sendai station. The frontal roads of the property are three lanes each direction, with the south side connecting to Prefectural Road 8 and the north side near Tozai Road, and are right-turn lane equipped • There is a high residential density, with a population of approx. 187,000 people within a 3 km radius and approx. 434,000 people within a 5 km radius of the commercial area • Tenants are leading companies of various business categories, such as York Benimaru, a supermarket, and prominent tenants include specialized stores such as CAWACHI (pharmacy), K's Denki (home appliances store), TSUTAYA (books and rental store), Shoe Plaza and Nishimatsuya Chain, as well as restaurants such as Hamazushi and MOS BURGER |

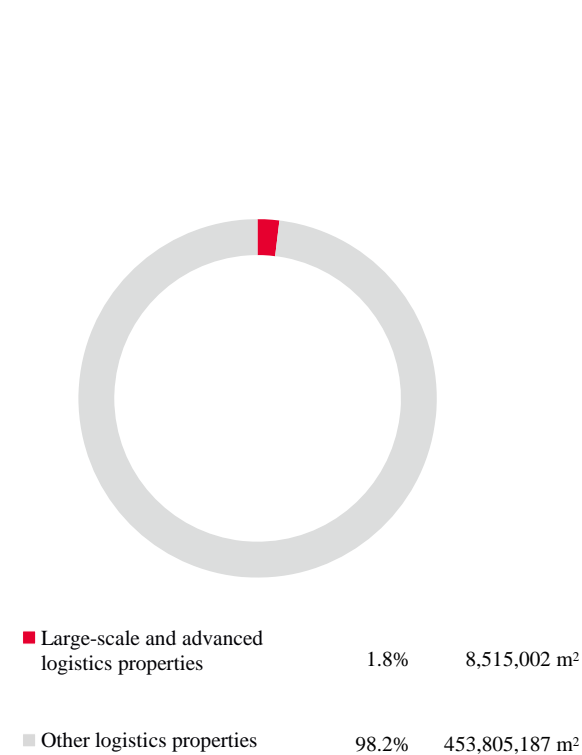
Business Environment Surrounding Logistics Properties

Supply and Demand of Logistics Properties for Lease in the Three Major Metropolitan Areas of Japan



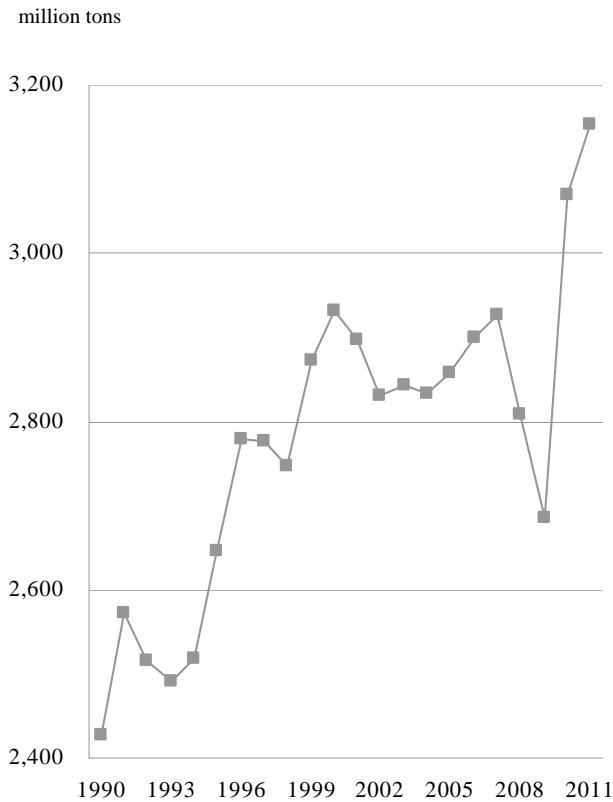
Source: "Market Research Concerning Logistics Properties", CBRE K.K., or CBRE, September 2012

Supply of Large-scale and Advanced Logistics Properties Compared to All Logistics Properties



Source: "Market Research concerning Logistics Properties", CBRE, September 2012

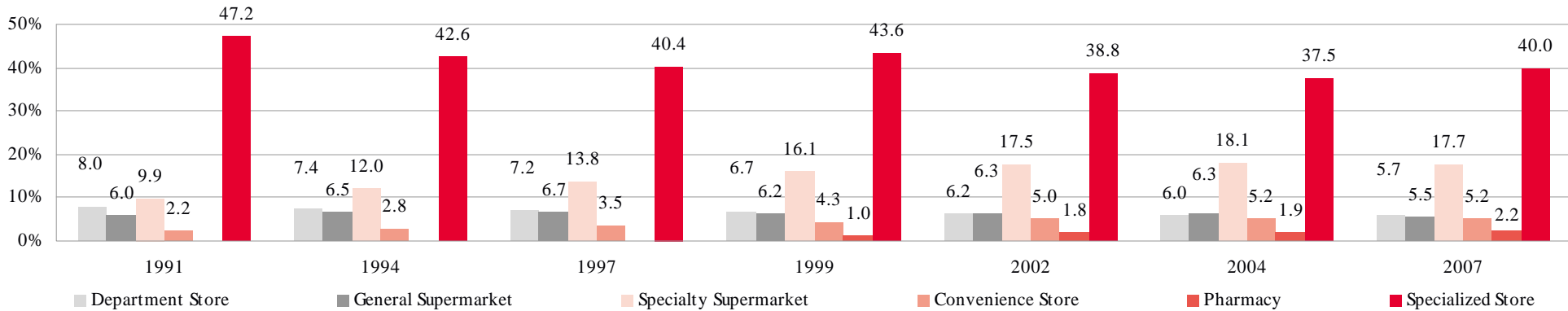
Trends of Cargo Transportation Volume by Commercial Motor Vehicles



Source: "Statistics of Motor Vehicles Transport", Ministry of Land, Infrastructure, Transport and Tourism, or MLIT

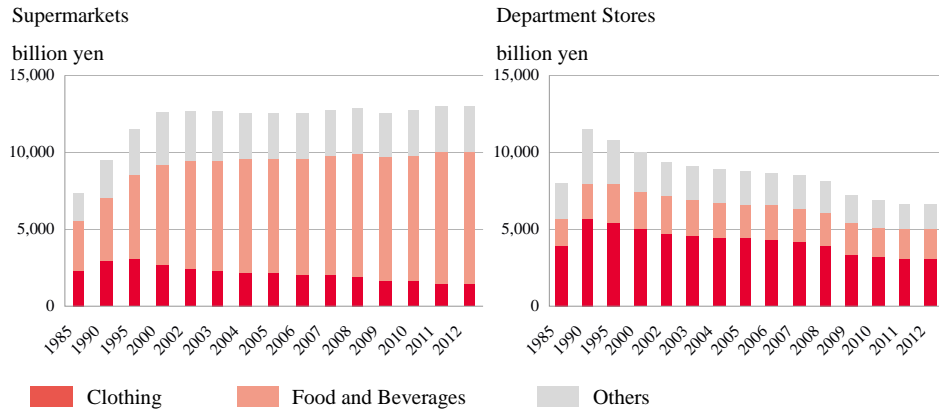
Business Environment Surrounding Retail Properties

Composition of Product Sales Volume by Business Categories of Retail Stores



Source: "Commercial Statistics", Ministry of Economy, Trade and Industry, or METI

Breakdown of Annual Sales of Supermarkets and Department Stores



Source: "Commercial Sales Statistics" and "Current Survey of Commerce", METI

Changes in Year-on-year Rate of Sales Volume of Supermarkets Under the Business Category of Large Retail Stores



Source: "Survey of Commerce", METI

Balance Sheets

| | 9th Period ended Aug 2012 | 10th Period ended Feb 2013 |
|--|------------------------------|-------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 972,202 | 3,959,773 |
| Cash and deposits in trust | 1,847,066 | 7,362,648 |
| Operating accounts receivable | 7,875 | 13,731 |
| Prepaid expenses | 7,186 | 134,656 |
| Consumption taxes receivable | — | 2,172,672 |
| Other | 133 | 104,928 |
| Total current assets | 2,834,465 | 13,748,410 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings in trust | 10,004,018 | 52,402,113 |
| Accumulated depreciation | (1,267,381) | (1,843,680) |
| Buildings in trust, net | 8,736,636 | 50,558,432 |
| Structures in trust | 347,918 | 2,106,811 |
| Accumulated depreciation | (57,251) | (86,927) |
| Structures in trust, net | 290,666 | 2,019,883 |
| Land in trust | 9,457,094 | 61,060,143 |
| Construction in progress in trust | 5,840 | — |
| Total property, plant and equipment | 18,490,238 | 113,638,459 |
| Intangible assets | | |
| Other | — | 3,230 |
| Total intangible assets | — | 3,230 |
| Investments and other assets | | |
| Investment securities | 5,973 | 6,054 |
| Long-term prepaid expenses | — | 383,358 |
| Total investments and other assets | 5,973 | 389,412 |
| Total noncurrent assets | 18,496,212 | 114,031,102 |
| Total assets | 21,330,677 | 127,779,512 |

| | (yen in thousands) | |
|---|------------------------------|-------------------------------|
| | 9th Period ended Aug 2012 | 10th Period ended Feb 2013 |
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 26,726 | 43,535 |
| Current portion of long-term loans payable | 12,400,000 | — |
| Accounts payable-other | 9,355 | 8,145 |
| Accrued expenses | 52,279 | 78,951 |
| Income taxes payable | 605 | 605 |
| Accrued consumption taxes | 1,030 | — |
| Advances received | 92,664 | 385,684 |
| Other | 23,806 | 53,628 |
| Total current liabilities | 12,606,466 | 570,552 |
| Noncurrent Liabilities | | |
| Long-term loans payable | — | 61,000,000 |
| Tenant leasehold and security deposits in trust | 1,451,189 | 5,935,967 |
| Total noncurrent liabilities | 1,451,189 | 66,935,967 |
| Total liabilities | 14,057,656 | 67,506,519 |
| Net assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 7,300,000 | 59,381,050 |
| Surplus | | |
| Unappropriated retained earnings | | |
| (undisposed loss) | (26,979) | 891,943 |
| Total surplus | (26,979) | 891,943 |
| Total unitholders' equity | 7,273,020 | 60,272,993 |
| Total net assets | 7,273,020 | 60,272,993 |
| Total liabilities and net assets | 21,330,677 | 127,779,512 |

Statements of Income

| | (yen in thousands) | |
|--|------------------------------|-------------------------------|
| | 9th Period ended Aug 2012 | 10th Period ended Feb 2013 |
| Operating revenues | | |
| Rent revenues-real estate | 684,710 | 2,346,448 |
| Other lease business revenues | 63,344 | 74,727 |
| Total operating revenues | 748,055 | 2,421,176 |
| Operating expenses | | |
| Expenses related to rent business | 326,341 | 826,422 |
| Asset management fee | 35,893 | 68,922 |
| Asset custody fee | 1,879 | 1,833 |
| Administrative service fees | 5,760 | 15,574 |
| Directors' compensations | 2,600 | 6,000 |
| Other operating expenses | 10,522 | 50,175 |
| Total operating expenses | 382,997 | 968,929 |
| Operating income | 365,058 | 1,452,247 |
| Non-operating income | | |
| Interest income | 253 | 612 |
| Interest on refund of consumption taxes | — | 41 |
| Insurance income | 334 | 750 |
| Other | 541 | 80 |
| Total non-operating income | 1,130 | 1,484 |
| Non-operating expenses | | |
| Interest expenses | 30,004 | 153,538 |
| Investment unit issuance expenses | — | 292,785 |
| Borrowing related expenses | 17,335 | 87,859 |
| Other | 106 | 19 |
| Total non-operating expenses | 47,446 | 534,203 |
| Ordinary income | 318,741 | 919,528 |
| Income before income taxes | 318,741 | 919,528 |
| Income tax-current | 605 | 605 |
| Income tax-deferred | 119,921 | — |
| Total income taxes | 120,526 | 605 |
| Net income | 198,215 | 918,923 |
| Deficit brought forward | (225,195) | (26,979) |
| Unappropriated retained earnings (undisposed loss) | (26,979) | 891,943 |

Unitholders

Number of Unitholders by Type and Units by Unitholder Type

| | Number of unitholders | | Number of units | |
|------------------------------|-----------------------|----------------|------------------|----------------|
| | Unitholders | (%) | Holdings (units) | (%) |
| Individuals and others | 7,428 | 94.67% | 22,376 | 18.26% |
| Financial institutions | 75 | 0.96% | 55,898 | 45.62% |
| Banks/Trust banks | 32 | 0.41% | 46,821 | 38.21% |
| City banks | 0 | 0.00% | 0 | 0.00% |
| Regional banks | 25 | 0.32% | 5,620 | 4.59% |
| Trust banks | 7 | 0.09% | 41,201 | 33.62% |
| Life insurance companies | 5 | 0.06% | 2,309 | 1.88% |
| Non-life insurance companies | 2 | 0.03% | 1,658 | 1.35% |
| Other financial institutions | 36 | 0.46% | 5,110 | 4.17% |
| Shinkin banks | 24 | 0.31% | 2,825 | 2.31% |
| Others | 12 | 0.15% | 2,285 | 1.86% |
| Other domestic corporations | 243 | 3.10% | 22,451 | 18.32% |
| Foreign corporations | 81 | 1.03% | 21,029 | 17.16% |
| Securities firms | 19 | 0.24% | 786 | 0.64% |
| Total | 7,846 | 100.00% | 122,540 | 100.00% |

Top 10 Unitholders

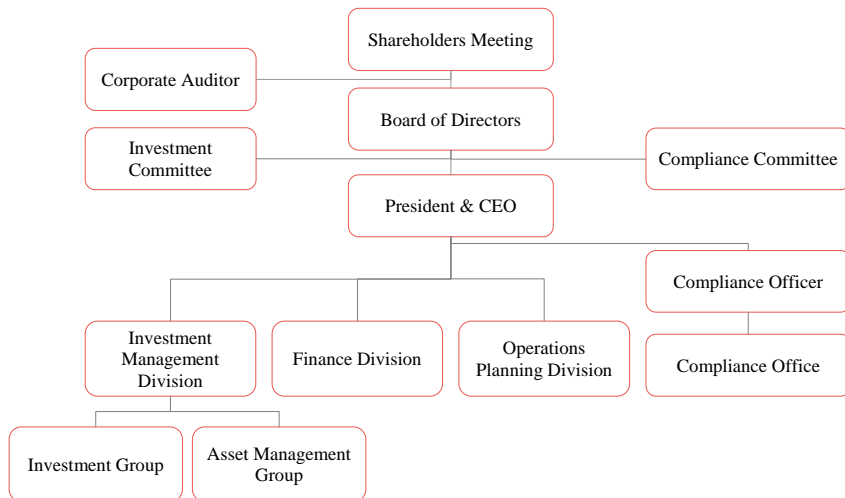
| Name of unitholders | Number of units held | Ownership (%) |
|---|----------------------|---------------|
| Japan Trustee Services Bank, Ltd. (Trust Account) | 23,610 | 19.27% |
| Daiwa House Industry Co., Ltd. | 16,600 | 13.55% |
| Nomura Bank (Luxembourg) S.A. | 6,385 | 5.21% |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 5,886 | 4.80% |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account) | 5,142 | 4.20% |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 4,844 | 3.95% |
| State Street Bank and Trust Company 505225 | 1,736 | 1.42% |
| National Mutual Insurance Federation of Agricultural Cooperatives | 1,337 | 1.09% |
| BARCLAYS CAPITAL SECURITIES LIMITED A/C CAYMAN CLIENTS | 1,285 | 1.05% |
| The Fuji Fire and Marine Insurance Co., Ltd. | 1,274 | 1.04% |
| Total | 68,099 | 55.57% |

Asset Manager and REIT organization

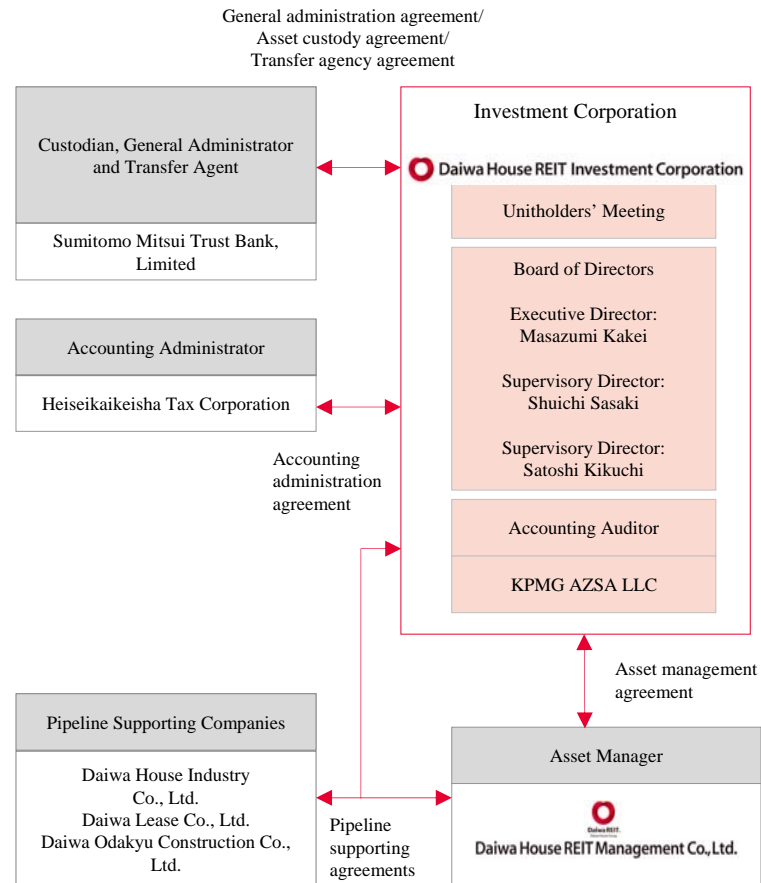
Overview of the Asset Manager

| | |
|--|---|
| Corporate Name | Daiwa House REIT Management Co., Ltd. |
| Paid-in Capital | 200 million yen (as of the date of this document) |
| Shareholder | Daiwa House Industry Co., Ltd.(100%) |
| Representative Director, President and CEO | Hiroataka Najima |
| License/Registration | <ul style="list-style-type: none"> License for real estate transaction business: (2) No. 86218 granted by Tokyo Prefectural Government Handling discretionary accounts: No. 54 granted by the Ministry of Land, Infrastructure, Transport and Tourism Registration of financial instruments business (Investment Management): No. 354 with Kanto Finance Bureau (kinsho) |

Organization of the Asset Manager



Overview of the REIT Organization



- This material may contain information such as data on future performances, plans, management targets and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends of the business environment, but these hypotheses and assumptions are not necessarily correct. Actual results may significantly vary due to various factors.
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