

Daiwa House REIT Investment Corporation  
Investor Presentation for the 14<sup>th</sup> period  
ended February 2015

# Daiwa House REIT

# 14<sup>th</sup>

 Daiwa House REIT Investment Corporation

 Daiwa House REIT Management Co., Ltd.

Daiwa REIT.  
REIT Management Co., Ltd.

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**Introduction**

# Executive Summary

<b>1</b> 14 <sup>th</sup> Period Result (ended Feb. 2015)	<ul style="list-style-type: none"><li>◆ DPU 8,674 yen (forecast 8,400 yen)</li><li>◆ Unrealized gain 23,695 million yen (+6,140 million yen / 13<sup>th</sup> period)</li></ul>
<b>2</b> Equity Offering	<ul style="list-style-type: none"><li>◆ Raised 27.4 billion yen from the global offering (March 2015)</li><li>◆ Acquiring 7 properties, 48.4 billion yen from Daiwa House Group pipeline (appraisal NOI yield 5.3%) (April and June 2015)</li></ul>
<b>3</b> Portfolio Performance	<ul style="list-style-type: none"><li>◆ Occupancy rate 99.97% (as of April 1, 2015)</li></ul>
<b>4</b> Financial Forecasts	<ul style="list-style-type: none"><li>◆ 15<sup>th</sup> period (Aug. 2015) DPU 8,150 yen (initial forecast 7,950 yen)</li><li>◆ 16<sup>th</sup> period (Feb. 2016) DPU 8,800 yen</li></ul>
<b>5</b> Our Growth Strategies	<ul style="list-style-type: none"><li>◆ Target AUM of 400 billion yen, leveraging the sponsor pipeline</li><li>◆ Sustainable level of stabilized DPU at 8,400 yen with stable growth prospect</li></ul>

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# Financial Results

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- ◆ Achieved 8,674 yen of DPU, which outperformed the forecast of 8,400 yen
- ◆ NOI yield at 6.2% realized from stable revenues through rent revisions on equal terms

## 14<sup>th</sup> Period (Feb 2015) Results – Statements of Income –

	13 <sup>th</sup> Period Result ended Aug 2014	14 <sup>th</sup> Period Result ended Feb 2015	Period-on-period change	14 <sup>th</sup> Period Forecast as of 2014/10/17	Versus Forecast
Operating Revenues	4,928	5,146	218	5,127	19
Rent revenues	4,928	5,146	218	—	—
Rent	4,824	5,045	220	—	—
Other revenues	103	101	-1	—	—
Operating Expenses	2,074	2,143	68	2,197	-54
Property operating expenses	1,669	1,689	19	—	—
Property operating expenses (excluding depreciation)	659	645	-14	—	—
Depreciation	1,010	1,044	34	1,043	1
Other operating expenses	405	453	48	—	—
Operating Income	2,853	3,003	150	2,930	73
Non-operating income	6	4	-1	—	—
Non-operating expenses	499	462	-37	—	—
Interest and borrowing expenses	443	462	18	464	-2
Investment unit issuance expenses	55	—	-55	—	—
Ordinary Income	2,359	2,546	186	2,468	78
Net Income	2,359	2,545	186	2,467	78
Distributions per unit	8,039 yen	8,674 yen	635 yen	8,400 yen	274 yen
FFO per unit (Note 1)	11,481 yen	12,232 yen	751 yen	11,964 yen	268 yen
NOI (Note 2)	4,269	4,501	232	—	—
NOI yield	5.9%	6.2%	0.3%	—	—
Number of operating days	184 days	181 days	-3 days	181 days	0 days

(Note 1) FFO (Funds from Operations) per unit: (Net Income + Depreciation – Gain or loss on sale of property, etc.) / Number of investment units issued

(Note 2) NOI (Net Operating Income): Rent revenues - Property operating expenses + Depreciation

(million yen)

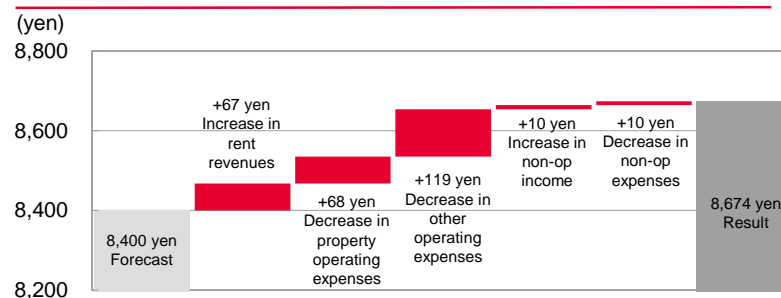
## Major Variation Factors (vs Forecast)

vs Forecast		
✓	Rent revenues	+19 million yen
✓	Property operating expenses	-20 million yen
	• Decrease in repairs and maintenance expenses	
✓	Other operating expenses	-34 million yen
	• Decrease in IR and disclosure related expenses	

## Rent Revision / Lease Contract Renewal

Logistics Properties	1 tenant revised rent on equal terms (1 tenant under discussion through legal proceedings)
Retail Properties	【 Core tenants 】 1 tenant revised rent on equal terms 【 Other tenants 】 3 tenants renewed lease contract on equal terms

## Variation Breakdown in DPU (Result vs Forecast)



- ◆ Unrealized gain increased to 23.7 billion yen from the rise of property appraisal value
- ◆ Issued 1<sup>st</sup> investment corporation bond, diversifying financing methods

## 14<sup>th</sup> Period (Feb 2015) Results – Balance Sheets –

(million yen)

	13 <sup>th</sup> Period Result ended Aug 2014	14 <sup>th</sup> Period Result ended Feb 2015	Period-on-period change
Total Assets	163,088	166,825	3,736
Total Liabilities	82,681	86,231	3,549
Interest-bearing debt	74,500	77,500	3,000
Tenant leasehold and security deposits	7,198	7,373	175
Net Assets	80,407	80,593	186

LTV (Note1)	45.7%	46.5%	0.8%
LTV (including tenant security deposits)	50.1%	50.9%	0.8%

Number of properties	32 properties	33 properties	1 property
Unrealized gain / loss	17,555	23,695	6,140
Book value	141,050	143,439	2,388
Appraisal value	158,606	167,135	8,529

Number of investment units issued	293,480 units	293,480 units	0 units
Net assets per unit	273,979 yen	274,614 yen	635 yen
NAV per unit (Note 2)	325,758 yen	346,680 yen	20,922 yen

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

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

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

Period-on-period change	✓ Total assets	+3,736 million yen
	• Acquisition of ACROSSPLAZA Miyoshi (land)	
	• Increase in cash and deposits	
Period-on-period change	✓ Interest-bearing debt	+3,000 million yen
	• Issuance of investment corporation bonds	
Period-on-period change	• New borrowings	
	✓ Tenant leasehold and security deposits	+175 million yen
Period-on-period change	• Acquisition of ACROSSPLAZA Miyoshi (land)	
	✓ Unrealized gain	+6,140 million yen
Period-on-period change	• Increase of appraisal value due to cap rate compression	

## Change in Appraisal Value

	13 <sup>th</sup> Period ended Aug 2014	14 <sup>th</sup> Period ended Feb 2015	Period-on-period change
Total Portfolio	162,146 million yen	167,135 million yen	+4,989 million yen
Logistics Properties	129,176 million yen	133,185 million yen	+4,009 million yen
Retail Properties	32,970 million yen	33,950 million yen	+980 million yen

※ For the property acquired in the 14<sup>th</sup> fiscal period (ACROSSPLAZA Miyoshi (land)), the appraisal value at the time of the acquisition (3,540 million yen) is applied as the end of the 13<sup>th</sup> fiscal period figure.

# 2

## Overview of Equity Offering

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- ◆ Raised 27.4 billion yen of equity from the global offering
- ◆ Acquiring 7 properties, 48.4 billion yen at appraisal basis NOI yield 5.3% from Daiwa House Group

## Overview of the Public Offering

Offering structure	Global offering (Regulation S + 144A)	
Launch date	March 3, 2015	
Pricing date	March 16, 2015	
Issue price / Amount paid-in	495,300 yen / 479,044 yen	
Number of units newly issued	Japanese tranche	34,800 units
	Third-party allotment	5,220 units
	International tranche	17,200 units
	Total	57,220 units
Number of units outstanding post offering	350,700 units	
Net proceeds	27,410 million yen	
Sponsor's same boat investment (Daiwa House ownership)	5,200 units (Ownership post offering: 12.2%)	

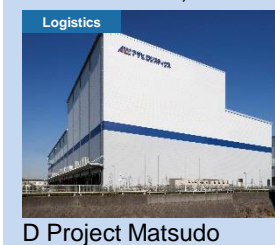
## (Anticipated) Acquisitions




Property name	(Anticipated) acquisition price (million yen)	Appraisal value (million yen)	Appraisal NOI yield
D Project Kuki III	7,340	7,350	5.4%
D Project Kuki IV	5,300	5,360	5.3%
D Project Kuki V	8,010	8,070	5.4%
D Project Kuki VI	4,980	4,980	5.4%
D Project Yashio	6,140	6,160	5.0%
D Project Nishiyodogawa	9,660	9,700	5.3%
D Project Matsudo	6,990	7,050	5.0%
Total	48,420	48,670	5.3%



### Acquisitions on April 1, 2015




### Anticipated acquisition on June 1, 2015



	Acquisitions on April 1, 2015			
	L-B-26 D Project Kuki III	L-B-27 D Project Kuki IV	L-B-28 D Project Kuki V	L-B-29 D Project Kuki VI
Location	Kuki, Saitama	Kuki, Saitama	Kuki, Saitama	Kuki, Saitama
Construction date	June 28, 2013	June 30, 2009	May 21, 2012	August 9, 2013
Acquisition price	7,340 million yen	5,300 million yen	8,010 million yen	4,980 million yen
Appraisal value	7,350 million yen	5,360 million yen	8,070 million yen	4,980 million yen
Appraisal NOI yield	5.4%	5.3%	5.4%	5.4%
Lease term	20.0 years	15.9 years	10.0 years	10.5 years
Remaining lease term	18.2 years (as of April 1, 2015)	14.2 years (as of April 1, 2015)	7.2 years (as of April 1, 2015)	8.9 years (as of April 1, 2015)
Total leasable area	26,937.41 m <sup>2</sup>	26,460.00 m <sup>2</sup>	47,320.89 m <sup>2</sup>	29,244.66 m <sup>2</sup>
Tenant	S.D.Logi Co., Ltd.	Chuo Bussan Corporation	Hitachi Transport System, Ltd.	Sagawa Global Logistics Co., Ltd.
Line of products	Pharmaceutical products	Household goods, cosmetics	Pharmaceutical products	Household goods, etc.
Location	<ul style="list-style-type: none"> <li>■ Favorable access to the Tohoku Expressway Kuki interchange, Ken-O Expressway Shirakawashobu interchange and National Route 122</li> <li>■ Ken-O Expressway is scheduled to connect to Tohoku Expressway. As a result, shipping and delivery to central Tokyo as well as Saitama, Chiba and Kanagawa prefectures will become much more convenient</li> <li>■ The property is located in an industrial area with a number of distribution facilities and can operate 24 hours a day</li> </ul>			
Photo				

	Acquisitions on April 1, 2015	
	L-B-30 D Project Yashio	L-B-31 D Project Nishiyodogawa
Location	Yashio, Saitama	Osaka, Osaka
Construction date	August 1, 2011	April 15, 2011
Acquisition price	6,140 million yen	9,660 million yen
Appraisal value	6,160 million yen	9,700 million yen
Appraisal NOI yield	5.0%	5.3%
Lease term	20.0 years	15.3 years
Remaining lease term	16.3 years (as of April 1, 2015)	11.4 years (as of April 1, 2015)
Total leasable area	21,965.04 m <sup>2</sup>	39,584.80 m <sup>2</sup>
Tenant	Tohto Co-Op, Ryutsu Service Co., Ltd.	VANTEC CORPORATION
Line of products	Food	Food, etc.
Location	<ul style="list-style-type: none"> <li>Easy access to the Tokyo Gaikan Expressway via Misato Nishi interchange and Soka interchange, enabling broad coverage of interior Tokyo Metropolitan areas</li> <li>Residential district located in Soka and Yashio cities, providing employees with convenient commute</li> </ul>	<ul style="list-style-type: none"> <li>Located near central Osaka and Osaka harbor, providing accessibility to Osaka's primary consumer areas and Kobe area as well as Kansai International Airport</li> <li>Located in an industrial area with a number of distribution facilities and can operate 24 hours a day</li> </ul>
Photo		

	Anticipated Acquisition on June 1, 2015
	L-B-32 D Project Matsudo
Location	Matsudo, Chiba
Construction date	April 9, 2011
Anticipated acquisition price	6,990 million yen
Appraisal value	7,050 million yen
Appraisal NOI yield	5.0%
Lease term	20.1 years
Remaining lease term	15.9 years (as of June 1, 2015)
Total leasable area	26,776.67 m <sup>2</sup>
Tenant	Asahi Logistics Corp.
Line of products	Food
Location	<ul style="list-style-type: none"> <li>Located in Matsudo City, of Chiba Prefecture, and provides easy access to the Joban Expressway, Tokyo Gaikan Expressway and Shuto Expressway</li> <li>Only a three-minute walk from Kitamatsudo station on JR Joban Line, providing employees with convenient commute</li> </ul>
Photo	

- ◆ DHR has achieved steady AUM growth and stable DPU distribution since IPO
- ◆ Equity offering priced at premium to NAV, lowering LTV and increasing NAV per unit

	12 <sup>th</sup> Period ended Feb 2014	13 <sup>th</sup> Period ended Aug 2014	14 <sup>th</sup> Period ended Feb 2015	(Anticipated) acquisitions (June 1, 2015)	Post acquisitions (June 1, 2015)
Number of properties	26 properties	32 properties	33 properties	+ 7 properties	= 40 properties
AUM ((anticipated) acquisition price)	119,033 million yen	144,163 million yen	147,553 million yen	+ 48,420 million yen	= 195,973 million yen
Logistics properties / Retail properties	74.8% / 25.2%	79.2% / 20.8%	77.4% / 22.6%	100.0% / 0.0%	83.0% / 17.0%
NOI yield (Note 1)	6.0 %	5.9 %	6.2 %	5.3 %	5.9 %
Occupancy rate	99.95 %	99.97 %	99.97 %	100.00 %	99.97 %
Average property age	6.4 years	6.0 years	6.5 years	3.5 years	5.9 years
Average remaining lease term	12.3 years	12.0 years	11.7 years	12.8 years	11.7 years
% of top 3 assets	35.0 %	28.9 %	28.3 %		22.3 %
% of top 10 tenants	86.2 %	79.5 %	80.2 %		68.9 %
Interest-bearing debt	63,000 million yen	74,500 million yen	77,500 million yen	+ 20,500 million yen	= 98,000 million yen
LTV (Note 2)	47.9 %	45.7 %	46.5 %		45.6 %
Average loan maturity / Average remaining maturity	4.6 years / 3.4 years	5.3 years / 3.7 years	5.4 years / 3.5 years	7.7 years / 7.5 years	5.9 years / 4.1 years
Unrealized gain / loss (Note 3)	13,048 million yen	17,555 million yen	23,695 million yen	+ 250 million yen	= 23,945 million yen
NAV per unit (Notes 3 and 4)	295,532 yen	325,758 yen	346,680 yen		368,989 yen
DPU (Note 4)	7,996 yen	8,039 yen	8,674 yen	7,950 yen (Initial forecast for Aug 2015)	8,150 yen (Forecast for Aug 2015) 8,800 yen (Forecast for Feb 2016)

(Note 1) NOI yield post acquisitions: (NOI in the 14<sup>th</sup> period (annualized) + appraisal NOI of the (anticipated) acquisitions) / total of (anticipated) acquisition price

(Note 2) LTV post acquisitions: (Interest-bearing debt as of June 1, 2015) / (total assets at the end of the 14<sup>th</sup> period + new equity proceeds + interest-bearing debt as of June 1, 2015)

(Note 3) Unrealized gain / loss and NAV per unit post acquisitions are based on unrealized gain at the end of the 14<sup>th</sup> period + unrealized gain (appraisal value - acquisition price) of the (anticipated) acquisitions in the 15<sup>th</sup> period

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

- ◆ Additional lenders in April 2015, further diversifying financing methods and debt maturities
- ◆ DHR currently has 18.5 billion yen of debt capacity for acquisition of up to 50% of LTV

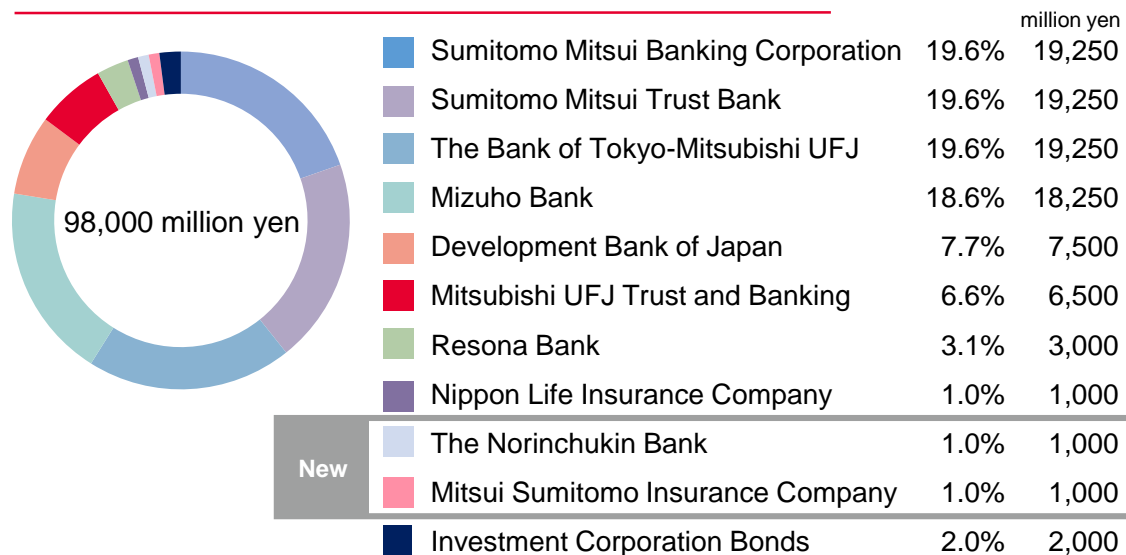
### Financial Status

	As of April 1, 2015	As of June 1, 2015 (anticipated)
Total Interest-bearing debt	94,000 million yen	98,000 million yen
Total borrowings	92,000 million yen	96,000 million yen
Total Investment corporation bonds	2,000 million yen	2,000 million yen
Fixed interest ratio	100.0 %	95.9 %
Long-term interest-bearing debt ratio	100.0 %	95.9 %
Average interest rate	1.01 %	—
Average remaining maturity	4.4 years	4.1 years
Commitment line	10,000 million yen	10,000 million yen

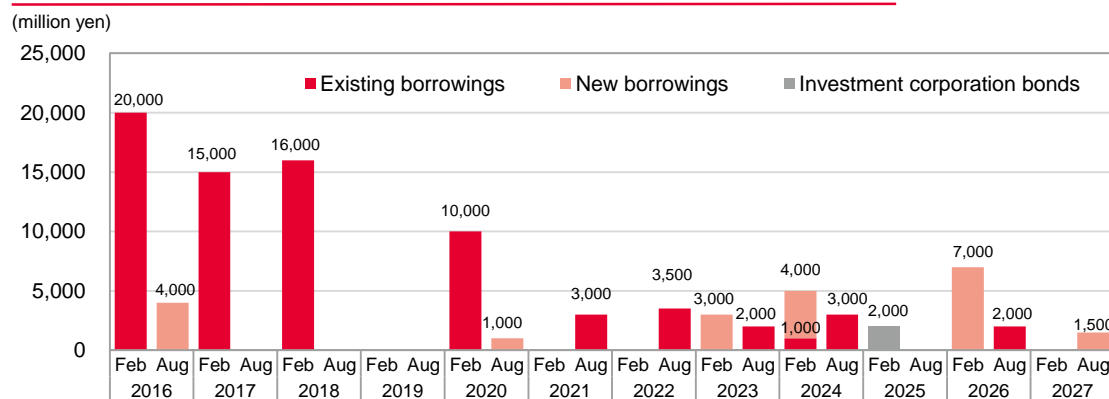
### Credit Rating

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

### Interest-Bearing Debt (Anticipated as of June 1, 2015)



### Diversified Maturity Ladder (Anticipated as of June 1, 2015)





# 3

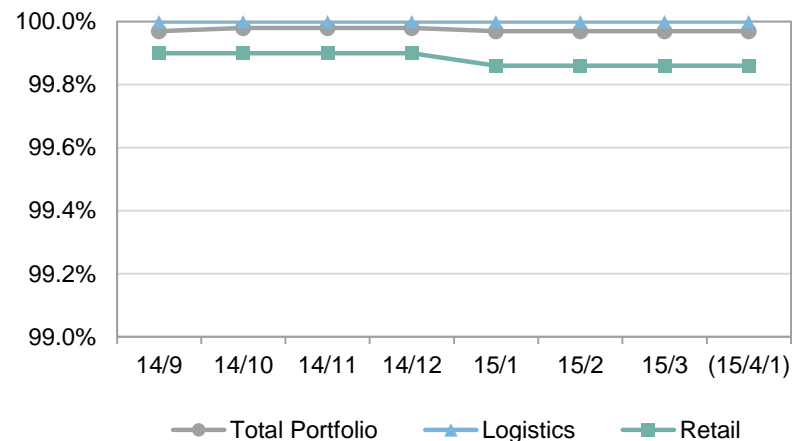
## Portfolio Performance

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

	Total Portfolio	Logistics Properties	Retail Properties
AUM (acquisition price)	188,983 million yen	155,570 million yen	33,413 million yen
Number of properties	39 properties	31 properties	8 properties
Average lease term (weighted by annual rent)	16.9 years	17.3 years	15.1 years
Average remaining lease term (weighted by annual rent)	11.8 years	12.2 years	9.8 years
Average property age (weighted by acquisition price)	5.8 years	5.6 years	7.3 years
Occupancy rate	99.97 %	100.00 %	99.86 %

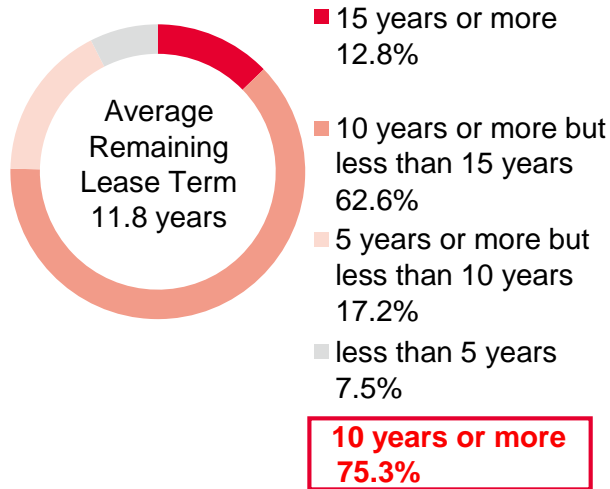
Monthly Occupancy Rate Trend





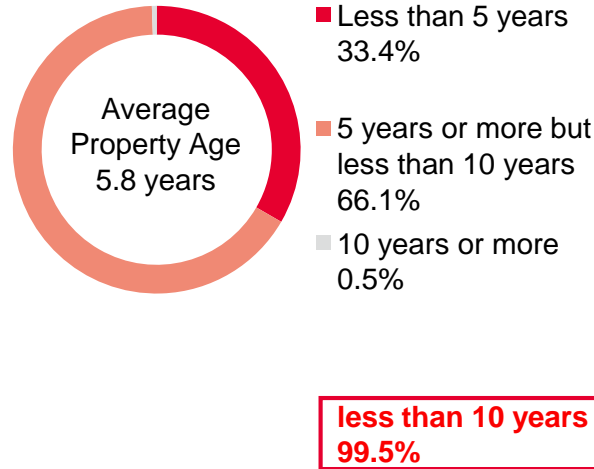
## ◆ By Remaining Lease Term

(weighted by annual rent)



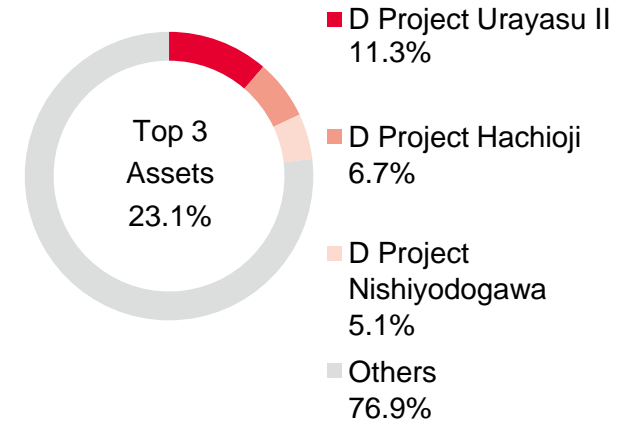
## ◆ By Property Age

(weighted by acquisition price)



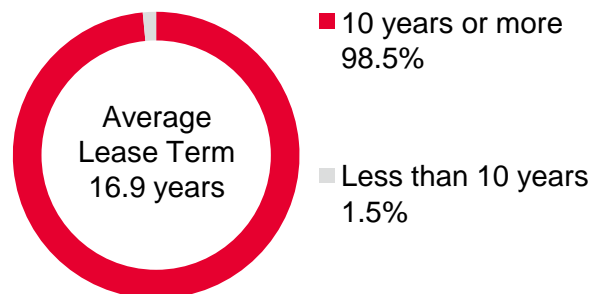
## ◆ % of Top 3 Assets

(weighted by acquisition price)



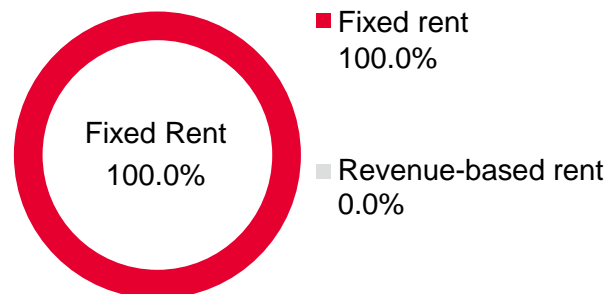
## ◆ By Lease Term

(weighted by annual rent)



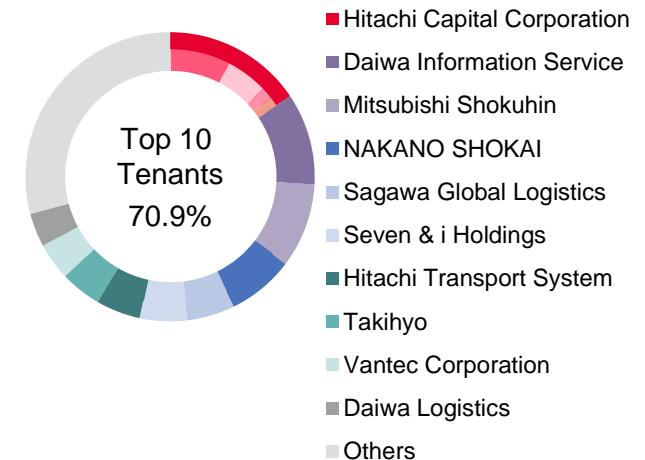
## ◆ By Rent Type

(weighted by leased area)



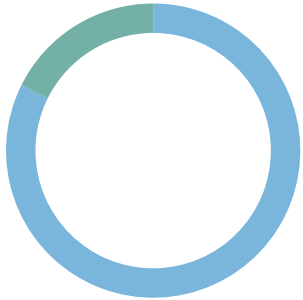
## ◆ % of Top 10 Tenants

(weighted by lease area)



## ◆ By Property Type

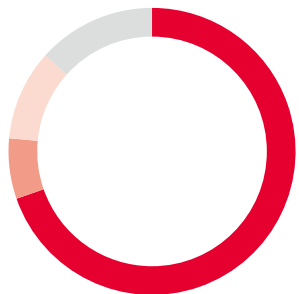
(weighted by acquisition price)



- Logistics (31 properties)  
155,570 million yen  
82.3%
- Retail (8 properties)  
33,413 million yen  
17.7%

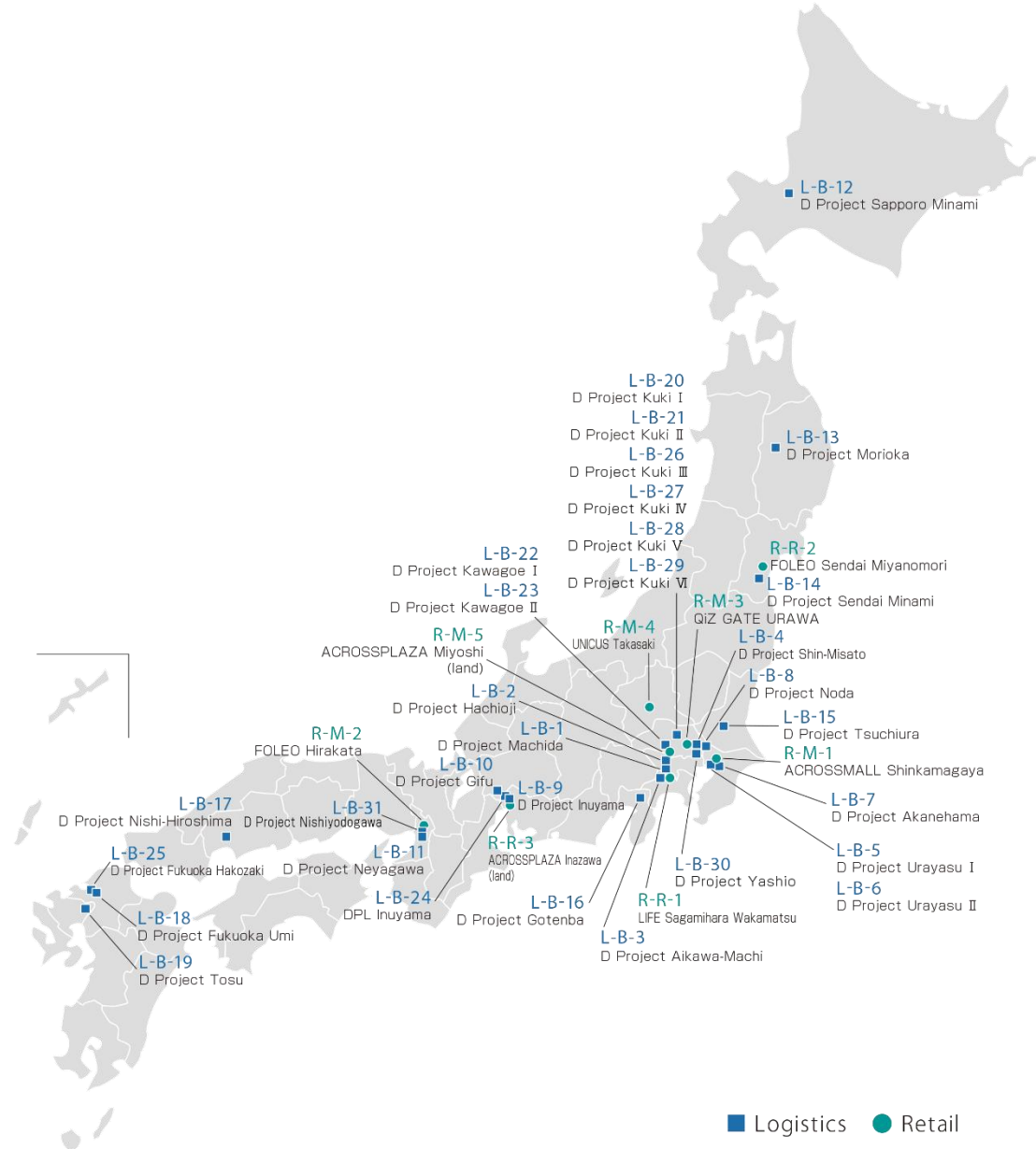
## ◆ By Location

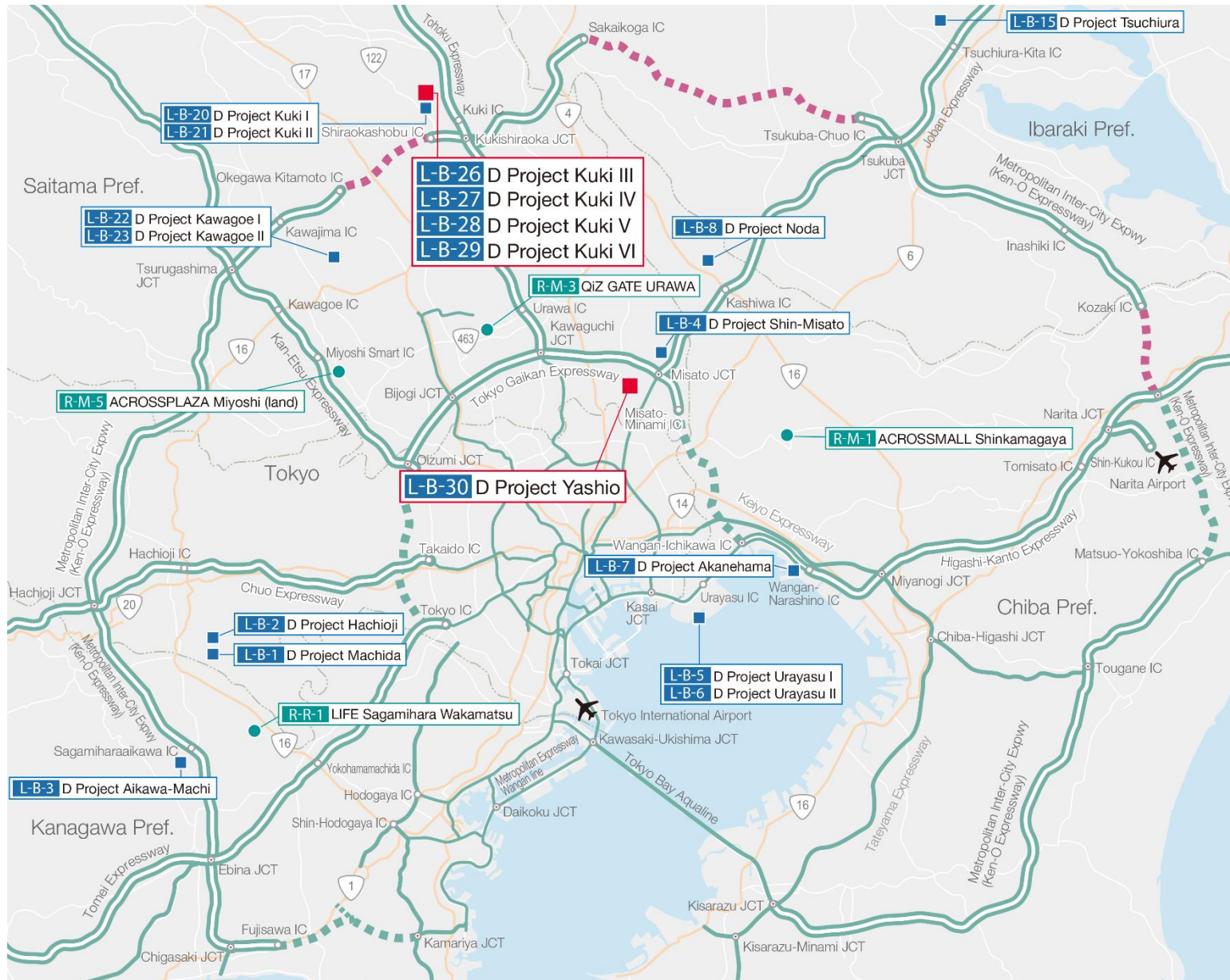
(weighted by acquisition price)



- Greater Tokyo area  
69.7%
- Greater Nagoya area  
6.8%
- Greater Osaka area  
10.2%
- Other areas  
13.3%

**Three major metropolitan areas  
86.7%**





Logistics	Retail	
■	●	Current assets
■	—	Acquisitions in the fiscal period ending August 2015
---	---	Scheduled to open by March 2016
---	---	Under construction

# Rent Revision Schedule - Logistics Properties (1)

Property number	Property name	Tenant	Rent type	2015	2016		2017		2018		2019		2020	Rent revision	Expiry
				Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb		
				15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th		
<b>Logistics Properties</b>															
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	* Under discussion through legal proceedings										2019/5/1	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											2020/1/1	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											2018/4/1	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											No revision	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

# Rent Revision Schedule - Logistics Properties (2)

Property number	Property name	Tenant	Rent type	2015	2016		2017		2018		2019		2020	Rent revision	Expiry
				Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb		
				15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th		
<b>Logistics Properties</b>															
L-B-19	D Project Tosu	Nippon Meat Packers, Inc.	Fixed	■						■				2018/4/1	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 Holdings 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
L-B-26	D Project Kuki III	S.D.Logi CO., LTD.	Fixed							■				2018/6/28	2033/6/30
L-B-27	D Project Kuki IV	Chuo Bussan Corporation	Fixed											No revision	2029/6/30
L-B-28	D Project Kuki V	Hitachi Transport System, Ltd.	Fixed					■						2017/7/1	2022/6/30
L-B-29	D Project Kuki VI	Sagawa Global Logistics Co., Ltd.	Fixed								■			2018/8/9	2024/2/9
L-B-30	D Project Yashio	Tohto Co-Op	Fixed				■							2016/8/1	2031/7/31
L-B-30	D Project Yashio	Ryutsu Service Co., Ltd.	Fixed				■							2016/8/1	2031/7/31
L-B-31	D Project Nishiyodogawa	VANTEC CORPORATION	Fixed			■								2016/4/15	2026/8/15
<b>Anticipated Acquisition on June 1, 2015</b>															
L-B-32	D Project Matsudo	Asahi Logistics Corp.	Fixed					■						2017/4/9	2031/4/30

## ■ Rent Revision / Lease Contract Renewal of Logistics Properties

15 <sup>th</sup> Period (ending Aug 2015)	16 <sup>th</sup> Period (ending Feb 2016)
<ul style="list-style-type: none"> <li>•Rent revision of 3 tenants → 2 tenants revised rent on equal terms</li> </ul>	<ul style="list-style-type: none"> <li>•Rent revision of 2 tenants</li> <li>•Lease contract expiry of 1 tenant</li> </ul>

Property number	Property name	Tenant	Rent type	2015	2016		2017		2018		2019		2020	Rent revision	Expiry
				Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb		
				15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th		
<b>Retail Properties</b>															
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											2017/12/9	2028/11/19
R-M-5	ACROSSPLAZA Miyoshi (land)	Mizuho Trust & Banking Co., Ltd. (Daiwa Information Service Co., Ltd.)	Fixed											2015/10/1	2034/9/29
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	ACROSSPLAZA Inazawa (land)	Daiwa Information Service Co., Ltd.	Fixed											No revision	2034/2/24

## Rent Revision / Lease Contract Renewal of Retail Properties

15 <sup>th</sup> Period (ending Aug 2015)	16 <sup>th</sup> Period (ending Feb 2016)
<p>【 Core tenants 】</p> <ul style="list-style-type: none"> <li>•No rent revision</li> </ul> <p>【 Other tenants 】</p> <ul style="list-style-type: none"> <li>•Lease contract expiry of 2 tenants</li> <li>→ 1 tenant renewed lease contract on equal terms</li> </ul>	<p>【 Core tenants 】</p> <ul style="list-style-type: none"> <li>•Rent revision of 3 tenants</li> </ul> <p>【 Other tenants 】</p> <ul style="list-style-type: none"> <li>•Rent revision of 13 tenants</li> </ul>



# 4

# Financial Forecasts

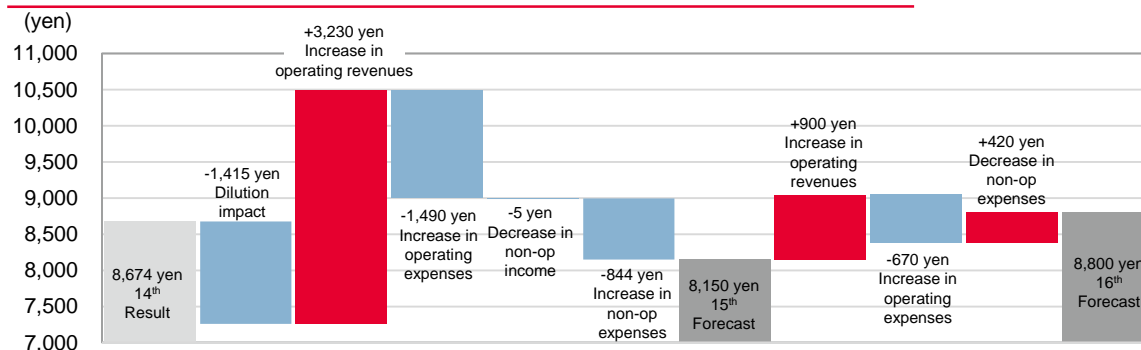
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- ◆ DPU Forecast 8,150 yen for 15<sup>th</sup> period from earnings contribution of new acquisitions
- ◆ DPU Forecast 8,800 yen for 16<sup>th</sup> period (property taxes for new acquisitions will be expensed from 17<sup>th</sup> period)

## 15<sup>th</sup> Period (Aug 2015) and 16<sup>th</sup> Period (Feb 2016) Forecasts

	14 <sup>th</sup> Period Result ended Feb 2015	15 <sup>th</sup> Period Forecast ending Aug 2015	Period- on-period change	16 <sup>th</sup> Period Forecast ending Feb 2016	Period- on-period change
	(million yen)				
Operating Revenues	5,146	6,279	1,132	6,593	314
Operating Income	3,003	3,615	611	3,695	80
Ordinary Income	2,546	2,859	313	3,087	228
Net Income	2,545	2,858	313	3,086	228
Distributions per unit	8,674 yen	8,150 yen	-524 yen	8,800 yen	650 yen
FFO per unit	12,232 yen	12,029 yen	-203 yen	12,906 yen	877 yen
<b>【Major expenses】</b>					
Property taxes	356	476	119	476	0
Depreciation	1,044	1,359	315	1,439	79
Borrowing related expenses	462	575	113	610	35

## Variation Breakdown in DPU for 15<sup>th</sup> and 16<sup>th</sup> Periods



## Major Variation Factors for 15<sup>th</sup> Period (Aug 2015)

15 <sup>th</sup> Period Forecast 【 vs 14 <sup>th</sup> 】	✓ Operating revenues	+1,132 million yen
	<ul style="list-style-type: none"> <li>• Full-fiscal period contribution of ACROSSPLAZA Miyoshi (land)</li> <li>• Contribution of 7 logistics properties</li> </ul>	
	✓ Operating expenses	+521 million yen
<ul style="list-style-type: none"> <li>• Property taxes for 8 new acquisitions in 2014</li> <li>• Expenses for 7 logistics properties</li> </ul>		
✓ Non-operating expenses	+295 million yen	
<ul style="list-style-type: none"> <li>• Investment unit issuance expenses</li> <li>• Increase in interest expenses related to new borrowings</li> </ul>		

## Major Variation Factors for 16<sup>th</sup> Period (Feb 2016)

16 <sup>th</sup> Period Forecast 【 vs 15 <sup>th</sup> 】	✓ Operating revenues	+314 million yen
	<ul style="list-style-type: none"> <li>• Full-fiscal period contribution of 7 logistics properties</li> </ul>	
	✓ Operating expenses	+234 million yen
<ul style="list-style-type: none"> <li>• Full-fiscal period expenses for 7 logistics properties</li> <li>• Increase in asset management fees related to new acquisitions</li> </ul>		
✓ Non-operating expenses	-148 million yen	
<ul style="list-style-type: none"> <li>• Absence of investment unit issuance expenses incurred in the previous fiscal period</li> <li>• Increase in interest expenses</li> </ul>		



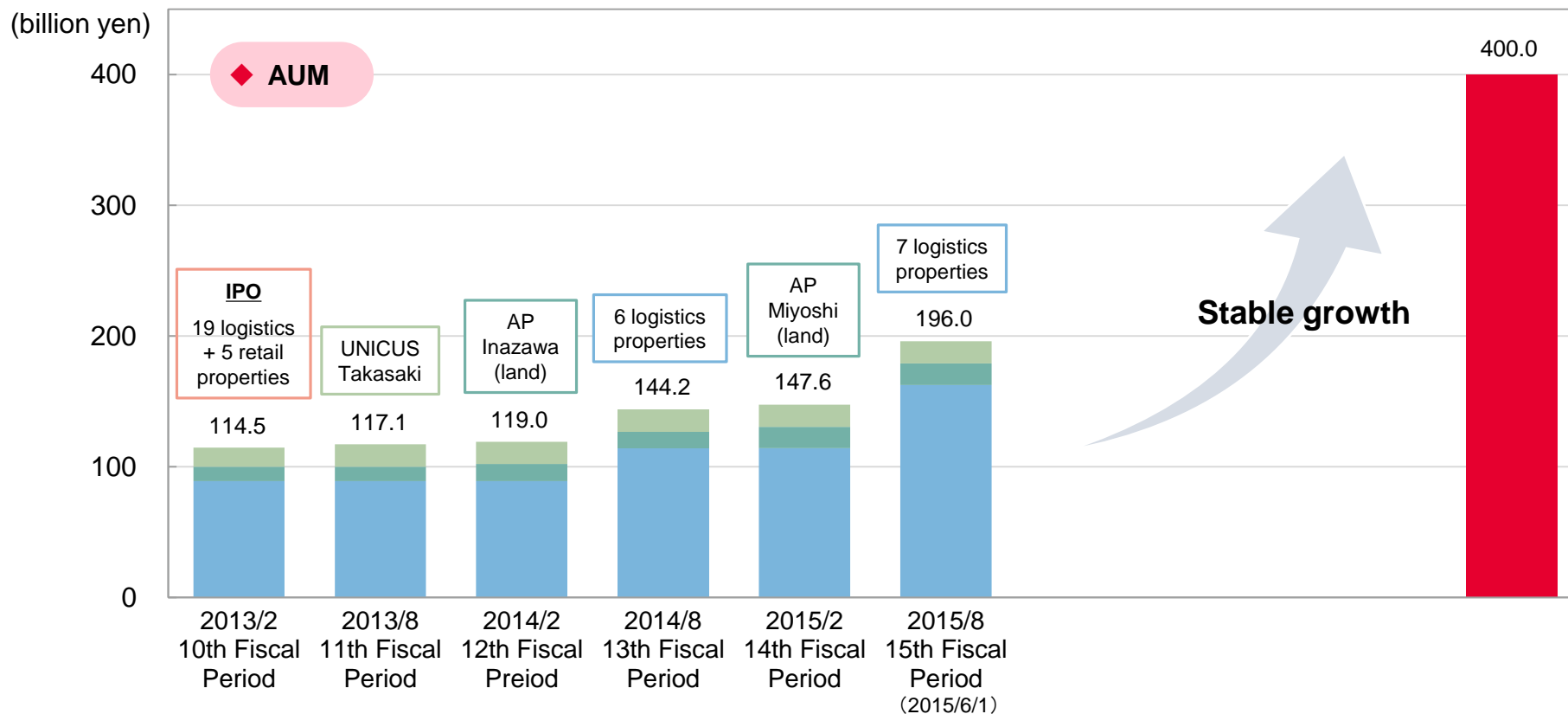


5

# Our Growth Strategies

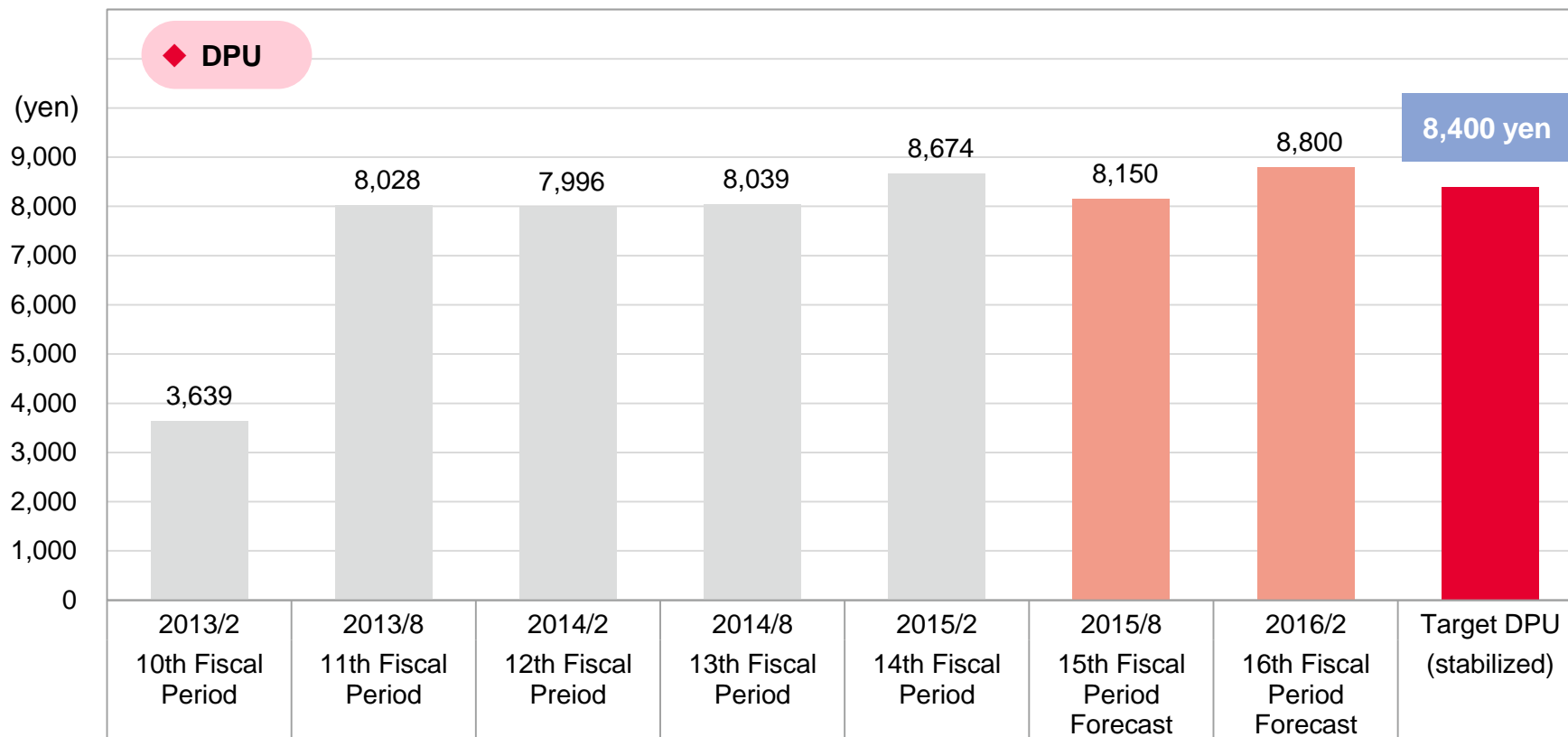
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- ◆ Target AUM of 400 billion yen leveraging sponsor pipeline
- ◆ Seek investment opportunities in multi-tenant type logistics properties / urban type retail properties



■ Acquisitions from third party (Retail)   ■ Acquisitions from Daiwa House Group (Retail)   ■ Acquisitions from Daiwa House Group (Logistics)

- ◆ Sustainable level of stabilized DPU at 8,400 yen with stable growth prospect
- ◆ Focus on further strengthening tenant relationships to maintain and improve rent level / occupancy
- ◆ Maintain sound balance sheet with target LTV from 40% to 50%



Initial DPU forecast (stabilized)

7,215 yen



7,650 yen



7,950 yen

# Pipeline with Daiwa House Group (1)

## (Examples of properties developed by Daiwa House Group)

Property name	Category	Location	Construction date (scheduled)	Number of floors	Gross floor area (㎡)
<b>Logistics Properties</b>					
D Project Kita Hachioji Annex A	BTS	Hachioji, Tokyo	March 2011	5	16,523
D Project Kita Hachioji Annex B	BTS	Hachioji, Tokyo	January 2012	4	18,762
D Project Kita Hachioji Annex C	BTS	Hachioji, Tokyo	May 2014	4	29,636
D Project Jonanjima	BTS	Ota, Tokyo	April 2014	6	49,927
D Project Itabashi Shingashi	BTS	Itabashi, Tokyo	November 2014	7	33,763
D Project Kuki Shobu I Annex B	BTS	Kuki, Saitama	December 2009	1	3,225
D Project Kawagoe Annex A	BTS	Kawagoe, Saitama	October 2010	2	27,814
D Project Kawagoe	BTS	Kawagoe, Saitama	June 2014	4	42,721
D Project Wako Annex A	BTS	Wako, Saitama	March 2015	6	78,564
D Project Matsudo Annex A	BTS	Matsudo, Chiba	October 2010	4	34,122
D Project Tomisato I	BTS	Tomisato, Chiba	May 2015	6	37,414
D Project Sendai Izumi I A	BTS	Sendai, Miyagi	April 2014	2	12,774
D Project Fuji	BTS	Fuji, Shizuoka	September 2013	2	26,250
D Project Kakegawa I	BTS	Kakegawa, Shizuoka	July 2014	5	44,660
D Project Hiroshima Seifu	BTS	Hiroshima, Hiroshima	December 2014	2	21,147
D Project Hibiki Nada	BTS	Kitakyushu, Fukuoka	August 2008	2	23,934
DPL Misato	Multi-tenant	Misato, Saitama	July 2013	5	72,988
DPL Sagamihara	Multi-tenant	Sagamihara, Kanagawa	December 2013	5	102,918
DPL Yokohama Daikoku	Multi-tenant	Yokohama, Kanagawa	March 2014	6	149,339
DPL Fukuoka Kasuya	Multi-tenant	Kasuya, Fukuoka	April 2014	6	96,766
<b>Retail Properties</b>					
FOLEO Shoubu	Roadside	Kuki, Saitama	April 2010	1	19,287
FOLEO Hakata	Mall	Fukuoka, Fukuoka	January 2008	3	29,023
FOLEO Otsu Ichiriyama	Mall	Otsu, Shiga	October 2008	2 + basement	66,038
iias Tsukuba	Mall	Tsukuba, Ibaraki	September 2008	4	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 by Daiwa House Group)

## ◆ 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 Itabashi Shingashi



D Project Kuki Shobu I Annex B



D Project Kawagoe Annex A



D Project Kawagoe



D Project Wako Annex A



D Project Matsudo Annex A



D Project Tomisato I



D Project Sendai Izumi I A



DPL Misato



DPL Sagamihara



DPL Yokohama Daikoku



DPL Fukuoka Kasuya

## ◆ Retail Properties



FOLEO Shobu



FOLEO Hakata



FOLEO Otsu Ichiryama



iias Tsukuba

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

Thank you

 **Daiwa House REIT Investment Corporation**

 **Daiwa House REIT Management Co., Ltd.**  
Daiwa REIT<sup>®</sup>  
Daiwa House Group

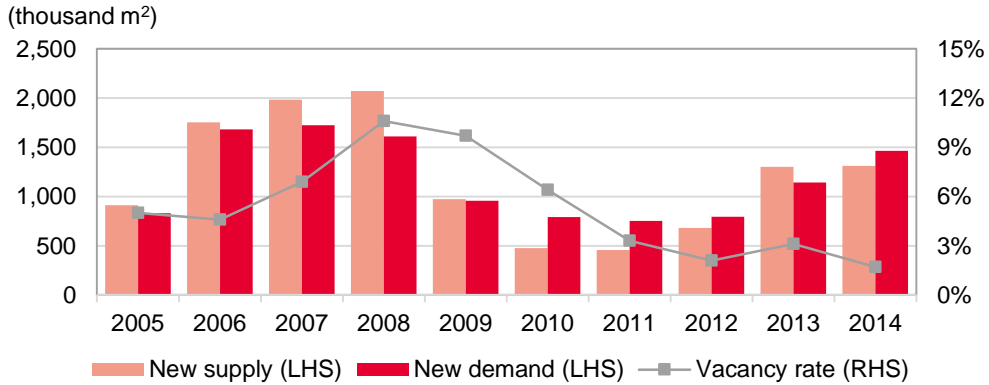
# 6

# Appendix

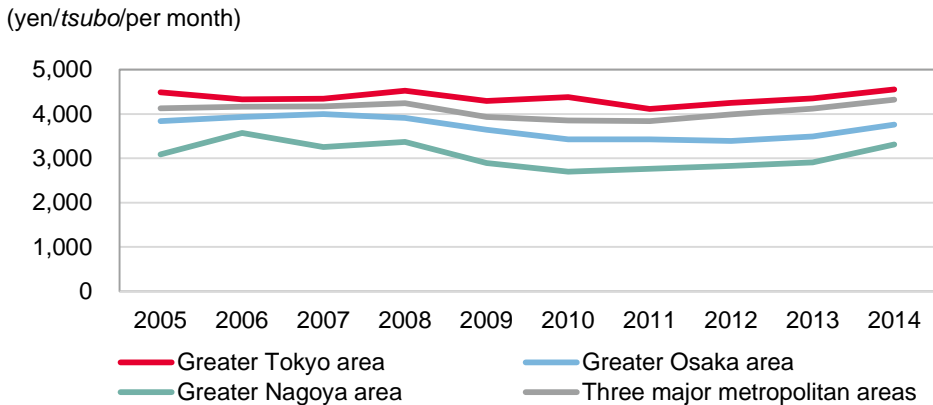
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# Market Environment

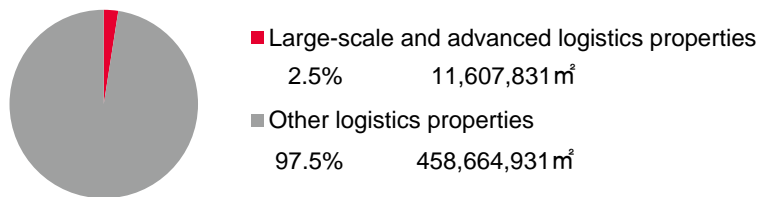
## Supply and Demand of Logistics Properties for Lease in the Three Major Metropolitan Areas of Japan



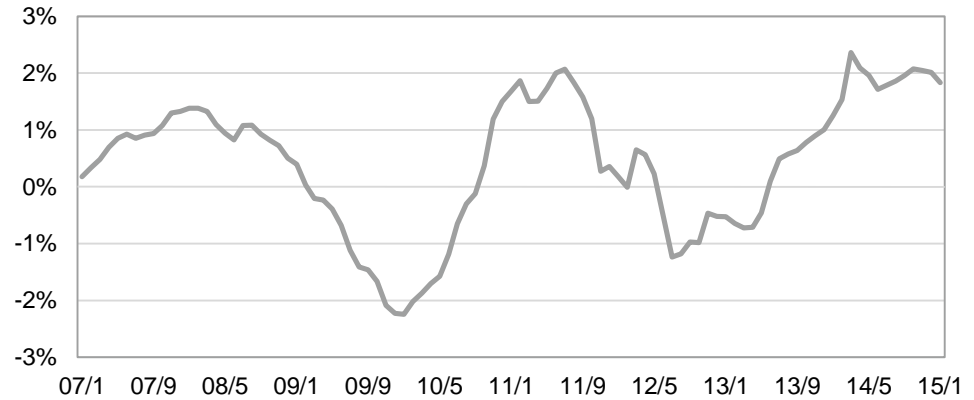
## Average Offered Rent for Medium-to-Large scale Logistics Properties



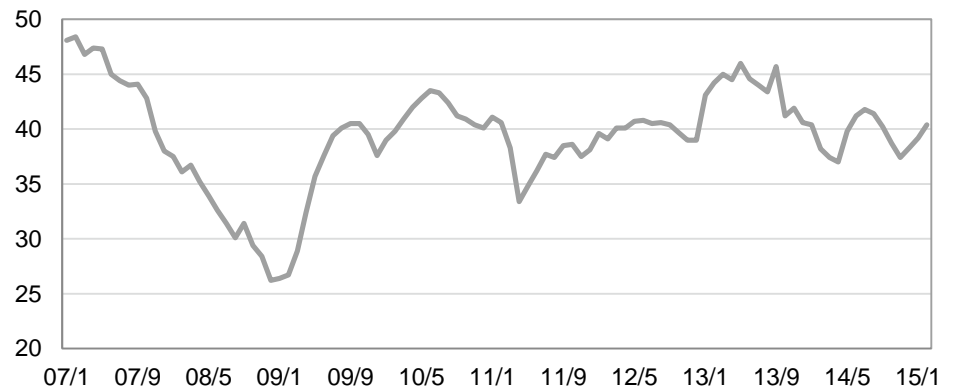
## Supply of Large-scale Advanced Logistics Properties Compared to Other Logistics Properties



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

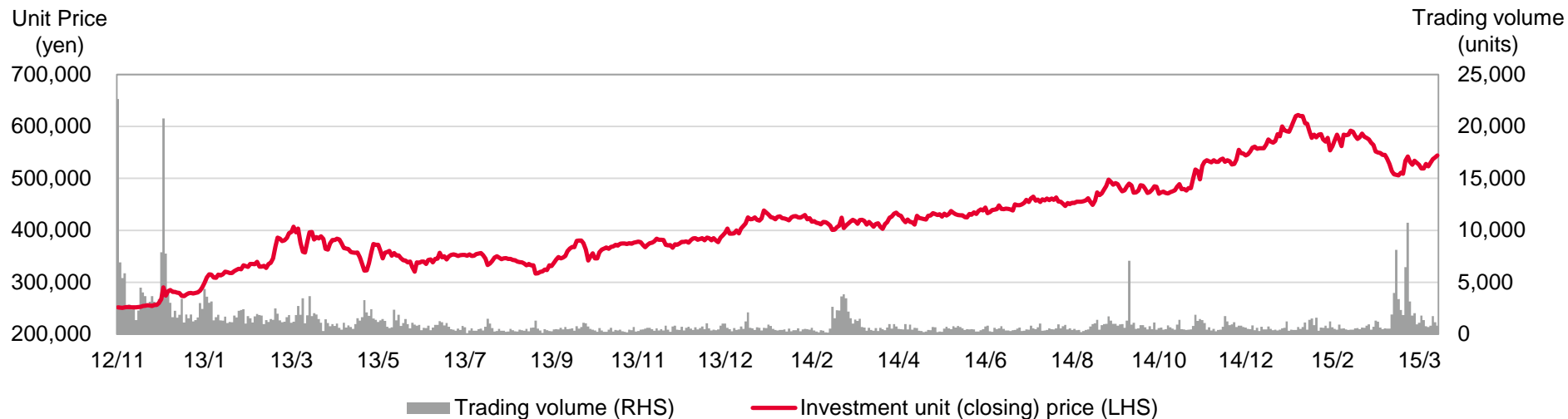


## Trends in Consumer Confidence Index (General Households)



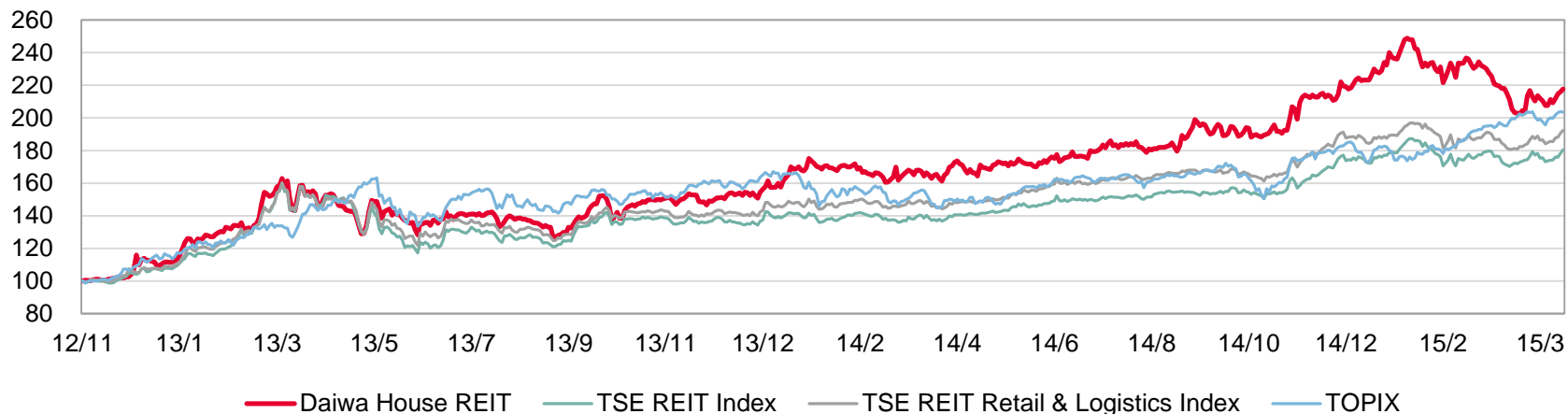


## Unit Price and Trading Volume



※ DHR implemented a 2-for-1 split of investment units on March 1, 2014. Factoring the impact of the split, "unit price" and "trading volume" on and before February 25, 2014 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.

(thousand yen)

	13th Period ended Aug 2014	14th Period ended Feb 2015		13th Period ended Aug 2014	14th Period ended Feb 2015
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and deposits	11,059,887	13,304,049	Operating accounts payable	88,692	72,930
Cash and deposits in trust	9,318,628	9,519,539	Current portion of long-term loans payable	—	20,000,000
Operating accounts receivable	15,796	9,284	Accounts payable - other	12,282	39,002
Prepaid expenses	156,284	150,445	Accrued expenses	346,292	403,535
Consumption taxes receivable	1,071,441	—	Income taxes payable	605	605
Other	910	537	Accrued consumption taxes	—	247,317
<b>Total current assets</b>	<b>21,622,949</b>	<b>22,983,855</b>	Advances received	526,541	593,896
<b>Non-current assets</b>			Other	32,221	24,053
<b>Property, plant and equipment</b>			<b>Total current liabilities</b>	<b>1,006,635</b>	<b>21,381,340</b>
Buildings in trust	67,305,078	67,319,157	<b>Non-current liabilities</b>		
Accumulated depreciation	(4,403,658)	(5,391,154)	Investment corporation bonds	—	2,000,000
Buildings in trust, net	62,901,419	61,928,002	Tenant leasehold and security deposits in trust	74,500,000	55,500,000
Structures in trust	2,568,482	2,574,228	<b>Total non-current liabilities</b>	<b>7,174,671</b>	<b>7,349,732</b>
Accumulated depreciation	(218,008)	(265,975)	Long-term loans payable	81,674,671	64,849,732
Structures in trust, net	2,350,474	2,308,252	<b>Total liabilities</b>	<b>82,681,307</b>	<b>86,231,073</b>
Machinery and equipment in trust	343,654	343,654			
Accumulated depreciation	(7,345)	(16,160)	<b>Net assets</b>		
Machinery and equipment in trust, net	336,308	327,494	Unitholders' equity		
Land in trust	75,462,499	78,875,884	Unitholders' capital	78,048,300	78,048,300
Construction in progress in trust	300	18,260	Surplus		
<b>Total property, plant, and equipment</b>	<b>141,051,002</b>	<b>143,457,893</b>	Unappropriated retained earnings	2,359,334	2,545,653
<b>Intangible assets</b>			<b>Total surplus</b>	<b>2,359,334</b>	<b>2,545,653</b>
Other	2,210	1,870	<b>Total unitholders' equity</b>	<b>80,407,635</b>	<b>80,593,954</b>
<b>Total intangible assets</b>	<b>2,210</b>	<b>1,870</b>	<b>Total net assets</b>	<b>80,407,635</b>	<b>80,593,954</b>
<b>Investments and other assets</b>					
Investment securities	6,294	6,375			
Long-term prepaid expenses	406,485	354,891			
<b>Total investments and other assets</b>	<b>412,780</b>	<b>361,267</b>			
<b>Total non-current assets</b>	<b>141,465,993</b>	<b>143,821,030</b>			
<b>Deferred assets</b>					
Investment corporation bond issuance costs	—	20,141			
<b>Total deferred assets</b>	<b>—</b>	<b>20,141</b>			
<b>Total assets</b>	<b>163,088,942</b>	<b>166,825,027</b>	<b>Total liabilities and net assets</b>	<b>163,088,942</b>	<b>166,825,027</b>

	(thousand yen)	
	13 <sup>th</sup> Period ended Aug 2014	14 <sup>th</sup> Period ended Feb 2015
Operating revenues		
Rent revenues - real estate	4,824,857	5,045,000
Other lease business revenues	103,632	101,876
Total operating revenues	4,928,490	5,146,876
Operating expenses		
Expenses related to rent business	1,669,573	1,689,447
Asset management fee	297,219	348,725
Asset custody fee	11,763	13,989
Administrative service fees	14,525	15,518
Directors' compensations	6,000	6,000
Other operating expenses	75,843	69,462
Total operating expenses	2,074,925	2,143,143
Operating income	2,853,565	3,003,733
Non-operating income		
Interest income	1,914	2,069
Interest on refund of consumption taxes	-	1,621
Insurance income	4,159	912
Other	80	80
Total non-operating income	6,154	4,683
Non-operating expenses		
Interest expenses	360,447	373,687
Interest expenses on investment corporation bonds	-	2,987
Amortization of investment corporation bond issuance costs	-	516
Investment unit issuance expenses	55,863	-
Borrowing related expenses	83,490	85,017
Total non-operating expenses	499,800	462,208
Ordinary income	2,359,918	2,546,209
Income before income taxes	2,359,918	2,546,209
Income taxes - current	605	605
Total income taxes	605	605
Net Income	2,359,313	2,545,604
Retained earnings brought forward	21	49
Unappropriated retained earnings	2,359,334	2,545,653

## Breakdown of Income from Real Estate Leasing Business

	(thousand yen)	
	13 <sup>th</sup> Period ended Aug 2014	14 <sup>th</sup> Period ended Feb 2015
A. Real estate leasing business revenues		
Rent revenues - real estate		
Rent	4,824,857	5,045,000
Other lease business revenues		
Common service fees	53,943	54,002
Other revenues	49,689	47,873
Total real estate leasing business revenues	4,928,490	5,146,876
B. Real estate leasing business expenses		
Expenses related to rent business		
Taxes and public dues	363,681	356,751
Outsourcing expenses	160,677	162,749
Insurance	8,160	8,124
Repairs and maintenance expenses	73,151	60,938
Depreciation	1,010,161	1,044,278
Other expenses related to rent business	53,741	56,605
Total real estate leasing business expenses	1,669,573	1,689,447
C. Income from real estate leasing business (A-B)	3,258,916	3,457,429

as of April 1, 2015

Property number	Property name	Location	Construction date (Note 1)	Acquisition price		Appraisal value (million yen) (Note 2)	NOI yield (Note 3)	Total leasable area (㎡)	Occupancy rate	PML
				(million yen)	(%)					
L-B-1	D Project Machida	Machida, Tokyo	2006/10/1	7,600	4.0%	8,840	5.4%	50,490.39	100.00%	2.7%
L-B-2	D Project Hachioji	Hachioji, Tokyo	2008/12/1	12,600	6.7%	14,800	5.7%	62,394.17	100.00%	6.0%
L-B-3	D Project Aikawa-Machi	Aiko, Kanagawa	2006/6/30	2,600	1.4%	3,160	6.3%	14,240.84	100.00%	5.5%
L-B-4	D Project Shin-Misato	Misato, Saitama	2009/4/15	4,440	2.3%	5,720	6.8%	11,289.91	100.00%	0.8%
L-B-5	D Project Urayasu I	Urayasu, Chiba	2005/5/31	7,700	4.1%	8,910	5.2%	36,515.81	100.00%	3.5%
L-B-6	D Project Urayasu II	Urayasu, Chiba	2007/4/10	21,400	11.3%	24,900	5.2%	72,320.01	100.00%	2.1%
L-B-7	D Project Akanehama	Narashino, Chiba	2005/10/11	2,550	1.3%	2,830	5.4%	11,663.39	100.00%	1.7%
L-B-8	D Project Noda	Noda, Chiba	2007/9/30	5,100	2.7%	6,090	6.1%	29,232.53	100.00%	1.7%
L-B-9	D Project Inuyama	Inuyama, Aichi	2009/12/10	6,650	3.5%	8,210	6.9%	43,723.70	100.00%	3.4%
L-B-10	D Project Gifu	Anpachi, Gifu	2009/2/28	900	0.5%	1,080	7.0%	7,669.91	100.00%	4.1%
L-B-11	D Project Neyagawa	Neyagawa, Osaka	2009/7/23	4,600	2.4%	5,730	6.3%	11,151.51	100.00%	2.7%
L-B-12	D Project Sapporo Minami	Kitahiroshima, Hokkaido	2007/10/30	600	0.3%	805	8.5%	6,749.10	100.00%	1.9%
L-B-13	D Project Morioka	Takizawa, Iwate	2002/9/13	1,000	0.5%	1,180	7.3%	9,558.32	100.00%	8.1%
L-B-14	D Project Sendai Minami	Iwanuma, Miyagi	2006/3/28	1,250	0.7%	1,440	7.0%	11,052.27	100.00%	1.5%
L-B-15	D Project Tsuchiura	Tsuchiura, Ibaraki	2009/2/19	2,880	1.5%	3,330	7.0%	17,448.86	100.00%	1.6%
L-B-16	D Project Gotenba	Gotenba, Shizuoka	2009/1/15	950	0.5%	1,130	7.0%	6,737.53	100.00%	7.0%
L-B-17	D Project Nishi-Hiroshima	Hiroshima, Hiroshima	2008/1/10	990	0.5%	1,190	7.8%	5,093.51	100.00%	2.3%
L-B-18	D Project Fukuoka Umi	Kasuya, Fukuoka	2006/5/1	3,100	1.6%	3,850	7.0%	24,729.56	100.00%	1.3%
L-B-19	D Project Tosu	Tosu, Saga	2009/2/19	2,100	1.1%	2,670	7.0%	8,826.00	100.00%	4.2%
L-B-20	D Project Kuki I	Kuki, Saitama	2011/10/5	3,500	1.9%	3,750	6.6%	22,708.72	100.00%	0.5%
L-B-21	D Project Kuki II	Kuki, Saitama	2013/6/21	7,200	3.8%	7,800	6.8%	50,490.00	100.00%	3.4%
L-B-22	D Project Kawagoe I	Kawagoe, Saitama	2011/4/30	3,100	1.6%	3,380	6.5%	16,150.88	100.00%	7.6%
L-B-23	D Project Kawagoe II	Kawagoe, Saitama	2012/9/3	4,250	2.2%	4,620	6.5%	19,872.00	100.00%	3.2%
L-B-24	DPL Inuyama	Inuyama, Aichi	2013/9/18	3,380	1.8%	3,680	6.7%	21,628.50	100.00%	7.0%
L-B-25	D Project Fukuoka Hakozaki	Fukuoka, Fukuoka	2012/10/1	3,700	2.0%	4,090	7.1%	34,710.80	100.00%	10.9%

as of April 1, 2015

Property number	Property name	Location	Construction date (Note 1)	Acquisition price		Appraisal value (million yen) (Note 2)	NOI yield (Note 3)	Total leasable area (㎡)	Occupancy rate	PML
				(million yen)	(%)					
L-B-26	D Project Kuki III	Kuki, Saitama	2013/6/28	7,340	3.9%	7,350	5.4%	26,937.41	100.00%	0.1%
L-B-27	D Project Kuki IV	Kuki, Saitama	2009/6/30	5,300	2.8%	5,360	5.3%	26,460.00	100.00%	1.7%
L-B-28	D Project Kuki V	Kuki, Saitama	2012/5/21	8,010	4.2%	8,070	5.4%	47,320.89	100.00%	2.8%
L-B-29	D Project Kuki VI	Kuki, Saitama	2013/8/9	4,980	2.6%	4,980	5.4%	29,244.66	100.00%	2.0%
L-B-30	D Project Yashio	Yashio, Saitama	2011/8/1	6,140	3.2%	6,160	5.0%	21,965.04	100.00%	1.6%
L-B-31	D Project Nishiyodogawa	Osaka, Osaka	2011/4/15	9,660	5.1%	9,700	5.3%	39,584.80	100.00%	7.3%
<b>Logistics Properties Total</b>			<b>31 properties</b>	<b>155,570</b>	<b>82.3%</b>	<b>174,805</b>	<b>5.9%</b>	<b>797,961.02</b>	<b>100.00%</b>	<b>—</b>
R-M-1	ACROSSMALL Shinkamagaya	Kamagaya, Chiba	2006/10/31	7,419	3.9%	7,630	6.4%	41,742.84	100.00%	2.4%
R-M-2	FOLEO Hirakata	Hirakata, Osaka	2006/11/20	5,040	2.7%	4,520	5.9%	16,380.78	99.95%	13.3%
R-M-3	QIZ GATE URAWA	Saitama, Saitama	2008/2/17	5,360	2.8%	4,760	5.6%	9,705.31	98.48%	1.8%
R-M-4	UNICUS Takasaki	Takasaki, Gunma	2008/11/5	2,570	1.4%	2,900	7.7%	9,277.08	100.00%	1.0%
R-M-5	ACROSSPLAZA Miyoshi (land)	Iruma, Saitama	—	3,390	1.8%	3,590	5.6%	24,018.00	100.00%	—
R-R-1	LIFE Sagamihara Wakamatsu	Sagamihara, Kanagawa	2007/4/25	1,650	0.9%	1,580	5.3%	2,973.44	100.00%	11.0%
R-R-2	FOLEO Sendai Miyanomori	Sendai, Miyagi	2009/10/6	6,040	3.2%	6,620	7.1%	19,845.72	100.00%	2.8%
R-R-3	ACROSSPLAZA Inazawa (land)	Inazawa, Aichi	—	1,944	1.0%	2,350	7.2%	31,981.70	100.00%	—
<b>Retail Properties Total</b>			<b>8 properties</b>	<b>33,413</b>	<b>17.7%</b>	<b>33,950</b>	<b>6.2%</b>	<b>155,924.87</b>	<b>99.90%</b>	<b>—</b>
<b>Portfolio Total</b>			<b>39 properties</b>	<b>188,983</b>	<b>100.0%</b>	<b>208,755</b>	<b>6.0%</b>	<b>953,885.89</b>	<b>99.97%</b>	<b>—</b>
<b>Anticipated Acquisition on June 1, 2015</b>										
L-B-32	D Project Matsudo	Matsudo, Chiba	2011/4/15	6,990	—	7,050	5.0%	26,776.67	100.00%	3.1%
<b>Portfolio Grand Total</b>			<b>40 properties</b>	<b>195,973</b>	<b>—</b>	<b>215,805</b>	<b>5.9%</b>	<b>980,662.56</b>	<b>99.97%</b>	<b>1.8%</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 applied.

(Note 2) Appraisal value for L-B-26 through L-B-32 is based on appraisal value as of December 31, 2014.

(Note 3) Real estate taxes for L-B-20 through L-B-25, R-M-5 and R-R-3 are not expensed.

NOI yield for L-B-26 through L-B-32 is based on appraisal NOI yield. NOI yield for logistics properties total, retail properties total, portfolio total and portfolio grand total is based on actual NOI in the 14<sup>th</sup> period and appraisal NOI.

# Portfolio Appraisal Value (1)

Property number	Property name	Acquisition price (million yen)	Book value 14 <sup>th</sup> period (million yen)	Unrealized gain/loss (million yen)	Appraisal value (million yen) (Note 1)			Direct capitalization method			Discounted cash flow method						Real estate appraiser (Note 2)
					13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	Capitalization rate			Discount rate			Terminal capitalization rate			
								13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	
L-B-1	D Project Machida	7,600	7,420	1,420	8,510	8,840	330	5.1%	4.9%	-0.2%	5.0%	4.8%	-0.2%	5.3%	5.1%	-0.2%	Tanizawa
L-B-2	D Project Hachioji	12,600	12,196	2,604	14,300	14,800	500	5.0%	4.8%	-0.2%	4.9%/5.0%	4.7%/4.8%	-0.2%	5.2%	5.0%	-0.2%	Tanizawa
L-B-3	D Project Aikawa-Machi	2,600	2,547	613	3,100	3,160	60	5.2%	5.1%	-0.1%	5.2%	5.1%	-0.1%	5.4%	5.3%	-0.1%	Tanizawa
L-B-4	D Project Shin-Misato	4,440	4,346	1,374	5,620	5,720	100	5.4%	5.3%	-0.1%	5.4%	5.3%	-0.1%	5.6%	5.5%	-0.1%	Tanizawa
L-B-5	D Project Urayasu I	7,700	7,546	1,364	8,550	8,910	360	4.7%	4.5%	-0.2%	4.8%	4.6%	-0.2%	4.9%	4.7%	-0.2%	Tanizawa
L-B-6	D Project Urayasu II	21,400	21,023	3,877	23,900	24,900	1,000	4.6%	4.4%	-0.2%	4.6%	4.4%	-0.2%	4.8%	4.6%	-0.2%	Tanizawa
L-B-7	D Project Akanehama	2,550	2,497	333	2,760	2,830	70	5.0%	4.9%	-0.1%	5.1%	5.0%	-0.1%	5.2%	5.1%	-0.1%	Tanizawa
L-B-8	D Project Noda	5,100	4,929	1,161	5,870	6,090	220	5.2%	5.0%	-0.2%	5.1%	4.9%	-0.2%	5.4%	5.2%	-0.2%	Tanizawa
L-B-9	D Project Inuyama	6,650	6,432	1,778	7,980	8,210	230	5.6%	5.4%	-0.2%	5.5%	5.3%/5.4%	-0.2%	5.8%	5.6%	-0.2%	Tanizawa
L-B-10	D Project Gifu	900	865	215	1,060	1,080	20	5.9%	5.8%	-0.1%	5.8%/5.9%	5.7%/5.8%	-0.1%	6.1%	6.0%	-0.1%	Tanizawa
L-B-11	D Project Neyagawa	4,600	4,492	1,238	5,510	5,730	220	5.2%	5.0%	-0.2%	5.2%	5.0%	-0.2%	5.4%	5.2%	-0.2%	Tanizawa
L-B-12	D Project Sapporo Minami	600	576	229	796	805	9	6.4%	6.3%	-0.1%	6.2%/6.3%	6.1%/6.2%	-0.1%	6.6%	6.5%	-0.1%	Tanizawa
L-B-13	D Project Morioka	1,000	958	222	1,170	1,180	10	6.3%	6.2%	-0.1%	6.2%	6.1%	-0.1%	6.5%	6.4%	-0.1%	Tanizawa
L-B-14	D Project Sendai Minami	1,250	1,191	249	1,420	1,440	20	5.7%	5.6%	-0.1%	5.5%/5.6%	5.4%/5.5%	-0.1%	5.9%	5.8%	-0.1%	Tanizawa
L-B-15	D Project Tsuchiura	2,880	2,768	562	3,270	3,330	60	5.6%	5.5%	-0.1%	5.5%	5.4%	-0.1%	5.8%	5.7%	-0.1%	Tanizawa
L-B-16	D Project Gotenba	950	919	211	1,110	1,130	20	5.8%	5.7%	-0.1%	5.7%	5.6%	-0.1%	6.0%	5.9%	-0.1%	Tanizawa
L-B-17	D Project Nishi-Hiroshima	990	970	220	1,160	1,190	30	5.9%	5.7%	-0.2%	5.9%/6.0%	5.7%/5.8%	-0.2%	6.1%	5.9%	-0.2%	Tanizawa
L-B-18	D Project Fukuoka Umi	3,100	2,996	854	3,720	3,850	130	5.8%	5.6%	-0.2%	5.5%/5.6% /5.7%	5.3%/5.4% /5.5%	-0.2%	6.0%	5.8%	-0.2%	Tanizawa
L-B-19	D Project Tosu	2,100	2,023	647	2,620	2,670	50	5.6%	5.5%	-0.1%	5.6%/5.7%	5.5%/5.6%	-0.1%	5.8%	5.7%	-0.1%	Tanizawa
L-B-20	D Project Kuki I	3,500	3,489	261	3,690	3,750	60	5.4%	5.3%	-0.1%	5.4%	5.3%/5.4%	-0.1%	5.6%	5.5%	-0.1%	Tanizawa
L-B-21	D Project Kuki II	7,200	7,141	659	7,660	7,800	140	5.4%	5.3%	-0.1%	5.4%/5.5%	5.3%/5.4%	-0.1%	5.6%	5.5%	0.1%	Tanizawa

# Portfolio Appraisal Value (2)

Property number	Property name	Acquisition price (million yen)	Book value 14 <sup>th</sup> period (million yen)	Unrealized gain/loss (million yen)	Appraisal value (million yen) (Note 1)			Direct capitalization method			Discounted cash flow method						Real estate appraiser (Note 2)
								Capitalization rate			Discount rate			Terminal capitalization rate			
					13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	
L-B-22	D Project Kawagoe I	3,100	3,092	288	3,320	3,380	60	5.4%	5.3%	-0.1%	5.4%	5.3%	-0.1%	5.6%	5.5%	-0.1%	Tanizawa
L-B-23	D Project Kawagoe II	4,250	4,234	386	4,550	4,620	70	5.4%	5.3%	-0.1%	5.4%	5.3%	-0.1%	5.6%	5.5%	-0.1%	Tanizawa
L-B-24	DPL Inuyama	3,380	3,379	301	3,570	3,680	110	5.6%	5.4%	-0.2%	5.5%	5.3%	-0.2%	5.8%	5.6%	-0.2%	Tanizawa
L-B-25	D Project Fukuoka Hakozaki	3,700	3,692	398	3,960	4,090	130	5.5%	5.3%	-0.2%	5.4%	5.2%	-0.2%	5.7%	5.5%	-0.2%	Tanizawa
<b>Logistics Properties Total</b>		<b>114,140</b>	<b>111,733</b>	<b>21,451</b>	<b>129,176</b>	<b>133,185</b>	<b>4,009</b>	—	—	—	—	—	—	—	—	—	—
R-M-1	ACROSSMALL Shinkamagaya	7,419	6,640	990	7,280	7,630	350	6.4%	6.1%	-0.3%	6.1%	5.8%	-0.3%	6.6%	6.3%	-0.3%	JREI
R-M-2	FOLEO Hirakata	5,040	4,600	-80	4,460	4,520	60	6.6%	6.4%	-0.2%	6.1%	5.9%	-0.2%	6.7%	6.5%	-0.2%	JREI
R-M-3	QiZ GATE URAWA	5,360	4,863	-103	4,740	4,760	20	6.3%	6.2%	-0.1%	5.8%	5.5%	-0.3%	6.3%	6.0%	-0.3%	JREI
R-M-4	UNICUS Takasaki	2,570	2,611	289	2,780	2,900	120	7.0%	6.7%	-0.3%	6.7%	6.4%	-0.3%	7.2%	6.9%	-0.3%	JREI
R-M-5	ACROSSPLAZA Miyoshi (land)	3,390	3,413	177	3,540	3,590	50	—	—	—	5.0%	4.9%	-0.1%	—	—	—	Tanizawa
R-R-1	LIFE Sagamihara Wakamatsu	1,650	1,633	-53	1,500	1,580	80	5.8%	5.5%	-0.3%	5.4%	5.1%	-0.3%	5.9%	5.6%	-0.3%	JREI
R-R-2	FOLEO Sendai Miyanomori	6,040	5,975	645	6,320	6,620	300	6.6%	6.3%	-0.3%	6.3%	6.0%	-0.3%	6.8%	6.5%	-0.3%	JREI
R-R-3	ACROSSPLAZA Inazawa (land)	1,944	1,968	382	2,350	2,350	0	—	—	—	5.5%	5.5%	0.0%	—	—	—	JREI
<b>Retail Properties Total</b>		<b>33,413</b>	<b>31,706</b>	<b>2,243</b>	<b>32,970</b>	<b>33,950</b>	<b>980</b>	—	—	—	—	—	—	—	—	—	—
<b>Portfolio Total</b>		<b>147,553</b>	<b>143,439</b>	<b>23,695</b>	<b>162,146</b>	<b>167,135</b>	<b>4,989</b>	—	—	—	—	—	—	—	—	—	—

# Portfolio Appraisal Value (3)

Property number	Property name	Acquisition price (million yen)	Book value 14 <sup>th</sup> period (million yen)	Unrealized gain/loss (million yen)	Appraisal value (million yen) (Note 1)			Direct capitalization method			Discounted cash flow method						Real estate appraiser (Note 2)
								Capitalization rate			Discount rate			Terminal capitalization rate			
					13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	13 <sup>th</sup> period	14 <sup>th</sup> period	Difference	
<b>Acquisitions on April 1, 2015</b>																	
L-B-26	D Project Kuki III	7,340	—	10	—	7,350	—	—	5.3%	—	—	5.2%/5.3%	—	—	5.5%	—	Tanizawa
L-B-27	D Project Kuki IV	5,300	—	60	—	5,360	—	—	5.3%	—	—	5.2%/5.3%	—	—	5.5%	—	Tanizawa
L-B-28	D Project Kuki V	8,010	—	60	—	8,070	—	—	5.3%	—	—	5.2%/5.3%	—	—	5.5%	—	Tanizawa
L-B-29	D Project Kuki VI	4,980	—	0	—	4,980	—	—	5.3%	—	—	5.2%/5.3%	—	—	5.5%	—	Tanizawa
L-B-30	D Project Yashio	6,140	—	20	—	6,160	—	—	5.0%	—	—	4.5%	—	—	5.3%	—	JREI
L-B-31	D Project Nishiyodogawa	9,660	—	40	—	9,700	—	—	5.3%	—	—	5.0%	—	—	5.4%	—	JREI
<b>Anticipated Acquisition on June 1, 2015</b>																	
L-B-32	D Project Matsudo	6,990	—	60	—	7,050	—	—	5.0%	—	—	4.7%	—	—	5.1%	—	JREI
<b>(Anticipated) Acquisitions in the 15<sup>th</sup> Period</b>		<b>48,420</b>	<b>—</b>	<b>250</b>	<b>—</b>	<b>48,670</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Portfolio Grand Total</b>		<b>195,973</b>	<b>—</b>	<b>23,945</b>	<b>—</b>	<b>215,805</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

(Note 1) For the properties acquired in the 14<sup>th</sup> fiscal period, the appraisal value at the time of the acquisition is applied as the end of the 13<sup>th</sup> fiscal period figure.

For the properties acquired and scheduled to be acquired in the 15<sup>th</sup> fiscal period, the appraisal value at the time of the acquisition is applied as the end of the 14<sup>th</sup> fiscal period figure.

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



## Interest-Bearing Debt

Lender	Balance (million yen)		Interest rate	Borrowing date	Repayment date	Remaining maturity (2015/4/1)	Lender	Balance (million yen)		Interest rate	Borrowing date	Repayment date	Remaining maturity (2015/4/1)
	Amount	Total						Amount	Total				
<b>Long-term borrowings</b>							<b>Long-term borrowings</b>						
Sumitomo Mitsui Banking Corporation	4,250						Mitsui Sumitomo Insurance Company	1,000	1,000	0.57125% (Fixed)	2015/4/1	2020/4/1	5.0 years
Sumitomo Mitsui Trust Bank, Limited	4,250						Sumitomo Mitsui Banking Corporation	1,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	4,250	20,000	0.72931% (Fixed)	2012/11/29	2015/11/30	0.7 years	Mizuho Bank, Ltd.	1,000	3,000	0.8711% (Fixed)	2015/4/1	2022/10/3	7.5 years
Mizuho Bank, Ltd.	4,250						The Norinchukin Bank	1,000					
Mitsubishi UFJ Trust and Banking Corporation	2,000						Sumitomo Mitsui Banking Corporation	1,000					
Resona Bank, Ltd.	1,000						Sumitomo Mitsui Trust Bank, Limited	1,000	4,000	0.9866% (Fixed)	2015/4/1	2023/10/2	8.5 years
Sumitomo Mitsui Banking Corporation	3,000						Mizuho Bank, Ltd.	1,000					
Sumitomo Mitsui Trust Bank, Limited	3,000						Resona Bank, Ltd.	1,000					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	15,000	0.83038% (Fixed)	2012/11/29	2016/11/29	1.7 years	Sumitomo Mitsui Banking Corporation	1,000					
Mizuho Bank, Ltd.	3,000						Sumitomo Mitsui Trust Bank, Limited	1,000	4,000	1.2315% (Note)	2015/4/1	2025/10/1	10.5 years
Mitsubishi UFJ Trust and Banking Corporation	2,000						Mizuho Bank, Ltd.	1,000					
Resona Bank, Ltd.	1,000						Mitsubishi UFJ Trust and Banking Corporation	1,000					
Sumitomo Mitsui Banking Corporation	3,000						The Bank of Tokyo- Mitsubishi UFJ, Ltd.	3,000	3,000	1.1815% (Note)	2015/4/1	2025/10/1	10.5 years
Sumitomo Mitsui Trust Bank, Limited	3,000						Development Bank of Japan, Inc.	1,500	1,500	1.46% (Fixed)	2015/4/1	2027/4/1	12.0 years
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	16,000	0.95649% (Fixed)	2012/11/29	2017/11/29	2.7 years							
Mizuho Bank, Ltd.	3,000						<b>Investment corporation bonds</b>						
Mitsubishi UFJ Trust and Banking Corporation	1,000						1st unsecured investment corporation bonds	2,000	2,000	0.826% (Fixed)	2014/12/24	2024/12/24	9.7 years
Development Bank of Japan Inc.	3,000						<b>Interest-Bearing Debt Total</b>						
Sumitomo Mitsui Banking Corporation	2,000							<b>94,000</b>		<b>1.01%</b>	<b>—</b>	<b>—</b>	<b>4.4 years</b>
Sumitomo Mitsui Trust Bank, Limited	2,000						(Note) The interest rate is fixed in effect by entering into the interest rate swap agreement.						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000	10,000	1.28759% (Fixed)	2012/11/29	2019/11/29	4.7 years							
Mizuho Bank, Ltd.	2,000												
Development Bank of Japan Inc.	2,000												
Sumitomo Mitsui Trust Bank, Limited	2,000	2,000	1.49625% (Note)	2013/3/27	2023/3/27	8.0 years							
Sumitomo Mitsui Banking Corporation	500												
Sumitomo Mitsui Trust Bank, Limited	500												
The Bank of Tokyo- Mitsubishi UFJ, Ltd.	500	3,000	1.0475% (Note)	2014/4/1	2021/4/1	6.0 years							
Mizuho Bank, Ltd.	1,000												
Mitsubishi UFJ Trust and Banking Corporation	500												
Sumitomo Mitsui Banking Corporation	1,000												
Sumitomo Mitsui Trust Bank, Limited	500												
The Bank of Tokyo- Mitsubishi UFJ, Ltd.	1,000	3,500	1.205% (Note)	2014/4/1	2022/4/1	7.0 years							
Mizuho Bank, Ltd.	1,000												
Sumitomo Mitsui Banking Corporation	1,000												
Sumitomo Mitsui Trust Bank, Limited	500												
The Bank of Tokyo- Mitsubishi UFJ, Ltd.	1,000	3,000	1.518% (Note)	2014/4/1	2024/4/1	9.0 years							
Mizuho Bank, Ltd.	1,000												
Sumitomo Mitsui Banking Corporation	1,000												
Sumitomo Mitsui Trust Bank, Limited	500												
The Bank of Tokyo- Mitsubishi UFJ, Ltd.	1,000	2,000	2.033% (Note)	2014/4/1	2026/4/1	11.0 years							
Development Bank of Japan, Inc.	500												
Sumitomo Mitsui Banking Corporation	500												
Sumitomo Mitsui Trust Bank, Limited	500												
The Bank of Tokyo- Mitsubishi UFJ, Ltd.	500												
Development Bank of Japan, Inc.	500												
Nippon Life Insurance Company	1,000	1,000	1.00% (Fixed)	2014/9/30	2023/9/29	8.5 years							

# Revenues and Expenses by Property (1)

(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	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <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
<b>Revenues</b>																				
Rent																				
Other revenues																				
<b>Expenses</b>																				
Property taxes	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)	
Property management fees																				
Insurance																				
Repairs and maintenance																				
Other rental expenses																				
NOI	216	204	366	356	81	81	150	150	191	199	534	554	66	67	154	154	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	166	154	261	251	65	65	124	123	147	155	424	445	51	52	109	109	170	170	21	21
NOI yield (annualized)	5.7%	5.4%	5.8%	5.7%	6.2%	6.3%	6.7%	6.8%	4.9%	5.2%	5.0%	5.2%	5.2%	5.4%	6.0%	6.1%	6.8%	6.9%	6.9%	7.0%
Yield after depreciation (annualized)	4.3%	4.1%	4.1%	4.0%	5.0%	5.1%	5.5%	5.6%	3.8%	4.1%	3.9%	4.2%	4.0%	4.1%	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		L-B-20	
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		D Project Kuki I	
Number of operating days	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <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
<b>Revenues</b>																				
Rent																				
Other revenues																				
<b>Expenses</b>																				
Property taxes	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)		Not disclosed (Note)	
Property management fees																				
Insurance																				
Repairs and maintenance																				
Other rental expenses																				
NOI	142	142	25	25	36	35	43	43	100	99	33	33	38	38	105	108	73	73	94	113
Depreciation	30	30	7	7	11	11	15	15	28	28	8	8	7	7	28	28	20	20	20	24
Operating income from property leasing	112	112	18	18	25	24	28	28	71	71	24	24	30	30	77	80	53	53	74	89
NOI yield (annualized)	6.2%	6.3%	8.4%	8.5%	7.3%	7.3%	6.9%	7.0%	6.9%	7.0%	6.9%	7.0%	7.6%	7.8%	6.8%	7.0%	6.9%	7.0%	6.5%	6.6%
Yield after depreciation (annualized)	4.9%	4.9%	6.0%	6.2%	5.1%	5.0%	4.5%	4.6%	4.9%	5.0%	5.1%	5.2%	6.2%	6.3%	5.0%	5.2%	5.0%	5.1%	5.1%	5.1%

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

## Revenues and Expenses by Property (2)

(million yen)

Property number	L-B-21		L-B-22		L-B-23		L-B-24		L-B-25		Logistics Properties Total	
	D Project Kuki II		D Project Kawagoe I		D Project Kawagoe II		DPL Inuyama		D Project Fukuoka Hakozaki		Properties Total	
	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>
Number of operating days	153 days	181 days	153 days	181 days	153 days	181 days	153 days	181 days	153 days	181 days	184 days	181 days
Revenues			85	102	115	138					3,736	3,879
Rent			85	102	115	138					3,702	3,843
Other revenues			0	-	0	-					33	35
Expenses			1	2	1	2					417	412
Property taxes			-	-	-	-					263	256
Property management fees			1	1	1	1					85	87
Insurance			0	0	0	0					6	6
Repairs and maintenance			-	-	-	-					49	48
Other rental expenses			0	0	0	0					11	12
NOI	204	244	83	100	113	136	93	112	109	131	3,319	3,466
Depreciation	58	69	15	19	23	28	22	27	23	28	799	832
Operating income from property leasing	145	174	67	81	89	107	71	85	85	102	2,520	2,634
NOI yield (annualized)	6.8%	6.8%	6.4%	6.5%	6.4%	6.5%	6.6%	6.7%	7.0%	7.1%	5.8%	6.1%
Yield after depreciation (annualized)	4.8%	4.9%	5.2%	5.3%	5.0%	5.1%	5.0%	5.1%	5.5%	5.6%	4.4%	4.7%

Property number	R-M-1		R-M-2		R-M-3		R-M-4		R-M-5		R-R-1		R-R-2		R-R-3		Retail Properties Total		Portfolio Total		
	ACROSSMALL Shinkamagaya		FOLEO Hirakata		QIZ GATE URAWA		UNICUS Takasaki		ACROSSPLAZA Miyoshi (land)		LIFE Sagamiyara Wakamatsu		FOLEO Sendai Miyanomori		ACROSSPLAZA Inazawa (land)		Properties Total		Total		
	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	
Number of operating days	184 days	181 days	184 days	181 days	184 days	181 days	184 days	181 days	152 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	275	275	189	190	238	233	129	129	-	79			238	238	69	69	1,191	1,267	4,928	5,146	
Rent	275	275	188	187	170	170	129	129	-	79			238	238	69	69	1,121	1,201	4,824	5,045	
Other revenues	-	-	1	2	68	63	-	-	-	-			-	-	-	-	70	66	103	101	
Expenses	45	39	39	42	91	84	32	31	-	0			25	26	0	0	241	232	659	645	
Property taxes	26	26	23	23	14	14	10	10	-	-			21	21	-	-	99	99	363	356	
Property management fees	8	8	7	9	32	32	20	20	-	-			3	3	-	-	74	75	160	162	
Insurance	0	0	0	0	0	0	0	0	-	-			0	0	-	-	1	1	8	8	
Repairs and maintenance	9	4	3	4	8	2	1	0	-	-			-	0	-	-	23	12	73	60	
Other rental expenses	0	0	3	5	36	36	0	0	-	0			0	0	0	0	42	43	53	56	
NOI	229	236	149	148	146	148	97	98	-	78	43	43	212	211	69	69	949	1,034	4,269	4,501	
Depreciation	71	72	42	42	51	51	14	14	-	-	4	4	26	26	-	-	211	212	1,010	1,044	
Operating income from property leasing	158	163	107	105	95	96	83	83	-	78	39	39	185	185	69	69	738	822	3,258	3,457	
NOI yield (annualized)	6.1%	6.4%	5.9%	5.9%	5.4%	5.6%	7.5%	7.7%	-	5.6%	5.3%	5.3%	7.0%	7.1%	7.1%	7.2%	6.3%	6.2%	5.9%	6.2%	
Yield after depreciation (annualized)	4.2%	4.5%	4.2%	4.2%	3.5%	3.6%	6.4%	6.6%	-	5.6%	4.8%	4.8%	6.1%	6.2%	7.1%	7.2%	4.9%	5.0%	4.5%	4.7%	

(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

# Investment in High-Performance Logistics Properties (2)


## 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

**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

**Ceiling height**  
**5.0 m** or more to enable forklifts to handle cargo

**Pillar interval spacing**  
**8.0 m** or more to enhance work efficiency



**Floor weight capacity**  
**1.5 t/m<sup>2</sup>** or more to enable the use of forklifts

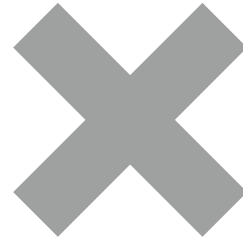
(Note) Not all logistics properties in DHR's portfolio are equipped with all of the specifications above.

# Investment in Specialty Retail Complexes (1)

## 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



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

### Mall Type Retail Properties



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

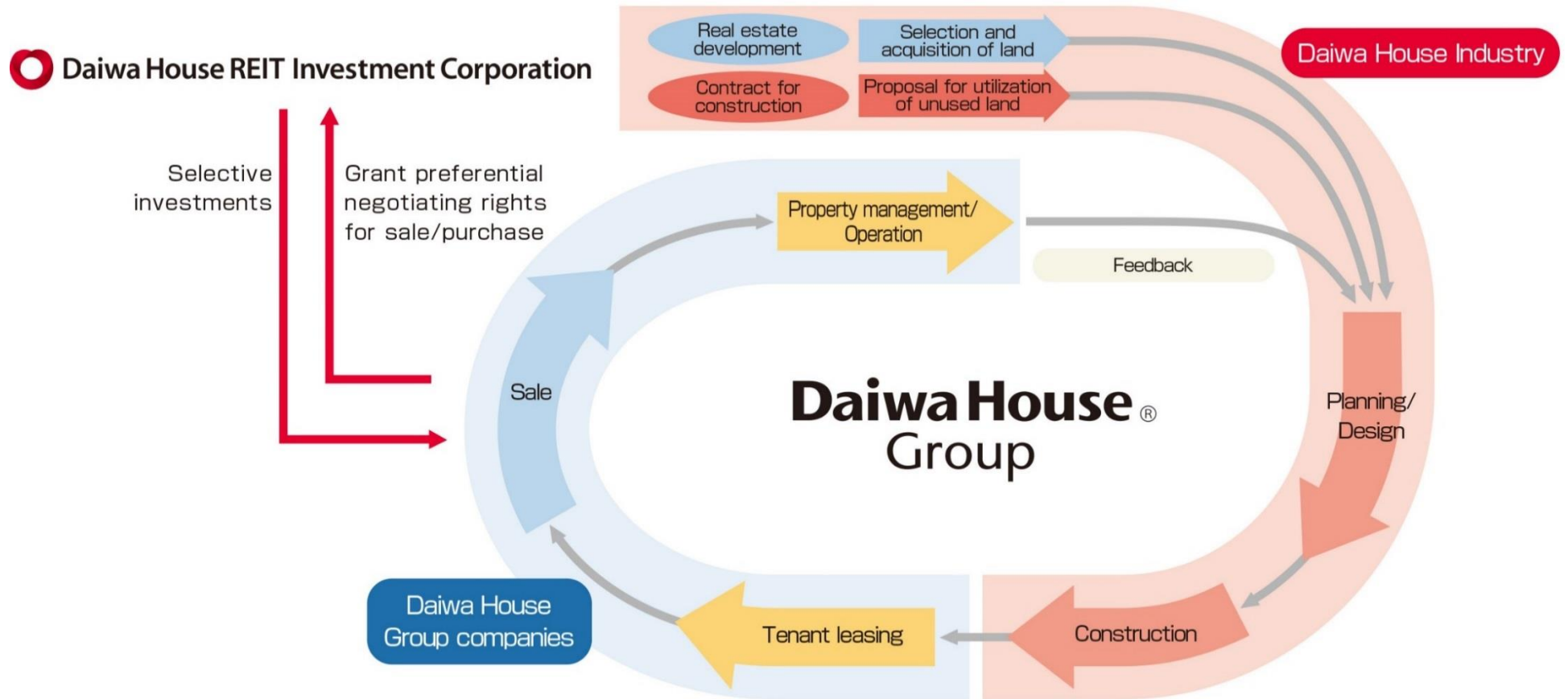
### Major Tenants






(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
- ◆ Supporting agreements to grant preferential negotiating rights to DHR for the sale and purchase of the properties
- ◆ Information sharing on the development of logistics and retail properties with the Asset Manager






# 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 machines: 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: 10.0m × 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 food (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 food (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<sub>2</sub> / 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 Holdings 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: 50,490.00 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 0.7~1.5 t/m<sup>2</sup></li> <li>Ceiling height: 3.5~6.0 m</li> <li>Pillar interval: 10.0m×9.9 m</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: 16,150.89 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 7.5 m</li> <li>Pillar interval: 10.0 m×10.9 m</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: 19,872.00 m<sup>2</sup> (2F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 5.5 m</li> <li>Pillar interval: 11.0 m×9.6 m</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: 20,872.50 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.5 m</li> <li>Pillar interval: 11.0 m×11.5 m</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: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.0 m</li> <li>Pillar interval: 10.6 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 6</li> <li>Connected car berths: 1 side (for 16 vehicles)</li> </ul>
Property Name	D Project Kuki III	D Project Kuki IV	D Project Kuki V	D Project Kuki VI	D Project Yashio
Photo					
Tenant	S.D.Logi Co., Ltd.	Chuo Bussan Corporation	Hitachi Transport System, Ltd.	Sagawa Global Logistics Co., Ltd.	Ryutsu Service Co., Ltd.
Line of Products	Pharmaceutical products (logistics company)	Household goods, cosmetics (logistics company)	Pharmaceutical products (logistics company)	Household goods, etc. (logistics company)	Food (logistics company)
Number of Tenants	1	1	1	1	2
Specifications	<ul style="list-style-type: none"> <li>Gross floor area: 26,937.41 m<sup>2</sup> (4F)</li> <li>Floor weight capacity: 1.5~2.2 t/m<sup>2</sup></li> <li>Ceiling height: 6.7~7.6 m</li> <li>Pillar interval: 12.0m×10.0 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 4</li> <li>Connected car berths: 1 side (for 12 vehicles)</li> <li>Dock shelters: for 2 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 26,460.00 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.0~1.5 t/m<sup>2</sup></li> <li>Ceiling height: 4.6~7.6 m</li> <li>Pillar interval: 10.5 m×10.5 m</li> <li>Cargo EV: 4</li> <li>Connected car berths: 2 sides (for 42 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 47,320.89 m<sup>2</sup> (6F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 7.2~7.6 m</li> <li>Pillar interval: 11.0 m×9.7 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 10</li> <li>Connected car berths: 2 sides (for 30 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 29,244.66 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.0~6.6 m</li> <li>Pillar interval: 11.5 m×10.0 m</li> <li>Cargo EV: 2</li> <li>Vertical carrier machines: 4</li> <li>Connected car berths: 2 sides (for 47 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>Gross floor area: 21,965.04 m<sup>2</sup> (3F)</li> <li>Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>Ceiling height: 6.8~7.2 m</li> <li>Pillar interval: 10.8 m×9.1 m</li> <li>Cargo EV: 3</li> <li>Vertical carrier machines: 2</li> <li>Connected car berths: 2 sides (for 38 vehicles)</li> <li>Dock shelters: for 8 vehicles</li> </ul>

## List of Logistics Properties - BTS Type (4)

Property Name	D Project Nishiyodogawa	D Project Matsudo
Photo		
Tenant	VANTEC CORPORATION	Asahi Logistics Corp.
Line of Products	Food, etc. (logistics company)	Food (logistics company)
Number of Tenants	1	1
Specifications	<ul style="list-style-type: none"> <li>• Gross floor area: 39,584.80 m<sup>2</sup> (4F)</li> <li>• Floor weight capacity: 1.5~2.0 t/m<sup>2</sup></li> <li>• Ceiling height: 6.2~7.4 m</li> <li>• Pillar interval: 10.5 m × 10.1 m</li> <li>• Cargo EV: 6</li> <li>• Vertical carrier machines: 6</li> <li>• Connected car berths: 2 sides (for 54 vehicles)</li> <li>• Dock shelters: for 38 vehicles</li> </ul>	<ul style="list-style-type: none"> <li>• Gross floor area: 26,776.67 m<sup>2</sup> (2F)</li> <li>• Floor weight capacity: 1.5 t/m<sup>2</sup></li> <li>• Ceiling height: 7.2 m</li> <li>• Pillar interval: 11.0 m × 11.1 m</li> <li>• Cargo EV: 2</li> <li>• Vertical carrier machines: 4</li> <li>• Connected car berths: 2 sides (for 60 vehicles)</li> <li>• Dock shelters: for 54 vehicles</li> </ul>

## List of Retail Properties

Property Name	ACROSSMALL Shinkamagaya	FOLEO Hirakata	QiZ GATE URAWA	UNICUS Takasaki	ACROSSPLAZA Miyoshi (land)
Photo					
Tenant	Daiwa Information Service Co., Ltd.	Alpen Co., Ltd.	Major Food Supermarket, etc.	P&D Consulting Co., Ltd.	Daiwa Information Service Co., Ltd.
Number of Tenants	1	23	10	1	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>	<ul style="list-style-type: none"> <li>With the supermarket Yaoko as the core tenant, the property also has Kojima, The Daiso, TSUTAYA, Sugi Pharmacy and other daily life service providers</li> </ul>
Property Name	LIFE Sagamihara Wakamatsu	FOLEO Sendai Miyanomori	ACROSSPLAZA 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, 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>		

# Unitholders

## Number of Unitholders and Units Held by Unitholder Type

	13 <sup>th</sup> Period (ended Aug 2014)				14 <sup>th</sup> Period (ended Feb 2015)			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Investment units	(%)	Unitholders	(%)	Investment units	(%)
Individuals and others	5,675	92.96%	25,054	8.54%	5,035	91.85%	21,450	7.31%
Financial institutions	105	1.72%	192,561	65.61%	107	1.95%	193,730	66.01%
Banks / trust banks	47	0.77%	172,341	58.72%	49	0.89%	173,701	59.19%
City banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Regional banks	37	0.61%	30,500	10.39%	39	0.71%	31,876	10.86%
Trust banks	10	0.16%	141,841	48.33%	10	0.18%	141,825	48.33%
Life insurance companies	7	0.11%	7,465	2.54%	7	0.13%	7,082	2.41%
Non-life insurance companies	1	0.02%	5,594	1.91%	1	0.02%	5,594	1.91%
Other financial institutions	50	0.82%	7,161	2.44%	50	0.91%	7,353	2.51%
Shinkin banks	31	0.51%	4,324	1.47%	32	0.58%	4,443	1.51%
Others	19	0.31%	2,837	0.97%	18	0.33%	2,910	0.99%
Other domestic corporations	190	3.11%	46,596	15.88%	174	3.17%	45,855	15.62%
Foreign corporations and individuals	117	1.92%	26,307	8.96%	143	2.61%	27,851	9.49%
Securities firms	18	0.29%	2,962	1.01%	23	0.42%	4,594	1.57%
<b>Total</b>	<b>6,105</b>	<b>100.00%</b>	<b>293,480</b>	<b>100.00%</b>	<b>5,482</b>	<b>100.00%</b>	<b>293,480</b>	<b>100.00%</b>

## Top 10 Unitholders

14 <sup>th</sup> Period (ended Feb 2015)		
Name of unitholders	Number of units held	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	80,476	27.42%
Daiwa House Industry Co., Ltd.	37,600	12.81%
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,813	8.11%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	19,883	6.77%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	11,222	3.82%
The Fuji Fire and Marine Insurance Co., Ltd.	5,594	1.91%
State Street Bank and Trust Company 505225	3,526	1.20%
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	3,267	1.11%
The Hachijuni Bank, Ltd.	2,999	1.02%
State Street Bank - West Pension Fund Clients - Exempt 505233	2,608	0.89%
<b>Total</b>	<b>190,988</b>	<b>65.08%</b>

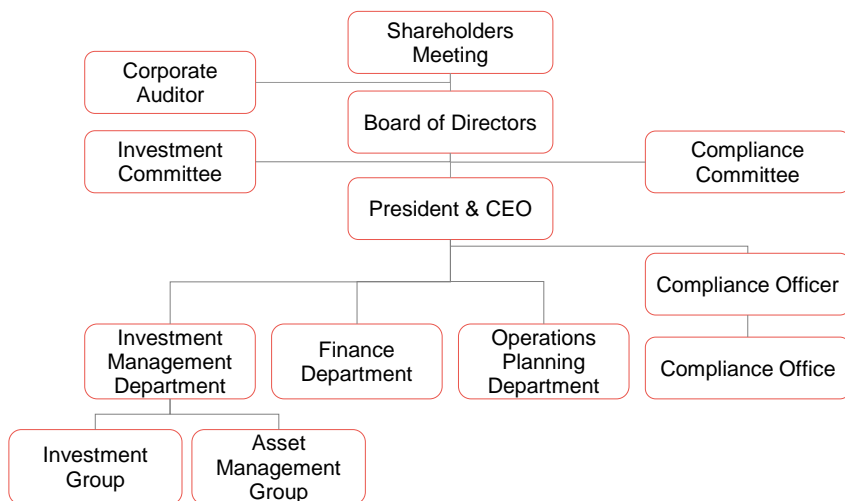


# Asset Manager and REIT Organization

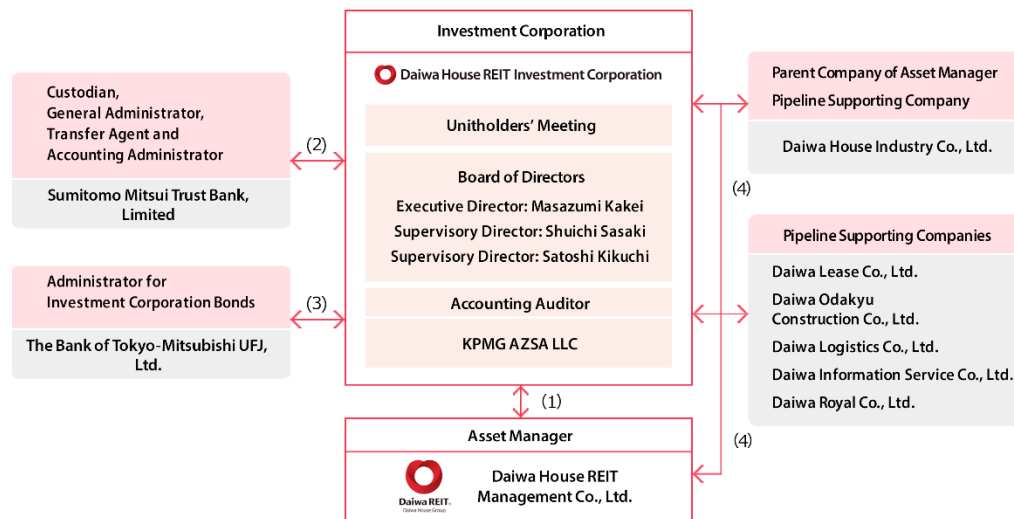
## Overview of the Asset Manager

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 management agreement
- (2) Asset custody agreement / General administration agreement / Transfer agency agreement / Accounting administration agreement
- (3) Fiscal agent agreement
- (4) Pipeline supporting agreements

## Disclaimer

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- 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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