

Daiwa House REIT Investment Corporation  
Investor Presentation for the **12<sup>th</sup>** period  
ended February 2014

# Daiwa House REIT

# 12<sup>th</sup>

 Daiwa House REIT Investment Corporation

 Daiwa House REIT Management Co., Ltd.

Daiwa REIT,  
Daiwa House Group

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Introduction

# Executive Summary

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<b>1</b> 12 <sup>th</sup> Period Results (ended Feb. 2014)	<ul style="list-style-type: none"><li>◆ DPU 15,992 yen (initial forecast 15,600 yen)</li><li>◆ Unrealized gain 13,049 million yen (+2,773 million yen / 11<sup>th</sup> period)</li></ul>
<b>2</b> Overview of Equity Offering	<ul style="list-style-type: none"><li>◆ Raised 18.7 billion yen from the 1<sup>st</sup> equity offering since IPO</li><li>◆ Acquired 7 properties, 27.1 billion yen from Daiwa House Group pipeline (appraisal NOI yield 5.9%)</li></ul>
<b>3</b> Portfolio Performance	<ul style="list-style-type: none"><li>◆ NOI yield 6.0%</li><li>◆ Occupancy rate 99.97% (as of April 1, 2014)</li></ul>
<b>4</b> Financial Forecasts	<ul style="list-style-type: none"><li>◆ 13<sup>th</sup> period (Aug. 2014) DPU 7,800 yen (initial forecast 7,650 yen)</li><li>◆ 14<sup>th</sup> period (Feb. 2015) DPU 8,200 yen</li></ul>
<b>5</b> Our Growth Strategies	<ul style="list-style-type: none"><li>◆ Target AUM of 200 billion yen</li><li>◆ Leveraging the Daiwa House Group pipeline</li></ul>



# Financial Results

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- ◆ Achieved 15,992 yen of DPU, which outperformed the initial forecast of 15,600 yen
- ◆ Realized stable revenues through rent revisions on equal terms and maintained NOI yield at 6.0%

## 12<sup>th</sup> Period (Feb 2014) Results – Statements of Income –

(million yen)

	12th Period Result ended Feb 2014	11th Period Result ended Aug 2013	Period-on- period change	12th Period Forecast as of 2013/10/18	Versus forecast
Operating Revenues	4,153	4,128	25	4,145	8
Rent revenues	4,153	4,128	25	—	—
Rent	4,056	4,036	20	—	—
Other revenues	97	91	6	—	—
Operating Expenses	1,832	1,807	25	1,864	-32
Property operating expenses	1,462	1,442	20	—	—
Property operating expenses (excl. depreciation)	617	598	19	—	—
Depreciation	844	843	1	845	-1
Other operating expenses	370	365	5	—	—
Operating Income	2,321	2,320	1	2,281	40
Non-operating income	2	9	-7	—	—
Non-operating expenses	363	362	1	—	—
Interest and borrowing expenses	363	362	1	364	-1
Other non-operating expenses	0	0	0	—	—
Ordinary Income	1,960	1,967	-7	1,917	43
Net Income	1,959	1,967	-8	1,916	43
Distributions per unit	15,992 yen	16,055 yen	-63 yen	15,600 yen	392 yen
FFO per unit	22,884 yen	22,939 yen	-55 yen	22,535 yen	349 yen
NOI	3,536	3,529	7	—	—
NOI yield	6.0%	6.0%	0.0%	—	—
Number of operating days	181 days	184 days	-3 days	181 days	0 days

(Note 1) FFO (Funds from Operation) per unit: (Net Income + Depreciation – Gains (losses) from sales of property, etc.) / Number of investment units issued

(Note 2) Rental NOI (Net Operating Income): Rental business revenues – Rental business expenses + Depreciation

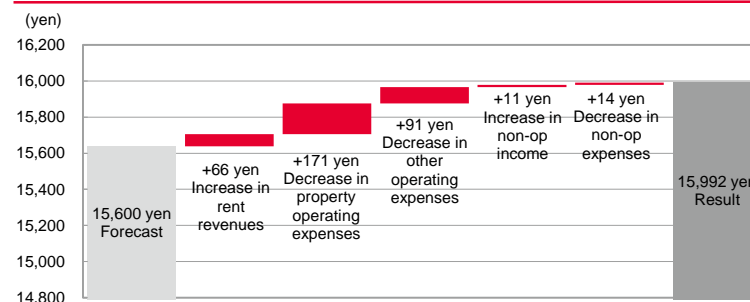
## Major Variation Factors (versus forecast)

Versus forecast	✓ Rent revenues	+8 million yen
	• Proceeds from tenant for restoration of space to original condition	
	• Increase in utility reimbursements	
	✓ Property operating expenses	-21 million yen
	• Decrease in property taxes, etc.	
	• Decrease in repairs and maintenance expenses	
	✓ Other operating expenses	-11 million yen
	• Decrease in outsourcing expenses for general administration, etc.	
	• Decrease in IR and disclosure related expenses	

## Rent Revisions / Lease Contract Renewals

Logistics Properties	5 tenants	Revised rent on equal terms
Retail Properties	【core tenant】 1 tenant	Revised rent on equal terms

## Breakdown of DPU Variation (actual vs forecast)



- ◆ Maintained a modest level of LTV at 47.9%
- ◆ Increase of unrealized gain from the rise of property appraisal value

## 12<sup>th</sup> Period (Feb 2014) Results – Balance Sheets –

(million yen)

	12th Period Result ended Feb 2014	11th Period Result ended Aug 2013	Period-on-period change
Total Assets	131,509	131,372	137
Total Liabilities	70,168	70,023	145
Interest-bearing liabilities	63,000	63,000	0
Tenant leasehold and security deposits	6,197	6,081	116
Net Assets	61,340	61,348	-8

LTV (Note 1)	47.9%	48.0%	-0.1%
LTV (including tenant deposits)	52.6%	52.6%	0.0%

Number of properties	26 properties	25 properties	1 property
Unrealized gain	13,049	10,276	2,773
Book value	116,644	115,515	1,129
Appraisal value	129,693	125,791	3,902

Number of units issued	122,540 units	122,540 units	0 units
Net assets per unit	500,577 yen	500,640 yen	-63 yen
NAV per unit (Note 2)	591,065 yen	568,441 yen	22,624 yen

(Note 1) LTV (Loan-To-Value): Interest-bearing liabilities / Total Assets

(Note 2) NAV (Net Asset Value) per unit: (Net assets + Unrealized gain or loss) / Number of units issued

## Major Variation Factors (period-on-period)

Period-on-period change	✓ Total assets	+137 million yen
	• Acquisition of Top Mall Inazawa (land)	
	• Decrease in cash and deposits	
	✓ Tenant leasehold / security deposits	+116 million yen
	• Tenant leasehold of Top Mall Inazawa (land)	
	✓ Unrealized gain	+2,773 million yen
	• Increase of appraisal value due to cap rate compression	
	• Acquisition of Top Mall Inazawa (land)	

## Change in Appraisal Value

	12 <sup>th</sup> Period ended Feb 2014	11 <sup>th</sup> Period ended Aug 2013	Period-on- period change
Total Portfolio	129,693 million yen	128,111 million yen	+1,582 million yen
Logistics Properties	100,663 million yen	99,041 million yen	+1,622 million yen
Retail Properties	29,030 million yen	29,070 million yen	-40 million yen

※ For the property acquired in the 12<sup>th</sup> fiscal period (Top Mall Inazawa (land)), the appraisal value at the time of the acquisition (2,320 million yen) is applied as the end of the 11<sup>th</sup> fiscal period figure.

# 2

## Overview of Equity Offering

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- ◆ Raised 18.7 billion yen from the first equity offering since IPO
- ◆ Acquired 7 properties, 27.1 billion yen at appraisal basis NOI yield 5.9% from Daiwa House Group

## Overview of the 1<sup>st</sup> Public Offering

Offering structure	Japanese domestic public offering
Launch date	March 3, 2014
Pricing date	March 12, 2014
Issue price / Issue value	398,775 yen / 385,687 yen (per unit)
Number of units issued	48,400 units (public offering: 44,000 units, third-party allotment: 4,400 units)
Number of units outstanding post offering	293,480 units
Net proceeds	18,667 million yen
Sponsor's same boat investment	4,400 units (Daiwa House ownership post offering: 12.8%)

## New Acquisitions at the Offering

1 retail property (land)	Top Mall Inazawa (land)	1,944 million yen
6 logistics properties	D Project Kuki I	3,500 million yen
	D Project Kuki II	7,200 million yen
	D Project Kawagoe I	3,100 million yen
	D Project Kawagoe II	4,250 million yen
	DPL Inuyama	3,380 million yen
	D Project Fukuoka Hakozaki	3,700 million yen
Total 7 properties		27,074 million yen

Acquired on February 25, 2014

Retail



Top Mall Inazawa (land)

Acquired on April 1, 2014

Logistics



D Project Kuki I

Logistics



D Project Kuki II

Logistics



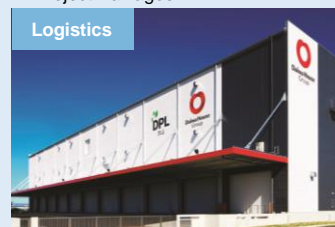
D Project Kawagoe I

Logistics



D Project Kawagoe II

Logistics



DPL Inuyama

Logistics



D Project Fukuoka Hakozaki

- ◆ Conducted 11.5 billion yen debt financing along with equity offering
- ◆ Further lengthening and diversifying debt maturities and fixing interest rates

### Financial Status (as of April 1, 2014)

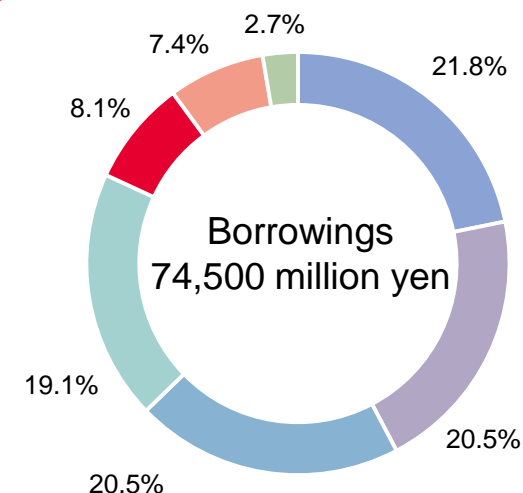
LTV	46.1 %
Total borrowings	74,500 million yen
Fixed interest ratio	100.0 %
Long-term borrowing ratio	100.0 %
Average interest rate	1.00 %
Average remaining maturity	4.2 years
Commitment line	10,000 million yen

### Credit Rating

Rating agency	JCR (Japan Credit Rating Agency, Ltd.)
Long-term issuer rating	AA- (Stable)

### Bank Formation (as of April 1, 2014)

- Sumitomo Mitsui Trust Bank  
16,250 million yen
- Sumitomo Mitsui Banking Corporation  
15,250 million yen
- The Bank of Tokyo-Mitsubishi UFJ  
15,250 million yen
- Mizuho Bank  
14,250 million yen
- Development Bank of Japan  
6,000 million yen
- Mitsubishi UFJ Trust and Banking Corporation  
5,500 million yen
- Resona Bank  
2,000 million yen



### Diversified Maturity Ladder



# Equity Offering Highlights

- ◆ Asset size expanded and cash flow stability increased by acquiring assets with long-term lease agreements
- ◆ Lowering LTV down to 46.1%, DHR now has 13 billion yen of purchasing power through debt of up to LTV 50%
- ◆ Equity offering priced at premium to NAV, increasing NAV per unit by 19,700 yen

	10 <sup>th</sup> Period ended Feb 2013	11 <sup>th</sup> Period ended Aug 2013	12 <sup>th</sup> Period ended Feb 2014	New Acquisitions on April 1, 2014	Post Equity Offering
Number of properties	24 properties	25 properties	26 properties	6 properties	32 properties
AUM (acquisition price)	114,519 million yen	117,089 million yen	119,033 million yen	25,130 million yen	144,163 million yen
- Logistics properties	77.7 %	76.0 %	74.8 %		79.2 %
- Retail properties	22.3 %	24.0 %	25.2 %		20.8 %
NOI yield (Note 1)	6.5 %	6.0 %	6.0 %	5.9 %	6.0 %
Occupancy rate	99.99 %	99.99 %	99.95 %	100.00 %	99.97 %
Average property age	5.4 years	5.9 years	6.4 years	1.5 years	5.6 years
Average remaining lease term	13.0 years	12.6 years	12.3 years	13.6 years	12.4 years
Total borrowings	61,000 million yen	63,000 million yen	63,000 million yen	11,500 million yen	74,500 million yen
LTV (Note 2)	47.7 %	48.0 %	47.9 %		46.1 %
Average loan maturity	4.4 years	4.6 years	4.6 years	9.0 years	5.3 years
Unrealized gain	5,945 million yen	10,276 million yen	13,049 million yen	1,420 million yen	14,469 million yen
NAV per unit (Note 3, 4)	266,548 yen	284,220 yen	295,532 yen		315,239 yen
DPU (Note 4)	3,639 yen	8,028 yen	7,996 yen	7,650 yen (Initial forecast for Aug 2014)	7,800 yen (Forecast for Aug 2014)

(Note 1) NOI yield of new acquisitions on April 1, 2014 is based on the appraisal NOI yield

NOI yield post equity offering = (NOI in the 12<sup>th</sup> Period (annualized) + NOI total of new acquisitions on April 1, 2014) / total of acquisition price

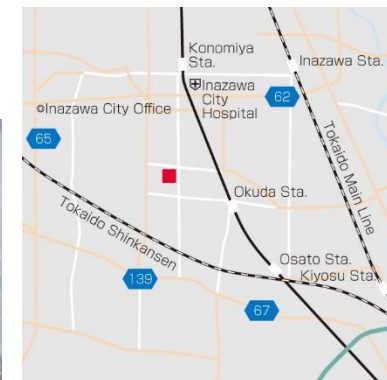
(Note 2) LTV post equity offering = total borrowings / (total assets at the end of 12<sup>th</sup> period + new equity proceeds + new borrowings)

(Note 3) NAV per unit post equity offering = (unitholders' capital post equity offering + unrealized gain post equity offering) / number of investment units issued post equity offering

(Note 4) NAV per unit and DPU before the 12<sup>th</sup> period are stated using the per unit figures divided by two, factoring in the impact of a 2-for-1 split of investment units from March 1, 2014.

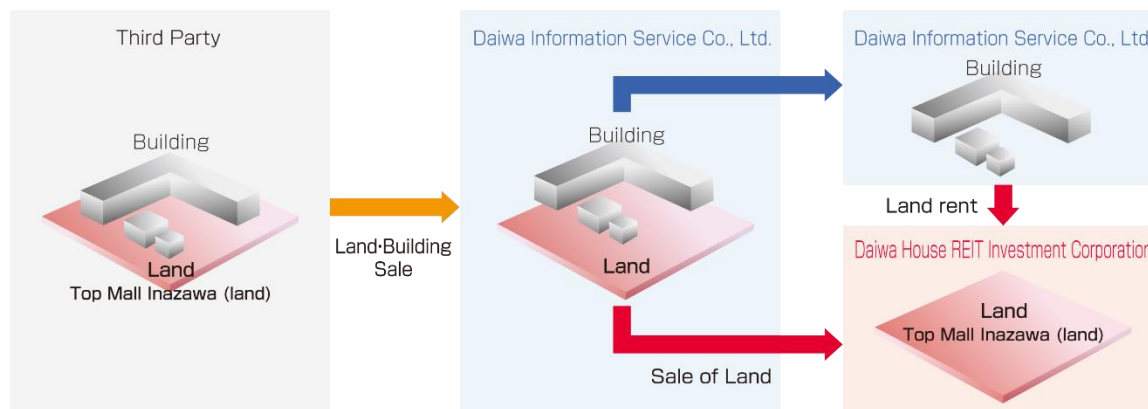
	R-R-3 Top Mall Inazawa (land)
Acquisition date	February 25, 2014
Location	Inazawa, Aichi
Construction date	—
Acquisition price	1,944 million yen
Appraisal value	2,320 million yen
Appraisal NOI yield	6.4%
Lease term	20 years
Remaining lease term	19.9 years (as of April 1, 2014)
Leasable area	31,981.70m <sup>2</sup>
Lessee	Daiwa Information Service Co., Ltd.
Trade area characteristics	<ul style="list-style-type: none"> <li>With food supermarket Aoki Super and home center Keiyo D2 as the core tenants, the shopping center also features Shimamura, ZIP DRUG, restaurants and other competitive tenants. Visibility from the roads is excellent.</li> <li>Population of 8,900 in the 1km trade area, 7,800 in the 3km trade area, and 183,000 in the 5km trade area. The household car ownership rate in Inazawa is extremely high, and the market has many young families within the 3km and 5km areas.</li> </ul>
Location	<ul style="list-style-type: none"> <li>Located in Inazawa, Aichi, commuter town of Nagoya. The area between Konomiya Sta. and Inazawa Sta. on the north side is an urban district. There are also residences on the east side and the property is surrounded by residential area.</li> </ul>

### R-R-3 Top Mall Inazawa (land)



### ◆ Acquired non-sponsor property by collaboration with Daiwa House Group

Daiwa Information Service Co., Ltd., a Daiwa House group company first acquired the property (land and building) from third party and sold the land to DHR.



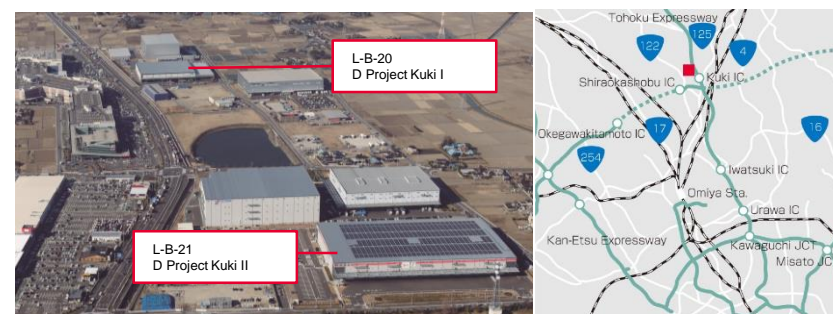


	L-B-20 D Project Kuki I	L-B-21 D Project Kuki II
Acquisition date	April 1, 2014	April 1, 2014
Location	Kuki, Saitama	Kuki, Saitama
Construction date	October 5, 2011	June 21, 2013
Acquisition price	3,500 million yen	7,200 million yen
Appraisal value	3,690 million yen	7,650 million yen
Appraisal NOI yield	5.8%	5.9%
Lease term	20 years	10 years
Remaining lease term	17.5 years (as of April 1, 2014)	9.3 years (as of April 1, 2014)
Leasable area	22,708.72m <sup>2</sup>	50,490.00m <sup>2</sup>
Lessee	TRANCOM Co., Ltd.	Seven & i Net Media Co., Ltd.
Specifications	<ul style="list-style-type: none"> <li>3-storied with gross floor area of 6,870 tsubos, and is used by a logistics company.</li> <li>Having versatile basic specifications including ceiling height of 6.0m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars of 10.6m × 10.0m, a cargo elevator and 4 vertical conveyors, the property can meet requirements of tenants from a wide range of industries.</li> </ul>	<ul style="list-style-type: none"> <li>3-storied with a gross floor area of 15,270 tsubos, and is used by an online shopping company.</li> <li>1st floor: ceiling height of 6.0m, floor load capacity of 1.5t/m<sup>2</sup>.</li> <li>2nd &amp; 3rd floor (where daily goods are stored and distribution processing is conducted): ceiling height of 3.4m, floor load capacity of 1.0t/m<sup>2</sup> for 2nd floor and 0.7t/m<sup>2</sup> for 3rd floor.</li> </ul>
Location	<ul style="list-style-type: none"> <li>Located near Kuki IC on the Tohoku Expressway, the Shiraoka-Shobu IC on the Metropolitan Inter-City Expressway and National Highway Route 122, the property's location features superior traffic access to major roads.</li> <li>Able to allow freight collection and delivery within Saitama and over the entire Tokyo metropolitan area. Able to function as a relay point from the Tohoku region where many plants operate. Future extension of the Metropolitan Inter-City Expressway is a positive factor in terms of expanding the delivery areas.</li> <li>Located in an exclusive industrial district and with high concentration of logistics facilities. 24-hour operation is also possible.</li> </ul>	

L-B-20 D Project Kuki I



L-B-21 D Project Kuki II

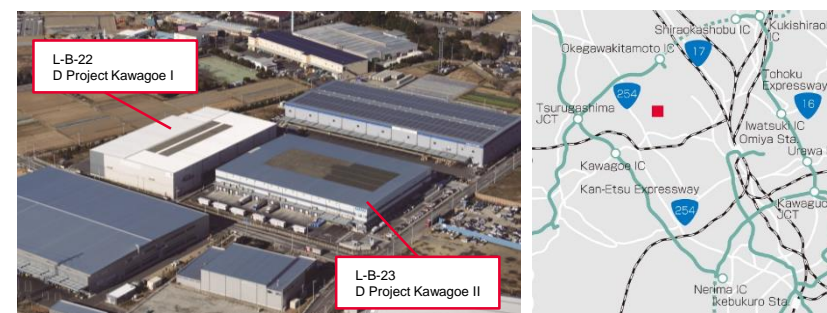


	L-B-22 D Project Kawagoe I	L-B-23 D Project Kawagoe II
Acquisition date	April 1, 2014	April 1, 2014
Location	Kawagoe, Saitama	Saitama, Kawagoe
Construction date	April 30, 2011	September 3, 2012
Acquisition price	3,100 million yen	4,250 million yen
Appraisal value	3,320 million yen	4,540 million yen
Appraisal NOI yield	5.8%	5.9%
Lease term	15 years	15 years
Remaining lease term	12.1 years (as of April 1, 2014)	13.4 years (as of April 1, 2014)
Leasable area	16,150.88m <sup>2</sup>	19,872.00m <sup>2</sup>
Lessee	Daiwa Logistics Co., Ltd.	Daiwa Logistics Co., Ltd.
Specifications	<ul style="list-style-type: none"> <li>3-storied with a gross floor area of 4,890 tsubos, and is used by a foodstuff wholesale company (foods and drinks) as a base covering the western part of the Tokyo metropolitan area.</li> <li>Basic specifications include high versatility, ceiling height of 7.5m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars of 10.0m × 10.9m, 2 cargo elevators and 3 vertical conveyors. 2 L-shaped truck berths, cargo elevators and 2 gateways are available to sufficiently cope with frequent delivery operations.</li> </ul>	<ul style="list-style-type: none"> <li>2-storied with a gross floor area of 6,010 tsubos serving as a delivery base centering on foodstuff, and is used as a mother center covering Eastern Japan.</li> <li>Basic specifications include high versatility, with ceiling height of 5.5m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars of 11.0m × 9.6m, a cargo elevator and 5 vertical conveyors. Freezing, cooling and ambient temperature warehouses are installed on part of the 1<sup>st</sup> and 2nd floors.</li> </ul>
Location	<ul style="list-style-type: none"> <li>The entire Saitama as well as Tokyo including Hachioji areas are placed within its delivery range by utilizing the National Highway Route 16, a major belt line highway in the Tokyo metropolitan area, and the National Highway Route 254 leading to central Tokyo.</li> <li>The property can cover wider Tokyo metropolitan area by utilizing the nearby Kawashima IC on the Metropolitan Inter-City Expressway and the Kawagoe IC on the Kanetsu Expressway. After the Metropolitan Inter-City Expressway is extended, this location is able to cover wide areas including the Tohoku region.</li> </ul>	

L-B-22 D Project Kawagoe I



L-B-23 D Project Kawagoe II

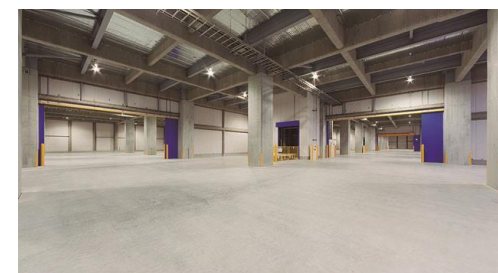


	L-B-24 DPL Inuyama	L-B-25 D Project Fukuoka Hakozaki
Acquisition date	April 1, 2014	April 1, 2014
Location	Inuyama, Aichi	Fukuoka, Fukuoka
Construction date	September 18, 2013	October 1, 2012
Acquisition price	3,380 million yen	3,700 million yen
Appraisal value	3,500 million yen	3,850 million yen
Appraisal NOI yield	5.8%	6.0%
Lease term	15 years	20 years
Remaining lease term	14.5 years (as of April 1, 2014)	18.5 years (as of April 1, 2014)
Leasable area	21,628.50m <sup>2</sup>	34,710.80m <sup>2</sup>
Lessee	Sagawa Global Logistics Co., Ltd.	Nakano Shokai Co., Ltd.
Specifications	<ul style="list-style-type: none"> <li>3-storied with a gross floor area of 6,310 tsubos, with the entire building used by a major 3PL operator.</li> <li>Basic specifications include ceiling height of 6.5m, floor load capacity of 1.5t/m<sup>2</sup> or more, distance between pillars 11.0m × 11.5m, 2 elevators and 4 vertical conveyors, ensuring operational efficiency and sufficient storage capacity.</li> </ul>	<ul style="list-style-type: none"> <li>4-storied, with a gross floor area of 10,080 tsubos, and is used by a leading logistics provider.</li> <li>Basic specifications include ceiling height of 6.0m, floor load capacity of 1.5t/m<sup>2</sup>, distance between pillars 10.6m, 2 cargo elevators and 6 vertical conveyors, ensuring operational efficiency and sufficient storage capacity.</li> </ul>
Location	<ul style="list-style-type: none"> <li>Located 6km to the Komaki IC on the Tomei and Meishin Expressways and 3km to the National Highway Route 41, the property features high geographical location advantages as a key logistics base for wide-area distribution in the Chubu area.</li> <li>As located in the Inuyama Industrial Park, 24-hour operations are allowed.</li> </ul>	<ul style="list-style-type: none"> <li>The location is a key logistics base on top of being in close proximity to Hakata Port and near the central part of the city.</li> <li>Located within 500m to the Hakozai IC on the Fukuoka Urban Expressway Kashii Line and 1km to the Kaizuka IC on the Expressway's Kasuya Line, it functions as a distribution base covering the entire area centering on northern Kyushu by the Kyushu Expressway.</li> </ul>

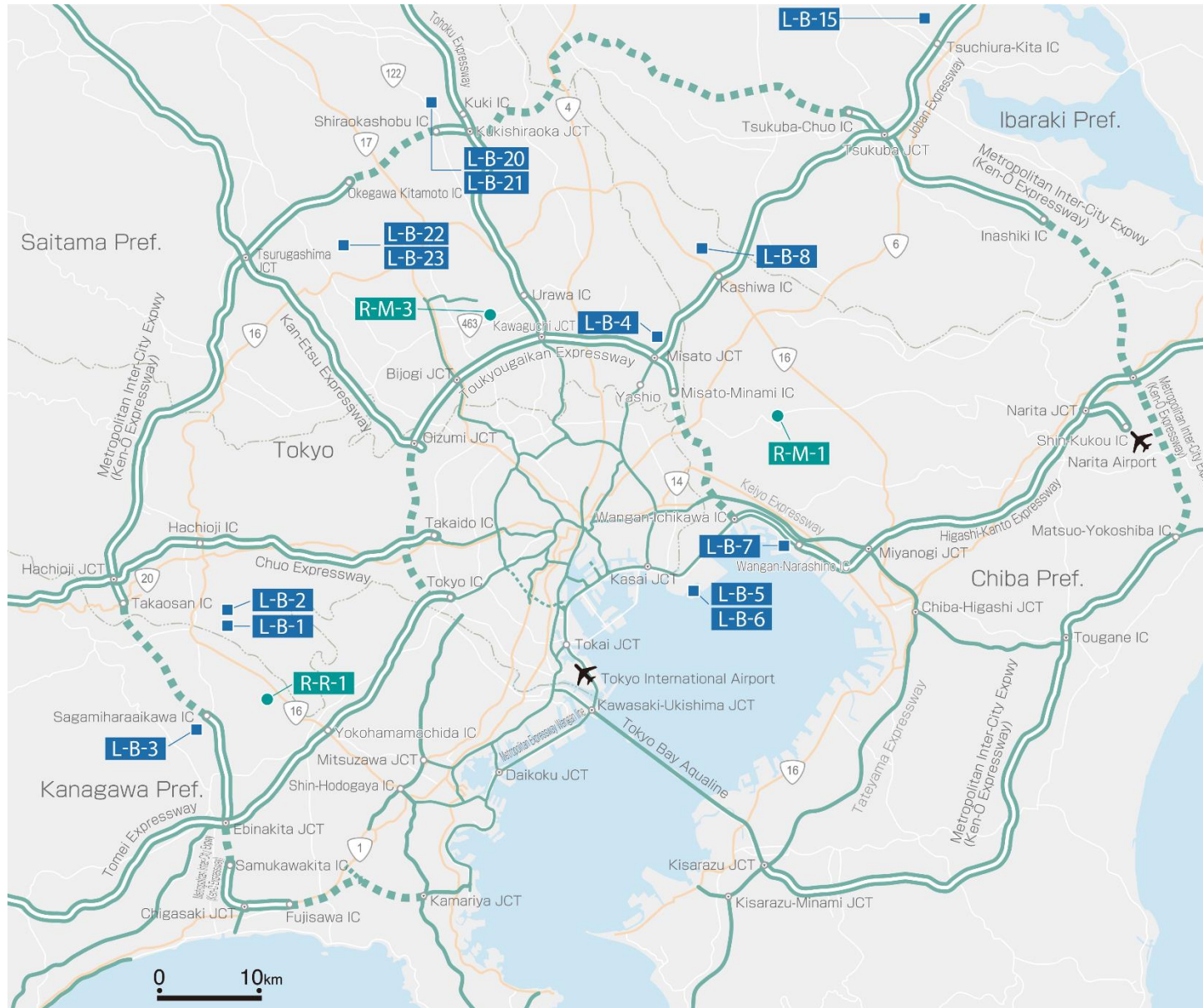
### L-B-24 DPL Inuyama



### L-B-25 D Project Fukuoka Hakozaki









# 3

## Portfolio Performance

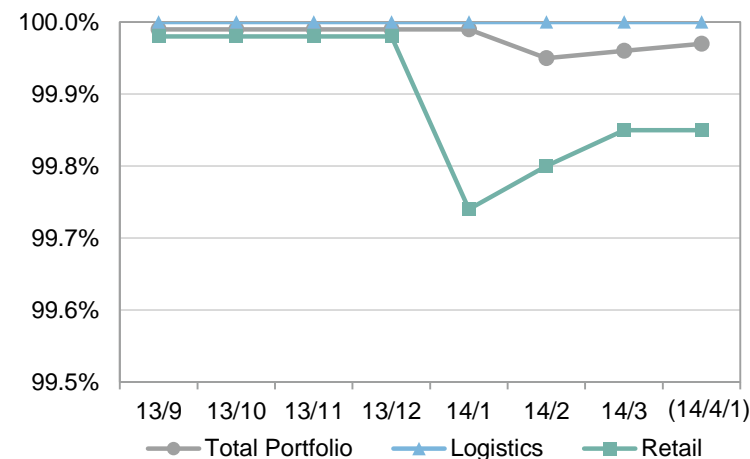
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- ◆ A stable portfolio with long remaining lease term remaining and newly built properties
- ◆ Maintaining a high-level occupancy rate of above 99.9%

as of April 1, 2014

	Total Portfolio	Logistics Properties	Retail Properties
AUM	144,163 million yen	114,140 million yen	30,023 million yen
Number of properties	32 properties	25 properties	7 properties
Average lease term (weighted by annual rent)	17.2 years	18.0 years	14.7 years
Average remaining lease term (weighted by annual rent)	12.4 years	13.1 years	9.9 years
Average property age (weighted by acquisition price)	5.6 years	5.4 years	6.3 years
Occupancy rate	99.97%	100.00%	99.85%

Monthly Occupancy Rate Trend

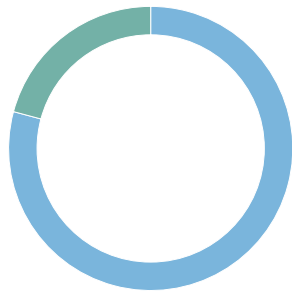


【Variation factors of occupancy rate of the retail properties】

- Jan. 2014 FOLEO Hirakata  
1 unit (96m<sup>2</sup>) vacated  
→ Mar. 2014 a new tenant leased on equal terms with the previous tenant
- Jan. 2014 QiZ GATE URAWA  
1 unit (147m<sup>2</sup>) vacated  
→ currently marketing
- Mar. 2014 QiZ GATE URAWA  
1 unit (36m<sup>2</sup>) vacated  
→ currently marketing

### ◆ By Property Type

(weighted by acquisition price)

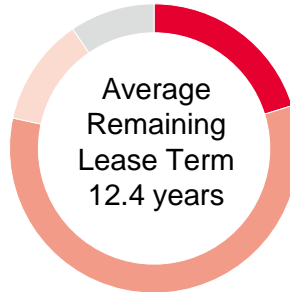


■ Logistics (25 properties)  
114,140 million yen  
79.2%

■ Retail (7 properties)  
30,023 million yen  
20.8%

### ◆ By Remaining Lease Term

(weighted by annual rent)



Average  
Remaining  
Lease Term  
12.4 years

■ 15 years or more  
20.2%

■ 10 years or more but  
less than 15 years  
58.2%

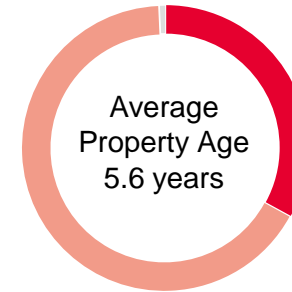
■ 5 years or more but  
less than 10 years  
12.1%

■ less than 5 years  
9.5%

**10 years or more  
78.4%**

### ◆ By Property Age

(weighted by acquisition price)



Average  
Property Age  
5.6 years

■ Less than 5 years  
32.9%

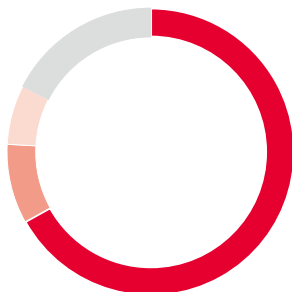
■ 5 years or more but  
less than 10 years  
66.3%

■ 10 years or more  
0.7%

**less than 10 years  
99.3%**

### ◆ By Location

(weighted by acquisition price)



■ Greater Tokyo area  
66.9%

■ Greater Nagoya area  
8.9%

■ Greater Osaka area  
6.7%

■ Other areas  
17.5%

**Three major  
metropolitan areas total  
82.5%**

### ◆ By Lease Term

(weighted by annual rent)

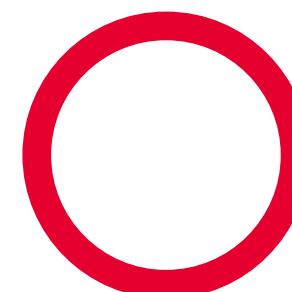


Average  
Lease Term  
17.2 years

■ 10 years or more  
98.1%

■ Less than 10 years  
1.9%

### ◆ By Rent Type



■ Fixed rent 100.0%

as of April 1, 2014

# Property Data (Logistics Properties)

## Portfolio Performance

as of April 1, 2014

Property number	Property name	Location	Construction date (Note 1)	Acquisition price		Appraisal value (million yen) (Note 2)	NOI yield (Note 3)	Total leasable area (m <sup>2</sup> )	Occupancy rate	PML
				(million yen)	(%)					
L-B-1	D Project Machida	Machida, Tokyo	2006/10/1	7,600	5.3%	8,320	5.8%	50,490.39	100.00%	2.7%
L-B-2	D Project Hachioji	Hachioji, Tokyo	2008/12/1	12,600	8.7%	14,000	5.8%	62,394.17	100.00%	6.0%
L-B-3	D Project Aikawa-Machi	Aiko, Kanagawa	2006/6/30	2,600	1.8%	3,030	6.3%	14,240.84	100.00%	5.5%
L-B-4	D Project Shin-Misato	Misato, Saitama	2009/4/15	4,440	3.1%	5,630	6.8%	11,289.91	100.00%	0.8%
L-B-5	D Project Urayasu I	Urayasu, Chiba	2005/5/31	7,700	5.3%	8,350	5.3%	36,515.81	100.00%	3.5%
L-B-6	D Project Urayasu II	Urayasu, Chiba	2007/4/10	21,400	14.8%	23,400	5.3%	72,320.01	100.00%	2.1%
L-B-7	D Project Akanehama	Narashino, Chiba	2005/10/11	2,550	1.8%	2,690	5.5%	11,663.39	100.00%	1.7%
L-B-8	D Project Noda	Noda, Chiba	2007/9/30	5,100	3.5%	5,740	6.1%	29,232.53	100.00%	1.7%
L-B-9	D Project Inuyama	Inuyama, Aichi	2009/12/10	6,650	4.6%	7,960	6.9%	43,723.70	100.00%	3.4%
L-B-10	D Project Gifu	Anpachi, Gifu	2009/2/28	900	0.6%	1,070	7.0%	7,669.91	100.00%	4.1%
L-B-11	D Project Neyagawa	Neyagawa, Osaka	2009/7/23	4,600	3.2%	5,400	6.2%	11,151.51	100.00%	2.7%
L-B-12	D Project Sapporo Minami	Kitahiroshima, Hokkaido	2007/10/30	600	0.4%	793	8.5%	6,749.10	100.00%	1.9%
L-B-13	D Project Morioka	Takizawa, Iwate	2002/9/13	1,000	0.7%	1,160	7.3%	9,558.32	100.00%	8.1%
L-B-14	D Project Sendai Minami	Iwanuma, Miyagi	2006/3/28	1,250	0.9%	1,390	6.9%	11,052.27	100.00%	1.5%
L-B-15	D Project Tsuchiura	Tsuchiura, Ibaraki	2009/2/19	2,880	2.0%	3,230	7.0%	17,448.86	100.00%	1.6%
L-B-16	D Project Gotenba	Gotenba, Shizuoka	2009/1/15	950	0.7%	1,110	7.0%	6,737.53	100.00%	7.0%
L-B-17	D Project Nishi-Hiroshima	Hiroshima, Hiroshima	2008/1/10	990	0.7%	1,150	7.7%	5,093.51	100.00%	2.3%
L-B-18	D Project Fukuoka Umi	Kasuya, Fukuoka	2006/5/1	3,100	2.2%	3,650	7.0%	24,729.56	100.00%	1.3%
L-B-19	D Project Tosu	Tosu, Saga	2009/2/19	2,100	1.5%	2,590	7.0%	8,826.00	100.00%	4.2%
L-B-20	D Project Kuki I	Kuki, Saitama	2011/10/5	3,500	2.4%	3,690	5.8%	22,708.72	100.00%	0.5%
L-B-21	D Project Kuki II	Kuki, Saitama	2013/6/21	7,200	5.0%	7,650	5.9%	50,490.00	100.00%	3.4%
L-B-22	D Project Kawagoe I	Kawagoe, Saitama	2011/4/30	3,100	2.2%	3,320	5.8%	16,150.88	100.00%	7.6%
L-B-23	D Project Kawagoe II	Kawagoe, Saitama	2012/9/3	4,250	2.9%	4,540	5.9%	19,872.00	100.00%	3.2%
L-B-24	DPL Inuyama	Inuyama, Aichi	2013/9/18	3,380	2.3%	3,500	5.8%	21,628.50	100.00%	7.0%
L-B-25	D Project Fukuoka Hakozaiki	Fukuoka, Fukuoka	2012/10/1	3,700	2.6%	3,850	6.0%	34,710.80	100.00%	10.9%
<b>Logistics Properties Total</b>			<b>25 properties</b>	<b>114,140</b>	<b>79.2%</b>	<b>127,213</b>	<b>6.0%</b>	<b>606,448.22</b>	<b>100.00%</b>	<b>-</b>

# Property Data (Retail Properties)

## Portfolio Performance

as of April 1, 2014

Property number	Property name	Location	Construction date (Note 1)	Acquisition price		Appraisal value (million yen) (Note 2)	NOI yield (Note 3)	Total leasable area (m <sup>2</sup> )	Occupancy rate	PML
				(million yen)	(%)					
R-M-1	ACROSSMALL Shinkamagaya	Kamagaya, Chiba	2006/10/31	7,419	5.1%	7,280	6.2%	41,742.84	100.00%	2.4%
R-M-2	FOLEO Hirakata	Hirakata, Osaka	2006/11/20	5,040	3.5%	4,350	5.5%	16,380.78	99.91%	13.3%
R-M-3	QIZ GATE URAWA	Saitama, Saitama	2008/2/17	5,360	3.7%	4,740	5.5%	9,705.31	98.11%	1.8%
R-M-4	UNICUS Takasaki	Takasaki, Gunma	2008/11/5	2,570	1.8%	2,700	8.5%	9,277.08	100.00%	1.0%
R-R-1	LIFE Sagamihara Wakamatsu	Sagamihara, Kanagawa	2007/4/25	1,650	1.1%	1,500	5.2%	2,973.44	100.00%	11.0%
R-R-2	FOLEO Sendai Miyanomori	Sendai, Miyagi	2009/10/6	6,040	4.2%	6,140	7.1%	19,845.72	100.00%	2.8%
R-R-3	Top Mall Inazawa (land)	Inazawa, Aichi	—	1,944	1.3%	2,320	7.8%	31,981.70	100.00%	-
<b>Retail Properties Total</b>			<b>7 properties</b>	<b>30,023</b>	<b>20.8%</b>	<b>29,030</b>	<b>5.9%</b>	<b>131,906.87</b>	<b>99.85%</b>	<b>-</b>
<b>Portfolio Total</b>			<b>32 properties</b>	<b>144,163</b>	<b>100.0%</b>	<b>156,243</b>	<b>6.0%</b>	<b>738,355.09</b>	<b>99.97%</b>	<b>1.9%</b>

(Note 1) Construction date indicates the date of completion of the main building recorded in the property registry. For properties with multiple main buildings, the construction date of the oldest building is listed.

(Note 2) Appraisal value for L-B-20 through L-B-25 is based on appraisal value as of December 31, 2013.

(Note 3) Real estate taxes for R-M-4 and R-R-3 are not expensed. NOI yield for L-B-20 through L-B-25 is based on appraisal NOI yield.

# Rent Revision Schedule (Logistics Properties)

Property number	Property name	Tenant	Rent type	2014	2015		2016		2017		2018		2019	Rent revision	Expiry
				Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb		
				13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd		
Logistics Properties															
L-B-1	D Project Machida	Hitachi Capital Corporation	Fixed											No revision	2027/2/28
L-B-2	D Project Hachioji	Mitsubishi Shokuhin Co., Ltd.	Fixed											2019/2/27	Not disclosed
L-B-2	D Project Hachioji	Tokyo Logistics Factory CO. LTD	Fixed											2019/2/27	2029/2/28
L-B-3	D Project Aikawa-Machi	Hitachi Capital Corporation	Fixed											2016/7/1	2026/6/30
L-B-4	D Project Shin-Misato	Asahi Security Co., Ltd.	Fixed											2014/5/1	2029/4/30
L-B-5	D Project Urayasu I	Nakano Shokai Co., Ltd.	Fixed											No revision	2026/2/28
L-B-6	D Project Urayasu II	Hitachi Capital Corporation	Fixed											Not disclosed	2027/5/31
L-B-7	D Project Akanehama	Hitachi Capital Corporation	Fixed											2015/10/11	2025/10/10
L-B-8	D Project Noda	Mitsubishi Shokuhin Co., Ltd.	Fixed											2017/10/1	Not disclosed
L-B-9	D Project Inuyama	Takihyo Co., Ltd.	Fixed											2015/1/1	2029/12/31
L-B-10	D Project Gifu	GOTSU Co., Ltd.	Fixed											2019/3/23	2024/3/22
L-B-11	D Project Neyagawa	Nippon Meat Packers, Inc.	Fixed											2015/8/1	Not disclosed
L-B-12	D Project Sapporo Minami	Mitsubishi Shokuhin Co., Ltd.	Fixed											2017/12/1	Not disclosed
L-B-13	D Project Morioka	Mitsubishi Shokuhin Co., Ltd.	Fixed											-	Not disclosed
L-B-14	D Project Sendai Minami	Mitsubishi Shokuhin Co., Ltd.	Fixed											2016/4/1	Not disclosed
L-B-15	D Project Tsuchiura	YAMATO MULTI-MAINTENANCE SOLUTIONS CO., LTD.	Fixed											2015/4/1	2029/4/14
L-B-16	D Project Gotenba	HOKKOH Transportation, Inc.	Fixed											2019/1/15	2029/1/14
L-B-17	D Project Nishi-Hiroshima Tower A	UCC FOODS CO., LTD.	Fixed											2016/12/25	2023/1/31
L-B-17	D Project Nishi-Hiroshima Tower B	HOKKOH Transportation, Inc.	Fixed											2018/11/1	2028/10/31
L-B-18	D Project Fukuoka Umi Tower A	Nippon Express Co., Ltd	Fixed											-	2016/1/20
L-B-18	D Project Fukuoka Umi Tower B	CREATE CORPORATION	Fixed											No revision	2022/4/15
L-B-18	D Project Fukuoka Umi Tower C	Fuji Logitech Co., Ltd.	Fixed											-	2016/5/31
L-B-18	D Project Fukuoka Umi Tower D	Japan Beverage Holdings Inc.	Fixed											2015/9/1	2021/8/31
L-B-19	D Project Tosu	Nippon Meat Packers, Inc.	Fixed											2015/4/1	Not disclosed
L-B-20	D Project Kuki I	TRANCOM Co., Ltd.	Fixed											2016/10/5	2031/10/4
L-B-21	D Project Kuki II	Seven & I Net Media Co., Ltd.	Fixed											2018/6/21	2023/6/30
L-B-22	D Project Kawagoe I	Daiwa Logistics Co., Ltd.	Fixed											2016/5/1	2026/4/30
L-B-23	D Project Kawagoe II	Daiwa Logistics Co., Ltd.	Fixed											2017/9/3	2027/9/2
L-B-24	DPL Inuyama	Sagawa Global Logistics Co., Ltd.	Fixed											2018/10/1	2028/9/30
L-B-25	D Project Fukuoka Hakozaki	Nakano Shokai Co., Ltd.	Fixed											No revision	2032/9/30

# Rent Revision Schedule (Retail Properties)

Property number	Property name	Tenant	Rent type	2014	2015		2016		2017		2018		2019	Rent revision	Expiry
				Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb		
				13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd		
Retail Properties															
R-M-1	ACROSSMALL Shinkamagaya	Daiwa Information Service Co., Ltd.	Fixed										Expiry	2016/12/12	2017/12/11
R-M-2	FOLEO Hirakata	Core tenant A	Fixed											2016/1/1	2026/12/8
R-M-2	FOLEO Hirakata	Core tenant B	Fixed											2016/1/1	2026/12/14
R-M-3	QiZ GATE URAWA	Core tenant A	Fixed											2017/3/27	2028/3/26
R-M-3	QiZ GATE URAWA	Core tenant B	Fixed											2017/3/27	2028/3/26
R-M-4	UNICUS Takasaki	P&D Consulting Co., Ltd.	Fixed											2014/12/9	2028/11/19
R-R-1	LIFE Sagamihara Wakamatsu	LIFE CORPORATION	Fixed											2016/5/22	2027/5/21
R-R-2	FOLEO Sendai Miyanomori	Daiwa House Industry Co., Ltd.	Fixed											No revision	2022/11/30
R-R-3	Top Mall Inazawa (land)	Daiwa Information Service Co., Ltd.	Fixed											No revision	2034/2/24

## Rent Revisions / Lease Contract Renewals

	13 <sup>th</sup> Period (ending Aug 2014)		14 <sup>th</sup> Period (ending Feb 2015)
Logistics	<ul style="list-style-type: none"> <li>• Rent revision of 2 tenants → 1 tenant revised rent on equal terms</li> </ul>	Logistics	<ul style="list-style-type: none"> <li>• Rent revision of 1 tenant</li> </ul>
Retail	<p>【 core tenant 】</p> <ul style="list-style-type: none"> <li>• Rent revision of 2 tenants → revised rent on equal terms</li> </ul> <p>【 other than above 】</p> <ul style="list-style-type: none"> <li>• Rent revision of 1 tenant → revised rent on equal terms</li> <li>• Contract expiry of 2 tenants → 1 tenant renewed lease contract on equal terms 1 tenant vacated at expiry, currently marketing</li> </ul>	Retail	<p>【 core tenant 】</p> <ul style="list-style-type: none"> <li>• Rent revision of 1 tenant</li> </ul> <p>【 other than above 】</p> <ul style="list-style-type: none"> <li>• Contract expiry of 3 tenants</li> </ul>

# 4

## Financial Forecasts

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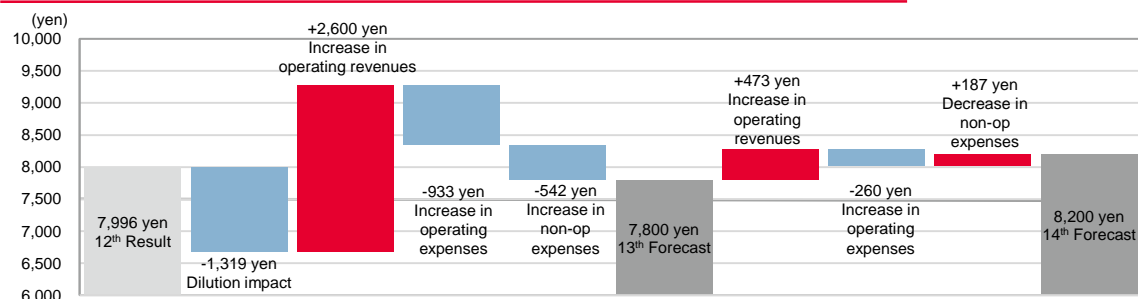
- ◆ Maintaining a stable distribution level of over 7,500 yen
- ◆ DPU Forecast 7,800 yen for 13<sup>th</sup> Period / 8,200 yen for 14<sup>th</sup> Period

## 13<sup>th</sup> Period (Aug 2014) and 14<sup>th</sup> Period (Feb 2015) Forecasts

	12 <sup>th</sup> Period Result ended Feb 2014	13 <sup>th</sup> Period Forecast ending Aug 2014 as of 2014/4/17	Period- on-period change	14 <sup>th</sup> Period Forecast ending Feb 2015 as of 2014/4/17	Period- on-period change
(million yen)					
Operating Revenues	4,153	4,916	763	5,055	139
Operating Income	2,321	2,810	489	2,872	62
Ordinary Income	1,960	2,289	329	2,407	118
Net Income	1,959	2,289	330	2,406	117
Distributions per unit (Note)	7,996 yen	7,800 yen	-196 yen	8,200 yen	400 yen
FFO per unit (Note)	11,442 yen	10,679 yen	-763 yen	11,080 yen	401 yen
【Major expenses】					
Property taxes	341	366	25	366	0
Depreciation	844	1,012	168	1,045	33
Borrowing related expenses	363	456	93	466	10

(Note) Adjusted for investment unit split on March 1, 2014

## Cause of Variation in DPU for 12<sup>th</sup> and 13<sup>th</sup> Periods



## Major Variation Factors for 13<sup>th</sup> Period (Aug 2014)

13 <sup>th</sup> Period Forecast  <versus 12 <sup>th</sup> Period>	✓ Operating revenues	+763 million yen
	• Full contribution of Top Mall Inazawa (land)	
	• Contribution of 6 logistics properties newly acquired	
	✓ Operating expenses	+274 million yen
	• Property taxes for UNICUS Takasaki	
	• Increase in repairs and maintenance expenses	
	• Outsourcing expenses and depreciation, etc. for 6 logistics properties newly acquired	
	• Increase in asset management fees related to new acquisitions	
	✓ Non-operating expenses	+159 million yen
	• Increase in interest expenses, etc. related to new borrowings	
	• Expenses for the equity offering	

## Major Variation Factors for 14<sup>th</sup> Period (Feb 2015)

14 <sup>th</sup> Period Forecast  <versus 13 <sup>th</sup> Period>	✓ Operating revenues	+139 million yen
	• Full contribution of 6 logistics properties acquired in the 13 <sup>th</sup> period	
	✓ Operating expenses	+77 million yen
	• Full-fiscal period expenses for 6 logistics properties	
	✓ Non-operating expenses	-54 million yen
	• Equity offering expenses not booked	



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## Our Growth Strategies

- ◆ To accomplish the stability and the growth of DPU, maintaining the DPU level of 7,500 yen plus
- ◆ Target AUM of 200 billion yen by the end of 16th period (ending Feb. 2016)

## External Growth Strategy

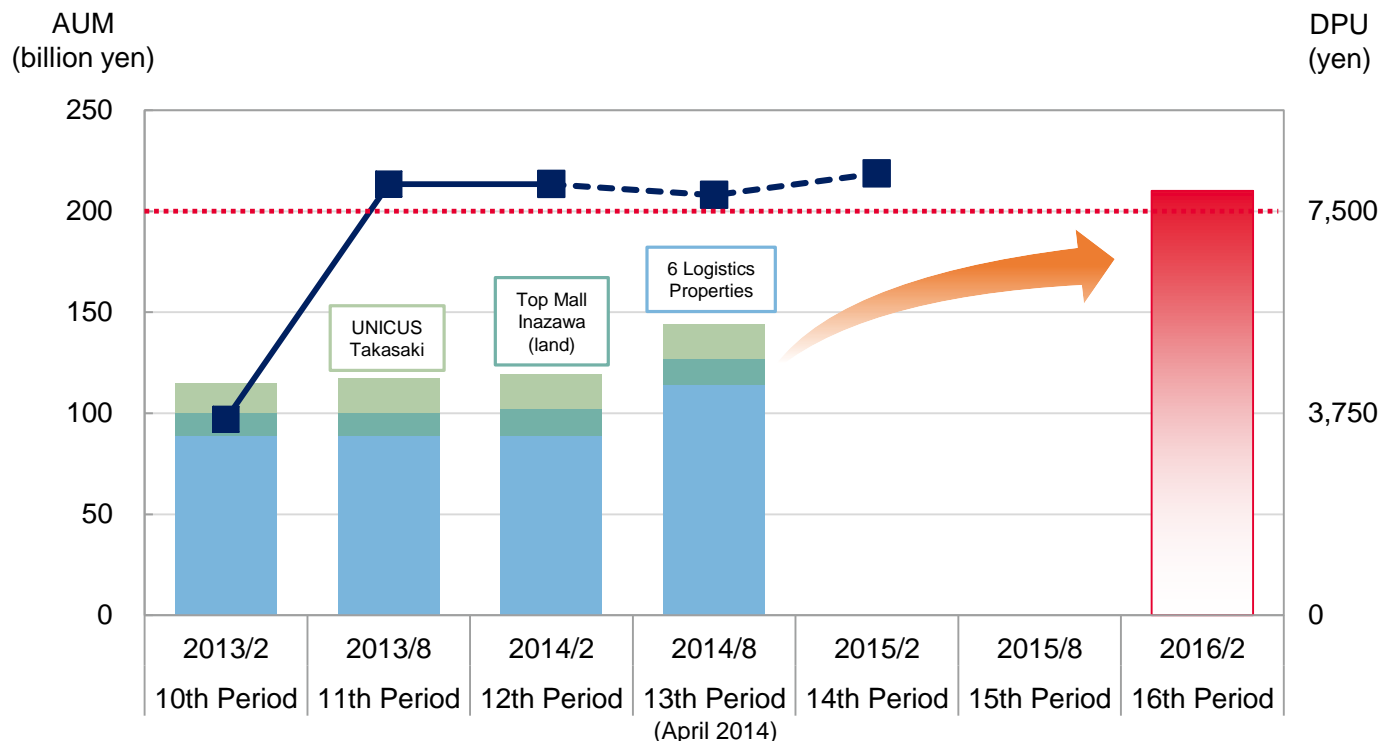
- Achieve steady growth by fully leveraging the Daiwa House Group pipeline in a competitive acquisition environment

## Internal Growth Strategy

- Focus on further strengthening tenant relationships in order to maintain and improve rent level at rent revision

## Financial Strategy

- Maintain sound balance sheet with our target LTV of 45% to 50% and sustainable DPU level of 7,500 yen plus
- Maintain long-term fixed interest rate borrowings as mitigation for potential interest rate rise



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

- Acquisitions from third party (Retail)
- Acquisitions from Daiwa House Group (Retail)
- Acquisitions from Daiwa House Group (Logistics)
- Distributions per unit (right axis)

# Pipeline with Daiwa House Group (1)

## (Examples of properties developed / under development by Daiwa House Group)

Our Growth Strategies

Property name	Category	Location	Construction date (planned)	Number of floors	Gross floor area (㎡)
<b>Logistics Properties</b>					
D Project Kita Hachioji Annex A	BTS	Hachioji, Tokyo	2011/3	5F	16,523
D Project Kita Hachioji Annex B	BTS	Hachioji, Tokyo	2012/1	4F	18,762
D Project Kita Hachioji Annex C	BTS	Hachioji, Tokyo	2014/5	4F	29,636
D Project Jonanjima	BTS	Ota, Tokyo	2014/4	6F	49,927
D Project Kuki Shobu I Annex B	BTS	Kuki, Saitama	2009/12	1F	3,225
D Project Kuki Shobu I Annex E	BTS	Kuki, Saitama	2013/6	4F	27,568
D Project Kuki Shobu II Annex A	BTS	Kuki, Saitama	2009/6	3F	28,035
D Project Kuki Shobu II Annex F	BTS	Kuki, Saitama	2012/7	6F	47,321
D Project Kuki Shobu III Annex H	BTS	Kuki, Saitama	2013/8	3F	31,689
D Project Kawagoe Annex A	BTS	Kawagoe, Saitama	2010/10	2F	27,814
D Project Yashio	BTS	Yashio, Saitama	2011/6	3F	23,055
D Project Matsudo Annex A	BTS	Matsudo, Chiba	2010/10	4F	34,122
D Project Matsudo Annex B	BTS	Matsudo, Chiba	2011/3	5F	21,125
D Project Nishi Yodogawa II	BTS	Osaka, Osaka	2011/4	4F	39,585
D Project Sendai Izumi I A	BTS	Sendai, Miyagi	2014/4	2F	12,774
D Project Hibiki Nada	BTS	Kitakyushu, Fukuoka	2008/8	2F	23,934
DPL Misato	Multi-tenant	Misato, Saitama	2013/7	5F	72,988
DPL Sagamihara	Multi-tenant	Sagamihara, Kanagawa	2013/12	5F	102,918
DPL Yokohama Daikoku	Multi-tenant	Yokohama, Kanagawa	2014/3	6F	149,339
DPL Fukuoka Kasuya	Multi-tenant	Kasuya, Fukuoka	2014/4	6F	96,766
<b>Retail Properties</b>					
FOLEO Shoubu	Roadside	Kuki, Saitama	2010/4	1F	19,287
FOLEO Hakata	Mall	Fukuoka, Fukuoka	2008/1	3F	29,023
FOLEO Otsu Ichiriyama	Mall	Otsu, Shiga	2008/10	2F+B1F	66,038
iias Tsukuba	Mall	Tsukuba, Ibaraki	2008/9	4F	125,249

(Note) As of the date of this document, DHR is not planning or committed to acquire any of the above properties.

# Pipeline with Daiwa House Group (2) (Examples of properties developed / under development by Daiwa House Group)

Our Growth Strategies

## ◆ Logistics Properties



D Project Kita Hachioji Annex A



D Project Kita Hachioji Annex B



D Project Kita Hachioji Annex C



D Project Jonanjima



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 A



D Project Yashio



D Project Matsudo Annex A



D Project Matsudo Annex B



D Project Nishi Yodogawa II



DPL Misato



DPL Sagamihara



DPL Yokohama Daikoku



DPL Fukuoka Kasuya



FOLEO Shoubu



FOLEO Hakata



FOLEO Otsu Ichiriyama



iias Tsukuba

## ◆ Retail Properties

(Note) As of the date of this document, DHR is not planning or committed to acquire any of the above properties.

Thank you



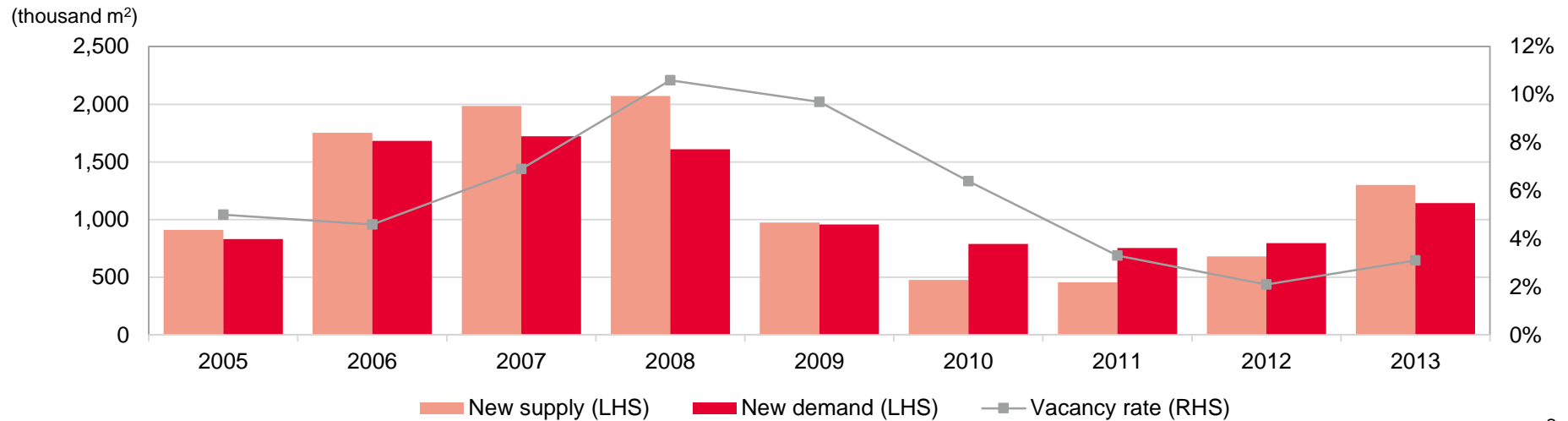
# 6

## Appendix

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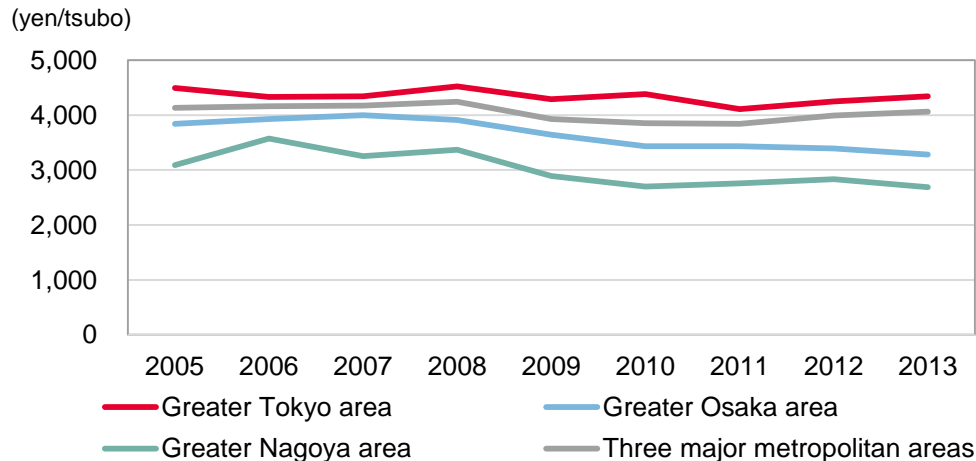


## Supply and Demand of Logistics Properties for Lease in the Three Major Metropolitan Areas of Japan



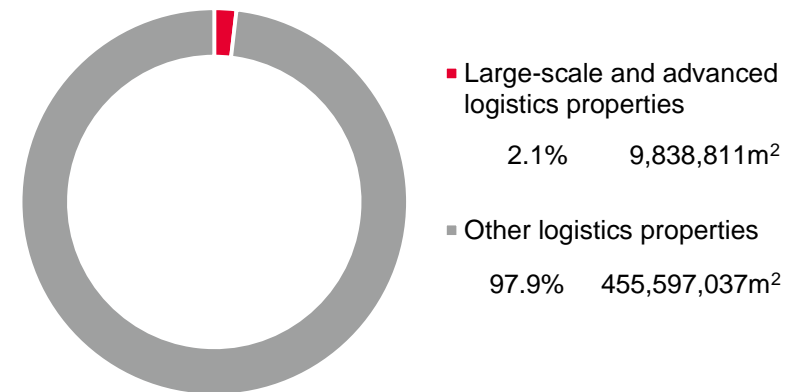
Source: CBRE

## Average Offered Rent for Medium-to-Large scale Logistics Properties



Source: CBRE

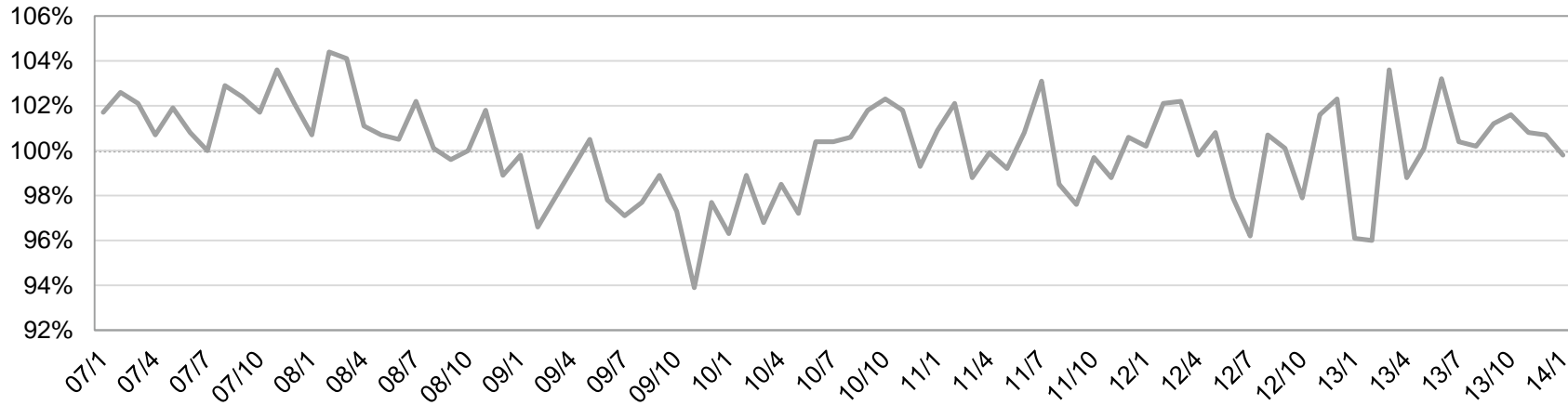
## Supply of Large-scale Advanced Logistics Properties Compared to Other Logistics Properties



Source: CBRE

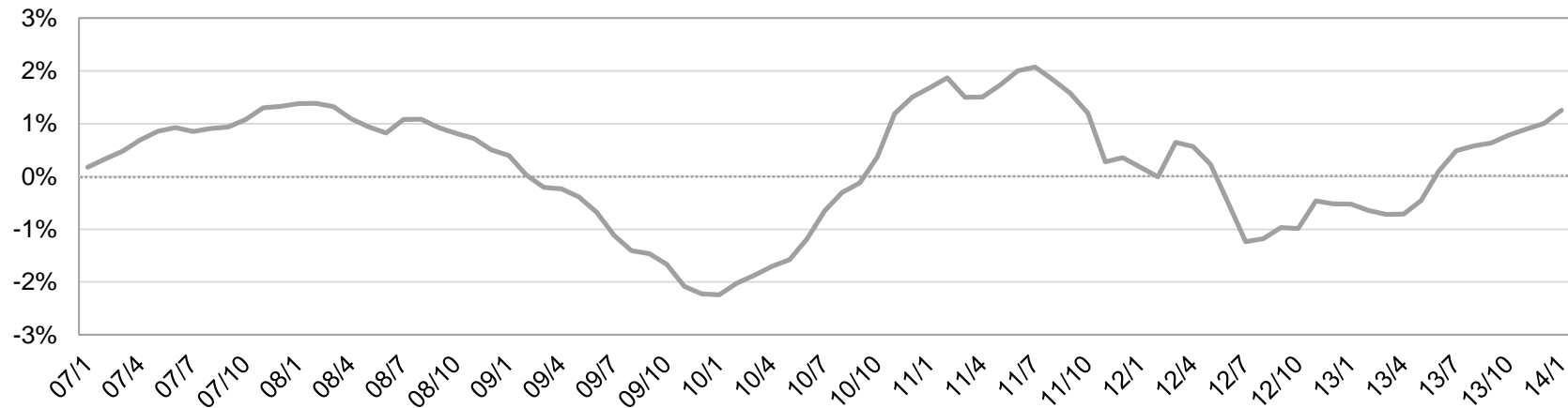


## Year-on-year Changes in Sales Volume of Supermarkets Under the Business Category of Large Retail Stores



Source: "Monthly Report on the Current Survey of Commerce", METI

## Trends in Retail Sales Volume (Moving Average of 12 Months) Compared to the Same Month in the Previous Year



Note: Excluding automobile and fuel sales.

Source: "Monthly Report on the Current Survey of Commerce", METI

(thousand yen)

	11th Period ended Aug 2013	12th Period ended Feb 2014		11th Period ended Aug 2013	12th Period ended Feb 2014
<b>Assets</b>			<b>Liabilities</b>		
Current assets			Current liabilities		
Cash and deposits	7,513,846	6,552,272	Operating accounts payable	75,895	80,680
Cash and deposits in trust	7,706,696	7,812,908	Accounts payable-other	12,205	44,731
Operating accounts receivable	11,648	8,914	Accrued expenses	301,698	307,171
Prepaid expenses	133,247	138,170	Income taxes payable	605	605
Other	100,116	418	Accrued consumption taxes	119,485	94,287
Total current assets	15,465,556	14,512,684	Advances received	408,916	419,638
Noncurrent assets			Other	23,895	23,890
Property, plant and equipment			Total current liabilities	942,702	971,005
Buildings in trust	53,380,855	53,383,270	Noncurrent liabilities		
Accumulated depreciation	(2,645,266)	(3,447,770)	Long-term loans payable	63,000,000	63,000,000
Buildings in trust, net	50,735,588	49,935,499	Tenant leasehold and security deposits in trust	6,081,051	6,197,271
Structures in trust	2,156,788	2,160,386	Total noncurrent liabilities	69,081,051	69,197,271
Accumulated depreciation	(128,977)	(171,080)	Total liabilities	70,023,753	70,168,276
Structures in trust, net	2,027,810	1,989,306			
Land in trust	62,751,887	64,720,029	Net assets		
Construction in progress in trust	—	25,190	Unitholders' equity		
Total property, plant and equipment	115,515,287	116,670,025	Unitholders' capital	59,381,050	59,381,050
Intangible assets			Surplus		
Other	2,890	2,550	Unappropriated retained earnings	1,967,380	1,959,680
Total intangible assets	2,890	2,550	Total surplus	1,967,380	1,959,680
Investments and other assets			Total unitholders' equity	61,348,430	61,340,730
Investment securities	6,134	6,214	Total net assets	61,348,430	61,340,730
Long-term prepaid expenses	382,315	317,532			
Total investments and other assets	388,449	323,747			
Total noncurrent assets	115,906,627	116,996,322			
Total assets	131,372,184	131,509,007	Total liabilities and net assets	131,372,184	131,509,007

	(thousand yen)	
	11th Period ended Aug 2013	12th Period ended Feb 2014
Operating revenues		
Rent revenues	4,036,575	4,056,517
Other lease business revenues	91,571	97,293
Total operating revenues	4,128,146	4,153,811
Operating expenses		
Expenses related to rent business	1,442,583	1,462,241
Asset management fee	275,240	277,177
Asset custody fee	11,457	11,456
Administrative service fees	16,628	12,947
Directors' compensations	6,000	6,000
Other operating expenses	55,730	62,765
Total operating expenses	1,807,640	1,832,527
Operating income	2,320,505	2,321,283
Non-operating income		
Interest income	1,281	1,527
Interest on refund of consumption taxes	7,576	—
Insurance income	645	657
Other	80	80
Total non-operating income	9,583	2,265
Non-operating expenses		
Interest expenses	285,344	288,678
Borrowing related expenses	76,847	74,584
Other	8	—
Total non-operating expenses	362,200	363,263
Ordinary income	1,967,888	1,960,285
Income before income taxes	1,967,888	1,960,285
Income taxes-current	605	605
Total income taxes	605	605
Net Income	1,967,283	1,959,680
Retained earnings brought forward	97	0
Unappropriated retained earnings	1,967,380	1,959,680

# Interest-Bearing Liabilities (1)

as of April 1, 2014

Category	Lender	Balance (million yen)		Interest rate	Floating /Fixed	Borrowing date	Repayment date	Term	Notes	Remaining maturity
		Amount	Total							
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	1.7 years
	Sumitomo Mitsui Trust Bank, Limited	4,250								
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,250								
	Mizuho 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	2.7 years
	Sumitomo Mitsui Trust Bank, Limited	3,000								
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000								
	Mizuho 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	3.7 years
	Sumitomo Mitsui Trust Bank, Limited	3,000								
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000								
	Mizuho 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	5.7 years
	Sumitomo Mitsui Trust Bank, Limited	2,000								
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000								
	Mizuho Bank, Ltd.	2,000								
	Development Bank of Japan Inc.	2,000								
	Sumitomo Mitsui Trust Bank, Limited	2,000	2,000	1.49625% (Note)	Fixed (Note)	2013/3/27	2023/3/27	10 years	Unsecured and non-guaranteed	9.0 years

## Interest-Bearing Liabilities (2)

as of April 1, 2014

Category	Lender	Balance (million yen)		Interest rate	Floating /Fixed	Borrowing date	Repayment date	Term	Notes	Remaining maturity
		Amount	Total							
Long-term	Sumitomo Mitsui Banking Corporation	500	3,000	1.0475% (Note)	Fixed (Note)	2014/4/1	2021/4/1	7 years	Unsecured and non-guaranteed	7.0 years
	Mizuho Bank, Ltd.	1,000								
	The Bank of Tokyo- Mitsubishi UFJ, Ltd.	500								
	Sumitomo Mitsui Trust Bank, Limited	500								
	Mitsubishi UFJ Trust and Banking Corporation	500								
	Sumitomo Mitsui Banking Corporation	1,000	3,500	1.205% (Note)	Fixed (Note)	2014/4/1	2022/4/1	8 years	Unsecured and non-guaranteed	8.0 years
	Mizuho Bank, Ltd.	1,000								
	The Bank of Tokyo- Mitsubishi UFJ, Ltd.	1,000								
	Sumitomo Mitsui Trust Bank, Limited	500								
	Sumitomo Mitsui Banking Corporation	1,000	3,000	1.518% (Note)	Fixed (Note)	2014/4/1	2024/4/1	10 years	Unsecured and non-guaranteed	10.0 years
	The Bank of Tokyo- Mitsubishi UFJ, Ltd.	1,000								
	Sumitomo Mitsui Trust Bank, Limited	500								
	Development Bank of Japan, Inc.	500								
	Sumitomo Mitsui Banking Corporation	500	2,000	2.033% (Note)	Fixed (Note)	2014/4/1	2026/4/1	12 years	Unsecured and non-guaranteed	12.0 years
	The Bank of Tokyo- Mitsubishi UFJ, Ltd.	500								
	Sumitomo Mitsui Trust Bank, Limited	500								
	Development Bank of Japan, Inc.	500								
<b>Interest-Bearing Debt Total / Weighted Average</b>			<b>74,500</b>	<b>1.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.3 years</b>	<b>-</b>	<b>4.2 years</b>

(Note) The interest rate is fixed in effect by entering into the interest rate swap agreement.

# Portfolio Appraisal Value (1)

Property number	Property name	Acquisition price (million yen)	Book value 12th period (million yen)	Unrealized gain/loss (million yen)	Appraisal value (yen in millions)			Direct capitalization method			Discounted cash flow method						Real estate appraiser (Note1)
								Capitalization rate			Discount rate			Terminal capitalization rate			
					11th period	12th period	Difference	11th period	12th period	Difference	11th period	12th period	Difference	11th period	12th period	Difference	
L-B-1	D Project Machida	7,600	7,520	800	8,170	8,320	150	5.3%	5.2%	-0.1%	5.2%	5.1%	-0.1%	5.5%	5.4%	-0.1%	Tanizawa
L-B-2	D Project Hachioji	12,600	12,406	1,594	13,500	14,000	500	5.3%	5.1%	-0.2%	5.2%/5.3%	5.0%/5.1%	-0.2%	5.5%	5.3%	-0.2%	Tanizawa
L-B-3	D Project Aikawa-Machi	2,600	2,578	452	2,980	3,030	50	5.4%	5.3%	-0.1%	5.4%	5.3%	-0.1%	5.6%	5.5%	-0.1%	Tanizawa
L-B-4	D Project Shin-Misato	4,440	4,400	1,230	5,630	5,630	-	5.4%	5.4%	0.0%	5.4%	5.4%	0.0%	5.6%	5.6%	0.0%	Tanizawa
L-B-5	D Project Urayasu I	7,700	7,634	716	8,350	8,350	-	4.8%	4.8%	0.0%	4.9%	4.9%	0.0%	5.0%	5.0%	0.0%	Tanizawa
L-B-6	D Project Urayasu II	21,400	21,241	2,159	22,900	23,400	500	4.8%	4.7%	-0.1%	4.8%	4.7%	-0.1%	5.0%	4.9%	-0.1%	Tanizawa
L-B-7	D Project Akanehama	2,550	2,528	162	2,710	2,690	(20)	5.1%	5.1%	0.0%	5.2%	5.2%	0.0%	5.3%	5.3%	0.0%	Tanizawa
L-B-8	D Project Noda	5,100	5,018	722	5,750	5,740	(10)	5.3%	5.3%	0.0%	5.2%	5.2%	0.0%	5.5%	5.5%	0.0%	Tanizawa
L-B-9	D Project Inuyama	6,650	6,546	1,414	7,750	7,960	210	5.7%	5.6%	-0.1%	5.6%	5.5%	-0.1%	5.9%	5.8%	-0.1%	Tanizawa
L-B-10	D Project Gifu	900	884	186	1,070	1,070	-	5.9%	5.9%	0.0%	5.8%	5.8%	0.0%	6.1%	6.1%	0.0%	Tanizawa
L-B-11	D Project Neyagawa	4,600	4,552	848	5,300	5,400	100	5.4%	5.3%	-0.1%	5.4%	5.3%	-0.1%	5.6%	5.5%	-0.1%	Tanizawa
L-B-12	D Project Sapporo Minami	600	590	203	781	793	12	6.5%	6.4%	-0.1%	6.3%/6.4%	6.2%/6.3%	-0.1%	6.7%	6.6%	-0.1%	Tanizawa
L-B-13	D Project Morioka	1,000	981	179	1,150	1,160	10	6.4%	6.3%	-0.1%	6.3%	6.2%	-0.1%	6.6%	6.5%	-0.1%	Tanizawa
L-B-14	D Project Sendai Minami	1,250	1,222	168	1,370	1,390	20	5.9%	5.8%	-0.1%	5.7%/5.8%	5.6%/5.7%	-0.1%	6.1%	6.0%	-0.1%	Tanizawa
L-B-15	D Project Tsuchiura	2,880	2,826	404	3,230	3,230	-	5.6%	5.6%	0.0%	5.5%	5.5%	0.0%	5.8%	5.8%	0.0%	Tanizawa
L-B-16	D Project Gotenba	950	937	173	1,110	1,110	-	5.8%	5.8%	0.0%	5.7%	5.7%	0.0%	6.0%	6.0%	0.0%	Tanizawa
L-B-17	D Project Nishi-Hiroshima	990	985	165	1,160	1,150	(10)	5.9%	5.9%	0.0%	5.9%/6.0%	5.9%/6.0%	0.0%	6.1%	6.1%	0.0%	Tanizawa
L-B-18	D Project Fukuoka Umi	3,100	3,052	598	3,590	3,650	60	6.0%	5.9%	-0.1%	5.7%/5.8% /5.9%	5.6%/5.7% /5.8%	-0.1%	6.2%	6.1%	-0.1%	Tanizawa
L-B-19	D Project Tosu	2,100	2,063	527	2,540	2,590	50	5.8%	5.7%	-0.1%	5.8%	5.7%	-0.1%	6.0%	5.9%	-0.1%	Tanizawa
Logistics Properties Total		89,010	87,970	12,693	99,041	100,663	1,622	-	-	-	-	-	-	-	-	-	-

# Portfolio Appraisal Value (2)

Property number	Property name	Acquisition price (million yen)	Book value 12th period (million yen)	Unrealized gain/loss (million yen)	Appraisal value (yen in millions)			Direct capitalization method			Discounted cash flow method						Real estate appraiser (Note1)
								Capitalization rate			Discount rate			Terminal capitalization rate			
					11th period	12th period	Difference	11th period	12th period	Difference	11th period	12th period	Difference	11th period	12th period	Difference	
R-M-1	ACROSSMALL Shinkamagaya	7,419	6,779	501	7,270	7,280	10	6.4%	6.4%	0.0%	6.1%	6.1%	0.0%	6.6%	6.6%	0.0%	JREI
R-M-2	FOLEO Hirakata	5,040	4,679	(329)	4,350	4,350	-	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	4,941	(201)	4,800	4,740	(60)	6.3%	6.3%	0.0%	5.8%	5.8%	0.0%	6.3%	6.3%	0.0%	JREI
R-M-4	UNICUS Takasaki	2,570	2,635	65	2,700	2,700	-	7.2%	7.2%	0.0%	6.9%	6.9%	0.0%	7.4%	7.4%	0.0%	JREI
R-R-1	LIFE Sagamihara Wakamatsu	1,650	1,642	(142)	1,500	1,500	-	5.8%	5.8%	0.0%	5.4%	5.4%	0.0%	5.9%	5.9%	0.0%	JREI
R-R-2	FOLEO Sendai Miyanomori	6,040	6,028	112	6,130	6,140	10	6.8%	6.8%	0.0%	6.5%	6.5%	0.0%	7.0%	7.0%	0.0%	JREI
R-R-3	Top Mall Inazawa (land)	1,944	1,968	352	2,320	2,320	-	-	-	-	5.5%	5.5%	0.0%	-	-	-	JREI
Retail Properties Total		30,023	28,674	356	29,070	29,030	(40)	-	-	-	-	-	-	-	-	-	-
Portfolio Total		119,033	116,644	13,049	128,111	129,693	1,582	-	-	-	-	-	-	-	-	-	-
【 Acquisitions in 13th Period 】																	
L-B-20	D Project Kuki I	3,500	-	190	-	3,690	-	-	5.4%	-	-	5.4%	-	-	5.6%	-	Tanizawa
L-B-21	D Project Kuki II	7,200	-	450	-	7,650	-	-	5.4%	-	-	5.4%/5.5%	-	-	5.6%	-	Tanizawa
L-B-22	D Project Kawagoe I	3,100	-	220	-	3,320	-	-	5.4%	-	-	5.4%	-	-	5.6%	-	Tanizawa
L-B-23	D Project Kawagoe II	4,250	-	290	-	4,540	-	-	5.4%	-	-	5.4%	-	-	5.6%	-	Tanizawa
L-B-24	DPL Inuyama	3,380	-	120	-	3,500	-	-	5.7%	-	-	5.6%	-	-	5.9%	-	Tanizawa
L-B-25	D Project Fukuoka Hako-zaki	3,700	-	150	-	3,850	-	-	5.6%	-	-	5.6%	-	-	5.8%	-	Tanizawa
6 Logistics Properties Acquired in 13th Period		25,130	-	1,420	-	26,550	-	-	-	-	-	-	-	-	-	-	-
Portfolio Grand Total		144,163	-	14,469	-	156,243	-	-	-	-	-	-	-	-	-	-	-

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

※ For the property acquired in the 12<sup>th</sup> fiscal period, the appraisal value at the time of the acquisition is applied as the end of the 11<sup>th</sup> fiscal period figure.  
For the properties acquired in the 13<sup>th</sup> fiscal period, the appraisal value at the time of the acquisition is applied as the end of the 12<sup>th</sup> fiscal period figure.



# Revenues and Expenses by Property (Logistics Properties)

Appendix

(million yen)

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	
Number of operating days	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>
	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days
Revenues	Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)	
Rent																				
Other revenues																				
Expenses																				
Property taxes																				
Property management fees																				
Insurance																				
Repairs and maintenance																				
Other rental expenses																				
NOI	220	217	366	362	81	81	151	150	200	201	554	565	69	69	153	153	226	226	31	31
Depreciation	49	49	104	104	15	15	26	26	44	44	109	109	15	15	44	44	56	56	9	9
Operating income from property leasing	170	167	261	257	65	65	124	123	156	157	445	456	53	53	109	109	169	169	21	21
NOI yield (annualized)	5.7%	5.8%	5.8%	5.8%	6.2%	6.3%	6.8%	6.8%	5.2%	5.3%	5.1%	5.3%	5.4%	5.5%	6.0%	6.1%	6.8%	6.9%	6.9%	7.0%
Yield after depreciation (annualized)	4.4%	4.5%	4.1%	4.1%	5.0%	5.1%	5.6%	5.6%	4.0%	4.1%	4.1%	4.3%	4.2%	4.2%	4.3%	4.3%	5.1%	5.2%	4.8%	4.9%

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			
Number of operating days		11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th
		184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days
Revenues		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		Not disclosed (Note)		121	121	Not disclosed (Note)		3,023	3,024
Rent	120															120	2,999			2,999	
Other revenues	1															1	24			24	
Expenses	13															14	368			364	
Property taxes	9															9	265			251	
Property management fees	3															3	74			74	
Insurance	0															0	5			5	
Repairs and maintenance	0															0	12			20	
Other rental expenses	0															0	9			12	
NOI		142	142	25	25	36	36	43	43	99	99	33	33	38	37	108	107	73	73	2,655	2,659
Depreciation		30	30	7	7	11	11	15	15	28	28	8	8	7	7	28	28	20	20	633	633
Operating income from property leasing		112	112	18	18	25	25	28	27	70	71	24	24	30	30	80	79	53	52	2,021	2,025
NOI yield (annualized)		6.2%	6.2%	8.4%	8.5%	7.3%	7.3%	6.9%	6.9%	6.9%	7.0%	6.9%	7.0%	7.6%	7.7%	6.9%	7.0%	6.9%	7.0%	5.9%	6.0%
Yield after depreciation (annualized)		4.8%	4.9%	6.0%	6.1%	5.1%	5.1%	4.5%	4.5%	4.9%	5.0%	5.1%	5.2%	6.2%	6.2%	5.1%	5.2%	5.0%	5.1%	4.5%	4.6%

# Revenues and Expenses by Property (Retail Properties)

Appendix

(million yen)

Property number	R-M-1		R-M-2		R-M-3		R-M-4		R-R-1		R-R-2		R-R-3		Retail Properties Total		Portfolio Total	
Property name	ACROSSMALL Shinkamagaya		FOLEO Hirakata		QIZ GATE URAWA		UNICUS Takasaki		LIFE Sagamiyama Wakamatsu		FOLEO Sendai Miyanomori		Top Mall Inazawa (land)		Retail Properties Total		Portfolio Total	
Number of operating days	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th
	184 days	181 days	184 days	181 days	184 days	181 days	158 days	181 days	184 days	181 days	184 days	181 days		4 days	184 days	181 days	184 days	181 days
Revenues	273	275	189	191	241	242	111	129	Not disclosed (Note)		238	238	-	1	1,104	1,129	4,128	4,153
Rent	273	275	188	187	175	173	111	129			238	238	-	1	1,037	1,057	4,036	4,056
Other revenues	-	-	1	4	65	68	-	-			-	-	-	-	67	72	91	97
Expenses	39	47	38	54	83	96	20	21			26	26	-	0	230	253	598	617
Property taxes	26	26	23	23	14	14	-	-			21	21	-	-	89	89	355	341
Property management fees	8	8	8	9	32	32	17	20			3	3	-	-	72	75	147	150
Insurance	0	0	0	0	0	0	0	0			0	0	-	-	1	1	6	6
Repairs and maintenance	4	11	2	16	1	13	2	0			0	-	-	-	25	43	38	63
Other rental expenses	0	0	3	3	35	36	0	0			0	0	-	0	40	42	50	55
NOI	233	227	150	137	157	145	91	108	28	42	211	212	-	1	873	876	3,529	3,536
Depreciation	71	71	42	42	51	51	14	14	4	4	26	26	-	-	209	210	843	844
Operating income from property leasing	162	156	108	95	106	94	76	94	24	38	184	185	-	1	663	666	2,685	2,691
NOI yield (annualized)	6.2%	6.2%	5.9%	5.5%	5.8%	5.5%	8.2%	8.5%	3.5%	5.2%	6.9%	7.1%	-	7.8%	6.2%	5.9%	6.0%	6.0%
Yield after depreciation (annualized)	4.3%	4.2%	4.3%	3.8%	3.9%	3.5%	6.9%	7.4%	3.0%	4.7%	6.1%	6.2%	-	7.8%	4.7%	4.5%	4.5%	4.6%

(Note) Not disclosed due to consent for disclosure not obtained from the lessee.

## 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 Continuous Focus on Unitholders' Interests**
- 4 Solid Financing Strategy**

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



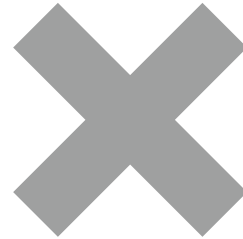
- Indispensable under all economic conditions
- Long-term lease agreements with corporate tenants
- Stable occupancy rate

**Logistics and retail properties are asset types  
suitable to achieve stable income on a long-term basis**

## Investment Criteria

### Location

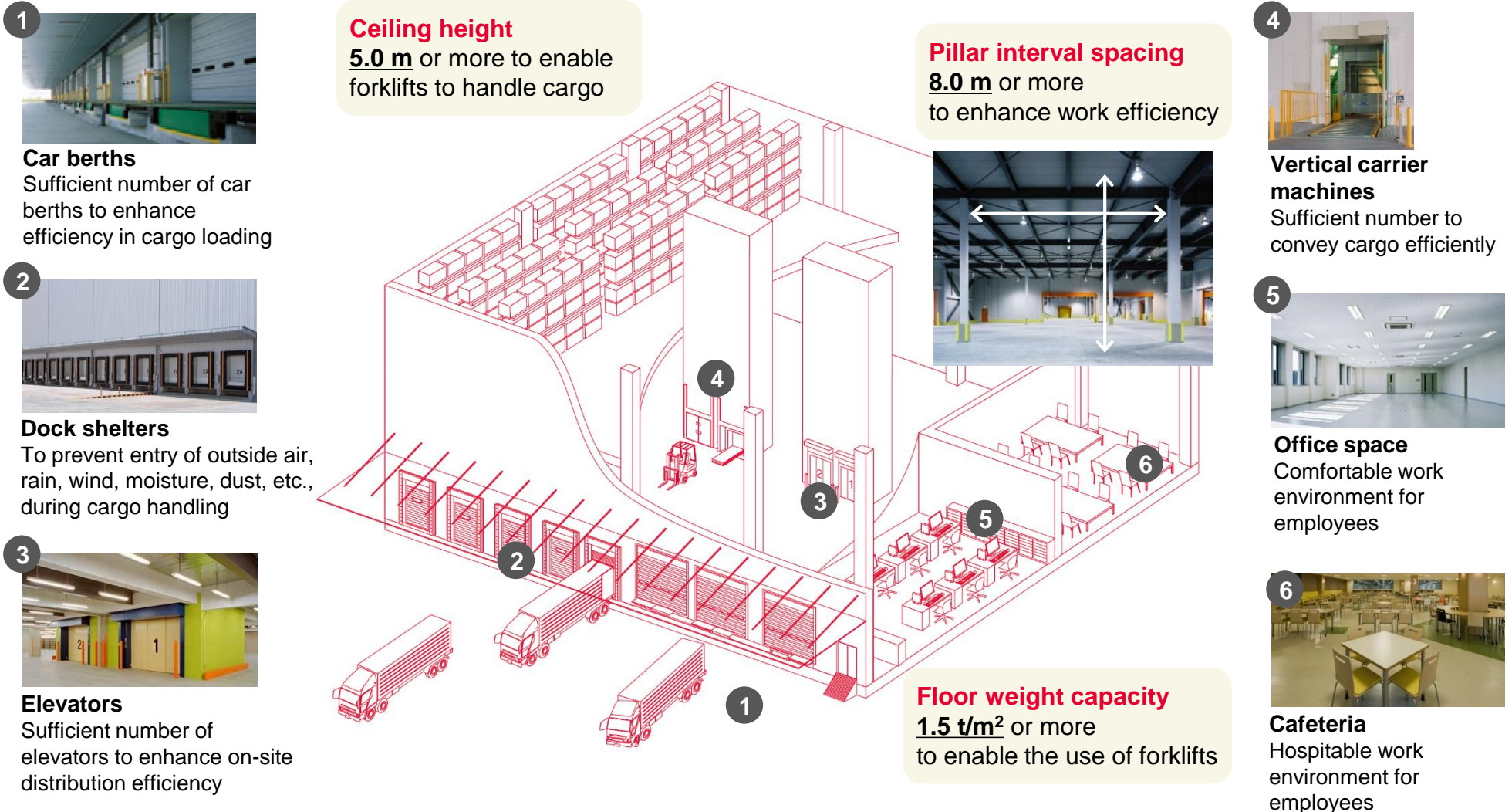
- Proximity to both consumption and production areas
- Accessibility to transportation networks
  - Highways, airports and harbors, etc.
- Ease in securing workforce and convenience in commuting for employees



### Specifications

- Space and specifications in principle
  - Gross floor area (6,000m<sup>2</sup> or more)
  - Floor weight capacity (1.5t/m<sup>2</sup> or more)
  - Ceiling height (5.0m or more)
  - Pillar interval spacing (8.0m or more)
- Building, equipment and other features (car berths, etc.) in accordance with the expected size and type of parcels to be delivered and shipping frequency

## Specifications of Competitive High-performance Logistics Properties



(Note) Not all logistics properties in DHR's portfolio are equipped with all of the specifications above.

## Investment Criteria

### Location

- 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 consumers' 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 (2)

### Three Categories of Specialty Retail Complexes - Roadside, Mall and Urban Type Retail Properties as Investment Criteria

- Current portfolio consists of roadside and mall type retail properties only

#### Roadside Type Retail Properties

(FOLEO Sendai Miyanomori)



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

#### Mall Type Retail Properties

(ACROSSMALL Shinkamagaya)



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

#### Major Tenants

York Benimaru

nishimatsuya

タイフ

MA RUKAME UDON  
TEMPURA MUSEUM

YAOKO  
MARKETPLACE

NITORI

Best Quality & High Value  
SHOE PLAZA  
Chigoda  
<http://www.chyodogga.co.jp>

Right-on.

ABC-MART

Jeans&Casual  
Mac-House

CREATIVE FASHION SQUARE  
Honeys

Salzeriya

Aigan

カワチ薬品

SPORTS DEPO  
For Your Active Life

GOLF5

BR  
bakkin  
tobbin

寿は  
司ま  
HAMAZUSHI

motherways

K'S HOLDINGS CORPORATION

BOOK STORE  
KUMAZAWA

3  
can  
4on

お家  
EMURA

SPORTS CLUB NAS  
Daiwa House Group

M  
MOS BURGER

ToysRUS

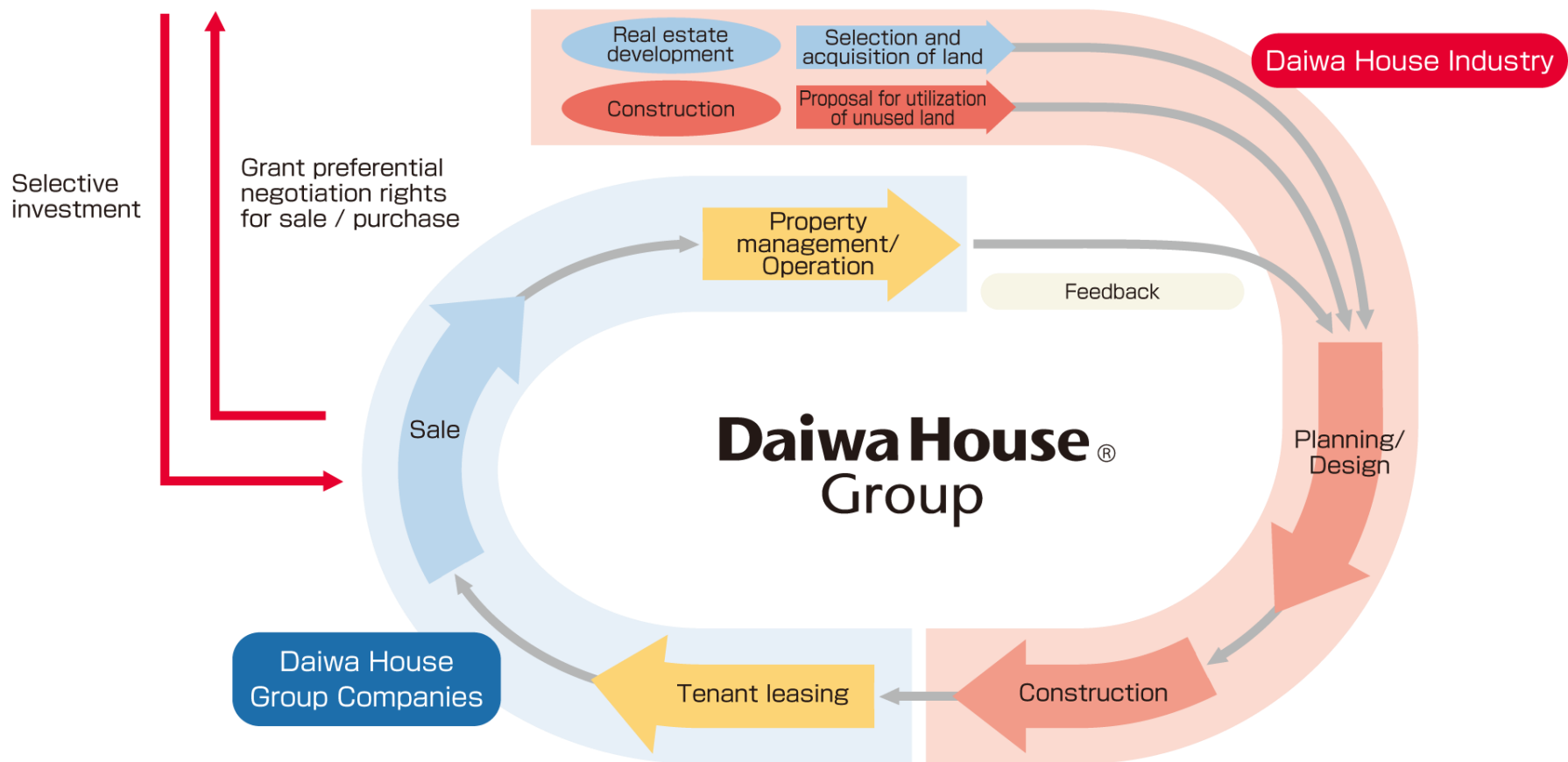
CINEPLEX HIRAKATA

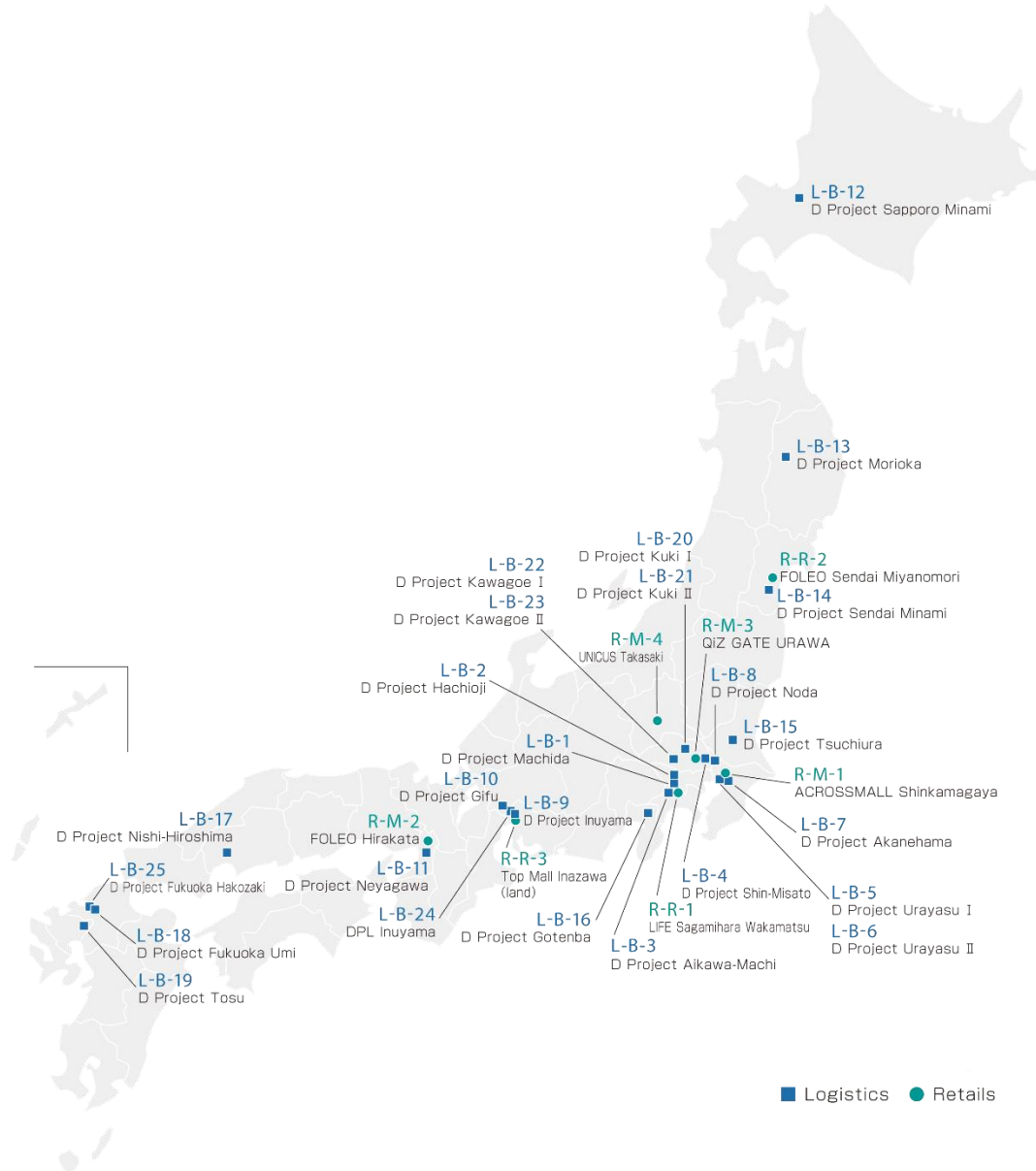
(Note) Not all retail properties in DHR's portfolio are leased to all of the above tenants.

## Value Chain of Daiwa House Group

- ◆ Planning and development of logistics and retail properties as part of the Daiwa House Group's core businesses
- ◆ Pipeline supporting agreements to grant preferential negotiation rights to DHR for the sale and purchase of the properties
- ◆ Information sharing on the development of logistics and retail properties between the Asset Manager











### Daiwa House REIT Investment Corporation















as of April 1, 2014

# List of Logistics Properties - BTS Type (1)






Property Name	D Project Machida	D Project Hachioji	D Project Aikawa-Machi	D Project Shin-Misato	D Project Urayasu I
Photo					
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
Specifications	<ul style="list-style-type: none"> <li>Gross floor area: 50,490.34 m<sup>2</sup> (5F)</li> <li>Floor weight capacity: 0.5~1.5 t/m<sup>2</sup></li> <li>Ceiling height: 3.3~7.2 m</li> <li>Pillar interval: 9.0 m × 11.0 m</li> <li>Cargo EV: 6</li> <li>Vertical carrier machine: 1</li> <li>Connected car berths: 2 sides (for 40 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 58,678.15 m<sup>2</sup> (4F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.3~7.4 m</li> <li>Pillar interval: 10.0 m × 10.8 m</li> <li>Cargo EV: 3 (1st and 2nd floor) / 4 (3rd and 4th floor)</li> <li>Vertical carrier machines: 3</li> <li>Connected car berths: 2 sides (for 75 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 13,213.43 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 0.8 t/m<sup>2</sup></li> <li>Ceiling height: 5.7~6.8 m</li> <li>Pillar interval: 10.0 m × 11.0 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 2</li> <li>Connected car berths: 1 side (for 23 vehicles)</li> <li>Dock shelters: for 20 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 11,257.04 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup> (partly 2.5 t/m<sup>2</sup>)</li> <li>Ceiling height: 4.0~6.0 m</li> <li>Pillar interval: 10.2 m × 10.0 m</li> <li>Cargo EV: 2</li> <li>Connected car berths: 1 side (for 11 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 36,515.81 m<sup>2</sup> (5F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.5~7.1 m</li> <li>Pillar interval: 10.0 m × 10.0 m</li> <li>Cargo EV: 4</li> <li>Vertical carrier machines: 12</li> <li>Connected car berths: 2 sides (for 48 vehicles)</li> </ul>
Property Name	D Project Urayasu II	D Project Akanehama	D Project Noda	D Project Inuyama	D Project Gifu
Photo					
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 wholesale company)	Beverage, etc. (logistics company)
Number of Tenants	1	1	1	1	1
Specifications	<ul style="list-style-type: none"> <li>Gross floor area: 72,320.01 m<sup>2</sup> (5F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 5.4~7.1 m</li> <li>Pillar interval: 10.5 m × 10.7 m</li> <li>Cargo EV: 10</li> <li>Vertical carrier machines: 8</li> <li>Connected car berths: 3 sides (for 99 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 11,656.89 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.0 t/m<sup>2</sup></li> <li>Ceiling height: 5.0~6.2 m</li> <li>Pillar interval: 8.4 m × 10.0 m</li> <li>Cargo EV: 4</li> <li>Connected car berths: 1 side (for 21 vehicles)</li> <li>Dock shelters: for 21 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 29,190.21 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 8.3~11.3 m</li> <li>Pillar interval: 10.8 m × 11.0 m</li> <li>Cargo EV: 4</li> <li>Vertical carrier machines: 6</li> <li>Connected car berths: 3 sides (for 78 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 42,083.63 m<sup>2</sup> (4F)</li> <li>Floor weight capacity: 0.5~1.5 t/m<sup>2</sup></li> <li>Ceiling height: 3.3~7.3 m</li> <li>Pillar interval: 10.0 m × 10.0 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 4</li> <li>Connected car berths: 1 side (for 55 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 6,921.06 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.3~6.6 m</li> <li>Pillar interval: 10.1 (8.1) m × 10.5 m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 2</li> <li>Connected car berths: 1 side (for 6 vehicles)</li> </ul>



# List of Logistics Properties - BTS Type (2)

Property Name	D Project Neyagawa	D Project Sapporo Minami	D Project Morioka	D Project Sendai Minami	D Project Tsuchiura
Photo					
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
Specifications	<ul style="list-style-type: none"> <li>Gross floor area: 11,303.11 m<sup>2</sup> (4F)</li> <li>Floor weight capacity: 1.3 t/m<sup>2</sup></li> <li>Ceiling height: 4.5~8.5 m</li> <li>Pillar interval: 11.0 m × 12.0 m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 4</li> <li>Connected car berths: 2 sides (for 25 vehicles)</li> <li>Dock shelters: for 25 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 6,749.10 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 8.0~9.0 m</li> <li>Pillar interval: 11.0 m × 11.0 m (partly 11.0 m × 9.0 m)</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 1</li> <li>Connected car berths: 1 side (for 17 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 8,849.12 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5~2.0 t/m<sup>2</sup></li> <li>Ceiling height: 8.5~9.1 m</li> <li>Pillar interval: 11.0 m × 7.8 m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 2</li> <li>Connected car berths: 1 side for 19 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 11,042.27 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 9.0~12.2 m</li> <li>Pillar interval: 10.5 m × 11.0 m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 2</li> <li>Connected car berths: 1 side (for 19 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 17,448.86 m<sup>2</sup> (6F)</li> <li>Floor weight capacity: 0.5~1.5 t/m<sup>2</sup></li> <li>Ceiling height: 4.8~7.0 m</li> <li>Pillar interval: 9.2 m × 8.6 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 1</li> <li>Connected car berths: 1 side (for 17 vehicles)</li> </ul>
Property Name	D Project Gotenba	D Project Nishi-Hiroshima	D Project Fukuoka Umi	D Project Tosu	D Project Kuki I
Photo					
Tenant	HOKKOH Transportation, Inc.	UCC FOODS CO., LTD	Nippon Express Co., Ltd	Nippon Meat Packers, Inc.	TRANCOM Co., Ltd.
Line of Products	Materials for rubber and chemical products (logistics company)	Food and beverage (food wholesale company)/auto parts (logistics company)	Automobile tire (logistics company) / household goods (logistics company)	Frozen foods (food maker)	—
Number of Tenants	1	2	4	1	1
Specifications	<ul style="list-style-type: none"> <li>Gross floor area: 6,457.26 m<sup>2</sup> (4F)</li> <li>Floor weight capacity: 1.6~4.0 t/m<sup>2</sup></li> <li>Ceiling height: 6.1~7.0 m</li> <li>Pillar interval: 9.4 m × 10.0 m</li> <li>Vertical carrier machines: 2</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 4,453.45 m<sup>2</sup> (3F / 2F)</li> <li>Floor weight capacity: 1.6~4.0 t/m<sup>2</sup></li> <li>Ceiling height: 6.5~10.6 m</li> <li>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</li> <li>Connected car berths: 1 side (for 8 vehicles)</li> <li>Dock shelters: for 11 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 23,742.02 m<sup>2</sup> (2F / 3F)</li> <li>Floor weight capacity: 1.0~2.2 t/m<sup>2</sup></li> <li>Ceiling height: 6.4~10.9 m</li> <li>Pillar interval: 8.1 m × 8.7 m / 8.4 m × 8.9 m</li> <li>Cargo EV: 4</li> <li>Vertical carrier machines: 2</li> <li>Connected car berths: 1 side (for 22 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 8,504.62 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.3 t/m<sup>2</sup></li> <li>Ceiling height: 6.7~7.4 m</li> <li>Pillar interval: 11.0 m × 11.0 m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 3</li> <li>Connected car berths: 1 side (for 24 vehicles)</li> <li>Dock shelters: for 24 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 22,701.12 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.0 m</li> <li>Pillar interval: 10.6 m × 10.0 m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 4</li> <li>Connected car berths: 3 sides (for 30 vehicles)</li> </ul>

# List of Logistics Properties - BTS Type (3)

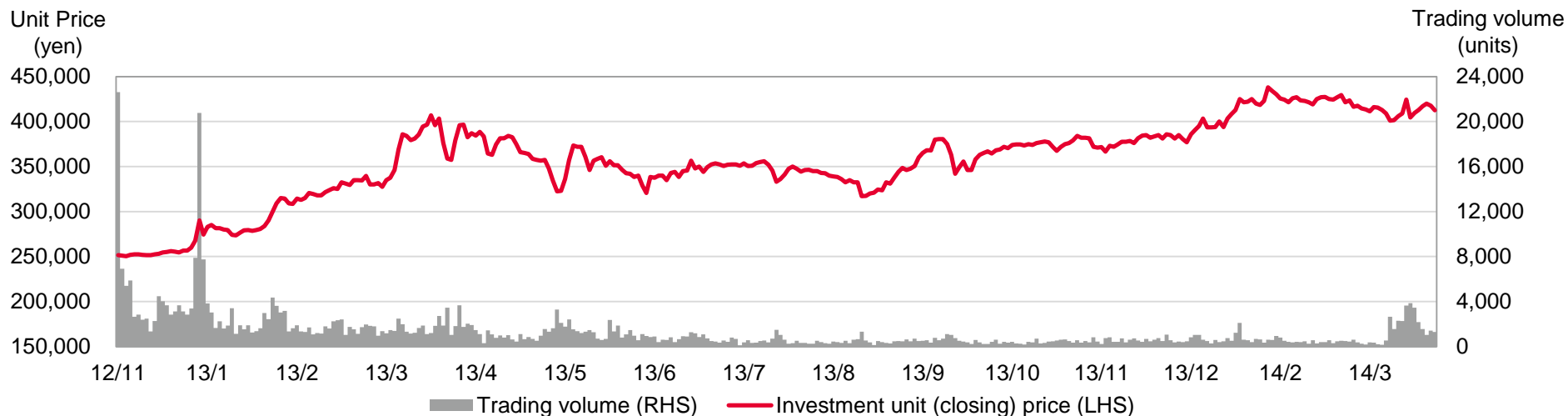
Property Name	D Project Kuki II	D Project Kawagoe I	D Project Kawagoe II	DPL Inuyama	D Project Fukuoka Hakozaki
Photo					
Tenant	Seven & i Net Media Co., Ltd.	Daiwa Logistics Co., Ltd.	Daiwa Logistics Co., Ltd.	Sagawa Global Logistics Co., Ltd.	Nakano Shokai Co., Ltd.
Line of Products	Household goods, etc. (mail-order company)	Food, drink, etc. (food wholesale company)	Food (food maker)	Confectionary, etc. (logistics company)	Communication devices, building materials (logistics company)
Number of Tenants	1	1	1	1	1
Specifications	<ul style="list-style-type: none"> <li>Gross floor area: 50,490.00m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 0.7~1.5t/m<sup>2</sup></li> <li>Ceiling height: 3.5~6.0m</li> <li>Pillar interval: 10.0m×9.9m</li> <li>Cargo EV: 3</li> <li>Vertical carrier machines: 3</li> <li>Connected car berths: 2 sides (for 59 vehicles)</li> <li>Dock shelters: for 1 vehicle</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 16,150.89m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5t/m<sup>2</sup></li> <li>Ceiling height: 7.5m</li> <li>Pillar interval: 10.0m×10.9m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 3</li> <li>Connected car berths: 2 sides (for 28 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 19,872.00m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5t/m<sup>2</sup></li> <li>Ceiling height: 5.5m</li> <li>Pillar interval: 11.0m×9.6m</li> <li>Cargo EV: 1</li> <li>Vertical carrier machines: 5</li> <li>Connected car berths: 2 sides (for 46 vehicles)</li> <li>Dock shelters: for 37 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 20,872.50m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5t/m<sup>2</sup></li> <li>Ceiling height: 6.5m</li> <li>Pillar interval: 11.0m×11.5m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 4</li> <li>Connected car berths: 1 side (for 26 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 33,332.18 m<sup>2</sup> (4F)</li> <li>Floor weight capacity: 1.5t/m<sup>2</sup></li> <li>Ceiling height: 6.0m</li> <li>Pillar interval: 10.6m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 6</li> <li>Connected car berths: 1 side (for 16 vehicles)</li> </ul>

# List of Retail Properties

Property Name	ACROSSMALL Shinkamagaya	FOLEO Hirakata	QIZ GATE URAWA	UNICUS Takasaki
Photo				
Tenant	Daiwa Information Service Co., Ltd.	Alpen Co., Ltd.	Major Food Supermarket, etc.	P&D Consulting Co., Ltd.
Number of Tenants	1	23	9	1
Tenant composition	<ul style="list-style-type: none"> <li>Tenants include Toys "R" Us-Japan Ltd., the main tenant, and Sport Club NAS, as well as various other retail businesses such as restaurants and stores specializing in casual fashion, general merchandise, books, hobbies and household goods</li> </ul>	<ul style="list-style-type: none"> <li>Tenants include specialty stores such as 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</li> </ul>	<ul style="list-style-type: none"> <li>Tenants include a major food supermarket, major home furnishings store, drugstore and service stores (beauty salon, clinic, dry cleaner, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>
Property Name	LIFE Sagamihara Wakamatsu	FOLEO Sendai Miyanomori	Top Mall Inazawa (land)	
Photo				
Tenant	LIFE CORPORATION	Daiwa House Industry Co., Ltd.	Daiwa Information Service Co., Ltd.	
Number of Tenants	1	1	1	
Tenant composition	<ul style="list-style-type: none"> <li>A major food supermarket chain, LIFE CORPORATION, rents the entire property, which gives LIFE CORPORATION an advantageous scale in the neighboring commercial area</li> <li>The second floor, which is where the parking lot is located, is subleased to restaurants</li> </ul>	<ul style="list-style-type: none"> <li>Tenants are leading companies of various business categories, such as York Benimaru, a supermarket, and prominent tenants include specialized stores such as CAWACHI (drugstore), 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</li> </ul>	<ul style="list-style-type: none"> <li>The shopping center is comprised of competitive tenants, with the supermarket Aoki Super and Keiyo D2 as the core tenants and also features Shimamura, ZIP DRUG as well as restaurants and such</li> </ul>	

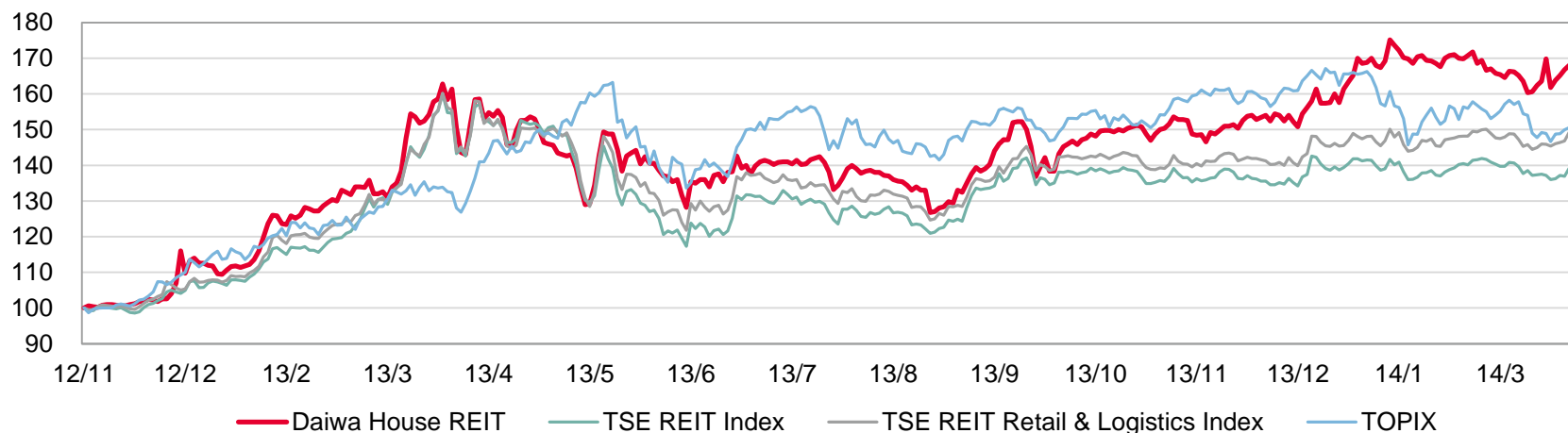


## Unit Price and Trading Volume



※ DHR implemented a 2-for-1 split of investment units with March 1, 2014 as the effective date. Factoring the impact of the split, "unit price" and "trading volume" prior to the split are stated with the unit price divided by 2 and trading volume multiplied by 2.

## Relative Unit Price Performance



※ Indexed with the ¥250,000 (adjusted for the split of investment units) IPO price for DHR's unit price and the closing price of November 27, 2012 for TSE Indices as 100.

## Number of Unitholders and Units Held by Unitholder Type

	12th Period (Feb 2014)				11th Period (Aug 2013)			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Investment units	(%)	Unitholders	(%)	Investment units	(%)
Individuals and others	3,798	92.03%	10,076	8.22%	5,438	93.61%	15,588	12.72%
Financial institutions	75	1.82%	78,271	63.87%	80	1.38%	68,488	55.89%
Banks / trust banks	37	0.90%	70,258	57.33%	41	0.71%	59,679	48.70%
City banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Regional banks	30	0.73%	10,736	8.76%	31	0.53%	10,393	8.48%
Trust banks	7	0.17%	59,522	48.57%	10	0.17%	49,286	40.22%
Life insurance companies	5	0.12%	2,439	1.99%	5	0.09%	2,642	2.16%
Non-life insurance companies	1	0.02%	2,797	2.28%	2	0.03%	2,339	1.91%
Other financial institutions	32	0.78%	2,777	2.27%	32	0.55%	3,828	3.12%
Shinkin banks	19	0.46%	1,773	1.45%	19	0.33%	1,726	1.41%
Others	13	0.31%	1,004	0.82%	13	0.22%	2,102	1.72%
Other domestic corporations	151	3.66%	20,543	16.76%	182	3.13%	21,089	17.21%
Foreign corporations and individuals	89	2.16%	13,103	10.69%	91	1.57%	16,735	13.66%
Securities firms	14	0.34%	547	0.45%	18	0.31%	640	0.52%
<b>Total</b>	<b>4,127</b>	<b>100.00%</b>	<b>122,540</b>	<b>100.00%</b>	<b>5,809</b>	<b>100.00%</b>	<b>122,540</b>	<b>100.00%</b>

## Top 10 Unitholders

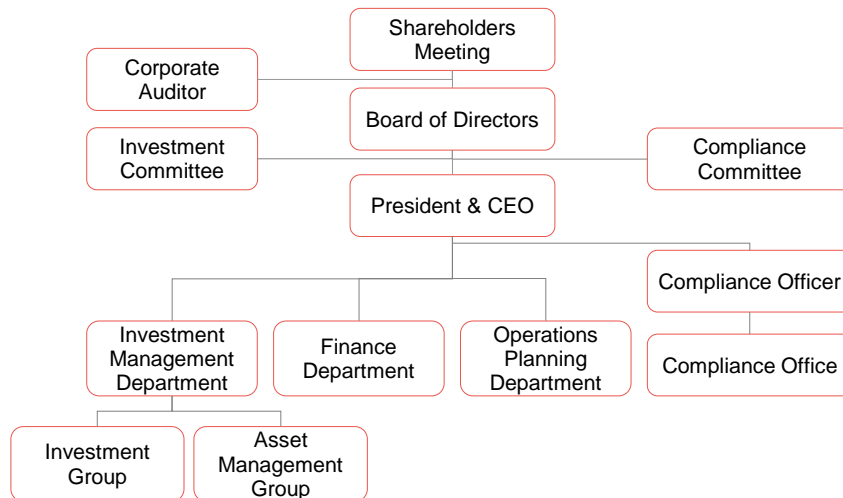
12th Period (Feb 2014)		
Name of unitholders	Number of units held	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	35,753	29.18%
Daiwa House Industry Co., Ltd.	16,600	13.55%
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,119	8.26%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	6,399	5.22%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	5,404	4.41%
Nomura Bank (Luxembourg) S.A.	3,497	2.85%
The Fuji Fire and Marine Insurance Co., Ltd.	2,797	2.28%
State Street Bank and Trust Company 505225	1,832	1.50%
The Hachijuni Bank, Ltd.	1,815	1.48%
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	1,243	1.01%
<b>Total</b>	<b>85,459</b>	<b>69.74%</b>

# Asset Manager and REIT Organization

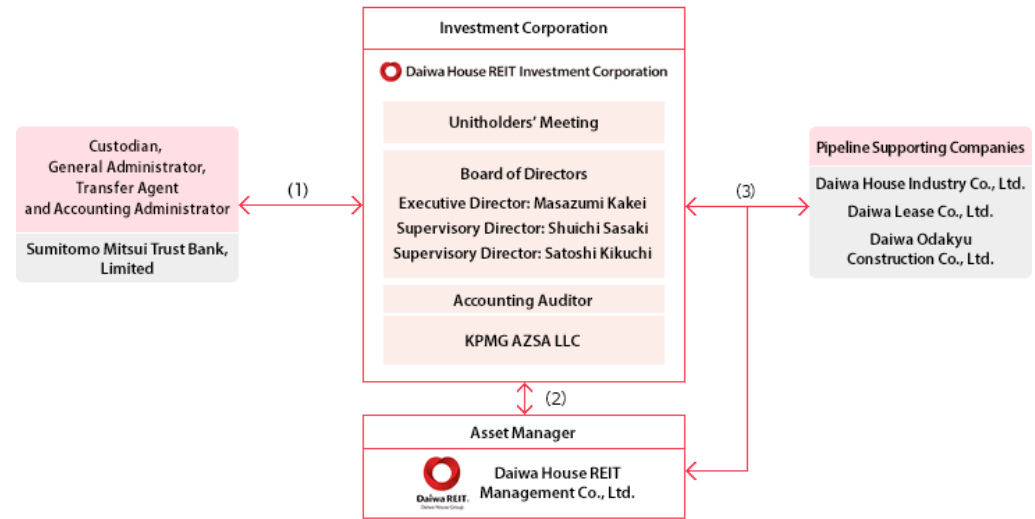
## Overview of the Asset Manager

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"> <li>License for real estate transaction business: (2) No. 86218 granted by Tokyo Prefectural Government</li> <li>Handling discretionary accounts: No. 54 granted by the Ministry of Land, Infrastructure, Transport and Tourism</li> <li>Registration of financial instruments business (Investment Management): No. 354 with Kanto Finance Bureau (kinsho)</li> </ul>

## Organization of the Asset Manager



## Structure and Formation of Related Parties



(1) Asset custody agreement / General administration agreement / Transfer agency agreement / Accounting administration agreement

(2) Asset management agreement

(3) Pipeline supporting agreements

- 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.
- This material is to be used for the explanation of Daiwa House REIT Investment Corporation and not prepared for the purpose of soliciting the acquisition of its investment securities or the signing of a financial instruments contract.
- No assurance or warranty is given with respect to the accuracy, certainty and sufficiency of this material.
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