

## Financial Results for the Fiscal Period Ended February 28, 2018 (September 1, 2017 - February 28, 2018)

Real estate investment trust unit issuer: **Daiwa House REIT Investment Corporation** (“DHR”)

Listing: Tokyo Stock Exchange  
 Securities code: 8984  
 URL: <http://www.daiwahouse-reit.co.jp/en/>  
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Scheduled date of submitting Securities Report: May 25, 2018  
 Scheduled date of starting distribution payments: May 14, 2018  
 Supplementary materials for the financial results provided: Yes  
 Results briefing for the period: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Financial results for the fiscal period ended February 28, 2018 (September 1, 2017 - February 28, 2018)

#### (1) Operating results

(Percentage figures represent period-on-period changes)

	Operating revenues		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended February 28, 2018	19,700	(6.3)	8,012	(14.7)	7,146	(10.4)	7,142	(10.4)
Fiscal period ended August 31, 2017	21,015	19.9	9,392	68.7	7,974	78.2	7,968	81.4

	Basic earnings per unit	Return on equity (ROE)	Ordinary profit to total assets ratio	Ordinary profit to operating revenues ratio
	Yen	%	%	%
Fiscal period ended February 28, 2018	4,226	1.9	1.0	36.3
Fiscal period ended August 31, 2017	4,772	2.3	1.2	37.9

(Note) Please refer to “Per Unit Information” on page 41 for the number of investment units used as the basis for calculating basic earnings per unit.

#### (2) Distributions

	Distributions per unit (excluding distributions in excess of earnings per unit)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets ratio
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended February 28, 2018	5,194	8,777	0	0	122.9	2.3
Fiscal period ended August 31, 2017	4,964	8,389	0	0	104.0	2.3

(Note 1) For the fiscal period ended February 28, 2018, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million and the accumulation of reserve for distribution of ¥346 million, and differ from “profit.”

(Note 2) For the fiscal period ended August 31, 2017, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,980 million and the accumulation of reserve for distribution of ¥1,559 million, and differ from “profit.”

### (3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2018	681,192	376,300	55.2	222,663
As of August 31, 2017	682,359	377,321	55.3	223,267

### (4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended February 28, 2018	14,993	(944)	(8,383)	41,021
Fiscal period ended August 31, 2017	20,128	(73,318)	68,019	35,357

## 2. Forecasts of operating results for the fiscal period from March 1, 2018 to August 31, 2018 and for the fiscal period from September 1, 2018 to February 28, 2019

(Percentage figures represent period-on-period changes)

	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending August 31, 2018	22,073	12.0	9,174	14.5	7,561	5.8	7,556	5.8	4,950	0
Fiscal period ending February 28, 2019	22,683	2.8	9,550	4.1	8,139	7.7	8,134	7.7	5,250	0

(Reference) Forecasted basic earnings per unit

For the fiscal period ending August 31, 2018: ¥3,921

For the fiscal period ending February 28, 2019: ¥4,221

(Note 1) For the fiscal period ending August 31, 2018, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

(Note 2) For the fiscal period ending February 28, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

\* **Other**

**(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement**

- a. Changes in accounting policies due to amendment of accounting standards and other regulations: None
- b. Changes in accounting policies due to reasons other than a. above: None
- c. Changes in accounting estimates: None
- d. Retrospective restatement: None

**(2) Total number of investment units issued**

- a. Total number of investment units issued at the end of the period (including treasury investment units)
  - As of February 28, 2018 1,690,000 units
  - As of August 31, 2017 1,690,000 units
- b. Number of treasury investment units at the end of the period
  - As of February 28, 2018 0 units
  - As of August 31, 2017 0 units

(Note) Please refer to “Per Unit Information” on page 41 for the number of investment units used as the basis for calculating basic earnings per unit.

\* **Status of auditing procedures**

This financial results report is not subject to auditing procedures pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the “FIE Act”).

Accordingly, as of the time of disclosure of this financial results report, DHR had not completed auditing procedures pursuant to the FIE Act.

\* **Remarks on appropriate use of forecasts of operating results and other special notes**

1. The forward-looking statements, including operating results forecasts, contained in these materials are based on information currently available to DHR, and on certain assumptions deemed reasonable by DHR. The actual operating and other results may differ significantly from those presented herein as a consequence of numerous factors. These forecasts also do not guarantee the amount of distributions. Please refer to “Assumptions for Forecasts of Operating Results for the Fiscal Period Ending August 31, 2018 and February 28, 2019” on pages 12 and 13 for information on assumptions for the forecasts of operating results.
2. At the board of directors meetings held on February 28, 2018 and March 12, 2018, it was decided to issue new investment units through public offering and through third-party allotment. The payment for the issuance of new investment units through public offering was completed on March 19, 2018, while the payment for the issuance of new investment units through third-party allotment was completed on April 13, 2018.  
The above figures in “2. Forecasts of operating results for the fiscal period from March 1, 2018 to August 31, 2018 and for the fiscal period from September 1, 2018 to February 28, 2019,” are based on DHR’s assumption of the number of investment units issued of 1,927,000 units, which is the total of 1,690,000 investment units issued as of February 28, 2018 and 237,000 new investment units issued as described above (public offering: 222,000 units, third-party allotment: 15,000 units).

**Disclaimer:**

This English translation has been prepared for general reference purposes only. DHR shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released on April 18, 2018.

## Index

1. The Investment Corporation and Related Corporations.....	2
2. Operating Policies and Results .....	2
(1) Operating Policies .....	2
(2) Operating Results.....	2
(3) Investment Risk.....	11
3. Financial Statements .....	14
(1) Balance Sheets.....	14
(2) Statements of Income .....	17
(3) Statements of Unitholders' Equity .....	18
(4) Statements of Cash Distributions .....	21
(5) Statements of Cash Flows .....	22
(6) Notes on Assumption of Going Concern.....	24
(7) Notes on Important Accounting Policies.....	24
(8) Notes to Financial Statements .....	26
(9) Changes in Number of Investment Units Issued .....	46
4. Changes in Officers .....	47
(1) Changes in DHR's Directors.....	47
(2) Changes in Officers of Asset Manager.....	48
5. Reference Information .....	52
(1) Portfolio List .....	52
(2) Summary of Major Tenants.....	89
(3) Summary on Appraisal Report .....	91
(4) Summary on Engineering Report.....	100
(5) Status of Portfolio Diversification.....	104
(6) Capital Expenditures for Properties Held.....	105

## 1. The Investment Corporation and Related Corporations

As there have been no significant changes with respect to the “Scheme of Investment Corporation” from such content provided in the latest Securities Report (submitted on November 21, 2017; prepared in Japanese only), such disclosure has been omitted. On April 1, 2018, The Bank of Tokyo-Mitsubishi UFJ, Ltd., a general administrator for investment corporation bonds, changed its corporate name, and is now MUFG Bank, Ltd.

## 2. Operating Policies and Results

### (1) Operating Policies

As there have been no significant changes with respect to the “Investment Policy,” “Investment Targets,” and “Distribution Policy” from such content provided in the latest Securities Report (submitted on November 21, 2017; prepared in Japanese only), such disclosure has been omitted.

### (2) Operating Results

#### i) Summary of results for the current fiscal period

##### A. Transition of the Investment Corporation

DHR is a real estate investment trust (J-REIT) whose sponsor is Daiwa House Industry Co., Ltd. (hereinafter referred to as “Daiwa House”), and whose asset manager is Daiwa House Asset Management Co., Ltd. (hereinafter referred to as the “Asset Manager”), a wholly owned subsidiary of Daiwa House.

DHR was listed on the Real Estate Investment Trust (REIT) Market of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “Tokyo Stock Exchange”) on March 22, 2006, and then later merged with New City Residence Investment Corporation (hereinafter referred to as “NCR”) on April 1, 2010 (hereinafter referred to as “the merger with NCR”). Subsequently on December 1, 2011, the corporate name was changed to Daiwa House Residential Investment Corporation (the corporation prior to change of corporate name to “Daiwa House REIT Investment Corporation” is hereinafter referred to as the “former DHI”), and accordingly changed its investment targets to residential properties.

The former Daiwa House REIT Investment Corporation (the Daiwa House REIT Investment Corporation which was dissolved upon having merged with DHR as of September 1, 2016, is hereinafter referred to as the “former DHR”) was established on September 14, 2007, whose asset manager was Daiwa House REIT Management Co., Ltd., a wholly owned subsidiary of Daiwa House. The former DHR was listed on the Tokyo Stock Exchange Real Estate Investment Trust (REIT) Market on November 28, 2012, as a REIT that targets investment in logistics and retail properties.

Accordingly, leveraging their individual strengths and drawing on sponsor support of the Daiwa House Group<sup>(Note)</sup>, both former DHI and the former DHR (hereinafter collectively referred to as the “Investment Corporations”) accumulated asset management results geared to securing stable income over the medium to long term and steadily growing their assets. However, as of September 1, 2016, DHR conducted an absorption-type merger (hereinafter referred to as the “Merger”) whereby the former DHI was the surviving corporation and the former DHR was the absorbed corporation, shifted to a diversified REIT portfolio that targets investment in new asset classes such as hotel and office properties, in addition to those that the Investment Corporations had targeted for investment in the past, and changed its corporate name from Daiwa House Residential Investment Corporation to Daiwa House REIT Investment Corporation with the aim of sustainably increasing unitholder value going forward.

(Note) The Daiwa House Group comprises Daiwa House, which is the parent company, 267 consolidated subsidiaries, 2 non-consolidated subsidiaries, 30 equity-method affiliates and 4 non-equity-method affiliates as of December 31, 2017. The Asset Manager is a member of the group. The same shall apply hereinafter.

## B. Performance for the current fiscal period

Concerning actual performance of owned assets in the current fiscal period, DHR's occupancy rate at the end of the fiscal period was 99.3%, and a high level of rental revenues was maintained. As a result, operating revenues amounted to ¥19,700 million, ¥159 million higher than the forecast of results disclosed in the financial results report for the fiscal period ended August 31, 2017 (referred to as the "forecast of results" in "B. Performance for the current fiscal period").

Regarding rental expenses, on the other hand, DHR brought forward part of the repairs and maintenance expenses, etc. that had been scheduled for the next fiscal period onward in view of reducing the future cost burden. Nevertheless, DHR's efforts to reduce general and administrative expenses and other costs led to operating profit of ¥8,012 million, up ¥220 million from the forecast of results, and profit of ¥7,142 million, up ¥590 million from the forecast of results.

## C. Overview of financing

DHR arranged refinancing for the full amount of ¥16,000 million in loans due on November 29, 2017. At the time of this loan, DHR started new transactions with five regional banks, as it worked to expand its strong lender formation.

As a result, the balance of interest-bearing debt outstanding as of the end of the current fiscal period amounted to ¥282,268 million (loan balance: ¥266,268 million, investment corporation bond balance: ¥16,000 million), the same amount as in the previous fiscal period. As of the end of the current fiscal period, its LTV (including goodwill)<sup>(Note 1)</sup> was 41.4%, and its LTV (excluding goodwill)<sup>(Note 2)</sup> was 46.4%.

(Note 1) "LTV (including goodwill)" is obtained using the following formula. The same shall apply hereinafter.

$$\text{LTV (including goodwill)} = \frac{\text{total amount of interest-bearing debt (borrowings + investment corporation bonds)}}{\text{total assets (including goodwill)}} \times 100$$

(Note 2) "LTV (excluding goodwill)" is obtained using the following formula. The same shall apply hereinafter.

$$\text{LTV (excluding goodwill)} = \frac{\text{total amount of interest-bearing debt (borrowings + investment corporation bonds)}}{\text{total assets (excluding goodwill)}} \times 100$$

The credit ratings of DHR as of the date of this financial results report are as follows:

Rating agency	Type	Rating/Outlook
Rating and Investment Information, Inc. (R&I)	Issuer rating	A+ Stable
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA Stable

## D. Difference between real estate appraisal value and book value

The total appraisal value of assets held at the end of the current fiscal period was ¥623,686 million, and the amount of unrealized gain<sup>(Note)</sup> on the portfolio, which is the difference compared to the book value was ¥63,322 million.

(Note) "Unrealized gain" is the positive valuation difference when the appraisal value exceeds the book value of real estate properties (excluding construction in progress and construction in progress in trust). (Negative valuation difference is referred to as unrealized loss.) The same shall apply hereinafter. Please note that unrealized gain is not guaranteed to be realized as a result of the sales of real estate.

## E. Overview of financial results

As a result of the abovementioned investment management activities, in the current fiscal period, DHR posted operating revenues of ¥19,700 million, operating profit of ¥8,012 million, ordinary profit of ¥7,146 million, and profit of ¥7,142 million (¥4,226 per investment unit).

Furthermore, based on its distribution policy, DHR reversed ¥1,982 million (¥1,172 per investment unit) as the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments to top up profit, while at the same time, ¥346 million (¥205 per investment unit) recorded as refunded consumption taxes relating to properties that DHR acquired in prior years was accumulated as reserve for distribution. As a result, total distributions amounted to ¥8,777 million (¥5,194 per investment unit).

## ii) Outlook for next fiscal period

### A. Investment environment

During the current fiscal period, the Japanese economy continued on a gradual expansionary trend. According to the quarterly Financial Statements Statistics of Corporations by Industry, corporate earnings and capital expenditure for October to December 2017 showed sales rising 2.3% from the previous quarter, for the sixth consecutive quarterly increase. While ordinary profit fell from the previous quarter (down 1.7%), operating profit, which indicates profit from core business, was up 2.4% from the previous quarter, rising for the sixth straight quarter just like sales, and capital expenditure saw a recovery centered on the manufacturing industry, rising 3.1% from the previous quarter for the second-straight quarterly increase. According to the GDP growth rate for October to December 2017 (the 2nd preliminary), real GDP was up by 0.4% (1.6% annualized), which was positive growth for eight consecutive quarters, meaning that the Japanese economy remained firm though growth slowed down slightly compared to the previous quarter. As for consumer spending, consumption is on a rise on account of steady improvements in the employment and personal income environments, and it is expected to grow gently in the future. Furthermore, looking toward the future, while the Japanese economy is expected to continue its gradual expansion, amidst expectations for overall stability in the economies of the United States and major European countries, changes in the policy rates of foreign countries and in exchange rates, concerns over a slowdown in the Chinese economy due to the promotion of structural reforms, and the rise in geopolitical risk surrounding conditions in North Korea, etc. could affect the Japanese economy going forward, and these trends require sufficient attention.

In Japan's real estate market, according to the Land Value LOOK Report for the fourth quarter of 2017 (October 1, 2017 to January 1, 2018) released by the Ministry of Land, Infrastructure, Transport and Tourism in February 2018, among the 100 intensively used districts of major cities, land value rose in 89 districts (compared with 86 districts in the third quarter of 2017), stayed flat in 11 districts (compared with 14 districts in the third quarter of 2017), and dropped in 0 districts (compared with 0 districts in the third quarter of 2017). Therefore, the districts maintaining rising prices were roughly 90%. The main reason that the percentage of districts with rising prices maintained such a high level was a continuing strong real estate investment sentiment reflecting improvements in the employment and personal income environments and favorable financing environment owing to monetary easing, etc. on the back of a continuing favorable office market condition particularly in the three major metropolitan areas, cities becoming more vibrant due to ongoing redevelopment projects, and continuing high-level demand of visitors to Japan for consumption and accommodation.

In Japan's stock market in 2017, while the Nikkei Average trended strongly, rising 19.1% over the year, in the J-REIT market, concern over increasing domestic long-term interest rates from overseas monetary policy as well as investment units for J-REIT investment trusts experiencing net selling in and after April, etc. led the Tokyo Stock Exchange REIT Index to decline 10.4% in the year (1,662.92 points at the end of 2017). Entering 2018, the Tokyo Stock Exchange REIT Index had risen to 1,768.07 points on January 24, but the index has been volatile since then due to rising US long-term interest rates, totaling 1,700.96 points at the end of the current fiscal period on February 28, 2018.

Under the aforementioned environment, the investment environment is expected to continue to be a tough environment for property acquisitions due to lowering capitalization rates used in real estate appraisals, rising land prices, soaring construction costs, and other factors. Nevertheless, DHR will continue to actively acquire high quality properties while making use of the Daiwa House Group's

integrated capabilities, and real estate development knowhow.

## B. Future operating policies and issues to be addressed

### (a) Growth strategy

DHR now targets a broader range of investments due to its shift to a diversified REIT portfolio as a result of the Merger (thereby enhancing external growth potential). Consequently, DHR has achieved swift expansion of its asset size, having acquired 40 new properties over the roughly one and a half years since the Merger (at a total acquisition price<sup>(Note 1)</sup> of ¥193.1 billion). Also, DHR made acquisitions of a multi-use complex consisting of hotel and offices, in addition to existing built-to-suit (BTS) logistics properties<sup>(Note 2)</sup>, residential properties, and retail properties since the Merger, and subsequently also acquired its first multi-tenant logistics property<sup>(Note 3)</sup> in April 2017, and its first hotel asset in April 2018. DHR believes that acquiring various types of assets will enable it to diversify its portfolio and generate income more consistently.

Moreover, DHR's asset holdings now include properties such as logistics and retail properties as a result of the Merger, in addition to its previous holdings of residential properties. As such, DHR reckons that its portfolio of asset holdings as of the date of this financial results report promises high occupancy rates across all asset classes, which in turn is likely to generate stable rent income going forward. Accordingly, DHR also deems that it will be able to diversify the portfolio by investing in an extensive range of asset classes featuring varying risk-return profiles, and also that it will be able to boost portfolio income and generate more consistent cash flows as a result of diversifying the portfolio and mitigating risk of excessive reliance on a limited number of tenants by increasing the asset size of the portfolio.

In addition, DHR is committed to steadily promoting external growth through a strategy that involves hastening the pace of growth by leveraging value chains of the Daiwa House Group, in conjunction with efforts to acquire assets by drawing on information channels proprietary to the Asset Manager, thereby making the most of the Daiwa House Group's ample pipeline going forward.

(Note 1) "Acquisition prices" are the purchase prices stipulated in the respective purchase agreements of assets owned by DHR (not including expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, or leasehold guarantee deposits, etc.), except as otherwise noted. However, the acquisition prices of properties previously owned by NCR have been presented as the appraisal values as of February 28, 2010, which were the prices received at the time of the merger with NCR, and the acquisition prices of properties previously owned by the former DHR have been presented as the appraisal values as of August 31, 2016, which were the prices received at the time of the merger with the former DHR. The "total acquisition price" has been rounded down to the nearest unit. The same shall apply hereinafter.

(Note 2) "Built-to-suit (BTS) logistics properties" are logistics properties that have been customized to tenant needs, while maintaining general versatility to accommodate successor tenants in the future. The same shall apply hereinafter.

(Note 3) "Multi-tenant logistics properties" are logistics properties that have been situated on sites suitable to the logistics needs of various businesses, and that offer facility size, grade, and equipment optimal to such sites. The same shall apply hereinafter.

### (b) Distribution policy

As of the end of the current fiscal period, DHR had a total of ¥35,062 million in tax loss carryforwards<sup>(Note 1)</sup>, ¥12,767 million in reserve for temporary difference adjustments (before reversal for the current fiscal period; the amount after reversal is ¥10,785 million), and ¥1,617 million in reserve for distribution (before accumulation for the current fiscal period; the amount after accumulation is ¥1,964 million).

As a result of partial revisions to the "Regulations on Accounting of Investment Corporations" and The Investment Trusts Association, Japan's "Rules on Real Estate Investment Trusts and Real Estate Investment Corporations," DHR intends for ¥14,748 million, itemized as gains on negative goodwill, to be transferred in reserve for temporary difference adjustments, and, from the fiscal period ended August 31, 2017 onward, for an amount, inside the scope of the said reserve, that equals or exceeds the fifty-year-uniform amount to be reversed in each fiscal period and distributed.

In situations where there has been gain on sale of real estate properties, and so forth, and where



profit for the period has been higher than initially expected, DHR has accumulated all or part of that profit as reserve for distribution by utilizing tax loss carryforwards.

In order to make earnings distributions deductible for tax purposes, J-REITs must distribute more than 90% of distributable earnings, but J-REITs that have tax loss carryforwards can reduce their taxable income to the extent of tax loss carryforwards. By utilizing tax loss carryforwards inherited from the merger with NCR, DHR is able to accumulate all or part of profit in cases where profit exceeds the initial forecast due to gain on sale of real estate properties without having taxes imposed until August 2018 to the extent that the tax loss carryforwards are available<sup>(Note 1)</sup>.

DHR changed part of its distribution policy in the fiscal period ended February 28, 2017 and reverses the amount equivalent to amortization of goodwill from the reserve for temporary difference adjustments and uses this to top up profit.

In case profit falls below the initially expected amount due to losses incurred in special cases such as loss on sale of real estate properties, in case of the dilution of distribution due to capital increase, in case sufficient revenues could not be secured due to short operation periods of properties acquired during a fiscal period along with a capital increase, or in the case of extraordinary expenses such as issuance expenses arising, DHR plans to reverse the reserve for temporary difference adjustments<sup>(Note 2)</sup>.

Goodwill recognized from the Merger is amortized over 20 years using the straight-line method. As described above, although DHR plans to reverse the amount equivalent to amortization of goodwill from the reserve for temporary difference adjustments and distribute it, after the reversal of the reserve for temporary difference adjustments is complete, DHR plans to pay distributions in excess of earnings of the amount equivalent to amortization of goodwill (distribution of reserve for temporary difference adjustments).

DHR's policy is to flexibly utilize loss carryforwards and voluntary reserve and subsequently pay distributions in excess of earnings (distribution of reserve for temporary difference adjustments) to realize stabilization of distributions on a medium- to long-term basis<sup>(Note 3)</sup> while ensuring the level of distributions not impacted by the amortization of goodwill that accompanied the Merger.

(Note 1) The carryforward period of loss carryforwards inherited from the merger with NCR is until the end of the fiscal period ending August 31, 2018. In addition the loss carryforwards inherited from the former DHR as a result of the Merger is ¥507 million and the carryforward period for such loss carryforwards will be until the end of the fiscal period ending February 28, 2021.

(Note 2) DHR's reversals of reserve for temporary difference adjustments do not fall under distributions in excess of earnings (return of unitholders' capital).

(Note 3) Under the above distribution policy, DHR has the policy to stabilize distributions. However, it is not intended as a guarantee or promise of the payment of distribution and amounts thereof.

### C. Financial strategy

DHR seeks as its basic policy to execute a well-planned and flexible financial strategy with the aim of ensuring sustainable profits on a medium- to long-term basis, contributing to the steady growth and efficient management of its properties and creating management stability.

DHR is also working to improve the stability of its financial base by maintaining and expanding its strong lender formation through initiatives geared toward diversifying methods of raising capital through issuance of investment corporation bonds, and by promoting use of long-term fixed rates on interest-bearing debt and staggering repayment dates.

D. Forecasts of operating results for the fiscal periods ending August 31, 2018 and February 28, 2019

	Operating revenues	Operating profit	Ordinary profit	Profit	Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Fiscal period ending August 31, 2018	22,073	9,174	7,561	7,556	4,950	0
Fiscal period ending February 28, 2019	22,683	9,550	8,139	8,134	5,250	0

(Note 1) For the fiscal period ending August 31, 2018, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

(Note 2) For the fiscal period ending February 28, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

For the assumptions for the forecasts above, please refer to “Assumptions for Forecasts of Operating Results for the Fiscal Period Ending August 31, 2018 and February 28, 2019” on pages 12 and 13. Due to changes in the circumstances surrounding DHR, actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may change. Furthermore, these forecasts do not guarantee the amount of distributions.

iii) Significant events after balance sheet date

A. Issuance of new investment units

At the board of directors meetings held on February 28, 2018, and on March 12, 2018, it was resolved to issue new investment units, as follows. The payment for the new investment units issued through public offering was completed on March 19, 2018, while the payment for the new investment units issued through third-party allotment was completed on April 13, 2018.

As a result, unitholders’ capital amounts to ¥163,230 million, and the total number of investment units issued is 1,927,000 units.

(a) Issuance of new investment units (public offering)

Number of new investment units issued:	222,000 units (Japan: 150,900 units; Overseas: 71,100 units)
Issue price:	¥239,806 per unit
Total issue price:	¥53,236,932,000
Amount paid in (issue value):	¥232,465 per unit
Total amount paid in (issue value):	¥51,607,230,000
Payment date:	March 19, 2018

(b) Issuance of new investment units through third-party allotment

Number of new investment units issued:	15,000 units
Amount paid in (issue value):	¥232,465 per unit
Total amount paid in (issue value):	¥3,486,975,000
Payment date:	April 13, 2018
Allottee:	Nomura Securities Co., Ltd.

B. Acquisition of assets

DHR acquired the following properties.

Asset name	DPL Fukuoka Kasuya
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥13,300,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Inuyama (Additional acquisition)
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥2,100,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Kawagoe IV
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥5,600,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Kuki VII
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥1,040,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Chibakita
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,640,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Matsudo II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥8,200,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Tomisato II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥6,900,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Osaka Hirabayashi
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥3,600,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018

Asset name	D Project Sendai Izumi II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,300,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Kaminokawa
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,900,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Fuji
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥3,600,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Tosu III
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥9,200,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	FOLEO Otsu Ichiriyama
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥8,100,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 3, 2018
Asset name	FOLEO Hakata
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥3,200,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 3, 2018
Asset name	Royal Home Center Morinomiya (Land)
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥4,500,000 thousand
Seller (Note 2)	Royal Home Center Co., Ltd.
Acquisition date	March 27, 2018
Asset name	Daiwa Roynet Hotel Yokohama Kannai
Asset type	Trust beneficiary interest in real estate
Asset class	Hotel properties
Acquisition price (Note 1)	¥4,800,000 thousand
Seller (Note 2)	Fujita Corporation
Acquisition date	April 3, 2018

(Note 1) This figure does not include expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, etc.

(Note 2) Daiwa House, which is the seller of DPL Fukuoka Kasuya, D Project Chibakita, D Project Matsudo II, D Project Tomisato II, D Project Osaka Hirabayashi, D Project Sendai Izumi II, D Project Fuji, FOLEO Otsu

Ichiryama and FOLEO Hakata, Royal Home Center Co., Ltd., which is the seller of Royal Home Center Morinomiya (Land), and Fujita Corporation, which is the seller of Daiwa Roynet Hotel Yokohama Kannai are each classified as an interested party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the “Investment Trusts Act”). As such, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

DH Fund Five Godo Kaisha, which is the seller of D Project Inuyama (Additional acquisition), D Project Kawagoe IV, D Project Kuki VII, D Project Kaminokawa and D Project Tosu III, is a special purpose company (Tokutei Mokuteki Kaisha) set up with the aim of acquiring, holding and disposing of trust beneficiary interests in real estate partially invested in by Daiwa House, which is the parent company of the Asset Manager, and is accordingly classified as an interested party as stipulated in the Asset Manager’s regulations on transactions with interested parties, but is not an interested party, etc. under the Investment Trusts Act. As such, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

### C. Debt financing

DHR conducted debt financing for acquiring the properties mentioned in “B. Acquisition of assets” above, on March 27, 2018 and April 10, 2018, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Mitsui Sumitomo Insurance Company, Limited	1,000	0.44125% (Fixed interest rate)	March 27, 2018	March 31, 2023	Bullet repayment	Unsecured and non-guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note)	1,500	0.74587% (Fixed interest rate)	March 27, 2018	September 30, 2027	Bullet repayment	Unsecured and non-guaranteed
Nippon Life Insurance Company	1,000	0.42894% (Fixed interest rate)	April 10, 2018	September 9, 2022	Bullet repayment	Unsecured and non-guaranteed
Development Bank of Japan Inc.	2,000	0.64630% (Fixed interest rate)	April 10, 2018	April 30, 2026	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Bank of Fukuoka, Ltd.; The Chiba Bank, Ltd.; The 77 Bank, Ltd.; The Nishi-Nippon City Bank, Ltd.; The Shizuoka Bank, Ltd.; The Iyo Bank, Ltd.; The Bank of Kyoto, Ltd.; The Chugoku Bank, Ltd.	6,500	0.42160% (Fixed interest rate)	April 10, 2018	April 28, 2022	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Aozora Bank, Ltd.; The Norinchukin Bank; Shinsei Bank, Limited; Shinkin Central Bank	5,000	0.52004% (Fixed interest rate)	April 10, 2018	April 30, 2024	Bullet repayment	Unsecured and non-guaranteed

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Aozora Bank, Ltd.; The Norinchukin Bank; Resona Bank, Limited; Shinsei Bank, Limited; Shinkin Central Bank	5,000	0.60388% (Fixed interest rate)	April 10, 2018	April 30, 2025	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; Resona Bank, Limited	10,000	0.89458% (Fixed interest rate)	April 10, 2018	April 28, 2028	Bullet repayment	Unsecured and non-guaranteed

(Note) On April 1, 2018, The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its corporate name, and is now MUFG Bank, Ltd.

### (3) Investment Risk

As there have been no significant changes in the “Investment Risk” as described in the Securities Registration Statement submitted on February 28, 2018 (prepared in Japanese only), the disclosure is omitted.

**Assumptions for Forecasts of Operating Results for the Fiscal Period Ending August 31, 2018 and February 28, 2019**

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> <li>Fiscal period ending August 31, 2018: (184 days from March 1, 2018 to August 31, 2018)</li> <li>Fiscal period ending February 28, 2019: (181 days from September 1, 2018 to February 28, 2019)</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>DHR has assumed that there will be no changes (meaning acquisition of new properties or sale of acquired properties) until February 28, 2019 in 214 properties (hereinafter referred to as the “composition of the portfolio”), which are real estate and trust beneficiary interests in real estate held by DHR as of the date of this financial results report.</li> <li>Changes in the composition of the portfolio may, however, occur.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Operating revenues include revenues from rent, common area charges, parking lot usage fees, incidental revenues, utilities charge reimbursements and key money, etc. Each of these items is calculated based on past records and future estimate.</li> <li>DHR has assumed no delinquencies or non-payment of rents by tenants.</li> </ul>
Operating expenses (excluding amortization of goodwill)	<ul style="list-style-type: none"> <li>Operating expenses mainly comprise rental expenses. Those expenses, excluding depreciation of the current properties, are calculated based on past performance, making certain adjustments as appropriate considering factors causing changes in expenses.</li> <li>DHR has assumed that DHR will incur depreciation expenses of ¥4,312 million for the fiscal period ending August 31, 2018 and ¥4,430 million for the fiscal period ending February 28, 2019. These figures are calculated using the straight-line method with incidental expenses added to purchase prices of non-current assets.</li> <li>DHR has estimated property tax, city planning tax and depreciation asset tax at ¥1,466 million for the fiscal period ending August 31, 2018 and ¥1,465 million for the fiscal period ending February 28, 2019. Property tax and city planning tax that will be paid by DHR and the former owner (former beneficiary) on a pro rata basis according to the number of days of ownership due to the acquisition of real estate, etc. are included in the acquisition cost of the real estate, etc., and are not booked under expenses. Therefore, DHR expects to record the property tax and city planning tax related to the 16 properties acquired on March 27, 2018, April 3, 2018, and April 10, 2018 as expenses from the fiscal period ending August 31, 2019, and assumes that figure will be ¥319 million.</li> <li>DHR has assumed that DHR will incur certain repairs and maintenance expenses in each fiscal period based on the medium- to long-term repair and maintenance plan prepared by the Asset Manager. However, actual repairs and maintenance expenses in each fiscal period may differ substantially from DHR’s forecasts, as (i) DHR may incur expenses for urgent repairs to properties due to damage caused by unforeseeable factors, (ii) generally, there is a substantial difference in expenses incurred between each fiscal period, and (iii) expenses are not incurred based on a regular schedule.</li> <li>Selling, general and administrative expenses are estimated based on the actual values or rates, etc., of each item individually.</li> </ul>
Amortization of goodwill	<ul style="list-style-type: none"> <li>Amortization of goodwill is estimated at ¥1,982 million for the fiscal period ending August 31, 2018 and ¥1,982 million for the fiscal period ending February 28, 2019.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>DHR has assumed interest expenses and other borrowing-related expenses, etc. of ¥1,400 million for the fiscal period ending August 31, 2018 and ¥1,412 million for the fiscal period ending February 28, 2019.</li> <li>DHR has assumed one-time costs of ¥215 million for the fiscal period ending August 31, 2018 as expenses related to issuance of new investment units and related matters.</li> </ul>

Item	Assumptions
Extraordinary losses	<ul style="list-style-type: none"> <li>A case was brought against DHR regarding D Project Shin-Misato by Asahi Security Co., Ltd., the tenant of that property, through Mitsubishi UFJ Trust and Banking Corporation, the trustee of the property, concerning claims for rent reduction of an amount 16% less than the current rate from May 1, 2014 onward (hereinafter referred to as the “Case”). The Case was heard at the Tokyo District Court on June 27, 2014. The Tokyo District Court rendered a judgment of the first instance on July 24, 2017, ordering DHR to reduce the current level of rent by approximately 6% for the period from May 1, 2014 onward. Due to the differences between the judgment and the details of DHR’s claim, DHR appealed to the Tokyo High Court through the trustee. However, the Tokyo High Court rendered the judgment on April 11, 2018, ordering DHR to reduce the current level of rent by approximately 6% for the period from May 29, 2014 onward. Due to the differences between the judgment and the details of DHR’s claim, DHR appealed to the Supreme Court on April 18, 2018 through the trustee. DHR has calculated provision for loss on litigation of ¥4 million for the fiscal period ending August 31, 2018 and ¥4 million for the fiscal period ending February 28, 2019 based on rent judged most likely as of the date of this financial results report after giving comprehensive consideration to how the Case has unfolded. (The amounts include the statutory interest applicable to the reduction portion of rent, including that of prior years.)</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>As of the date of this financial results report, the balance of interest-bearing debt was ¥314,268 million.</li> <li>DHR has assumed the balance of outstanding interest-bearing debt will be unchanged until February 28, 2019.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>The total number of investment units is based on DHR’s assumption of 1,927,000 units, which is the number of investment units issued as of the date of this financial results report. DHR has assumed there will be no change in the number of units outstanding resulting from the issuance of additional investment units, etc., until February 28, 2019.</li> </ul>
Distributions per unit	<ul style="list-style-type: none"> <li>For distributions (distributions per unit), DHR has assumed that a distribution is made with limits of the amount of earnings or less in accordance with the distribution policy prescribed in DHR’s Articles of Incorporation. In addition, DHR has assumed that for the amount equivalent to amortization of goodwill described in “Amortization of goodwill” above, reserve for temporary difference adjustments, apart from profit, is partially reversed and used as funds for payment, and that reserve for temporary difference adjustments of ¥1,982 million (¥1,028 per investment unit) and ¥1,982 million (¥1,028 per investment unit) are reversed and used as funds for payment in the fiscal period ending August 31, 2018 and the fiscal period ending February 28, 2019, respectively.</li> <li>Changes in DHR’s portfolio, fluctuations in rent income due to changes in tenants and other factors, unforeseen repairs and maintenance expenses and other factors may lead to changes in the amount of distributions per unit.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>DHR has no plans to pay distributions in excess of earnings (distributions in excess of earnings per unit) as of the date of this financial results report.</li> </ul>
Others	<ul style="list-style-type: none"> <li>DHR has assumed no enforcement of such revisions to laws and regulations, tax systems, accounting standards, securities listing regulations and rules of The Investment Trusts Association, Japan, etc. that may affect the above forecasts.</li> <li>DHR’s forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.</li> </ul>



### 3. Financial Statements

#### (1) Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	25,621,149	31,806,605
Cash and deposits in trust	9,736,167	9,215,026
Operating accounts receivable	179,814	148,429
Prepaid expenses	544,374	571,664
Consumption taxes receivable	2,040,334	-
Other	129	23
Allowance for doubtful accounts	(2,576)	(2,067)
<b>Total current assets</b>	<b>38,119,394</b>	<b>41,739,681</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	26,509,476	26,531,754
Accumulated depreciation	(3,827,267)	(4,100,740)
Buildings, net	22,682,208	22,431,013
Structures	244,045	247,513
Accumulated depreciation	(37,971)	(40,832)
Structures, net	206,073	206,681
Machinery and equipment	446,686	447,543
Accumulated depreciation	(109,040)	(119,131)
Machinery and equipment, net	337,646	328,412
Tools, furniture and fixtures	636,359	651,623
Accumulated depreciation	(308,163)	(330,849)
Tools, furniture and fixtures, net	328,195	320,773
Land	21,637,530	21,637,530
Buildings in trust	266,812,957	267,721,035
Accumulated depreciation	(21,195,083)	(24,366,686)
Buildings in trust, net	245,617,874	243,354,349
Structures in trust	5,104,987	5,143,923
Accumulated depreciation	(341,218)	(441,490)
Structures in trust, net	4,763,769	4,702,432
Machinery and equipment in trust	2,278,043	2,299,873
Accumulated depreciation	(766,727)	(848,924)
Machinery and equipment in trust, net	1,511,315	1,450,948
Tools, furniture and fixtures in trust	695,073	776,413
Accumulated depreciation	(302,973)	(340,842)
Tools, furniture and fixtures in trust, net	392,100	435,571
Land in trust	260,076,467	260,076,467
Construction in progress in trust	155,088	12,636
<b>Total property, plant and equipment</b>	<b>557,708,269</b>	<b>554,956,816</b>
<b>Intangible assets</b>		
Goodwill	75,324,610	73,342,383
Leasehold rights in trust	5,459,918	5,419,785
Software	1,155	862
Trademark rights	2,894	2,616
<b>Total intangible assets</b>	<b>80,788,578</b>	<b>78,765,647</b>

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
<b>Investments and other assets</b>		
Investment securities	*3 9,308	*3 9,325
Long-term prepaid expenses	2,214,945	2,209,689
Guarantee deposits	261	261
Lease and guarantee deposits in trust	3,414,720	3,414,720
Other	42,488	42,488
Allowance for doubtful accounts	(24,058)	(24,058)
Total investments and other assets	5,657,664	5,652,426
<b>Total non-current assets</b>	<b>644,154,512</b>	<b>639,374,890</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	85,446	78,062
Total deferred assets	85,446	78,062
<b>Total assets</b>	<b>682,359,354</b>	<b>681,192,633</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	1,127,768	1,086,497
Current portion of long-term loans	16,000,000	-
Accounts payable - other	128,535	73,294
Accrued expenses	1,205,841	1,215,522
Income taxes payable	605	605
Accrued consumption taxes	-	234,231
Advances received	2,171,045	2,250,789
Unearned revenue	221,735	221,735
Deposits received	360,372	374,500
Other	58,852	58,852
Total current liabilities	21,274,756	5,516,029
<b>Non-current liabilities</b>		
Investment corporation bonds	16,000,000	16,000,000
Long-term loans	250,268,000	266,268,000
Long-term unearned revenue	1,150,578	1,040,622
Tenant leasehold and security deposits	274,822	265,204
Tenant leasehold and security deposits in trust	14,293,230	14,243,031
Provision for loss on litigation	85,849	89,514
Asset retirement obligations	434,255	439,186
Derivatives liabilities	1,256,574	1,030,085
Total non-current liabilities	283,763,311	299,375,644
<b>Total liabilities</b>	<b>305,038,068</b>	<b>304,891,673</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	108,136,162	108,136,162
<b>Surplus</b>		
Capital surplus	247,667,563	247,667,563
<b>Voluntary reserve</b>		
Reserve for temporary difference adjustments	*4 14,748,347	*4 12,767,357
Reserve for distribution	57,717	1,617,617
Total voluntary reserve	14,806,064	14,384,974
Unappropriated retained earnings (undisposed loss)	7,968,070	7,142,344
Total surplus	270,441,698	269,194,883
<b>Total unitholders' equity</b>	<b>378,577,860</b>	<b>377,331,045</b>

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Valuation and translation adjustments		
Deferred gains or losses on hedges	(1,256,574)	(1,030,085)
Total valuation and translation adjustments	(1,256,574)	(1,030,085)
Total net assets	*2 377,321,286	*2 376,300,960
Total liabilities and net assets	682,359,354	681,192,633

## (2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
<b>Operating revenues</b>		
Rental revenues	*1 18,344,657	*1 18,776,564
Other rental revenues	*1 1,134,983	*1 924,010
Gain on sale of real estate properties	*3 1,536,256	-
<b>Total operating revenues</b>	<b>21,015,897</b>	<b>19,700,575</b>
<b>Operating expenses</b>		
Rental expenses	*1 7,906,409	*1 7,947,534
Asset management fees	1,254,120	1,300,091
Asset custody fees	29,053	29,357
Administrative service fees	74,188	80,903
Directors' remuneration	6,600	6,600
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	1,309	-
Other operating expenses	369,257	340,866
<b>Total operating expenses</b>	<b>11,623,165</b>	<b>11,687,580</b>
<b>Operating profit</b>	<b>9,392,731</b>	<b>8,012,994</b>
<b>Non-operating income</b>		
Interest income	146	154
Gain on forfeiture of unclaimed distributions	4,441	4,552
Reversal of allowance for doubtful accounts	-	115
Refunded consumption taxes	23,643	346,623
Other	1,531	6,019
<b>Total non-operating income</b>	<b>29,762</b>	<b>357,464</b>
<b>Non-operating expenses</b>		
Interest expenses	909,040	923,699
Interest expenses on investment corporation bonds	41,157	39,240
Amortization of investment corporation bond issuance costs	7,384	7,384
Investment unit issuance expenses	229,991	-
Borrowing related expenses	258,437	250,747
Other	2,105	2,771
<b>Total non-operating expenses</b>	<b>1,448,116</b>	<b>1,223,844</b>
<b>Ordinary profit</b>	<b>7,974,377</b>	<b>7,146,614</b>
<b>Extraordinary losses</b>		
Provision for loss on litigation	5,702	3,665
<b>Total extraordinary losses</b>	<b>5,702</b>	<b>3,665</b>
<b>Profit before income taxes</b>	<b>7,968,675</b>	<b>7,142,949</b>
<b>Income taxes - current</b>	<b>605</b>	<b>605</b>
<b>Total income taxes</b>	<b>605</b>	<b>605</b>
<b>Profit</b>	<b>7,968,070</b>	<b>7,142,344</b>
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>7,968,070</b>	<b>7,142,344</b>

### (3) Statements of Unitholders' Equity

Previous fiscal period (From March 1, 2017 to August 31, 2017)

(Unit: Thousands of yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary reserve			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustments	Reserve for distribution	Total voluntary reserve			
Balance at beginning of period	61,703,224	247,667,563	–	17,705,349	17,705,349	4,393,259	269,766,172	331,469,396
Changes of items during period								
Issuance of new investment units	46,432,937							46,432,937
Reversal of reserve for distribution				(17,669,020)	(17,669,020)	2,920,673	(14,748,347)	(14,748,347)
Accumulation of reserve for temporary difference adjustments			14,748,347		14,748,347		14,748,347	14,748,347
Accumulation of reserve for distribution				21,388	21,388	(21,388)	–	–
Distributions from retained earnings						(7,292,544)	(7,292,544)	(7,292,544)
Profit						7,968,070	7,968,070	7,968,070
Net changes of items other than unitholders' equity								
Total changes of items during period	46,432,937	–	14,748,347	(17,647,631)	(2,899,284)	3,574,810	675,526	47,108,463
Balance at end of period	* 108,136,162	247,667,563	14,748,347	57,717	14,806,064	7,968,070	270,441,698	378,577,860

(Unit: Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,164,700)	(1,164,700)	330,304,696
Changes of items during period			
Issuance of new investment units			46,432,937
Reversal of reserve for distribution			(14,748,347)
Accumulation of reserve for temporary difference adjustments			14,748,347
Accumulation of reserve for distribution			-
Distributions from retained earnings			(7,292,544)
Profit			7,968,070
Net changes of items other than unitholders' equity	(91,874)	(91,874)	(91,874)
Total changes of items during period	(91,874)	(91,874)	47,016,589
Balance at end of period	(1,256,574)	(1,256,574)	377,321,286

Current fiscal period (From September 1, 2017 to February 28, 2018)

(Unit: Thousands of yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary reserve			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustments	Reserve for distribution	Total voluntary reserve			
Balance at beginning of period	108,136,162	247,667,563	14,748,347	57,717	14,806,064	7,968,070	270,441,698	378,577,860
Changes of items during period								
Reversal of reserve for temporary difference adjustments			(1,980,989)		(1,980,989)	1,980,989	-	-
Accumulation of reserve for distribution				1,559,900	1,559,900	(1,559,900)	-	-
Distributions from retained earnings						(8,389,160)	(8,389,160)	(8,389,160)
Profit						7,142,344	7,142,344	7,142,344
Net changes of items other than unitholders' equity								
Total changes of items during period	-	-	(1,980,989)	1,559,900	(421,089)	(825,725)	(1,246,815)	(1,246,815)
Balance at end of period	*108,136,162	247,667,563	12,767,357	1,617,617	14,384,974	7,142,344	269,194,883	377,331,045

(Unit: Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,256,574)	(1,256,574)	377,321,286
Changes of items during period			
Reversal of reserve for temporary difference adjustments			-
Accumulation of reserve for distribution			-
Distributions from retained earnings			(8,389,160)
Profit			7,142,344
Net changes of items other than unitholders' equity	226,489	226,489	226,489
Total changes of items during period	226,489	226,489	(1,020,325)
Balance at end of period	(1,030,085)	(1,030,085)	376,300,960

**(4) Statements of Cash Distributions**

Item	Fiscal period ended August 31, 2017	Fiscal period ended February 28, 2018
	Amount (Yen)	Amount (Yen)
I Unappropriated retained earnings	7,968,070,160	7,142,344,597
II Reversal of voluntary reserve Reversal of reserve for temporary difference adjustments	* 1,980,989,899	* 1,982,138,926
III Distributions [Distributions per investment unit]	8,389,160,000 [4,964]	8,777,860,000 [5,194]
IV Voluntary reserve Accumulation of reserve for distribution	1,559,900,059	346,623,523
V Retained earnings carried forward	-	-

Calculation method for distributions	<p>Based on the cash distribution policy set forth in Article 37, paragraph 1, item 1 of the Articles of Incorporation of DHR, distributions shall be limited to the amount of earnings in excess of an amount equivalent to ninety hundredths (90/100) of distributable earnings, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation; provided, however, that by utilizing loss carryforwards, taxable income was not recorded in this fiscal period even if certain amounts could not be included in tax deductible expenses under Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Furthermore, in accordance with the cash distribution policy set forth in the Articles of Incorporation, DHR will make a distribution by reversing the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments and by adding this to unappropriated retained earnings.</p> <p>Based on the above policy, for the current fiscal period, DHR will reverse the amount equivalent to amortization of goodwill of ¥1,980,989,899 from reserve for temporary difference adjustments, add the reversal to unappropriated retained earnings of ¥7,968,070,160 and subtract an accumulation of reserve for distribution of ¥1,559,900,059 to distribute ¥8,389,160,000 as cash distributions (¥4,964 per unit); provided, however, that DHR will not pay the portion of amount that exceeds the earnings defined in Article 37, paragraph 2 of the Articles of Incorporation of DHR.</p>	<p>Based on the cash distribution policy set forth in Article 37, paragraph 1, item 1 of the Articles of Incorporation of DHR, distributions shall be limited to the amount of earnings in excess of an amount equivalent to ninety hundredths (90/100) of distributable earnings, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Furthermore, in accordance with the cash distribution policy set forth in the Articles of Incorporation, DHR will make a distribution by reversing the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments and by adding this to unappropriated retained earnings.</p> <p>Based on the above policy, for the current fiscal period, DHR will reverse the amount equivalent to amortization of goodwill of ¥1,982,138,926 from reserve for temporary difference adjustments, add the reversal to unappropriated retained earnings of ¥7,142,344,597 and subtract an accumulation of reserve for distribution of ¥346,623,523 to distribute ¥8,777,860,000 as cash distributions (¥5,194 per unit); provided, however, that DHR will not pay the portion of amount that exceeds the earnings defined in Article 37, paragraph 2 of the Articles of Incorporation of DHR.</p>
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## (5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
<b>Cash flows from operating activities</b>		
Profit before income taxes	7,968,675	7,142,949
Depreciation	3,713,302	3,750,860
Amortization of goodwill	1,982,226	1,982,226
Amortization of investment corporation bond issuance costs	7,384	7,384
Amortization of trademark rights	269	278
Amortization of software	292	292
Loss on retirement of non-current assets	18,348	8,240
Increase (decrease) in provision for loss on litigation	5,702	3,665
Investment unit issuance expenses	229,991	-
Interest income	(146)	(154)
Interest expenses	950,197	962,940
Decrease (increase) in operating accounts receivable	(10,795)	31,385
Decrease (increase) in accounts receivable	1,749	-
Decrease (increase) in consumption taxes receivable	(1,552,406)	2,274,566
Decrease (increase) in prepaid expenses	(96,934)	(27,289)
Increase (decrease) in operating accounts payable	59,569	(89,808)
Increase (decrease) in accounts payable - other	6,007	(14,286)
Increase (decrease) in accrued expenses	153,825	12,125
Increase (decrease) in deposits received	18,639	181,685
Increase (decrease) in advances received	253,863	93,130
Decrease (increase) in long-term prepaid expenses	(761,256)	5,255
Increase (decrease) in allowance for doubtful accounts	(2,945)	(508)
Decrease in property, plant and equipment due to sales	3,155,203	-
Decrease in property, plant and equipment in trust due to sales	5,183,083	-
Other, net	(55,592)	(256,115)
Subtotal	21,228,256	16,068,824
Interest income received	146	154
Interest expenses paid	(1,099,079)	(1,075,340)
Income taxes paid	(608)	(608)
Net cash provided by (used in) operating activities	20,128,714	14,993,029
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(70,784)	(41,506)
Purchase of property, plant and equipment in trust	(75,065,211)	(923,701)
Proceeds from tenant leasehold and security deposits	43,233	23,946
Repayments of tenant leasehold and security deposits	(35,881)	(13,428)
Proceeds from tenant leasehold and security deposits in trust	2,358,424	146,527
Repayments of tenant leasehold and security deposits in trust	(547,585)	(136,670)
Other, net	(338)	-
Net cash provided by (used in) investing activities	(73,318,145)	(944,832)

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
<b>Cash flows from financing activities</b>		
Decrease in short-term loans	(6,000,000)	–
Proceeds from long-term loans	65,600,000	16,000,000
Repayments of long-term loans	(27,495,000)	(16,000,000)
Redemption of investment corporation bonds	(3,000,000)	–
Proceeds from issuance of investment units	46,202,946	–
Distributions paid	(7,288,263)	(8,383,882)
Net cash provided by (used in) financing activities	68,019,683	(8,383,882)
Net increase (decrease) in cash and cash equivalents	14,830,252	5,664,314
Cash and cash equivalents at beginning of period	20,527,065	35,357,317
Cash and cash equivalents at end of period	* 35,357,317	* 41,021,631

**(6) Notes on Assumption of Going Concern**

Not applicable.

**(7) Notes on Important Accounting Policies**

1. Valuation basis and accounting methods for assets	<p>Securities</p> <p>Held-to-maturity bonds</p> <p>The amortized cost method (straight-line method) is used.</p>												
2. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including assets in trust)</p> <p>The straight-line method is used.</p> <p>The useful lives of major property, plant and equipment are listed below.</p> <table data-bbox="592 607 1126 752"> <tr> <td>Buildings</td> <td>2 to 69 years</td> </tr> <tr> <td>Structures</td> <td>3 to 63 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>7 to 28 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>2 to 28 years</td> </tr> </table> <p>(2) Intangible assets (including assets in trust)</p> <p>The straight-line method is used.</p> <p>The useful lives of major intangible assets are listed below.</p> <table data-bbox="592 891 1126 965"> <tr> <td>Goodwill</td> <td>20 years</td> </tr> <tr> <td>Software</td> <td>5 years</td> </tr> </table> <p>Leasehold rights (fixed-term land lease rights in general) are amortized on a straight-line basis over the life of each contract.</p>	Buildings	2 to 69 years	Structures	3 to 63 years	Machinery and equipment	7 to 28 years	Tools, furniture and fixtures	2 to 28 years	Goodwill	20 years	Software	5 years
Buildings	2 to 69 years												
Structures	3 to 63 years												
Machinery and equipment	7 to 28 years												
Tools, furniture and fixtures	2 to 28 years												
Goodwill	20 years												
Software	5 years												
3. Accounting method for deferred assets	<p>Investment corporation bond issuance costs</p> <p>Costs are amortized by the straight-line method over the redemption period.</p>												
4. Recognition of allowance	<p>(1) Allowance for doubtful accounts</p> <p>The allowance for doubtful accounts consists of the individually estimated uncollectible amounts with respect to certain identified doubtful receivables and the amounts calculated using the rate of actual collection losses with respect to the other receivables.</p> <p>(2) Provision for loss on litigation</p> <p>To provide for loss that may arise in the future in association with ongoing litigation proceedings, the estimated amount of loss as of the end of the current fiscal period is recorded.</p>												
5. Recognition of revenues and expenses	<p>Property-related taxes</p> <p>For property tax, city planning tax, depreciation asset tax and other tax for real properties held, etc., the amount of tax levied corresponding to the fiscal period is recorded as real estate rental expenses.</p> <p>The settlement money for property-related taxes for the year that is paid to the transferor for acquisition of real estate, etc. is not recorded as real estate rental expenses but included in the acquisition costs for the related properties.</p>												

<p>6. Method of hedge accounting</p>	<p>(1) Method of hedge accounting                  The deferral hedge accounting is used; provided, however, for interest rate swaps, special treatment is applied when the swaps satisfy the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items                  Hedging instruments: Interest rate swaps                  Hedged items: Interest on borrowings</p> <p>(3) Hedging policy                  DHR conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of DHR pursuant to the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness                  Assessment of hedging effectiveness is omitted when the material conditions for the notional principal of hedging instruments and those for hedged items are the same, and changes in cash flows of hedged items can be expected to be offset in full at the commencement of a hedge and continuously thereafter.                   Also, the assessment of hedging effectiveness is omitted for interest rate swaps to which special treatment is applied.</p>
<p>7. Scope of cash in the statements of cash flows (cash and cash equivalents)</p>	<p>Cash in the statements of cash flows (cash and cash equivalents) include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, bear little risk in price fluctuations, and mature within three months of the date of acquisition.</p>
<p>8. Other significant matters forming the basis of preparing the financial statements</p>	<p>(1) Accounting method for trust beneficiary interests in real estate                  With regard to trust beneficiary interests in real estate, all assets and liabilities as well as all revenues and expense items associated with all trust assets are accounted for under the respective account items of the balance sheets and statements of income.                  Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheets.</p> <ul style="list-style-type: none"> <li>i) Cash and deposits in trust</li> <li>ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust</li> <li>iii) Leasehold rights in trust</li> <li>iv) Lease and guarantee deposits in trust</li> <li>v) Tenant leasehold and security deposits in trust</li> </ul> <p>(2) Accounting method for consumption tax and local consumption tax                  Consumption tax and local consumption tax are accounted for by the tax-exclusion method.                  Non-deductible consumption taxes for acquisition of assets are added on to the acquisition cost of each asset.</p>

**(8) Notes to Financial Statements**

**Notes to Balance Sheets**

1. Commitment line contracts

DHR has commitment line contracts with four banks with which it has transaction.

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Total amount specified in commitment line contracts	20,000,000	20,000,000
Loans executed and outstanding	-	-
Unused credit lines	20,000,000	20,000,000

\*2. Minimum net assets stipulated in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
	50,000	50,000

\*3. Government bonds have been deposited with the Tokyo Legal Affairs Bureau as business security deposits in accordance with the Building Lots and Building Transaction Business Act.

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Investment securities	9,308	9,325

\*4. Matters regarding accumulation and reversal of reserve for temporary difference adjustments

(Unit: Thousands of yen)

Previous fiscal period (As of August 31, 2017)		Current fiscal period (As of February 28, 2018)	
Reserves recognized by transfer	14,748,347	Reserves recognized by transfer	14,748,347
Balance at beginning of period	–	Balance at beginning of period	14,748,347
Amount of accumulation during period	14,748,347	Amount of accumulation during period	–
Amount of reversal during period	–	Amount of reversal during period	1,980,989
Balance at end of period	14,748,347	Balance at end of period	12,767,357
Reasons for accumulation and reversal		Reasons for accumulation and reversal	
Application of the transitional measures of Supplementary Provision, paragraph 3 of the “Regulations on Accounting of Investment Corporations” (Cabinet Office Order No. 27 of 2015)		Allocation for distributions	
(Note) The balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount shall be performed beginning from the next fiscal period following the fiscal period in which the above-mentioned amount was accumulated. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution.		(Note) The balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution.	

## Notes to Statements of Income

### \*1. Breakdown of income (loss) from real estate rental business

	(Unit: Thousands of yen)			
	Previous fiscal period (From March 1, 2017 to August 31, 2017)		Current fiscal period (From September 1, 2017 to February 28, 2018)	
<b>A. Real estate rental revenues</b>				
Rental revenues				
Rent	17,907,732		18,344,128	
Common area charges	436,924	18,344,657	432,436	18,776,564
Other rental revenues				
Facility charges	353,388		352,880	
Incidental revenues	276,697		267,725	
Other	504,897	1,134,983	303,404	924,010
<b>Total real estate rental revenues</b>		<b>19,479,640</b>		<b>19,700,575</b>
<b>B. Real estate rental expenses</b>				
Rental expenses				
Management fees	1,272,800		1,203,176	
Utilities	299,764		315,070	
Taxes and public dues	1,228,362		1,201,943	
Repairs and maintenance expenses	473,270		608,962	
Restoration costs	305,785		241,904	
Insurance	25,479		22,983	
Custodian fees	67,476		59,402	
Depreciation	3,713,302		3,750,860	
Other operating expenses	520,167	7,906,409	543,230	7,947,534
<b>Total real estate rental expenses</b>		<b>7,906,409</b>		<b>7,947,534</b>
<b>C. Income (loss) from real estate rental business (A – B)</b>		<b>11,573,231</b>		<b>11,753,040</b>

### 2. Volume of transactions with principal unitholders

	(Unit: Thousands of yen)	
	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
Volume of operating transactions		
Operating revenues	323,741	323,109
Operating expenses	40	–
Volume of non-operating transactions		
Purchase of trust beneficiary interests in real estate	63,211,000	–

\*3. Breakdown of gain (loss) on sale of real estate properties  
Previous fiscal period (From March 1, 2017 to August 31, 2017)

(Unit: Thousands of yen)	
Castalia Maihama	
Proceeds from sale of real estate properties	650,000
Cost of real estate properties sold	614,631
Other sales expenses	23,610
Gain (loss) on sale of real estate properties	11,758
Castalia Urayasu	
Proceeds from sale of real estate properties	578,816
Cost of real estate properties sold	571,439
Other sales expenses	3,247
Gain (loss) on sale of real estate properties	4,130
Castalia Minamigyotoku	
Proceeds from sale of real estate properties	527,326
Cost of real estate properties sold	507,670
Other sales expenses	3,118
Gain (loss) on sale of real estate properties	16,538
Castalia Nipponbashi Kouzu	
Proceeds from sale of real estate properties	4,450,000
Cost of real estate properties sold	3,155,203
Other sales expenses	155,810
Gain (loss) on sale of real estate properties	1,138,986
Castalia Ichikawamyoden	
Proceeds from sale of real estate properties	765,000
Cost of real estate properties sold	625,486
Other sales expenses	27,635
Gain (loss) on sale of real estate properties	111,878
Castalia Shinsakae	
Proceeds from sale of real estate properties	1,720,000
Cost of real estate properties sold	1,664,473
Other sales expenses	52,160
Gain (loss) on sale of real estate properties	3,366
Aprile Tarumi	
Proceeds from sale of real estate properties	1,502,426
Cost of real estate properties sold	1,199,382
Other sales expenses	53,444
Gain (loss) on sale of real estate properties	249,598



Current fiscal period (From September 1, 2017 to February 28, 2018)

Not applicable.

### Notes to Statements of Unitholders' Equity

\* Total number of authorized investment units and total number of investment units issued

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued	1,690,000 units	1,690,000 units

### Notes to Statements of Cash Distributions

\* Reserve for temporary difference adjustments

Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
DHR has applied the transitional measures of Supplementary Provision, paragraph 3 of the "Regulations on Accounting of Investment Corporations" (Cabinet Office Order No. 27 of 2015) and accumulated ¥14,748,347,148, which is the balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years, in reserve for temporary difference adjustments in the statements of cash distributions for the fiscal period ended February 28, 2017. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount (¥147,483,472 or more) shall be performed beginning from the fiscal period following the fiscal period in which the above-mentioned amount was accumulated. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution. DHR conducted reversal of ¥1,980,989,899 in the fiscal period ended August 31, 2017.	DHR has applied the transitional measures of Supplementary Provision, paragraph 3 of the "Regulations on Accounting of Investment Corporations" (Cabinet Office Order No. 27 of 2015) and accumulated ¥14,748,347,148, which is the balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years, in reserve for temporary difference adjustments in the statements of cash distributions for the fiscal period ended February 28, 2017. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount (¥147,483,472 or more) shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution. DHR conducted reversal of ¥1,982,138,926 in the fiscal period ended February 28, 2018.

### Notes to Statements of Cash Flows

\* Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheets

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
		(Unit: Thousands of yen)
Cash and deposits	25,621,149	31,806,605
Cash and deposits in trust	9,736,167	9,215,026
Cash and cash equivalents	35,357,317	41,021,631

## Lease Transactions

Operating lease transactions (Lessor)

Future lease payments

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Due within one year	15,546,218	15,728,887
Due after one year	105,051,331	98,420,039
Total	120,597,550	114,148,927

## Financial Instruments

### 1. Matters regarding financial instruments

#### (1) Policy for financial instruments

As a policy, when acquiring real estate and other properties, as well as when repaying its obligations, DHR raises necessary funds through loans from banks, issuance of investment corporation bonds and issuance of investment units, etc. As for financing efforts, DHR carefully pays attention to the long-term, cost effectiveness and soundness of the financial instruments, while considering the diversification of financial methods and repayment deadlines.

DHR may use derivative financial instruments for such purposes as hedging interest rate fluctuation risk, but does not engage in speculative transactions using these instruments. DHR currently uses interest-rate swaps to hedge interest rate fluctuation risk.

Surplus funds can be invested in securities or monetary claims, however, as a current policy of DHR, they are deposited in interest-bearing accounts.

#### (2) Content and risks of financial instruments and risk management system therefor

The Asset Manager stipulates basic provisions of risk management in its risk management rules.

Investment corporation bonds and loans are used to finance such efforts as acquisition of real estate and repayment of loans. These financial instruments are exposed to liquidity risk, though DHR controls such risks by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits.

For floating rate loans exposed to the risk of interest rate fluctuations, DHR, in order to reduce the impact caused by rising interest rates, closely watches the movement of interest rates, and intends to increase the ratio of fixed rate loans, etc.

Deposits are exposed to credit risks, including collapse of the financial institutions where deposits are made, and, thus, are managed through the use of liquid deposits.

#### (3) Supplementary remarks on fair value, etc. of financial instruments

The fair value of financial instruments is based on market prices or reasonably calculated value if there is no market price available. As certain assumptions are used in calculating these values, if different assumptions are used, these values could vary.

2. Matters regarding fair value, etc. of financial instruments

Balance sheet carrying amounts, fair values, and the difference between the two values are as shown below.

Previous fiscal period (As of August 31, 2017)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	25,621,149	25,621,149	–
(2) Cash and deposits in trust	9,736,167	9,736,167	–
(3) Investment securities Held-to-maturity bonds	9,308	8,919	(389)
Total assets	35,366,626	35,366,236	(389)
(4) Current portion of long-term loans	16,000,000	16,016,722	16,722
(5) Investment corporation bonds	16,000,000	16,139,113	139,113
(6) Long-term loans	250,268,000	253,883,200	3,615,200
(7) Tenant leasehold and security deposits in trust	485,397	480,225	(5,171)
Total liabilities	282,753,397	286,519,262	3,765,865
(8) Derivative transactions	[1,256,574]	[1,256,574]	–
Total derivative transactions	[1,256,574]	[1,256,574]	–

Current fiscal period (As of February 28, 2018)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	31,806,605	31,806,605	–
(2) Cash and deposits in trust	9,215,026	9,215,026	–
(3) Investment securities Held-to-maturity bonds	9,325	8,981	(344)
Total assets	41,030,957	41,030,612	(344)
(4) Current portion of long-term loans	–	–	–
(5) Investment corporation bonds	16,000,000	16,120,053	120,053
(6) Long-term loans	266,268,000	269,420,271	3,152,271
(7) Tenant leasehold and security deposits in trust	455,970	441,770	(14,199)
Total liabilities	282,723,970	285,982,095	3,258,125
(8) Derivative transactions	[1,030,085]	[1,030,085]	–
Total derivative transactions	[1,030,085]	[1,030,085]	–

\* Amounts shown for derivative transactions are the net amount of credit and liability arising from derivatives. Values inside square parentheses [ ] indicate a net liability.

(Note 1) Measurement methods for fair values of financial instruments

(1) Cash and deposits, (2) Cash and deposits in trust

These instruments are settled in the short term and their fair values are approximately equal to their

book values, thus, the measurement is based on their book values.

(3) Investment securities

The fair value is based on reference bond trading statistics.

For the balance sheet carrying amount and fair value of held-to-maturity bonds and the difference between the two values, please refer to “Securities” described later.

(4) Current portion of long-term loans, (6) Long-term loans

The fair value of long-term loans carrying floating interest rates is approximately equal to their book value, thus, the measurement is based on their book value. However, for long-term loans carrying floating interest rates to which special treatment for interest rate swaps is applied, DHR employs a method to calculate the fair value by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at the reasonable rate estimated for similar types of loans.

The fair value of long-term loans carrying fixed interest rates is calculated by discounting the sum of principal and interest at the reasonable rate estimated for a similar loan.

(5) Investment corporation bonds

The fair value of these bonds is measured as the present value, which is calculated by discounting the sum of principal and interest at the interest rate determined taking into account the current maturity and corresponding credit risk.

(7) Tenant leasehold and security deposits in trust

The fair value is measured based on the discounted cash flows, using rates reflecting the period up to payment.

(8) Derivative transactions

Please refer to “Derivative Transactions” described later.

(Note 2) Balance sheet carrying amount of financial instruments whose fair value is considered to be extremely difficult to determine

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Tenant leasehold and security deposits	274,822	265,204
Tenant leasehold and security deposits in trust	13,807,833	13,787,060

\* These are not subject to fair value disclosure because there are no market prices for them, and the actual deposit period is not estimable as leases may be cancelled, renewed or re-signed even if a lease term is set in the lease agreement, which in turn makes it difficult to reasonably estimate cash flow.

(Note 3) Redemption schedule for monetary claims after balance sheet date

Previous fiscal period (As of August 31, 2017)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and deposits	25,621,149	–	–	–	–	–
Cash and deposits in trust	9,736,167	–	–	–	–	–
Investment securities	–	–	–	–	–	10,000
Total	35,357,317	–	–	–	–	10,000

Current fiscal period (As of February 28, 2018)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and deposits	31,806,605	–	–	–	–	–
Cash and deposits in trust	9,215,026	–	–	–	–	–
Investment securities	–	–	–	–	–	10,000
Total	41,021,631	–	–	–	–	10,000

(Note 4) Expected amount of repayments of investment corporation bonds and long-term loans after balance sheet date

Previous fiscal period (As of August 31, 2017)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Investment corporation bonds	–	–	–	3,000,000	4,000,000	9,000,000
Long-term loans (*)	16,000,000	11,600,000	39,810,000	16,000,000	27,358,000	155,500,000
Total	16,000,000	11,600,000	39,810,000	19,000,000	31,358,000	164,500,000

(\*) Includes the current portion of long-term loans.

Current fiscal period (As of February 28, 2018)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Investment corporation bonds	–	–	3,000,000	4,000,000	–	9,000,000
Long-term loans	–	40,510,000	14,400,000	26,358,000	31,000,000	154,000,000
Total	–	40,510,000	17,400,000	30,358,000	31,000,000	163,000,000

**Securities**

Previous fiscal period (As of August 31, 2017)

Held-to-maturity bonds

(Unit: Thousands of yen)

		Balance sheet carrying amount	Fair value	Difference
Bonds with fair value exceeding the balance sheet carrying amount	–	–	–	–
Bonds with fair value not exceeding the balance sheet carrying amount	Government bonds	9,308	8,919	(389)
Total		9,308	8,919	(389)

Current fiscal period (As of February 28, 2018)

Held-to-maturity bonds

(Unit: Thousands of yen)

		Balance sheet carrying amount	Fair value	Difference
Bonds with fair value exceeding the balance sheet carrying amount	–	–	–	–
Bonds with fair value not exceeding the balance sheet carrying amount	Government bonds	9,325	8,981	(344)
Total		9,325	8,981	(344)

## Derivative Transactions

### 1. Derivative transactions not applying hedge accounting

Not applicable for the previous fiscal period (as of August 31, 2017) and current fiscal period (as of February 28, 2018).

### 2. Derivative transactions applying hedge accounting

The following table shows contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

Previous fiscal period (As of August 31, 2017)

(Unit: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Calculation method for fair value
				Portion due after one year		
Principle method	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	47,500,000	47,500,000	(1,256,574)	(Note 1)
Special treatment for interest rate swap	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	48,268,000	48,268,000	(Note 2)	–
Total			95,768,000	95,768,000	(1,256,574)	–

Current fiscal period (As of February 28, 2018)

(Unit: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Calculation method for fair value
				Portion due after one year		
Principle method	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	47,500,000	47,500,000	(1,030,085)	(Note 1)
Special treatment for interest rate swap	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	48,268,000	48,268,000	(Note 2)	–
Total			95,768,000	95,768,000	(1,030,085)	–

(Note 1) Fair value is quoted by counterparties based on the prevailing market interest rate.

(Note 2) Fair value of interest rate swap with the special treatment is included in fair value of hedged long-term loans as such interest rate swap and the hedged long-term loans are processed as a single unit. (Please refer to “Financial Instruments” above.)

## Related Party Transactions

### 1. Parent company and major corporate unitholders

Previous fiscal period (From March 1, 2017 to August 31, 2017)

Attribute	Name	Location (city or ward, prefecture)	Capital stock (Millions of yen)	Business or occupation	Ratio of investment units owning (owned) (%)	Type of relationship		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking directors	Business relationship				
Major corporate unitholder	Daiwa House Industry Co., Ltd.	Osaka City, Osaka	161,699	Construction business	10.96	-	Granting of preferential negotiation rights relating to real estate for investment	Purchase of trust beneficiary interests in real estate	63,211,000	-	-

(Note 1) The amount of transaction does not include consumption taxes while the ending balance does.

(Note 2) Transaction terms and method of determining transaction terms: Transaction terms are based on market values, etc.

(Note 3) As for purchase of trust beneficiary interests in real estate, the acquisition price is determined based on third party institution's appraisal value.

Current fiscal period (From September 1, 2017 to February 28, 2018)

Not applicable.

### 2. Associates, etc.

Not applicable for the previous fiscal period (from March 1, 2017 to August 31, 2017) and current fiscal period (from September 1, 2017 to February 28, 2018).

### 3. Sister companies, etc.

Previous fiscal period (From March 1, 2017 to August 31, 2017)

Attribute	Name	Location (city or ward, prefecture)	Capital stock (Millions of yen)	Business or occupation	Ratio of investment units owning (owned) (%)	Type of relationship		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking directors	Business relationship				
Subsidiary of DHR's major corporate unitholder	Daiwa House Asset Management Co., Ltd.	Chiyoda Ward, Tokyo	300	Investment management business	-	-	Entrustment of asset management	Payment of asset management fees	1,477,000	Accrued expenses	1,090,313

(Note 1) The amount of transaction does not include consumption taxes while the ending balance does.

(Note 2) Transaction terms and method of determining transaction terms: Transaction terms are based on market values, etc.

Current fiscal period (From September 1, 2017 to February 28, 2018)

Attribute	Name	Location (city or ward, prefecture)	Capital stock (Millions of yen)	Business or occupation	Ratio of investment units owning (owned) (%)	Type of relationship		Nature of transaction	Amount of transaction (Thousands of yen)	Account title	Ending balance (Thousands of yen)
						Interlocking directors	Business relationship				
Subsidiary of DHR's major corporate unitholder	Daiwa House Asset Management Co., Ltd.	Chiyoda Ward, Tokyo	300	Investment management business	-	-	Entrustment of asset management	Payment of asset management fees	1,300,091	Accrued expenses	1,077,198

(Note 1) The amount of transaction does not include consumption taxes while the ending balance does.

(Note 2) Transaction terms and method of determining transaction terms: Transaction terms are based on market values, etc.

### 4. Directors and principal individual unitholders

Not applicable for the previous fiscal period (from March 1, 2017 to August 31, 2017) and current fiscal period (from September 1, 2017 to February 28, 2018).



## Tax Effect Accounting

### 1. Significant components of deferred tax assets and liabilities

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Deferred tax assets		
Allowance for doubtful accounts	8,418	8,257
Deferred interest income	433,885	398,987
Valuation difference from the time of merger (Long-term prepaid expenses, etc.)	623	313
Valuation difference from the time of merger (Land, Buildings)	2,977,582	2,898,242
Loss carryforwards assumed at the time of merger	11,180,212	11,127,450
Asset retirement obligations	137,197	138,755
Provision for loss on litigation	27,123	28,280
Deferred gains or losses on hedges	396,998	325,442
Depreciation of fixed-term land lease rights	80,130	92,810
Other	990	990
Subtotal	15,243,162	15,019,530
Valuation allowance	(15,243,162)	(15,019,530)
Total	-	-
Deferred tax liabilities		
Valuation difference from the time of merger (Investment securities)	(800)	(780)
Valuation difference from the time of merger (Land, Buildings)	(14,689,536)	(14,648,535)
Asset retirement costs (associated with asset retirement obligations)	(118,925)	(118,925)
Subtotal	(14,809,262)	(14,768,241)
Valuation allowance	14,809,262	14,768,241
Total	-	-
Net deferred tax assets	-	-

(Note) Based on the cash distribution policy set forth in Article 37 of the Articles of Incorporation of DHR, DHR can distribute an amount of cash that exceeds profit in order to suppress the occurrence of income taxes. Accordingly, as payment of corporate taxes in future accounting periods is not expected, deferred tax liabilities are not recorded.

### 2. Reconciliation of significant difference between the statutory effective tax rate and the actual effective tax rate after application of tax effect accounting

	(Unit: %)	
	Previous fiscal period (As of August 31, 2017)	Current fiscal period (As of February 28, 2018)
Statutory effective tax rate	31.74	31.74
(Adjustments)		
Distributions paid included in deductibles	-	(39.00)
Use of loss carryforwards assumed at the time of merger	(39.04)	(0.74)
Amortization of goodwill	7.89	8.81
Change in valuation allowance	(0.60)	(0.82)
Other	0.02	0.02
Effective tax rate after application of tax effect accounting	0.01	0.01

## Retirement Benefits

Not applicable for the previous fiscal period (as of August 31, 2017) and current fiscal period (as of February 28, 2018), since DHR does not have a retirement benefit plan.

## Asset Retirement Obligations

### 1. Details of applicable asset retirement obligations

DHR has entered into agreements involving fixed-term land lease rights with the landowners for part of DHR's assets, and recognizes asset retirement obligations associated with restoration obligations upon expiration of the lease agreements.

### 2. Methods of calculating the amounts of applicable asset retirement obligations

DHR estimates the useful life of applicable assets as the remaining agreement period of the applicable fixed-term land lease rights (54-60 years), and uses a 2.1%-2.4% discount rate for the calculation of applicable asset retirement obligations.

### 3. Changes in applicable asset retirement obligations

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
Balance at beginning of period	429,379	434,255
Increase due to acquisitions of property, plant and equipment	-	-
Accretion expense	4,875	4,931
Balance at end of period	434,255	439,186

## Investment and Rental Properties

DHR holds rental logistics, residential, retail, and other properties in the greater Tokyo area and other areas for rental revenues. The balance sheet carrying amounts, changes during the fiscal period, and fair values of these properties are as follows:

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
Balance sheet carrying amount		
Balance at beginning of period	500,201,260	563,168,188
Changes during period	62,966,927	(2,791,586)
Balance at end of period	563,168,188	560,376,601
Fair value at end of period	622,424,000	623,686,000

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) In changes during period, the increase in the previous fiscal period is mainly due to the acquisitions of 15 properties including DPL Misato (¥68,578,904 thousand) and two properties including FOLEO Ome Imai (¥5,443,204 thousand), while the decrease is principally due to the sale of seven properties including Castalia Nipponbashi Kouzu (¥8,338,287 thousand) and depreciation. The decrease in the current fiscal period is principally attributable to depreciation.

(Note 3) The fair value at end of period is the appraisal value provided by external real estate appraisers.

The profit or loss concerning investment and rental properties is indicated under "Notes to Statements of Income."

## Segment Information

### 1. Segment information

Segment information is omitted since DHR is engaged in a single business of real estate leasing and there is no reportable segment subject to disclosure.

### 2. Related information

Previous fiscal period (From March 1, 2017 to August 31, 2017)

#### (1) Information about product and service

This information is omitted since operating revenues from external customers in the single product and service category exceeded 90% of operating revenues on the statements of income.

#### (2) Information about geographical area

##### i) Operating revenues

This information is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statements of income.

##### ii) Property, plant and equipment

This information is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

#### (3) Information about major customers

This information is omitted as there are no cases where operating revenues attributable to a single external customer accounts for 10% or more of the operating revenues recorded in the statements of income.

Current fiscal period (From September 1, 2017 to February 28, 2018)

#### (1) Information about product and service

This information is omitted since operating revenues from external customers in the single product and service category exceeded 90% of operating revenues on the statements of income.

#### (2) Information about geographical area

##### i) Operating revenues

This information is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statements of income.

##### ii) Property, plant and equipment

This information is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

#### (3) Information about major customers

This information is omitted as there are no cases where operating revenues attributable to a single external customer accounts for 10% or more of the operating revenues recorded in the statements of income.

## Equity in Earnings or Losses of Equity-method Investments

Not applicable for the previous fiscal period (as of August 31, 2017) and current fiscal period (as of February 28, 2018), since there is no associate.

## Per Unit Information

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
Net assets per unit	¥223,267	¥222,663
Basic earnings per unit	¥4,772	¥4,226

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period. Fully diluted earnings per investment unit is not stated, as there is no potential investment unit.

(Note 2) The basis for calculating basic earnings per unit is as follows:

	Previous fiscal period (From March 1, 2017 to August 31, 2017)	Current fiscal period (From September 1, 2017 to February 28, 2018)
Profit (Thousands of yen)	7,968,070	7,142,344
Amount not attributable to common unitholders (Thousands of yen)	-	-
Profit attributable to common investment units (Thousands of yen)	7,968,070	7,142,344
Average number of investment units for the period (Units)	1,669,617	1,690,000

## Major Subsequent Events

### 1. Issuance of new investment units

At the board of directors meetings held on February 28, 2018, and on March 12, 2018, it was resolved to issue new investment units, as follows. The payment for the new investment units issued through public offering was completed on March 19, 2018, while the payment for the new investment units issued through third-party allotment was completed on April 13, 2018.

As a result, unitholders' capital amounts to ¥163,230 million, and the total number of investment units issued is 1,927,000 units.

#### (1) Issuance of new investment units (public offering)

Number of new investment units issued:	222,000 units (Japan: 150,900 units; Overseas: 71,100 units)
Issue price:	¥239,806 per unit
Total issue price:	¥53,236,932,000
Amount paid in (issue value):	¥232,465 per unit
Total amount paid in (issue value):	¥51,607,230,000
Payment date:	March 19, 2018

#### (2) Issuance of new investment units through third-party allotment

Number of new investment units issued:	15,000 units
Amount paid in (issue value):	¥232,465 per unit
Total amount paid in (issue value):	¥3,486,975,000
Payment date:	April 13, 2018
Allottee:	Nomura Securities Co., Ltd.

2. Acquisition of assets

DHR acquired the following properties.

Asset name	DPL Fukuoka Kasuya
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥13,300,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Inuyama (Additional acquisition)
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥2,100,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Kawagoe IV
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥5,600,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Kuki VII
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥1,040,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Chibakita
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,640,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Matsudo II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥8,200,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Tomisato II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥6,900,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Osaka Hirabayashi
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥3,600,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018

Asset name	D Project Sendai Izumi II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,300,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Kaminokawa
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,900,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	D Project Fuji
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥3,600,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 10, 2018
Asset name	D Project Tosu III
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥9,200,000 thousand
Seller (Note 2)	DH Fund Five Godo Kaisha
Acquisition date	April 10, 2018
Asset name	FOLEO Otsu Ichiriyama
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥8,100,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 3, 2018
Asset name	FOLEO Hakata
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥3,200,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Acquisition date	April 3, 2018
Asset name	Royal Home Center Morinomiya (Land)
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥4,500,000 thousand
Seller (Note 2)	Royal Home Center Co., Ltd.
Acquisition date	March 27, 2018
Asset name	Daiwa Roynet Hotel Yokohama Kannai
Asset type	Trust beneficiary interest in real estate
Asset class	Hotel properties
Acquisition price (Note 1)	¥4,800,000 thousand
Seller (Note 2)	Fujita Corporation
Acquisition date	April 3, 2018

(Note 1) This figure does not include expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, etc.

(Note 2) Daiwa House Industry Co., Ltd., which is the seller of DPL Fukuoka Kasuya, D Project Chibakita, D Project Matsudo II, D Project Tomisato II, D Project Osaka Hirabayashi, D Project Sendai Izumi II, D Project Fuji,

FOLEO Otsu Ichiriyama and FOLEO Hakata, Royal Home Center Co., Ltd., which is the seller of Royal Home Center Morinomiya (Land), and Fujita Corporation, which is the seller of Daiwa Roynet Hotel Yokohama Kannai are each classified as an interested party, etc. as defined in the Investment Trusts Act. As such, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

DH Fund Five Godo Kaisha, which is the seller of D Project Inuyama (Additional acquisition), D Project Kawagoe IV, D Project Kuki VII, D Project Kaminokawa and D Project Tosu III, is a special purpose company (Tokutei Mokuteki Kaisha) set up with the aim of acquiring, holding and disposing of trust beneficiary interests in real estate partially invested in by Daiwa House Industry Co., Ltd., which is the parent company of the Asset Manager, and is accordingly classified as an interested party as stipulated in the Asset Manager's regulations on transactions with interested parties, but is not an interested party, etc. under the Investment Trusts Act. As such, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

### 3. Debt financing

DHR conducted debt financing for acquiring the properties mentioned in “2. Acquisition of assets” above, on March 27, 2018 and April 10, 2018, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Mitsui Sumitomo Insurance Company, Limited	1,000	0.44125% (Fixed interest rate)	March 27, 2018	March 31, 2023	Bullet repayment	Unsecured and non-guaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note)	1,500	0.74587% (Fixed interest rate)	March 27, 2018	September 30, 2027	Bullet repayment	Unsecured and non-guaranteed
Nippon Life Insurance Company	1,000	0.42894% (Fixed interest rate)	April 10, 2018	September 9, 2022	Bullet repayment	Unsecured and non-guaranteed
Development Bank of Japan Inc.	2,000	0.64630% (Fixed interest rate)	April 10, 2018	April 30, 2026	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Bank of Fukuoka, Ltd.; The Chiba Bank, Ltd.; The 77 Bank, Ltd.; The Nishi-Nippon City Bank, Ltd.; The Shizuoka Bank, Ltd.; The Iyo Bank, Ltd.; The Bank of Kyoto, Ltd.; The Chugoku Bank, Ltd.	6,500	0.42160% (Fixed interest rate)	April 10, 2018	April 28, 2022	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Aozora Bank, Ltd.; The Norinchukin Bank; Shinsei Bank, Limited; Shinkin Central Bank	5,000	0.52004% (Fixed interest rate)	April 10, 2018	April 30, 2024	Bullet repayment	Unsecured and non-guaranteed

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Aozora Bank, Ltd.; The Norinchukin Bank; Resona Bank, Limited; Shinsei Bank, Limited; Shinkin Central Bank	5,000	0.60388% (Fixed interest rate)	April 10, 2018	April 30, 2025	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; Resona Bank, Limited	10,000	0.89458% (Fixed interest rate)	April 10, 2018	April 28, 2028	Bullet repayment	Unsecured and non-guaranteed

(Note) On April 1, 2018, The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its corporate name, and is now MUFG Bank, Ltd.



**(9) Changes in Number of Investment Units Issued**

DHR's total number of investment units issued and changes in unitholders' capital for the most recent five years until February 28, 2018 are as follows:

Date	Event	Total number of investment units issued (Units)		Unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
March 1, 2013	Split of investment units	160,535	321,070	–	41,602	(Note 1)
March 18, 2013	Capital increase through public offering	28,000	349,070	10,455	52,058	(Note 2)
April 17, 2013	Capital increase through third-party allotment	2,800	351,870	1,045	53,104	(Note 3)
October 28, 2013	Capital increase through public offering	20,000	371,870	7,817	60,921	(Note 4)
November 19, 2013	Capital increase through third-party allotment	2,000	373,870	781	61,703	(Note 5)
March 1, 2015	Split of investment units	373,870	747,740	–	61,703	(Note 6)
September 1, 2016	Delivery by allotment due to merger	771,540	1,519,280	–	61,703	(Note 7)
March 21, 2017	Capital increase through public offering	156,720	1,676,000	42,625	104,328	(Note 8)
April 14, 2017	Capital increase through third-party allotment	14,000	1,690,000	3,807	108,136	(Note 9)

(Note 1) A 2-for-1 split of investment units was implemented with an effective date of March 1, 2013.

(Note 2) Investment units were issued by public offering with an issue price of ¥386,100 per unit (issue value: ¥373,428) in order to raise funds for the acquisition of new properties, etc.

(Note 3) Additional investment units were issued with an issue value of ¥373,428 per unit in order to raise funds for the acquisition of new properties, etc.

(Note 4) Investment units were issued by public offering with an issue price of ¥404,137 per unit (issue value: ¥390,873) in order to raise funds for repayments of short-term loans for the acquisition of new properties, etc.

(Note 5) Additional investment units were issued with an issue value of ¥390,873 per unit in order to raise funds for repayments of short-term loans for the acquisition of new properties, etc.

(Note 6) A 2-for-1 split of investment units was implemented with an effective date of March 1, 2015.

(Note 7) At the time of the Merger, which became effective as of September 1, 2016, DHR allotted 2.2 units of DHR per unit of the former DHR, and as a result, 771,540 new investment units were issued.

(Note 8) Investment units were issued by public offering with an issue price of ¥280,868 per unit (issue value: ¥271,983) in order to raise funds for the acquisition of new properties, etc.

(Note 9) Additional investment units were issued with an issue value of ¥271,983 per unit in order to raise funds for the acquisition of new properties, etc.

## 4. Changes in Officers

### (1) Changes in DHR's Directors

The following table shows about the DHR's Directors as of the date of this financial results report.

Title and post	Name	Major career summary		Number of investment units held (Units)
Executive Director	<i>Jiro Kawanishi</i>	Apr. 1974	Joined The Mitsui Trust and Banking Company, Limited	0
		Jun. 2001	Executive Officer and General Manager, Nihonbashi Business Dept. IV, The Chuo Mitsui Trust and Banking Company, Limited	
		Mar. 2003	Managing Director, Chuo Mitsui Card Co., Ltd.	
		May 2008	President and CEO, Chuo Mitsui Card Co., Ltd.	
		Jun. 2009	Corporate Auditor, GS Yuasa Corporation	
		Mar. 2014	Corporate Auditor (part-time), Fujita Kanko Inc.	
		Dec. 2015	Executive Director, DHR (current position)	
Supervisory Director	<i>Tetsuya Iwasaki</i>	Apr. 1990	Joined Deloitte Touche Tohmatsu	0
		Mar. 1994	Registered as a certified public accountant	
		Feb. 1997	Joined NED Kabushiki Kaisha	
		Feb. 1997	Opened Tetsuya Iwasaki Certified Public Accountant Firm	
		May 2002	Registered as a certified public tax accountant	
		Aug. 2004	Joined Citia Certified Public Accountant Firm (current position)	
		Jan. 2006	Supervisory Director, DHR (current position)	
		Jun. 2015	Outside Director, Uoriki Co., Ltd. (current position)	
Supervisory Director	<i>Hiroshi Ishikawa</i>	Apr. 1997	Legal apprentice	0
		Apr. 1999	Tokyo Bar Association Joined Ohhara Law Office (current position)	
		Jun. 2013	Outside Director, Japan Medical Dynamic Marketing, INC. (current position)	
		Dec. 2013	Supervisory Director, DHR (current position)	

**(2) Changes in Officers of Asset Manager**

The following table shows about the Officers of the Asset Manager as of the date of this financial results report.

Title and post	Name	Major career summary		Number of shares held (Shares)
President and CEO	<i>Koichi Tsuchida</i>	Apr. 1983 Oct. 1997  Apr. 2002  Oct. 2003  Apr. 2005  Apr. 2006  Jun. 2006  Dec. 2006  Apr. 2007  Apr. 2008  Apr. 2014	Joined Daiwa House Industry Co., Ltd. Manager, Administration and Accounting Section, Kumamoto Branch, Daiwa House Industry Co., Ltd. Manager, Administration and Support Group, Accounting Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. Manager, Finance and Fund Group, Finance Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. Deputy Department Manager, Finance and Fund Group, Finance Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. General Manager, Finance Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. Corporate Auditor (part-time), Daiwa Service Co., Ltd. Outside Director, Daiwa House Insurance Co., Ltd. General Manager, Finance Department, Management Administration Headquarters, Daiwa House Industry Co., Ltd. (Concurrent) General Manager, IR Department, Management Administration Headquarters, Daiwa House Industry Co., Ltd. President and CEO, Daiwa House Asset Management Co., Ltd. (employment transfer) (current position)	0

Title and post	Name	Major career summary		Number of shares held (Shares)
Senior Managing Director	<i>Kenjiro Matsutake</i>	Apr. 1983 Jan. 1994  Oct. 1999  Apr. 2004  Jan. 2005  Nov. 2005  Oct. 2006  May 2009  Aug. 2012  Apr. 2015  Sep. 2016	Joined Daiwa House Industry Co., Ltd. Manager, Commercial Facilities Marketing Headquarters, Osaka Head Office, Daiwa House Industry Co., Ltd. Sales Office Manager, Commercial Facilities Sales Office, Shiga Branch, Daiwa House Industry Co., Ltd. Manager, LOC Promotion Office, Commercial Facilities Business Promotion Department, Marketing Headquarters, Daiwa House Industry Co., Ltd. Director and General Manager, Planning Department, Morimoto Asset Management Co., Ltd. (currently, Daiwa House Asset Management Co., Ltd.) (seconded) Senior Managing Director, Morimoto Asset Management Co., Ltd. Director and Executive Manager, Investment Management Department, Daiwa House REIT Management Co., Ltd. (seconded) President and CEO, Daiwa House REIT Management Co., Ltd. Executive Director, Daiwa House REIT Investment Corporation Director and Executive Manager, Investment Management Department, Daiwa House REIT Management Co., Ltd. Managing Director and Executive Manager, Investment Management Department, Daiwa House REIT Management Co., Ltd. Senior Managing Director and Head of Investment Management Division, Daiwa House Asset Management Co., Ltd. (seconded) (current position)	0
Managing Director	<i>Masahiko Arima</i>	Apr. 1986 Apr. 2002  Apr. 2006  Apr. 2011  Apr. 2012  Aug. 2016  Sep. 2016	Joined Daiwa House Industry Co., Ltd. Manager, Accounting and Administration Division, Ryomo Branch, Daiwa House Industry Co., Ltd. Manager, Accounting Division and Administration Division, Fukushima Branch, Daiwa House Industry Co., Ltd. Deputy General Manager, Accounting Division and Administration Division, Fukushima Branch, Daiwa House Industry Co., Ltd. Managing Director and General Manager, Administration & Accounting Department, Daiwa House Asset Management Co., Ltd. (seconded) Managing Director and General Manager, Administration & Accounting Department and Finance and Corporate Planning Department, Daiwa House Asset Management Co., Ltd. Managing Director and General Manager, Administration & Accounting Department, Daiwa House Asset Management Co., Ltd. (current position)	0

Title and post	Name	Major career summary		Number of shares held (Shares)
Director	<i>Haruto Tsukamoto</i>	Apr. 1983	Joined The Mitsui Trust and Banking Company, Limited	0
		Aug. 2003	Branch Manager, Yachiyo Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Nov. 2004	General Manager, Sales Department I, Nagoya Branch, and Satellite Office Manager, Kanayamabashi Satellite Office, The Chuo Mitsui Trust and Banking Company, Limited	
		Jul. 2006	General Manager, Sales Department II, Nagoya Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Jan. 2008	Branch Manager, Urawa Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Jul. 2009	Chief Operational Auditor, Operational Audit Group, Internal Audit Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Mar. 2011	Mitsui Memorial Hospital (seconded)	
		Apr. 2013	Deputy Director General, Internal Audit Department, Sumitomo Mitsui Trust Bank, Limited	
		Nov. 2014	Director and Executive Manager, Finance Department, Daiwa House REIT Management Co., Ltd. (seconded)	
		Apr. 2016	Daiwa House REIT Management Co., Ltd. (employment transfer)	
		Sep. 2016	Director and General Manager, Finance and Corporate Planning Department (CFO), Daiwa House Asset Management Co., Ltd. (current position)	
Corporate Auditor (Part-time)	<i>Hiroshi Tobita</i>	Apr. 1995	Legal apprentice	0
		Apr. 1997	Tokyo Bar Association Joined Saotome Goro Law Office	
		Apr. 2000	Joined Nishimura & Partners	
		Aug. 2010	Opened Tobita Hiroshi Law Office	
		Nov. 2010	Partner, Wisdom Law Office	
		Jun. 2015	Opened Tobita & Partners Law Offices (current position)	
		Jun. 2015	Corporate Auditor (part-time), Daiwa House Asset Management Co., Ltd. (current position)	
		Jun. 2015	Outside Director and Audit and Supervisory Committee Member, Mutoh Holdings Co., Ltd. (current position)	

The following table shows about the Compliance Officer as of the date of this financial results report.

Title and post	Name	Major career summary		Number of shares held (Shares)
Compliance Officer	<i>Hirofumi Wakui</i>	Apr. 1982	Joined The Chuo Trust and Banking Co., Ltd.	0
		Jun. 2001	Deputy General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Feb. 2002	Deputy General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited and Deputy General Manager, Corporate Planning Department, Mitsui Trust Holdings, Inc.	
		Jul. 2002	Branch Manager, Gifu Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Apr. 2005	General Manager, Operations Administration Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Oct. 2007	General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Jul. 2009	Managing Executive Officer and General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Jun. 2010	Managing Executive Officer and General Manager, Internal Audit Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Apr. 2012	Executive Vice-president, Sumitomo Mitsui Trust Card Co., Ltd.	
		Jul. 2013	Compliance Officer, Daiwa House Asset Management Co., Ltd. (employment transfer) (current position)	

## 5. Reference Information

### Status of DHR's investment

#### (1) Portfolio List

##### i) Status of Investment

The status of DHR's investment as of February 28, 2018 is shown below.

Type of assets	Asset class	Area (Note 1)		Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	25,093	3.7
			Greater Nagoya area	919	0.1
			Greater Osaka area	13,507	2.0
		Other	5,403	0.8	
	Subtotal			44,924	6.6
Trust beneficiary interest in real estate	Logistics properties	Three major metropolitan areas of Japan	Greater Tokyo area	178,673	26.2
			Greater Nagoya area	13,496	2.0
			Greater Osaka area	19,539	2.9
		Other	46,358	6.8	
	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	170,044	25.0
			Greater Nagoya area	6,173	0.9
			Greater Osaka area	9,108	1.3
		Other	5,189	0.8	
	Retail properties	Three major metropolitan areas of Japan	Greater Tokyo area	26,953	4.0
			Greater Nagoya area	2,390	0.4
			Greater Osaka area	4,553	0.7
		Other	21,677	3.2	
	Other	Three major metropolitan areas of Japan	Greater Tokyo area	1,960	0.3
			Other	9,332	1.4
		Subtotal			515,452
Deposits and other assets				120,816	17.7
Total assets				681,192	100.0

	Total amount held (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	304,891	44.8
Total net assets	376,300	55.2

(Note 1) Three major metropolitan areas of Japan in "Area" are the Greater Tokyo area (Tokyo, Kanagawa, Saitama and Chiba, the same shall apply hereinafter), the Greater Nagoya area (Aichi, Gifu and Mie, the same shall apply hereinafter) and the Greater Osaka area (Osaka, Kyoto, Hyogo, Nara and Shiga, the same shall apply hereinafter). The same shall apply hereinafter.

(Note 2) "Total amount held" represents the amount recorded on the balance sheets as of February 28, 2018, which is rounded down to the nearest million yen. For real estate and trust beneficiary interest in real estate, the amounts are their acquisition prices (including expenses associated with the acquisition) less accumulated depreciation.

(Note 3) "Percentage to total assets" is rounded to the nearest tenth.

## ii) Major investment securities

The status of investment securities held by DHR as of February 28, 2018 is shown below.

(Unit: Thousands of yen)

Type	Issue name	Total face value	Book value	Interest rate	Maturity	Accrued interest	Prepaid accrued interest	Fair value	Valuation gain or loss	Investment ratio	Remark
Government bonds	30-year principal-stripped government bonds (Series 27)	10,000	9,325	—	September 20, 2037	—	—	8,981	(344)	0.0%	Deposited as business security deposit
Total		10,000	9,325	—	—	—	—	8,981	(344)	0.0%	

## iii) Summary of assets held

A. The summary of real estate or trust beneficiary interest in real estate (or referred as “real estate in trust”) held by DHR as of February 28, 2018 is shown below.

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Logistics properties	LB-001	D Project Machida	Machida City, Tokyo	September 1, 2016	9,200	1.6	9,184	9,420
	LB-002	D Project Hachioji	Hachioji City, Tokyo	September 1, 2016	15,400	2.7	15,402	16,200
	LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	September 1, 2016	3,390	0.6	3,835	4,410
	LB-004	D Project Shin-Misato	Misato City, Saitama	September 1, 2016	5,710	1.0	5,647	5,750
	LB-005	D Project Urayasu I	Urayasu City, Chiba	September 1, 2016	9,280	1.6	9,197	9,490
	LB-006	D Project Urayasu II	Urayasu City, Chiba	September 1, 2016	26,000	4.5	25,758	26,600
	LB-007	D Project Akanehama	Narashino City, Chiba	September 1, 2016	2,950	0.5	2,914	3,010
	LB-008	D Project Noda	Noda City, Chiba	September 1, 2016	6,210	1.1	6,143	6,440
	LB-009	D Project Inuyama	Inuyama City, Aichi	September 1, 2016	8,690	1.5	8,530	9,010
	LB-010	D Project Gifu	Anpachi District, Gifu	September 1, 2016	1,100	0.2	1,091	1,120
	LB-011	D Project Neyagawa	Neyagawa City, Osaka	September 1, 2016	5,980	1.0	5,907	6,200
	LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	September 1, 2016	818	0.1	804	848
	LB-013	D Project Morioka	Takizawa City, Iwate	September 1, 2016	1,200	0.2	1,172	1,210
	LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	September 1, 2016	1,530	0.3	1,511	1,550
	LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	September 1, 2016	3,390	0.6	3,316	3,440
	LB-016	D Project Gotenba	Gotenba City, Shizuoka	September 1, 2016	1,140	0.2	1,119	1,150
	LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	September 1, 2016	1,210	0.2	1,192	1,210
	LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	September 1, 2016	4,240	0.7	4,163	4,290
	LB-019	D Project Tosu	Tosu City, Saga	September 1, 2016	5,740	1.0	5,603	5,900
	LB-020	D Project Kuki I	Kuki City, Saitama	September 1, 2016	3,900	0.7	3,838	4,090
	LB-021	D Project Kuki II	Kuki City, Saitama	September 1, 2016	8,120	1.4	7,951	8,560
	LB-022	D Project Kawagoe I	Kawagoe City, Saitama	September 1, 2016	3,530	0.6	3,483	3,710
	LB-023	D Project Kawagoe II	Kawagoe City, Saitama	September 1, 2016	4,850	0.8	4,781	5,140
	LB-024	DPL Inuyama	Inuyama City, Aichi	September 1, 2016	3,940	0.7	3,874	4,080
	LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	September 1, 2016	4,340	0.8	4,269	4,520
	LB-026	D Project Kuki III	Kuki City, Saitama	September 1, 2016	7,630	1.3	7,495	8,110
	LB-027	D Project Kuki IV	Kuki City, Saitama	September 1, 2016	5,520	1.0	5,442	5,800
	LB-028	D Project Kuki V	Kuki City, Saitama	September 1, 2016	8,280	1.4	8,189	8,760
	LB-029	D Project Kuki VI	Kuki City, Saitama	September 1, 2016	5,140	0.9	5,035	5,420
	LB-030	D Project Yashio	Yashio City, Saitama	September 1, 2016	6,400	1.1	6,327	6,640
	LB-031	D Project Nishiyodogawa	Osaka City, Osaka	September 1, 2016	10,300	1.8	10,117	10,600
	LB-032	D Project Matsudo	Matsudo City, Chiba	September 1, 2016	7,370	1.3	7,278	7,610
	LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	September 28, 2016	2,080	0.4	2,043	2,120
	LB-034	D Project Morioka II	Takizawa City, Iwate	September 28, 2016	1,280	0.2	1,266	1,320
	LB-035	D Project Kawagoe III	Kawagoe City, Saitama	April 11, 2017	7,200	1.2	7,181	7,460
	LB-036	D Project Kazo	Kazo City, Saitama	April 11, 2017	3,300	0.6	3,292	3,420
	LB-037	D Project Urayasu III	Urayasu City, Chiba	April 11, 2017	8,500	1.5	8,500	9,320
	LB-038	D Project Tomisato	Tomisato City, Chiba	April 11, 2017	5,000	0.9	4,977	5,080
	LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	April 11, 2017	3,520	0.6	3,514	3,620
	LB-040	D Project Sendai Izumi	Sendai City, Miyagi	April 11, 2017	1,510	0.3	1,509	1,580



Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Logistics properties	LB-041	D Project Oyama	Oyama City, Tochigi	April 11, 2017	2,000	0.3	1,994	2,020
	LB-042	D Project Sano	Sano City, Tochigi	April 11, 2017	1,780	0.3	1,775	1,790
	LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	April 11, 2017	3,100	0.5	3,088	3,140
	LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	April 11, 2017	6,000	1.0	6,020	6,140
	LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	April 11, 2017	3,820	0.7	3,812	3,990
	LB-046	D Project Tosu II	Tosu City, Saga	April 11, 2017	1,700	0.3	1,695	1,840
	LM-001	DPL Misato	Misato City, Saitama	April 11, 2017	16,831	2.9	16,802	17,400
Total of 47 Logistics properties					260,119	45.0	258,055	270,528
Residential properties	RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	March 22, 2006	7,650	1.3	7,215	8,520
	RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	March 22, 2006	4,500	0.8	4,150	4,220
	RE-003	Castalia Shibakoen	Minato Ward, Tokyo	March 22, 2006	2,630	0.5	2,442	2,220
	RE-004	Castalia Ginza	Chuo Ward, Tokyo	March 22, 2006	2,520	0.4	2,340	2,220
	RE-005	Castalia Hiroo	Minato Ward, Tokyo	March 22, 2006	2,220	0.4	2,080	1,830
	RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	March 22, 2006	1,200	0.2	1,065	1,170
	RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	March 7, 2007	2,300	0.4	2,102	2,260
	RE-008	Castalia Azabujuban	Minato Ward, Tokyo	June 21, 2007	2,910	0.5	2,782	2,680
	RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	June 21, 2007	2,690	0.5	2,517	2,510
	RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	June 21, 2007	1,865	0.3	1,763	1,610
	RE-011	Castalia Ginza II	Chuo Ward, Tokyo	June 21, 2007	1,800	0.3	1,656	1,730
	RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	June 21, 2007	1,400	0.2	1,335	1,110
	RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	April 1, 2010	2,143	0.4	2,321	2,340
	RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	1,770	0.3	1,702	2,150
	RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	April 1, 2010	1,393	0.2	1,464	1,470
	RE-016	Castalia Suitengu	Chuo Ward, Tokyo	April 1, 2010	1,279	0.2	1,229	1,400
	RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	April 1, 2010	1,138	0.2	1,096	1,260
	RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	April 1, 2010	932	0.2	912	1,030
	RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	April 1, 2010	825	0.1	811	915
	RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	April 1, 2010	887	0.2	857	911
	RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	April 1, 2010	608	0.1	646	716
	RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	April 1, 2010	555	0.1	556	630
	RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	April 1, 2010	464	0.1	440	533
	RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	April 1, 2010	947	0.2	896	1,230
	RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	April 1, 2010	1,070	0.2	995	1,360
	RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	914	0.2	854	1,090
	RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	April 1, 2010	1,370	0.2	1,258	1,680
	RE-028	Castalia Jimbocho	Chiyoda Ward, Tokyo	April 1, 2010	1,160	0.2	1,080	1,450
	RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	April 1, 2010	675	0.1	614	759
	RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	April 1, 2010	2,720	0.5	2,611	3,100
	RE-031	Castalia Takanawadai	Minato Ward, Tokyo	April 1, 2010	860	0.1	815	1,030
	RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	April 1, 2010	666	0.1	608	809
	RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	April 1, 2010	486	0.1	472	511
	RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	April 1, 2010	400	0.1	395	471
	RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	April 1, 2010	1,190	0.2	1,156	1,360
	RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	April 1, 2010	642	0.1	609	697
	RE-037	Castalia Ginza III	Chuo Ward, Tokyo	April 1, 2010	2,880	0.5	2,724	2,970
	RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	April 1, 2010	2,707	0.5	2,519	3,100
	RE-039	Castalia Takanawa	Minato Ward, Tokyo	April 1, 2010	7,430	1.3	7,128	7,810
	RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	April 1, 2010	3,520	0.6	3,248	4,010
	RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	April 1, 2010	2,950	0.5	2,841	3,370
	RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	June 29, 2010	940	0.2	873	1,340
	RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	October 18, 2011	7,580	1.3	6,823	8,930
	RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	December 19, 2011	2,030	0.4	1,975	2,350
	RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	September 27, 2013	1,900	0.3	1,874	2,110
	RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	September 27, 2013	1,420	0.2	1,411	1,590
	RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	December 20, 2005	4,500	0.8	4,041	4,350

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Residential properties	RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	March 22, 2006	648	0.1	592	530
	RE-049	Castalia Yukigaya	Ota Ward, Tokyo	March 7, 2007	1,110	0.2	999	1,110
	RE-050	Castalia Yutenji	Meguro Ward, Tokyo	June 21, 2007	1,450	0.3	1,341	1,300
	RE-051	Castalia Otsuka	Toshima Ward, Tokyo	June 21, 2007	1,480	0.3	1,326	1,640
	RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	June 21, 2007	817	0.1	725	779
	RE-053	Castalia Meguro	Meguro Ward, Tokyo	April 1, 2010	844	0.1	856	1,020
	RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	April 1, 2010	1,040	0.2	984	1,250
	RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	April 1, 2010	1,200	0.2	1,163	1,390
	RE-056	Castalia Mejiro	Toshima Ward, Tokyo	April 1, 2010	988	0.2	933	1,080
	RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	April 1, 2010	2,570	0.4	2,450	2,810
	RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	April 1, 2010	1,140	0.2	1,060	1,230
	RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	April 1, 2010	7,380	1.3	6,793	8,740
	RE-060	Castalia Yakumo	Meguro Ward, Tokyo	April 1, 2010	857	0.1	831	776
	RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	April 1, 2010	1,560	0.3	1,466	1,930
	RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	April 1, 2010	996	0.2	992	1,120
	RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	April 1, 2010	742	0.1	759	817
	RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	April 1, 2010	503	0.1	479	548
	RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	April 1, 2010	198	0.0	181	213
	RE-066	Castalia Morishita	Koto Ward, Tokyo	April 1, 2010	832	0.1	801	1,020
	RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	April 1, 2010	776	0.1	746	849
	RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	April 1, 2010	792	0.1	735	945
	RE-069	Castalia Iriya	Taito Ward, Tokyo	April 1, 2010	546	0.1	502	656
	RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	April 1, 2010	2,641	0.5	2,404	2,720
	RE-071	Castalia Morishita II	Koto Ward, Tokyo	April 1, 2010	686	0.1	619	791
	RE-072	Castalia Minowa	Taito Ward, Tokyo	April 1, 2010	1,430	0.2	1,299	1,550
	RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	April 1, 2010	533	0.1	500	598
	RE-074	Castalia Nakano	Nakano Ward, Tokyo	April 1, 2010	1,060	0.2	976	1,230
	RE-075	Castalia Yoga	Setagaya Ward, Tokyo	April 1, 2010	923	0.2	870	1,140
	RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	April 1, 2010	948	0.2	850	1,010
	RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	April 1, 2010	2,160	0.4	1,995	2,670
	RE-078	Castalia Oshiage	Sumida Ward, Tokyo	April 1, 2010	1,100	0.2	989	1,120
	RE-079	Castalia Kuramae	Taito Ward, Tokyo	April 1, 2010	1,260	0.2	1,144	1,470
	RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	June 29, 2010	1,790	0.3	1,661	2,580
	RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	November 1, 2010	7,360	1.3	6,307	9,720
	RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	November 1, 2010	1,770	0.3	1,604	2,510
	RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	June 30, 2011	1,181	0.2	1,163	1,450
	RE-084	Castalia Omori	Ota Ward, Tokyo	August 2, 2011	1,500	0.3	1,437	1,780
	RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	October 7, 2011	1,900	0.3	1,850	2,290
	RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	March 28, 2012	1,660	0.3	1,559	2,150
RE-087	Castalia Omori II	Ota Ward, Tokyo	March 29, 2012	2,370	0.4	2,279	2,900	
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	November 29, 2012	3,800	0.7	3,776	4,380	
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	September 27, 2013	2,030	0.4	2,011	2,310	
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	September 27, 2013	1,750	0.3	1,754	1,840	
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	September 27, 2013	1,520	0.3	1,486	1,690	
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	July 1, 2014	1,020	0.2	1,051	1,150	
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	September 26, 2014	1,165	0.2	1,210	1,260	
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	May 1, 2015	4,350	0.8	4,236	5,000	
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	May 1, 2015	1,520	0.3	1,532	1,750	
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	March 22, 2006	1,674	0.3	1,619	1,930	
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	June 21, 2007	666	0.1	596	734	
RE-098	Castalia Funabashi	Funabashi City, Chiba	April 1, 2010	704	0.1	705	788	
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	April 1, 2010	783	0.1	749	930	
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	April 1, 2010	325	0.1	300	328	
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	April 1, 2010	461	0.1	409	533	
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	October 7, 2011	5,300	0.9	4,832	6,190	
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	September 27, 2013	1,680	0.3	1,653	1,840	
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	March 28, 2014	4,360	0.8	4,038	4,780	

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)	
					Price (Millions of yen)	Investment ratio (%) (Note 4)			
Residential properties	RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	May 1, 2015	9,100	1.6	8,793	11,000	
	RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	May 1, 2015	1,720	0.3	1,734	2,010	
	RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	May 1, 2015	1,060	0.2	1,028	1,300	
	RE-115	Crest Kusatsu	Kusatsu City, Shiga	April 1, 2010	3,004	0.5	2,841	1,960	
	RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	April 1, 2010	1,490	0.3	1,328	1,730	
	RE-117	Castalia Shin-Umeda	Osaka City, Osaka	April 1, 2010	1,376	0.2	1,225	1,550	
	RE-118	Castalia Abeno	Osaka City, Osaka	April 1, 2010	4,368	0.8	4,034	5,050	
	RE-119	Castalia Sakae	Nagoya City, Aichi	April 1, 2010	1,010	0.2	919	1,210	
	RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	April 1, 2010	411	0.1	367	515	
	RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	April 1, 2010	1,740	0.3	1,559	2,050	
	RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	April 1, 2010	960	0.2	850	1,020	
	RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	April 1, 2010	3,400	0.6	2,987	4,460	
	RE-125	Castalia Sannomiya	Kobe City, Hyogo	April 1, 2010	1,230	0.2	1,083	1,490	
	RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	April 1, 2010	481	0.1	422	557	
	RE-127	Castalia Ichibancho	Sendai City, Miyagi	April 1, 2010	783	0.1	701	949	
	RE-128	Castalia Omachi	Sendai City, Miyagi	April 1, 2010	656	0.1	613	764	
	RE-129	Castalia Uemachidai	Osaka City, Osaka	April 1, 2010	2,190	0.4	1,975	2,710	
	RE-130	Castalia Tower Higobashi	Osaka City, Osaka	April 1, 2010	2,670	0.5	2,404	3,540	
	RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	November 1, 2010	1,740	0.3	1,354	2,630	
	RE-132	Castalia Fushimi	Nagoya City, Aichi	January 14, 2011	2,260	0.4	2,007	3,040	
	RE-133	Castalia Meieki Minami	Nagoya City, Aichi	August 1, 2011	720	0.1	670	936	
	RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	September 26, 2011	930	0.2	889	1,160	
	RE-135	Castalia Mibu	Kyoto City, Kyoto	December 22, 2011	1,193	0.2	1,122	1,460	
	RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	September 3, 2012	1,208	0.2	1,160	1,730	
	RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	March 25, 2013	2,910	0.5	2,674	3,580	
	RE-138	Royal Parks Namba	Osaka City, Osaka	March 29, 2013	2,830	0.5	2,589	2,960	
RE-139	Castalia Shigahondori	Nagoya City, Aichi	June 26, 2013	1,730	0.3	1,627	2,080		
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	November 2, 2015	973	0.2	1,022	1,070		
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	September 28, 2016	2,000	0.3	2,019	2,300		
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	September 28, 2016	2,020	0.3	2,032	2,210		
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	April 11, 2017	1,800	0.3	1,867	1,940		
Total of 135 Residential properties					250,448	43.3	235,440	282,738	
Retail properties	RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	September 1, 2016	7,770	1.3	7,614	7,910	
	RM-002	FOLEO Hirakata	Hirakata City, Osaka	September 1, 2016	4,580	0.8	4,553	4,640	
	RM-003	QiZ GATE URAWA	Saitama City, Saitama	September 1, 2016	4,270	0.7	4,274	4,130	
	RM-004	UNICUS Takasaki	Takasaki City, Gunma	September 1, 2016	3,000	0.5	2,966	3,010	
	RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	September 1, 2016	3,740	0.6	3,740	3,910	
	RM-006	DREAM TOWN ALi	Aomori City, Aomori	September 1, 2016	8,100	1.4	7,989	8,180	
	RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	August 29, 2017	1,600	0.3	1,617	1,840	
	RM-008	FOLEO Ome Imai	Ome City, Tokyo	August 29, 2017	3,800	0.7	3,805	3,920	
	RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	September 1, 2016	1,670	0.3	1,661	1,730	
	RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	September 1, 2016	6,960	1.2	6,896	7,240	
	RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	September 1, 2016	2,390	0.4	2,390	2,450	
	RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	September 28, 2016	2,230	0.4	2,207	2,330	
	RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	January 31, 2017	5,620	1.0	5,857	6,630	
	Total of 13 Retail properties					55,730	9.6	55,574	57,920

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Other assets	OT-001	Urban Living Inage	Chiba City, Chiba	June 24, 2013	930	0.2	872	1,300
	OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	September 1, 2014	1,100	0.2	1,088	1,290
	OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	September 28, 2016	7,600	1.3	7,479	7,970
	OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	April 11, 2017	1,850	0.3	1,853	1,940
Total of 4 Other assets					11,480	2.0	11,293	12,500
Portfolio Total of 199 Properties					577,777	100.0	560,363	623,686

(Note 1) “Property number” is assigned for each property according to the use categories; L represents logistics properties, RE represents residential properties, R represents retail properties and OT represents other properties, which are further classified into LB (Built-to-Suit (BTS) type), LM (multi-tenant type), RR (roadside type) and RM (mall type). The same shall apply hereinafter.

(Note 2) With regard to the properties acquired through past mergers, “Acquisition date” represents the effective date of the merger.

(Note 3) “Acquisition price” represents the purchase price stipulated in the respective purchase agreements of assets held by DHR (excluding expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes etc., or guarantee deposits on leased land, etc.). However, the acquisition prices of properties previously owned by NCR have been presented as the appraisal values as of February 28, 2010, which were the prices received at the time of the merger with NCR, and the acquisition prices of properties previously owned by the former DHR have been presented as the appraisal values as of August 31, 2016, the prices received at the time of the merger with the former DHR. “Total acquisition price” is rounded to the nearest million yen.

(Note 4) “Investment ratio” represents the percentage of the acquisition price for each property to the total acquisition price of assets held, which is rounded to the nearest tenth.

(Note 5) “Book value” represents the amount recorded on the balance sheets as of February 28, 2018, which is rounded down to the nearest million yen.

(Note 6) “Assessed value at the end of period” is the appraisal value as of February 28, 2018 provided by real estate appraisers (Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., Tanizawa Sogo Appraisal Co., Ltd., Japan Real Estate Institute and JLL Morii Valuation & Advisory K.K. (former corporate name: Morii Appraisal & Investment Consulting Inc.; the same shall apply hereinafter)) in accordance with the Articles of Incorporation of DHR as well as “Regulations on Accounting of Investment Corporations” (Cabinet Office Order No. 47 of 2006, as amended). The amounts are rounded down to the nearest million yen.

B. The leasable area, leased area, occupancy rate, number of tenants and annual rent of real estate or real estate in trust held by DHR as of February 28, 2018 are as follows:

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
LB-001	D Project Machida	Machida City, Tokyo	50,490.39	50,490.39	100.0	1	(Note 6)
LB-002	D Project Hachioji	Hachioji City, Tokyo	62,394.17	62,394.17	100.0	2	(Note 6)
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	14,240.84	14,240.84	100.0	1	(Note 6)
LB-004	D Project Shin-Misato	Misato City, Saitama	11,289.91	11,289.91	100.0	1	(Note 6)
LB-005	D Project Urayasu I	Urayasu City, Chiba	36,515.81	36,515.81	100.0	1	(Note 6)
LB-006	D Project Urayasu II	Urayasu City, Chiba	72,320.01	72,320.01	100.0	1	(Note 6)
LB-007	D Project Akanehama	Narashino City, Chiba	11,663.39	11,663.39	100.0	1	(Note 6)
LB-008	D Project Noda	Noda City, Chiba	29,232.53	29,232.53	100.0	1	(Note 6)
LB-009	D Project Inuyama	Inuyama City, Aichi	43,723.70	43,723.70	100.0	1	(Note 6)
LB-010	D Project Gifu	Anpachi District, Gifu	7,669.91	7,669.91	100.0	1	(Note 6)
LB-011	D Project Neyagawa	Neyagawa City, Osaka	11,151.51	11,151.51	100.0	1	(Note 6)
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	6,749.10	6,749.10	100.0	1	(Note 6)
LB-013	D Project Morioka	Takizawa City, Iwate	9,558.32	9,558.32	100.0	1	(Note 6)
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	11,052.27	11,052.27	100.0	1	(Note 6)
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	17,448.86	17,448.86	100.0	1	(Note 6)
LB-016	D Project Gotenba	Gotenba City, Shizuoka	6,737.53	6,737.53	100.0	1	(Note 6)
LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	5,093.51	5,093.51	100.0	2	(Note 6)
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	24,729.56	24,729.56	100.0	4	251
LB-019	D Project Tosu	Tosu City, Saga	17,858.01	17,858.01	100.0	1	(Note 6)
LB-020	D Project Kuki I	Kuki City, Saitama	22,708.72	22,708.72	100.0	1	(Note 6)
LB-021	D Project Kuki II	Kuki City, Saitama	50,490.00	50,490.00	100.0	1	(Note 6)
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	16,150.88	16,150.88	100.0	1	205
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	19,872.00	19,872.00	100.0	1	281
LB-024	DPL Inuyama	Inuyama City, Aichi	21,628.50	21,628.50	100.0	1	(Note 6)
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	34,710.80	34,710.80	100.0	1	(Note 6)
LB-026	D Project Kuki III	Kuki City, Saitama	26,937.41	26,937.41	100.0	1	(Note 6)
LB-027	D Project Kuki IV	Kuki City, Saitama	26,460.00	26,460.00	100.0	1	(Note 6)
LB-028	D Project Kuki V	Kuki City, Saitama	47,320.89	47,320.89	100.0	1	(Note 6)
LB-029	D Project Kuki VI	Kuki City, Saitama	29,244.66	29,244.66	100.0	1	(Note 6)
LB-030	D Project Yashio	Yashio City, Saitama	21,965.04	21,965.04	100.0	2	(Note 6)
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	39,584.80	39,584.80	100.0	1	(Note 6)
LB-032	D Project Matsudo	Matsudo City, Chiba	26,776.67	26,776.67	100.0	1	(Note 6)
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	23,933.75	23,933.75	100.0	1	(Note 6)
LB-034	D Project Morioka II	Takizawa City, Iwate	4,481.00	4,481.00	100.0	1	(Note 6)
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	39,572.32	39,572.32	100.0	1	(Note 6)
LB-036	D Project Kazo	Kazo City, Saitama	18,371.10	18,371.10	100.0	1	(Note 6)
LB-037	D Project Urayasu III	Urayasu City, Chiba	39,441.32	39,441.32	100.0	1	(Note 6)
LB-038	D Project Tomisato	Tomisato City, Chiba	36,113.25	36,113.25	100.0	1	(Note 6)
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	10,965.68	10,965.68	100.0	1	(Note 6)
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	10,764.05	10,764.05	100.0	1	(Note 6)
LB-041	D Project Oyama	Oyama City, Tochigi	14,106.91	14,106.91	100.0	1	(Note 6)
LB-042	D Project Sano	Sano City, Tochigi	15,668.44	15,668.44	100.0	1	(Note 6)
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	13,521.56	13,521.56	100.0	1	(Note 6)
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	39,341.44	39,341.44	100.0	1	(Note 6)
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	19,004.72	19,004.72	100.0	1	(Note 6)
LB-046	D Project Tosu II	Tosu City, Saga	13,012.50	13,012.50	100.0	1	(Note 6)
LM-001	DPL Misato	Misato City, Saitama	55,864.47	55,864.47	100.0	1	(Note 6)
Total of 47 Logistics properties			1,187,932.21	1,187,932.21	100.0	53	14,923
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	5,230.39	5,105.70	97.6	1	422
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	3,492.93	3,388.83	97.0	1	221
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,707.51	2,641.69	97.6	1	133
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,226.42	2,185.93	98.2	1	124
RE-005	Castalia Hiroo	Minato Ward, Tokyo	1,621.59	1,621.59	100.0	1	96
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,458.73	1,458.73	100.0	1	74
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,969.57	2,754.93	92.8	1	121

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,400.00	2,360.47	98.4	1	141
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,094.58	2,064.40	98.6	1	129
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,917.62	1,864.37	97.2	1	80
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,817.56	1,761.92	96.9	1	96
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,123.80	1,093.87	97.3	1	66
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,779.77	2,779.77	100.0	1	139
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	2,559.21	2,559.21	100.0	1	116
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,898.47	1,606.49	84.6	1	66
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,940.94	1,900.27	97.9	1	86
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,858.34	1,826.09	98.3	1	78
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	1,444.52	1,409.82	97.6	1	64
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	1,244.54	1,244.54	100.0	1	56
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	1,225.26	1,164.69	95.1	1	49
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	811.95	811.95	100.0	1	43
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	803.03	803.03	100.0	1	39
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	957.60	957.60	100.0	1	37
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	1,747.90	1,747.90	100.0	1	72
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,826.80	1,826.80	100.0	1	79
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	1,308.38	1,308.38	100.0	1	64
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	2,117.46	2,117.46	100.0	1	98
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,628.80	1,602.12	98.4	1	81
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	972.51	972.51	100.0	1	48
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	3,594.16	3,594.16	100.0	1	163
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	1,147.44	1,147.44	100.0	1	57
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	1,105.20	1,105.20	100.0	1	48
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	668.79	668.79	100.0	1	32
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	681.00	681.00	100.0	1	31
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,567.84	1,484.66	94.7	1	73
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	882.67	882.67	100.0	1	42
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	3,494.42	3,388.21	97.0	1	164
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	4,602.95	4,557.34	99.0	1	182
RE-039	Castalia Takanawa	Minato Ward, Tokyo	10,408.26	10,200.44	98.0	1	459
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	6,442.28	6,316.24	98.0	1	261
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	3,150.80	3,150.80	100.0	1	179
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	1,546.34	1,546.34	100.0	1	81
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	16,849.50	16,566.46	98.3	2	724
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	3,077.05	3,049.47	99.1	1	137
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	2,339.42	2,280.77	97.5	1	114
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,659.71	1,659.71	100.0	1	86
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,967.97	4,762.26	95.9	1	242
RE-048	Castalia Torisudaigaku	Meguro Ward, Tokyo	863.70	863.70	100.0	1	39
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,542.30	1,542.30	100.0	1	69
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,380.35	1,380.35	100.0	1	73
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,871.70	1,740.40	93.0	1	85
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	1,168.18	1,132.67	97.0	1	51
RE-053	Castalia Meguro	Meguro Ward, Tokyo	1,414.73	1,355.18	95.8	1	58
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,784.50	1,784.50	100.0	1	74
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,472.47	1,437.82	97.6	1	75
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	1,658.90	1,603.73	96.7	1	63
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	3,644.35	3,589.39	98.5	1	165
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,624.06	1,579.62	97.3	1	75
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	12,732.35	12,732.35	100.0	1	530
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	1,276.91	1,276.91	100.0	1	50
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	2,014.12	2,014.12	100.0	1	100
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	2,255.88	2,255.88	100.0	1	72
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	1,220.16	1,144.17	93.8	1	47
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	887.94	887.94	100.0	1	33

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	414.45	414.45	100.0	1	15
RE-066	Castalia Morishita	Koto Ward, Tokyo	1,383.90	1,383.90	100.0	1	63
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	1,425.43	1,364.40	95.7	1	51
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	1,537.84	1,507.76	98.0	1	61
RE-069	Castalia Iriya	Taito Ward, Tokyo	1,415.15	1,415.15	100.0	1	45
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	4,197.66	4,161.16	99.1	1	170
RE-071	Castalia Morishita II	Koto Ward, Tokyo	1,275.60	1,211.82	95.0	1	51
RE-072	Castalia Minowa	Taito Ward, Tokyo	2,406.41	2,381.29	99.0	1	97
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	857.32	789.55	92.1	1	33
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,613.86	1,532.46	95.0	1	67
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	1,472.38	1,447.37	98.3	1	64
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	1,362.60	1,362.60	100.0	1	64
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	3,038.98	3,038.98	100.0	1	136
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,785.24	1,785.24	100.0	1	71
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,994.93	1,994.93	100.0	1	86
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	2,421.82	2,396.32	98.9	1	143
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	18,112.03	18,112.03	100.0	1	634
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	2,629.59	2,585.79	98.3	1	147
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,413.75	1,022.25	72.3	1	54
RE-084	Castalia Omori	Ota Ward, Tokyo	2,046.36	2,046.36	100.0	1	101
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	2,640.86	2,494.98	94.5	1	127
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	3,797.92	3,797.92	100.0	1	128
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,818.70	2,777.00	98.5	1	151
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,166.71	3,141.74	99.2	1	224
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,123.77	1,954.22	92.0	1	116
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,961.52	1,867.59	95.2	1	98
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	2,004.80	1,919.88	95.8	1	92
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,668.24	1,543.54	92.5	1	57
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,278.52	1,278.52	100.0	1	63
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	17,269.74	17,269.74	100.0	1	454
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	2,224.41	2,187.15	98.3	1	99
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	4,208.83	4,208.83	100.0	1	111
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	1,452.09	1,452.09	100.0	1	51
RE-098	Castalia Funabashi	Funabashi City, Chiba	1,552.01	1,534.61	98.9	1	59
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	1,597.32	1,597.32	100.0	1	65
RE-105	Castalia NogeYama	Yokohama City, Kanagawa	744.90	720.07	96.7	1	26
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	876.89	876.89	100.0	1	39
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	18,153.57	18,153.57	100.0	1	458
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	2,179.80	2,179.80	100.0	1	110
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	21,367.93	21,367.93	100.0	2	488
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	26,294.49	26,294.49	100.0	1	983
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	3,009.74	3,009.74	100.0	1	111
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	3,808.97	3,808.97	100.0	1	129
RE-115	Crest Kusatsu	Kusatsu City, Shiga	13,452.80	12,730.98	94.6	1	217
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	3,471.39	3,351.16	96.5	1	117
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	3,279.90	3,228.84	98.4	1	107
RE-118	Castalia Abeno	Osaka City, Osaka	10,920.75	10,920.75	100.0	1	334
RE-119	Castalia Sakae	Nagoya City, Aichi	2,836.00	2,757.04	97.2	1	85
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	1,522.89	1,290.67	84.8	1	33
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	6,100.31	5,861.13	96.1	1	142
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	3,061.60	3,061.60	100.0	1	83
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	8,747.40	8,262.45	94.5	1	295
RE-125	Castalia Sannomiya	Kobe City, Hyogo	3,071.60	3,071.60	100.0	1	104
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	1,684.10	1,684.10	100.0	1	47
RE-127	Castalia Ichibancho	Sendai City, Miyagi	2,800.32	2,710.50	96.8	1	71
RE-128	Castalia Omachi	Sendai City, Miyagi	2,149.08	2,089.42	97.2	1	62
RE-129	Castalia Uemachidai	Osaka City, Osaka	5,415.39	5,415.39	100.0	1	167

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	6,230.20	6,150.15	98.7	1	251
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	8,661.19	8,554.15	98.8	1	202
RE-132	Castalia Fushimi	Nagoya City, Aichi	7,022.69	6,723.87	95.7	1	197
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	1,822.10	1,741.25	95.6	1	59
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	2,784.83	2,714.93	97.5	1	78
RE-135	Castalia Mibu	Kyoto City, Kyoto	2,828.39	2,828.39	100.0	1	91
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	4,471.11	4,244.34	94.9	1	104
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	11,089.75	6,306.39	56.9	1	166
RE-138	Royal Parks Namba	Osaka City, Osaka	10,354.15	10,354.15	100.0	1	256
RE-139	Castalia Shigahondori	Nagoya City, Aichi	5,086.69	4,902.19	96.4	1	139
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	2,035.37	2,035.37	100.0	1	64
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,897.06	2,897.06	100.0	1	133
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	6,828.78	6,828.78	100.0	1	194
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	4,425.46	4,425.46	100.0	1	114
Total of 135 Residential properties			487,242.91	474,836.56	97.5	137	18,017
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	41,742.84	41,742.84	100.0	1	551
RM-002	FOLEO Hirakata	Hirakata City, Osaka	16,390.96	15,713.33	95.9	1	357
RM-003	QiZ GATE URAWA	Saitama City, Saitama	9,705.29	8,936.34	92.1	9	297
RM-004	UNICUS Takasaki	Takasaki City, Gunma	9,277.08	9,277.08	100.0	1	259
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	24,018.00	24,018.00	100.0	1	188
RM-006	DREAM TOWN ALi	Aomori City, Aomori	22,196.81	22,022.29	99.2	1	584
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	11,207.90	11,207.90	100.0	1	94
RM-008	FOLEO Ome Imai	Ome City, Tokyo	8,637.91	8,637.91	100.0	1	257
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	2,973.44	2,973.44	100.0	1	(Note 6)
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	19,845.72	19,845.72	100.0	1	477
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	31,981.70	31,981.70	100.0	1	139
RR-004	Sports Depo and GOLF5 Kourahigashi IC Store	Kitakyushu City, Fukuoka	8,899.89	8,899.89	100.0	1	(Note 6)
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	28,002.92	28,002.92	100.0	1	(Note 6)
Total of 13 Retail properties			234,880.46	233,259.36	99.3	21	3,735
OT-001	Urban Living Inage	Chiba City, Chiba	4,177.52	4,177.52	100.0	1	78
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	3,901.14	3,901.14	100.0	1	87
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	13,480.00	13,480.00	100.0	1	542
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	3,064.89	3,064.89	100.0	1	(Note 6)
Total of 4 Other assets			24,623.55	24,623.55	100.0	4	824
Portfolio Total of 199 Properties			1,934,679.13	1,920,651.68	99.3	215	37,501

(Note 1) “Leasable area” means the leasable area of the building (or land in the case of land properties) in relation to each real estate or each real estate in trust which DHR believes is leasable as indicated in the relevant lease agreement or drawing of the building in relation to each real estate or each real estate in trust as of February 28, 2018. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leasable area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.

(Note 2) “Leased area” represents the leased area in the leasable area as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2018. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the leased area to end-tenants, as indicated in the sublease agreement for each real estate or each real estate in trust as of February 28, 2018, is provided. As some lease agreements for each real estate or each real estate in trust may indicate leased area that includes portions not included in the gross floor area, the leased area may exceed the gross floor area. In particular at logistics properties, when eaves are included in the leased area, the leased area may significantly exceed the gross floor area. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leased area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.

(Note 3) “Occupancy rate” represents the percentage of leased area to the leasable area of each real estate or each real estate in trust as of February 28, 2018, which is rounded to the nearest tenth.

(Note 4) “Number of tenants” is equal to the number of tenants per property based upon the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2018. However, the number of tenants is indicated as 1 (one) in the case of a property subject to a master lease agreement with the master lease company.



(Note 5) “Annual rent” represents the amount calculated by multiplying the monthly rent as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2018 by 12 (as to real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements). Annual rent for residential properties includes common area charges. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the annual rent represents the amount calculated by multiplying the monthly rent indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 28, 2018 by 12 (as to real estate or each real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). For revenue-based rent, a monthly amount linked to sales in February 2018 is used. Therefore, the sums of the “Annual rent” of each property may not add up to the total for the portfolio. Furthermore, in the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the annual rent of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.

(Note 6) Undisclosed as consent for disclosure has not been obtained from the lessee.

#### iv) Status of revenues from real estate and real estate in trust

The status of revenues from each real estate and each real estate in trust including rental revenues is as follows.

Figures related to revenues are calculated in accordance with the following:

- Amounts are presented in thousands of yen and rounded down to the nearest thousand yen. Therefore, the sum of figures shown in the tables may not necessarily be equal to the total amount.
- Rental revenues include rent and common area charges.
- Other rental revenues include revenues from parking lot usage fees, signboard usage fees, utilities expenses, vending machines, key money, renewal commissions, restoration and early termination penalty.
- In principle, property taxes and city planning taxes, which are included in taxes and public dues, are imposed on the owner as of January 1 of each year. The amount of adjustment equivalent to prepaid property taxes and city planning taxes with the former owner (prior beneficiary) at the acquisition are included in the acquisition cost of real estate, etc. as part of incidental expenses, and are not recorded in rental expenses.
- Outsourcing expenses include management outsourcing expenses, PM fee, leasing fee and renewal commissions.
- Repairs and maintenance expenses include repairs and restoration costs.
- Since repairs and maintenance expenses, and capital expenditures significantly fluctuate from year to year and do not arise regularly, the repairs and maintenance expenses and capital expenditures in the fiscal period may differ substantially from the amount of such expenses and capital expenditures incurred when DHR continues to hold the acquired asset for a long term.
- Insurance represents the amount calculated based on premiums paid in relation to the relevant term.
- Other rental expenses include custodian fees and parking lot usage fees.
- Depreciation represents the amount in relation to the number of months in the disclosure period.
- Leasehold and security deposits, etc. represents the total amount of outstanding leasehold and security deposit as indicated in the lease agreement in relation to each real estate or each real estate in trust (as to real estate or real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements). However, in the case of a pass-through type master lease agreement entered into with the master lease company, the total scheduled outstanding amount of leasehold and security deposit, as indicated in each sublease agreement entered into between the master lease company and end-tenants in relation to each real estate or each real estate in trust as of February 28, 2018 (as to real estate or real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements), is provided. When there are portions that do not need to be repaid due to special agreements concerning non-refundable deposits or written-off deposits, the amount represents the amount after subtracting these deductions.

Status of revenues from real estate and real estate in trust

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-001	LB-002	LB-003	LB-004
Property name	D Project Machida	D Project Hachioji	D Project Aikawa-Machi	D Project Shin-Misato
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A – B)	203,092	360,321	103,788	141,277
(D) Depreciation	41,841	81,878	21,933	20,942
(E) Income (loss) from rental business (= C – D)	161,251	278,442	81,854	120,335
(F) Capital expenditures	15,041	242,400	136,060	–
(G) NCF (= C – F)	188,051	117,921	(32,271)	141,277
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Property number	LB-005	LB-006	LB-007	LB-008
Property name	D Project Urayasu I	D Project Urayasu II	D Project Akanehama	D Project Noda
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A – B)	199,440	556,241	70,396	156,276
(D) Depreciation	32,486	85,646	13,100	34,606
(E) Income (loss) from rental business (= C – D)	166,953	470,595	57,295	121,670
(F) Capital expenditures	5,308	–	–	–
(G) NCF (= C – F)	194,131	556,241	70,396	156,276
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-009	LB-010	LB-011	LB-012
Property name	D Project Inuyama	D Project Gifu	D Project Neyagawa	D Project Sapporo Minami
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A - B)	228,178	30,864	143,524	24,726
(D) Depreciation	53,145	7,831	24,382	7,273
(E) Income (loss) from rental business (= C - D)	175,033	23,032	119,142	17,452
(F) Capital expenditures	-	14,504	-	8,214
(G) NCF (= C - F)	228,178	16,359	143,524	16,511
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Property number	LB-013	LB-014	LB-015	LB-016
Property name	D Project Morioka	D Project Sendai Minami	D Project Tsuchiura	D Project Gotenba
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A - B)	28,714	41,231	100,532	32,846
(D) Depreciation	9,160	12,465	24,882	6,812
(E) Income (loss) from rental business (= C - D)	19,554	28,766	75,649	26,034
(F) Capital expenditures	-	18,855	-	-
(G) NCF (= C - F)	28,714	22,376	100,532	32,846
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-017	LB-018	LB-019	LB-020
Property name	D Project Nishi-Hiroshima	D Project Fukuoka Umi	D Project Tosu	D Project Kuki I
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	126,624	(Note)	(Note)
Rental revenues	(Note)	126,624	(Note)	(Note)
Other rental revenues	(Note)	–	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	14,520	(Note)	(Note)
Taxes and public dues	(Note)	9,160	(Note)	(Note)
Outsourcing expenses	(Note)	3,192	(Note)	(Note)
Repairs and maintenance expenses	(Note)	–	(Note)	(Note)
Insurance	(Note)	173	(Note)	(Note)
Utilities expenses	(Note)	–	(Note)	(Note)
Other rental expenses	(Note)	1,995	(Note)	(Note)
(C) NOI (= A – B)	38,492	112,103	153,265	100,880
(D) Depreciation	6,092	25,491	45,436	20,468
(E) Income (loss) from rental business (= C – D)	32,400	86,612	107,828	80,411
(F) Capital expenditures	312	–	–	–
(G) NCF (= C – F)	38,180	112,103	153,265	100,880
Leasehold and security deposits, etc.	(Note)	176,336	(Note)	(Note)

Property number	LB-021	LB-022	LB-023	LB-024
Property name	D Project Kuki II	D Project Kawagoe I	D Project Kawagoe II	DPL Inuyama
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	102,933	140,520	(Note)
Rental revenues	(Note)	102,762	140,520	(Note)
Other rental revenues	(Note)	171	–	(Note)
(B) Real estate rental expenses subtotal	(Note)	11,849	13,936	(Note)
Taxes and public dues	(Note)	9,293	11,718	(Note)
Outsourcing expenses	(Note)	1,800	1,800	(Note)
Repairs and maintenance expenses	(Note)	–	–	(Note)
Insurance	(Note)	119	150	(Note)
Utilities expenses	(Note)	–	–	(Note)
Other rental expenses	(Note)	637	267	(Note)
(C) NOI (= A – B)	217,316	91,084	126,583	100,998
(D) Depreciation	56,245	16,404	22,879	21,893
(E) Income (loss) from rental business (= C – D)	161,071	74,680	103,703	79,105
(F) Capital expenditures	–	–	–	–
(G) NCF (= C – F)	217,316	91,084	126,583	100,998
Leasehold and security deposits, etc.	(Note)	173,500	140,148	(Note)

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-025	LB-026	LB-027	LB-028
Property name	D Project Fukuoka Hakozaki	D Project Kuki III	D Project Kuki IV	D Project Kuki V
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A - B)	111,422	199,837	156,735	220,054
(D) Depreciation	23,597	44,913	34,892	50,467
(E) Income (loss) from rental business (= C - D)	87,825	154,924	121,842	169,586
(F) Capital expenditures	-	-	14,225	346
(G) NCF (= C - F)	111,422	199,837	142,510	219,707
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Property number	LB-029	LB-030	LB-031	LB-032
Property name	D Project Kuki VI	D Project Yashio	D Project Nishiyodogawa	D Project Matsudo
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A - B)	133,375	153,919	257,948	176,091
(D) Depreciation	35,367	34,480	60,936	30,492
(E) Income (loss) from rental business (= C - D)	98,007	119,438	197,012	145,598
(F) Capital expenditures	-	22,105	-	-
(G) NCF (= C - F)	133,375	131,814	257,948	176,091
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-033	LB-034	LB-035	LB-036
Property name	D Project Hibiki Nada	D Project Morioka II	D Project Kawagoe III	D Project Kazo
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A - B)	53,287	40,579	209,353	103,082
(D) Depreciation	19,629	8,527	46,077	21,782
(E) Income (loss) from rental business (= C - D)	33,657	32,051	163,275	81,300
(F) Capital expenditures	-	-	-	-
(G) NCF (= C - F)	53,287	40,579	209,353	103,082
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Property number	LB-037	LB-038	LB-039	LB-040
Property name	D Project Urayasu III	D Project Tomisato	D Project Kyotanabe	D Project Sendai Izumi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A - B)	209,812	156,420	115,285	50,923
(D) Depreciation	41,146	38,296	21,577	11,822
(E) Income (loss) from rental business (= C - D)	168,665	118,124	93,707	39,101
(F) Capital expenditures	14,827	-	-	-
(G) NCF (= C - F)	194,985	156,420	115,285	50,923
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-041	LB-042	LB-043	LB-044
Property name	D Project Oyama	D Project Sano	D Project Tatebayashi	D Project Kakegawa
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	(Note)
Rental revenues	(Note)	(Note)	(Note)	(Note)
Other rental revenues	(Note)	(Note)	(Note)	(Note)
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	(Note)
Taxes and public dues	(Note)	(Note)	(Note)	(Note)
Outsourcing expenses	(Note)	(Note)	(Note)	(Note)
Repairs and maintenance expenses	(Note)	(Note)	(Note)	(Note)
Insurance	(Note)	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)	(Note)
Other rental expenses	(Note)	(Note)	(Note)	(Note)
(C) NOI (= A – B)	63,917	61,793	102,635	201,536
(D) Depreciation	14,176	15,432	23,304	42,247
(E) Income (loss) from rental business (= C – D)	49,740	46,360	79,331	159,289
(F) Capital expenditures	–	–	–	39,200
(G) NCF (= C – F)	63,917	61,793	102,635	162,335
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	(Note)

Property number	LB-045	LB-046	LM-001	Logistics properties subtotal
Property name	D Project Hiroshima Seifu	D Project Tosu II	DPL Misato	
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	(Note)	(Note)	7,542,075
Rental revenues	(Note)	(Note)	(Note)	7,503,107
Other rental revenues	(Note)	(Note)	(Note)	38,968
(B) Real estate rental expenses subtotal	(Note)	(Note)	(Note)	784,435
Taxes and public dues	(Note)	(Note)	(Note)	502,774
Outsourcing expenses	(Note)	(Note)	(Note)	150,447
Repairs and maintenance expenses	(Note)	(Note)	(Note)	89,889
Insurance	(Note)	(Note)	(Note)	9,957
Utilities expenses	(Note)	(Note)	(Note)	4,633
Other rental expenses	(Note)	(Note)	(Note)	26,733
(C) NOI (= A – B)	125,307	56,814	435,327	6,757,640
(D) Depreciation	24,470	14,114	73,615	1,424,672
(E) Income (loss) from rental business (= C – D)	100,836	42,699	361,711	5,332,967
(F) Capital expenditures	–	–	–	531,401
(G) NCF (= C – F)	125,307	56,814	435,327	6,226,238
Leasehold and security deposits, etc.	(Note)	(Note)	(Note)	—

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-001	RE-002	RE-003	RE-004
Property name	Qiz Ebisu	Castalia Azabujuban Shichimenzaka	Castalia Shibakoen	Castalia Ginza
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	232,268	118,603	70,862	68,895
Rental revenues	209,009	109,121	65,012	62,588
Other rental revenues	23,258	9,481	5,849	6,307
(B) Real estate rental expenses subtotal	52,114	25,940	41,426	14,641
Taxes and public dues	8,142	4,722	3,410	3,245
Outsourcing expenses	19,473	10,096	9,375	6,777
Repairs and maintenance expenses	6,669	5,670	26,608	2,423
Insurance	117	81	53	59
Utilities expenses	15,121	2,800	517	638
Other rental expenses	2,589	2,568	1,461	1,496
(C) NOI (= A - B)	180,154	92,662	29,436	54,254
(D) Depreciation	32,297	24,281	15,197	13,399
(E) Income (loss) from rental business (= C - D)	147,856	68,381	14,238	40,855
(F) Capital expenditures	10,867	4,250	47,279	547
(G) NCF (= C - F)	169,287	88,412	(17,843)	53,706
Leasehold and security deposits, etc.	182,689	27,924	12,546	11,712

Property number	RE-005	RE-006	RE-007	RE-008
Property name	Castalia Hiroo	Castalia Nihonbashi	Castalia Hacchobori	Castalia Azabujuban
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	50,709	38,968	65,262	72,905
Rental revenues	48,083	36,272	62,590	69,082
Other rental revenues	2,626	2,695	2,671	3,823
(B) Real estate rental expenses subtotal	17,787	10,163	12,896	15,749
Taxes and public dues	2,708	1,811	2,830	2,401
Outsourcing expenses	3,904	4,675	5,858	7,558
Repairs and maintenance expenses	8,468	2,453	3,012	4,325
Insurance	34	36	56	47
Utilities expenses	1,593	382	327	380
Other rental expenses	1,077	803	810	1,035
(C) NOI (= A - B)	32,922	28,805	52,365	57,156
(D) Depreciation	11,319	8,365	14,551	12,199
(E) Income (loss) from rental business (= C - D)	21,602	20,439	37,813	44,956
(F) Capital expenditures	14,006	518	540	2,104
(G) NCF (= C - F)	18,915	28,287	51,825	55,051
Leasehold and security deposits, etc.	23,626	11,116	12,679	15,116



Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-009	RE-010	RE-011	RE-012
Property name	Castalia Azabujuban II	Castalia Shinjuku Natsumezaka	Castalia Ginza II	Castalia Shibuya Sakuragaoka
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	67,981	39,810	50,721	35,609
Rental revenues	64,957	38,038	48,860	32,900
Other rental revenues	3,023	1,771	1,861	2,709
(B) Real estate rental expenses subtotal	11,997	11,741	9,229	8,078
Taxes and public dues	2,838	2,130	2,197	1,781
Outsourcing expenses	4,860	5,021	5,061	4,046
Repairs and maintenance expenses	2,700	3,466	902	946
Insurance	46	38	38	27
Utilities expenses	516	302	286	297
Other rental expenses	1,034	782	742	979
(C) NOI (= A - B)	55,983	28,068	41,491	27,531
(D) Depreciation	13,576	8,101	10,780	6,022
(E) Income (loss) from rental business (= C - D)	42,407	19,967	30,711	21,508
(F) Capital expenditures	803	1,094	273	1,142
(G) NCF (= C - F)	55,180	26,973	41,218	26,388
Leasehold and security deposits, etc.	13,296	16,491	8,293	6,436

Property number	RE-013	RE-014	RE-015	RE-016
Property name	Castalia Nishi Azabu Kasumicho	Castalia Ochanomizu	Castalia Sangubashi	Castalia Suitengu
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	70,332	61,201	42,460	45,495
Rental revenues	67,021	57,080	37,460	43,323
Other rental revenues	3,311	4,120	4,999	2,172
(B) Real estate rental expenses subtotal	28,894	12,608	9,379	29,067
Taxes and public dues	4,488	2,877	2,755	2,354
Outsourcing expenses	9,219	5,369	3,579	3,874
Repairs and maintenance expenses	11,072	2,897	1,778	20,056
Insurance	59	49	37	41
Utilities expenses	2,401	368	391	1,539
Other rental expenses	1,652	1,046	838	1,199
(C) NOI (= A - B)	41,438	48,592	33,080	16,428
(D) Depreciation	11,524	8,542	6,250	7,387
(E) Income (loss) from rental business (= C - D)	29,913	40,050	26,829	9,040
(F) Capital expenditures	16,336	4,786	172	37,871
(G) NCF (= C - F)	25,102	43,806	32,907	(21,442)
Leasehold and security deposits, etc.	16,401	18,407	8,495	6,842

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-017	RE-018	RE-019	RE-020
Property name	Castalia Suitengu II	Castalia Shintomicho	Castalia Shintomicho II	Castalia Harajuku
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	40,372	32,677	29,247	27,030
Rental revenues	39,179	31,634	27,605	25,764
Other rental revenues	1,192	1,042	1,641	1,266
(B) Real estate rental expenses subtotal	9,685	8,526	6,506	7,037
Taxes and public dues	2,454	1,834	1,371	1,472
Outsourcing expenses	3,161	3,102	2,659	2,554
Repairs and maintenance expenses	1,454	2,249	1,944	1,662
Insurance	42	32	25	26
Utilities expenses	1,467	475	422	292
Other rental expenses	1,105	831	82	1,029
(C) NOI (= A - B)	30,686	24,150	22,741	19,993
(D) Depreciation	6,873	6,628	6,186	3,000
(E) Income (loss) from rental business (= C - D)	23,812	17,521	16,554	16,993
(F) Capital expenditures	1,956	4,480	3,478	488
(G) NCF (= C - F)	28,730	19,670	19,262	19,505
Leasehold and security deposits, etc.	6,410	7,849	5,878	4,857

Property number	RE-021	RE-022	RE-023	RE-024
Property name	Castalia Yoyogi Uehara	Castalia Sendagaya	Castalia Shinjuku 7 chome	Castalia Ningyocho
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	22,431	20,061	19,853	37,480
Rental revenues	21,257	19,743	18,582	35,589
Other rental revenues	1,174	318	1,271	1,891
(B) Real estate rental expenses subtotal	5,678	4,137	4,060	25,046
Taxes and public dues	1,010	1,004	953	1,950
Outsourcing expenses	2,426	1,953	1,900	3,425
Repairs and maintenance expenses	1,413	372	38	18,389
Insurance	17	15	21	33
Utilities expenses	170	159	316	421
Other rental expenses	640	632	829	825
(C) NOI (= A - B)	16,753	15,923	15,793	12,433
(D) Depreciation	3,097	2,501	1,842	6,229
(E) Income (loss) from rental business (= C - D)	13,655	13,421	13,950	6,204
(F) Capital expenditures	3,179	724	657	37,133
(G) NCF (= C - F)	13,573	15,199	15,135	(24,699)
Leasehold and security deposits, etc.	5,695	4,039	2,627	7,615

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-025	RE-026	RE-027	RE-028
Property name	Castalia Ningyocho II	Castalia Shin-Ochanomizu	Castalia Higashi Nihonbashi II	Castalia Jinbocho
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	40,542	32,303	51,852	42,798
Rental revenues	39,514	31,594	48,201	40,974
Other rental revenues	1,028	709	3,650	1,823
(B) Real estate rental expenses subtotal	22,041	6,668	10,754	8,675
Taxes and public dues	1,997	1,749	2,277	1,779
Outsourcing expenses	2,823	2,635	5,101	3,847
Repairs and maintenance expenses	14,597	1,239	2,135	1,805
Insurance	35	29	46	32
Utilities expenses	456	274	372	373
Other rental expenses	2,131	739	821	836
(C) NOI (= A - B)	18,500	25,635	41,097	34,123
(D) Depreciation	6,777	4,373	8,120	5,728
(E) Income (loss) from rental business (= C - D)	11,722	21,262	32,977	28,394
(F) Capital expenditures	23,202	267	879	1,573
(G) NCF (= C - F)	(4,701)	25,367	40,217	32,549
Leasehold and security deposits, etc.	8,922	7,245	11,293	7,016

Property number	RE-029	RE-030	RE-031	RE-032
Property name	Castalia Shintomicho III	Castalia Shinjuku Gyoen	Castalia Takanawadai	Castalia Higashi Nihonbashi III
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	24,713	83,844	29,583	24,336
Rental revenues	24,020	81,667	28,031	24,336
Other rental revenues	693	2,177	1,552	-
(B) Real estate rental expenses subtotal	5,641	12,401	7,173	4,277
Taxes and public dues	1,155	4,101	1,525	1,297
Outsourcing expenses	2,401	5,681	2,779	1,568
Repairs and maintenance expenses	810	718	1,724	358
Insurance	26	76	25	25
Utilities expenses	312	585	241	351
Other rental expenses	935	1,237	877	676
(C) NOI (= A - B)	19,072	71,442	22,410	20,058
(D) Depreciation	4,510	12,993	3,788	3,840
(E) Income (loss) from rental business (= C - D)	14,562	58,449	18,621	16,217
(F) Capital expenditures	1,295	1,113	631	-
(G) NCF (= C - F)	17,777	70,329	21,778	20,058
Leasehold and security deposits, etc.	5,028	19,225	3,861	6,228

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-033	RE-034	RE-035	RE-036
Property name	Castalia Shinjuku Gyoen II	Castalia Shintomicho IV	Castalia Takanawadai II	Castalia Minami Azabu
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	16,101	15,668	38,390	21,879
Rental revenues	15,905	15,440	37,392	20,554
Other rental revenues	196	227	998	1,324
(B) Real estate rental expenses subtotal	3,494	13,292	9,366	6,264
Taxes and public dues	869	816	2,044	1,129
Outsourcing expenses	1,476	1,937	3,815	2,756
Repairs and maintenance expenses	540	9,419	2,302	1,541
Insurance	14	14	32	17
Utilities expenses	165	229	310	126
Other rental expenses	427	874	860	693
(C) NOI (= A - B)	12,606	2,375	29,023	15,614
(D) Depreciation	2,754	2,410	5,407	2,737
(E) Income (loss) from rental business (= C - D)	9,852	(34)	23,616	12,876
(F) Capital expenditures	-	22,209	662	719
(G) NCF (= C - F)	12,606	(19,833)	28,361	14,894
Leasehold and security deposits, etc.	1,028	3,491	6,686	4,538

Property number	RE-037	RE-038	RE-039	RE-040
Property name	Castalia Ginza III	Castalia Kayabacho	Castalia Takanawa	Castalia Higashi Nihonbashi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	86,460	96,724	251,189	139,786
Rental revenues	82,945	89,072	225,907	130,915
Other rental revenues	3,515	7,652	25,281	8,870
(B) Real estate rental expenses subtotal	17,169	21,246	62,020	33,676
Taxes and public dues	4,504	4,491	14,134	7,623
Outsourcing expenses	7,095	8,643	24,776	13,484
Repairs and maintenance expenses	4,169	6,540	15,320	10,653
Insurance	75	97	261	140
Utilities expenses	753	599	2,470	1,099
Other rental expenses	570	874	5,057	675
(C) NOI (= A - B)	69,291	75,478	189,169	106,109
(D) Depreciation	14,111	15,060	28,529	20,509
(E) Income (loss) from rental business (= C - D)	55,179	60,417	160,640	85,600
(F) Capital expenditures	3,600	8,347	14,047	2,991
(G) NCF (= C - F)	65,690	67,130	175,122	103,118
Leasehold and security deposits, etc.	14,038	20,275	53,661	34,328

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-041	RE-042	RE-043	RE-044
Property name	Castalia Shinjuku	Castalia Ichigaya	Shibaura Island Bloom Tower	Castalia Hatsudai
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	92,083	40,632	384,721	70,604
Rental revenues	89,731	39,580	350,172	67,616
Other rental revenues	2,352	1,052	34,549	2,987
(B) Real estate rental expenses subtotal	11,575	10,954	138,415	17,256
Taxes and public dues	4,878	1,875	18,179	4,082
Outsourcing expenses	5,041	5,742	59,039	6,312
Repairs and maintenance expenses	438	2,028	14,296	5,415
Insurance	68	32	661	66
Utilities expenses	612	261	4,299	615
Other rental expenses	536	1,013	41,938	764
(C) NOI (= A - B)	80,508	29,678	246,305	53,347
(D) Depreciation	9,981	6,816	89,139	15,139
(E) Income (loss) from rental business (= C - D)	70,527	22,861	157,166	38,208
(F) Capital expenditures	-	540	2,501	2,072
(G) NCF (= C - F)	80,508	29,138	243,804	51,275
Leasehold and security deposits, etc.	-	6,581	218,004	12,694

Property number	RE-045	RE-046	RE-047	RE-048
Property name	Castalia Hatsudai II	Castalia Ebisu	Castalia Meguro Kamurozaka	Castalia Toritsudaigaku
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	59,796	44,423	130,141	20,885
Rental revenues	55,639	42,677	122,751	19,553
Other rental revenues	4,157	1,746	7,389	1,332
(B) Real estate rental expenses subtotal	18,434	12,856	25,763	4,349
Taxes and public dues	3,360	2,265	5,823	538
Outsourcing expenses	8,259	5,997	12,854	2,238
Repairs and maintenance expenses	5,384	1,760	4,186	454
Insurance	51	35	123	21
Utilities expenses	669	351	895	327
Other rental expenses	709	2,446	1,879	769
(C) NOI (= A - B)	41,362	31,567	104,378	16,536
(D) Depreciation	10,457	8,185	27,642	5,253
(E) Income (loss) from rental business (= C - D)	30,905	23,381	76,735	11,282
(F) Capital expenditures	2,696	3,333	9,528	600
(G) NCF (= C - F)	38,665	28,233	94,849	15,935
Leasehold and security deposits, etc.	11,001	9,225	22,922	3,475

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-049	RE-050	RE-051	RE-052
Property name	Castalia Yukigaya	Castalia Yutenji	Castalia Otsuka	Castalia Kikukawa
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	34,912	38,501	46,052	26,480
Rental revenues	32,899	36,383	43,462	25,623
Other rental revenues	2,013	2,118	2,590	856
(B) Real estate rental expenses subtotal	9,705	30,692	12,635	7,120
Taxes and public dues	1,875	1,297	2,153	1,442
Outsourcing expenses	4,501	4,122	5,219	2,494
Repairs and maintenance expenses	2,277	22,979	3,803	2,064
Insurance	34	26	44	27
Utilities expenses	337	158	736	278
Other rental expenses	679	2,106	677	813
(C) NOI (= A - B)	25,207	7,808	33,417	19,360
(D) Depreciation	8,329	8,753	11,672	6,794
(E) Income (loss) from rental business (= C - D)	16,878	(945)	21,744	12,565
(F) Capital expenditures	2,115	18,097	1,359	816
(G) NCF (= C - F)	23,091	(10,288)	32,057	18,543
Leasehold and security deposits, etc.	10,357	12,361	8,624	5,512

Property number	RE-053	RE-054	RE-055	RE-056
Property name	Castalia Meguro	Castalia Otsuka II	Castalia Jiyugaoka	Castalia Mejiro
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	29,767	37,598	39,671	33,877
Rental revenues	27,595	36,139	37,937	32,307
Other rental revenues	2,172	1,459	1,733	1,570
(B) Real estate rental expenses subtotal	14,113	8,648	8,988	5,625
Taxes and public dues	1,452	1,782	2,097	1,637
Outsourcing expenses	3,901	3,661	3,644	2,717
Repairs and maintenance expenses	6,330	2,178	2,189	574
Insurance	25	39	29	30
Utilities expenses	241	381	262	207
Other rental expenses	2,162	604	764	458
(C) NOI (= A - B)	15,654	28,950	30,682	28,252
(D) Depreciation	5,387	6,919	5,236	5,299
(E) Income (loss) from rental business (= C - D)	10,266	22,030	25,446	22,952
(F) Capital expenditures	17,819	1,016	1,948	1,165
(G) NCF (= C - F)	(2,165)	27,933	28,734	27,086
Leasehold and security deposits, etc.	6,157	7,927	8,843	6,392

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-057	RE-058	RE-059	RE-060
Property name	Castalia Ikebukuro	Castalia Kaname-cho	Castalia Tower Shinagawa Seaside	Castalia Yakumo
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	86,582	40,464	280,269	25,483
Rental revenues	81,324	37,887	260,835	23,927
Other rental revenues	5,257	2,577	19,434	1,555
(B) Real estate rental expenses subtotal	19,448	7,730	60,343	7,880
Taxes and public dues	4,112	1,595	15,094	1,709
Outsourcing expenses	9,551	3,651	25,217	4,217
Repairs and maintenance expenses	4,396	1,510	14,371	1,293
Insurance	76	34	307	25
Utilities expenses	687	299	3,610	207
Other rental expenses	625	638	1,742	426
(C) NOI (= A - B)	67,133	32,734	219,926	17,602
(D) Depreciation	13,205	5,566	45,618	3,760
(E) Income (loss) from rental business (= C - D)	53,927	27,168	174,307	13,842
(F) Capital expenditures	2,092	-	3,016	1,533
(G) NCF (= C - F)	65,040	32,734	216,909	16,069
Leasehold and security deposits, etc.	17,346	8,396	67,385	4,325

Property number	RE-061	RE-062	RE-063	RE-064
Property name	Castalia Togoshiekimae	Castalia Honjo Azumabashi	Castalia Kitazawa	Castalia Monzennakacho
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	50,544	37,530	25,597	17,133
Rental revenues	50,166	35,236	24,097	16,743
Other rental revenues	378	2,293	1,500	390
(B) Real estate rental expenses subtotal	6,768	12,047	11,219	13,067
Taxes and public dues	2,581	2,372	1,737	925
Outsourcing expenses	2,834	3,275	3,782	1,226
Repairs and maintenance expenses	377	5,172	4,540	9,664
Insurance	46	45	24	17
Utilities expenses	353	448	428	248
Other rental expenses	573	732	706	984
(C) NOI (= A - B)	43,776	25,482	14,377	4,066
(D) Depreciation	6,306	7,406	4,600	3,355
(E) Income (loss) from rental business (= C - D)	37,470	18,076	9,776	710
(F) Capital expenditures	-	9,292	2,091	23,959
(G) NCF (= C - F)	43,776	16,190	12,285	(19,893)
Leasehold and security deposits, etc.	10,813	9,135	5,681	30

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-065	RE-066	RE-067	RE-068
Property name	Castalia Kamiikedai	Castalia Morishita	Castalia Wakabayashikoen	Castalia Asakusabashi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	7,692	32,871	28,016	32,719
Rental revenues	7,542	30,404	26,465	31,172
Other rental revenues	150	2,467	1,551	1,547
(B) Real estate rental expenses subtotal	12,571	9,358	11,937	5,985
Taxes and public dues	239	1,624	1,901	1,539
Outsourcing expenses	859	4,145	2,755	2,741
Repairs and maintenance expenses	10,387	2,529	6,351	931
Insurance	7	30	31	32
Utilities expenses	27	316	294	251
Other rental expenses	1,049	712	602	488
(C) NOI (= A - B)	(4,878)	23,512	16,078	26,733
(D) Depreciation	1,032	5,306	4,245	4,970
(E) Income (loss) from rental business (= C - D)	(5,911)	18,206	11,832	21,762
(F) Capital expenditures	129	1,261	2,488	644
(G) NCF (= C - F)	(5,008)	22,250	13,590	26,089
Leasehold and security deposits, etc.	771	7,824	5,269	7,191

Property number	RE-069	RE-070	RE-071	RE-072
Property name	Castalia Iriya	Castalia Kita Ueno	Castalia Morishita II	Castalia Minowa
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	22,958	89,967	27,423	50,242
Rental revenues	22,593	84,384	26,583	47,412
Other rental revenues	365	5,583	839	2,829
(B) Real estate rental expenses subtotal	6,208	25,757	5,834	12,192
Taxes and public dues	1,296	5,325	1,450	2,608
Outsourcing expenses	2,187	9,457	2,575	5,384
Repairs and maintenance expenses	1,846	9,099	712	3,384
Insurance	27	100	29	52
Utilities expenses	231	882	272	420
Other rental expenses	620	892	795	341
(C) NOI (= A - B)	16,750	64,210	21,588	38,050
(D) Depreciation	3,736	16,410	4,563	9,306
(E) Income (loss) from rental business (= C - D)	13,013	47,799	17,024	28,743
(F) Capital expenditures	485	2,794	326	2,910
(G) NCF (= C - F)	16,264	61,416	21,262	35,140
Leasehold and security deposits, etc.	5,456	20,481	4,997	8,692



Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-073	RE-074	RE-075	RE-076
Property name	Castalia Oyamadaï	Castalia Nakano	Castalia Yoga	Castalia Sumiyoshi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	18,091	36,792	34,869	32,191
Rental revenues	17,567	34,642	32,171	30,829
Other rental revenues	523	2,149	2,698	1,362
(B) Real estate rental expenses subtotal	4,084	9,038	6,249	8,247
Taxes and public dues	1,225	1,866	1,604	1,702
Outsourcing expenses	1,832	3,834	3,627	4,240
Repairs and maintenance expenses	680	2,519	340	1,660
Insurance	21	36	29	33
Utilities expenses	200	282	279	244
Other rental expenses	124	499	368	365
(C) NOI (= A – B)	14,006	27,753	28,619	23,944
(D) Depreciation	2,210	6,438	3,756	6,346
(E) Income (loss) from rental business (= C – D)	11,795	21,314	24,862	17,597
(F) Capital expenditures	–	4,200	326	103
(G) NCF (= C – F)	14,006	23,552	28,293	23,840
Leasehold and security deposits, etc.	2,025	6,364	6,602	6,775

Property number	RE-077	RE-078	RE-079	RE-080
Property name	Castalia Monzennakacho II	Castalia Oshiage	Castalia Kuramae	Castalia Nakanobu
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	69,477	36,293	43,834	72,150
Rental revenues	68,032	35,047	43,416	69,482
Other rental revenues	1,445	1,245	418	2,667
(B) Real estate rental expenses subtotal	17,668	6,051	7,019	14,945
Taxes and public dues	3,720	2,106	2,463	3,337
Outsourcing expenses	4,549	2,643	2,959	8,028
Repairs and maintenance expenses	8,253	576	1,030	1,820
Insurance	67	43	46	53
Utilities expenses	573	272	422	578
Other rental expenses	503	409	97	1,127
(C) NOI (= A – B)	51,809	30,241	36,814	57,204
(D) Depreciation	11,128	7,234	7,499	13,524
(E) Income (loss) from rental business (= C – D)	40,680	23,007	29,314	43,679
(F) Capital expenditures	4,610	568	820	1,437
(G) NCF (= C – F)	47,199	29,673	35,994	55,766
Leasehold and security deposits, etc.	5,972	9,370	–	22,642

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-081	RE-082	RE-083	RE-084
Property name	Royal Parks Toyosu	Castalia Togoshi	Castalia Ooimachi	Castalia Omori
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	333,120	74,724	36,094	53,813
Rental revenues	317,242	70,395	35,708	49,798
Other rental revenues	15,877	4,328	386	4,014
(B) Real estate rental expenses subtotal	102,813	23,299	6,857	10,043
Taxes and public dues	18,120	4,249	1,732	2,349
Outsourcing expenses	15,125	8,705	1,362	4,672
Repairs and maintenance expenses	15,820	8,192	2,889	1,905
Insurance	437	67	30	50
Utilities expenses	–	790	236	507
Other rental expenses	53,309	1,292	605	559
(C) NOI (= A – B)	230,306	51,425	29,237	43,769
(D) Depreciation	105,062	16,337	7,967	13,138
(E) Income (loss) from rental business (= C – D)	125,244	35,088	21,270	30,630
(F) Capital expenditures	9,759	2,497	850	196
(G) NCF (= C – F)	220,546	48,927	28,387	43,572
Leasehold and security deposits, etc.	73,633	16,550	–	14,104

Property number	RE-085	RE-086	RE-087	RE-088
Property name	Castalia Mishuku	Castalia Arakawa	Castalia Omori II	Castalia Nakameguro
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	68,694	65,188	79,149	115,789
Rental revenues	64,064	61,064	73,006	108,632
Other rental revenues	4,630	4,123	6,143	7,156
(B) Real estate rental expenses subtotal	13,958	18,141	19,542	21,944
Taxes and public dues	3,408	3,712	3,606	4,349
Outsourcing expenses	7,161	7,341	7,994	10,816
Repairs and maintenance expenses	2,189	5,960	4,996	3,695
Insurance	60	75	67	65
Utilities expenses	587	584	1,653	2,363
Other rental expenses	551	466	1,224	654
(C) NOI (= A – B)	54,736	47,046	59,607	93,845
(D) Depreciation	13,488	17,306	13,661	12,580
(E) Income (loss) from rental business (= C – D)	41,247	29,740	45,945	81,264
(F) Capital expenditures	378	2,153	442	2,258
(G) NCF (= C – F)	54,358	44,892	59,164	91,586
Leasehold and security deposits, etc.	19,573	15,151	27,455	50,537

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-089	RE-090	RE-091	RE-092
Property name	Castalia Meguro Chojyamaru	Castalia Meguro Takaban	Castalia Omori III	Morino Tonari
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	62,812	53,966	49,336	30,415
Rental revenues	60,430	49,431	46,745	28,493
Other rental revenues	2,381	4,535	2,591	1,921
(B) Real estate rental expenses subtotal	13,827	11,321	10,714	9,434
Taxes and public dues	3,764	1,649	2,500	1,621
Outsourcing expenses	5,328	6,537	5,134	4,002
Repairs and maintenance expenses	3,333	1,907	1,830	3,501
Insurance	47	39	40	27
Utilities expenses	586	384	357	115
Other rental expenses	765	803	849	166
(C) NOI (= A - B)	48,985	42,645	38,621	20,981
(D) Depreciation	9,370	6,735	10,087	5,499
(E) Income (loss) from rental business (= C - D)	39,615	35,909	28,534	15,481
(F) Capital expenditures	1,635	592	1,987	482
(G) NCF (= C - F)	47,349	42,052	36,634	20,498
Leasehold and security deposits, etc.	9,843	9,520	11,224	8,374

Property number	RE-093	RE-094	RE-095	RE-096
Property name	Castalia Meguro Tairamachi	Royal Parks SEASIR	Castalia Honkomagome	Cosmo Heim Musashikosugi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	32,885	245,180	51,598	59,147
Rental revenues	31,603	227,217	49,629	55,764
Other rental revenues	1,282	17,963	1,969	3,382
(B) Real estate rental expenses subtotal	5,432	90,540	10,215	8,952
Taxes and public dues	1,563	14,617	2,849	3,722
Outsourcing expenses	3,117	7,543	4,676	885
Repairs and maintenance expenses	279	7,901	1,984	3,587
Insurance	26	362	48	68
Utilities expenses	176	-	294	1
Other rental expenses	268	60,116	362	686
(C) NOI (= A - B)	27,452	154,640	41,383	50,195
(D) Depreciation	4,881	76,345	8,746	6,324
(E) Income (loss) from rental business (= C - D)	22,571	78,294	32,636	43,870
(F) Capital expenditures	-	-	-	7,808
(G) NCF (= C - F)	27,452	154,640	41,383	42,386
Leasehold and security deposits, etc.	7,866	41,235	10,765	85,460

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-097	RE-098	RE-099	RE-105
Property name	Castalia Tsurumi	Castalia Funabashi	Castalia Nishi Funabashi	Castalia Nogyama
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	27,345	30,364	33,122	15,078
Rental revenues	25,333	29,291	31,136	13,457
Other rental revenues	2,011	1,073	1,985	1,620
(B) Real estate rental expenses subtotal	7,081	8,626	8,104	3,555
Taxes and public dues	1,396	1,474	1,437	733
Outsourcing expenses	2,911	3,027	3,818	1,524
Repairs and maintenance expenses	1,076	1,592	1,483	449
Insurance	29	31	32	16
Utilities expenses	195	1,471	402	209
Other rental expenses	1,472	1,027	929	622
(C) NOI (= A – B)	20,263	21,738	25,017	11,522
(D) Depreciation	5,183	6,096	4,745	1,675
(E) Income (loss) from rental business (= C – D)	15,080	15,642	20,271	9,846
(F) Capital expenditures	475	1,125	237	843
(G) NCF (= C – F)	19,788	20,612	24,779	10,678
Leasehold and security deposits, etc.	7,211	6,313	7,797	2,834

Property number	RE-106	RE-107	RE-108	RE-109
Property name	Castalia Ichikawa	Royal Parks Hanakoganei	Castalia Musashikosugi	Royal Parks Wakabadaï
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	19,681	245,412	57,472	259,516
Rental revenues	19,680	229,174	53,246	244,068
Other rental revenues	1	16,238	4,226	15,447
(B) Real estate rental expenses subtotal	3,093	68,270	15,369	98,827
Taxes and public dues	879	13,776	2,710	19,084
Outsourcing expenses	1,569	1,944	6,904	1,333
Repairs and maintenance expenses	99	15,052	4,485	5,292
Insurance	19	379	45	347
Utilities expenses	133	–	387	–
Other rental expenses	392	37,117	835	72,771
(C) NOI (= A – B)	16,588	177,142	42,103	160,688
(D) Depreciation	3,366	73,997	11,182	73,337
(E) Income (loss) from rental business (= C – D)	13,222	103,145	30,921	87,350
(F) Capital expenditures	–	5,518	1,552	242
(G) NCF (= C – F)	16,588	171,624	40,551	160,445
Leasehold and security deposits, etc.	7,044	41,411	12,673	124,904

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-110	RE-111	RE-112	RE-115
Property name	Pacific Royal Court Minatomirai Urban Tower	L-Place Shinkoyasu	Royal Parks Musashikosugi	Crest Kusatsu
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	518,256	56,400	68,352	132,148
Rental revenues	491,885	55,920	64,958	114,622
Other rental revenues	26,371	479	3,393	17,526
(B) Real estate rental expenses subtotal	208,405	5,358	32,552	47,381
Taxes and public dues	35,308	3,908	3,340	9,580
Outsourcing expenses	40,866	1,162	2,846	19,848
Repairs and maintenance expenses	17,054	–	3,090	4,274
Insurance	772	68	77	262
Utilities expenses	–	–	–	11,155
Other rental expenses	114,403	217	23,197	2,260
(C) NOI (= A – B)	309,850	51,041	35,800	84,766
(D) Depreciation	180,308	17,724	18,329	40,825
(E) Income (loss) from rental business (= C – D)	129,541	33,317	17,470	43,941
(F) Capital expenditures	2,011	–	120	–
(G) NCF (= C – F)	307,839	51,041	35,679	84,766
Leasehold and security deposits, etc.	95,465	26,675	24,266	30,958

Property number	RE-116	RE-117	RE-118	RE-119
Property name	Castalia Sakaisuji Honmachi	Castalia Shin-Umeda	Castalia Abeno	Castalia Sakae
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	61,627	54,990	179,359	45,329
Rental revenues	57,869	51,797	164,374	41,922
Other rental revenues	3,758	3,193	14,985	3,406
(B) Real estate rental expenses subtotal	16,337	18,547	47,407	13,808
Taxes and public dues	3,316	3,276	11,056	3,192
Outsourcing expenses	5,815	5,879	15,888	6,119
Repairs and maintenance expenses	3,692	7,358	15,384	3,533
Insurance	78	74	211	59
Utilities expenses	2,217	1,482	4,179	474
Other rental expenses	1,217	476	686	429
(C) NOI (= A – B)	45,290	36,442	131,952	31,521
(D) Depreciation	11,158	10,871	28,669	7,732
(E) Income (loss) from rental business (= C – D)	34,131	25,571	103,283	23,788
(F) Capital expenditures	–	7,043	2,956	1,213
(G) NCF (= C – F)	45,290	29,399	128,996	30,307
Leasehold and security deposits, etc.	4,461	5,927	18,823	13,298

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-121	RE-122	RE-123	RE-124
Property name	Castalia Maruyama Urasando	Castalia Maruyama Omotesando	Castalia Higashi Hie	Castalia Tower Nagahoribashi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	19,328	76,081	43,514	160,136
Rental revenues	17,062	69,049	41,017	149,710
Other rental revenues	2,265	7,031	2,496	10,426
(B) Real estate rental expenses subtotal	6,529	20,178	10,116	42,433
Taxes and public dues	1,657	7,104	3,196	11,139
Outsourcing expenses	2,448	7,590	3,669	20,480
Repairs and maintenance expenses	1,289	2,541	2,417	5,850
Insurance	32	133	63	231
Utilities expenses	632	1,899	391	4,064
Other rental expenses	468	909	378	665
(C) NOI (= A - B)	12,799	55,902	33,398	117,702
(D) Depreciation	3,109	12,229	8,052	28,956
(E) Income (loss) from rental business (= C - D)	9,689	43,672	25,345	88,746
(F) Capital expenditures	-	416	-	372
(G) NCF (= C - F)	12,799	55,485	33,398	117,330
Leasehold and security deposits, etc.	2,842	13,027	6,976	12,499

Property number	RE-125	RE-126	RE-127	RE-128
Property name	Castalia Sannomiya	Castalia Kotodaikoen	Castalia Ichibancho	Castalia Omachi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	53,773	23,739	38,871	33,476
Rental revenues	50,667	22,798	35,738	31,131
Other rental revenues	3,105	940	3,132	2,345
(B) Real estate rental expenses subtotal	12,355	5,969	9,289	8,546
Taxes and public dues	3,078	1,693	2,836	2,050
Outsourcing expenses	5,836	2,551	4,328	3,558
Repairs and maintenance expenses	2,448	891	1,264	2,529
Insurance	67	41	60	51
Utilities expenses	729	489	447	256
Other rental expenses	196	301	352	100
(C) NOI (= A - B)	41,417	17,770	29,581	24,930
(D) Depreciation	9,845	4,282	5,900	6,346
(E) Income (loss) from rental business (= C - D)	31,572	13,488	23,680	18,583
(F) Capital expenditures	122	2,027	220	675
(G) NCF (= C - F)	41,295	15,742	29,360	24,254
Leasehold and security deposits, etc.	6,030	3,983	4,432	5,905

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-129	RE-130	RE-131	RE-132
Property name	Castalia Uemachidai	Castalia Tower Higobashi	Big Tower Minami Sanjo	Castalia Fushimi
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	88,891	132,919	109,820	105,750
Rental revenues	83,306	123,629	97,004	98,359
Other rental revenues	5,584	9,290	12,816	7,390
(B) Real estate rental expenses subtotal	15,645	33,051	33,862	27,507
Taxes and public dues	5,558	7,406	9,320	6,130
Outsourcing expenses	6,588	15,610	13,096	12,376
Repairs and maintenance expenses	1,332	4,818	8,244	6,149
Insurance	120	144	225	133
Utilities expenses	1,041	3,376	1,990	1,130
Other rental expenses	1,004	1,695	985	1,585
(C) NOI (= A - B)	73,246	99,867	75,958	78,242
(D) Depreciation	14,265	19,804	33,631	25,582
(E) Income (loss) from rental business (= C - D)	58,980	80,063	42,326	52,659
(F) Capital expenditures	3,079	-	2,768	1,555
(G) NCF (= C - F)	70,167	99,867	73,190	76,687
Leasehold and security deposits, etc.	8,979	12,981	16,190	16,303

Property number	RE-133	RE-134	RE-135	RE-136
Property name	Castalia Meieki Minami	Castalia Yakuin	Castalia Mibu	Castalia Tsutsujigaoka
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	32,357	42,338	50,384	58,916
Rental revenues	30,373	39,747	44,830	53,091
Other rental revenues	1,983	2,591	5,553	5,825
(B) Real estate rental expenses subtotal	6,622	9,962	10,625	16,944
Taxes and public dues	1,876	3,012	2,819	3,732
Outsourcing expenses	2,882	4,011	4,351	4,456
Repairs and maintenance expenses	575	2,066	2,032	7,215
Insurance	37	61	56	85
Utilities expenses	272	566	1,050	386
Other rental expenses	977	244	314	1,067
(C) NOI (= A - B)	25,734	32,376	39,758	41,971
(D) Depreciation	6,642	10,649	12,151	14,671
(E) Income (loss) from rental business (= C - D)	19,092	21,726	27,607	27,300
(F) Capital expenditures	-	-	123	982
(G) NCF (= C - F)	25,734	32,376	39,635	40,988
Leasehold and security deposits, etc.	6,915	9,606	6,903	19,312

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-137	RE-138	RE-139	RE-140
Property name	Castalia Ohori Bay Tower	Royal Parks Namba	Castalia Shigahondori	Castalia Kyoto Nishioji
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	148,340	136,225	74,632	33,843
Rental revenues	84,042	128,364	69,147	31,598
Other rental revenues	64,298	7,860	5,485	2,244
(B) Real estate rental expenses subtotal	35,723	42,912	19,147	6,845
Taxes and public dues	12,530	9,592	4,321	1,780
Outsourcing expenses	12,505	4,803	7,607	3,021
Repairs and maintenance expenses	2,541	16,383	5,881	954
Insurance	265	196	82	44
Utilities expenses	6,253	141	568	925
Other rental expenses	1,626	11,794	686	119
(C) NOI (= A – B)	112,616	93,313	55,485	26,997
(D) Depreciation	42,508	42,283	20,234	8,131
(E) Income (loss) from rental business (= C – D)	70,108	51,029	35,250	18,866
(F) Capital expenditures	–	3,960	604	–
(G) NCF (= C – F)	112,616	89,352	54,881	26,997
Leasehold and security deposits, etc.	13,913	24,975	25,257	3,073

Property number	RE-141	RE-142	RE-143	Residential properties subtotal
Property name	Castalia Ningyocho III	Royal Parks Umejima	Castalia Shinsakae II	
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	69,858	104,920	60,160	9,601,429
Rental revenues	65,996	97,456	57,216	8,944,582
Other rental revenues	3,861	7,464	2,944	656,847
(B) Real estate rental expenses subtotal	14,102	39,620	6,721	2,679,838
Taxes and public dues	3,375	6,295	–	531,928
Outsourcing expenses	6,965	8,796	2,870	854,366
Repairs and maintenance expenses	1,742	6,007	1,548	615,297
Insurance	66	148	92	11,004
Utilities expenses	644	1,605	731	123,332
Other rental expenses	1,308	16,766	1,477	543,909
(C) NOI (= A – B)	55,755	65,300	53,439	6,921,590
(D) Depreciation	11,265	26,217	13,167	2,013,025
(E) Income (loss) from rental business (= C – D)	44,490	39,082	40,271	4,908,565
(F) Capital expenditures	–	–	337	478,577
(G) NCF (= C – F)	55,755	65,300	53,101	6,443,013
Leasehold and security deposits, etc.	14,621	24,411	9,536	—



Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	RM-001	RM-002	RM-003	RM-004
Property name	ACROSSMALL Shinkamagaya	FOLEO Hirakata	QiZ GATE URAWA	UNICUS Takasaki
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	275,700	259,538	180,901	129,912
Rental revenues	275,700	212,766	155,795	129,870
Other rental revenues	–	46,772	25,106	42
(B) Real estate rental expenses subtotal	47,978	216,291	88,883	40,958
Taxes and public dues	25,546	23,043	13,810	9,920
Outsourcing expenses	8,743	46,580	36,423	20,861
Repairs and maintenance expenses	12,007	84,720	14,745	9,357
Insurance	320	229	115	82
Utilities expenses	–	49,306	22,619	–
Other rental expenses	1,361	12,409	1,168	735
(C) NOI (= A – B)	227,721	43,247	92,018	88,954
(D) Depreciation	53,518	35,558	27,954	11,903
(E) Income (loss) from rental business (= C – D)	174,202	7,688	64,064	77,050
(F) Capital expenditures	5,679	70,826	10,287	770
(G) NCF (= C – F)	222,042	(27,579)	81,730	88,183
Leasehold and security deposits, etc.	551,400	400,464	185,332	151,515

Property number	RM-005	RM-006	RM-007	RM-008
Property name	ACROSSPLAZA Miyoshi (Land)	DREAM TOWN ALi	ASOBOX (Land)	FOLEO Ome Imai
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	94,284	402,779	47,076	128,828
Rental revenues	94,284	296,498	47,076	128,820
Other rental revenues	–	106,281	–	8
(B) Real estate rental expenses subtotal	9,750	163,210	204	17,253
Taxes and public dues	9,534	22,880	–	–
Outsourcing expenses	–	43,652	–	9,380
Repairs and maintenance expenses	–	8,822	–	–
Insurance	–	312	–	109
Utilities expenses	–	82,672	–	–
Other rental expenses	216	4,869	204	7,763
(C) NOI (= A – B)	84,533	239,569	46,871	111,574
(D) Depreciation	–	38,494	–	17,649
(E) Income (loss) from rental business (= C – D)	84,533	201,074	46,871	93,924
(F) Capital expenditures	–	1,546	–	–
(G) NCF (= C – F)	84,533	238,022	46,871	111,574
Leasehold and security deposits, etc.	188,568	456,148	94,152	427,070

(Unit: Thousands of yen, unless otherwise stated)

Property number	RR-001	RR-002	RR-003	RR-004
Property name	LIFE Sagamihara Wakamatsu	FOLEO Sendai Miyanomori	ACROSSPLAZA Inazawa (Land)	Sports Depo and GOLF5 Kokurahigashi IC Store
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note)	238,500	69,660	(Note)
Rental revenues	(Note)	238,500	69,660	(Note)
Other rental revenues	(Note)	—	—	(Note)
(B) Real estate rental expenses subtotal	(Note)	27,901	7,370	(Note)
Taxes and public dues	(Note)	22,735	7,154	(Note)
Outsourcing expenses	(Note)	3,600	—	(Note)
Repairs and maintenance expenses	(Note)	630	—	(Note)
Insurance	(Note)	169	—	(Note)
Utilities expenses	(Note)	—	—	(Note)
Other rental expenses	(Note)	765	216	(Note)
(C) NOI (= A - B)	43,698	210,598	62,289	77,360
(D) Depreciation	2,925	21,091	—	12,852
(E) Income (loss) from rental business (= C - D)	40,773	189,507	62,289	64,508
(F) Capital expenditures	—	—	—	2,064
(G) NCF (= C - F)	43,698	210,598	62,289	75,295
Leasehold and security deposits, etc.	(Note)	238,500	139,320	(Note)

Property number	RR-005	
Property name	Hiratsuka Retail Property (Land)	Retail properties subtotal
Period for asset management	From September 1, 2017 to February 28, 2018	
Information on revenues and expenses		
(A) Real estate rental revenues subtotal	(Note)	2,091,279
Rental revenues	(Note)	1,913,038
Other rental revenues	(Note)	178,241
(B) Real estate rental expenses subtotal	(Note)	635,988
Taxes and public dues	(Note)	143,718
Outsourcing expenses	(Note)	172,893
Repairs and maintenance expenses	(Note)	132,257
Insurance	(Note)	1,445
Utilities expenses	(Note)	154,598
Other rental expenses	(Note)	31,075
(C) NOI (= A - B)	126,852	1,455,291
(D) Depreciation	—	221,949
(E) Income (loss) from rental business (= C - D)	126,852	1,233,341
(F) Capital expenditures	—	91,175
(G) NCF (= C - F)	126,852	1,364,115
Leasehold and security deposits, etc.	(Note)	—

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

(Unit: Thousands of yen, unless otherwise stated)

Property number	OT-001	OT-002	OT-003	OT-004
Property name	Urban Living Inage	Aburatsubo Marina HILLS	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Sharp Hiroshima Building
Period for asset management	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018	From September 1, 2017 to February 28, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	39,060	43,749	324,776	(Note)
Rental revenues	39,060	43,749	274,827	(Note)
Other rental revenues	—	—	49,949	(Note)
(B) Real estate rental expenses subtotal	4,530	11,684	78,692	(Note)
Taxes and public dues	2,479	2,417	18,625	(Note)
Outsourcing expenses	281	483	23,504	(Note)
Repairs and maintenance expenses	1,442	8,501	3,479	(Note)
Insurance	59	64	415	(Note)
Utilities expenses	—	—	32,505	(Note)
Other rental expenses	267	217	162	(Note)
(C) NOI (= A – B)	34,529	32,064	246,083	56,702
(D) Depreciation	12,459	15,442	55,469	7,841
(E) Income (loss) from rental business (= C – D)	22,069	16,622	190,613	48,860
(F) Capital expenditures	—	7,133	1,677	—
(G) NCF (= C – F)	34,529	24,930	244,405	56,702
Leasehold and security deposits, etc.	41,937	53,900	469,852	(Note)

Property number		
Property name	Other assets subtotal	Total
Period for asset management		
Information on revenues and expenses		
(A) Real estate rental revenues subtotal	465,789	19,700,575
Rental revenues	415,836	18,776,564
Other rental revenues	49,953	924,010
(B) Real estate rental expenses subtotal	96,410	4,196,673
Taxes and public dues	23,522	1,201,943
Outsourcing expenses	25,469	1,203,176
Repairs and maintenance expenses	13,423	850,866
Insurance	575	22,983
Utilities expenses	32,505	315,070
Other rental expenses	915	602,633
(C) NOI (= A – B)	369,379	15,503,901
(D) Depreciation	91,212	3,750,860
(E) Income (loss) from rental business (= C – D)	278,166	11,753,040
(F) Capital expenditures	8,811	1,109,966
(G) NCF (= C – F)	360,567	14,393,934
Leasehold and security deposits, etc.	—	—

(Note) Undisclosed as consent for disclosure has not been obtained from the lessee.

## (2) Summary of Major Tenants

### i) List of major tenants

Property name, leased area and ratio of leased area of a tenant to the total leased area of each major tenant for real estate or real estate in trust are as follows. A major tenant is a tenant for which leased area accounts for 10% or more of the total of leased areas in the entire portfolio.

(As of February 28, 2018)

Tenant	Business	Property name	Annual rent (Millions of yen) (Note 1)	Leasehold and security deposit (Millions of yen) (Note 2)	Leased area (m <sup>2</sup> ) (Note 3)	Ratio of leased area of a tenant to the total leased area (%) (Note 4)
Daiwa Living Management Co., Ltd.	Rental business	Castalia Nishi Azabu Kasumicho and others Total: 82 properties	8,675	843	210,725.69	11.0
Total of all portfolio			37,501	14,698	1,920,651.68	100.0

(Note 1) “Annual rent” represents the amount calculated by multiplying the monthly rent as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2018 by 12 (as to real estate or real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements).

Annual rent for residential properties includes common area charges. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the annual rent represents the amount calculated by multiplying the monthly rent indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 28, 2018 by 12 (as to real estate or real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). For revenue-based rent, a monthly amount linked to sales in February 2018 is used. Therefore, the sums of the “Annual rent” of each property may not add up to the total for the portfolio.

(Note 2) “Leasehold and security deposit” represents the total amount of outstanding leasehold and security deposit as indicated in each lease agreement in relation to each real estate or each real estate in trust as of February 28, 2018 (as to real estate or real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements). However, in the case of a pass-through type master lease agreement entered into with the master lease company, the total scheduled outstanding amount of leasehold and security deposit, as indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 28, 2018 (as to real estate or real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements), is provided. When there are portions that do not need to be repaid due to special agreements concerning non-refundable deposits or written-off deposits, the amount represents the amount after subtracting these deductions.

(Note 3) “Leased area” represents the leased area as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2018. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the leased area to end-tenants, as indicated in the sublease agreement for each real estate or each real estate in trust as of February 28, 2018, is provided. As some lease agreements for each real estate or each real estate in trust may indicate leased area that includes portions not included in the gross floor area, the leased area may exceed the gross floor area. In particular at logistics properties, when eaves are included in the leased area, the leased area may significantly exceed the gross floor area.

(Note 4) Figures are rounded to the nearest tenth.

**ii) Lease terms for major tenants**

The major tenant in relation to the assets that DHR owned as of February 28, 2018 was Daiwa Living Management Co., Ltd., and DHR concluded lease agreements in relation to each real estate or each real estate in trust as in the table below. In all the lease agreements, the contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter. DHR's lease terms expiration date of each real estate or each real estate in trust as of February 28, 2018 is as follows:

Property number	Property name	Expiration date	Property number	Property name	Expiration date
RE-013	Castalia Nishi Azabu Kasumicho	March 31, 2019	RE-066	Castalia Morishita	March 31, 2019
RE-014	Castalia Ochanomizu	March 31, 2019	RE-067	Castalia Wakabayashiko	March 31, 2019
RE-016	Castalia Suitengu	March 31, 2019	RE-068	Castalia Asakusabashi	March 31, 2019
RE-017	Castalia Suitengu II	March 31, 2019	RE-069	Castalia Iriya	March 31, 2019
RE-018	Castalia Shintomicho	March 31, 2019	RE-070	Castalia Kita Ueno	March 31, 2019
RE-019	Castalia Shintomicho II	March 31, 2019	RE-071	Castalia Morishita II	March 31, 2019
RE-020	Castalia Harajuku	March 31, 2019	RE-072	Castalia Minowa	March 31, 2019
RE-022	Castalia Sendagaya	March 31, 2019	RE-074	Castalia Nakano	March 31, 2019
RE-023	Castalia Shinjuku 7 chome	March 31, 2019	RE-075	Castalia Yoga	March 31, 2019
RE-024	Castalia Ningyocho	March 31, 2019	RE-076	Castalia Sumiyoshi	March 31, 2019
RE-025	Castalia Ningyocho II	March 31, 2019	RE-077	Castalia Monzennakacho II	March 31, 2019
RE-026	Castalia Shin-Ochanomizu	March 31, 2019	RE-078	Castalia Oshiage	March 31, 2019
RE-027	Castalia Higashi Nihonbashi II	March 31, 2019	RE-079	Castalia Kuramae	March 31, 2019
RE-028	Castalia Jinbocho	March 31, 2019	RE-083	Castalia Ooimachi	March 31, 2019
RE-029	Castalia Shintomicho III	March 31, 2019	RE-084	Castalia Omori	March 31, 2019
RE-030	Castalia Shinjuku Gyoen	March 31, 2019	RE-085	Castalia Mishuku	March 31, 2019
RE-031	Castalia Takanawadai	March 31, 2019	RE-089	Castalia Meguro Chojyamaru	September 30, 2019
RE-032	Castalia Higashi Nihonbashi III	March 31, 2019	RE-090	Castalia Meguro Takaban	September 30, 2019
RE-033	Castalia Shinjuku Gyoen II	March 31, 2019	RE-091	Castalia Omori III	September 30, 2019
RE-034	Castalia Shintomicho IV	March 31, 2019	RE-092	Morino Tonari	June 30, 2020
RE-035	Castalia Takanawadai II	March 31, 2019	RE-093	Castalia Meguro Tairamachi	September 25, 2018
RE-036	Castalia Minami Azabu	March 31, 2019	RE-095	Castalia Honkomagome	May 31, 2019
RE-037	Castalia Ginza III	March 31, 2019	RE-098	Castalia Funabashi	March 31, 2019
RE-038	Castalia Kayabacho	March 31, 2019	RE-099	Castalia Nishi Funabashi	March 31, 2019
RE-039	Castalia Takanawa	March 31, 2019	RE-105	Castalia Nogeiyama	March 31, 2019
RE-040	Castalia Higashi Nihonbashi	March 31, 2019	RE-106	Castalia Ichikawa	March 31, 2019
RE-041	Castalia Shinjuku	March 31, 2019	RE-108	Castalia Musashikosugi	September 30, 2019
RE-045	Castalia Hatsudai II	September 30, 2019	RE-111	L-Place Shinkoyasu	May 31, 2019
RE-046	Castalia Ebisu	September 30, 2019	RE-116	Castalia Sakaisuji Honmachi	March 31, 2019
RE-054	Castalia Otsuka II	March 31, 2019	RE-117	Castalia Shin-Umeda	March 31, 2019
RE-055	Castalia Jiyugaoka	March 31, 2019	RE-118	Castalia Abeno	March 31, 2019
RE-056	Castalia Mejiro	March 31, 2019	RE-119	Castalia Sakae	March 31, 2019
RE-057	Castalia Ikebukuro	March 31, 2019	RE-124	Castalia Tower Nagahoribashi	March 31, 2019
RE-058	Castalia Kaname-cho	March 31, 2019	RE-125	Castalia Sannomiya	March 31, 2019
RE-059	Castalia Tower Shinagawa Seaside	March 31, 2019	RE-129	Castalia Uemachidai	March 31, 2019
RE-060	Castalia Yakumo	March 31, 2019	RE-130	Castalia Tower Higobashi	March 31, 2019
RE-061	Castalia Togoshiekimae	March 31, 2019	RE-132	Castalia Fushimi	March 31, 2019
RE-062	Castalia Honjo Azumabashi	March 31, 2019	RE-133	Castalia Meieki Minami	March 31, 2019
RE-063	Castalia Kitazawa	March 31, 2019	RE-139	Castalia Shigahondori	June 30, 2019
RE-064	Castalia Monzennakacho	March 31, 2019	RE-141	Castalia Ningyocho III	September 30, 2018
RE-065	Castalia Kamiikedai	March 31, 2019	RE-143	Castalia Shinsakae II	April 30, 2022

### (3) Summary on Appraisal Report

DHR obtains an appraisal report for each real estate or real estate in trust from DAIWA REAL ESTATE APPRAISAL CO., LTD., Chuo Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Real Estate Institute or JLL Morii Valuation & Advisory K.K. The following is a summary on the appraisal report obtained for each real estate or real estate in trust, which was owned by DHR as of February 28, 2018.

The appraisal value does not provide any guarantees or promises that the relevant real estate or real estate in trust may be sold at the appraisal value now or in future. DHR has no interest in the above appraisal agencies.

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LB-001	D Project Machida	T	February 28, 2018	9,420	9,650	4.5	9,320	1st to 9th year 4.4 10th year and later 4.5	4.7
LB-002	D Project Hachioji	T	February 28, 2018	16,200	15,900	4.4	16,300	1st year 4.3 2nd year and later 4.4	4.6
LB-003	D Project Aikawa-Machi	T	February 28, 2018	4,410	4,460	4.6	4,390	4.6	4.8
LB-004	D Project Shin-Misato	T	February 28, 2018	5,750	5,840	5.2	5,710	5.2	5.4
LB-005	D Project Urayasu I	T	February 28, 2018	9,490	9,740	4.1	9,380	4.2	4.3
LB-006	D Project Urayasu II	T	February 28, 2018	26,600	27,000	4.0	26,400	1st to 9th year 4.0 10th year and later 4.1	4.2
LB-007	D Project Akanehama	T	February 28, 2018	3,010	3,070	4.5	2,990	4.6	4.7
LB-008	D Project Noda	T	February 28, 2018	6,440	6,470	4.7	6,420	1st to 10th year 4.6 11th year 4.7	4.9
LB-009	D Project Inuyama	T	February 28, 2018	9,010	9,060	4.9	8,990	1st to 7th year 4.8 8th year and later 4.9	5.1
LB-010	D Project Gifu	T	February 28, 2018	1,120	1,120	5.5	1,120	1st to 6th year 5.4 7th year and later 5.5	5.7
LB-011	D Project Neyagawa	T	February 28, 2018	6,200	6,210	4.6	6,200	4.6	4.8
LB-012	D Project Sapporo Minami	T	February 28, 2018	848	840	6.0	852	5.9	6.2
LB-013	D Project Morioka	T	February 28, 2018	1,210	1,210	6.0	1,210	5.9	6.2
LB-014	D Project Sendai Minami	T	February 28, 2018	1,550	1,540	5.3	1,550	1st to 3rd year 5.1 4th to 10th year 5.2	5.5
LB-015	D Project Tsuchiura	T	February 28, 2018	3,440	3,330	5.3	3,490	5.2	5.5
LB-016	D Project Gotenba	T	February 28, 2018	1,150	1,130	5.4	1,160	5.3	5.6

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LB-017	D Project Nishi-Hiroshima	T	February 28, 2018	1,210	1,160	5.5	1,230	Building A 1st to 5th year 5.5 6th to 10th year 5.6 Building B 5.5	5.7
LB-018	D Project Fukuoka Umi	T	February 28, 2018	4,290	4,270	5.1	4,300	Building A 1st to 3rd year 4.9 4th year and later 5.0 Building B 1st to 4th year 4.8 5th year and later 5.0 Building C 5.0 Building D 1st to 3rd year 4.9 4th year and later 5.0	5.3
LB-019	D Project Tosu	T	February 28, 2018	5,900	6,000	5.1	5,860	1st to 6th year 5.1 7th year and later 5.2	5.3
LB-020	D Project Kuki I	T	February 28, 2018	4,090	4,120	4.8	4,080	1st to 7th year 4.8 8th year and later 4.9	5.0
LB-021	D Project Kuki II	T	February 28, 2018	8,560	8,640	4.8	8,520	1st to 5th year 4.8 6th year and later 4.9	5.0
LB-022	D Project Kawagoe I	T	February 28, 2018	3,710	3,750	4.8	3,690	1st to 8th year 4.8 9th to 11th year 4.9	5.0
LB-023	D Project Kawagoe II	T	February 28, 2018	5,140	5,210	4.8	5,110	1st to 10th year 4.8 11th year 4.9	5.0
LB-024	DPL Inuyama	T	February 28, 2018	4,080	4,070	4.9	4,090	4.8	5.1
LB-025	D Project Fukuoka Hakozaki	T	February 28, 2018	4,520	4,550	4.8	4,500	4.7	5.0
LB-026	D Project Kuki III	T	February 28, 2018	8,110	8,240	4.8	8,050	1st to 5th year 4.8 6th year and later 4.9	5.0
LB-027	D Project Kuki IV	T	February 28, 2018	5,800	5,770	4.8	5,810	1st to 6th year 4.8 7th to 10th year 4.9	5.0
LB-028	D Project Kuki V	T	February 28, 2018	8,760	8,820	4.8	8,740	1st to 4th year 4.8 5th to 10th year 4.9	5.0
LB-029	D Project Kuki VI	T	February 28, 2018	5,420	5,480	4.8	5,400	1st to 6th year 4.8 7th to 10th year 4.9	5.0

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LB-030	D Project Yashio	F	February 28, 2018	6,640	6,690	4.6	6,580	4.1	4.9
LB-031	D Project Nishiyodogawa	F	February 28, 2018	10,600	10,700	4.8	10,500	4.5	5.0
LB-032	D Project Matsudo	F	February 28, 2018	7,610	7,630	4.6	7,590	4.3	4.7
LB-033	D Project Hibiki Nada	T	February 28, 2018	2,120	2,130	5.8	2,120	1st to 4th year 5.7 5th year and later 5.9	6.0
LB-034	D Project Morioka II	T	February 28, 2018	1,320	1,330	6.0	1,320	1st to 8th year 5.7 9th to 10th year 5.8 11th year 5.9	6.2
LB-035	D Project Kawagoe III	T	February 28, 2018	7,460	7,530	4.7	7,430	1st to 6th year 4.7 7th year and later 4.8	4.9
LB-036	D Project Kazo	T	February 28, 2018	3,420	3,400	4.9	3,430	1st to 7th year 4.9 8th year and later 5.0	5.1
LB-037	D Project Urayasu III	T	February 28, 2018	9,320	9,620	4.1	9,190	1st to 4th year 4.0 5th to 8th year 4.1 9th to 10th year 4.2	4.3
LB-038	D Project Tomisato	T	February 28, 2018	5,080	5,080	5.0	5,080	1st to 8th year 5.0 9th year and later 5.1	5.2
LB-039	D Project Kyotanabe	F	February 28, 2018	3,620	3,640	5.6	3,600	5.2	5.9
LB-040	D Project Sendai Izumi	F	February 28, 2018	1,580	1,590	5.4	1,570	5.1	5.6
LB-041	D Project Oyama	T	February 28, 2018	2,020	2,050	5.6	2,000	5.7	5.8
LB-042	D Project Sano	T	February 28, 2018	1,790	1,800	5.6	1,780	5.6	5.8
LB-043	D Project Tatebayashi	T	February 28, 2018	3,140	3,130	5.6	3,140	5.6	5.8
LB-044	D Project Kakegawa	F	February 28, 2018	6,140	6,180	5.7	6,090	5.5	5.9
LB-045	D Project Hiroshima Seifu	F	February 28, 2018	3,990	4,020	5.5	3,950	5.0	5.9
LB-046	D Project Tosu II	T	February 28, 2018	1,840	1,850	5.2	1,840	1st to 6th year 5.2 7th year and later 5.3	5.4
LM-001	DPL Misato	T	February 28, 2018	17,400	17,600	4.2	17,300	1st to 3rd year 4.2 4th year and later 4.3	4.4
RE-001	Qiz Ebisu	T	February 28, 2018	8,520	8,720	3.9	8,430	4.1	4.1
RE-002	Castalia Azabujuban Shichimenzaka	C	February 28, 2018	4,220	4,290	4.2	4,220	4.0	4.4
RE-003	Castalia Shibakoen	T	February 28, 2018	2,220	2,250	4.3	2,210	4.4	4.5



Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-004	Castalia Ginza	T	February 28, 2018	2,220	2,250	4.2	2,200	4.3	4.4
RE-005	Castalia Hiroo	T	February 28, 2018	1,830	1,910	4.1	1,790	4.2	4.3
RE-006	Castalia Nihonbashi	T	February 28, 2018	1,170	1,180	4.3	1,160	4.4	4.5
RE-007	Castalia Hacchobori	T	February 28, 2018	2,260	2,290	4.3	2,240	4.4	4.5
RE-008	Castalia Azabujuban	C	February 28, 2018	2,680	2,750	4.2	2,680	4.0	4.4
RE-009	Castalia Azabujuban II	C	February 28, 2018	2,510	2,590	4.1	2,510	3.9	4.3
RE-010	Castalia Shinjuku Natsumezaka	C	February 28, 2018	1,610	1,650	4.3	1,610	4.1	4.5
RE-011	Castalia Ginza II	T	February 28, 2018	1,730	1,760	4.2	1,720	4.3	4.4
RE-012	Castalia Shibuya Sakuragaoka	T	February 28, 2018	1,110	1,140	4.1	1,100	4.3	4.3
RE-013	Castalia Nishi Azabu Kasumicho	T	February 28, 2018	2,340	2,360	4.2	2,330	4.3	4.4
RE-014	Castalia Ochanomizu	F	February 28, 2018	2,150	2,180	4.3	2,120	4.1	4.5
RE-015	Castalia Sangubashi	T	February 28, 2018	1,470	1,500	4.2	1,450	4.4	4.4
RE-016	Castalia Suitengu	T	February 28, 2018	1,400	1,410	4.4	1,390	4.4	4.6
RE-017	Castalia Suitengu II	T	February 28, 2018	1,260	1,280	4.3	1,250	4.4	4.5
RE-018	Castalia Shintomicho	T	February 28, 2018	1,030	1,040	4.4	1,020	4.4	4.6
RE-019	Castalia Shintomicho II	T	February 28, 2018	915	922	4.4	912	4.4	4.6
RE-020	Castalia Harajuku	F	February 28, 2018	911	927	4.1	895	3.9	4.3
RE-021	Castalia Yoyogi Uehara	F	February 28, 2018	716	726	4.2	705	4.0	4.4
RE-022	Castalia Sendagaya	F	February 28, 2018	630	639	4.2	620	4.0	4.4
RE-023	Castalia Shinjuku 7 chome	F	February 28, 2018	533	540	4.5	525	4.3	4.7
RE-024	Castalia Ningyocho	F	February 28, 2018	1,230	1,240	4.2	1,210	4.0	4.4
RE-025	Castalia Ningyocho II	F	February 28, 2018	1,360	1,380	4.2	1,340	4.0	4.4
RE-026	Castalia Shin-Ochanomizu	F	February 28, 2018	1,090	1,100	4.2	1,070	4.0	4.4
RE-027	Castalia Higashi Nihonbashi II	F	February 28, 2018	1,680	1,700	4.2	1,660	4.0	4.4
RE-028	Castalia Jinbocho	F	February 28, 2018	1,450	1,470	4.2	1,430	4.0	4.4
RE-029	Castalia Shintomicho III	F	February 28, 2018	759	772	4.3	746	4.0	4.6
RE-030	Castalia Shinjuku Gyoen	T	February 28, 2018	3,100	3,170	4.3	3,070	1st to 10th year 4.5 11th year 4.5	4.5
RE-031	Castalia Takanawadai	F	February 28, 2018	1,030	1,040	4.1	1,010	3.9	4.3
RE-032	Castalia Higashi Nihonbashi III	D	February 28, 2018	809	817	4.2	805	4.0	4.4

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-033	Castalia Shinjuku Gyoen II	T	February 28, 2018	511	525	4.3	505	4.5	4.5
RE-034	Castalia Shintomicho IV	D	February 28, 2018	471	477	4.2	468	4.0	4.4
RE-035	Castalia Takanawadai II	F	February 28, 2018	1,360	1,380	4.1	1,330	3.9	4.3
RE-036	Castalia Minami Azabu	F	February 28, 2018	697	707	4.1	686	3.9	4.3
RE-037	Castalia Ginza III	T	February 28, 2018	2,970	3,030	4.2	2,950	4.3	4.4
RE-038	Castalia Kayabacho	T	February 28, 2018	3,100	3,110	4.4	3,090	4.4	4.6
RE-039	Castalia Takanawa	T	February 28, 2018	7,810	8,020	4.3	7,720	4.6	4.5
RE-040	Castalia Higashi Nihonbashi	C	February 28, 2018	4,010	3,910	4.5	4,010	4.3	4.7
RE-041	Castalia Shinjuku	T	February 28, 2018	3,370	3,430	4.3	3,340	4.5	4.5
RE-042	Castalia Ichigaya	C	February 28, 2018	1,340	1,360	4.4	1,340	4.2	4.6
RE-043	Shibaura Island Bloom Tower	F	February 28, 2018	8,930	— (Note 3)	— (Note 3)	8,930	4.0	6.1
RE-044	Castalia Hatsudai	D	February 28, 2018	2,350	2,380	4.2	2,330	4.0	4.4
RE-045	Castalia Hatsudai II	M	February 28, 2018	2,110	2,140	4.1	2,070	3.9	4.3
RE-046	Castalia Ebisu	M	February 28, 2018	1,590	1,610	4.0	1,560	3.8	4.2
RE-047	Castalia Meguro Kamurozaka	D	February 28, 2018	4,350	4,410	4.1	4,320	3.9	4.3
RE-048	Castalia Toritsudaigaku	C	February 28, 2018	530	537	5.1	530	4.9	5.4
RE-049	Castalia Yukigaya	T	February 28, 2018	1,110	1,130	4.4	1,100	4.5	4.6
RE-050	Castalia Yutenji	C	February 28, 2018	1,300	1,340	4.2	1,300	4.0	4.4
RE-051	Castalia Otsuka	C	February 28, 2018	1,640	1,650	4.3	1,640	4.1	4.5
RE-052	Castalia Kikukawa	T	February 28, 2018	779	788	4.5	775	4.6	4.7
RE-053	Castalia Meguro	F	February 28, 2018	1,020	1,030	4.4	1,010	4.1	4.6
RE-054	Castalia Otsuka II	F	February 28, 2018	1,250	1,270	4.3	1,230	4.1	4.5
RE-055	Castalia Jiyugaoka	F	February 28, 2018	1,390	1,410	4.1	1,360	3.9	4.3
RE-056	Castalia Mejiro	C	February 28, 2018	1,080	1,090	4.6	1,080	4.4	4.8
RE-057	Castalia Ikebukuro	D	February 28, 2018	2,810	2,850	4.2	2,790	4.0	4.4
RE-058	Castalia Kaname-cho	T	February 28, 2018	1,230	1,250	4.4	1,220	4.6	4.6
RE-059	Castalia Tower Shinagawa Seaside	T	February 28, 2018	8,740	8,790	4.4	8,720	4.4	4.6
RE-060	Castalia Yakumo	T	February 28, 2018	776	791	4.3	770	4.5	4.5
RE-061	Castalia Togoshiekimae	F	February 28, 2018	1,930	1,950	4.4	1,900	4.2	4.6

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-062	Castalia Honjo Azumabashi	T	February 28, 2018	1,120	1,130	4.6	1,120	4.7	4.8
RE-063	Castalia Kitazawa	F	February 28, 2018	817	828	4.3	805	4.1	4.5
RE-064	Castalia Monzennakacho	T	February 28, 2018	548	556	4.6	544	4.7	4.8
RE-065	Castalia Kamiikedai	F	February 28, 2018	213	214	5.0	211	4.6	5.2
RE-066	Castalia Morishita	F	February 28, 2018	1,020	1,030	4.3	1,010	4.1	4.5
RE-067	Castalia Wakabayashikoen	D	February 28, 2018	849	861	4.2	844	4.0	4.4
RE-068	Castalia Asakusabashi	C	February 28, 2018	945	943	4.5	945	4.3	4.7
RE-069	Castalia Iriya	C	February 28, 2018	656	660	4.9	656	4.7	5.1
RE-070	Castalia Kita Ueno	T	February 28, 2018	2,720	2,750	4.5	2,700	4.6	4.7
RE-071	Castalia Morishita II	T	February 28, 2018	791	795	4.5	789	4.6	4.7
RE-072	Castalia Minowa	T	February 28, 2018	1,550	1,560	4.5	1,540	4.6	4.7
RE-073	Castalia Oyamadai	T	February 28, 2018	598	603	4.4	596	4.5	4.6
RE-074	Castalia Nakano	F	February 28, 2018	1,230	1,250	4.3	1,210	4.1	4.5
RE-075	Castalia Yoga	T	February 28, 2018	1,140	1,160	4.3	1,130	4.5	4.5
RE-076	Castalia Sumiyoshi	T	February 28, 2018	1,010	1,020	4.5	999	4.6	4.7
RE-077	Castalia Monzennakacho II	F	February 28, 2018	2,670	2,710	4.3	2,630	4.1	4.5
RE-078	Castalia Oshiage	T	February 28, 2018	1,120	1,130	4.6	1,120	1st to 10th year 4.9 11th year 4.7	4.8
RE-079	Castalia Kuramae	T	February 28, 2018	1,470	1,490	4.5	1,460	1st to 10th year 4.7 11th year 4.6	4.7
RE-080	Castalia Nakanobu	C	February 28, 2018	2,580	2,600	4.3	2,580	4.1	4.5
RE-081	Royal Parks Toyosu	C	February 28, 2018	9,720	9,920	4.7	9,720	4.4	5.0
RE-082	Castalia Togoshi	C	February 28, 2018	2,510	2,530	4.4	2,510	4.2	4.6
RE-083	Castalia Oomachi	M	February 28, 2018	1,450	1,510	4.0	1,430	3.8	4.2
RE-084	Castalia Omori	C	February 28, 2018	1,780	1,810	4.4	1,780	4.2	4.6
RE-085	Castalia Mishuku	C	February 28, 2018	2,290	2,340	4.4	2,290	4.2	4.6
RE-086	Castalia Arakawa	C	February 28, 2018	2,150	2,180	4.6	2,150	4.4	4.8
RE-087	Castalia Omori II	M	February 28, 2018	2,900	2,940	4.1	2,860	3.9	4.3
RE-088	Castalia Nakameguro	M	February 28, 2018	4,380	4,440	4.0	4,310	3.8	4.2
RE-089	Castalia Meguro Chojyamaru	M	February 28, 2018	2,310	2,350	4.0	2,270	3.8	4.2

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-090	Castalia Meguro Takaban	M	February 28, 2018	1,840	1,870	4.2	1,810	4.0	4.4
RE-091	Castalia Omori III	M	February 28, 2018	1,690	1,710	4.2	1,660	4.0	4.4
RE-092	Morino Tonari	F	February 28, 2018	1,150	1,170	4.2	1,130	4.0	4.4
RE-093	Castalia Meguro Tairamachi	M	February 28, 2018	1,260	1,280	3.9	1,230	3.7	4.1
RE-094	Royal Parks SEASIR	M	February 28, 2018	5,000	5,090	5.4 (Note 4)	5,000	1st to 10th year 5.2 11th year to end of land leasing period 5.6	– (Note 4)
RE-095	Castalia Honkomagome	M	February 28, 2018	1,750	1,770	4.3	1,720	4.1	4.5
RE-096	Cosmo Heim Musashikosugi	C	February 28, 2018	1,930	2,030	4.9	1,930	4.7	5.1
RE-097	Castalia Tsurumi	C	February 28, 2018	734	738	5.2	734	5.0	5.4
RE-098	Castalia Funabashi	T	February 28, 2018	788	784	4.9	789	1st to 2nd year 4.9 3rd to 11th year 4.7	5.1
RE-099	Castalia Nishi Funabashi	F	February 28, 2018	930	939	5.3	920	5.1	5.5
RE-105	Castalia Nogeeyama	F	February 28, 2018	328	331	5.2	324	5.0	5.4
RE-106	Castalia Ichikawa	F	February 28, 2018	533	535	5.2	531	5.0	5.4
RE-107	Royal Parks Hanakoganei	D	February 28, 2018	6,190	6,130	5.1 (Note 4)	6,210	1st to 10th year 4.9 11th year to end of land leasing period 5.3	– (Note 4)
RE-108	Castalia Musashikosugi	M	February 28, 2018	1,840	1,870	4.5	1,810	4.3	4.7
RE-109	Royal Parks Wakabadai	D	February 28, 2018	4,780	4,690	5.2 (Note 4)	4,820	1st to 10th year 5.0 11th year to end of land leasing period 5.4	– (Note 4)
RE-110	Pacific Royal Court Minatomirai Urban Tower	M	February 28, 2018	11,000	11,200	4.9 (Note 4)	11,000	1st to 10th year 4.7 11th year to end of land leasing period 5.1	– (Note 4)
RE-111	L-Place Shinkoyasu	F	February 28, 2018	2,010	2,030	5.0	1,990	4.8	5.2
RE-112	Royal Parks Musashikosugi	M	February 28, 2018	1,300	1,320	4.9 (Note 4)	1,300	1st to 10th year 4.7 11th year to end of land leasing period 5.1	– (Note 4)
RE-115	Crest Kusatsu	T	February 28, 2018	1,960	2,010	6.6	1,940	6.7	6.8
RE-116	Castalia Sakaisuji Honmachi	T	February 28, 2018	1,730	1,740	4.7	1,730	4.8	4.9
RE-117	Castalia Shin-Umeda	T	February 28, 2018	1,550	1,560	4.8	1,540	4.9	5.0
RE-118	Castalia Abeno	T	February 28, 2018	5,050	5,090	4.7	5,030	4.8	4.9

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 28, 2018

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-119	Castalia Sakae	C	February 28, 2018	1,210	1,200	4.9	1,210	4.7	5.1
RE-121	Castalia Maruyama Urasando	T	February 28, 2018	515	521	5.0	512	5.0	5.2
RE-122	Castalia Maruyama Omotesando	T	February 28, 2018	2,050	2,060	5.0	2,040	5.0	5.2
RE-123	Castalia Higashi Hie	T	February 28, 2018	1,020	1,030	5.0	1,020	5.2	5.2
RE-124	Castalia Tower Nagahoribashi	C	February 28, 2018	4,460	4,510	4.8	4,460	4.6	5.0
RE-125	Castalia Sannomiya	D	February 28, 2018	1,490	1,500	5.0	1,480	4.8	5.2
RE-126	Castalia Kotodaikoen	D	February 28, 2018	557	556	5.3	557	5.3	5.5
RE-127	Castalia Ichibancho	D	February 28, 2018	949	957	5.3	946	5.3	5.5
RE-128	Castalia Omachi	D	February 28, 2018	764	764	5.3	764	5.3	5.5
RE-129	Castalia Uemachidai	D	February 28, 2018	2,710	2,740	4.7	2,690	4.5	4.9
RE-130	Castalia Tower Higobashi	C	February 28, 2018	3,540	3,560	4.8	3,540	4.6	5.0
RE-131	Big Tower Minami Sanjo	D	February 28, 2018	2,630	2,640	5.2	2,630	5.0	5.4
RE-132	Castalia Fushimi	F	February 28, 2018	3,040	3,070	4.8	3,000	4.6	5.0
RE-133	Castalia Meieki Minami	M	February 28, 2018	936	950	4.5	922	4.3	4.7
RE-134	Castalia Yakuin	M	February 28, 2018	1,160	1,180	4.6	1,140	4.4	4.8
RE-135	Castalia Mibu	F	February 28, 2018	1,460	1,470	4.9	1,440	4.7	5.1
RE-136	Castalia Tsutsujigaoka	M	February 28, 2018	1,730	1,750	4.9	1,710	4.7	5.1
RE-137	Castalia Ohori Bay Tower	M	February 28, 2018	3,580	3,660	5.2	3,500	5.0	5.4
RE-138	Royal Parks Namba	D	February 28, 2018	2,960	2,950	5.5 (Note 4)	2,960	1st to 10th year 5.4 11th year to end of land leasing period 5.8	– (Note 4)
RE-139	Castalia Shigahondori	F	February 28, 2018	2,080	2,100	5.0	2,060	4.8	5.2
RE-140	Castalia Kyoto Nishioji	M	February 28, 2018	1,070	1,090	4.6	1,050	4.4	4.8
RE-141	Castalia Ningyocho III	F	February 28, 2018	2,300	2,320	4.2	2,270	4.0	4.4
RE-142	Royal Parks Umejima	M	February 28, 2018	2,210	2,250	5.4 (Note 4)	2,210	1st to 10th year 5.2 11th year and later 5.6	– (Note 4)
RE-143	Castalia Shinsakae II	D	February 28, 2018	1,940	1,970	5.0	1,920	4.8	5.2
RM-001	ACROSSMALL Shinkamagaya	F	February 28, 2018	7,910	7,940	5.7	7,870	5.4	5.9
RM-002	FOLEO Hirakata	F	February 28, 2018	4,640	4,670	6.2	4,600	5.7	6.3
RM-003	QiZ GATE URAWA	F	February 28, 2018	4,130	4,170	5.5	4,090	5.1	5.6

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RM-004	UNICUS Takasaki	F	February 28, 2018	3,010	3,020	6.3	3,000	6.0	6.5
RM-005	ACROSSPLAZA Miyoshi (Land)	T	February 28, 2018	3,910	– (Note 3)	– (Note 3)	3,910	4.3	– (Note 4)
RM-006	DREAM TOWN ALi	F	February 28, 2018	8,180	8,290	5.8	8,070	5.6	6.1
RM-007	ASOBOX (Land)	F	February 28, 2018	1,840	– (Note 3)	– (Note 3)	1,840	5.0	– (Note 4)
RM-008	FOLEO Ome Imai	F	February 28, 2018	3,920	3,940	5.1	3,890	4.6	5.4
RR-001	LIFE Sagamihara Wakamatsu	F	February 28, 2018	1,730	1,740	4.9	1,710	4.5	5.0
RR-002	FOLEO Sendai Miyanomori	F	February 28, 2018	7,240	7,280	5.7	7,200	5.4	5.9
RR-003	ACROSSPLAZA Inazawa (Land)	F	February 28, 2018	2,450	– (Note 3)	– (Note 3)	2,450	5.3	– (Note 4)
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	T	February 28, 2018	2,330	2,340	6.2	2,330	6.3	6.4
RR-005	Hiratsuka Retail Property (Land)	T	February 28, 2018	6,630	– (Note 3)	– (Note 3)	6,630	4.0	– (Note 4)
OT-001	Urban Living Inage	D	February 28, 2018	1,300	1,310	5.2	1,290	5.0	5.4
OT-002	Aburatsubo Marina HILLS	F	February 28, 2018	1,290	1,300	6.0	1,270	5.8	6.2
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	D	February 28, 2018	7,970	7,950	5.5	7,980	5.3	5.7
OT-004	Sharp Hiroshima Building	F	February 28, 2018	1,940	1,960	5.3	1,920	5.1	5.5

(Note 1) In “Appraisal agency,” “D” represents DAIWA REAL ESTATE APPRAISAL CO., LTD., “C” represents Chuo Real Estate Appraisal Co., Ltd., “T” represents The Tanizawa Sōgō Appraisal Co., Ltd., “F” represents Japan Real Estate Institute, and “M” represents JLL Morii Valuation & Advisory K.K.

(Note 2) “Value based on income method” represents value calculated by the direct capitalization method and value calculated by the DCF method. The direct capitalization method is a technique to estimate a value by dividing net cash flow for a period by the capitalization rate. The DCF method is a technique to estimate a value based on income calculated by discounting net cash flow and terminal value for consecutive multiple periods to the present values corresponding to the periods in which each belong and adding the respective discounted values together.

(Note 3) In this appraisal, because the contractual terms prescribe the restoration of land to its original state at the expiry of the agreement and the direct capitalization method where net cash flow over a period of time is capitalized at the capitalization rate is not suitable, the price based on the direct capitalization method was not calculated.

(Note 4) The capitalization rate states the discount rate used in the direct capitalization method (inwood method). Since the capitalization method was not applied in the calculation of price of selling the vacant lot, the terminal capitalization rate was not presented.

#### (4) Summary on Engineering Report

DHR obtains building condition evaluation reports and detailed earthquake risk analysis reports concerning building inspections, building evaluations, compliance with relevant laws and regulations, evaluations of repairs and maintenance expenses, environmental assessments, and earthquake risk analyses (collectively termed “Engineering Reports”) from Takenaka Corporation, SHIMIZU CORPORATION, Land Solution Inc., HI International Consultant Inc., Engineering and Risk Services Corporation, Tokio Marine & Nichido Risk Consulting Co., Ltd. and Sampo Risk Management & Health Care Inc. (former corporate name: Sampo Japan Risk Management Inc.) for each real estate or each real estate in trust owned by DHR. The summary of the Engineering Reports for each real estate or each real estate in trust as of February 28, 2018, is as follows:

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
LB-001	D Project Machida	–	–	275,315	2.7	August 2017
LB-002	D Project Hachioji	–	–	188,463	6.0	August 2017
LB-003	D Project Aikawa-Machi	–	–	27,858	5.5	August 2017
LB-004	D Project Shin-Misato	–	–	38,465	0.8	August 2017
LB-005	D Project Urayasu I	–	–	200,122	3.5	August 2017
LB-006	D Project Urayasu II	–	–	273,325	2.1	August 2017
LB-007	D Project Akanehama	–	–	18,091	1.7	August 2017
LB-008	D Project Noda	–	–	64,458	1.7	August 2017
LB-009	D Project Inuyama	–	–	90,622	3.4	August 2017
LB-010	D Project Gifu	–	–	13,297	4.1	August 2017
LB-011	D Project Neyagawa	–	–	23,505	2.7	August 2017
LB-012	D Project Sapporo Minami	–	–	26,616	1.9	August 2017
LB-013	D Project Morioka	–	–	42,410	8.1	August 2017
LB-014	D Project Sendai Minami	–	–	27,070	1.5	August 2017
LB-015	D Project Tsuchiura	–	–	32,535	1.6	August 2017
LB-016	D Project Gotenba	–	–	37,810	7.0	August 2017
LB-017	D Project Nishi-Hiroshima	–	–	35,594	2.3	August 2017
LB-018	D Project Fukuoka Umi	–	–	126,738	1.3	August 2017
LB-019	D Project Tosu	–	–	11,000	5.2	August 2017
LB-020	D Project Kuki I	–	–	5,837	0.5	February 2014
LB-021	D Project Kuki II	–	–	10,249	3.4	December 2013
LB-022	D Project Kawagoe I	–	–	7,046	7.6	February 2014
LB-023	D Project Kawagoe II	–	–	5,231	3.2	February 2014
LB-024	DPL Inuyama	–	–	4,837	7.0	February 2014
LB-025	D Project Fukuoka Hakozaki	–	–	40,626	10.9	February 2014
LB-026	D Project Kuki III	–	–	42,950	0.1	February 2015
LB-027	D Project Kuki IV	–	–	11,712	1.7	February 2015
LB-028	D Project Kuki V	–	–	59,385	2.8	February 2015
LB-029	D Project Kuki VI	–	–	41,380	2.0	February 2015
LB-030	D Project Yashio	–	–	69,618	1.6	February 2015
LB-031	D Project Nishiyodogawa	–	–	20,912	7.3	February 2015
LB-032	D Project Matsudo	–	–	20,868	3.1	February 2015
LB-033	D Project Hibiki Nada	–	–	77,619	1.3	April 2016
LB-034	D Project Morioka II	–	–	20,721	14.5	March 2016
LB-035	D Project Kawagoe III	–	–	99,129	2.2	February 2017
LB-036	D Project Kazo	–	–	44,541	1.2	February 2017
LB-037	D Project Urayasu III	–	–	236,787	3.7	February 2017
LB-038	D Project Tomisato	–	–	57,681	2.9	February 2017
LB-039	D Project Kyotanabe	–	–	47,381	5.7	February 2017
LB-040	D Project Sendai Izumi	–	–	29,414	4.4	February 2017
LB-041	D Project Oyama	–	–	31,146	1.6	February 2017
LB-042	D Project Sano	–	–	38,714	1.5	February 2017
LB-043	D Project Tatebayashi	–	–	45,056	1.8	February 2017
LB-044	D Project Kakegawa	–	–	58,493	9.1	February 2017
LB-045	D Project Hiroshima Seifu	–	–	39,347	4.7	February 2017
LB-046	D Project Tosu II	–	–	26,713	3.0	February 2017
LM-001	DPL Misato	–	–	297,332	0.5	February 2017
RE-001	Qiz Ebisu	–	–	192,351	3.4	January 2015
RE-002	Castalia Azabujuban Shichimenzaka	–	–	133,227	2.3	January 2015
RE-003	Castalia Shibakoen	–	–	99,313	3.9	July 2014
RE-004	Castalia Ginza	–	–	99,817	2.8	July 2014
RE-005	Castalia Hiroo	–	–	50,386	6.0	February 2017
RE-006	Castalia Nihonbashi	–	–	58,455	2.7	January 2015
RE-007	Castalia Hacchobori	–	–	72,397	5.2	July 2015
RE-008	Castalia Azabujuban	–	–	75,318	3.8	February 2016

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
RE-009	Castalia Azabujuban II	-	-	87,409	3.8	February 2016
RE-010	Castalia Shinjuku Natsumezaka	-	-	53,396	5.1	August 2016
RE-011	Castalia Ginza II	-	-	40,586	2.5	August 2016
RE-012	Castalia Shibuya Sakuragaoka	-	-	55,552	7.6	January 2017
RE-013	Castalia Nishi Azabu Kasumicho	-	-	41,824	5.0	January 2018
RE-014	Castalia Ochanomizu	-	-	31,540	6.8	January 2018
RE-015	Castalia Sangubashi	-	-	63,845	4.2	January 2018
RE-016	Castalia Suitengu	-	-	63,138	6.6	July 2014
RE-017	Castalia Suitengu II	-	-	70,359	6.9	July 2014
RE-018	Castalia Shintomicho	-	-	65,432	5.4	July 2014
RE-019	Castalia Shintomicho II	-	-	56,783	3.6	July 2014
RE-020	Castalia Harajuku	-	-	58,662	9.6	January 2018
RE-021	Castalia Yoyogi Uehara	-	-	36,712	9.1	January 2018
RE-022	Castalia Sendagaya	-	-	37,313	10.3	January 2018
RE-023	Castalia Shinjuku 7 chome	-	-	41,894	4.9	January 2018
RE-024	Castalia Ningyocho	-	-	60,991	4.9	January 2015
RE-025	Castalia Ningyocho II	-	-	53,988	5.4	January 2015
RE-026	Castalia Shin-Ochanomizu	-	-	46,036	5.7	January 2015
RE-027	Castalia Higashi Nihonbashi II	-	-	71,364	4.8	January 2015
RE-028	Castalia Jimbocho	-	-	56,108	5.6	January 2015
RE-029	Castalia Shintomicho III	-	-	40,393	3.2	January 2015
RE-030	Castalia Shinjuku Gyoen	-	-	95,550	2.9	July 2014
RE-031	Castalia Takanawadai	-	-	50,018	6.9	July 2014
RE-032	Castalia Higashi Nihonbashi III	-	-	45,446	4.6	July 2014
RE-033	Castalia Shinjuku Gyoen II	-	-	39,667	4.8	July 2014
RE-034	Castalia Shintomicho IV	-	-	31,244	5.8	July 2014
RE-035	Castalia Takanawadai II	-	-	45,602	10.0	January 2015
RE-036	Castalia Minami Azabu	-	-	28,944	5.0	January 2015
RE-037	Castalia Ginza III	-	-	95,256	2.7	July 2015
RE-038	Castalia Kayabacho	-	-	95,974	5.0	July 2015
RE-039	Castalia Takanawa	-	-	266,139	4.0	July 2015
RE-040	Castalia Higashi Nihonbashi	-	-	116,722	2.2	July 2015
RE-041	Castalia Shinjuku	-	-	32,453	4.3	July 2015
RE-042	Castalia Ichigaya	-	-	34,073	7.5	July 2015
RE-043	Shibaura Island Bloom Tower	-	-	418,923	2.0	August 2016
RE-044	Castalia Hatsudai	-	-	101,851	3.9	August 2016
RE-045	Castalia Hatsudai II	-	-	51,667	4.9	July 2017
RE-046	Castalia Ebisu	-	-	41,598	3.4	July 2017
RE-047	Castalia Meguro Kamurozaka	-	-	167,646	2.6	January 2015
RE-048	Castalia Toritsudaigaku	-	-	56,449	5.9	January 2018
RE-049	Castalia Yukigaya	-	-	69,120	2.5	February 2016
RE-050	Castalia Yutenji	-	-	43,828	8.5	February 2016
RE-051	Castalia Otsuka	-	-	57,326	4.3	August 2016
RE-052	Castalia Kikukawa	-	-	53,076	7.6	August 2016
RE-053	Castalia Meguro	-	-	28,156	4.2	January 2018
RE-054	Castalia Otsuka II	-	-	52,914	3.8	January 2015
RE-055	Castalia Jiyugaoka	-	-	55,037	9.3	January 2015
RE-056	Castalia Mejiro	-	-	45,570	5.3	July 2015
RE-057	Castalia Ikebukuro	-	-	111,774	2.8	January 2015
RE-058	Castalia Kaname-cho	-	-	51,382	2.3	July 2015
RE-059	Castalia Tower Shinagawa Seaside	-	-	274,548	3.1	July 2015
RE-060	Castalia Yakumo	-	-	43,824	9.1	July 2015
RE-061	Castalia Togoshiekimae	-	-	31,373	5.6	July 2015
RE-062	Castalia Honjo Azumabashi	-	-	60,033	4.5	July 2014
RE-063	Castalia Kitazawa	-	-	30,415	4.4	January 2018
RE-064	Castalia Monzennakacho	-	-	41,454	8.1	January 2018
RE-065	Castalia Kamiikedai	-	-	12,823	11.2	January 2018
RE-066	Castalia Morishita	-	-	46,009	6.7	January 2015
RE-067	Castalia Wakabayashikoen	-	-	47,061	3.4	July 2014
RE-068	Castalia Asakusabashi	-	-	67,431	2.8	January 2015
RE-069	Castalia Iriya	600	-	35,393	5.4	July 2015
RE-070	Castalia Kita Ueno	-	-	151,816	3.3	January 2015
RE-071	Castalia Morishita II	-	-	36,974	6.7	January 2015
RE-072	Castalia Minowa	-	-	61,432	5.4	January 2015
RE-073	Castalia Oyamadai	-	-	14,148	8.7	July 2015
RE-074	Castalia Nakano	-	-	33,418	3.9	July 2015
RE-075	Castalia Yoga	-	-	26,900	5.6	July 2015
RE-076	Castalia Sumiyoshi	-	-	28,681	6.8	July 2015



Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
RE-077	Castalia Monzennakacho II	-	-	59,539	7.3	January 2015
RE-078	Castalia Oshiage	-	-	50,805	6.5	January 2015
RE-079	Castalia Kuramae	-	-	50,815	4.1	January 2015
RE-080	Castalia Nakanobu	-	-	53,877	2.8	July 2015
RE-081	Royal Parks Toyosu	-	-	265,862	7.2	July 2015
RE-082	Castalia Togoshi	-	-	59,537	3.8	July 2015
RE-083	Castalia Ooimachi	-	-	43,161	3.9	February 2016
RE-084	Castalia Omori	-	-	79,460	3.7	February 2016
RE-085	Castalia Mishuku	-	-	108,838	5.9	February 2016
RE-086	Castalia Arakawa	-	-	98,574	4.5	February 2016
RE-087	Castalia Omori II	-	-	42,630	4.0	August 2016
RE-088	Castalia Nakameguro	-	-	107,342	3.6	February 2017
RE-089	Castalia Meguro Chojyamaru	-	-	54,250	3.1	July 2017
RE-090	Castalia Meguro Takaban	-	-	88,717	7.0	July 2017
RE-091	Castalia Omori III	-	-	48,261	3.7	July 2017
RE-092	Morino Tonari	-	-	30,552	4.6	January 2018
RE-093	Castalia Meguro Tairamachi	-	-	27,167	6.2	January 2018
RE-094	Royal Parks SEASIR	-	-	222,002	3.6	February 2015
RE-095	Castalia Honkomagome	-	-	15,112	6.6	February 2015
RE-096	Cosmo Heim Musashikosugi	-	-	109,643	9.1	January 2018
RE-097	Castalia Tsurumi	-	-	32,193	9.0	August 2016
RE-098	Castalia Funabashi	-	-	71,478	3.0	January 2018
RE-099	Castalia Nishi Funabashi	-	-	42,396	3.6	January 2018
RE-105	Castalia Nogeyama	-	-	48,467	5.3	January 2018
RE-106	Castalia Ichikawa	-	-	36,179	2.7	July 2014
RE-107	Royal Parks Hanakoganei	-	-	430,325	4.5	February 2016
RE-108	Castalia Musashikosugi	-	-	56,442	6.4	July 2017
RE-109	Royal Parks Wakabadai	-	-	349,081	5.3	March 2014
RE-110	Pacific Royal Court Minatomirai Urban Tower	-	-	438,587	3.9	February 2015
RE-111	L-Place Shinkoyasu	-	-	20,575	3.0	February 2015
RE-112	Royal Parks Musashikosugi	-	-	56,442	6.2	January 2015
RE-115	Crest Kusatsu	-	-	373,330	13.6	January 2018
RE-116	Castalia Sakaisuji Honmachi	-	-	101,788	6.1	January 2015
RE-117	Castalia Shin-Umeda	-	-	103,797	8.3	January 2015
RE-118	Castalia Abeno	-	-	301,752	10.1	July 2015
RE-119	Castalia Sakae	-	-	82,362	4.2	July 2014
RE-121	Castalia Maruyama Urasando	-	-	43,623	1.3	July 2014
RE-122	Castalia Maruyama Omotesando	-	-	159,250	1.1	July 2014
RE-123	Castalia Higashi Hie	-	-	136,557	2.6	February 2016
RE-124	Castalia Tower Nagahoribashi	-	-	189,010	4.6	January 2015
RE-125	Castalia Sannomiya	-	-	97,414	5.3	January 2018
RE-126	Castalia Kotodaikoen	-	-	62,657	3.4	July 2014
RE-127	Castalia Ichibancho	-	-	85,389	2.9	July 2014
RE-128	Castalia Omachi	-	-	80,272	2.6	July 2014
RE-129	Castalia Uemachidai	-	-	67,675	5.9	July 2015
RE-130	Castalia Tower Higobashi	-	-	95,723	5.8	July 2015
RE-131	Big Tower Minami Sanjo	-	-	174,218	0.9	July 2014
RE-132	Castalia Fushimi	-	-	131,108	3.1	July 2014
RE-133	Castalia Meieki Minami	-	-	60,447	4.6	February 2016
RE-134	Castalia Yakuin	-	-	102,156	5.6	February 2016
RE-135	Castalia Mibu	-	-	54,217	9.4	August 2016
RE-136	Castalia Tsutsujigaoka	-	-	78,747	2.7	January 2017
RE-137	Castalia Ohori Bay Tower	-	-	224,239	1.9	January 2013
RE-138	Royal Parks Namba	-	-	293,019	7.8	January 2017
RE-139	Castalia Shigahondori	-	-	135,510	2.3	January 2017
RE-140	Castalia Kyoto Nishioji	-	-	39,962	9.3	September 2015
RE-141	Castalia Ningyocho III	-	-	19,732	3.6	April 2016
RE-142	Royal Parks Umejima	-	-	91,236	4.1	April 2016
RE-143	Castalia Shinsakae II	-	-	24,415	4.5	February 2017
RM-001	ACROSSMALL Shinkamagaya	-	-	414,104	2.4	November 2017
RM-002	FOLEO Hirakata	-	-	333,040	13.3	February 2018
RM-003	QiZ GATE URAWA	-	-	253,420	1.8	February 2018
RM-004	UNICUS Takasaki	-	-	119,348	1.0	February 2018
RM-005	ACROSSPLAZA Miyoshi (Land)	-	-	-	-(Note 3)	-
RM-006	DREAM TOWN ALi	-	-	219,367	1.8	September 2015
RM-007	ASOBOX (Land)	-	-	-	-(Note 3)	-
RM-008	FOLEO Ome Imai	-	-	31,736	9.3	July 2017

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
RR-001	LIFE Sagami-hara Wakamatsu	-	-	49,315	11.0	February 2018
RR-002	FOLEO Sendai Miyanomori	-	-	121,705	2.8	February 2018
RR-003	ACROSSPLAZA Inazawa (Land)	-	-	-	- (Note 3)	-
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	-	-	160,912	0.5	April 2016
RR-005	Hiratsuka Retail Property (Land)	-	-	-	- (Note 3)	-
OT-001	Urban Living Inage	-	-	41,907	3.5	January 2017
OT-002	Aburatsubo Marina HILLS	-	-	29,198	8.8	August 2014
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	-	-	597,524	1.2	April 2016
OT-004	Sharp Hiroshima Building	-	-	25,525	3.0	February 2017
Portfolio PML (Note 4)					1.7	-

(Note 1) "Repairs and maintenance expenses" represent the amount exclusive of tax.

(Note 2) "PML (probable maximum loss)" is the ratio (%) of anticipated loss due to earthquake to reproduction cost from an event with an annual exceedance probability of 0.21% (once in 475 years). However, PML in relation to the portfolio relates to groups of multiple buildings, and in consideration of the likelihood of damage occurring simultaneously to multiple buildings, the ratio (%) of anticipated loss affecting either single or multiple buildings in a group to reproduction cost from an event with an annual exceedance probability of 0.21% (once in 475 years) is shown. DHR is considering taking out earthquake insurance based on PML. However, there are no current plans to take out earthquake insurance for each piece of real estate or real estate in trust above.

(Note 3) For ACROSSPLAZA Miyoshi (Land), ACROSSPLAZA Inazawa (Land), ASOBOX (Land), and Hiratsuka Retail Property (Land), PML figures were not presented because only the land is owned and the building was not acquired.

(Note 4) "Portfolio PML" is a numerical value obtained in the same way for the aggregate of the 195 properties as for an individual property, excluding ACROSSPLAZA Miyoshi (Land), ACROSSPLAZA Inazawa (Land), ASOBOX (Land), and Hiratsuka Retail Property (Land), for which only the land was acquired, based on the report on earthquake risk assessment provided by Tokio Marine & Nichido Risk Consulting Co., Ltd.

**(5) Status of Portfolio Diversification (As of February 28, 2018)**

**i) Investment ratio by area**

Area (Note 1)		Number of properties	Acquisition price (Millions of yen)	Investment ratio (%) (Note 2)	
Three major metropolitan areas of Japan	Greater Tokyo area	140	414,996	71.8	84.4
	Greater Nagoya area	9	23,640	4.1	
	Greater Osaka area	15	49,104	8.5	
Other		35	90,037	15.6	
Total		199	577,777	100.0	

(Note 1) For details of “Area,” please refer to “(1) Portfolio List, i) Status of Investment (Note 1)” above.

(Note 2) “Investment ratio” is calculated based on the acquisition price, rounded to the nearest tenth. The same applies hereinafter.

**ii) Investment ratio by asset class**

Asset class		Number of properties	Acquisition price (Millions of yen)	Investment ratio (%)	
Core assets	Logistics properties	47	260,119	45.0	98.0
	Residential properties	135	250,448	43.3	
	Retail properties	13	55,730	9.6	
	Hotel properties	–	–	–	
Other assets		4	11,480	2.0	
Total		199	577,777	100.0	

**iii) Diversification by age of property**

Age of property	Number of properties	Acquisition price (Millions of yen)	Investment ratio (%)
Less than 5 years	22	90,206	16.0
5 years or more but less than 10 years	39	168,772	29.9
10 years or more	134	305,449	54.1
Total	195	564,427	100.0

**iv) Average age of property by asset class**

Asset class	Average age (year)
Logistics properties	7.7
Residential properties	12.1
Retail properties	9.4
Hotel properties	–
Other assets	6.4
Total	9.7

(Note) “Average age” is the weighted average age of owned properties as of February 28, 2018 based on the acquisition price, rounded to the nearest tenth.

**(6) Capital Expenditures for Properties Held**

**i) Schedule of capital expenditures**

The following table shows major scheduled capital expenditures for planned renovation work, etc. for owned properties (real estate, real estate in trust, etc.) as of February 28, 2018. The estimated construction cost includes the portion charged to expenses.

Property name (Location)	Purpose	Scheduled period	Estimated construction cost (Thousands of yen)		
			Total amount	Payment during the period	Total amount paid
Castalia Azabujuban Shichimenzaka (Minato Ward, Tokyo)	Large-scale renovations	From April 2018 to August 2018	75,600	–	–
Castalia Arakawa (Arakawa Ward, Tokyo)	Large-scale renovations	From April 2018 to August 2018	75,384	–	–
Cosmo Heim Musashikosugi (Kawasaki City, Kanagawa)	Large-scale renovations	From April 2018 to August 2018	58,320	–	–
Castalia Tsutsujigaoka (Sendai City, Miyagi)	Large-scale renovations	From April 2018 to September 2018	65,880	–	–

**ii) Capital expenditures during the period**

For owned properties (real estate, real estate in trust, etc.), an overview of major construction work conducted during the current fiscal period that falls into DHR's capital expenditures is as follows. Capital expenditures during the current fiscal period were ¥1,109,966 thousand together with ¥608,962 thousand in repairs and maintenance expenses and ¥241,904 thousand in restoration costs classified as expenses for the current fiscal period, making a total of ¥1,960,833 thousand in construction work.

Property name (Location)	Purpose	Period	Construction cost (Thousands of yen)
D Project Hachioji (Hachioji City, Tokyo)	Repair work of exterior walls	From June 2017 to February 2018	242,400
D Project Aikawa-Machi (Aiko District, Kanagawa)	Installation of freezing and refrigeration facilities in the second floor	From August 2017 to October 2017	136,060
D Project Gifu (Anpachi District, Gifu)	Installment of LED lights	From January 2018 to January 2018	14,504
D Project Sapporo Minami (Kitahiroshima City, Hokkaido)	Installment of LED lights	From August 2017 to September 2017	8,214
D Project Sendai Minami (Iwanuma City, Miyagi)	Sealing work of exterior walls	From December 2017 to February 2018	17,385
Castalia Shibakoen (Minato Ward, Tokyo)	Painting renovation and sealing work of exterior walls	From November 2017 to February 2018	45,998
Castalia Suitengu (Chuo Ward, Tokyo)	Painting renovation and sealing work of exterior walls	From October 2017 to February 2018	26,494
Castalia Ningyocho (Chuo Ward, Tokyo)	Painting renovation and sealing work of exterior walls	From October 2017 to February 2018	36,851
Castalia Ningyocho II (Chuo Ward, Tokyo)	Painting renovation and sealing work of exterior walls	From November 2017 to February 2018	22,908
Castalia Shintomicho IV (Chuo Ward, Tokyo)	Replacement of long balcony flooring sheets	From October 2017 to January 2018	21,316
Castalia Yutenji (Meguro Ward, Tokyo)	Painting renovation and sealing work of exterior walls	From August 2017 to January 2018	17,116
Castalia Monzennakacho (Koto Ward, Tokyo)	Painting renovation and sealing work of exterior walls	From October 2017 to January 2018	23,959

**iii) Cash reserves for long-term repair and maintenance plans**

DHR sets aside the following cash reserves for repair and maintenance in order to provide for payment of funds for future maintenance of the value of assets and the renewal of facilities and equipment.

(Unit: Thousands of yen)

Operating period	20th period From September 1, 2015 to February 29, 2016	21st period From March 1, 2016 to August 31, 2016	22nd period From September 1, 2016 to February 28, 2017	23rd period From March 1, 2017 to August 31, 2017	24th period From September 1, 2017 to February 28, 2018
Balance of reserves at beginning of period	561,360	575,440	589,520	1,298,495	1,439,455
Amount of reserves during period	14,080	14,080	708,974	140,960	39,080
Amount of reversal of reserves during period	–	–	–	–	8,000
Reserves carried forward	575,440	589,520	1,298,495	1,439,455	1,470,535