

## Financial Results for the Fiscal Period Ended February 29, 2020 (September 1, 2019 - February 29, 2020)

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

Listing: Tokyo Stock Exchange  
 Securities code: 8984  
 URL: <https://www.daiwahouse-reit.co.jp/en/>  
 Representative: Toshiharu Asada, Executive Director  
 Asset manager: Daiwa House Asset Management Co., Ltd.  
 Representative: Koichi Tsuchida, President and CEO  
 Inquiries: Haruto Tsukamoto, Director and CFO  
 TEL: +81-3-3595-1265

Scheduled date of submitting Securities Report: May 28, 2020  
 Scheduled date of starting distribution payments: May 11, 2020  
 Supplementary materials for the financial results provided: Yes  
 Results briefing for the period: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

### 1. Financial results for the fiscal period ended February 29, 2020 (September 1, 2019 - February 29, 2020)

#### (1) Operating results

(Percentage figures represent period-on-period changes)

	Operating revenues		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended February 29, 2020	25,018	0.6	10,559	(1.3)	9,126	(0.4)	9,125	(0.4)
Fiscal period ended August 31, 2019	24,877	7.6	10,702	7.4	9,166	6.6	9,166	6.6

	Basic earnings per unit	Return on equity (ROE)	Ordinary profit to total assets ratio	Ordinary profit to operating revenues ratio
	Yen	%	%	%
Fiscal period ended February 29, 2020	4,398	2.0	1.1	36.5
Fiscal period ended August 31, 2019	4,420	2.1	1.1	36.8

(Note) Please refer to “Per Unit Information” on page 27 for the number of investment units used as the basis for calculating basic earnings per unit.

#### (2) Distributions

	Distributions per unit (excluding distributions in excess of earnings per unit)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets ratio
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended February 29, 2020	6,040	12,533	—	—	137.3	2.7
Fiscal period ended August 31, 2019	5,773	11,978	—	—	130.6	2.6

(Note 1) For the fiscal period ended February 29, 2020, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥3,407 million, and differ from “profit.”

(Note 2) 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.”

### (3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2020	839,931	460,341	54.8	221,851
As of August 31, 2019	841,236	463,170	55.1	223,214

### (4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended February 29, 2020	23,072	(7,898)	(12,018)	50,427
Fiscal period ended August 31, 2019	20,665	(66,780)	52,136	47,271

## 2. Forecasts of operating results for the fiscal period from March 1, 2020 to August 31, 2020 and for the fiscal period from September 1, 2020 to February 28, 2021

(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	Distributions per unit (including distributions in excess of earnings per unit)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen	Yen
Fiscal period ending August 31, 2020	26,575	6.2	11,476	8.7	9,766	7.0	9,766	7.0	5,198	152	5,350
Fiscal period ending February 28, 2021	26,950	1.4	11,713	2.1	10,206	4.5	10,206	4.5	4,647	903	5,550

(Reference) Forecasted basic earnings per unit

For the fiscal period ending August 31, 2020:                   ¥4,447

For the fiscal period ending February 28, 2021:               ¥4,647

(Note 1) 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 ¥3,044 million, and differ from “profit.”

(Note 2) For the fiscal period ending February 28, 2021, the funds from which distributions are paid out are the amount including the distribution of an allowance for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

\* **Other**

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

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

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

- a. Total number of investment units issued at the end of the period (including treasury investment units)
  - As of February 29, 2020 2,075,000 units
  - As of August 31, 2019 2,075,000 units
- b. Number of treasury investment units at the end of the period
  - As of February 29, 2020 0 units
  - As of August 31, 2019 0 units

(Note) Please refer to “Per Unit Information” on page 27 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 August 31, 2020 and February 28, 2021” on pages 9 to 11 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 April 16, 2020.

## Index

1. Operating Results.....	2
(1) Operating Results .....	2
(2) Investment Risk.....	8
2. Financial Statements .....	12
(1) Balance Sheets.....	12
(2) Statements of Income .....	15
(3) Statements of Unitholders' Equity .....	16
(4) Statements of Cash Distributions .....	18
(5) Statements of Cash Flows .....	19
(6) Notes on Assumption of Going Concern.....	21
(7) Notes on Important Accounting Policies.....	21
(8) Notes to Financial Statements .....	23
(9) Changes in Number of Investment Units Issued .....	31
3. Reference Information .....	32
(1) Portfolio List .....	32
(2) Summary of Major Tenants.....	43
(3) Status of Portfolio Diversification.....	43
(4) Capital Expenditures for Properties Held.....	44

## 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 sold five logistics properties for a total sales price of ¥5.9 billion in September 2019. Furthermore, DHR acquired two properties for a total acquisition price<sup>(Note 1)</sup> of ¥6.6 billion through the Daiwa House Group<sup>(Note 2)</sup>'s pipeline, etc. in November and December 2019 by funds in hand. As a result, DHR's portfolio as of the end of the current fiscal period consists of 225 properties with an asset value of ¥745.6 billion<sup>(Note 3)</sup>.

(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, 319 consolidated subsidiaries, 1 non-consolidated subsidiary, 40 equity-method affiliates and 2 non-equity-method affiliates as of December 31, 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 issued its 9th Unsecured Investment Corporation Bonds (Green Bonds) at a total amount of ¥6,000 million on November 25, 2019 to provide for part of the funds for the repayment of ¥10,000 million in existing loans due on November 29, 2019. On November 29, 2019, DHR arranged refinancing of ¥10,000 million to provide for partial early repayment of ¥10,000 million in existing loans (early repayment amount of ¥6,000 million) and to provide for part of the funds for the repayment of ¥10,000 million in existing loans due on the same day. Furthermore, DHR arranged refinancing of ¥18,900 million to provide for part of the funds for the repayment of ¥18,910 million in existing loans due on January 31, 2020.

As a result, the balance of interest-bearing debt outstanding as of the end of the current fiscal period amounted to ¥348,758 million (loan balance: ¥323,758 million, investment corporation bond balance: ¥25,000 million), which is a decrease of ¥10 million in comparison with the previous fiscal period. As of the end of the current fiscal period, its LTV (including goodwill)<sup>(Note 1)</sup> was 41.5%, and its LTV (excluding goodwill)<sup>(Note 2)</sup> was 45.0%.

(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 ¥830,171 million, and the amount of unrealized gain<sup>(Note)</sup> on the portfolio, which is the difference compared to the book value was ¥113,960 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 ¥25,018 million, operating profit of ¥10,559 million, ordinary profit of ¥9,126 million, and profit of ¥9,125 million (¥4,398 per investment unit).

Furthermore, based on its distribution policy, DHR reversed ¥3,407 million (¥1,642 per investment unit) as the sum of the amount of amortization of goodwill, the difference between income associated with sale of properties for accounting and tax purposes, and part of the amount of damages to D Project Urayasu II from typhoons from reserve for temporary difference adjustments to top up profit. As a result, total distributions amounted to ¥12,533 million (¥6,040 per investment unit).

## ii) Outlook for next fiscal period

### A. Investment environment

During the current fiscal period, the Japanese economy experienced the negative effects of a consumption tax hike and inclement weather in the form of large-scale typhoons, resulting in a decline in private consumption. Additionally, from October to December 2019, capital expenditure declined for the first time in three quarters, and exports continued to struggle, resulting in a decline in the real GDP growth rate (the 2nd preliminary) of 1.8% compared with the previous quarter. Furthermore, entering 2020, the economy is facing immense downward pressure from the COVID-19 pandemic, and we must pay careful attention to further downside risks to the internal and external economy going forward.

In the J-REIT market, the Tokyo Stock Exchange REIT Index in 2019 rose to 2,250 points on November 5 and trended stably above the 2,100-point level thereafter, as investors valued the stable distribution payment results of REITs. However, as the COVID-19 pandemic grew, the global shift to risk-off gained steam, and the Tokyo Stock Exchange REIT Index also became unstable, like the large-scale volatility seen in the stock markets of major countries from late February 2020.

### 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

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 voluntary reserve (reserve for temporary difference adjustments and reserve for distribution; the same shall apply hereinafter)<sup>(Note 1)</sup> 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 voluntary reserve.

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 voluntary reserve and distribute it, after the reversal of the voluntary reserve 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 and other distributions in excess of earnings).

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 and other distributions in excess of earnings) to realize stabilization of distributions on a medium- to long-term basis<sup>(Note 2)</sup> while ensuring the level of distributions not impacted by the amortization of goodwill that accompanied the Merger.

(Note 1) DHR's reversals of voluntary reserve do not fall under distributions in excess of earnings (return of 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 August 31, 2020 and February 28, 2021

	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	Distributions per unit (including distributions in excess of earnings per unit)
Fiscal period	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
ending August 31, 2020	26,575	11,476	9,766	9,766	5,198	152	5,350
ending February 28, 2021	26,950	11,713	10,206	10,206	4,647	903	5,550

(Note 1) 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 ¥3,044 million, and differ from "profit."

(Note 2) For the fiscal period ending February 28, 2021, the funds from which distributions are paid out are the amount including the distribution of an allowance 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 August 31, 2020 and February 28, 2021" on pages 9 to 11. Due to changes in the circumstances surrounding DHR, actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may change. Furthermore, these forecasts do not guarantee the amount of distributions.



### iii) Significant events after balance sheet date

#### A. Issuance of new investment units

At the board of directors meetings held on February 7, 2020, and on February 19, 2020, it was resolved to issue new investment units. The payment for the new investment units issued through public offering was completed on March 2, 2020.

As a result, unitholders' capital amounts to ¥231,766 million, and the total number of investment units issued is 2,196,000 units.

Furthermore, with respect to the issuance of new investment units through third-party allotment in connection with the secondary offering through over-allotment, DHR received notice from Nomura Securities Co., Ltd., the allottee, to the effect that it will not subscribe to any of the new investment units to be issued, by the subscription date, March 23, 2020, and therefore, the issuance of new investment units through third-party allotment as described above was not conducted.

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

Number of new investment units issued:	121,000 units (Japan: 76,200 units; Overseas: 44,800 units)
Issue price:	¥283,670 per unit
Total issue price:	¥34,324,070,000
Amount paid in (issue value):	¥274,986 per unit
Total amount paid in (issue value):	¥33,273,306,000
Payment date:	March 2, 2020

#### B. Acquisition of assets

DHR acquired the following properties.

Asset name	DPL Nagareyama I
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥32,600,000 thousand
Seller (Note 2)	Kabushiki Kaisha Nagareyama Kyodo Kaihatsu
Date of acquisition	April 3, 2020
Asset name	iias Tsukuba (additional acquisition of 70% quasi co-ownership) (Note 3)
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥23,800,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 1, 2020
Asset name	GRANODE Hiroshima (50% quasi co-ownership)
Asset type	Trust beneficiary interest in real estate
Asset class	Other assets
Acquisition price (Note 1)	¥14,400,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 3, 2020

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

(Note 2) The following companies are defined as interested parties, etc. in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the "Investment Trusts Act"): Kabushiki Kaisha Nagareyama Kyodo Kaihatsu, which is the seller of DPL Nagareyama I, and Daiwa House, which is the seller of iias Tsukuba and GRANODE Hiroshima. Therefore, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

(Note 3) Regarding iias Tsukuba, DHR acquired 30% quasi co-ownership as of April 5, 2019, and the additional acquisition of 70% quasi co-ownership resulted in DHR's 100% ownership of this property.

C. Debt financing

- (a) DHR conducted debt financing for part of the funds to refinance long-term loans of ¥6,900 million due on March 31, 2020 and ¥1,000 million due on April 1, 2020, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank Limited; MUFG Bank, Ltd.; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Resona Bank, Limited; The Norinchukin Bank; The Chiba Bank, Ltd.; Shinsei Bank, Limited	6,700	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.210% (Floating interest rate)	March 31, 2020	September 29, 2023	Bullet repayment	Unsecured and non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	1,000	0.400% (Fixed interest rate)	April 1, 2020	April 30, 2026	Bullet repayment	Unsecured and non-guaranteed

- (b) DHR conducted debt financing for acquiring the properties mentioned in “B. Acquisition of assets” above, on April 1, 2020 and April 3, 2020, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Banking Corporation	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
MUFG Bank, Ltd.	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
Mizuho Bank, Ltd.	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank, Limited; The Norinchukin Bank; The 77 Bank, Ltd.; The Chugoku Bank, Limited; Nippon Life Insurance Company; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Mizuho Bank, Ltd.; The Chiba Bank, Ltd.; The Iyo Bank, Ltd.	6,000	0.34774% (Fixed interest rate)	April 3, 2020	October 31, 2024	Bullet repayment	Unsecured and non-guaranteed
The Dai-ichi Life Insurance Company, Limited	500	0.400% (Fixed interest rate)	April 3, 2020	March 31, 2026	Bullet repayment	Unsecured and non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	500	0.410% (Fixed interest rate)	April 3, 2020	September 30, 2026	Bullet repayment	Unsecured and non-guaranteed
Development Bank of Japan Inc.	1,000	0.50981% (Fixed interest rate)	April 3, 2020	September 29, 2028	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Resona Bank, Limited; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Mizuho Bank, Ltd.; Shinsei Bank, Limited; Shinkin Central Bank; The Bank of Fukuoka, Ltd.; The Nishi-Nippon City Bank, Ltd.	5,000	0.509% (Note)	April 3, 2020	April 27, 2029	Bullet repayment	Unsecured and non-guaranteed
MUFG Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; The Bank of Kyoto, Ltd.; The Yamanashi Chuo Bank, Ltd.	10,000	0.615% (Note)	April 3, 2020	April 30, 2030	Bullet repayment	Unsecured and non-guaranteed

(Note) DHR entered into an interest rate swap transaction to hedge its exposure to interest rate fluctuation risk. The stated interest rate includes the effect of the interest rate swap.

## (2) Investment Risk

As there have been no significant changes in the “Investment Risk” as described in the Securities Registration Statement submitted on February 7, 2020 (prepared in Japanese only), the disclosure has been omitted.

**Assumptions for Forecasts of Operating Results for the Fiscal Periods Ending August 31, 2020 and February 28, 2021**

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> <li>Fiscal period ending August 31, 2020: (184 days from March 1, 2020 to August 31, 2020)</li> <li>Fiscal period ending February 28, 2021: (181 days from September 1, 2020 to February 28, 2021)</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>DHR has assumed that there will be no changes (meaning acquisition of new properties or sale of acquired properties) until February 28, 2021 in 227 properties (hereinafter referred to as the “composition of the portfolio”), which are real estate and trust beneficiary interests in real estate held by DHR as of the date of this financial results report.</li> <li>Changes in the composition of the portfolio may, however, occur.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>Operating revenues include revenues from rent, common area charges, parking lot usage fees, incidental revenues, utilities charge reimbursements and key money, etc. Each of these items is calculated based on past records and future estimate.</li> <li>DHR has assumed no delinquencies or non-payment of rents by tenants.</li> </ul>
Operating expenses (excluding amortization of goodwill)	<ul style="list-style-type: none"> <li>Operating expenses mainly comprise rental expenses. Those expenses, excluding depreciation of the current properties, are calculated based on past performance, making certain adjustments as appropriate considering factors causing changes in expenses.</li> <li>DHR has assumed that DHR will incur depreciation expenses of ¥5,163 million for the fiscal period ending August 31, 2020 and ¥5,217 million for the fiscal period ending February 28, 2021. These figures are calculated using the straight-line method with incidental expenses added to purchase prices of non-current assets.</li> <li>DHR has estimated property tax, city planning tax and depreciable asset tax at ¥1,983 million for the fiscal period ending August 31, 2020 and ¥1,984 million for the fiscal period ending February 28, 2021. Property tax and city planning tax that will be paid by DHR and the former owner (former beneficiary) on a pro rata basis according to the number of days of ownership due to the acquisition of real estate, etc. are included in the acquisition cost of the real estate, etc., and are not booked under expenses. Therefore, DHR expects to record the property tax and city planning tax related to the three properties acquired on April 1, 2020 and April 3, 2020 as expenses from the fiscal period ending August 31, 2021, and assumes that figure will be ¥216 million.</li> <li>DHR has assumed that DHR will incur certain repairs and maintenance expenses in each fiscal period based on the medium- to long-term repair and maintenance plan prepared by the Asset Manager. However, actual repairs and maintenance expenses in each fiscal period may differ substantially from DHR’s forecasts, as (i) DHR may incur expenses for urgent repairs to properties due to damage caused by unforeseeable factors, (ii) generally, there is a substantial difference in expenses incurred between each fiscal period, and (iii) expenses are not incurred based on a regular schedule.</li> <li>Selling, general and administrative expenses are estimated based on the actual values or rates, etc., of each item individually.</li> </ul>
Amortization of goodwill	<ul style="list-style-type: none"> <li>Amortization of goodwill is estimated at ¥1,982 million for the fiscal period ending August 31, 2020 and ¥1,982 million for the fiscal period ending February 28, 2021.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>DHR has assumed interest expenses and other borrowing-related expenses, etc. of ¥1,537 million for the fiscal period ending August 31, 2020 and ¥1,518 million for the fiscal period ending February 28, 2021.</li> <li>DHR has assumed one-time costs of ¥185 million for the fiscal period ending August 31, 2020 as expenses related to issuance of new investment units and related matters.</li> </ul>

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> <li>• As of the date of this financial results report, the balance of interest-bearing debt was ¥376,558 million.</li> <li>• DHR has assumed that the long-term loans of ¥3,500 million that become due by the end of the fiscal period ending February 28, 2021 will be fully refinanced, and that investment corporation bonds will be issued to provide for the full amount of the ¥3,000 million in redemptions of investment corporation bonds maturing by the end of February 2021.</li> <li>• DHR has assumed the balance of outstanding interest-bearing debt will be unchanged until February 28, 2021.</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>• The total number of investment units is based on DHR's assumption of 2,196,000 units, which is the number of investment units issued as of the date of this financial results report. DHR has assumed there will be no change in the number of units outstanding resulting from the issuance of additional investment units, etc. until February 28, 2021.</li> </ul>
Distributions per unit	<ul style="list-style-type: none"> <li>• For distributions (distributions per unit), DHR has assumed that a distribution is made with limits of the amount of earnings or less in accordance with the distribution policy prescribed in DHR's Articles of Incorporation. In addition, DHR has assumed that for the amount equivalent to amortization of goodwill described in "Amortization of goodwill" above, voluntary reserve, apart from profit, are partially reversed and used as funds for payment, and that voluntary reserve of ¥1,647 million (¥751 per investment unit) is reversed in the fiscal period ending August 31, 2020.</li> <li>• DHR has assumed that changes in fair value of interest rate swaps will not affect the amount of distributions per unit for the fiscal periods ending August 31, 2020 and February 28, 2021.</li> <li>• Changes in DHR's portfolio, fluctuations in rent income due to changes in tenants and other factors, unforeseen repairs and maintenance expenses and other factors may lead to changes in the amount of distributions per unit.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• DHR has assumed that, for distributions in excess of earnings, the total of differences between profit for accounting purposes and income for tax purposes derived from a difference in treatment of amortization of goodwill, etc. for accounting and tax purposes (the "Difference for Tax and Accounting Purposes") and an amount equivalent to valuation and translation adjustments that will be deducted from the distributable amount would be distributed as distribution accounted as an allowance for temporary difference adjustments, after the reversal of voluntary reserve, for the purpose of reducing the taxable amount subject to income taxes. DHR has also assumed that, for the purpose of ensuring that the distributions are not impacted by amortization of goodwill, if the total amount of the Differences for Tax and Accounting Purposes in other items than amortization of goodwill that will be generated during the relevant fiscal period is less than the amount of amortization of goodwill, distributions in excess of earnings would be paid as distribution accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings (return of capital), within the scope specified by the rules of The Investment Trusts Association, Japan (an amount equivalent to 60% of the amount of total accumulated depreciation recorded as of the end of the accounting period after deducting the total accumulated depreciation recorded as of the end of the previous accounting period), up to the amount of amortization of goodwill. It is estimated that total of distributions in excess of earnings for the fiscal period ending August 31, 2020 would be ¥334 million (¥152 per unit), including the allowance for temporary difference adjustments of ¥334 million (¥152 per unit), and for the fiscal period ending February 28, 2021, total of distributions in excess of earnings would be ¥1,982 million (¥903 per unit), consisting of the allowance for temporary difference adjustments and other distributions in excess of earnings (return of capital) of ¥1,807 million (¥823 per unit) and ¥175 million (¥80 per unit), respectively.</li> <li>• DHR has assumed that changes in fair value of interest rate swaps will not affect the amount of distributions in excess of earnings per unit for the fiscal periods ending August 31, 2020 and February 28, 2021.</li> </ul>

Item	Assumptions
Others	<ul style="list-style-type: none"><li>• DHR has assumed no enforcement of such revisions to laws and regulations, tax systems, accounting standards, securities listing regulations and rules of The Investment Trusts Association, Japan, etc. that may affect the above forecasts.</li><li>• DHR's forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.</li></ul>

## 2. Financial Statements

### (1) Balance Sheets

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2019)	Current fiscal period (As of February 29, 2020)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	29,273,305	35,249,345
Cash and deposits in trust	17,998,615	15,177,967
Operating accounts receivable	175,551	157,160
Prepaid expenses	627,313	633,947
Consumption taxes receivable	1,199,509	-
Other	3,166	1,120,663
Allowance for doubtful accounts	(989)	(996)
Total current assets	49,276,472	52,338,089
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	26,340,267	26,483,438
Accumulated depreciation	(4,873,131)	(5,144,627)
Buildings, net	21,467,135	21,338,810
Structures	248,224	248,426
Accumulated depreciation	(48,206)	(51,006)
Structures, net	200,017	197,419
Machinery and equipment	478,877	490,934
Accumulated depreciation	(149,748)	(160,912)
Machinery and equipment, net	329,128	330,021
Tools, furniture and fixtures	701,691	728,750
Accumulated depreciation	(403,055)	(426,339)
Tools, furniture and fixtures, net	298,636	302,411
Land	20,879,124	22,345,895
Buildings in trust	346,715,583	347,339,442
Accumulated depreciation	(35,285,398)	(39,166,299)
Buildings in trust, net	311,430,184	308,173,142
Structures in trust	8,370,382	8,323,696
Accumulated depreciation	(846,472)	(991,617)
Structures in trust, net	7,523,909	7,332,078
Machinery and equipment in trust	2,528,596	2,550,564
Accumulated depreciation	(1,106,294)	(1,192,094)
Machinery and equipment in trust, net	1,422,301	1,358,470
Tools, furniture and fixtures in trust	1,098,003	1,271,176
Accumulated depreciation	(463,313)	(532,144)
Tools, furniture and fixtures in trust, net	634,689	739,032
Land in trust	348,445,376	348,200,560
Construction in progress in trust	225,909	52,988
Total property, plant and equipment	712,856,413	710,370,832
<b>Intangible assets</b>		
Goodwill	67,395,703	65,413,477
Leasehold rights in trust	5,940,513	5,893,101
Software	71	-
Trademark rights	1,780	1,502
Total intangible assets	73,338,070	71,308,081

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2019)	Current fiscal period (As of February 29, 2020)
<b>Investments and other assets</b>		
Investment securities	*3 9,377	*3 9,394
Long-term prepaid expenses	2,184,143	2,307,557
Guarantee deposits	195	99
Lease and guarantee deposits in trust	3,489,293	3,488,978
Total investments and other assets	5,683,009	5,806,029
Total non-current assets	791,877,493	787,484,943
<b>Deferred assets</b>		
Investment corporation bond issuance costs	82,464	108,702
Total deferred assets	82,464	108,702
Total assets	841,236,430	839,931,735
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	1,396,148	2,203,758
Current portion of investment corporation bonds	-	3,000,000
Current portion of long-term loans	36,810,000	11,400,000
Accounts payable - other	115,747	74,604
Accrued expenses	1,544,776	1,546,716
Income taxes payable	605	605
Accrued consumption taxes	-	949,604
Advances received	2,988,375	3,064,259
Unearned revenue	222,342	221,735
Deposits received	343,242	374,359
Other	94,179	92,516
Total current liabilities	43,515,417	22,928,159
<b>Non-current liabilities</b>		
Investment corporation bonds	19,000,000	22,000,000
Long-term loans	292,958,000	312,358,000
Long-term unearned revenue	706,501	596,544
Tenant leasehold and security deposits	273,928	337,990
Tenant leasehold and security deposits in trust	19,885,704	19,661,156
Asset retirement obligations	640,015	646,062
Derivatives liabilities	1,085,876	1,062,506
Total non-current liabilities	334,550,025	356,662,260
Total liabilities	378,065,443	379,590,420
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	198,492,847	198,492,847
<b>Surplus</b>		
Capital surplus	247,667,563	247,667,563
<b>Voluntary reserve</b>		
Reserve for temporary difference adjustments	*4 6,823,576	*4 3,903,449
Reserve for distribution	2,106,789	2,214,027
Total voluntary reserve	8,930,366	6,117,477
Unappropriated retained earnings (undisposed loss)	9,166,085	9,125,933
Total surplus	265,764,015	262,910,973
Total unitholders' equity	464,256,863	461,403,821



(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2019)	Current fiscal period (As of February 29, 2020)
Valuation and translation adjustments		
Deferred gains or losses on hedges	(1,085,876)	(1,062,506)
Total valuation and translation adjustments	(1,085,876)	(1,062,506)
Total net assets	*2 463,170,986	*2 460,341,315
Total liabilities and net assets	841,236,430	839,931,735

## (2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
<b>Operating revenues</b>		
Rental revenues	*1 23,639,627	*1 23,655,798
Other rental revenues	*1 1,083,326	*1 1,056,601
Gain on sale of real estate properties	*2 154,968	*2 306,069
<b>Total operating revenues</b>	<b>24,877,922</b>	<b>25,018,469</b>
<b>Operating expenses</b>		
Rental expenses	*1 10,062,619	*1 10,278,793
Asset management fees	1,623,154	1,638,098
Asset custody fees	36,240	36,572
Administrative service fees	92,336	96,539
Directors' remuneration	6,600	6,600
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	107	653
Bad debts expenses	-	750
Other operating expenses	372,460	419,175
<b>Total operating expenses</b>	<b>14,175,746</b>	<b>14,459,409</b>
<b>Operating profit</b>	<b>10,702,176</b>	<b>10,559,060</b>
<b>Non-operating income</b>		
Interest income	197	212
Gain on forfeiture of unclaimed distributions	4,508	4,160
Gain on adjustment of liabilities	107,238	10,662
Gain on donation of non-current assets	-	2,306
Settlement money for property tax, etc.	-	350
Interest on tax refund	-	1,685
Subsidy income	-	2,550
Other	17	21
<b>Total non-operating income</b>	<b>111,961</b>	<b>21,948</b>
<b>Non-operating expenses</b>		
Interest expenses	1,114,268	1,090,310
Interest expenses on investment corporation bonds	52,527	59,740
Amortization of investment corporation bond issuance costs	8,358	9,551
Investment unit issuance expenses	173,770	-
Borrowing related expenses	296,456	292,793
Other	2,065	2,075
<b>Total non-operating expenses</b>	<b>1,647,447</b>	<b>1,454,470</b>
<b>Ordinary profit</b>	<b>9,166,690</b>	<b>9,126,538</b>
<b>Profit before income taxes</b>	<b>9,166,690</b>	<b>9,126,538</b>
Income taxes - current	605	605
<b>Total income taxes</b>	<b>605</b>	<b>605</b>
<b>Profit</b>	<b>9,166,085</b>	<b>9,125,933</b>
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>9,166,085</b>	<b>9,125,933</b>

### (3) Statements of Unitholders' Equity

Previous 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

Current fiscal period (From September 1, 2019 to February 29, 2020)

(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	198,492,847	247,667,563	6,823,576	2,106,789	8,930,366	9,166,085	265,764,015	464,256,863
Changes of items during period								
Reversal of reserve for temporary difference adjustments			(2,920,127)		(2,920,127)	2,920,127	-	-
Accumulation of reserve for distribution				107,238	107,238	(107,238)	-	-
Distributions from surplus						(11,978,975)	(11,978,975)	(11,978,975)
Profit						9,125,933	9,125,933	9,125,933
Net changes of items other than unitholders' equity								
Total changes of items during period	-	-	(2,920,127)	107,238	(2,812,889)	(40,152)	(2,853,041)	(2,853,041)
Balance at end of period	* 198,492,847	247,667,563	3,903,449	2,214,027	6,117,477	9,125,933	262,910,973	461,403,821

(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	(1,085,876)	(1,085,876)	463,170,986
Changes of items during period			
Reversal of reserve for temporary difference adjustments			-
Accumulation of reserve for distribution			-
Distributions from surplus			(11,978,975)
Profit			9,125,933
Net changes of items other than unitholders' equity	23,370	23,370	23,370
Total changes of items during period	23,370	23,370	(2,829,671)
Balance at end of period	(1,062,506)	(1,062,506)	460,341,315

#### (4) Statements of Cash Distributions

Item	Fiscal period ended August 31, 2019	Fiscal period ended February 29, 2020
	Amount (Yen)	Amount (Yen)
I Unappropriated retained earnings	9,166,085,941	9,125,933,145
II Reversal of voluntary reserve Reversal of reserve for temporary difference adjustments	* 2,920,127,436	* 3,407,066,855
III Distributions [Distributions per investment unit]	11,978,975,000 [5,773]	12,533,000,000 [6,040]
IV Voluntary reserve Accumulation of reserve for distribution	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 makes 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 relevant fiscal period, DHR decided to 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 does 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 makes 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 relevant fiscal period, DHR decided to reverse the sum of the amount of amortization of goodwill, difference of income from sale of properties for accounting and tax purposes, and part of the amount of damages to D Project Urayasu II from typhoons of ¥3,407,066,855 from reserve for temporary difference adjustments and add the reversal to unappropriated retained earnings of ¥9,125,933,145 to distribute ¥12,533,000,000 as cash distributions (¥6,040 per unit); provided, however, that DHR does not pay the portion of amount that exceeds the earnings defined in Article 37, paragraph 2 of the Articles of Incorporation of DHR.</p>
--------------------------------------	--	--

## (5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,166,690	9,126,538
Depreciation	4,764,371	4,806,206
Amortization of goodwill	1,982,226	1,982,226
Amortization of investment corporation bond issuance costs	8,358	9,551
Amortization of trademark rights	278	278
Amortization of software	205	71
Loss on retirement of non-current assets	23,340	18,036
Investment unit issuance expenses	173,770	-
Interest income	(197)	(212)
Interest expenses	1,166,796	1,150,050
Decrease (increase) in operating accounts receivable	100,131	18,390
Decrease (increase) in accounts receivable	(1,032)	(1,118,200)
Decrease (increase) in consumption taxes receivable	(1,598,047)	2,149,113
Decrease (increase) in prepaid expenses	(17,655)	(6,633)
Increase (decrease) in operating accounts payable	205,802	588,626
Increase (decrease) in accounts payable - other	180,525	(3,601)
Increase (decrease) in accrued expenses	125,303	(2,045)
Increase (decrease) in deposits received	(2,030)	31,116
Increase (decrease) in advances received	231,149	75,883
Decrease (increase) in long-term prepaid expenses	(73,270)	(123,413)
Increase (decrease) in allowance for doubtful accounts	(236)	6
Decrease in property, plant and equipment in trust due to sales	5,584,343	5,638,212
Decrease (increase) in lease and guarantee deposits in trust	-	314
Other, net	(77,839)	(10,525)
Subtotal	21,942,986	24,329,993
Interest income received	197	212
Interest expenses paid	(1,277,516)	(1,256,628)
Income taxes paid	(609)	(607)
Net cash provided by (used in) operating activities	20,665,057	23,072,970
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(98,343)	(1,547,069)
Purchase of property, plant and equipment in trust	(68,795,265)	(6,207,046)
Proceeds from tenant leasehold and security deposits	30,950	85,923
Repayments of tenant leasehold and security deposits	(15,939)	(17,784)
Proceeds from tenant leasehold and security deposits in trust	2,825,798	355,788
Repayments of tenant leasehold and security deposits in trust	(728,043)	(568,795)
Net cash provided by (used in) investing activities	(66,780,841)	(7,898,983)
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans	39,100,000	28,900,000
Repayments of long-term loans	(11,600,000)	(34,910,000)
Proceeds from issuance of investment corporation bonds	-	5,964,210
Proceeds from issuance of investment units	35,088,709	-
Distributions paid	(10,451,983)	(11,972,804)
Net cash provided by (used in) financing activities	52,136,726	(12,018,593)

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
Net increase (decrease) in cash and cash equivalents	6,020,942	3,155,392
Cash and cash equivalents at beginning of period	41,250,978	47,271,920
Cash and cash equivalents at end of period	* 47,271,920	* 50,427,313

**(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	<p>(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.</p> <table border="0" 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> <p>(2) Intangible assets (including assets in trust) The straight-line method is used. The useful lives of major intangible assets are listed below.</p> <table border="0" 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> <p>Leasehold rights (fixed-term land lease rights in general) are amortized on a straight-line basis over the life of each contract.</p>	Buildings	2 to 69 years	Structures	3 to 63 years	Machinery and equipment	7 to 28 years	Tools, furniture and fixtures	2 to 28 years	Goodwill	20 years	Software	5 years
Buildings	2 to 69 years												
Structures	3 to 63 years												
Machinery and equipment	7 to 28 years												
Tools, furniture and fixtures	2 to 28 years												
Goodwill	20 years												
Software	5 years												
3. Accounting method for deferred assets	Investment corporation bond issuance costs Costs are amortized by the straight-line method over the redemption period.												
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.												
6. Method of hedge accounting	<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"> <li>i) Cash and deposits in trust</li> <li>ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust</li> <li>iii) Leasehold rights in trust</li> <li>iv) Lease and guarantee deposits in trust</li> <li>v) Tenant leasehold and security deposits in trust</li> </ul> <p>(2) Accounting method for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Non-deductible consumption taxes for acquisition of assets are added on to the acquisition cost of each asset.</p>

## (8) Notes to Financial Statements

### Notes to Balance Sheets

#### 1. Commitment line contracts

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

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2019)	Current fiscal period (As of February 29, 2020)
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 August 31, 2019)	Current fiscal period (As of February 29, 2020)
50,000	50,000

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

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2019)	Current fiscal period (As of February 29, 2020)
Investment securities	9,377	9,394

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

	(Unit: Thousands of yen)				
	Previous fiscal period (As of August 31, 2019)		Current fiscal period (As of February 29, 2020)		
Reserves recognized by transfer	14,748,347		Reserves recognized by transfer	14,748,347	
Balance at beginning of period	8,804,571		Balance at beginning of period	6,823,576	
Amount of accumulation during period	-		Amount of accumulation during period	-	
Amount of reversal during period	1,980,994		Amount of reversal during period	2,920,127	
Balance at end of period	6,823,576		Balance at end of period	3,903,449	
Reasons for accumulation and reversal			Reasons for accumulation and reversal		
Allocation for distributions			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.			(Note) The balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount, shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution.		

## Notes to Statements of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From March 1, 2019 to August 31, 2019)		Current fiscal period (From September 1, 2019 to February 29, 2020)	
A. Real estate rental revenues				
Rental revenues				
Rent	23,149,693		23,160,308	
Common area charges	489,934	23,639,627	495,490	23,655,798
Other rental revenues				
Facility charges	388,843		393,687	
Incidental revenues	282,426		264,610	
Other	412,056	1,083,326	398,303	1,056,601
Total real estate rental revenues		24,722,954		24,712,400
B. Real estate rental expenses				
Rental expenses				
Management fees	1,314,771		1,308,420	
Utilities	332,752		319,454	
Taxes and public dues	1,798,996		1,774,783	
Repairs and maintenance expenses	833,301		1,121,106	
Restoration costs	301,418		254,194	
Insurance	29,840		29,784	
Custodian fees	62,116		64,083	
Depreciation	4,764,371		4,806,206	
Other operating expenses	625,050	10,062,619	600,760	10,278,793
Total real estate rental expenses		10,062,619		10,278,793
C. Income (loss) from real estate rental business (A – B)		14,660,334		14,433,606

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

Previous 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

Current fiscal period (From September 1, 2019 to February 29, 2020)

(Unit: Thousands of yen)	
D Project Gifu	
Proceeds from sale of real estate properties	1,171,000
Cost of real estate properties sold	1,065,888
Other sales expenses	4,227
Gain (loss) on sale of real estate properties	100,883
D Project Sapporo Minami	
Proceeds from sale of real estate properties	863,000
Cost of real estate properties sold	781,613
Other sales expenses	3,457
Gain (loss) on sale of real estate properties	77,929
D Project Sendai Minami	
Proceeds from sale of real estate properties	1,581,000
Cost of real estate properties sold	1,509,983
Other sales expenses	5,252
Gain (loss) on sale of real estate properties	65,763
D Project Gotenba	
Proceeds from sale of real estate properties	1,141,000
Cost of real estate properties sold	1,107,701
Other sales expenses	4,152
Gain (loss) on sale of real estate properties	29,146
D Project Nishi-Hiroshima	
Proceeds from sale of real estate properties	1,211,000
Cost of real estate properties sold	1,173,026
Other sales expenses	5,627
Gain (loss) on sale of real estate properties	32,346

## Notes to Statements of Unitholders' Equity

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

	Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued	2,075,000 units	2,075,000 units

## Notes to Statements of Cash Distributions

- \* Reserve for temporary difference adjustments

Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
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.	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 of amortization of goodwill, difference of income from sale of properties for accounting and tax purposes, and part of the amount of damages to D Project Urayasu II from typhoons of ¥3,407,066,855 in the fiscal period ended February 29, 2020.

## Notes to Statements of Cash Flows

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

	Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
		(Unit: Thousands of yen)
Cash and deposits	29,273,305	35,249,345
Cash and deposits in trust	17,998,615	15,177,967
Cash and cash equivalents	47,271,920	50,427,313

## 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 March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
(Unit: Thousands of yen)		
<b>Balance sheet carrying amount</b>		
Balance at beginning of period	660,511,618	718,796,927
Changes during period	58,285,309	(2,532,993)
Balance at end of period	718,796,927	716,263,934
Fair value at end of period	822,248,000	830,171,000

(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 13 properties including D Project Itabashi Shingashi (¥67,660,160 thousand), while the decrease is mainly due to the sale of D Project Shin-Misato (¥5,584,343 thousand) and depreciation. The increase in the current fiscal period is mainly due to the acquisitions of two properties including AGORA Kanazawa (¥6,689,535 thousand), while the decrease is mainly due to the sales of five properties including D Project Sendai Minami (¥5,638,212 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 March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
Net assets per unit	¥223,214	¥221,851
Basic earnings per unit	¥4,420	¥4,398

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

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

	Previous fiscal period (From March 1, 2019 to August 31, 2019)	Current fiscal period (From September 1, 2019 to February 29, 2020)
Profit (Thousands of yen)	9,166,085	9,125,933
Amount not attributable to common unitholders (Thousands of yen)	-	-
Profit attributable to common investment units (Thousands of yen)	9,166,085	9,125,933
Average number of investment units for the period (Units)	2,073,641	2,075,000

## Major Subsequent Events

### 1. Issuance of new investment units

At the board of directors meetings held on February 7, 2020, and on February 19, 2020, it was resolved to issue new investment units. The payment for the new investment units issued through public offering was completed on March 2, 2020.

As a result, unitholders' capital amounts to ¥231,766 million, and the total number of investment units issued is 2,196,000 units.

Furthermore, with respect to the issuance of new investment units through third-party allotment in connection with the secondary offering through over-allotment, DHR received notice from Nomura Securities Co., Ltd., the allottee, to the effect that it will not subscribe to any of the new investment units to be issued, by the subscription date, March 23, 2020, and therefore, the issuance of new investment units through third-party allotment as described above was not conducted.

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

Number of new investment units issued:	121,000 units (Japan: 76,200 units; Overseas: 44,800 units)
Issue price:	¥283,670 per unit
Total issue price:	¥34,324,070,000
Amount paid in (issue value):	¥274,986 per unit
Total amount paid in (issue value):	¥33,273,306,000
Payment date:	March 2, 2020

### 2. Acquisition of assets

DHR acquired the following properties.

Asset name	DPL Nagareyama I
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥32,600,000 thousand
Seller (Note 2)	Kabushiki Kaisha Nagareyama Kyodo Kaihatsu
Date of acquisition	April 3, 2020
Asset name	iias Tsukuba (additional acquisition of 70% quasi co-ownership) (Note 3)
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥23,800,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 1, 2020
Asset name	GRANODE Hiroshima (50% quasi co-ownership)
Asset type	Trust beneficiary interest in real estate
Asset class	Other assets
Acquisition price (Note 1)	¥14,400,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 3, 2020

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

(Note 2) The following companies are defined as interested parties, etc. in the Investment Trusts Act: Kabushiki Kaisha Nagareyama Kyodo Kaihatsu, which is the seller of DPL Nagareyama I, and Daiwa House, which is the seller of iias Tsukuba and GRANODE Hiroshima. Therefore, the Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

(Note 3) Regarding iias Tsukuba, DHR acquired 30% quasi co-ownership as of April 5, 2019, and the additional acquisition of 70% quasi co-ownership resulted in DHR's 100% ownership of this property.

### 3. Debt financing

DHR conducted debt financing for acquiring the properties mentioned in “2. Acquisition of assets” above, on April 1, 2020 and April 3, 2020, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Banking Corporation	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
MUFG Bank, Ltd.	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
Mizuho Bank, Ltd.	1,250	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.175% (Floating interest rate)	April 1, 2020	April 1, 2021	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; The Norinchukin Bank; The 77 Bank, Ltd.; The Chugoku Bank, Limited; Nippon Life Insurance Company; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Mizuho Bank, Ltd.; The Chiba Bank, Ltd.; The Iyo Bank, Ltd.	6,000	0.34774% (Fixed interest rate)	April 3, 2020	October 31, 2024	Bullet repayment	Unsecured and non-guaranteed
The Dai-ichi Life Insurance Company, Limited	500	0.400% (Fixed interest rate)	April 3, 2020	March 31, 2026	Bullet repayment	Unsecured and non-guaranteed
Mitsui Sumitomo Insurance Company, Limited	500	0.410% (Fixed interest rate)	April 3, 2020	September 30, 2026	Bullet repayment	Unsecured and non-guaranteed
Development Bank of Japan Inc.	1,000	0.50981% (Fixed interest rate)	April 3, 2020	September 29, 2028	Bullet repayment	Unsecured and non-guaranteed



Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank, Limited; Resona Bank, Limited; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Mizuho Bank, Ltd.; Shinsei Bank, Limited; Shinkin Central Bank; The Bank of Fukuoka, Ltd.; The Nishi-Nippon City Bank, Ltd.	5,000	0.509% (Note)	April 3, 2020	April 27, 2029	Bullet repayment	Unsecured and non-guaranteed
MUFG Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; The Bank of Kyoto, Ltd.; The Yamanashi Chuo Bank, Ltd.	10,000	0.615% (Note)	April 3, 2020	April 30, 2030	Bullet repayment	Unsecured and non-guaranteed

(Note) DHR entered into an interest-rate swap transaction to hedge its exposure to interest rate fluctuation risk. The stated interest rate includes the effect of the interest-rate swap.

#### 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 February 29, 2020 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 February 29, 2020 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	23,693	2.8
			Greater Nagoya area	894	0.1
			Greater Osaka area	13,219	1.6
			Other	5,239	0.6
	Retail properties		Other	1,466	0.2
	Subtotal		44,514	5.3	
Trust beneficiary interest in real estate	Logistics properties	Three major metropolitan areas of Japan	Greater Tokyo area	238,522	28.4
			Greater Nagoya area	15,668	1.9
			Greater Osaka area	22,773	2.7
			Other	88,706	10.6
	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	166,372	19.8
			Greater Nagoya area	5,927	0.7
			Greater Osaka area	6,013	0.7
			Other	4,914	0.6
	Retail properties	Three major metropolitan areas of Japan	Greater Tokyo area	32,432	3.9
			Greater Nagoya area	2,390	0.3
			Greater Osaka area	20,381	2.4
			Other	39,325	4.7
	Hotel properties	Three major metropolitan areas of Japan	Greater Tokyo area	4,758	0.6
			Greater Nagoya area	4,531	0.5
			Greater Osaka area	1,459	0.2
			Other	5,200	0.6
	Other assets	Three major metropolitan areas of Japan	Greater Tokyo area	3,268	0.4
			Other	9,101	1.1
		Subtotal		671,749	80.0
	Deposits and other assets				123,667
Total assets				839,931	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	379,590	45.2
Total net assets	460,341	54.8

(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 February 29, 2020, which is rounded down to the nearest million yen. For real estate and trust beneficiary interest in real estate, the amounts are their acquisition prices (including expenses associated with the acquisition) less accumulated depreciation.

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

## ii) Major investment securities

The status of investment securities held by DHR as of February 29, 2020 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	9,394	—	September 20, 2037	—	—	9,663	268	0.0%	Deposited as business security deposit
Total		10,000	9,394	—	—	—	—	9,663	268	0.0%	

## iii) Summary of assets held

A. The summary of real estate or trust beneficiary interest in real estate (or referred as “real estate in trust”) held by DHR as of February 29, 2020 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	9,164	9,870
	LB-002	D Project Hachioji	Hachioji City, Tokyo	September 1, 2016	15,400	2.1	15,090	17,000
	LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	September 1, 2016	3,390	0.5	3,745	4,470
	LB-005	D Project Urayasu I	Urayasu City, Chiba	September 1, 2016	9,280	1.2	9,093	9,910
	LB-006	D Project Urayasu II	Urayasu City, Chiba	September 1, 2016	26,000	3.5	25,436	27,900
	LB-007	D Project Akanehama	Narashino City, Chiba	September 1, 2016	2,950	0.4	2,862	3,100
	LB-008	D Project Noda	Noda City, Chiba	September 1, 2016	6,210	0.8	6,007	6,550
	LB-009	D Project Inuyama (Note 7)	Inuyama City, Aichi	September 1, 2016	10,790	1.4	10,390	11,750
	LB-011	D Project Neyagawa	Neyagawa City, Osaka	September 1, 2016	5,980	0.8	5,810	6,320
	LB-013	D Project Morioka	Takizawa City, Iwate	September 1, 2016	1,200	0.2	1,167	1,210
	LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	September 1, 2016	3,390	0.5	3,216	3,550
	LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	September 1, 2016	4,240	0.6	4,106	4,580
	LB-019	D Project Tosu	Tosu City, Saga	September 1, 2016	5,740	0.8	5,423	6,170
	LB-020	D Project Kuki I	Kuki City, Saitama	September 1, 2016	3,900	0.5	3,764	4,220
	LB-021	D Project Kuki II	Kuki City, Saitama	September 1, 2016	8,120	1.1	7,726	8,820
	LB-022	D Project Kawagoe I	Kawagoe City, Saitama	September 1, 2016	3,530	0.5	3,417	3,870
	LB-023	D Project Kawagoe II	Kawagoe City, Saitama	September 1, 2016	4,850	0.7	4,711	5,390
	LB-024	DPL Inuyama	Inuyama City, Aichi	September 1, 2016	3,940	0.5	3,786	4,240
	LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	September 1, 2016	4,340	0.6	4,174	4,610
	LB-026	D Project Kuki III	Kuki City, Saitama	September 1, 2016	7,630	1.0	7,315	8,430
	LB-027	D Project Kuki IV	Kuki City, Saitama	September 1, 2016	5,520	0.7	5,302	6,080
	LB-028	D Project Kuki V	Kuki City, Saitama	September 1, 2016	8,280	1.1	7,987	9,010
	LB-029	D Project Kuki VI	Kuki City, Saitama	September 1, 2016	5,140	0.7	4,930	5,590
	LB-030	D Project Yashio	Yashio City, Saitama	September 1, 2016	6,400	0.9	6,189	6,740
	LB-031	D Project Nishiyodogawa	Osaka City, Osaka	September 1, 2016	10,300	1.4	9,874	10,900
	LB-032	D Project Matsudo	Matsudo City, Chiba	September 1, 2016	7,370	1.0	7,157	7,740
	LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	September 28, 2016	2,080	0.3	1,966	2,170
	LB-034	D Project Morioka II	Takizawa City, Iwate	September 28, 2016	1,280	0.2	1,232	1,330
	LB-035	D Project Kawagoe III	Kawagoe City, Saitama	April 11, 2017	7,200	1.0	6,997	7,860
	LB-036	D Project Kazo	Kazo City, Saitama	April 11, 2017	3,300	0.4	3,205	3,460
	LB-037	D Project Urayasu III	Urayasu City, Chiba	April 11, 2017	8,500	1.1	8,423	9,740
	LB-038	D Project Tomisato	Tomisato City, Chiba	April 11, 2017	5,000	0.7	4,824	5,300
	LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	April 11, 2017	3,520	0.5	3,450	3,780
	LB-040	D Project Sendai Izumi	Sendai City, Miyagi	April 11, 2017	1,510	0.2	1,461	1,590
	LB-041	D Project Oyama	Oyama City, Tochigi	April 11, 2017	2,000	0.3	1,937	2,050
	LB-042	D Project Sano	Sano City, Tochigi	April 11, 2017	1,780	0.2	1,713	1,820
	LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	April 11, 2017	3,100	0.4	2,995	3,220
	LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	April 11, 2017	6,000	0.8	5,851	6,140
	LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	April 11, 2017	3,820	0.5	3,714	4,040
	LB-046	D Project Tosu II	Tosu City, Saga	April 11, 2017	1,700	0.2	1,638	1,910
	LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	April 10, 2018	5,600	0.8	5,535	5,920

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Logistics properties	LB-048	D Project Kuki VII	Kuki City, Saitama	April 10, 2018	1,040	0.1	1,032	1,140
	LB-049	D Project Chibakita	Chiba City, Chiba	April 10, 2018	7,640	1.0	7,547	8,270
	LB-050	D Project Matsudo II	Matsudo City, Chiba	April 10, 2018	8,200	1.1	8,096	8,490
	LB-051	D Project Tomisato II	Tomisato City, Chiba	April 10, 2018	6,900	0.9	6,769	7,100
	LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	April 10, 2018	3,600	0.5	3,639	4,280
	LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	April 10, 2018	7,300	1.0	7,130	7,520
	LB-054	D Project Kaminokawa	Kawachi District, Tochigi	April 10, 2018	7,900	1.1	7,753	8,050
	LB-055	D Project Fuji	Fuji City, Shizuoka	April 10, 2018	3,600	0.5	3,526	3,640
	LB-056	D Project Tosu III	Tosu City, Saga	April 10, 2018	9,200	1.2	9,006	9,460
	LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	April 5, 2019	4,300	0.6	4,295	4,460
	LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	April 5, 2019	5,700	0.8	5,703	5,900
	LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	April 5, 2019	7,300	1.0	7,302	7,610
	LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	April 10, 2019	12,300	1.6	12,302	12,400
	LB-061	D Project Sagamihara	Sagamihara City, Tokyo	April 10, 2019	3,900	0.5	3,893	3,990
	LB-062	D Project Kuki VIII	Kuki City, Saitama	April 10, 2019	6,100	0.8	6,078	6,250
	LB-063	D Project Yokkaichi	Yokkaichi City, Mie	April 10, 2019	1,490	0.2	1,491	1,500
	LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	April 10, 2019	4,050	0.5	4,038	4,120
	LM-001	DPL Misato	Misato City, Saitama	April 11, 2017	16,831	2.3	16,575	18,000
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	April 10, 2018	13,300	1.8	13,204	13,700	
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	September 27, 2018	3,510	0.5	3,445	3,570	
Total of 61 Logistics properties					373,641	50.1	365,635	397,800
Residential properties	RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	March 22, 2006	7,650	1.0	7,425	9,370
	RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	March 22, 2006	4,500	0.6	4,130	4,510
	RE-003	Castalia Shibakoen	Minato Ward, Tokyo	March 22, 2006	2,630	0.4	2,395	2,440
	RE-004	Castalia Ginza	Chuo Ward, Tokyo	March 22, 2006	2,520	0.3	2,311	2,340
	RE-005	Castalia Hiroo	Minato Ward, Tokyo	March 22, 2006	2,220	0.3	2,048	2,000
	RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	March 22, 2006	1,200	0.2	1,078	1,210
	RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	March 7, 2007	2,300	0.3	2,051	2,360
	RE-008	Castalia Azabujuban	Minato Ward, Tokyo	June 21, 2007	2,910	0.4	2,740	2,790
	RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	June 21, 2007	2,690	0.4	2,505	2,670
	RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	June 21, 2007	1,865	0.3	1,739	1,660
	RE-011	Castalia Ginza II	Chuo Ward, Tokyo	June 21, 2007	1,800	0.2	1,638	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	2,327	2,530
	RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	1,770	0.2	1,675	2,380
	RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	April 1, 2010	1,393	0.2	1,469	1,620
	RE-016	Castalia Suitengu	Chuo Ward, Tokyo	April 1, 2010	1,279	0.2	1,202	1,590
	RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	April 1, 2010	1,138	0.2	1,082	1,410
	RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	April 1, 2010	932	0.1	893	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	850	1,010
	RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	April 1, 2010	608	0.1	647	772
	RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	April 1, 2010	555	0.1	549	683
	RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	April 1, 2010	464	0.1	434	567
	RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	April 1, 2010	947	0.1	880	1,400
	RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	April 1, 2010	1,070	0.1	975	1,500
	RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	914	0.1	840	1,140
	RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	April 1, 2010	1,370	0.2	1,230	1,820
	RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	April 1, 2010	1,160	0.2	1,064	1,580
	RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	April 1, 2010	675	0.1	601	815
	RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	April 1, 2010	2,720	0.4	2,568	3,400
	RE-031	Castalia Takanawadai	Minato Ward, Tokyo	April 1, 2010	860	0.1	806	1,110
	RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	April 1, 2010	666	0.1	597	870
	RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	April 1, 2010	486	0.1	464	564
	RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	April 1, 2010	400	0.1	388	534
	RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	April 1, 2010	1,190	0.2	1,140	1,460

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-036	Castalia Minami Azabu	Minato Ward, Tokyo	April 1, 2010	642	0.1	609	787
	RE-037	Castalia Ginza III	Chuo Ward, Tokyo	April 1, 2010	2,880	0.4	2,718	3,160
	RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	April 1, 2010	2,707	0.4	2,487	3,380
	RE-039	Castalia Takanawa	Minato Ward, Tokyo	April 1, 2010	7,430	1.0	7,110	8,560
	RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	April 1, 2010	3,520	0.5	3,188	4,180
	RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	April 1, 2010	2,950	0.4	2,804	3,540
	RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	June 29, 2010	940	0.1	873	1,400
	RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	October 18, 2011	7,580	1.0	6,486	9,310
	RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	December 19, 2011	2,030	0.3	1,998	2,510
	RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	September 27, 2013	1,900	0.3	1,843	2,290
	RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	September 27, 2013	1,420	0.2	1,390	1,720
	RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	December 20, 2005	4,500	0.6	3,974	4,830
	RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	March 22, 2006	648	0.1	574	538
	RE-049	Castalia Yukigaya	Ota Ward, Tokyo	March 7, 2007	1,110	0.1	969	1,170
	RE-050	Castalia Yutenji	Meguro Ward, Tokyo	June 21, 2007	1,450	0.2	1,310	1,350
	RE-051	Castalia Otsuka	Toshima Ward, Tokyo	June 21, 2007	1,480	0.2	1,281	1,700
	RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	June 21, 2007	817	0.1	702	826
	RE-053	Castalia Meguro	Meguro Ward, Tokyo	April 1, 2010	844	0.1	863	1,170
	RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	April 1, 2010	1,040	0.1	964	1,370
	RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	April 1, 2010	1,200	0.2	1,149	1,470
	RE-056	Castalia Mejiro	Toshima Ward, Tokyo	April 1, 2010	988	0.1	916	1,130
	RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	April 1, 2010	2,570	0.3	2,404	3,090
	RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	April 1, 2010	1,140	0.2	1,039	1,300
	RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	April 1, 2010	7,380	1.0	6,751	9,320
	RE-060	Castalia Yakumo	Meguro Ward, Tokyo	April 1, 2010	857	0.1	819	847
	RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	April 1, 2010	1,560	0.2	1,442	2,210
	RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	April 1, 2010	996	0.1	972	1,250
	RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	April 1, 2010	742	0.1	748	888
	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	231
	RE-066	Castalia Morishita	Koto Ward, Tokyo	April 1, 2010	832	0.1	783	1,110
	RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	April 1, 2010	776	0.1	742	906
	RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	April 1, 2010	792	0.1	722	999
	RE-069	Castalia Iriya	Taito Ward, Tokyo	April 1, 2010	546	0.1	511	685
	RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	April 1, 2010	2,641	0.4	2,355	2,990
	RE-071	Castalia Morishita II	Koto Ward, Tokyo	April 1, 2010	686	0.1	602	870
	RE-072	Castalia Minowa	Taito Ward, Tokyo	April 1, 2010	1,430	0.2	1,272	1,630
	RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	April 1, 2010	533	0.1	511	610
	RE-074	Castalia Nakano	Nakano Ward, Tokyo	April 1, 2010	1,060	0.1	990	1,330
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	April 1, 2010	923	0.1	858	1,170	
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	April 1, 2010	948	0.1	828	1,050	
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	April 1, 2010	2,160	0.3	1,952	2,870	
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	April 1, 2010	1,100	0.1	967	1,200	
RE-079	Castalia Kuramae	Taito Ward, Tokyo	April 1, 2010	1,260	0.2	1,117	1,540	
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	June 29, 2010	1,790	0.2	1,636	2,450	
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	November 1, 2010	7,360	1.0	5,934	10,000	
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	November 1, 2010	1,770	0.2	1,558	2,490	
RE-083	Castalia Oomachi	Shinagawa Ward, Tokyo	June 30, 2011	1,181	0.2	1,131	1,620	
RE-084	Castalia Omori	Ota Ward, Tokyo	August 2, 2011	1,500	0.2	1,388	1,830	
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	October 7, 2011	1,900	0.3	1,805	2,370	
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	March 28, 2012	1,660	0.2	1,550	2,280	
RE-087	Castalia Omori II	Ota Ward, Tokyo	March 29, 2012	2,370	0.3	2,232	3,080	
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	November 29, 2012	3,800	0.5	3,763	4,810	
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	September 27, 2013	2,030	0.3	1,980	2,510	
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	September 27, 2013	1,750	0.2	1,735	1,950	
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	September 27, 2013	1,520	0.2	1,449	1,820	
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	September 26, 2014	1,165	0.2	1,191	1,400	

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-094	Royal Parks SEASIR	Adachi Ward, Tokyo	May 1, 2015	4,350	0.6	3,938	5,070
	RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	May 1, 2015	1,520	0.2	1,497	1,880
	RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	March 22, 2006	1,674	0.2	1,653	2,060
	RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	June 21, 2007	666	0.1	578	771
	RE-098	Castalia Funabashi	Funabashi City, Chiba	April 1, 2010	704	0.1	682	812
	RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	April 1, 2010	783	0.1	732	998
	RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	April 1, 2010	325	0.0	293	329
	RE-106	Castalia Ichikawa	Ichikawa City, Chiba	April 1, 2010	461	0.1	397	561
	RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	October 7, 2011	5,300	0.7	4,753	6,640
	RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	September 27, 2013	1,680	0.2	1,621	1,970
	RE-109	Royal Parks Wakabada	Inagi City, Tokyo	March 28, 2014	4,360	0.6	3,763	4,850
	RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	May 1, 2015	9,100	1.2	8,098	11,200
	RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	May 1, 2015	1,720	0.2	1,666	2,150
	RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	May 1, 2015	1,060	0.1	963	1,310
	RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	April 1, 2010	1,490	0.2	1,288	1,850
	RE-117	Castalia Shin-Umeda	Osaka City, Osaka	April 1, 2010	1,376	0.2	1,189	1,630
	RE-118	Castalia Abeno	Osaka City, Osaka	April 1, 2010	4,368	0.6	3,965	5,430
	RE-119	Castalia Sakae	Nagoya City, Aichi	April 1, 2010	1,010	0.1	894	1,260
	RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	April 1, 2010	411	0.1	355	510
	RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	April 1, 2010	1,740	0.2	1,512	1,990
	RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	April 1, 2010	960	0.1	824	1,060
	RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	April 1, 2010	3,400	0.5	2,887	4,710
	RE-125	Castalia Sannomiya	Kobe City, Hyogo	April 1, 2010	1,230	0.2	1,047	1,560
	RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	April 1, 2010	481	0.1	405	581
	RE-127	Castalia Ichibancho	Sendai City, Miyagi	April 1, 2010	783	0.1	682	966
	RE-128	Castalia Omachi	Sendai City, Miyagi	April 1, 2010	656	0.1	590	847
	RE-129	Castalia Uemachidai	Osaka City, Osaka	April 1, 2010	2,190	0.3	1,994	2,860
	RE-130	Castalia Tower Higobashi	Osaka City, Osaka	April 1, 2010	2,670	0.4	2,333	3,580
	RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	November 1, 2010	1,740	0.2	1,250	2,750
	RE-132	Castalia Fushimi	Nagoya City, Aichi	January 14, 2011	2,260	0.3	1,917	3,250
	RE-133	Castalia Meieki Minami	Nagoya City, Aichi	August 1, 2011	720	0.1	644	982
	RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	September 26, 2011	930	0.1	868	1,210
	RE-135	Castalia Mibu	Kyoto City, Kyoto	December 22, 2011	1,193	0.2	1,078	1,550
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	September 3, 2012	1,208	0.2	1,151	1,810	
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	March 25, 2013	2,910	0.4	2,511	3,740	
RE-138	Royal Parks Namba	Osaka City, Osaka	March 29, 2013	2,830	0.4	2,457	3,040	
RE-139	Castalia Shigahondori	Nagoya City, Aichi	June 26, 2013	1,730	0.2	1,550	2,160	
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	November 2, 2015	973	0.1	990	1,070	
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	September 28, 2016	2,000	0.3	1,975	2,640	
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	September 28, 2016	2,020	0.3	1,929	2,250	
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	April 11, 2017	1,800	0.2	1,814	2,030	
Total of 133 Residential properties					246,424	33.0	226,259	296,885
Retail properties	RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	September 1, 2016	7,770	1.0	7,485	8,670
	RM-002	FOLEO Hirakata	Hirakata City, Osaka	September 1, 2016	4,580	0.6	4,446	4,670
	RM-003	QiZ GATE URAWA	Saitama City, Saitama	September 1, 2016	4,270	0.6	4,185	4,460
	RM-004	UNICUS Takasaki	Takasaki City, Gunma	September 1, 2016	3,000	0.4	2,929	3,220
	RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	September 1, 2016	3,740	0.5	3,740	3,970
	RM-006	DREAM TOWN ALi	Aomori City, Aomori	September 1, 2016	8,100	1.1	7,924	8,760
	RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	August 29, 2017	1,600	0.2	1,617	1,940
	RM-008	FOLEO Ome Imai	Ome City, Tokyo	August 29, 2017	3,800	0.5	3,737	3,940
	RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	April 3, 2018	8,100	1.1	8,010	8,760
	RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	April 3, 2018	3,200	0.4	3,155	3,700
	RM-011	ACROSSMALL Semboku (Land)	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	10,316	10,290

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	RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	September 1, 2016	1,670	0.2	1,649	1,850
	RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	September 1, 2016	6,960	0.9	6,816	7,490
	RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	September 1, 2016	2,390	0.3	2,390	2,590
	RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	September 28, 2016	2,230	0.3	2,156	2,400
	RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	January 31, 2017	5,620	0.8	5,857	6,660
	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	769	766
	RR-008	FOLEO Shobu	Kuki City, Saitama	April 5, 2019	5,000	0.7	5,006	5,150
	RR-009	Hapias Kaita (Land)	Aki District, Hiroshima	December 13, 2019	1,400	0.2	1,466	1,520
	RU-001	COMBOX310	Mito City, Ibaraki	December 7, 2018	4,480	0.6	4,408	4,680
Total of 22 Retail properties					96,730	13.0	95,995	104,626
Hotel properties	HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	April 3, 2018	4,800	0.6	4,758	5,170
	HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	December 6, 2018	1,470	0.2	1,459	1,520
	HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	April 5, 2019	4,500	0.6	4,531	4,540
	HO-004	AGORA Kanazawa	Kanazawa City, Ishikawa	November 29, 2019	5,200	0.7	5,200	5,560
Total of 4 Hotel properties					15,970	2.1	15,949	16,790
Other assets	OT-001	Urban Living Inage	Chiba City, Chiba	June 24, 2013	930	0.1	825	1,280
	OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	September 1, 2014	1,100	0.1	1,054	1,230
	OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	September 28, 2016	7,600	1.0	7,279	8,240
	OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	April 11, 2017	1,850	0.2	1,822	1,950
	OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	March 12, 2019	1,380	0.2	1,389	1,370
Total of 5 Other assets					12,860	1.7	12,370	14,070
Portfolio Total of 225 Properties					745,625	100.0	716,210	830,171

(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 February 29, 2020, which is rounded down to the nearest million yen.

(Note 6) “Assessed value at the end of period” is the appraisal value as of February 29, 2020 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.



B. The leasable area, leased area, occupancy rate, number of tenants and annual rent of real estate or real estate in trust held by DHR as of February 29, 2020 are as follows:

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
LB-001	D Project Machida	Machida City, Tokyo	50,490.39	50,490.39	100.0	1	(Note 6)
LB-002	D Project Hachioji	Hachioji City, Tokyo	62,394.17	62,394.17	100.0	2	(Note 6)
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	14,240.84	14,240.84	100.0	1	(Note 6)
LB-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	2	(Note 6)
LB-011	D Project Neyagawa	Neyagawa City, Osaka	11,151.51	11,151.51	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-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	17,448.86	17,448.86	100.0	1	(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	2	(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)
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)

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	33,763.46	33,763.46	100.0	1	(Note 6)
LB-061	D Project Sagami-hara	Sagami-hara 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	73,750.55	73,484.76	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 61 Logistics properties			1,746,661.91	1,746,396.12	100.0	69	21,453
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	5,230.39	5,161.26	98.7	1	430
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	3,492.93	3,437.13	98.4	1	226
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,707.51	2,561.35	94.6	1	131
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,226.42	2,170.82	97.5	1	128
RE-005	Castalia Hiroo	Minato Ward, Tokyo	1,621.59	1,582.67	97.6	1	100
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,458.73	1,409.97	96.7	1	75
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,969.57	2,803.78	94.4	1	127
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,400.00	2,400.00	100.0	1	145
RE-009	Castalia Shinjuku Natsumezaka	Minato Ward, Tokyo	2,094.58	2,034.40	97.1	1	130
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,917.62	1,917.62	100.0	1	94
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,817.56	1,743.83	95.9	1	97
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,123.80	1,123.80	100.0	1	69
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,779.77	2,779.77	100.0	1	145
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	2,559.21	2,504.13	97.8	1	115
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,898.47	1,765.41	93.0	1	76
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,940.94	1,913.35	98.6	1	88
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,858.34	1,858.34	100.0	1	81
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	1,444.52	1,444.52	100.0	1	66
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	1,244.54	1,244.54	100.0	1	57
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	1,225.26	1,164.69	95.1	1	49
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	811.95	811.95	100.0	1	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	907.38	94.8	1	35
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	1,747.90	1,747.90	100.0	1	74
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	2,082.29	98.3	1	98
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,628.80	1,628.80	100.0	1	84
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	972.51	972.51	100.0	1	49
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	1,116.49	97.3	1	56
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	882.67	100.0	1	43
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	3,494.42	3,374.59	96.6	1	164
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	4,602.95	4,542.21	98.7	1	189
RE-039	Castalia Takanawa	Minato Ward, Tokyo	10,408.26	10,354.45	99.5	1	478
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	6,442.28	6,402.14	99.4	1	267
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	3,150.80	3,150.80	100.0	1	179
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	1,546.34	1,491.43	96.4	1	80
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	16,849.50	16,514.85	98.0	2	741
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	3,077.05	2,987.70	97.1	1	135
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	2,339.42	2,251.78	96.3	1	112
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,659.71	1,618.79	97.5	1	84
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,967.97	4,937.01	99.4	1	254

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 29, 2020

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	863.70	784.04	90.8	1	35
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	1,343.85	97.4	1	72
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,871.70	1,847.90	98.7	1	92
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	1,168.18	1,168.18	100.0	1	53
RE-053	Castalia Meguro	Meguro Ward, Tokyo	1,414.73	1,414.73	100.0	1	63
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,784.50	1,710.58	95.9	1	72
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,472.47	1,472.47	100.0	1	77
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	1,658.90	1,557.52	93.9	1	62
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	3,644.35	3,557.02	97.6	1	165
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,624.06	1,601.76	98.6	1	77
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	12,732.35	12,250.29	96.2	1	517
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	2,184.44	96.8	1	71
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	1,383.90	100.0	1	63
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	1,425.43	1,375.42	96.5	1	51
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	1,537.84	1,537.84	100.0	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	4,197.66	100.0	1	172
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	2,356.85	97.9	1	98
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	857.32	857.32	100.0	1	37
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,613.86	1,576.92	97.7	1	70
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	1,472.38	1,472.38	100.0	1	65
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	1,362.60	1,290.12	94.7	1	62
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	3,038.98	3,038.98	100.0	1	135
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	2,395.76	98.9	1	135
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	2,588.29	98.4	1	147
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,413.75	1,413.75	100.0	1	79
RE-084	Castalia Omori	Ota Ward, Tokyo	2,046.36	2,004.98	98.0	1	100
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	2,640.86	2,450.04	92.8	1	126
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	3,797.92	3,756.16	98.9	1	128
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,818.70	2,818.70	100.0	1	156
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,166.71	3,085.36	97.4	1	223
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,123.77	2,123.77	100.0	1	127
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,961.52	1,930.71	98.4	1	100
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	2,004.80	2,004.80	100.0	1	97
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,278.52	1,278.52	100.0	1	65
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	2,224.41	100.0	1	101
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	4,208.83	4,208.83	100.0	1	111
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	1,452.09	1,452.09	100.0	1	52
RE-098	Castalia Funabashi	Funabashi City, Chiba	1,552.01	1,534.61	98.9	1	59
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	1,597.32	1,597.32	100.0	1	65
RE-105	Castalia 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	2,179.80	100.0	1	111
RE-109	Royal Parks Wakabada	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

Daiwa House REIT Investment Corporation (8984)  
Financial Results for the Fiscal Period Ended February 29, 2020

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-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	3,334.59	96.1	1	117
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	3,279.90	3,196.49	97.5	1	106
RE-118	Castalia Abeno	Osaka City, Osaka	10,920.75	10,799.94	98.9	1	334
RE-119	Castalia Sakae	Nagoya City, Aichi	2,836.00	2,656.16	93.7	1	82
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	1,522.89	1,332.69	87.5	1	34
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	6,100.31	5,682.88	93.2	1	134
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	3,061.60	3,036.80	99.2	1	83
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	8,747.40	8,747.40	100.0	1	315
RE-125	Castalia Sannomiya	Kobe City, Hyogo	3,071.60	3,042.03	99.0	1	104
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	1,684.10	1,654.76	98.3	1	46
RE-127	Castalia Ichibancho	Sendai City, Miyagi	2,800.32	2,755.41	98.4	1	72
RE-128	Castalia Omachi	Sendai City, Miyagi	2,149.08	2,059.48	95.8	1	61
RE-129	Castalia Uemachidai	Osaka City, Osaka	5,415.39	5,091.39	94.0	1	160
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	6,230.20	6,150.15	98.7	1	254
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	8,661.19	7,782.96	89.9	1	185
RE-132	Castalia Fushimi	Nagoya City, Aichi	7,022.69	6,765.16	96.3	1	199
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	1,822.10	1,797.45	98.6	1	61
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	2,784.83	2,761.59	99.2	1	80
RE-135	Castalia Mibu	Kyoto City, Kyoto	2,828.39	2,828.39	100.0	1	90
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	4,471.11	4,200.87	94.0	1	103
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	11,089.75	5,243.53	47.3	1	138
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	5,044.84	99.2	1	142
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	2,035.37	2,009.72	98.7	1	63
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	459,325.58	97.3	135	17,916
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	41,742.84	41,742.84	100.0	1	561
RM-002	FOLEO Hirakata	Hirakata City, Osaka	16,390.96	15,308.22	93.4	1	343
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	591
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	ACROSSMALL 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 Sagamiyama 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	208
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
RR-009	Hapias Kaita (Land)	Aki District, Hiroshima	13,415.52	13,415.52	100.0	1	76
RU-001	COMBOX310	Mito City, Ibaraki	30,517.69	30,517.69	100.0	1	297
Total of 22 Retail properties			464,313.07	463,202.96	99.8	32	6,440
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	7,932.37	7,932.37	100.0	1	264

Property number	Property name	Location (city or county, prefecture)	Leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	2,637.18	2,637.18	100.0	1	84
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	7,605.41	7,605.41	100.0	1	252
HO-004	AGORA Kanazawa	Kanazawa City, Ishikawa	7,011.58	7,011.58	100.0	1	(Note 6)
Total of 4 Hotel properties			25,186.54	25,186.54	100.0	4	841
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	548
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	901
Portfolio Total of 225 Properties			2,734,252.54	2,720,080.35	99.5	245	47,553

(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 and the figures stated refer to the area DHR believes is leasable as indicated in the relevant lease agreement or drawing of the building, etc. in relation to each real estate or each real estate in trust as of February 29, 2020. 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, etc. in relation to each real estate or each real estate in trust as of February 29, 2020. 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 indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 29, 2020, 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 occupancy rate (the percentage of leased area to the leasable area) of each property as of February 29, 2020, which is rounded to the nearest tenth.

(Note 4) “Number of tenants” is equal to the number of tenants per property based upon the lease agreement in relation to each real estate or each real estate in trust as of February 29, 2020. 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 (not including consumption taxes, etc.) as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 29, 2020 by 12 (as to real estate or real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements). Annual rent for residential properties includes common area charges. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the annual rent represents the amount calculated by multiplying the monthly rent (not including consumption taxes, etc.) indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 29, 2020 by 12 (as to real estate or each real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). For revenue-based rent, a monthly amount linked to sales in February 2020 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. Therefore, 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 February 29, 2020)**

**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	65.6	78.7
	Greater Nagoya area	10	30,630	4.1	
	Greater Osaka area	19	67,020	9.0	
Other		43	158,799	21.3	
Total		225	745,625	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	61	373,641	50.1	98.3
	Residential properties	133	246,424	33.0	
	Retail properties	22	96,730	13.0	
	Hotel properties	4	15,970	2.1	
Other assets		5	12,860	1.7	
Total		225	745,625	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	18	69,600	9.6
5 years or more but less than 10 years	40	220,837	30.5
10 years or more	160	432,688	59.8
Total	218	723,125	100.0

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

Asset class	Average age (year)
Logistics properties	8.5
Residential properties	14.0
Retail properties	11.6
Hotel properties	9.1
Other assets	7.6
Total	10.7

(Note) “Average age” is the weighted average age of owned properties as of February 29, 2020 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 February 29, 2020. 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
D Project Kazo (Kazo City, Saitama)	Construction to expand hazardous materials storage	From July 2020 to October 2020	64,900	–	–
Castalia Shinjuku Natsumezaka (Shinjuku Ward, Tokyo)	Large-scale renovations	From November 2019 to March 2020	55,495	16,658	16,658
Castalia Higashi Nihonbashi II (Chuo Ward, Tokyo)	Large-scale renovations	From May 2020 to August 2020	59,829	–	–
Castalia Takanawa (Minato Ward, Tokyo)	Large-scale renovations	From January 2020 to August 2020	297,000	–	–
Castalia Higashi Nihonbashi (Chuo Ward, Tokyo)	Large-scale renovations	From March 2020 to August 2020	129,613	–	–
Castalia Yuki-gaya (Ota Ward, Tokyo)	Large-scale renovations	From April 2020 to August 2020	51,733	–	–
Castalia Kaname-cho (Toshima Ward, Tokyo)	Large-scale renovations	From April 2020 to August 2020	69,190	–	–
Castalia Ichikawa (Ichikawa City, Chiba)	Large-scale renovations	From November 2019 to March 2020	32,835	–	–
Castalia Shin-Umeda (Osaka City, Osaka)	Large-scale renovations	From March 2020 to August 2020	78,100	–	–

**ii) Capital expenditures during the period**

For owned properties (real estate, real estate in trust, etc.), an overview of major construction work conducted during the current fiscal period that falls into DHR's capital expenditures is as follows. Capital expenditures during the current fiscal period were ¥1,412,772 thousand together with ¥1,121,106 thousand in repairs and maintenance expenses and ¥254,194 thousand in restoration costs classified as expenses for the current fiscal period, making a total of ¥2,788,073 thousand in construction work.

Property name (Location)	Purpose	Period	Construction cost (Thousands of yen)
Qiz Ebisu (Shibuya Ward, Tokyo)	Tenant sign renewal	From May 2019 to November 2019	98,983
	Large-scale renovations	From December 2018 to November 2019	178,904
Castalia Nihonbashi (Chuo Ward, Tokyo)	Large-scale renovations	From November 2019 to February 2020	29,526
Castalia Hatsudai (Shibuya Ward, Tokyo)	Large-scale renovations	From September 2019 to February 2020	72,328
Castalia Tower Shinagawa Seaside (Shinagawa Ward, Tokyo)	Large-scale renovations	From August 2019 to February 2020	85,842
Castalia Nakano (Nakano Ward, Tokyo)	Large-scale renovations	From November 2019 to February 2020	34,733
Castalia Uemachidai (Osaka City, Osaka)	Large-scale renovations	From October 2019 to February 2020	60,131
Aburatsubo Marina HILLS (Miura City, Kanagawa)	Rooftop waterproofing construction	From November 2019 to January 2020	15,840