

Financial Results for the Fiscal Period Ended August 31, 2019 (March 1, 2019 - August 31, 2019)

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

Listing: Tokyo Stock Exchange
 Securities code: 8984
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 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 August 31, 2019 (March 1, 2019 - August 31, 2019)

(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 August 31, 2019	24,877	7.6	10,702	7.4	9,166	6.6	9,166	6.6
Fiscal period ended February 28, 2019	23,127	4.1	9,960	7.5	8,597	10.6	8,597	10.7

	Basic earnings per unit	Return on equity (ROE)	Ordinary profit to total assets ratio	Ordinary profit to operating revenues ratio
	Yen	%	%	%
Fiscal period ended August 31, 2019	4,420	2.1	1.1	36.8
Fiscal period ended February 28, 2019	4,461	2.0	1.1	37.2

(Note) Please refer to “Per Unit Information” on page 23 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 August 31, 2019	5,773	11,978	—	—	130.6	2.6
Fiscal period ended February 28, 2019	5,427	10,457	—	—	121.7	2.4

(Note 1) For the fiscal period ended August 31, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥2,920 million and the accumulation of reserve for distribution of ¥107 million, and differ from “profit.”

(Note 2) For the fiscal period ended February 28, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,980 million and the accumulation of reserve for distribution of ¥120 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 August 31, 2019	841,236	463,170	55.1	223,214
As of February 28, 2019	777,727	429,223	55.2	222,741

(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 August 31, 2019	20,665	(66,780)	52,136	47,271
Fiscal period ended February 28, 2019	20,030	(13,520)	(2,719)	41,250

2. Forecasts of operating results for the fiscal period from September 1, 2019 to February 29, 2020 and for the fiscal period from March 1, 2020 to August 31, 2020

(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 February 29, 2020	24,910	0.1	10,638	(0.6)	9,169	0.0	9,169	0.0	6,040	–
Fiscal period ending August 31, 2020	24,643	(1.1)	10,398	(2.3)	8,954	(2.4)	8,953	(2.4)	5,270	–

(Reference) Forecasted basic earnings per unit

For the fiscal period ending February 29, 2020: ¥4,418

For the fiscal period ending August 31, 2020: ¥4,314

(Note 1) For the fiscal period ending February 29, 2020, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥3,365 million, and differ from “profit.”

(Note 2) For the fiscal period ending August 31, 2020, 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 August 31, 2019 2,075,000 units
 - As of February 28, 2019 1,927,000 units
- b. Number of treasury investment units at the end of the period
 - As of August 31, 2019 0 units
 - As of February 28, 2019 0 units

(Note) Please refer to “Per Unit Information” on page 23 for the number of investment units used as the basis for calculating basic earnings per unit.

* **Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.**

* **Special notes**

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 Periods Ending February 29, 2020 and August 31, 2020” on pages 7 and 8 for information on assumptions for the forecasts of operating results.

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 October 17, 2019.

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1. Operating Results

(1) 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.

On September 1, 2016, the former DHI and the former DHR (hereinafter collectively referred to as the “Investment Corporations”) 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 portfolio strategy 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.

B. Performance for the current fiscal period

DHR raised ¥35.2 billion of capital in its third public offering since the Merger and acquired 13 properties for a total acquisition price^(Note 1) of ¥67.0 billion through the Daiwa House Group^(Note 2)'s pipeline, etc. in March and April 2019 by a combination of funds raised through public offering and loans. Furthermore, in August 2019, DHR sold one logistics property for a sales price of ¥5.7 billion. As a result, DHR's portfolio as of the end of the current fiscal period consists of 228 properties with an asset value of ¥744.8 billion^(Note 3).

(Note 1) “Acquisition price” is the purchase price 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) The Daiwa House Group comprises Daiwa House, which is the parent company, 342 consolidated subsidiaries, 2 non-consolidated subsidiaries, 40 equity-method affiliates and 2 non-equity-method affiliates as of June 30, 2019. The Asset Manager is a member of the group. The same shall apply hereinafter.

(Note 3) “Asset value” is the aggregate total of the acquisition prices of respective assets owned by DHR at respective points in time, except as otherwise noted. The same shall apply hereinafter.

C. Overview of financing

DHR arranged refinancing for the full amount of ¥11,600 million in loans due on March 27, 2019 and March 29, 2019. Furthermore, DHR conducted debt financing of total amount of ¥27,500 million on April 5, 2019 and April 10, 2019, to provide for some of the acquisition costs and the related expenses for the acquisition of properties through the Daiwa House Group's pipeline, etc.

As a result, the balance of interest-bearing debt outstanding as of the end of the current fiscal period amounted to ¥348,768 million (loan balance: ¥329,768 million, investment corporation bond balance: ¥19,000 million), which is an increase of ¥27,500 million in comparison with the previous fiscal period. As of the end of the current fiscal period, its LTV (including goodwill)^(Note 1) was 41.5%, and its LTV (excluding goodwill)^(Note 2) was 45.1%.

(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	AA- 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 ¥822,248 million, and the amount of unrealized gain^(Note) on the portfolio, which is the difference compared to the book value was ¥103,676 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 sale 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 ¥24,877 million, operating profit of ¥10,702 million, ordinary profit of ¥9,166 million, and profit of ¥9,166 million (¥4,417 per investment unit).

Furthermore, based on its distribution policy, DHR reversed ¥2,920 million (¥1,407 per investment unit) as the amount equivalent to amortization of goodwill and the difference between income associated with sale of properties, etc. for accounting and tax purposes from reserve for temporary difference adjustments to top up profit. As a result, total distributions amounted to ¥11,978 million (¥5,773 per investment unit).

ii) Outlook for next fiscal period

A. Investment environment

During the current fiscal period, despite weakness seen in exports, the Japanese economy is gradually recovering. In terms of the future, with improvements in the employment and personal income environments continuing and various policies producing effects, the gradual recovery is expected to continue. However, in addition to being cautious about the effects of increasing tension over trade issues on the global economy, we must also be aware of the future of the Chinese economy, uncertainty over global economic trends and policies, and fluctuations in financial and capital markets.

Amid these conditions, the J-REIT market was again valued for its stable distribution yields, capturing robust investment demand from foreign investors from the start of the year. Even after foreign investors became net sellers from April, investment trusts and life and non-life insurance companies became new buyers, and in July, the Tokyo Stock Exchange REIT Index recovered to the 2,000-point mark for the first time in eleven years and seven months, remaining strong thereafter.

The investment environment is expected to continue to be tough due to lowering capitalization rates used in real estate appraisals, rising land prices, soaring construction costs, and other factors. Nevertheless, DHR will continue to acquire high quality properties actively 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

Due to its shift to a diversified portfolio strategy as a result of the Merger, taking advantage of the expanded opportunities to acquire properties from an extensive range of asset classes, DHR aims to steadily grow its asset size while maximizing unitholder value by securing stable income over the long term.

Due to its shift to a diversified portfolio strategy, DHR's portfolio now includes a range of assets with varying risk-return profiles, and as of the date of this financial results report, maintains high occupancy rates for assets held across all asset classes. By investing in various types of assets, DHR deems that it will be able to diversify its portfolio and mitigate the risk of excessive reliance on a limited number of tenants in order to boost portfolio income and generate more consistent cash flows.

DHR carefully selects and acquires assets that contribute to increasing unitholder value mainly through the Daiwa House Group's pipeline and plans to maintain its policy of selective investment going forward.

Furthermore, through continuous property replacement, DHR aims to increase the quality of its portfolio and realize increased unitholder value.

(b) Distribution policy

As of the end of the current fiscal period, DHR had ¥6,823 million in reserve for temporary difference adjustments (before reversal for the current fiscal period; the amount after reversal is ¥3,903 million), and ¥2,106 million in reserve for distribution (before accumulation for the current fiscal period; the amount after accumulation is ¥2,214 million).

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

In case of 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 through public offering, in case of the inability to secure sufficient revenues accompanying a capital increase through public offering due to short operation periods of properties acquired during a fiscal period, or in the case of the occurrence of a difference between excess income associated with sale of properties for accounting and with that for tax purposes that causes a need for DHR to take action to maintain its conduit status, DHR plans to reverse the reserve for temporary difference adjustments^(Note 1).

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 accounted as an allowance for temporary difference adjustments).

DHR's policy is to flexibly utilize voluntary reserve and subsequently pay distributions in excess of earnings (distribution accounted as an allowance for temporary difference adjustments) to realize

stabilization of distributions on a medium- to long-term basis^(Note 2) while ensuring the level of distributions not impacted by the amortization of goodwill that accompanied the Merger.

(Note 1) DHR's reversals of reserve for temporary difference adjustments do not fall under distributions in excess of earnings (return of unitholders' capital).

(Note 2) 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 February 29, 2020 and August 31, 2020

	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 February 29, 2020	24,910	10,638	9,169	9,169	6,040	—
Fiscal period ending August 31, 2020	24,643	10,398	8,954	8,953	5,270	—

(Note 1) For the fiscal period ending February 29, 2020, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥3,365 million, and differ from "profit."

(Note 2) For the fiscal period ending August 31, 2020, 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 Periods Ending February 29, 2020 and August 31, 2020" on pages 7 and 8. 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

Disposition of assets

DHR disposed the following properties.

Asset name	D Project Gifu
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Disposition price (Note 1)	¥1,171,000 thousand
Buyer (Note 2)	Godo Kaisha Heptagon
Date of disposition	September 2, 2019

Asset name	D Project Sapporo Minami
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Disposition price (Note 1)	¥863,000 thousand
Buyer (Note 2)	Godo Kaisha Heptagon
Date of disposition	September 2, 2019
Asset name	D Project Sendai Minami
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Disposition price (Note 1)	¥1,581,000 thousand
Buyer (Note 2)	Godo Kaisha Heptagon
Date of disposition	September 2, 2019
Asset name	D Project Gotenba
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Disposition price (Note 1)	¥1,141,000 thousand
Buyer (Note 2)	Godo Kaisha Heptagon
Date of disposition	September 2, 2019
Asset name	D Project Nishi-Hiroshima
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Disposition price (Note 1)	¥1,211,000 thousand
Buyer (Note 2)	Godo Kaisha Heptagon
Date of disposition	September 2, 2019

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

(Note 2) The buyer is a special purpose company (Tokutei Mokuteki Kaisha) on which Daiwa House, a parent company of the Asset Manager, may have a significant influence and is an interested party as defined in the Asset Manager's regulations on transactions with interested parties; however, is not 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").
The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

(2) Investment Risk

As there have been no significant changes in the "Investment Risk" as described in the Securities Report submitted on May 30, 2019 (prepared in Japanese only), the disclosure has been omitted.

Assumptions for Forecasts of Operating Results for the Fiscal Periods Ending February 29, 2020 and August 31, 2020

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending February 29, 2020: (182 days from September 1, 2019 to February 29, 2020) Fiscal period ending August 31, 2020: (184 days from March 1, 2020 to August 31, 2020)
Portfolio	<ul style="list-style-type: none"> DHR has assumed that there will be no changes (meaning acquisition of new properties or sale of acquired properties) until August 31, 2020 in 223 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. Changes in the composition of the portfolio may, however, occur.
Operating revenues	<ul style="list-style-type: none"> DHR has assumed the gain on sale of real estate properties of ¥306 million for the fiscal period ending February 29, 2020 associated with the disposition of five logistics properties (hereinafter referred to as the “Disposition”) on September 2, 2019. 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. DHR has assumed no delinquencies or non-payment of rents by tenants.
Operating expenses (excluding amortization of goodwill)	<ul style="list-style-type: none"> 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. DHR has assumed that DHR will incur depreciation expenses of ¥4,772 million for the fiscal period ending February 29, 2020 and ¥4,780 million for the fiscal period ending August 31, 2020. These figures are calculated using the straight-line method with incidental expenses added to purchase prices of non-current assets. DHR has estimated property tax, city planning tax and depreciable asset tax at ¥1,774 million for the fiscal period ending February 29, 2020 and ¥1,963 million for the fiscal period ending August 31, 2020. 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. 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. Selling, general and administrative expenses are estimated based on the actual values or rates, etc., of each item individually.
Amortization of goodwill	<ul style="list-style-type: none"> Amortization of goodwill is estimated at ¥1,982 million for the fiscal period ending February 29, 2020 and ¥1,982 million for the fiscal period ending August 31, 2020.
Non-operating expenses	<ul style="list-style-type: none"> DHR has assumed interest expenses and other borrowing-related expenses, etc. of ¥1,484 million for the fiscal period ending February 29, 2020 and ¥1,457 million for the fiscal period ending August 31, 2020.
Interest-bearing debt	<ul style="list-style-type: none"> As of the date of this financial results report, the balance of interest-bearing debt was ¥348,768 million. DHR has assumed the long-term loans of ¥36,810 million that become due by the end of the fiscal period ending August 31, 2020 will be fully refinanced. DHR has assumed the balance of outstanding interest-bearing debt will be unchanged until August 31, 2020.

Item	Assumptions
Investment units	<ul style="list-style-type: none"> The total number of investment units is based on DHR's assumption of 2,075,000 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 August 31, 2020.
Distributions per unit	<ul style="list-style-type: none"> 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 (¥955 per investment unit) and ¥1,982 million (¥955 per investment unit) is reversed and used as funds for payment in the fiscal period ending February 29, 2020 and the fiscal period ending August 31, 2020, respectively. DHR has assumed that for the amount equivalent to the difference of the gain on sale of real estate properties associated with the Disposition for accounting and tax purposes, the reserve for temporary difference adjustments of ¥1,383 million (¥666 per investment unit) for the fiscal period ending February 29, 2020 is reversed and used as funds for payments for distributions. 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.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> 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.
Others	<ul style="list-style-type: none"> 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. DHR's forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.

2. Financial Statements

(1) Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal period (As of February 28, 2019)	Current fiscal period (As of August 31, 2019)
Assets		
Current assets		
Cash and deposits	31,274,515	29,273,305
Cash and deposits in trust	9,976,462	17,998,615
Operating accounts receivable	275,683	175,551
Prepaid expenses	609,658	627,313
Consumption taxes receivable	-	1,199,509
Other	25	3,166
Allowance for doubtful accounts	(1,225)	(989)
Total current assets	42,135,120	49,276,472
Non-current assets		
Property, plant and equipment		
Buildings	26,298,220	26,340,267
Accumulated depreciation	(4,602,743)	(4,873,131)
Buildings, net	21,695,476	21,467,135
Structures	245,467	248,224
Accumulated depreciation	(45,395)	(48,206)
Structures, net	200,072	200,017
Machinery and equipment	472,105	478,877
Accumulated depreciation	(138,790)	(149,748)
Machinery and equipment, net	333,314	329,128
Tools, furniture and fixtures	676,056	701,691
Accumulated depreciation	(377,657)	(403,055)
Tools, furniture and fixtures, net	298,398	298,636
Land	20,879,124	20,879,124
Buildings in trust	323,844,247	346,715,583
Accumulated depreciation	(31,322,569)	(35,285,398)
Buildings in trust, net	292,521,677	311,430,184
Structures in trust	7,302,031	8,370,382
Accumulated depreciation	(688,505)	(846,472)
Structures in trust, net	6,613,525	7,523,909
Machinery and equipment in trust	2,417,497	2,528,596
Accumulated depreciation	(1,017,666)	(1,106,294)
Machinery and equipment in trust, net	1,399,830	1,422,301
Tools, furniture and fixtures in trust	967,046	1,098,003
Accumulated depreciation	(401,423)	(463,313)
Tools, furniture and fixtures in trust, net	565,623	634,689
Land in trust	310,001,420	348,445,376
Construction in progress in trust	15,228	225,909
Total property, plant and equipment	654,523,691	712,856,413
Intangible assets		
Goodwill	69,377,930	67,395,703
Leasehold rights in trust	5,987,926	5,940,513
Software	276	71
Trademark rights	2,059	1,780
Total intangible assets	75,368,193	73,338,070

(Unit: Thousands of yen)

	Previous fiscal period (As of February 28, 2019)	Current fiscal period (As of August 31, 2019)
Investments and other assets		
Investment securities	*3 9,360	*3 9,377
Long-term prepaid expenses	2,110,873	2,184,143
Guarantee deposits	261	195
Lease and guarantee deposits in trust	3,489,293	3,489,293
Total investments and other assets	5,609,787	5,683,009
Total non-current assets	735,501,672	791,877,493
Deferred assets		
Investment corporation bond issuance costs	90,823	82,464
Total deferred assets	90,823	82,464
Total assets	777,727,616	841,236,430
Liabilities		
Current liabilities		
Operating accounts payable	1,297,062	1,396,148
Current portion of long-term loans	40,510,000	36,810,000
Accounts payable - other	66,683	115,747
Accrued expenses	1,418,415	1,544,776
Income taxes payable	605	605
Accrued consumption taxes	398,538	–
Advances received	2,757,226	2,988,375
Unearned revenue	222,342	222,342
Deposits received	345,273	343,242
Other	91,929	94,179
Total current liabilities	47,108,077	43,515,417
Non-current liabilities		
Investment corporation bonds	19,000,000	19,000,000
Long-term loans	261,758,000	292,958,000
Long-term unearned revenue	818,279	706,501
Tenant leasehold and security deposits	276,389	273,928
Tenant leasehold and security deposits in trust	17,854,492	19,885,704
Asset retirement obligations	626,251	640,015
Derivatives liabilities	1,063,056	1,085,876
Total non-current liabilities	301,396,469	334,550,025
Total liabilities	348,504,547	378,065,443
Net assets		
Unitholders' equity		
Unitholders' capital	163,230,367	198,492,847
Surplus		
Capital surplus	247,667,563	247,667,563
Voluntary reserve		
Reserve for temporary difference adjustments	*4 8,804,571	*4 6,823,576
Reserve for distribution	1,986,536	2,106,789
Total voluntary reserve	10,791,107	8,930,366
Unappropriated retained earnings (undisposed loss)	8,597,087	9,166,085
Total surplus	267,055,758	265,764,015
Total unitholders' equity	430,286,126	464,256,863

(Unit: Thousands of yen)

	Previous fiscal period (As of February 28, 2019)	Current fiscal period (As of August 31, 2019)
Valuation and translation adjustments		
Deferred gains or losses on hedges	(1,063,056)	(1,085,876)
Total valuation and translation adjustments	(1,063,056)	(1,085,876)
Total net assets	*2 429,223,069	*2 463,170,986
Total liabilities and net assets	777,727,616	841,236,430

(2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
Operating revenues		
Rental revenues	*1 21,984,957	*1 23,639,627
Other rental revenues	*1 1,028,600	*1 1,083,326
Gain on sale of real estate properties	*2 113,532	*2 154,968
Total operating revenues	23,127,090	24,877,922
Operating expenses		
Rental expenses	*1 9,184,698	*1 10,062,619
Asset management fees	1,519,464	1,623,154
Asset custody fees	33,727	36,240
Administrative service fees	89,196	92,336
Directors' remuneration	6,600	6,600
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	-	107
Other operating expenses	351,000	372,460
Total operating expenses	13,166,914	14,175,746
Operating profit	9,960,176	10,702,176
Non-operating income		
Interest income	166	197
Gain on forfeiture of unclaimed distributions	4,436	4,508
Reversal of allowance for doubtful accounts	266	-
Settlement money for property tax, etc.	1,564	-
Refunded consumption taxes	6,720	-
Interest on tax refund	1,518	-
Gain on adjustment of liabilities	-	107,238
Other	1	17
Total non-operating income	14,674	111,961
Non-operating expenses		
Interest expenses	1,036,887	1,114,268
Interest expenses on investment corporation bonds	51,092	52,527
Amortization of investment corporation bond issuance costs	8,358	8,358
Investment unit issuance expenses	-	173,770
Borrowing related expenses	278,819	296,456
Other	2,000	2,065
Total non-operating expenses	1,377,157	1,647,447
Ordinary profit	8,597,692	9,166,690
Profit before income taxes	8,597,692	9,166,690
Income taxes - current	605	605
Total income taxes	605	605
Profit	8,597,087	9,166,085
Unappropriated retained earnings (undisposed loss)	8,597,087	9,166,085

(3) Statements of Unitholders' Equity

Previous fiscal period (From September 1, 2018 to February 28, 2019)

(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	163,230,367	247,667,563	10,785,218	1,964,241	12,749,459	7,765,290	268,182,313	431,412,680
Changes of items during period								
Reversal of reserve for temporary difference adjustments			(1,980,646)		(1,980,646)	1,980,646	-	-
Accumulation of reserve for distribution				22,295	22,295	(22,295)	-	-
Distributions from surplus						(9,723,642)	(9,723,642)	(9,723,642)
Profit						8,597,087	8,597,087	8,597,087
Net changes of items other than unitholders' equity								
Total changes of items during period	-	-	(1,980,646)	22,295	(1,958,351)	831,797	(1,126,554)	(1,126,554)
Balance at end of period	* 163,230,367	247,667,563	8,804,571	1,986,536	10,791,107	8,597,087	267,055,758	430,286,126

(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	(816,561)	(816,561)	430,596,119
Changes of items during period			
Reversal of reserve for temporary difference adjustments			-
Accumulation of reserve for distribution			-
Distributions from surplus			(9,723,642)
Profit			8,597,087
Net changes of items other than unitholders' equity	(246,495)	(246,495)	(246,495)
Total changes of items during period	(246,495)	(246,495)	(1,373,049)
Balance at end of period	(1,063,056)	(1,063,056)	429,223,069

Current fiscal period (From March 1, 2019 to August 31, 2019)

(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	163,230,367	247,667,563	8,804,571	1,986,536	10,791,107	8,597,087	267,055,758	430,286,126
Changes of items during period								
Issuance of new investment units	35,262,480							35,262,480
Reversal of reserve for temporary difference adjustments			(1,980,994)		(1,980,994)	1,980,994	-	-
Accumulation of reserve for distribution				120,252	120,252	(120,252)	-	-
Distributions from surplus						(10,457,829)	(10,457,829)	(10,457,829)
Profit						9,166,085	9,166,085	9,166,085
Net changes of items other than unitholders' equity								
Total changes of items during period	35,262,480	-	(1,980,994)	120,252	(1,860,741)	568,998	(1,291,743)	33,970,736
Balance at end of period	* 198,492,847	247,667,563	6,823,576	2,106,789	8,930,366	9,166,085	265,764,015	464,256,863

(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	(1,063,056)	(1,063,056)	429,223,069
Changes of items during period			
Issuance of new investment units			35,262,480
Reversal of reserve for temporary difference adjustments			-
Accumulation of reserve for distribution			-
Distributions from surplus			(10,457,829)
Profit			9,166,085
Net changes of items other than unitholders' equity	(22,819)	(22,819)	(22,819)
Total changes of items during period	(22,819)	(22,819)	33,947,917
Balance at end of period	(1,085,876)	(1,085,876)	463,170,986

(4) Statements of Cash Distributions

Item	Fiscal period ended February 28, 2019	Fiscal period ended August 31, 2019
	Amount (Yen)	Amount (Yen)
I Unappropriated retained earnings	8,597,087,441	9,166,085,941
II Reversal of voluntary reserve		
Reversal of reserve for temporary difference adjustments	* 1,980,994,520	* 2,920,127,436
III Distributions	10,457,829,000	11,978,975,000
[Distributions per investment unit]	[5,427]	[5,773]
IV Voluntary reserve		
Accumulation of reserve for distribution	120,252,961	107,238,377
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.</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 ¥1,980,994,520 from reserve for temporary difference adjustments, add the reversal to unappropriated retained earnings of ¥8,597,087,441 and subtract an accumulation of reserve for distribution of ¥120,252,961 to distribute ¥10,457,829,000 as cash distributions (¥5,427 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 and difference of income from sale of properties, etc. for accounting and tax purposes of ¥2,920,127,436 from reserve for temporary difference adjustments, add the reversal to unappropriated retained earnings of ¥9,166,085,941 and subtract an accumulation of reserve for distribution of ¥107,238,377 to distribute ¥11,978,975,000 as cash distributions (¥5,773 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 September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
Cash flows from operating activities		
Profit before income taxes	8,597,692	9,166,690
Depreciation	4,454,820	4,764,371
Amortization of goodwill	1,982,226	1,982,226
Amortization of investment corporation bond issuance costs	8,358	8,358
Amortization of trademark rights	278	278
Amortization of software	292	205
Loss on retirement of non-current assets	17,768	23,340
Investment unit issuance expenses	-	173,770
Interest income	(166)	(197)
Interest expenses	1,087,979	1,166,796
Decrease (increase) in operating accounts receivable	(98,934)	100,131
Decrease (increase) in accounts receivable	127	(1,032)
Decrease (increase) in consumption taxes receivable	3,950,194	(1,598,047)
Decrease (increase) in prepaid expenses	8,790	(17,655)
Increase (decrease) in operating accounts payable	(27,917)	205,802
Increase (decrease) in accounts payable - other	(201,982)	180,525
Increase (decrease) in accrued expenses	29,267	125,303
Increase (decrease) in deposits received	18,038	(2,030)
Increase (decrease) in advances received	81,741	231,149
Decrease (increase) in long-term prepaid expenses	174,045	(73,270)
Increase (decrease) in allowance for doubtful accounts	(911)	(236)
Decrease in property, plant and equipment due to sales	1,044,407	-
Decrease in property, plant and equipment in trust due to sales	-	5,584,343
Other, net	104,553	(77,839)
Subtotal	21,230,670	21,942,986
Interest income received	166	197
Interest expenses paid	(1,199,579)	(1,277,516)
Income taxes paid	(603)	(609)
Net cash provided by (used in) operating activities	20,030,654	20,665,057
Cash flows from investing activities		
Purchase of property, plant and equipment	(60,640)	(98,343)
Purchase of property, plant and equipment in trust	(13,790,149)	(68,795,265)
Proceeds from tenant leasehold and security deposits	26,682	30,950
Repayments of tenant leasehold and security deposits	(82,788)	(15,939)
Proceeds from tenant leasehold and security deposits in trust	844,486	2,825,798
Repayments of tenant leasehold and security deposits in trust	(457,861)	(728,043)
Net cash provided by (used in) investing activities	(13,520,271)	(66,780,841)
Cash flows from financing activities		
Proceeds from long-term loans	7,000,000	39,100,000
Repayments of long-term loans	-	(11,600,000)
Proceeds from issuance of investment units	-	35,088,709
Distributions paid	(9,719,912)	(10,451,983)
Net cash provided by (used in) financing activities	(2,719,912)	52,136,726

(Unit: Thousands of yen)

	Previous fiscal period (From September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
Net increase (decrease) in cash and cash equivalents	3,790,470	6,020,942
Cash and cash equivalents at beginning of period	37,460,508	41,250,978
Cash and cash equivalents at end of period	* 41,250,978	* 47,271,920

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Important Accounting Policies

1. Valuation basis and accounting methods for assets	Securities Held-to-maturity bonds The amortized cost method (straight-line method) is used.												
2. Method of depreciation of non-current assets	(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The useful lives of major property, plant and equipment are listed below. <table data-bbox="603 584 1139 712"> <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> (2) Intangible assets (including assets in trust) The straight-line method is used. The useful lives of major intangible assets are listed below. <table data-bbox="603 837 1139 898"> <tr> <td>Goodwill</td> <td>20 years</td> </tr> <tr> <td>Software</td> <td>5 years</td> </tr> </table> Leasehold rights (fixed-term land lease rights in general) are amortized on a straight-line basis over the life of each contract.	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	(1) Investment corporation bond issuance costs Costs are amortized by the straight-line method over the redemption period. (2) Investment unit issuance expenses The full amount is recorded as expenses at the time of expenditure.												
4. Recognition of allowance	Allowance for doubtful accounts 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.												
5. Recognition of revenues and expenses	Property-related taxes For property tax, city planning tax, depreciable 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. The settlement money for property-related taxes for the year including the acquisition date 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>6. Method of hedge accounting</p>	<p>(1) Method of hedge accounting The deferral hedge accounting is used; provided, however, that special treatment is applied for interest rate swaps 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. In addition, 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, carry 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"> i) Cash and deposits in trust 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 iii) Leasehold rights in trust iv) Lease and guarantee deposits in trust v) Tenant leasehold and security deposits in trust <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 February 28, 2019)	Current fiscal period (As of August 31, 2019)
Total amount specified in commitment line contracts	25,000,000	25,000,000
Loans executed and outstanding	-	-
Unused credit lines	25,000,000	25,000,000

*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 February 28, 2019)	Current fiscal period (As of August 31, 2019)
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 February 28, 2019)	Current fiscal period (As of August 31, 2019)
Investment securities	9,360	9,377

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

	(Unit: Thousands of yen)			
	Previous fiscal period (As of February 28, 2019)		Current fiscal period (As of August 31, 2019)	
Reserves recognized by transfer	14,748,347		Reserves recognized by transfer	14,748,347
Balance at beginning of period	10,785,218		Balance at beginning of period	8,804,571
Amount of accumulation during period	-		Amount of accumulation during period	-
Amount of reversal during period	1,980,646		Amount of reversal during period	1,980,994
Balance at end of period	8,804,571		Balance at end of period	6,823,576

Reasons for accumulation and reversal

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 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.

Reasons for accumulation and reversal

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 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 September 1, 2018 to February 28, 2019)		Current fiscal period (From March 1, 2019 to August 31, 2019)	
A. Real estate rental revenues				
Rental revenues				
Rent	21,511,590		23,149,693	
Common area charges	473,366	21,984,957	489,934	23,639,627
Other rental revenues				
Facility charges	382,753		388,843	
Incidental revenues	283,633		282,426	
Other	362,213	1,028,600	412,056	1,083,326
Total real estate rental revenues		23,013,558		24,722,954
B. Real estate rental expenses				
Rental expenses				
Management fees	1,283,640		1,314,771	
Utilities	349,856		332,752	
Taxes and public dues	1,432,107		1,798,996	
Repairs and maintenance expenses	746,985		833,301	
Restoration costs	230,219		301,418	
Insurance	27,558		29,840	
Custodian fees	58,202		62,116	
Depreciation	4,454,820		4,764,371	
Other operating expenses	601,307	9,184,698	625,050	10,062,619
Total real estate rental expenses		9,184,698		10,062,619
C. Income (loss) from real estate rental business (A – B)		13,828,859		14,660,334

*2. Breakdown of gain (loss) on sale of real estate properties

Previous fiscal period (From September 1, 2018 to February 28, 2019)

	(Unit: Thousands of yen)
Morino Tonari	
Proceeds from sale of real estate properties	1,200,000
Cost of real estate properties sold	1,044,407
Other sales expenses	42,060
Gain (loss) on sale of real estate properties	113,532

Current fiscal period (From March 1, 2019 to August 31, 2019)

	(Unit: Thousands of yen)
D Project Shin-Misato	
Proceeds from sale of real estate properties	5,755,000
Cost of real estate properties sold	5,584,343
Other sales expenses	15,687
Gain (loss) on sale of real estate properties	154,968

Notes to Statements of Unitholders' Equity

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

	Previous fiscal period (From September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued	1,927,000 units	2,075,000 units

Notes to Statements of Cash Distributions

- * Reserve for temporary difference adjustments

Previous fiscal period (From September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
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 ¥1,980,994,520 in the fiscal period ended February 28, 2019.	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 the amount equivalent to amortization of goodwill and difference of income from sale of properties, etc. for accounting and tax purposes of ¥2,920,127,436 in the fiscal period ended August 31, 2019.

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 September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
		(Unit: Thousands of yen)
Cash and deposits	31,274,515	29,273,305
Cash and deposits in trust	9,976,462	17,998,615
Cash and cash equivalents	41,250,978	47,271,920

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:

	Previous fiscal period (From September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
(Unit: Thousands of yen)		
Balance sheet carrying amount		
Balance at beginning of period	652,230,280	660,511,618
Changes during period	8,281,337	58,285,309
Balance at end of period	660,511,618	718,796,927
Fair value at end of period	753,721,000	822,248,000

(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 four properties including COMBOX310 (¥12,912,161 thousand), while the decrease is principally due to the sale of Morino Tonari (¥1,044,407 thousand) and depreciation. The increase in the current fiscal period is mainly due to the acquisitions of 13 properties including D Project Itabashi Shingashi (¥67,660,160 thousand), while the decrease is principally due to the sale of D Project Shin-Misato (¥5,584,343 thousand) and 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.”

Per Unit Information

	Previous fiscal period (From September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
Net assets per unit	¥222,741	¥223,214
Basic earnings per unit	¥4,461	¥4,420

(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 September 1, 2018 to February 28, 2019)	Current fiscal period (From March 1, 2019 to August 31, 2019)
Profit (Thousands of yen)	8,597,087	9,166,085
Amount not attributable to common unitholders (Thousands of yen)	-	-
Profit attributable to common investment units (Thousands of yen)	8,597,087	9,166,085
Average number of investment units for the period (Units)	1,927,000	2,073,641

Major Subsequent Events

Not applicable.

Omission of Disclosure

Disclosure is omitted for items for notes including lease transactions, financial instruments, securities, derivative transactions, related party transactions, tax effect accounting, retirement benefits, asset retirement obligations, segment information, equity in earnings or losses of equity-method investments, since necessity for their disclosure in the financial results report is not deemed to be significant.

(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 August 31, 2019 are as follows:

Date	Event	Total number of investment units issued (Units)		Unitholders' capital (Millions of yen)		Remark
		Change	Balance	Change	Balance	
March 1, 2015	Split of investment units	373,870	747,740	–	61,703	(Note 1)
September 1, 2016	Delivery by allotment due to merger	771,540	1,519,280	–	61,703	(Note 2)
March 21, 2017	Capital increase through public offering	156,720	1,676,000	42,625	104,328	(Note 3)
April 14, 2017	Capital increase through third-party allotment	14,000	1,690,000	3,807	108,136	(Note 4)
March 19, 2018	Capital increase through public offering	222,000	1,912,000	51,607	159,743	(Note 5)
April 13, 2018	Capital increase through third-party allotment	15,000	1,927,000	3,486	163,230	(Note 6)
March 1, 2019	Capital increase through public offering	138,000	2,065,000	32,879	196,110	(Note 7)
March 26, 2019	Capital increase through third-party allotment	10,000	2,075,000	2,382	198,492	(Note 8)

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

(Note 2) 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 3) 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 4) 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.

(Note 5) Investment units were issued by public offering with an issue price of ¥239,806 per unit (issue value: ¥232,465) in order to raise funds for the acquisition of new properties, etc.

(Note 6) Additional investment units were issued with an issue value of ¥232,465 per unit in order to raise funds for the acquisition of new properties, etc.

(Note 7) Investment units were issued by public offering with an issue price of ¥245,784 per unit (issue value: ¥238,260) in order to raise funds for the acquisition of new properties, etc.

(Note 8) Additional investment units were issued with an issue value of ¥238,260 per unit in order to raise funds for the acquisition of new properties, etc.

3. Reference Information

Status of DHR's investment

(1) Portfolio List

i) Status of Investment

The status of DHR's investment as of August 31, 2019 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	23,746	2.8
			Greater Nagoya area	902	0.1
			Greater Osaka area	13,236	1.6
		Other	5,290	0.6	
	Subtotal			43,175	5.1
Trust beneficiary interest in real estate	Logistics properties	Three major metropolitan areas of Japan	Greater Tokyo area	239,691	28.5
			Greater Nagoya area	16,828	2.0
			Greater Osaka area	22,925	2.7
		Other	93,849	11.2	
	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	167,228	19.9
			Greater Nagoya area	5,984	0.7
			Greater Osaka area	6,061	0.7
		Other	5,003	0.6	
	Retail properties	Three major metropolitan areas of Japan	Greater Tokyo area	32,544	3.9
			Greater Nagoya area	2,390	0.3
			Greater Osaka area	20,422	2.4
		Other	39,462	4.7	
	Hotel properties	Three major metropolitan areas of Japan	Greater Tokyo area	4,780	0.6
			Greater Nagoya area	4,536	0.5
			Greater Osaka area	1,467	0.2
	Other assets	Three major metropolitan areas of Japan	Greater Tokyo area	3,281	0.4
			Other	9,159	1.1
	Subtotal			675,621	80.3
	Deposits and other assets			122,439	14.6
	Total assets			841,236	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	378,065	44.9
Total net assets	463,170	55.1

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

(Note 2) "Total amount held" represents the amount recorded on the balance sheets as of August 31, 2019, 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 August 31, 2019 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	9,377	—	September 20, 2037	—	—	9,931	553	0.0%	Deposited as business security deposit
Total		10,000	9,377	—	—	—	—	9,931	553	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 August 31, 2019 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	1.2	9,209	9,830
	LB-002	D Project Hachioji	Hachioji City, Tokyo	September 1, 2016	15,400	2.1	15,173	16,900
	LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	September 1, 2016	3,390	0.5	3,768	4,400
	LB-005	D Project Urayasu I	Urayasu City, Chiba	September 1, 2016	9,280	1.2	9,123	9,960
	LB-006	D Project Urayasu II	Urayasu City, Chiba	September 1, 2016	26,000	3.5	25,522	28,200
	LB-007	D Project Akanehama	Narashino City, Chiba	September 1, 2016	2,950	0.4	2,875	3,080
	LB-008	D Project Noda	Noda City, Chiba	September 1, 2016	6,210	0.8	6,042	6,550
	LB-009	D Project Inuyama (Note 7)	Inuyama City, Aichi	September 1, 2016	10,790	1.4	10,455	11,790
	LB-010	D Project Gifu (Note 8)	Anpachi District, Gifu	September 1, 2016	1,100	0.1	1,067	1,160
	LB-011	D Project Neyagawa	Neyagawa City, Osaka	September 1, 2016	5,980	0.8	5,834	6,320
	LB-012	D Project Sapporo Minami (Note 8)	Kitahiroshima City, Hokkaido	September 1, 2016	818	0.1	782	861
	LB-013	D Project Morioka	Takizawa City, Iwate	September 1, 2016	1,200	0.2	1,165	1,210
	LB-014	D Project Sendai Minami (Note 8)	Iwanuma City, Miyagi	September 1, 2016	1,530	0.2	1,512	1,580
	LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	September 1, 2016	3,390	0.5	3,241	3,540
	LB-016	D Project Gotenba (Note 8)	Gotenba City, Shizuoka	September 1, 2016	1,140	0.2	1,108	1,110
	LB-017	D Project Nishi-Hiroshima (Note 8)	Hiroshima City, Hiroshima	September 1, 2016	1,210	0.2	1,174	1,210
	LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	September 1, 2016	4,240	0.6	4,133	4,570
	LB-019	D Project Tosu	Tosu City, Saga	September 1, 2016	5,740	0.8	5,469	6,160
	LB-020	D Project Kuki I	Kuki City, Saitama	September 1, 2016	3,900	0.5	3,785	4,150
	LB-021	D Project Kuki II	Kuki City, Saitama	September 1, 2016	8,120	1.1	7,782	8,660
	LB-022	D Project Kawagoe I	Kawagoe City, Saitama	September 1, 2016	3,530	0.5	3,434	3,860
	LB-023	D Project Kawagoe II	Kawagoe City, Saitama	September 1, 2016	4,850	0.7	4,734	5,390
	LB-024	DPL Inuyama	Inuyama City, Aichi	September 1, 2016	3,940	0.5	3,808	4,220
	LB-025	D Project Fukuoka Hakozaeki	Fukuoka City, Fukuoka	September 1, 2016	4,340	0.6	4,198	4,630
	LB-026	D Project Kuki III	Kuki City, Saitama	September 1, 2016	7,630	1.0	7,360	8,260
	LB-027	D Project Kuki IV	Kuki City, Saitama	September 1, 2016	5,520	0.7	5,337	5,980
	LB-028	D Project Kuki V	Kuki City, Saitama	September 1, 2016	8,280	1.1	8,037	8,900
	LB-029	D Project Kuki VI	Kuki City, Saitama	September 1, 2016	5,140	0.7	4,966	5,520
	LB-030	D Project Yashio	Yashio City, Saitama	September 1, 2016	6,400	0.9	6,223	6,790
	LB-031	D Project Nishiyodogawa	Osaka City, Osaka	September 1, 2016	10,300	1.4	9,935	10,900
	LB-032	D Project Matsudo	Matsudo City, Chiba	September 1, 2016	7,370	1.0	7,187	7,760
	LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	September 28, 2016	2,080	0.3	1,985	2,170
	LB-034	D Project Morioka II	Takizawa City, Iwate	September 28, 2016	1,280	0.2	1,240	1,330
	LB-035	D Project Kawagoe III	Kawagoe City, Saitama	April 11, 2017	7,200	1.0	7,043	7,850
	LB-036	D Project Kazo	Kazo City, Saitama	April 11, 2017	3,300	0.4	3,227	3,460
	LB-037	D Project Urayasu III	Urayasu City, Chiba	April 11, 2017	8,500	1.1	8,470	9,750
	LB-038	D Project Tomisato	Tomisato City, Chiba	April 11, 2017	5,000	0.7	4,862	5,280
	LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	April 11, 2017	3,520	0.5	3,472	3,710
	LB-040	D Project Sendai Izumi	Sendai City, Miyagi	April 11, 2017	1,510	0.2	1,473	1,600

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	1,951	2,050
	LB-042	D Project Sano	Sano City, Tochigi	April 11, 2017	1,780	0.2	1,729	1,810
	LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	April 11, 2017	3,100	0.4	3,018	3,220
	LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	April 11, 2017	6,000	0.8	5,894	6,140
	LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	April 11, 2017	3,820	0.5	3,738	4,050
	LB-046	D Project Tosu II	Tosu City, Saga	April 11, 2017	1,700	0.2	1,652	1,900
	LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	April 10, 2018	5,600	0.8	5,562	5,920
	LB-048	D Project Kuki VII	Kuki City, Saitama	April 10, 2018	1,040	0.1	1,037	1,120
	LB-049	D Project Chibakita	Chiba City, Chiba	April 10, 2018	7,640	1.0	7,586	8,060
	LB-050	D Project Matsudo II	Matsudo City, Chiba	April 10, 2018	8,200	1.1	8,139	8,350
	LB-051	D Project Tomisato II	Tomisato City, Chiba	April 10, 2018	6,900	0.9	6,818	7,080
	LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	April 10, 2018	3,600	0.5	3,683	4,300
	LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	April 10, 2018	7,300	1.0	7,190	7,540
	LB-054	D Project Kaminokawa	Kawachi District, Tochigi	April 10, 2018	7,900	1.1	7,806	8,000
	LB-055	D Project Fuji	Fuji City, Shizuoka	April 10, 2018	3,600	0.5	3,554	3,630
	LB-056	D Project Tosu III	Tosu City, Saga	April 10, 2018	9,200	1.2	9,074	9,440
	LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	April 5, 2019	4,300	0.6	4,315	4,460
	LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	April 5, 2019	5,700	0.8	5,725	5,890
	LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	April 5, 2019	7,300	1.0	7,331	7,610
	LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	April 10, 2019	12,300	1.7	12,350	12,400
	LB-061	D Project Sagamihara	Sagamihara City, Tokyo	April 10, 2019	3,900	0.5	3,916	3,980
	LB-062	D Project Kuki VIII	Kuki City, Saitama	April 10, 2019	6,100	0.8	6,114	6,120
	LB-063	D Project Yokkaichi	Yokkaichi City, Mie	April 10, 2019	1,490	0.2	1,497	1,500
	LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	April 10, 2019	4,050	0.5	4,064	4,100
	LM-001	DPL Misato	Misato City, Saitama	April 11, 2017	16,831	2.3	16,617	17,900
	LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	April 10, 2018	13,300	1.8	13,177	13,200
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	September 27, 2018	3,510	0.5	3,476	3,580	
Total of 66 Logistics properties					379,439	50.9	373,250	401,951
Residential properties	RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	March 22, 2006	7,650	1.0	7,143	9,150
	RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	March 22, 2006	4,500	0.6	4,153	4,510
	RE-003	Castalia Shibakoen	Minato Ward, Tokyo	March 22, 2006	2,630	0.4	2,409	2,390
	RE-004	Castalia Ginza	Chuo Ward, Tokyo	March 22, 2006	2,520	0.3	2,310	2,330
	RE-005	Castalia Hiroo	Minato Ward, Tokyo	March 22, 2006	2,220	0.3	2,051	2,000
	RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	March 22, 2006	1,200	0.2	1,047	1,210
	RE-007	Castalia Hachobori	Chuo Ward, Tokyo	March 7, 2007	2,300	0.3	2,060	2,360
	RE-008	Castalia Azabujuban	Minato Ward, Tokyo	June 21, 2007	2,910	0.4	2,750	2,790
	RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	June 21, 2007	2,690	0.4	2,516	2,630
	RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	June 21, 2007	1,865	0.3	1,746	1,650
	RE-011	Castalia Ginza II	Chuo Ward, Tokyo	June 21, 2007	1,800	0.2	1,647	1,790
	RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	June 21, 2007	1,400	0.2	1,323	1,200
	RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	April 1, 2010	2,143	0.3	2,337	2,530
	RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	1,770	0.2	1,681	2,310
	RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	April 1, 2010	1,393	0.2	1,476	1,590
	RE-016	Castalia Suitengu	Chuo Ward, Tokyo	April 1, 2010	1,279	0.2	1,209	1,580
	RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	April 1, 2010	1,138	0.2	1,081	1,410
	RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	April 1, 2010	932	0.1	897	1,150
	RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	April 1, 2010	825	0.1	805	1,010
	RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	April 1, 2010	887	0.1	851	993
	RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	April 1, 2010	608	0.1	650	753
	RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	April 1, 2010	555	0.1	550	669
	RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	April 1, 2010	464	0.1	435	551
	RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	April 1, 2010	947	0.1	885	1,340
	RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	April 1, 2010	1,070	0.1	981	1,470
	RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	914	0.1	844	1,120
	RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	April 1, 2010	1,370	0.2	1,238	1,770
	RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	April 1, 2010	1,160	0.2	1,069	1,520

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-029	Castalia Shintomicho III	Chuo Ward, Tokyo	April 1, 2010	675	0.1	604	791
	RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	April 1, 2010	2,720	0.4	2,578	3,400
	RE-031	Castalia Takanawadai	Minato Ward, Tokyo	April 1, 2010	860	0.1	809	1,070
	RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	April 1, 2010	666	0.1	600	849
	RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	April 1, 2010	486	0.1	466	564
	RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	April 1, 2010	400	0.1	390	521
	RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	April 1, 2010	1,190	0.2	1,145	1,420
	RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	April 1, 2010	642	0.1	610	759
	RE-037	Castalia Ginza III	Chuo Ward, Tokyo	April 1, 2010	2,880	0.4	2,706	3,150
	RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	April 1, 2010	2,707	0.4	2,497	3,370
	RE-039	Castalia Takanawa	Minato Ward, Tokyo	April 1, 2010	7,430	1.0	7,125	8,540
	RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	April 1, 2010	3,520	0.5	3,199	4,180
	RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	April 1, 2010	2,950	0.4	2,814	3,540
	RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	June 29, 2010	940	0.1	878	1,400
	RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	October 18, 2011	7,580	1.0	6,573	9,200
	RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	December 19, 2011	2,030	0.3	1,940	2,460
	RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	September 27, 2013	1,900	0.3	1,852	2,230
	RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	September 27, 2013	1,420	0.2	1,395	1,680
	RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	December 20, 2005	4,500	0.6	3,996	4,670
	RE-048	Castalia Torisudaigaku	Meguro Ward, Tokyo	March 22, 2006	648	0.1	578	538
	RE-049	Castalia Yukigaya	Ota Ward, Tokyo	March 7, 2007	1,110	0.1	976	1,180
	RE-050	Castalia Yutenji	Meguro Ward, Tokyo	June 21, 2007	1,450	0.2	1,319	1,350
	RE-051	Castalia Otsuka	Toshima Ward, Tokyo	June 21, 2007	1,480	0.2	1,291	1,690
	RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	June 21, 2007	817	0.1	708	823
	RE-053	Castalia Meguro	Meguro Ward, Tokyo	April 1, 2010	844	0.1	869	1,120
	RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	April 1, 2010	1,040	0.1	969	1,330
	RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	April 1, 2010	1,200	0.2	1,153	1,440
	RE-056	Castalia Mejiro	Toshima Ward, Tokyo	April 1, 2010	988	0.1	919	1,130
	RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	April 1, 2010	2,570	0.3	2,414	3,020
	RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	April 1, 2010	1,140	0.2	1,044	1,300
	RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	April 1, 2010	7,380	1.0	6,696	9,190
	RE-060	Castalia Yakumo	Meguro Ward, Tokyo	April 1, 2010	857	0.1	821	842
	RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	April 1, 2010	1,560	0.2	1,448	2,060
	RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	April 1, 2010	996	0.1	978	1,250
	RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	April 1, 2010	742	0.1	752	869
	RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	April 1, 2010	503	0.1	470	616
	RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	April 1, 2010	198	0.0	178	226
	RE-066	Castalia Morishita	Koto Ward, Tokyo	April 1, 2010	832	0.1	787	1,070
	RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	April 1, 2010	776	0.1	742	884
	RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	April 1, 2010	792	0.1	724	999
	RE-069	Castalia Iriya	Taito Ward, Tokyo	April 1, 2010	546	0.1	514	682
	RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	April 1, 2010	2,641	0.4	2,366	2,950
	RE-071	Castalia Morishita II	Koto Ward, Tokyo	April 1, 2010	686	0.1	607	857
	RE-072	Castalia Minowa	Taito Ward, Tokyo	April 1, 2010	1,430	0.2	1,280	1,630
	RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	April 1, 2010	533	0.1	513	610
	RE-074	Castalia Nakano	Nakano Ward, Tokyo	April 1, 2010	1,060	0.1	960	1,260
	RE-075	Castalia Yoga	Setagaya Ward, Tokyo	April 1, 2010	923	0.1	860	1,170
	RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	April 1, 2010	948	0.1	834	1,050
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	April 1, 2010	2,160	0.3	1,963	2,820	
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	April 1, 2010	1,100	0.1	973	1,190	
RE-079	Castalia Kuramae	Taito Ward, Tokyo	April 1, 2010	1,260	0.2	1,125	1,540	
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	June 29, 2010	1,790	0.2	1,638	2,450	
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	November 1, 2010	7,360	1.0	6,037	9,950	
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	November 1, 2010	1,770	0.2	1,570	2,480	
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	June 30, 2011	1,181	0.2	1,139	1,570	
RE-084	Castalia Omori	Ota Ward, Tokyo	August 2, 2011	1,500	0.2	1,400	1,830	

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-085	Castalia Mishuku	Setagaya Ward, Tokyo	October 7, 2011	1,900	0.3	1,818	2,370
	RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	March 28, 2012	1,660	0.2	1,566	2,210
	RE-087	Castalia Omori II	Ota Ward, Tokyo	March 29, 2012	2,370	0.3	2,243	3,010
	RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	November 29, 2012	3,800	0.5	3,772	4,690
	RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	September 27, 2013	2,030	0.3	1,988	2,450
	RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	September 27, 2013	1,750	0.2	1,738	1,950
	RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	September 27, 2013	1,520	0.2	1,459	1,790
	RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	September 26, 2014	1,165	0.2	1,196	1,360
	RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	May 1, 2015	4,350	0.6	4,009	4,980
	RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	May 1, 2015	1,520	0.2	1,506	1,830
	RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	March 22, 2006	1,674	0.2	1,657	2,060
	RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	June 21, 2007	666	0.1	582	771
	RE-098	Castalia Funabashi	Funabashi City, Chiba	April 1, 2010	704	0.1	688	810
	RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	April 1, 2010	783	0.1	737	972
	RE-105	Castalia Nogeiyama	Yokohama City, Kanagawa	April 1, 2010	325	0.0	294	329
	RE-106	Castalia Ichikawa	Ichikawa City, Chiba	April 1, 2010	461	0.1	400	560
	RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	October 7, 2011	5,300	0.7	4,819	6,350
	RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	September 27, 2013	1,680	0.2	1,630	1,930
	RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	March 28, 2014	4,360	0.6	3,835	4,770
	RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	May 1, 2015	9,100	1.2	8,273	11,100
	RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	May 1, 2015	1,720	0.2	1,681	2,100
	RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	May 1, 2015	1,060	0.1	973	1,320
	RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	April 1, 2010	1,490	0.2	1,297	1,850
	RE-117	Castalia Shin-Umeda	Osaka City, Osaka	April 1, 2010	1,376	0.2	1,200	1,630
	RE-118	Castalia Abeno	Osaka City, Osaka	April 1, 2010	4,368	0.6	3,980	5,410
	RE-119	Castalia Sakae	Nagoya City, Aichi	April 1, 2010	1,010	0.1	902	1,240
	RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	April 1, 2010	411	0.1	358	510
	RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	April 1, 2010	1,740	0.2	1,523	1,990
	RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	April 1, 2010	960	0.1	832	1,070
	RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	April 1, 2010	3,400	0.5	2,911	4,700
	RE-125	Castalia Sannomiya	Kobe City, Hyogo	April 1, 2010	1,230	0.2	1,056	1,520
	RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	April 1, 2010	481	0.1	409	573
	RE-127	Castalia Ichibancho	Sendai City, Miyagi	April 1, 2010	783	0.1	687	951
	RE-128	Castalia Omachi	Sendai City, Miyagi	April 1, 2010	656	0.1	596	832
RE-129	Castalia Uemachidai	Osaka City, Osaka	April 1, 2010	2,190	0.3	1,937	2,800	
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	April 1, 2010	2,670	0.4	2,351	3,580	
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	November 1, 2010	1,740	0.2	1,284	2,700	
RE-132	Castalia Fushimi	Nagoya City, Aichi	January 14, 2011	2,260	0.3	1,935	3,180	
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	August 1, 2011	720	0.1	651	984	
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	September 26, 2011	930	0.1	880	1,210	
RE-135	Castalia Mibu	Kyoto City, Kyoto	December 22, 2011	1,193	0.2	1,090	1,520	
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	September 3, 2012	1,208	0.2	1,165	1,780	
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	March 25, 2013	2,910	0.4	2,552	3,670	
RE-138	Royal Parks Namba	Osaka City, Osaka	March 29, 2013	2,830	0.4	2,473	3,000	
RE-139	Castalia Shigahondori	Nagoya City, Aichi	June 26, 2013	1,730	0.2	1,569	2,120	
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	November 2, 2015	973	0.1	998	1,090	
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	September 28, 2016	2,000	0.3	1,986	2,550	
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	September 28, 2016	2,020	0.3	1,955	2,220	
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	April 11, 2017	1,800	0.2	1,827	2,000	
Total of 133 Residential properties					246,424	33.1	227,274	292,928
Retail properties	RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	September 1, 2016	7,770	1.0	7,538	8,530
	RM-002	FOLEO Hirakata	Hirakata City, Osaka	September 1, 2016	4,580	0.6	4,467	4,670
	RM-003	QIZ GATE URAWA	Saitama City, Saitama	September 1, 2016	4,270	0.6	4,211	4,370
	RM-004	UNICUS Takasaki	Takasaki City, Gunma	September 1, 2016	3,000	0.4	2,941	3,170
	RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	September 1, 2016	3,740	0.5	3,740	3,970

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)		
Retail properties	RM-006	DREAM TOWN ALi	Aomori City, Aomori	September 1, 2016	8,100	1.1	7,898	8,690
	RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	August 29, 2017	1,600	0.2	1,617	1,910
	RM-008	FOLEO Ome Imai	Ome City, Tokyo	August 29, 2017	3,800	0.5	3,752	3,950
	RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	April 3, 2018	8,100	1.1	8,031	8,590
	RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	April 3, 2018	3,200	0.4	3,182	3,680
	RM-011	ACROSSMALL Semboku (Land) (Note 9)	Sakai City, Osaka	December 7, 2018	3,250	0.4	3,383	3,880
	RM-012	iias Tsukuba	Tsukuba City, Ibaraki	April 5, 2019	10,320	1.4	10,368	10,350
	RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	September 1, 2016	1,670	0.2	1,652	1,810
	RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	September 1, 2016	6,960	0.9	6,837	7,380
	RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	September 1, 2016	2,390	0.3	2,390	2,560
	RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	September 28, 2016	2,230	0.3	2,169	2,400
	RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	January 31, 2017	5,620	0.8	5,857	6,650
	RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	March 27, 2018	4,500	0.6	4,541	5,260
	RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	April 5, 2019	750	0.1	770	779
	RR-008	FOLEO Shobu	Kuki City, Saitama	April 5, 2019	5,000	0.7	5,021	5,050
	RU-001	COMBOX310	Mito City, Ibaraki	December 7, 2018	4,480	0.6	4,448	4,650
Total of 21 Retail properties					95,330	12.8	94,820	102,299
Hotel properties	HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	April 3, 2018	4,800	0.6	4,780	5,050
	HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	December 6, 2018	1,470	0.2	1,467	1,500
	HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	April 5, 2019	4,500	0.6	4,536	4,540
Total of 3 Hotel properties					10,770	1.4	10,785	11,090
Other assets	OT-001	Urban Living Inage	Chiba City, Chiba	June 24, 2013	930	0.1	835	1,280
	OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	September 1, 2014	1,100	0.1	1,054	1,260
	OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	September 28, 2016	7,600	1.0	7,329	8,110
	OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	April 11, 2017	1,850	0.2	1,830	1,960
	OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	March 12, 2019	1,380	0.2	1,390	1,370
Total of 5 Other assets					12,860	1.7	12,441	13,980
Portfolio Total of 228 Properties					744,823	100.0	718,571	822,248

(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, HO represents hotel properties and OT represents other properties, which are further classified into LB (Built-to-Suit (BTS) type), LM (multi-tenant type), RR (roadside type), RM (mall type) and RU (urban 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 August 31, 2019, which is rounded down to the nearest million yen.

(Note 6) “Assessed value at the end of period” is the appraisal value as of August 31, 2019 provided by real estate appraisers (Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Real Estate Institute and JLL Morii Valuation & Advisory K.K.) 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.

- (Note 7) Regarding “D Project Inuyama,” DHR made an additional acquisition on April 10, 2018 (acquisition price ¥2,100 million). The “acquisition price” represents the total price for the existing building and additionally acquired building, and the “acquisition date” represents the acquisition date for the existing building.
- (Note 8) The sale of property was completed on September 2, 2019. The same shall apply hereinafter.
- (Note 9) On April 1, 2019, CROSS MALL (Land) changed its name to ACROSSMALL Semboku (Land). The same shall apply hereinafter.

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 August 31, 2019 are as follows:

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (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-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	54,197.80	54,197.80	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	257
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	285
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)
LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	24,684.47	24,684.47	100.0	1	320
LB-048	D Project Kuki VII	Kuki City, Saitama	3,225.46	3,225.46	100.0	1	(Note 6)
LB-049	D Project Chibakita	Chiba City, Chiba	24,368.86	24,368.86	100.0	1	(Note 6)
LB-050	D Project Matsudo II	Matsudo City, Chiba	25,305.82	25,305.82	100.0	1	(Note 6)
LB-051	D Project Tomisato II	Tomisato City, Chiba	40,870.56	40,870.56	100.0	1	(Note 6)
LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	22,485.08	22,485.08	100.0	1	(Note 6)
LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	39,580.46	39,580.46	100.0	1	(Note 6)
LB-054	D Project Kaminokawa	Kawachi District, Tochigi	52,239.75	52,239.75	100.0	1	(Note 6)

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
LB-055	D Project Fuji	Fuji City, Shizuoka	23,795.40	23,795.40	100.0	1	(Note 6)
LB-056	D Project Tosu III	Tosu City, Saga	65,215.07	65,215.07	100.0	1	(Note 6)
LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	16,523.82	16,523.82	100.0	1	(Note 6)
LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	21,402.20	21,402.20	100.0	1	(Note 6)
LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	26,275.05	26,275.05	100.0	2	(Note 6)
LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	33,763.46	33,763.46	100.0	1	(Note 6)
LB-061	D Project Sagamihara	Sagamihara City, Kanagawa	16,599.30	16,599.30	100.0	1	205
LB-062	D Project Kuki VIII	Kuki City, Saitama	29,410.54	29,410.54	100.0	1	(Note 6)
LB-063	D Project Yokkaichi	Yokkaichi City, Mie	6,185.46	6,185.46	100.0	1	(Note 6)
LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	24,493.54	24,493.54	100.0	1	(Note 6)
LM-001	DPL Misato	Misato City, Saitama	55,864.47	55,864.47	100.0	1	(Note 6)
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	73,747.85	73,482.06	99.6	1	(Note 6)
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	26,672.98	26,672.98	100.0	1	(Note 6)
Total of 66 Logistics properties			1,783,961.53	1,783,695.74	100.0	73	21,844
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	5,230.39	5,043.00	96.4	1	427
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	3,492.93	3,444.63	98.6	1	229
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,707.51	2,641.06	97.5	1	137
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,226.42	2,116.33	95.1	1	126
RE-005	Castalia Hiroo	Minato Ward, Tokyo	1,621.59	1,516.55	93.5	1	95
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,458.73	1,409.11	96.6	1	76
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,969.57	2,921.47	98.4	1	132
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,400.00	2,363.05	98.5	1	144
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,094.58	2,064.58	98.6	1	133
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,917.62	1,888.31	98.5	1	92
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,817.56	1,817.56	100.0	1	101
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,123.80	1,012.10	90.1	1	65
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,779.77	2,636.44	94.8	1	135
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	2,559.21	2,485.53	97.1	1	113
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,898.47	1,820.99	95.9	1	82
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,940.94	1,940.94	100.0	1	89
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,858.34	1,858.34	100.0	1	80
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	1,444.52	1,416.05	98.0	1	66
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	1,244.54	1,174.76	94.4	1	53
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	1,225.26	1,225.26	100.0	1	52
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	811.95	811.95	100.0	1	44
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	905.52	94.6	1	36
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	1,747.90	1,747.90	100.0	1	73
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,826.80	1,826.80	100.0	1	80
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	2,092.81	98.8	1	99
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,628.80	1,602.12	98.4	1	83
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	58
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	32
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,567.84	1,567.84	100.0	1	77
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	882.67	845.61	95.8	1	40
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	3,494.42	3,450.81	98.8	1	168
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	4,602.95	4,602.95	100.0	1	189
RE-039	Castalia Takanawa	Minato Ward, Tokyo	10,408.26	10,248.07	98.5	1	477
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	6,442.28	6,442.28	100.0	1	268
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	3,150.80	3,150.80	100.0	1	179

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	1,546.34	1,491.65	96.5	1	82
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	16,849.50	16,424.01	97.5	2	740
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	3,077.05	3,000.13	97.5	1	138
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	2,339.42	2,339.42	100.0	1	117
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,659.71	1,618.82	97.5	1	87
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,967.97	4,766.18	95.9	1	250
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	863.70	801.15	92.8	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	1,235.07	89.5	1	65
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,871.70	1,847.90	98.7	1	93
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	1,168.18	1,145.11	98.0	1	53
RE-053	Castalia Meguro	Meguro Ward, Tokyo	1,414.73	1,355.18	95.8	1	63
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,784.50	1,754.47	98.3	1	73
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,472.47	1,437.91	97.7	1	75
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	1,658.90	1,658.90	100.0	1	66
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	3,644.35	3,581.59	98.3	1	166
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,624.06	1,601.76	98.6	1	78
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	12,732.35	12,598.14	98.9	1	529
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	1,276.91	1,276.91	100.0	1	51
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	2,177.42	96.5	1	74
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	1,220.16	1,220.16	100.0	1	51
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	887.94	887.94	100.0	1	34
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	1,343.79	97.1	1	63
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	1,425.43	1,425.43	100.0	1	53
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	1,537.84	1,507.76	98.0	1	63
RE-069	Castalia Iriya	Taito Ward, Tokyo	1,415.15	1,415.15	100.0	1	46
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	4,197.66	4,155.04	99.0	1	170
RE-071	Castalia Morishita II	Koto Ward, Tokyo	1,275.60	1,275.60	100.0	1	56
RE-072	Castalia Minowa	Taito Ward, Tokyo	2,406.41	2,367.14	98.4	1	99
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	857.32	857.32	100.0	1	36
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,613.86	1,569.40	97.2	1	71
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	1,472.38	1,422.36	96.6	1	65
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	1,362.60	1,362.60	100.0	1	65
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	3,038.98	2,954.43	97.2	1	131
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,785.24	1,785.24	100.0	1	72
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	2,282.82	94.3	1	131
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	18,112.03	18,112.03	100.0	1	636
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	2,629.59	2,586.19	98.3	1	149
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,413.75	1,413.75	100.0	1	78
RE-084	Castalia Omori	Ota Ward, Tokyo	2,046.36	1,983.65	96.9	1	100
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	2,640.86	2,611.35	98.9	1	134
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	3,797.92	3,603.60	94.9	1	126
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,818.70	2,798.10	99.3	1	156
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,166.71	3,051.60	96.4	1	227
RE-089	Castalia Meguro Choijamaru	Shinagawa Ward, Tokyo	2,123.77	2,059.36	97.0	1	123
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,961.52	1,927.67	98.3	1	101
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	2,004.80	1,980.81	98.8	1	96
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,278.52	1,278.52	100.0	1	64
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	2,148.57	96.6	1	97
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	1,407.40	96.9	1	52
RE-098	Castalia Funabashi	Funabashi City, Chiba	1,552.01	1,534.61	98.9	1	60
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	1,597.32	1,538.16	96.3	1	62

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended August 31, 2019

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	744.90	744.90	100.0	1	27
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	2,050.61	94.1	1	109
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-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	3,471.39	3,327.00	95.8	1	117
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	3,279.90	3,188.10	97.2	1	106
RE-118	Castalia Abeno	Osaka City, Osaka	10,920.75	10,643.19	97.5	1	330
RE-119	Castalia Sakae	Nagoya City, Aichi	2,836.00	2,836.00	100.0	1	87
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	1,522.89	1,487.49	97.7	1	38
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	6,100.31	5,148.18	84.4	1	123
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	3,061.60	2,962.60	96.8	1	83
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	8,747.40	8,398.99	96.0	1	304
RE-125	Castalia Sannomiya	Kobe City, Hyogo	3,071.60	2,908.48	94.7	1	99
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	2,711.60	96.8	1	71
RE-128	Castalia Omachi	Sendai City, Miyagi	2,149.08	2,089.46	97.2	1	62
RE-129	Castalia Uemachidai	Osaka City, Osaka	5,415.39	4,954.14	91.5	1	154
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	6,230.20	6,031.79	96.8	1	251
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	8,661.19	7,824.08	90.3	1	185
RE-132	Castalia Fushimi	Nagoya City, Aichi	7,022.69	6,108.00	87.0	1	181
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	1,822.10	1,744.70	95.8	1	59
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	2,784.83	2,784.83	100.0	1	81
RE-135	Castalia Mibu	Kyoto City, Kyoto	2,828.39	2,793.88	98.8	1	90
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	4,471.11	4,411.72	98.7	1	109
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	11,089.75	5,425.67	48.9	1	143
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	4,592.14	90.3	1	131
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	2,035.37	2,011.33	98.8	1	64
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,897.06	2,897.06	100.0	1	135
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	6,828.78	6,828.78	100.0	1	191
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	4,425.46	4,425.46	100.0	1	114
Total of 133 Residential properties			472,121.87	456,675.69	96.7	135	17,884
RM-001	ACROSSSMALL Shinkamagaya	Kamagaya City, Chiba	41,742.84	41,742.84	100.0	1	561
RM-002	FOLEO Hirakata	Hirakata City, Osaka	16,390.96	15,207.55	92.8	1	346
RM-003	QiZ GATE URAWA	Saitama City, Saitama	9,720.49	9,693.12	99.7	11	331
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	22,196.81	100.0	1	590
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
RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	62,917.73	62,917.73	100.0	1	645
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	23,230.77 (Note 7)	23,230.77 (Note 7)	100.0	1	252
RM-011	ACROSSSMALL Semboku (Land)	Sakai City, Osaka	30,824.72	30,824.72	100.0	1	181
RM-012	ias Tsukuba	Tsukuba City, Ibaraki	41,670.12	41,670.12	100.0	1	645
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 Kokurahigashi 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)
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	6,669.74	6,669.74	100.0	1	206

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	1,066.95	1,066.95	100.0	1	(Note 6)
RR-008	FOLEO Shobu	Kuki City, Saitama	19,104.17	19,104.17	100.0	1	314
RU-001	COMBOX310	Mito City, Ibaraki	30,517.69	30,517.69	100.0	1	297
Total of 21 Retail properties			450,897.55	449,686.77	99.7	31	6,364
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	7,932.37	7,932.37	100.0	1	262
HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	2,637.18	2,637.18	100.0	1	78
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	7,605.41	7,605.41	100.0	1	252
Total of 3 Hotel properties			18,174.96	18,174.96	100.0	3	592
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	543
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	3,064.89	3,064.89	100.0	1	(Note 6)
OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	1,345.60	1,345.60	100.0	1	(Note 6)
Total of 5 Other assets			25,969.15	25,969.15	100.0	5	896
Portfolio Total of 228 Properties			2,751,125.06	2,734,202.31	99.4	247	47,582

(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 August 31, 2019. 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 August 31, 2019. 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 August 31, 2019, 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 August 31, 2019, 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 August 31, 2019. 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 August 31, 2019 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 August 31, 2019 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 August 2019 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.

(Note 7) Separately from the building of this property, a part of the land of this property is leased to the lessee for the purpose of subleasing to Fukuoka Prefecture and other third parties as land for a police station, etc. The area of such leased land is not included in the leasable area and leased area.

(2) Summary of Major Tenants

Not applicable.

(Note) A major tenant is a tenant for which leased area accounts for 10% or more of the leased areas in the entire portfolio.

(3) Status of Portfolio Diversification (As of August 31, 2019)

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	153	489,176	65.7	78.9
	Greater Nagoya area	11	31,730	4.3	
	Greater Osaka area	19	67,020	9.0	
Other		45	156,897	21.1	
Total		228	744,823	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 shall apply hereinafter.

ii) Investment ratio by asset class

Asset class		Number of properties	Acquisition price (Millions of yen)	Investment ratio (%)	
Core assets	Logistics properties	66	379,439	50.9	98.3
	Residential properties	133	246,424	33.1	
	Retail properties	21	95,330	12.8	
	Hotel properties	3	10,770	1.4	
Other assets		5	12,860	1.7	
Total		228	744,823	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	21	83,990	11.6
5 years or more but less than 10 years	41	225,457	31.2
10 years or more	160	414,276	57.2
Total	222	723,723	100.0

iv) Average age of property by asset class

Asset class	Average age (year)
Logistics properties	8.0
Residential properties	13.5
Retail properties	11.1
Hotel properties	12.7
Other assets	7.1
Total	10.3

(Note) "Average age" is the weighted average age of owned properties as of August 31, 2019 based on the acquisition price, rounded to the nearest tenth.

(4) 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 August 31, 2019. 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
DPL Fukuoka Kasuya (Kasuya District, Fukuoka)	Installation of LED lights in the exclusive area	From July 2019 to September 2019	118,800	35,640	35,640
Qiz Ebisu (Shibuya Ward, Tokyo)	Tenant sign renewal	From April 2019 to November 2019	106,704	28,188	28,188
	Large-scale renovations	From October 2018 to November 2019	292,680	146,340	146,340
Castalia Nihonbashi (Chuo Ward, Tokyo)	Large-scale renovations	From November 2019 to February 2020	42,790	–	–
Castalia Hatsudai (Shibuya Ward, Tokyo)	Large-scale renovations	From September 2019 to February 2020	91,300	–	–
Castalia Tower Shinagawa Seaside (Shinagawa Ward, Tokyo)	Large-scale renovations	From August 2019 to March 2020	207,360	–	–
Castalia Nakano (Nakano Ward, Tokyo)	Large-scale renovations	From November 2019 to March 2020	41,472	–	–
Royal Parks Musashikosugi (Kawasaki City, Kanagawa)	Preventive maintenance construction in mechanical parking lots	From September 2019 to September 2019	12,734	–	–
Castalia Uemachidai (Osaka City, Osaka)	Large-scale renovations	From October 2019 to February 2020	126,940	–	–
DREAM TOWN ALi (Aomori City, Aomori)	HVAC renewal in the common area	From October 2019 to November 2019	94,050	–	–

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 ¥778,741 thousand together with ¥833,301 thousand in repairs and maintenance expenses and ¥301,418 thousand in restoration costs classified as expenses for the current fiscal period, making a total of ¥1,913,461 thousand in construction work.

Property name (Location)	Purpose	Period	Construction cost (Thousands of yen)
D Project Morioka (Takizawa City, Iwate)	Disaster recovery	From June 2019 to August 2019	27,181
Castalia Ichigaya (Shinjuku Ward, Tokyo)	Large-scale renovations	From March 2019 to June 2019	22,500
Royal Parks Hanakoganei (Kodaira City, Tokyo)	Large-scale renovations	From February 2019 to August 2019	100,022
ACROSSMALL Shinkamagaya (Kamagaya City, Chiba)	Groundwater usage facilities installation construction	From November 2018 to March 2019	78,100