

## Investor Presentation

Fiscal Period Ended **August 31, 2022**

October 18, 2022



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# 1. Financial Results

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# Highlights for August 2022 Period

DPU	Operation Status	Financial Status	ESG
<p><b>5,617</b> yen</p> <p>+17 yen vs Forecast</p>	<p>◆ NOI yield <b>5.1</b> % (+0.1 p.p. vs Feb. 2022)</p> <p>◆ NOI yield after depreciation <b>3.8</b> % (Unchanged vs Feb. 2022)</p> <p>◆ Occupancy rate <b>99.7</b> % (Unchanged vs Feb. 2022)</p>	<p>◆ Issuance of sustainability-linked bonds featuring annual performance structure (Repayment of loans) <b>4.0</b> Bn yen</p> <p>◆ Refinancing of loans <b>20.0</b> Bn yen</p> <p>◆ NAV per unit <b>304,496</b> yen (+8,398 yen vs Feb. 2022)</p> <p>◆ LTV (excluding goodwill) <b>44.9</b> % (Unchanged vs Feb. 2022)</p>	<p>◆ 2022 GRESB Assessment <b>5 Stars (highest rating)</b> <b>Regional Listed Sector Leader</b> (Asia / Diversified)</p> <p>◆ <b>Net-zero emissions</b> achieved (Scope 2) (Note) Purchased non-fossil certificates in May following the first purchase in Feb.</p> <p>Reduction of total emissions 9,195 t-CO<sub>2</sub> (Note) Electricity-derived GHG emissions at DHR</p>

## NOI yield

Asset class	NOI (mil yen)	Acquisition price (mil yen)	NOI yield (Note)	NOI yield after depreciation (Note)
Logistics	11,694	470,121	4.9 %	3.8 %
Residential	6,361	241,043	5.2 %	3.6 %
Retail	3,371	123,219	5.4 %	4.4 %
Hotel	326	19,110	3.4 %	2.1 %
Other	1,085	41,660	5.2 %	3.8 %
<b>Total</b>	<b>22,839</b>	<b>895,153</b>	<b>5.1 %</b>	<b>3.8 %</b>

(Note) NOI yield and NOI yield after depreciation are based on annualized NOI for the period ended Aug. 2022.

## Period end occupancy

Asset class	Feb. 2022	Aug. 2022	Change
Logistics	100.0 %	100.0 %	-
Residential	98.4 %	98.1 %	-0.3 p.p.
Retail	99.8 %	99.8 %	-
Hotel	100.0 %	100.0 %	-
Other	99.7 %	99.7 %	-
<b>Total</b>	<b>99.7 %</b>	<b>99.7 %</b>	<b>-</b>



# Statement of Income for August 2022 Period

- ◆ DPU of 5,617 yen (stabilized) mainly contributed by strong occupancy of residential properties
- ◆ Despite no gain on sales, expenses decreased due to repair work strategically carried out in the previous period

	Feb. 2022	Aug. 2022	Period-on	(mil yen)	
	Actual	Actual	period change	Aug. 2022 Forecast	Actual vs Forecast
Operating revenue	30,264	29,368	-895	29,125	243
Rental revenue	28,928	29,368	440	29,125	243
Gain on sale of properties	1,335	-	-1,335	-	-
Operating expenses	16,854	16,707	-147	16,494	212
Rental expenses	12,431	12,183	-247	11,998	185
Rental expenses (excluding depreciation)	6,805	6,529	-275	6,349	180
Depreciation	5,625	5,654	28	5,649	4
Operating expenses other than rental expenses	4,423	4,523	100	4,496	27
Amortization of goodwill	1,982	1,982	-	1,982	-
Operating income	13,409	12,661	-747	12,630	30
Non-operating income	21	15	-5	8	7
Non-operating expenses	1,745	1,626	-118	1,627	0
Interest and borrowing related expenses	1,569	1,622	53	1,624	-1
Investment unit issuance expenses	173	-	-173	-	-
Ordinary income	11,685	11,050	-635	11,011	38
Net income	11,685	11,049	-635	11,011	38
Retained earnings brought forward	553	369	-184	369	0
Distribution in excess of earnings	1,637	1,883	245	1,978	-95
Total distribution	13,507	13,031	-475	12,992	39
Retained earnings carried forward	369	271	-97	367	-95
				(yen)	
Distributions per unit (DPU)	5,822	5,617	-205	5,600	17
Distribution of earnings	5,116	4,805	-311	4,747	58
Distribution in excess of earnings	706	812	106	853	-41
Allowance for temporary difference adjustments	706	793	87	791	2
Other distributions in excess of earnings	-	19	19	62	-43

## Major Variation Factors (vs Forecast)

- [Contribution to income]
- ◆ Increase in operating revenue 243 mil yen
    - Increase in rent revenue at residential properties
    - Increase in utilities expenses reimbursements
  - ◆ Increase in operating expenses -212 mil yen
    - Increase in repairs and maintenance expenses
    - Increase in utilities expenses

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

- [Contribution to income]
- ◆ Decrease in operating revenue -895 mil yen
    - Absence of gain on sale of properties
    - Full-period contribution of 4 properties acquired in Sep. and Oct. 2021
    - Increase in rent revenue at residential properties
    - Increase in utilities expenses reimbursements
  - ◆ Decrease in operating expenses 147 mil yen
    - Decrease in repairs and maintenance expenses to normal levels
    - Property taxes for acquisitions in 2021
    - Increase in utilities expenses
  - ◆ Decrease in non-operating expenses 118 mil yen
    - Absence of investment unit issuance expenses
    - Increase in interest expenses

## Capex, Repairs, and Restoration Costs

	(mil yen)	
	Feb. 2022	Aug. 2022
Capex	2,492	1,136
Repairs and maintenance expenses	1,575	892
Restoration costs	290	268
Total	4,358	2,296

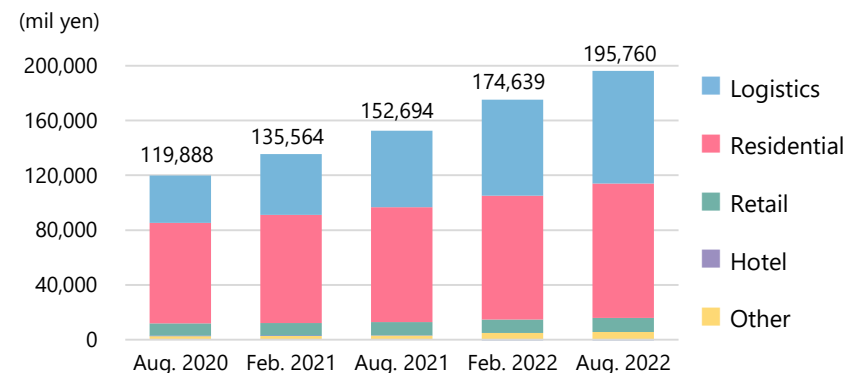
# Balance Sheet for August 2022 Period

- ◆ **LTV (excluding goodwill) 44.9% (unchanged vs Feb. 2022)**
- ◆ **Increase in unrealized gain mainly due to the compression of cap rates (+21.1 Bn yen vs Feb. 2022)**

	Feb. 2022	Aug. 2022	(mil yen) Period-on period change
<b>Total assets</b>	964,669	963,566	-1,103
Current assets	46,258	51,078	4,819
Non-current assets	918,210	912,278	-5,932
Investment properties	849,307	845,032	-4,274
Intangible assets	63,315	61,285	-2,029
Goodwill	57,484	55,502	-1,982
<b>Total liabilities</b>	440,491	441,745	1,253
Current liabilities	50,181	45,125	-5,056
Interest-bearing debt	42,500	35,900	-6,600
Non-current liabilities	390,310	396,620	6,310
Interest-bearing debt	365,050	371,650	6,600
<b>Net assets</b>	524,178	521,820	-2,357
Unitholders' capital	268,042	268,042	-
Capital surplus, net	244,265	242,628	-1,637
<b>LTV (excluding goodwill)</b>	44.9 %	44.9 %	- p.p.
<b>LTV (including goodwill)</b>	42.2 %	42.3 %	0.1 p.p.
Number of investment units issued	2,320,000 units	2,320,000 units	- units
<b>Net Assets per unit</b>	225,938 yen	224,922 yen	-1,016 yen
<b>NAV per unit (Note)</b>	296,098 yen	304,496 yen	8,398 yen

(Note) NAV per unit: (Unitholders' capital + capital surplus, net + unrealized gain or loss) / number of investment units issued

## Trend of Unrealized Gain



## Unrealized Gain by Asset Class

Asset class	Book value	Appraisal value	(mil yen) Unrealized gain
Logistics	452,916	535,040	82,123
Residential	217,058	315,177	98,118
Retail	120,792	131,199	10,406
Hotel	19,547	19,120	-427
Other assets	40,300	45,840	5,539
<b>Total</b>	<b>850,615</b>	<b>1,046,376</b>	<b>195,760</b>

# Financial Forecasts for February 2023 & August 2023 Periods

◆ **DPU Forecast of 5,600 yen for Feb. 2023 (stabilized DPU)**

◆ **DPU Forecast of 5,600 yen for Aug. 2023**

	Aug. 2022 Actual	Feb. 2023 Forecast	vs Aug. 2022 Actual	Aug. 2023 Forecast	vs. Feb. 2023 Forecast
					(mil yen)
Operating revenue	29,368	29,253	-115	29,222	-30
Rental revenue	29,368	29,253	-115	29,222	-30
Operating expenses	16,707	16,619	-88	16,496	-122
Property taxes	2,396	2,395	0	2,400	5
Depreciation	5,654	5,611	-42	5,561	-50
Amortization of goodwill	1,982	1,982	-	1,982	-
Operating income	12,661	12,634	-27	12,725	91
Interest and borrowing related expenses	1,622	1,629	6	1,715	86
Ordinary income	11,050	11,010	-39	11,011	0
Net income	11,049	11,010	-39	11,011	0
Retained earnings brought forward	369	271	-98	268	-2
Distribution in excess of earnings	1,883	1,978	95	1,960	-18
Total distribution	13,031	12,992	-39	12,992	-
Retained earnings carried forward	271	268	-3	247	-21
					(yen)
Distributions per unit (DPU)	5,617	5,600	-17	5,600	-
Distribution of earnings	4,805	4,747	-58	4,755	8
Distribution in excess of earnings	812	853	41	845	-8
Allowance for temporary difference adjustments	793	797	4	802	5
Other distributions in excess of earnings	19	56	37	43	-13

## Major Variation Factors for Feb. 2023 Forecast vs Aug. 2022 Actual

[Contribution to income]

- ◆ Decrease in operating revenue -115 mil yen
  - Decrease in rent revenue at residential properties
  - Decrease in renewal fee income at residential properties
- ◆ Decrease in operating expenses 88 mil yen
  - Decrease in repairs and maintenance expenses

## Major Variation Factors for Aug. 2023 Forecast vs Feb. 2023 Forecast

[Contribution to income]

- ◆ Decrease in operating revenue -30 mil yen
- ◆ Decrease in operating expenses 122 mil yen
  - Decrease in repairs and maintenance expenses
  - Decrease in depreciation

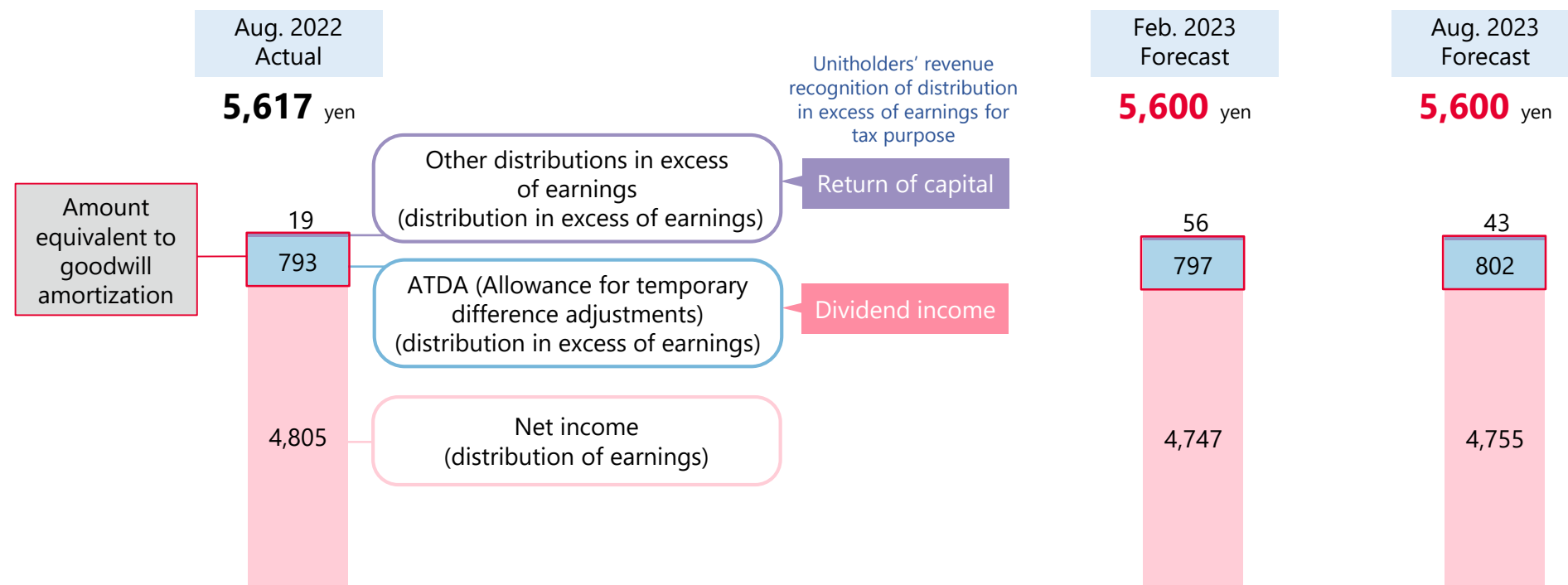
## Capex, Repairs, and Restoration Costs

	Aug. 2022 Actual	Feb. 2023 Forecast	Aug. 2023 Forecast
			(mil yen)
Capex	1,136	1,206	793
Repairs and maintenance expenses	892	816	716
Restoration costs	268	310	311
Total	2,296	2,333	1,821

# Breakdown of DPU

- ◆ Policy is to distribute amount equiv. to goodwill amortization (1,982 mil yen / period) on top of net income
- ◆ Other distributions in excess of earnings in addition to ATDA will be carried out in Aug. 2022

## Breakdown of DPU



## Distribution Policy of Amount Equivalent to Goodwill Amortization

- ◆ In case distribution of allowance for temporary difference adjustments is less than goodwill amortization, the amount of difference may be distributed as other distributions in excess of earnings (return of capital for tax purpose)
- ◆ In case of special gains such as gain on sale of properties, other distributions in excess of earnings, which is a part of the distribution in excess of earnings in the amount equivalent to amortization of goodwill, may be reduced by an amount equivalent to part of the gain on sale of properties

(Note) Distribution of allowance for temporary difference adjustments will vary depending on the amount of tax-accounting differences and valuation and translation adjustments and other factors.



## 2. Initiatives to Pursue Growth

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**Business Value  
(Economic Value)**



**Social Value  
(Non-Financial Value)**



**Maximization of  
Unitholder Value**

## External Growth

- Selectively acquire highly competitive properties, mainly logistics properties, by leveraging the abundant sponsor pipeline
- Improve portfolio quality by promoting portfolio rebalancing utilizing the flexibility as a diversified and large-scale REIT with abundant unrealized gain
- Secure property acquisition opportunities by utilizing various acquisition schemes

## Internal Growth

- Steadily increase rent mainly at residential properties
- Increase rent by additional investment in value enhancement measures such as installation of solar power generation equipment and LED light
- Conduct strategic renovation work and planned large-scale repair

## Finance

- Equity financing attentive to NAV and growth of DPU
- Control LTV (excluding goodwill) at around 45% with an upper limit at 50%
- Lengthen debt maturity and decrease debt financing costs
- Effective use of cash on hand

## Business Value

## Social Value

### ESG

- Commit to promoting sustainability by introduction of sustainability index-linked fee and remuneration (asset management fee and remuneration for Executive Director and officers of the Asset Manager)
- Reduce GHG emissions, and improve ESG rating by third parties including GRESB and CDP
- Increase the ratio of properties with environmental certification (based on gross floor area) to 70% in a timely manner
- Promote ownership of DHR units through the Investment Unit Ownership Program

# Pipeline and Strengths of Daiwa House Group

- ◆ **Abundant pipeline as Daiwa House Group plans for 2.2 tn yen investment in the 7th Medium-Term Plan**
- ◆ **Proactive ESG initiatives by both Daiwa House Group and DHR, including the carbon neutral target**

## Pipeline of Daiwa House Group

Property Name (Logistics)	Type	Location	Date of Completion	No. of Floors	Gross Floor Area
D Project Jonanjima	BTS	Ota Ward, Tokyo	Apr. 2014	5	49,878 m <sup>2</sup>
D Project Isehara	BTS	Isehara, Kanagawa	Dec. 2021	5	61,910 m <sup>2</sup>
D Project Kadoma I	BTS	Kadoma, Osaka	Feb. 2019	4	10,843 m <sup>2</sup>
DPL Isehara	Multi-tenant	Isehara, Kanagawa	May 2021	5	73,980 m <sup>2</sup>
DPL Hiratsuka	Multi-tenant	Hiratsuka, Kanagawa	Jul. 2022	4	121,223 m <sup>2</sup>
DPL Shinyokohama I	Multi-tenant	Yokohama, Kanagawa	Mar. 2022	6	101,134 m <sup>2</sup>
DPL Yokohama Totsuka	Multi-tenant	Yokohama, Kanagawa	Mar. 2022	4	127,571 m <sup>2</sup>
DPL Sakado	Multi-tenant	Sakado, Saitama	Mar. 2020	4	178,712 m <sup>2</sup>
DPL Misato II	Multi-tenant	Misato, Saitama	Oct. 2021	5	67,058 m <sup>2</sup>
DPL Ichikawa	Multi-tenant	Ichikawa, Chiba	May 2016	5	87,312 m <sup>2</sup>
DPL Chiba Yotsukaido	Multi-tenant	Yotsukaido, Chiba	Feb. 2022	4	142,535 m <sup>2</sup>
DPL Nagareyama IV	Multi-tenant	Nagareyama, Chiba	Oct. 2021	4	270,795 m <sup>2</sup>

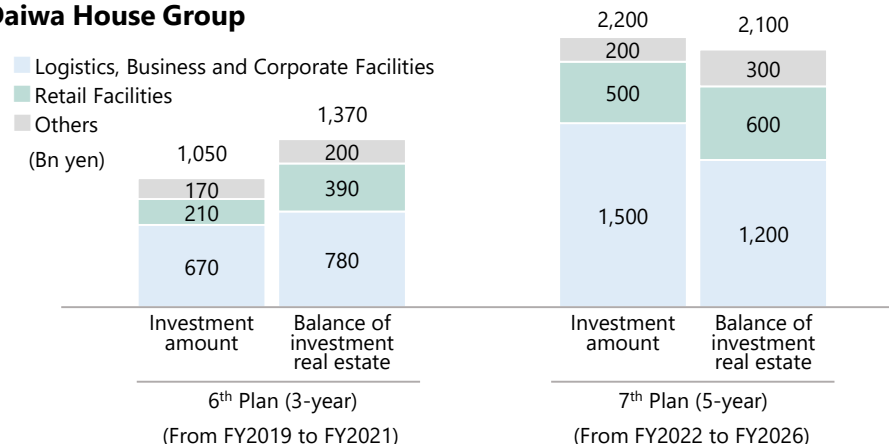
Property Name (Retail)	Type	Location	Date of Completion	No. of Floors	Gross Floor Area
iiias Okinawa Toyosaki	Mall	Tomigusuku, Okinawa	Mar. 2020	4	135,000 m <sup>2</sup>
COTOE Nagareyama Otakanomori	Mall	Nagareyama, Chiba	Apr. 2022	3	30,930 m <sup>2</sup>

Property Name (Hotel)	Type	Location	Date of Completion	No. of Floors	Gross Floor Area
Daiwa Roynet Hotel Tokyo Ariake	Hotel / Retail / Convention	Koto Ward, Tokyo	Sep. 2018	17+ 1 basement	21,600 m <sup>2</sup>

(Source) Daiwa House Industry Co., Ltd.

(Note) There are no planned acquisitions as of the date of this document.

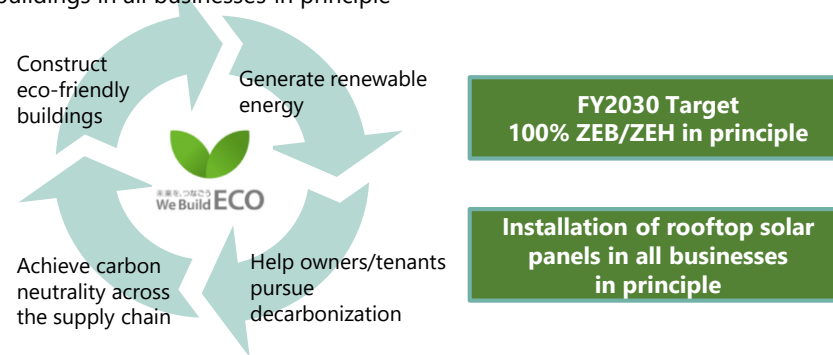
## Investment Plan and Balance of Investment Real Estate of Daiwa House Group



(Source) Daiwa House Industry Co., Ltd.

## Realization of Carbon Neutrality with Daiwa House Group's Carbon-free Buildings

- Aim to achieve 100% ZEB/ZEH in principle by FY2030 in Japan
- Aim to realize carbon neutrality by installing rooftop solar panels on all newly built buildings in all businesses in principle



(Source) Daiwa House Industry Co., Ltd.

# 3. Operation Status

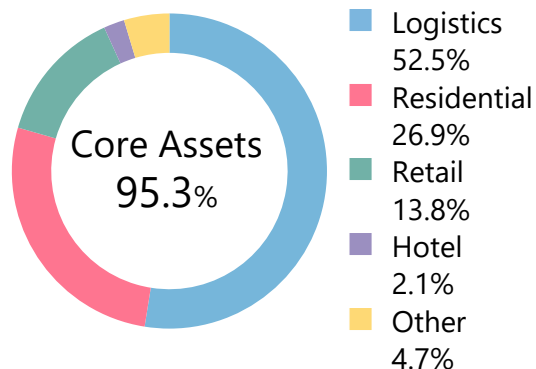
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# Portfolio Summary (as of August 31, 2022)

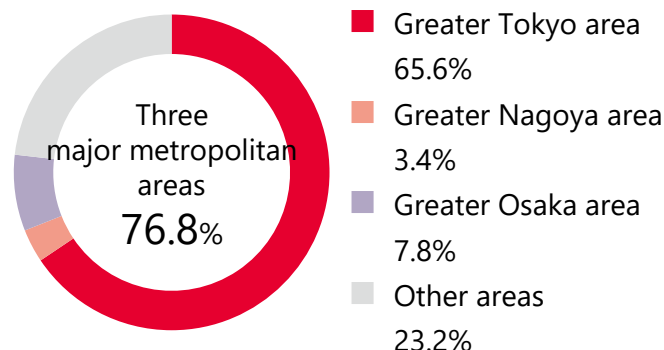
	Portfolio	Logistics	Residential	Retail	Hotel	Other
Acquisition price	895,153 mil yen	470,121 mil yen	241,043 mil yen	123,219 mil yen	19,110 mil yen	41,660 mil yen
Number of properties	230 properties	66 properties	130 properties	23 properties	5 properties	6 properties
NOI yield <sup>(Note)</sup> (adjusted for property taxes)	5.1 %	4.9 %	5.2 %	5.4 %	3.4 %	5.2 %
NOI yield after depreciation <sup>(Note)</sup> (adjusted for property taxes)	3.8 %	3.8 %	3.6 %	4.4 %	2.1 %	3.8 %
Average property age	11.8 years	9.4 years	16.5 years	14.5 years	10.1 years	5.5 years
Occupancy rate	99.7 %	100.0 %	98.1 %	99.8 %	100.0 %	99.7 %
Area breakdown	Greater Tokyo 65.6 % Greater Nagoya 3.4 % Greater Osaka 7.8 % Other 23.2 %	Greater Tokyo 72.2 % Greater Nagoya 3.5 % Greater Osaka 5.0 % Other 19.4 %	Greater Tokyo 85.8 % Greater Nagoya 3.1 % Greater Osaka 9.0 % Other 2.1 %	Greater Tokyo 26.5 % Greater Nagoya 1.9 % Greater Osaka 18.8 % Other 52.8 %	Greater Tokyo 25.1 % Greater Nagoya 23.5 % Greater Osaka 7.7 % Other 43.6 %	Greater Tokyo 8.2 % Other 91.8 %

(Note) NOI yield and NOI yield after depreciation are based on annualized NOI for the period ended Aug. 2022 and adjusted for property taxes to be expensed.

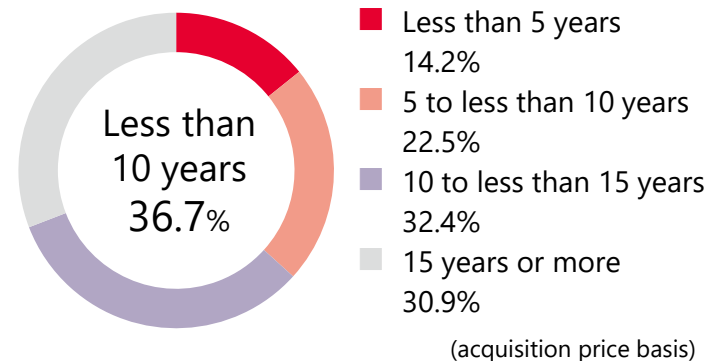
## Portfolio by Asset Class



## Portfolio by Area



## Portfolio by Property Age



# Operation Status of Logistics Properties

## Operation Status

- ◆ Period-end occupancy at 100.0%
- ◆ 2 BTS type properties
- Increased rental revenue by capex (LED lights, replacement of refrigeration facilities)

## Rent Revision / Lease Contract Renewal

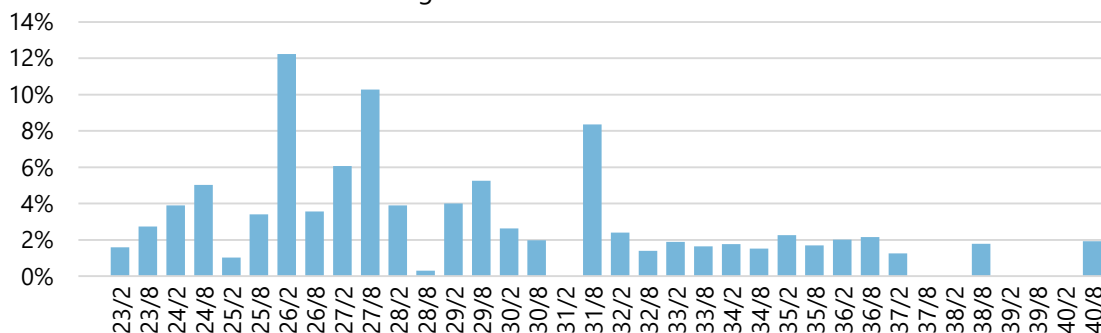
- ◆ Rent revision: 5 tenants (BTS) → Revised rent on equal terms
- ◆ Lease contract renewal:
  - 3 tenants (BTS type) → 2 renewed with rent increase, 1 renewed on equal terms
  - 1 tenant (multi-tenant type) → Renewed contract with rent increase

< Schedule for Feb. 2023 and Aug. 2023 periods >

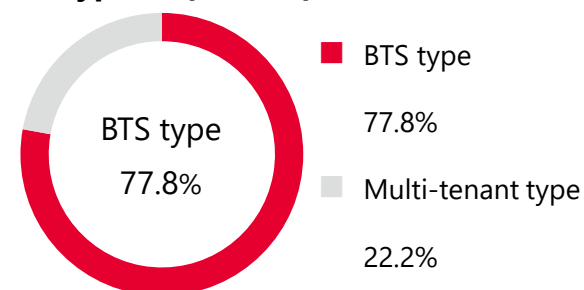
	Feb. 2023	Aug. 2023
◆ Rent revision: 3 tenants →	Rent revision on equal terms is planned	3 tenants
	1 renewed contract with rent increase	
◆ Contract expiry: 4 tenants →	2 planned to renew contract	4 tenants
	1 planned for replacement	

## Lease Expiration Ladder (annual rent basis)

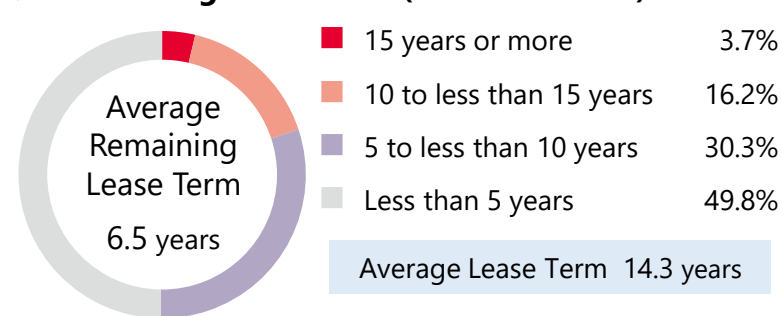
- ◆ Stable cash flow based on long-term lease contracts



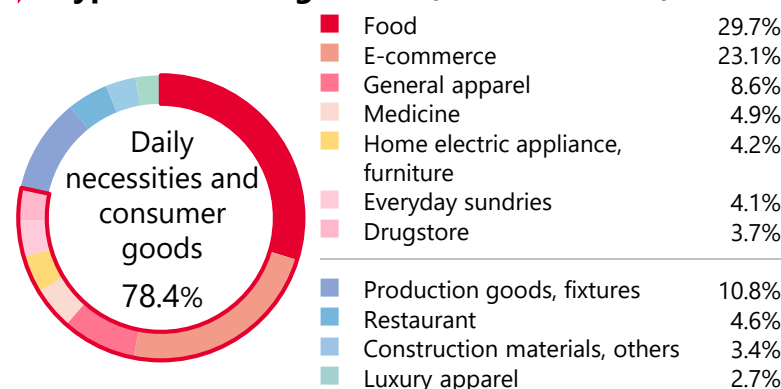
## Type (acquisition price basis)



## Remaining Lease Term (annual rent basis)



## Type of Handling Goods (annual rent basis)



As of Aug. 31, 2022



# Operation Status of Residential Properties

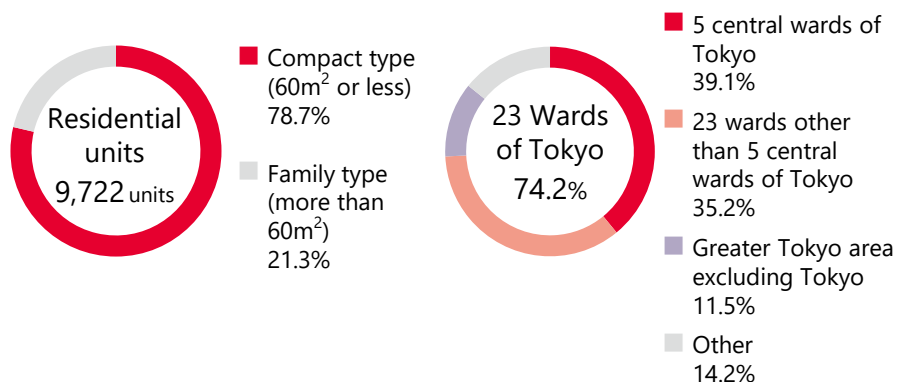
## Operation Status

- ◆ Average occupancy at 97.7% (+0.7 p.p.) vs forecast of 97.0%
- ◆ Conducted major renovations for 6 properties

## Rents

- ◆ Monthly rent at tenant replacement increased for 15 consecutive periods  
Total: +737 thousand yen, or +0.7% vs before replacement  
Of which, 5 central wards of Tokyo:  
+716 thousand yen, or +1.6% vs before replacement
- ◆ Monthly rent at lease contract renewal:  
+489 thousand yen
- ◆ Performed upgrade work for 42 units of 19 properties  
→ Contracts signed for 42 units with 6.6% increase in rents

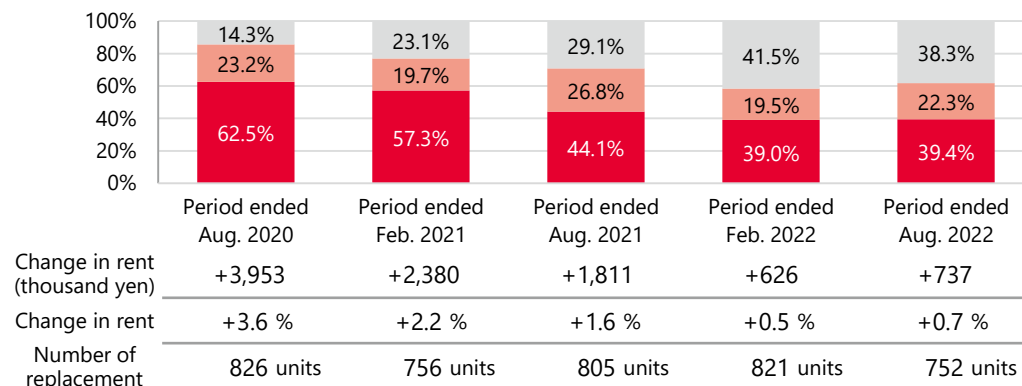
## Unit Type (number of units basis) Area (acquisition price basis)



## Monthly Rent at Tenant Replacement

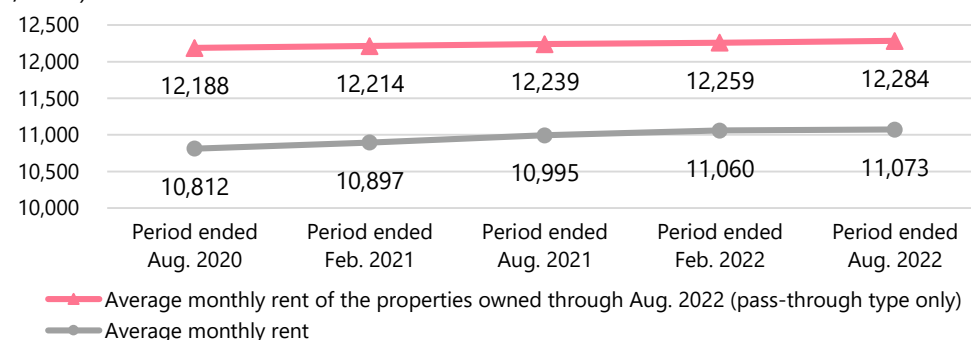
(Ratio of the number of tenant replacement)

■ Rent increase ■ Rent decrease  
■ Unchanged

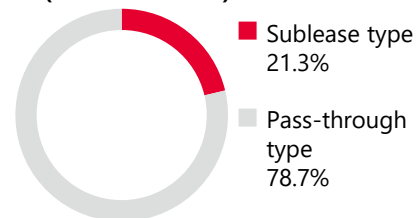


## Average Monthly Rent

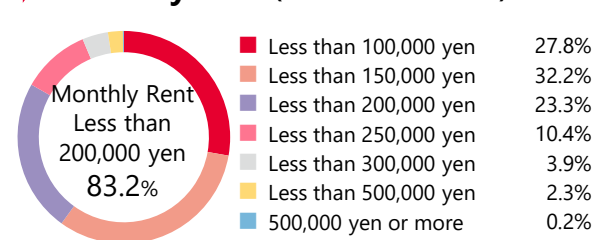
(yen/tsubo)



## Master Lease Type (annual rent basis)



## Monthly Rent (number of units basis)



As of Aug. 31, 2022

# Operation Status of Retail and Hotel Properties

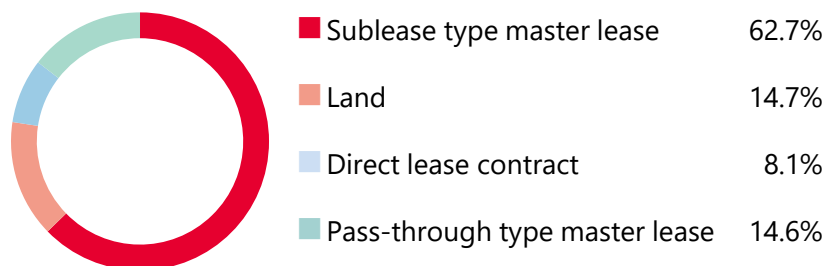
## Operation Status of Retail Properties

- ◆ Period-end occupancy remained at a high level of 99.8%
- Move-outs:
- No change in core tenants (leased area of 2,000 m<sup>2</sup> or more)

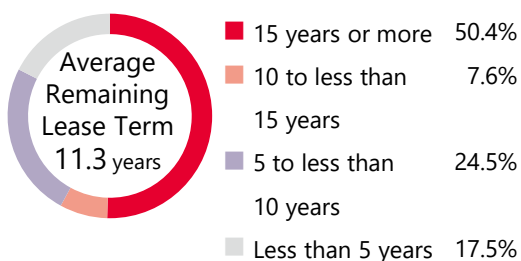
## Rent Revision / Lease Contract Renewal of Major Tenants

- ◆ Rent revision : None

## Lease Contract Type (annual rent basis)

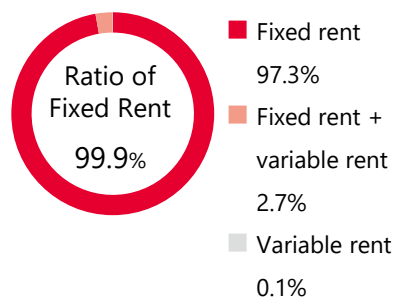


## Remaining Lease Term (annual rent basis)



Average Lease Term  
18.0 years

## Rent Type (leased area basis)



Ratio of Fixed Rent  
99.9%

As of Aug. 31, 2022

## Rent Revision / Lease Contract Renewal

- ◆ Daiwa Roynet Hotel Nagoya Shinkansenguchi  
Mar. 2022 Reopening after renovation

## Rent Revision / Lease Contract Renewal

- ◆ AMANEK Kanazawa (renamed from AGORA Kanazawa)  
Jul. 2022 Change of hotel operator  
Aug. 2022 Reopening with a new brand name
- ◆ Candeo Hotels Nagasaki Shinchi Chinatown  
Sep. 2022 Based on its track record of stable operations during the COVID-19 pandemic, the sublease type master lease contract with Daiwa House was terminated and changed to a pass-through type master lease contract with Daiwa House Group company

## Rent Type of Hotel Tenants

◆ Hotel ◆ Retail ◆ Other

- ◆ Daiwa Roynet Hotel Yokohama Kannai Fixed
- ◆ Daiwa Roynet Hotel Nagoya Shinkansenguchi Fixed
- ◆ Daiwa Roynet Hotel Mito (COMBOX310) Fixed
- ◆ Daiwa Roynet Hotel Naha-Omoromachi (Naha Shin-Toshin Center Building) Fixed+ Variable
- ◆ Daiwa Roynet Hotel Hiroshima-Ekimae (GRANODE Hiroshima) Fixed
- ◆ Super Hotel JR Nara Station Sanjo Street Not disclosed
- ◆ AMANEK Kanazawa Not disclosed
- ◆ Candeo Hotels Nagasaki Shinchi Chinatown Fixed

## 4. Financial Status

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# Financial Status (1)

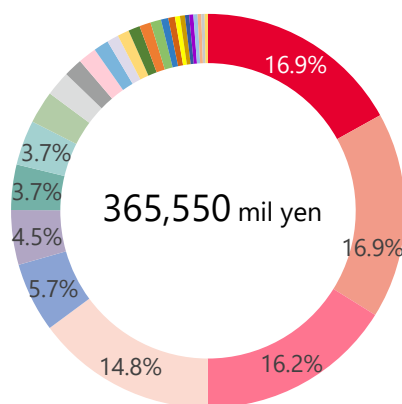
- ◆ **Controlling LTV (excluding goodwill) at around 45%**
- ◆ **Promoting various sustainable finance including green loans and sustainability bonds**

## Financial Status (as of October 3, 2022)

## Credit Rating

Interest-bearing debt	Of debt, Sustainable Finance			Long-term debt ratio	Average interest rate	LTV (excl. goodwill)	JCR
407,550 mil yen	Of debt,	33,500 mil yen	8.2 %	87.6 %	0.67 %	44.9 %	AA (Stable)
(Breakdown)	Ratio of sustainable finance to interest-bearing debt						
Loans	Of loans, Green Loans			Fixed interest ratio	Average remaining maturity	LTV (incl. goodwill)	R&I
365,550 mil yen	10,500 mil yen			98.4 %	4.7 years	42.3 %	AA- (Stable)
Bonds	Of bonds, Green Bonds	Of bonds, Sustainability Bonds	Of bonds, Sustainability-Linked Bonds				
42,000 mil yen	15,000 mil yen	4,000 mil yen	4,000 mil yen				

## Lender Formation



Sumitomo Mitsui Trust Bank	61,900	Nippon Life Insurance	5,600	Bank of Kyoto	1,500
Sumitomo Mitsui Banking Corporation	61,900	Shinkin Central Bank	5,500	Yamanashi Chuo Bank	1,500
MUFG Bank	59,050	Mitsui Sumitomo Insurance	4,500	Shizuoka Bank	1,250
Mizuho Bank	54,250	Bank of Fukuoka	3,500	Yamaguchi Bank	1,250
Development Bank of Japan	20,900	Nishi-Nippon City Bank	3,500	Keiyo Bank	1,250
Norinchukin Bank	16,400	Dai-ichi Life Insurance	3,500	Japan Post Insurance	1,100
Aozora Bank	13,600	Chiba Bank	3,400	Taiyo Life Insurance	1,000
Resona Bank	13,500	77 Bank	3,200	Kansai Mirai Bank	1,000
Mizuho Trust & Banking	9,800	Chugoku Bank	2,200		
Shinsei Bank	7,500	Iyo Bank	2,000		

As of Oct. 3, 2022

# Financial Status (2)

- ◆ Further lengthening and diversifying debt maturities and fixing interest rates
- ◆ Lengthened debt maturities at refinancing and refinanced floating-rate loans with fixed-rate bonds

## Debt Financing in Aug. 2022 Period

	Apr. 2022	
	Loan repayment	Loan refinancing
Amount (mil yen)	20,000	20,000
Average interest rate	0.68 %	0.80 %
Fixed / Variable	Fixed	Fixed
Average maturity	6.2 years	<b>8.6 years</b>

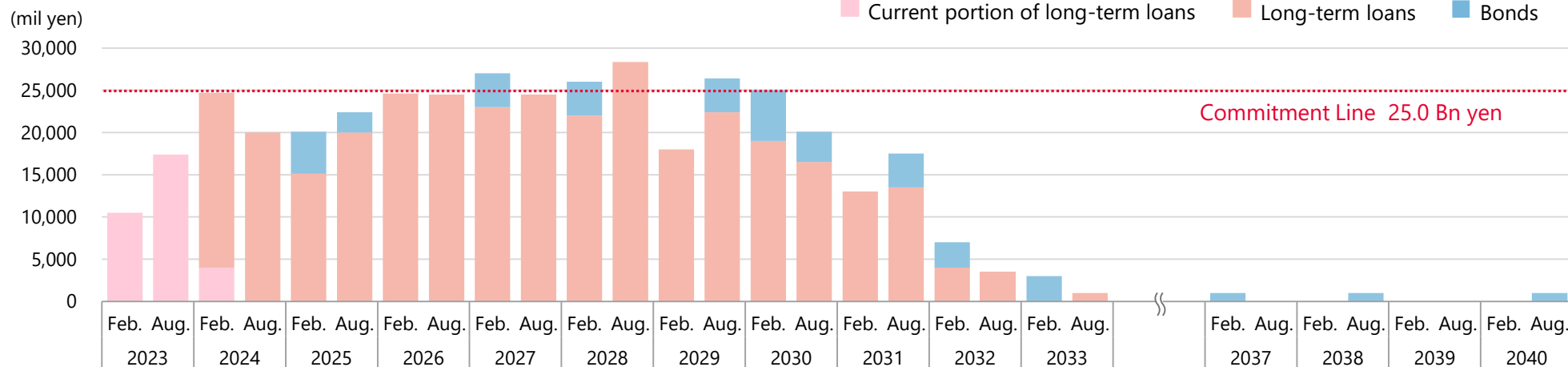
## Debt Financing in Feb. 2023 Period

	May 2022	
	Loan repayment	Sustainability-linked bond issuance
Amount (mil yen)	4,000	4,000
Average interest rate	0.28 %	0.575 % (Note)
Fixed / Variable	Variable	<b>Fixed</b>
Average maturity	3.5 years	<b>7.0 years</b>

	Sep. and Oct. 2022	
	Loan repayment	Loan refinancing
Amount (mil yen)	8,000	8,000
Average interest rate	0.71 %	0.87 %
Fixed / Variable	Fixed	Fixed
Average maturity	6.9 years	<b>8.0 years</b>

(Note) Initial interest rate is shown.

## Diversified Maturity Ladder



As of Oct. 3, 2022

# Issuance of Sustainability-Linked Bonds

- ◆ Sustainability-linked bonds featuring the world's first annual performance structure in public bond market
- ◆ Furthering our growth strategy of maximizing unitholder value by enhancing business value and social value

## Summary

Name	18th Unsecured Investment Corporation Bonds (Nickname: DHR Sustainability-Linked Bonds)								
Issue date	May 25, 2022								
Issue amount / Maturity	4.0 Bn yen / 7 years								
SPT	To achieve the "A List" status, the highest evaluation, in the CDP Climate Change Program								
Interest rate	<p>Initial interest rate: 0.575% per annum (from the day immediately following May 25, 2022 through May 25, 2023)</p> <p>Interest rate after observation of SPT achievement: Interest rate based on achievement (after the day following May 25, 2023)</p> <table border="1"> <thead> <tr> <th>CDP score</th><th>Interest rate</th></tr> </thead> <tbody> <tr> <td>A</td><td>0.550% per annum (Initial interest rate -2.5 bp)</td></tr> <tr> <td>A-</td><td>0.585% per annum (Initial interest rate +1 bp)</td></tr> <tr> <td>B / B- / C / C- / D / D- / F</td><td>0.600% per annum (Initial interest rate +2.5 bp)</td></tr> </tbody> </table>	CDP score	Interest rate	A	0.550% per annum (Initial interest rate -2.5 bp)	A-	0.585% per annum (Initial interest rate +1 bp)	B / B- / C / C- / D / D- / F	0.600% per annum (Initial interest rate +2.5 bp)
CDP score	Interest rate								
A	0.550% per annum (Initial interest rate -2.5 bp)								
A-	0.585% per annum (Initial interest rate +1 bp)								
B / B- / C / C- / D / D- / F	0.600% per annum (Initial interest rate +2.5 bp)								

\* SPT (Sustainability Performance Target): Predetermined sustainability targets

## Bond Characteristics and Structure

### Interest rate changes annually according to SPT achievement status

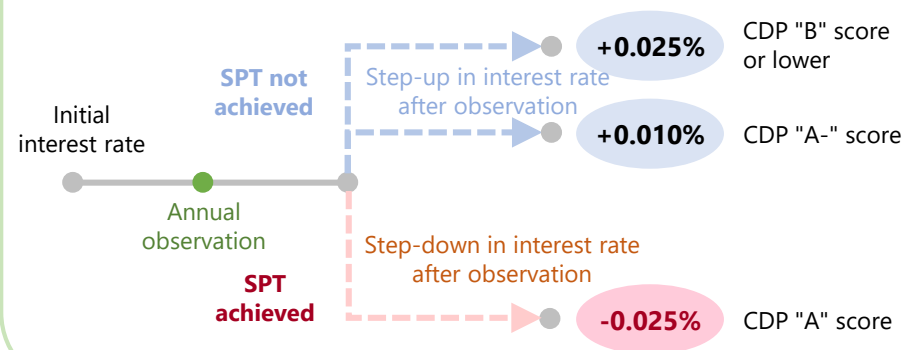
**First in the World**

#### Annual Performance Structure



The SPT is selected based on the belief that the utilization of the CDP Climate Change Program, which is recognized as a high-quality external evaluation that reflects the latest global trends and requests from stakeholders, in the SPT will contribute to enhancing unitholder value through the promotion of DHR's sustainability initiatives.

### Application of interest rate changes by observation of the SPT achievement





## 5. ESG Initiatives

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# Improved External Evaluations by Promoting ESG Initiatives

## CDP Climate Change Program



- **The first J-REIT** <sup>(Note)</sup> to be awarded the **highest score of "A"** and named on the Climate Change **"A List"** in 2021 CDP Climate Change Program
- Named on 2021 CDP Supplier Engagement Leaderboard (highest recognition) for two consecutive years as the only J-REIT

## GRESB Real Estate Assessment and GRESB Public Disclosure



- Awarded the **highest rating of "5 Stars"** for the first time in 2022 GRESB Real Estate Assessment sector (scored the first among 14 peers)
- Selected as **Regional Listed Sector Leader (Asia / Diversified)**
- Awarded the **highest rating of "A"** on a 5-star scale for four consecutive years in GRESB Public Disclosure

## MSCI ESG Rating

MSCI  
ESG RATINGS



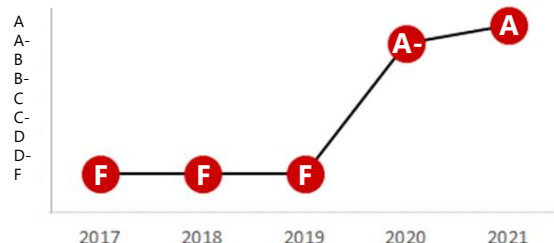
CCC	B	BB	BBB	A	AA	AAA
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- Rating was **upgraded to "BBB"** from "BB" in Mar. 2022
- Higher ratio of green building certifications, improved engagement with tenants/PM companies, and higher ratio of female directors were positively evaluated

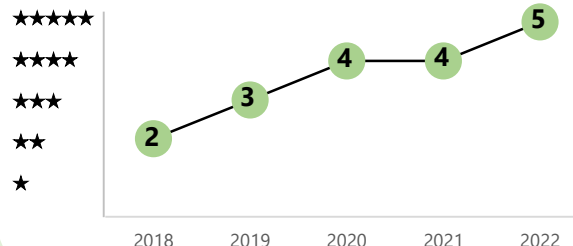
Disclaimer  
The use by DHR of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of DHR by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

## Each external ESG evaluation improved

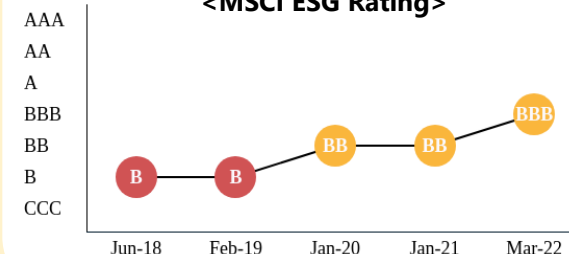
<CDP Score>



<GRESB Real Estate Assessment>



<MSCI ESG Rating>



(Note) Excludes cases in which J-REITs are named on the "A List" together with the J-REITs' sponsors or their group companies.

## 6. Information Disclosure Based on TCFD Recommendations

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# Information Disclosure Based on TCFD Recommendations

- ◆ The Asset Manager supports TCFD recommendations and promotes risk management and initiatives related to climate change
- ◆ Information disclosure is based on the amended TCFD recommendations and new guidance in Oct. 2021

Item	Contents
<b>Governance</b>	<ul style="list-style-type: none"> <li>• The Asset Manager established the “Regulations Concerning the System for Promoting Sustainability” and rules on topics such as internal framework, collaboration with stakeholders and information disclosure policy to secure an appropriate system for promoting sustainability.</li> <li>• The Board of Directors receives and monitors reports from the Sustainability Committee on considerations for climate-related and other global environmental issues and risk management for natural disasters, etc.</li> <li>• As the Chief Executive related to climate-related issues at the Board of Directors and the Chief Executive of the Sustainability Committee, the President and CEO of the Asset Manager provides final approval of various climate-related goals and measures, evaluates the status of efforts and gives instructions for review.</li> </ul> <p>For governance → Page 24</p>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Understanding the risks and opportunities for DHR in the future due to unusual weather caused by climate change and increasing social demands for climate change measures, the Asset Manager verified and analyzed the effectiveness of the current climate change measures.</li> </ul> <p>For scenario analysis → Pages 25-26</p> <ul style="list-style-type: none"> <li>• In accordance with the TCFD recommendations, the Asset Manager conducted analysis based on multiple scenarios of below 2°C scenario and 4°C scenario and <b>formulated a roadmap for achieving the targets certified by SBTi.</b></li> </ul> <p>For roadmap → Page 27</p>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>• While recognizing climate change risk as one of the risks that could pose a significant impact on business in the medium to long term, the Asset Manager sees such risk as areas of potential and manages the risk by incorporating it in our overall risk management process.</li> </ul> <p>The Asset Manager has established the “Risk Management Regulations” and “Risk Management Implementation Guidelines” as internal regulations in order to accurately identify risks and opportunities inherent in business, develop a system for appropriately managing potential losses and profits when the identified risks and opportunities are realized, ensure the soundness of management and operate business in a fair manner.</p> <p>For risk management → Page 28</p> <ul style="list-style-type: none"> <li>• The Board of Directors shall oversee the development of an appropriate risk management system based on the “Risk Management Policy” after considering where and what the risk is based on the strategic goals set separately by the Board of Directors.</li> <li>• The President and CEO shall be responsible for all risks in accordance with the provisions of the “Daiwa House Group Risk Management Regulations”, develop an appropriate risk management system and be responsible for promoting and implementing risk management.</li> <li>• The Compliance Officer, who is responsible for risk management, shall establish methods including measurement, monitoring and management based on the type of risk along with the risk management policy and shall develop internal regulations to ensure the effectiveness of these methods.</li> </ul>
<b>Metrics and Targets</b>	<ul style="list-style-type: none"> <li>• DHR set <u>targets of reducing total GHG emissions by 42% in FY2030 compared to FY2020 and net zero emissions in FY2050</u> as the first J-REIT certified by SBTi for its SBT 1.5°C targets.</li> <li>• <u>Internal carbon price is set at 10,000 yen / t-CO<sub>2</sub></u> and used as an incentive for low-carbon promotion works, guidelines for investment decision making and a reference index to identify risks of rising costs.</li> </ul> <p>For metrics and targets → Pages 29-33</p> <ul style="list-style-type: none"> <li>• We are promoting the acquisition of third-party external certifications and evaluations to increase the objectivity and reliability of our sustainability initiatives at portfolio properties and improve the asset value over the medium to long term. Our policy is to <u>increase the percentage of properties with environmental certification (based on gross floor area) to 70% or more by FY2030.</u></li> </ul>

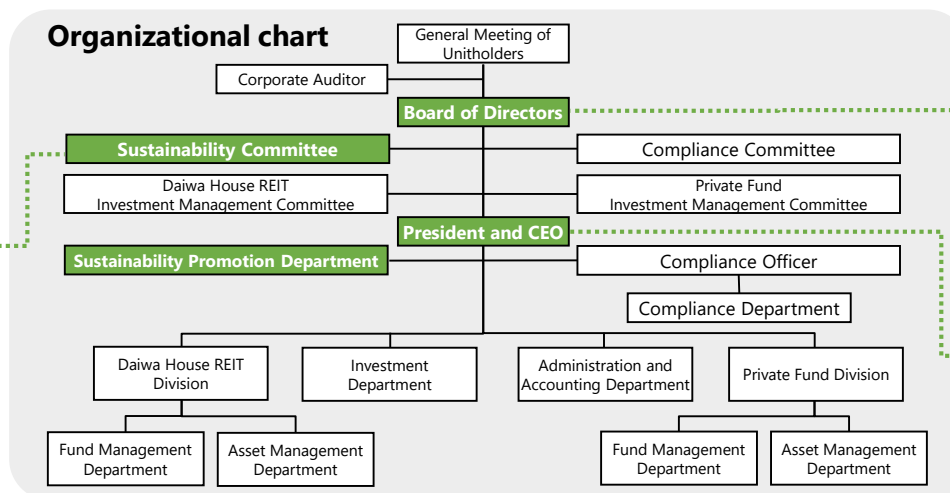
## ■ Sustainability Promotion System, Supervision by Board of Directors, and Role of Top Management

- On April 1, 2022, the Asset Manager made the organizational change to further improve asset management operations and sustainability initiatives.

- Establishment of the Sustainability Promotion Department responsible for the duties related to sustainability
- The Sustainability Committee, which was established in May 2017, was raised to a formal committee and must be held at least once a month.
- Appointment of an outside expert advisor to the Sustainability Committee who has a high level of insight and expertise in sustainability
- Abolishment of the Management Finance Committee and integration into the Daiwa House REIT Investment Management Committee

### ■ Sustainability Committee

- Deliberates and resolves on sustainability-related policy and strategy development
- Deliberates and resolves on execution of sustainability-related operations



### ■ Supervision by Board of Directors

Receives and monitors reports from the Sustainability Committee on considerations for climate-related and other global environmental issues and risk management for natural disasters, etc.

### ■ Role of President and CEO

As the Chief Executive related to climate issues at Board of Directors and the Chief Executive of the Sustainability Committee, provides final approval of various climate-related goals and measures, evaluates the status of efforts and gives instructions for review

## ■ Revision of Rules of the Board of Directors

- The following content was added to the rules with reference to Principle 2-3 of the "Revised Corporate Governance Code" published by the Tokyo Stock Exchange in June 2021

### < Rules of the Board of Directors >

- Among the items deliberated by the Sustainability Committee, matters related to the following items are deemed to require reporting to the Board of Directors: consideration of global environmental issues such as climate change, respect for human rights, consideration and fair and appropriate treatment of employees' health and working environment, fair and appropriate transactions with business partners, and crisis management in response to natural disasters, etc.

## ■ Remuneration for Executive Director of DHR and Directors of the Asset Manager

- In November 2021, **DHR introduced a provision to fluctuate the amount of asset management fees to the Asset Manager in conjunction with the sustainability indices as the first initiative in J-REITs.**
- Sustainability indexed-linked fees (sum of indexed GHG emissions reduction ratio, GRESB rating and CDP score multiplied by the total assets of DHR) are aimed at strengthening the commitment to ESG issues and improving governance.
- Remuneration for Executive Director of DHR and remuneration for directors of the Asset Manager are now linked to sustainability indices including GHG emissions reduction ratio, GRESB rating and CDP score.**

For details → Page 31

# Strategy (1)

## Process of Scenario Analysis

- We evaluate impact on business under several scenarios (see table below) and conduct scenario analysis according to the following steps to assess strategic resilience to climate-related risks and opportunities.

### Defined as scenarios

#### Below 2°C scenario

The scenario that assumes policies and regulations to realize a carbon-free society are implemented and the global warming from pre-industrial levels will stay below 2°C. While the transition risk is high, the physical risk is low compared to the 4°C scenario.

#### 4°C scenario

The scenario that assumes announced goals such as national goals under the Paris Agreement will be achieved. No new policies or regulations will be introduced, and global energy-derived CO<sub>2</sub> emissions will continue to increase. While the transition risk is low, the physical risk is high.

## Flow of scenario analysis

### Step 1

Identify material climate-related risks and opportunities and set parameters

- Extract climate-related risks and opportunities
- Assess material risks and opportunities
- Set parameters related to material risks and opportunities

### Step 2

Set climate-related scenarios

- Identify relevant scenarios among existing scenarios based on the information in Step 1
- Set climate-related scenarios (social image)

### Step 3

Evaluate impact on business in each scenario

- Analyze the impact on business in each scenario based on each scenario set in Step 2 and the material climate-related risks and opportunities together with related parameters identified in Step 1

### Step 4

Evaluate strategic resilience to climate-related risks and opportunities and consider additional measures

- Assess the resilience of our strategy for climate-related risks and opportunities
- Consider additional measures

## Material Climate-related Risks and Opportunities

- We have identified the risks and opportunities for DHR in the future due to unusual weather caused by climate change and increasing social demands for climate change measures.

Category	Type	Contents
Risks	Transition risk	<b>Policy and regulation</b> Increased costs due to introduction of a carbon tax and expansion of emissions trading system, increased procurement costs for construction materials
		<b>Technology</b> Increased installation and maintenance costs due to installation of solar power generation equipment
		<b>Market</b> Decrease in rent income due to changes in tenant demand (declining needs for properties not responding to climate change)
		<b>Reputation</b> Increased funding costs due to growing stakeholder concerns or negative feedback by delayed response to climate change risks
	Physical risk	<b>Acute</b> Loss of business opportunities and increased repair costs and non-life insurance premiums due to inundation of buildings caused by increased torrential rain, typhoons / floods, landslides and storms
		<b>Chronic</b> Increased utility charges due to rising average temperature
Opportunities	<b>Products and services</b>	Increase in rent income (high occupancy, high rent) by providing low-carbon emission equipment and services to tenants



## Impact on Business and Response to Climate-related Risks and Opportunities

- Assuming 2030, we analyzed the impact of climate-related risks and opportunities on the business of DHR and formulated countermeasures and resilience.

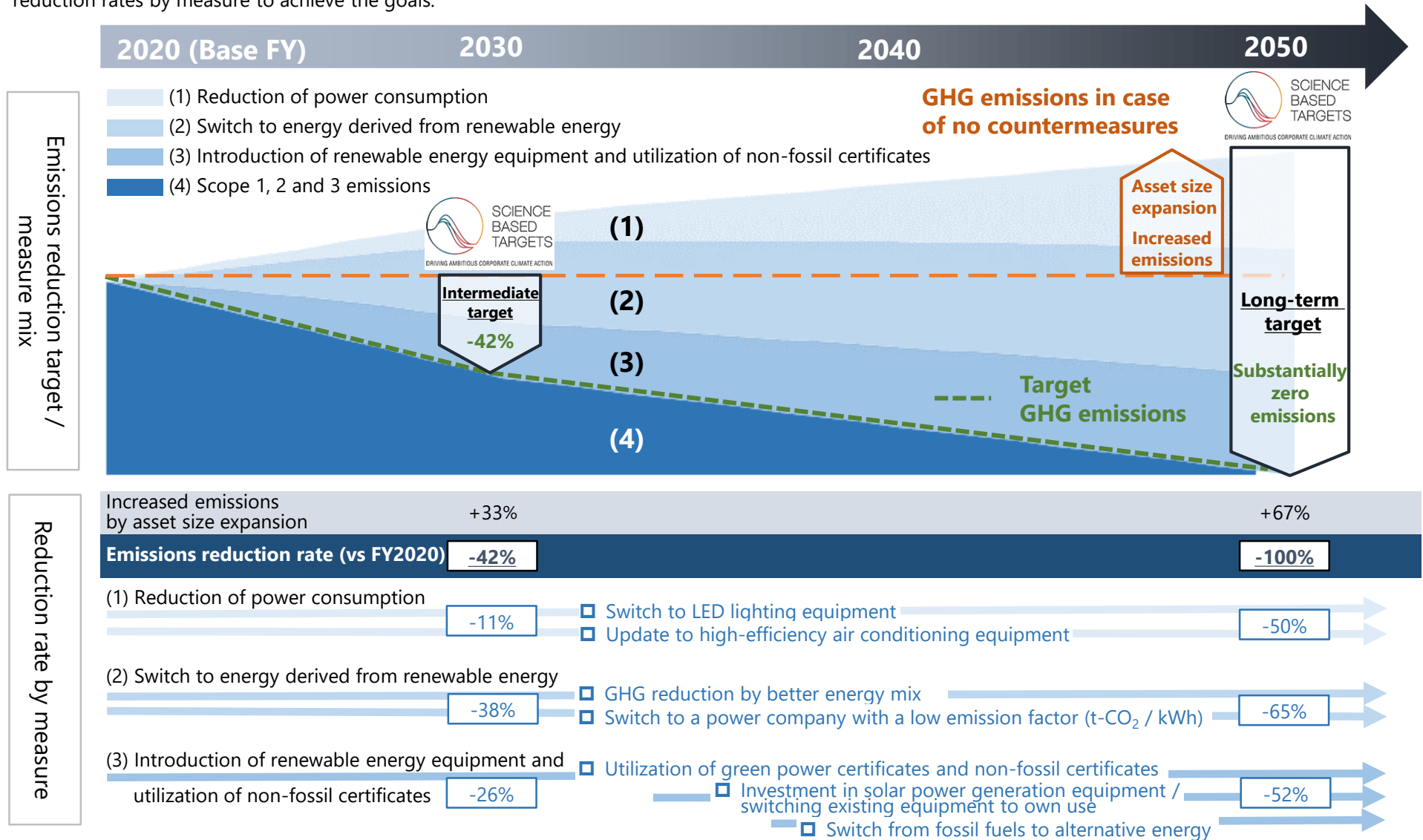
Category		Summary of scenario analysis results	Impact on business <sup>(Note)</sup>		Response / Resilience of DHR
			Below 2°C scenario	4°C scenario	
Transition risk	Policy and regulation	Indirect costs increase related to GHG emissions in business activities due to introduction of a carbon tax	35 mil yen	29 mil yen	<ul style="list-style-type: none"><li>• Increase renewable energy (including green power procurement) ratio</li><li>• Introduce energy-saving equipment and energy management system</li><li>• Set energy consumption / GHG emissions targets (SBT) for portfolio properties</li><li>• Promote GHG emissions reduction by introducing internal carbon pricing</li></ul>
		Service purchase costs indirectly increase related to GHG emissions in repairs and renovation work due to introduction of a carbon tax	94 mil yen	42 mil yen	Same as above
	Technology	Installation and maintenance costs increase due to installation of solar power generation equipment	798 mil yen	798 mil yen	<ul style="list-style-type: none"><li>• Implement planned renovation work</li><li>• Acquire new properties with new technology introduced</li></ul>
	Market	Rent income decreases if the acquisition of environmental certification does not proceed as planned	914 mil yen	914 mil yen	<ul style="list-style-type: none"><li>• Obtain green building certification for portfolio properties</li><li>• Disclose information on environmental performance</li></ul>
	Reputation	Investment unit prices fall and funding costs increase due to delays in ESG compliance	48 mil yen	48 mil yen	<ul style="list-style-type: none"><li>• Improve ESG ratings</li><li>• Implement sustainable finance</li></ul>
Physical risk	Acute	Building repair costs increase due to increased natural disasters such as floods	427 mil yen	854 mil yen	<ul style="list-style-type: none"><li>• Take appropriate measures such as insurance coverage based on risk assessment</li><li>• Perform waterproofing, exterior wall and sealing work ahead of schedule</li><li>• Own or replace properties with high resilience by using the check system for climate change, etc.</li><li>• Install sandbags, water stop plates and tide plates</li></ul>
		Rent income decreases due to increased risk of flooding of buildings	42-1,000 mil yen	84-2,000 mil yen	Same as above
		Non-life insurance premiums increase due to increased risk of water damage	22 mil yen	45 mil yen	Same as above
	Chronic	Water charges and power charges for tenants increase due to rising average temperature	Increase in water charges 42 mil yen	Increase in water charges 45 mil yen	<ul style="list-style-type: none"><li>• Introduce energy-saving equipment and energy management system</li><li>• Introduce irrigation equipment and water-saving equipment</li><li>• Choose native plants for planting</li><li>• Promote energy conservation activities in collaboration with tenants</li><li>• Promote green leases</li></ul>
			Increase in power charges 271 mil yen	Increase in power charges 272 mil yen	

(Note) The figures shown are the annual amount of impact estimated by the Asset Manager based on the past results and other factors with reference to the parameters general disclosed; therefore, accuracy of the figures are not guaranteed.

# Strategy (3)

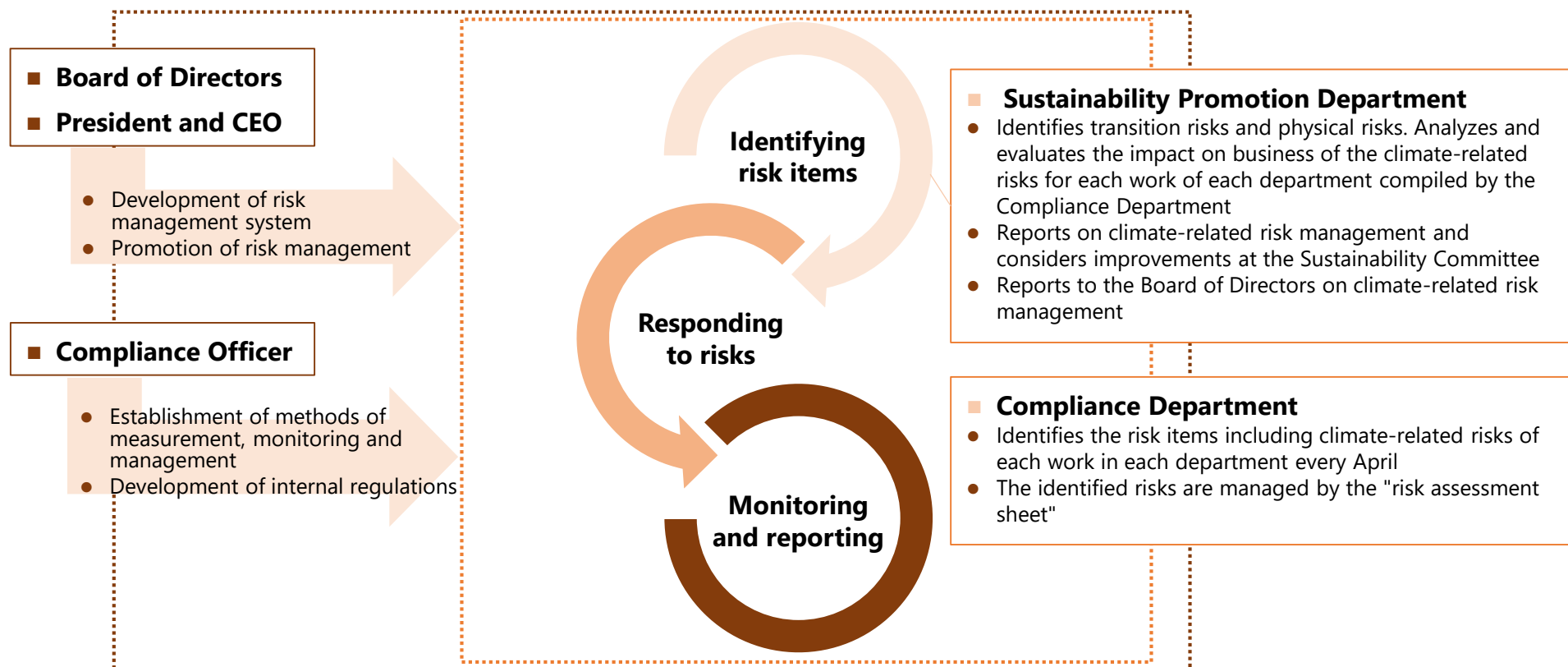
## Roadmap for Reduction of Emissions and Achievement of Targets Certified by SBTi

- DHR has set targets of reducing total GHG emissions by 42% in FY2030 compared to FY2020 and net zero in FY2050 and formulated a roadmap that includes reduction rates by measure to achieve the goals.



## Risk Management System

- While recognizing climate change risk as one of the risks that could pose a significant impact in the medium to long term, the Asset Manager sees such risk as areas of potential and manages the risk by incorporating it in our overall risk management process. The Asset Manager has established the "Risk Management Regulations" and "Risk Management Implementation Guidelines" as internal regulations in order to accurately identify risks and opportunities inherent in business, develop a system for appropriately managing potential losses and profits when the identified risks and opportunities are realized, ensure the soundness of management and operate business in a fair manner.
- The Board of Directors shall oversee the development of an appropriate risk management system based on the "Risk Management Policy" after considering where and what the risk is in accordance with the strategic goals set separately by the Board of Directors. The President and CEO shall be fully responsible for all risks in accordance with the provisions of the "Daiwa House Group Risk Management Regulations", develop an appropriate risk management system and be responsible for promoting and implementing risk management. In addition, the Compliance Officer, who is responsible for risk management, shall establish methods including measurement, monitoring and management based on the type of risk along with the risk management policy and shall develop internal regulations to ensure the effectiveness of these methods.



# Metrics and Targets (1) GHG Emissions (2)-1 Climate Change-related Metrics

## GHG Emission of Portfolio Properties (Scope 1, 2, and 3)

Item	FY2019	FY2020	FY2021
Number of properties	190	201	211
Scope 1+2 (t-CO <sub>2</sub> )	84,808 6,661	96,636 6,712	104,615 6,558
Scope 3 (t-CO <sub>2</sub> )	78,147	89,924	98,057
Asset Class	FY2019	FY2020	FY2021
Logistics	41,266	51,727	62,650
Residential	6,321	6,490	6,292
Retail	30,318	30,415	29,481
Hotel	2,100	1,828	2,164
Other	4,803	6,176	4,028
Total	84,808	96,636	104,615

(Note) This table shows GHG emissions of the properties for which data of emissions by tenants were obtained among the properties owned by DHR. Increase in emissions in FY2020 and FY2021 is mainly due to the increase in the number of properties for which emissions data were obtained.

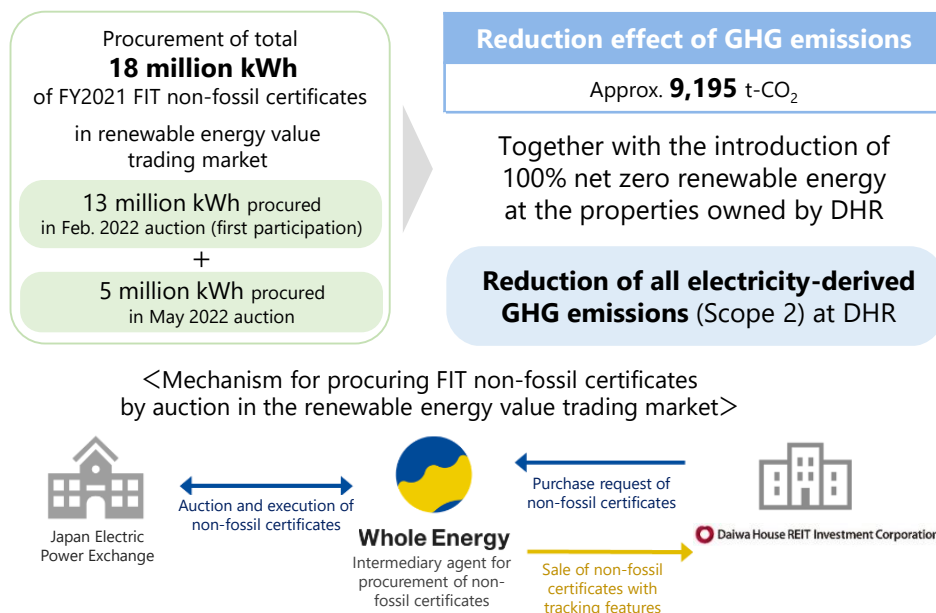
## GHG Emissions by Category (Scope 3)

Boundary: DHR, owned properties  
Unit: t-CO<sub>2</sub>

	Category	FY2020	FY2021
Upper stream	1. Purchased goods and services	160	185
	2. Capital goods	18,310	29,477
	3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	1,067	1,068
	5. Waste generated in operations	130	142
	6. Business travel	0	0
	7. Employee commuting	0	0
Down stream	13. Downstream leased assets * owned properties	95,263	104,955

(Note) Calculated based on "Guidelines for Accounting of Greenhouse Gas Emissions of Organizations through the Supply Chain" by the Ministry of the Environment. Categories not listed above have no emission sources or are included in Scope 1 and Scope 2.

## Purchase of Non-fossil Certificates



## Internal Carbon Pricing

- We have set the internal carbon price at 10,000 yen / t-CO<sub>2</sub> and use it as an incentive for low-carbon promotion works, guidelines for investment decision making and a reference index to identify risks of rising costs.

### 1. Incentives for low-carbon promotion works

If it is possible to calculate GHG emissions expected to be reduced by LED lighting and air conditioning renewal, we apply the internal carbon price and use the data as a reference to decide whether to perform construction work.

### 2. Guidelines for investment decision making

After calculating the profit and loss by applying the internal carbon price to the GHG emissions of the target property, we use the data as a reference for investment decisions (when emissions can be calculated).




### 3. Identifying risks of rising costs in the future

By selecting suppliers with low emissions, we aim to reduce the risk of increased procurement costs when a carbon tax is introduced in the future.

# Metrics and Targets (2)-2 Climate Change-related Metrics

## Climate-related Opportunities (Status of Environmental Certification of Portfolio Properties)

- Improved the ratio of properties with environmental certification to **68.5%** (based on gross floor area)

			
★★★★★ "ZEB"	1 property	-	-
★★★★★ ZEB Ready	7 properties	-	-
★★★★★	6 properties	7 properties	14 properties
★★★★	8 properties	6 properties	6 properties
★★★	7 properties	7 properties	
★★	14 properties		
★	6 properties		
Number of certified properties	49 properties	20 properties	20 properties
Certified ratio (based on gross floor area)	60.6 %	32.1 %	35.2 %

As of Sep. 30, 2022

### DPL Nagareyama III

- Awarded the highest ZEB (Net Zero Energy Building) rating of **"ZEB"** in addition to the highest BELS rating of ★★★★★

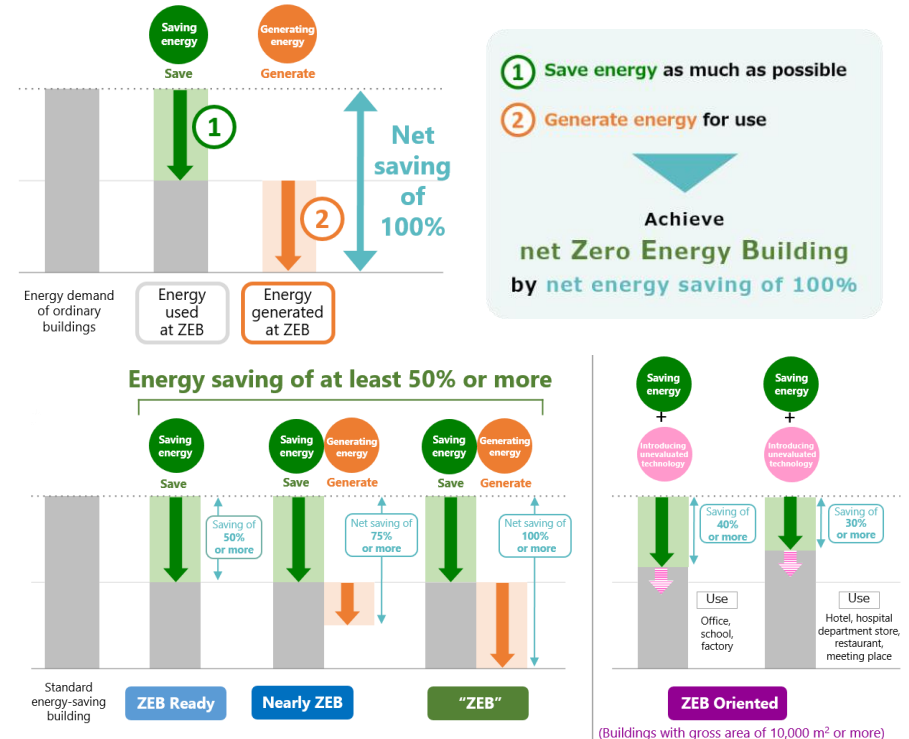


### DPL Kitakyushu

- Both buildings were certified as **ZEB Ready** in Jul. 2022



## Concept and Definition of ZEB



### "ZEB"

Buildings with reduced primary energy consumption of 100% or more from the benchmark primary energy consumption including renewable energy in addition to meeting the requirements of ZEB Ready

### Nearly ZEB

Buildings with reduced primary energy consumption of 75% or more but less than 100% from the benchmark primary energy consumption including renewable energy in addition to meeting the requirements of ZEB Ready

### ZEB Ready

Buildings with reduced primary energy consumption of 50% or more from the benchmark primary energy consumption excluding renewable energy

### ZEB Oriented

Buildings with gross area of 10,000 m<sup>2</sup> or more and reduced primary energy consumption excluding renewable energy compared to the benchmark specified for each use in addition to introduction of unevaluated technology

Source: Prepared by the Asset Manager based on the website of ZEB by the Ministry of the Environment

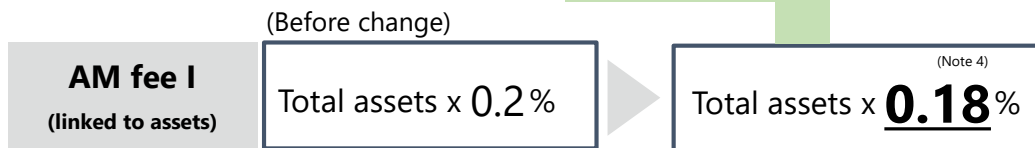
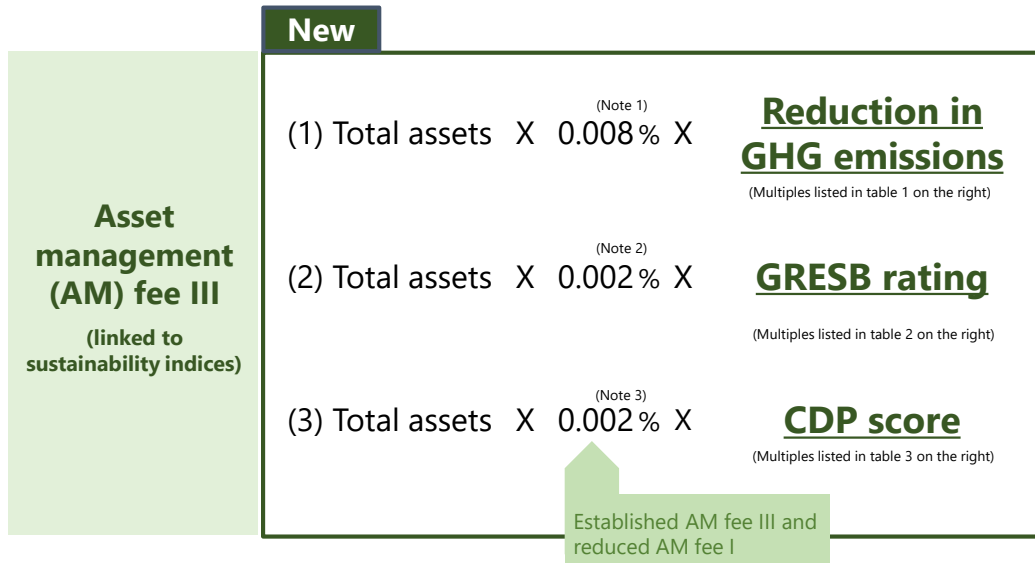
# Metrics and Targets (2)-3 Climate Change-related Metrics

- ◆ Newly established sustainability index-linked fee (AM fee III)
- ◆ Remuneration for Executive Director of DHR and officers of the Asset Manager is also linked

First initiative  
in J-REITs

Enhancing commitment to ESG issues  
Improving governance

## Asset Management Fee Structure (Application from Aug. 2022 Period)



(Note 1) The upper limit is 0.012% for the index (1) of asset management fee III.

(Note 2) The upper limit is 0.004% for the index (2) of asset management fee III.

(Note 3) The upper limit is 0.004% for the index (3) of asset management fee III.

(Note 4) The upper limit is 0.4% for the asset management fee I and 5.0% for the asset management fee II.

Table 1

Multiple	1 - GHG Emissions Reduction Ratio
	* -32.6% in FY ended Mar. 2022 (applied multiple is 1.326)

\* GHG emissions reduction ratio: ((b) - (a)) / (a)

(a): GHG emissions intensity in FY ended Mar. 2018 (Apr. 2017 - Mar. 2018) 0.0556 (t-CO<sub>2</sub>/m<sup>2</sup>)

(b): GHG emissions intensity in the immediately preceding FY (Apr. - Mar.) (t-CO<sub>2</sub>/m<sup>2</sup>)

Table 2

GRESB rating	★	★★	★★★	★★★★	★★★★★
Multiple	0.8	0.9	1.0	1.1	1.2

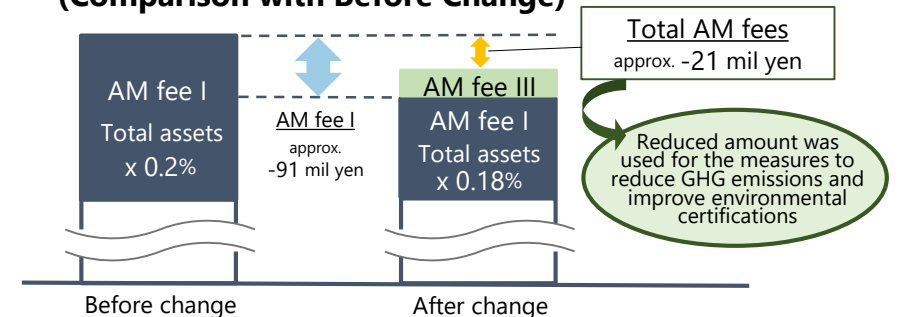
\* Multiple is determined based on the rating in the immediately preceding fiscal period.

Table 3

CDP score	D-	D	C-	C	B-	B	A-	A
Multiple	0.6	0.7	0.8	0.9	1.0	1.1	1.2	1.3

\* Multiple is determined based on the score in the immediately preceding fiscal period.

## Aug. 2022 Fee Calculation (Comparison with Before Change)

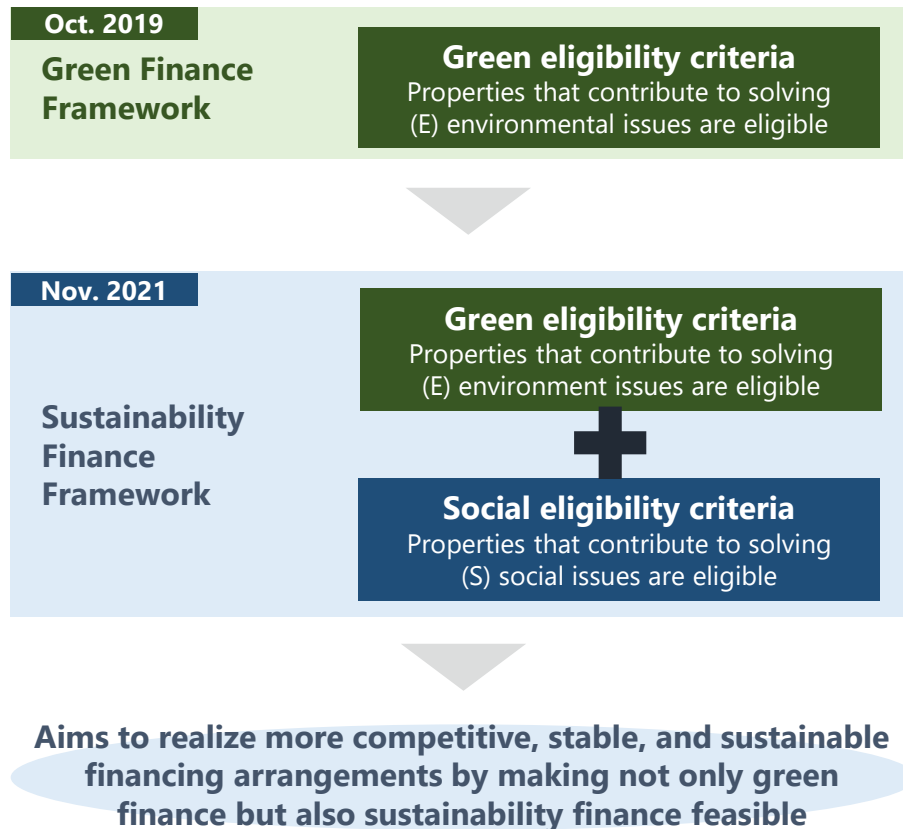




# Metrics and Targets (2)-4 Climate Change-related Metrics

## Formulating Framework for Sustainable Finance

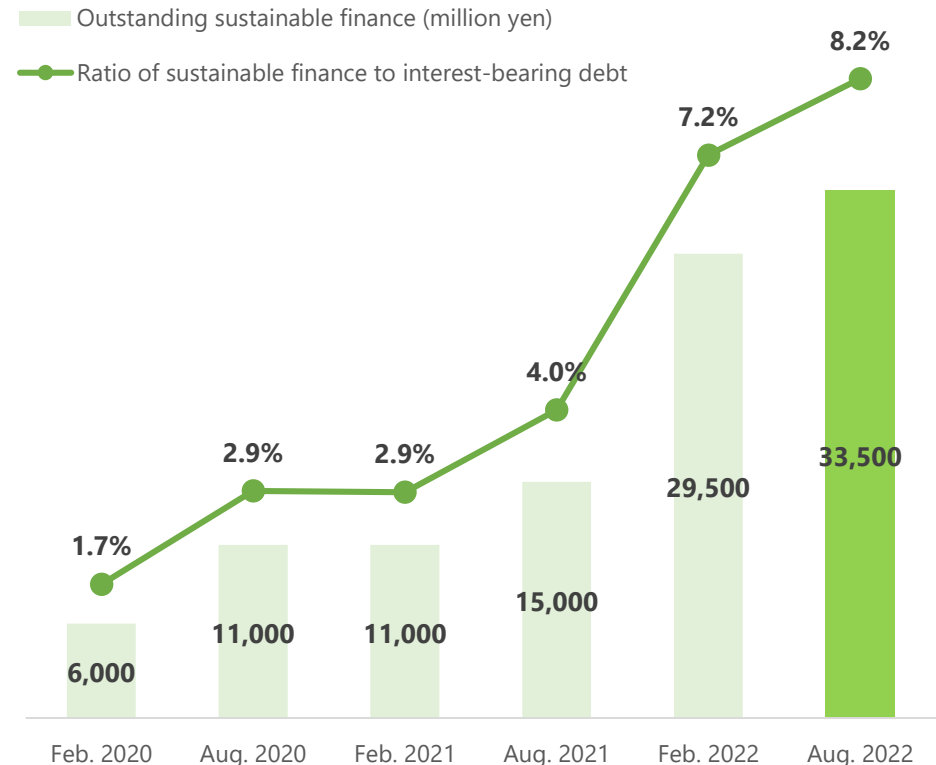
- By raising funds through sustainable finance, DHR aims to further promote sustainability initiatives, expand the investor base interested in ESG investment and lending, and ensure stable financing
- In October 2019, DHR formulated a Green Finance Framework for implementing green finance. In November 2021, DHR formulated a Sustainability Finance Framework for implementing sustainability finance. In this way, DHR is developing initiatives for sustainable finance and making steady progress in raising funds through sustainable finance



## Implementation of Sustainable Finance

- DHR has implemented sustainable finance of 33.5 Bn yen as of the period ended Aug. 2022 through green loans, green bonds, sustainability bonds, and sustainability-linked bonds
- The ratio of sustainable finance to interest-bearing debt has also increased by continuously implementing sustainable finance

### < Outstanding balance and ratio of sustainable finance >

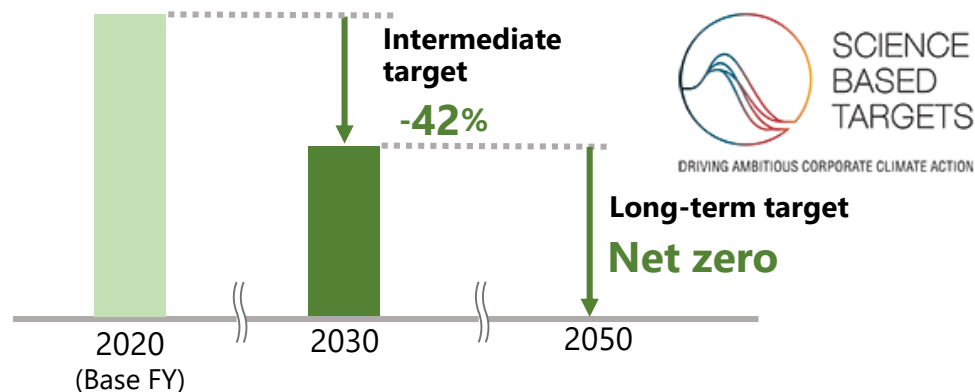


# Metrics and Targets (2)-4 Climate Change-related Targets

## GHG Emissions and Energy-related Targets

- DHR set targets of reducing total GHG emissions by 42% in FY2030 compared to FY2020 and net zero emissions in FY2050 as the first J-REIT certified by SBTi for its SBT 1.5 °C targets.

Item	Coverage	Base FY	Target FY	Target
GHG emissions (Scope 1+2)	All properties	2020	2030	Reduce total emissions by 42% SBT certification (Feb. 2022)
GHG emissions (Scope 3)	Properties with data available	2020	2030	Calculate and reduce total emissions SBT certification (Feb. 2022)
GHG emissions (Value chain)	All properties	2020	2050	Net zero SBT certification (Aug. 2022)
Energy consumption	Properties with data available	2017	2027	Reduce intensity by 10%
Water consumption	Properties with data available	2017	2027	Reduce intensity to below the level of base FY
Waste management	Properties with data available	2017	2027	Improve recycling rate



## Climate-related Opportunities (Targets for Obtaining Environmental Certifications of Portfolio Properties)

- We are promoting the acquisition of third-party external certifications and evaluations to increase the objectivity and reliability of our sustainability initiatives at portfolio properties and improve the asset value over the medium to long term.
- Our policy is to increase the percentage of properties with environmental certification (based on gross floor area) to 70% or more by FY2030.

## Physical risk

- We will take risk reduction measures and reduce the percentage of properties owned that are exposed to acute and chronic physical risks.

## Capital Deployment (Purchase of Non-fossil Certificates and Investment in Solar Power Generation Equipment)

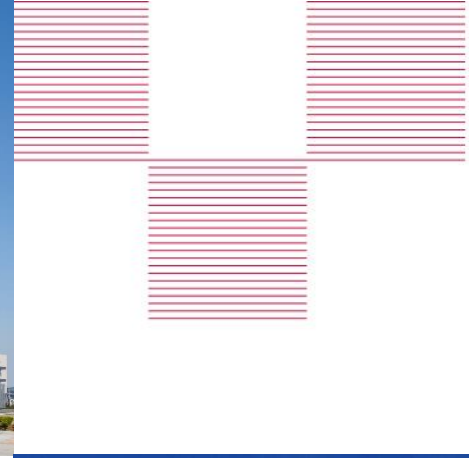
- We will reduce GHG emissions (Scope 2) by procuring FIT non-fossil certificates, etc. by participating in auctions in the renewable energy trading market.
- We will reduce GHG emissions by investing in solar power generation equipment and switching existing equipment to own use.

## Internal Carbon Pricing

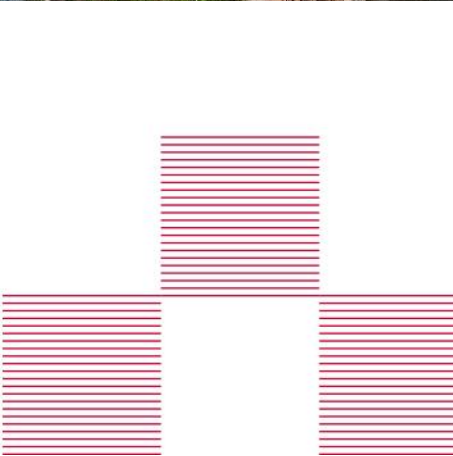
- We have not set a target for the internal carbon price, but will review the price as appropriate to reflect potential changes in government policy.

## Remuneration

- We have not set a target for the amount of remuneration for the executive officer of DHR and directors of the Asset Manager that is linked to climate-change indicators, but will review the compensation structure as appropriate.



# Appendix

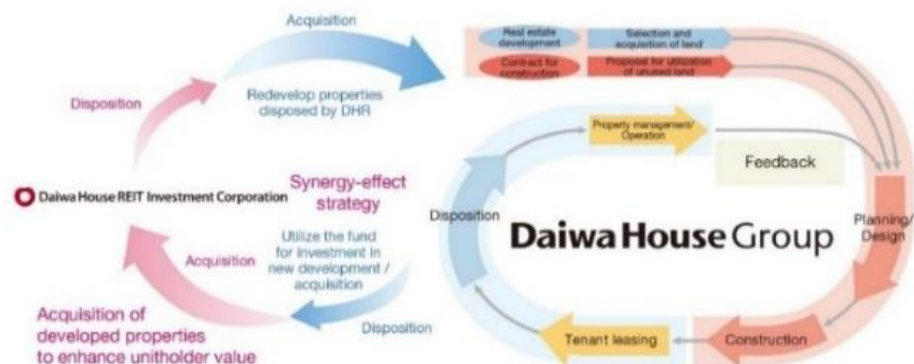




# Leveraging Value Chain of Daiwa House Group

## Value Chain of Daiwa House Group

- Comprehensive and integrated capabilities from acquisition of land, design and construction, to management and operation



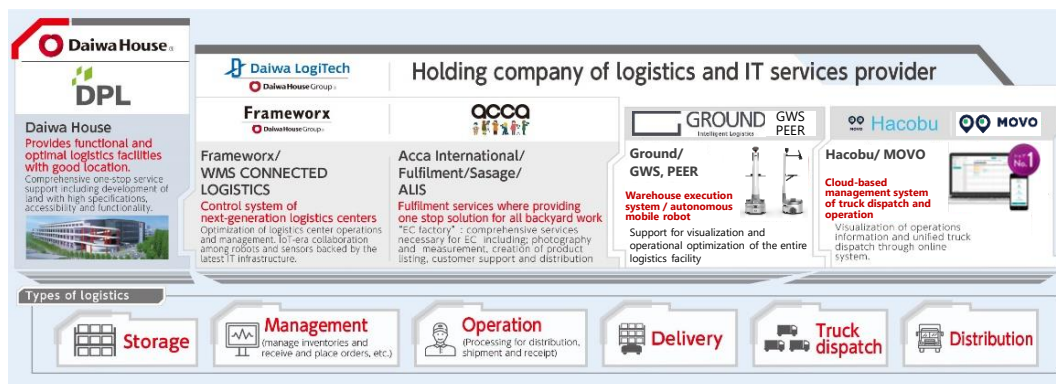
## Development Plan in the Daiwa House Group's 7<sup>th</sup> Medium-Term Management Plan

- Daiwa House Group plans to invest 2.2 trillion yen in development in its 7<sup>th</sup> Medium-Term Management Plan covering the five-year period from the fiscal year ending March 2023 to the fiscal year ending March 2027

				(Bn yen)
Investment plan	Logistics, business & corporate facilities 1,500	Commercial facilities 500	Others 200	<b>2,200</b>
Balance of investment real estate	Logistics, business & corporate facilities 1,200	Commercial facilities 600	Others 300	<b>2,100</b>

## Next-gen Logistics Center Proposed by Daiwa House Group

- Daiwa House Group, with the application of advanced technologies, offers next-generation logistics center to solve logistics problems including lack of human resources, rising labor costs, rising transportation costs, deteriorating loading efficiency and equipment installation cost



## Breakdown of Real Estate Available for Sale <sup>(Note)</sup> of Daiwa House Group

				(Bn yen)
As of June 30, 2022	Being rented	Not being rented	Total	
Logistics, business & corporate facilities	181.4	575.0	756.4	
Rental housing	20.9	21.3	42.3	
Commercial facilities	83.1	48.3	131.4	

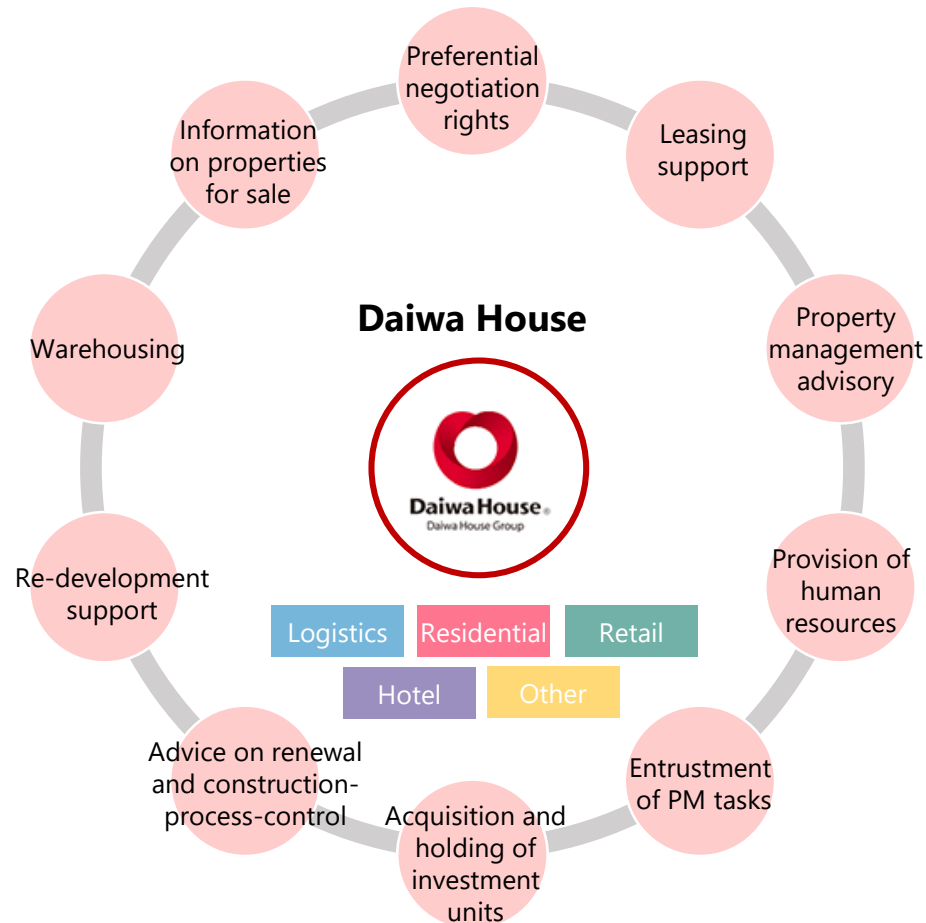
(Source) Daiwa House Industry Co., Ltd.

(Note) Real estate that can be sold at an early stage after investment for capital gain.

# Strong Pipeline Support of Daiwa House Group

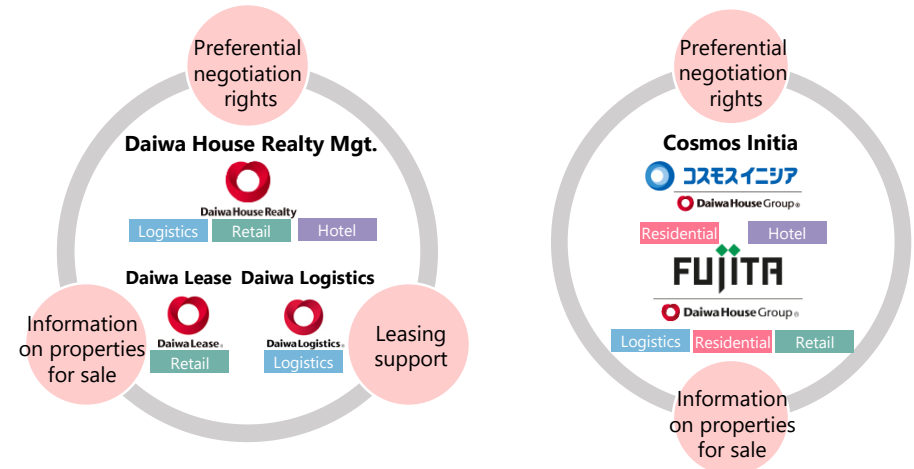
- ◆ Fully utilizing various support from Daiwa House Group such as granting preferential negotiation rights
- ◆ DHR has the first priority negotiation rights within major funds sponsored by Daiwa House

## Various Pipeline Support from Daiwa House



(Note) The main asset types subject to preferential negotiation rights are listed.

## Robust Pipeline Supported by Group Companies

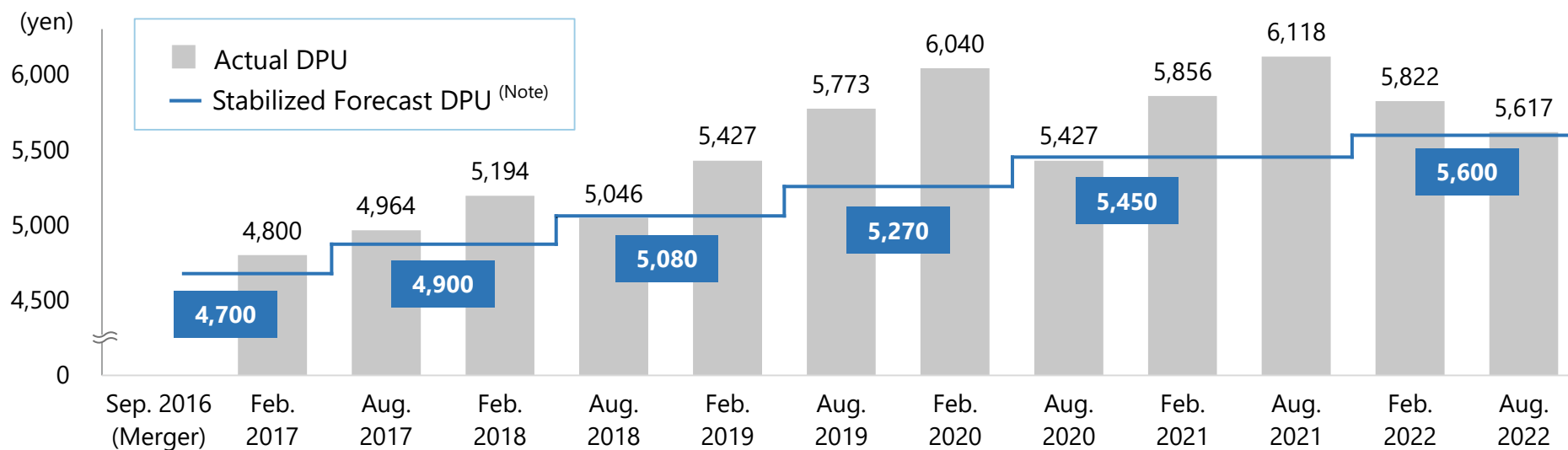
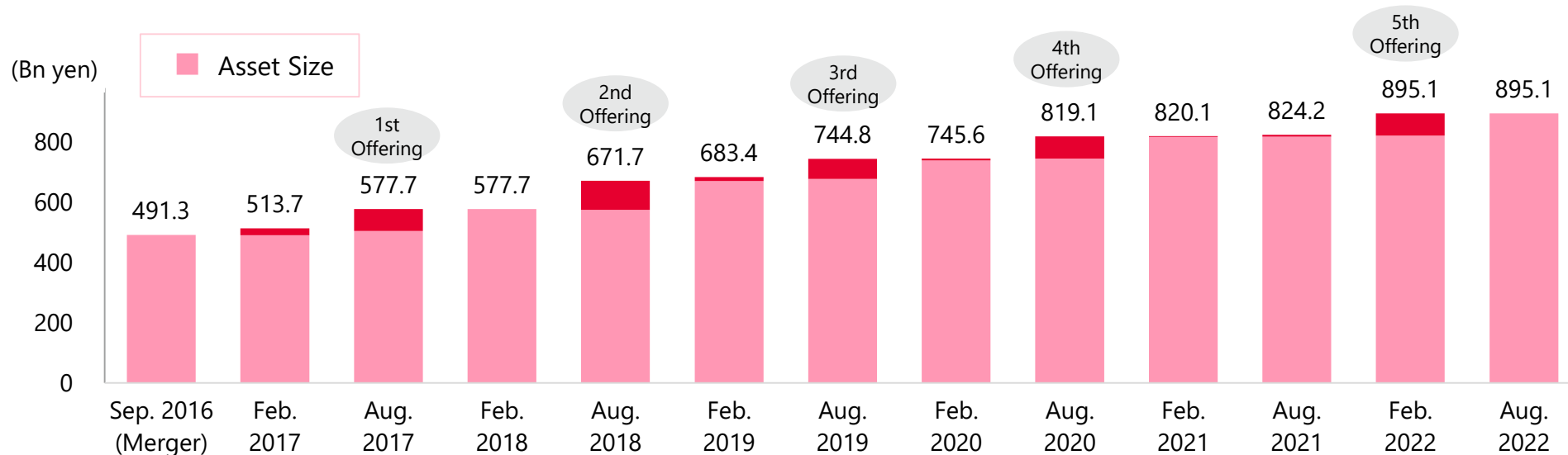


## Investment Target of Major REITs and Funds Sponsored by Daiwa House

Corporate name	Daiwa House REIT Investment Corporation	Daiwa House Global REIT Investment Corporation	Daiwa House Logistics Core Fund	Daiwa House Logistics Trust
Category	Listed REIT (Japan)	Private REIT	Private core fund	Listed REIT (Singapore)
Investment target	Diversified	Diversified	Specialized in logistics	Logistics and industrial assets
Investment area	Japan	Japan and overseas	Japan	Japan and APAC
Preferential negotiation rights	<b>First priority</b>	<b>Ranking of preferential negotiation rights for domestic real estate</b>		

(Source) Daiwa House Industry Co., Ltd.

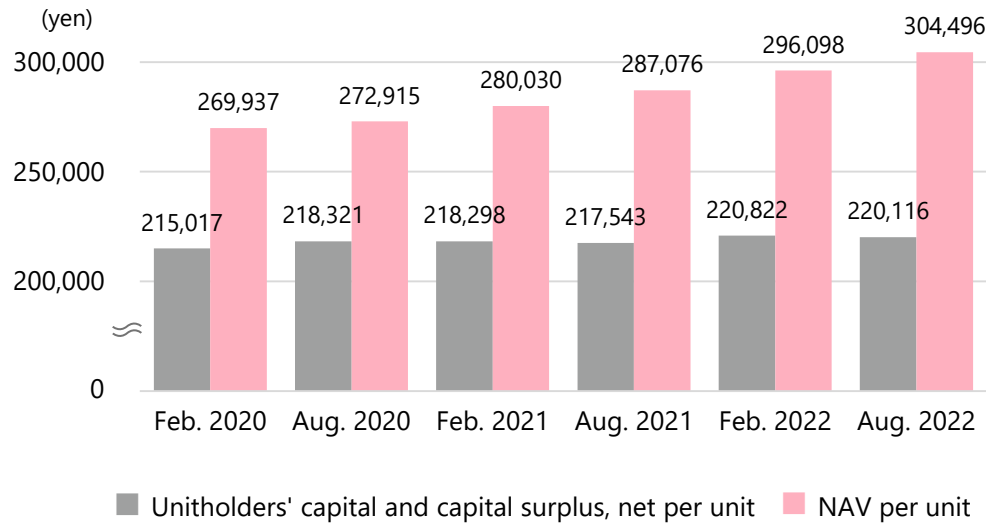
# Asset Size and DPU



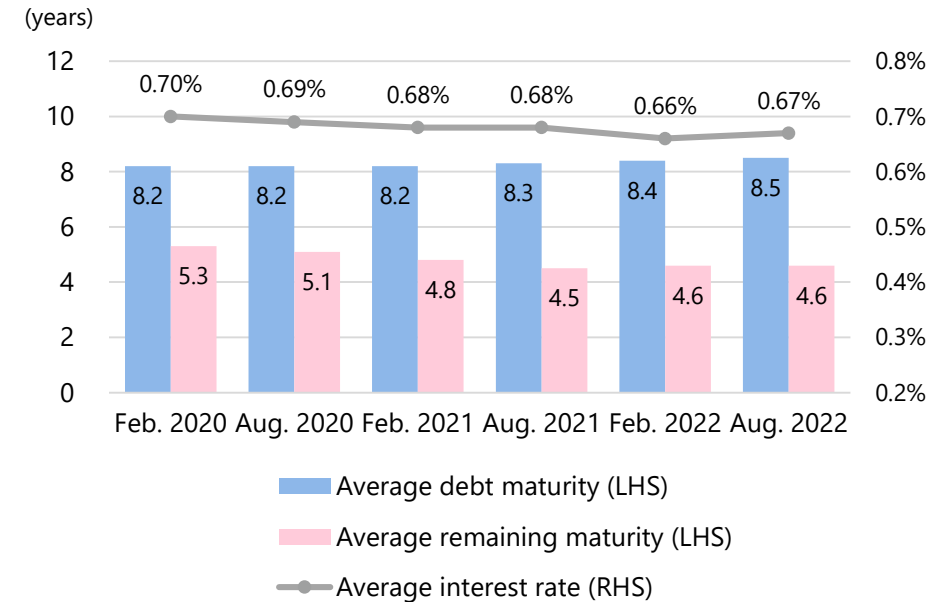
(Note) Stabilized forecast DPU represents forecast DPU adjusted for temporary factors such as acquisition and sale of properties during the period and property taxes to be expensed.

# Key Financial Indicators

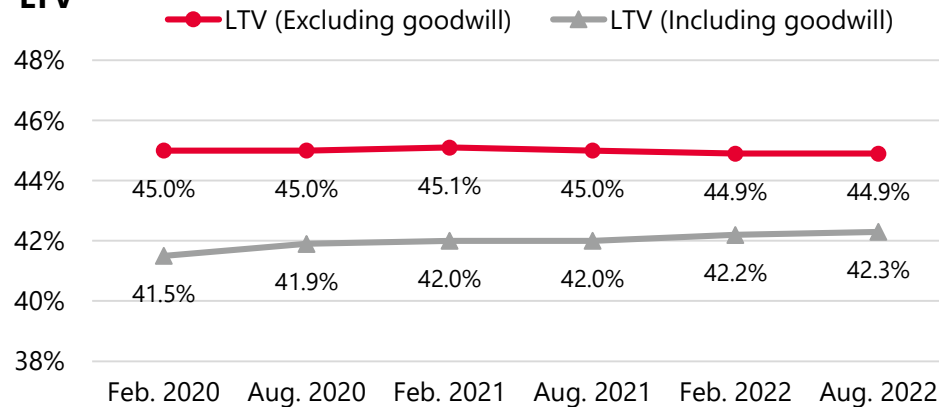
## NAV per Unit



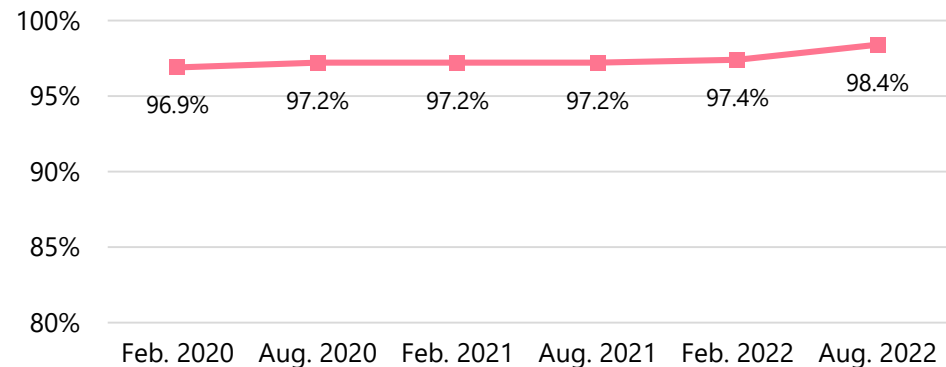
## Average Debt Maturity / Average Remaining Maturity / Average Interest Rate



## LTV



## Fixed Interest Ratio



# Historical Financial Data

	Aug. 2020	Feb. 2021	Aug. 2021	Feb. 2022 (A)	Aug. 2022 (B)	Change (B-A)
Operating days	184 days	181 days	184 days	181 days	184 days	3 days
Operating Revenue	26,613 mil yen	28,097 mil yen	29,571 mil yen	30,264 mil yen	29,368 mil yen	-895 mil yen
Operating Income	11,574 mil yen	12,571 mil yen	13,116 mil yen	13,409 mil yen	12,661 mil yen	-747 mil yen
Gain (loss) on sale of properties	- mil yen	836 mil yen	2,208 mil yen	1,335 mil yen	- mil yen	-1,335 mil yen
Ordinary Income	9,936 mil yen	11,099 mil yen	11,619 mil yen	11,685 mil yen	11,050 mil yen	-635 mil yen
Net Income	9,936 mil yen	11,098 mil yen	11,619 mil yen	11,685 mil yen	11,049 mil yen	-635 mil yen
DPU	5,427 yen	5,856 yen	6,118 yen	5,822 yen	5,617 yen	-205 yen
Number of investment units issued	2,196,000 units	2,196,000 units	2,196,000 units	2,320,000 units	2,320,000 units	-
Payout ratio	119.4 %	100.9 %	101.1 %	101.5 %	100.9 %	-0.6 p.p.
Total Assets	899,579 mil yen	901,386 mil yen	900,310 mil yen	964,669 mil yen	963,566 mil yen	-1,103 mil yen
Net Assets	491,302 mil yen	490,586 mil yen	489,467 mil yen	524,178 mil yen	521,820 mil yen	-2,357 mil yen
Unitholders' Capital	231,766 mil yen	231,766 mil yen	231,766 mil yen	268,042 mil yen	268,042 mil yen	-
Capital Surplus, net	247,667 mil yen	247,617 mil yen	245,959 mil yen	244,265 mil yen	242,628 mil yen	-1,637 mil yen
Interest-bearing debt	376,558 mil yen	378,558 mil yen	378,558 mil yen	407,550 mil yen	407,550 mil yen	-
LTV (Excluding goodwill)	45.0 %	45.1 %	45.0 %	44.9 %	44.9 %	-
LTV (Including goodwill)	41.9 %	42.0 %	42.0 %	42.2 %	42.3 %	0.1 p.p.
Net Assets per unit	223,725 yen	223,400 yen	222,890 yen	225,938 yen	224,922 yen	-1,016 yen
NAV per unit <sup>(Note 1)</sup>	272,915 yen	280,030 yen	287,076 yen	296,098 yen	304,496 yen	8,398 yen
FFO per unit <sup>(Note 2)</sup>	7,789 yen	7,982 yen	7,594 yen	7,746 yen	8,061 yen	315 yen

(Note 1) NAV per unit: (Unitholders' capital + capital surplus, net + appraisal value of properties – book value of properties) / number of investment units issued

(Note 2) FFO per unit: (Net income + depreciation + amortization + amortization of investment corporation bond issuance costs + amortization of trademark rights + amortization of software +/- loss or gain on sale of properties +/- extraordinary loss or gain) / number of investment units issued



# Historical Portfolio Data

	Aug. 2020	Feb. 2021	Aug. 2021	Feb. 2022 (A)	Aug. 2022 (B)	Change (B-A)	
Number of properties	228 properties	227 properties	227 properties	230 properties	230 properties	-	
Total acquisition price	819,114 mil yen	820,103 mil yen	824,293 mil yen	895,153 mil yen	895,153 mil yen	-	
Ratio of logistics properties	49.6 %	49.5 %	50.0 %	52.5 %	52.5 %	-	
Ratio of residential properties	30.1 %	29.8 %	29.4 %	26.9 %	26.9 %	-	
Ratio of retail properties	15.0 %	15.0 %	14.9 %	13.8 %	13.8 %	-	
Ratio of hotel properties	1.9 %	2.3 %	2.3 %	2.1 %	2.1 %	-	
Ratio of other assets	3.3 %	3.3 %	3.3 %	4.7 %	4.7 %	-	
Number of properties acquired	4 properties (Note 1)	1 property	1 property	5 properties (Note 2)	- properties	-	
Acquisition price	73,489 mil yen	3,140 mil yen	5,930 mil yen	73,770 mil yen	- mil yen	-	
Number of properties sold	- properties	2 properties	1 property	1 property	- properties	-	
Sale price	- mil yen	2,775 mil yen	3,515 mil yen	3,740 mil yen	- mil yen	-	
Unrealized gain (loss)	119,888 mil yen	135,564 mil yen	152,694 mil yen	174,639 mil yen	195,760 mil yen	21,120 mil yen	
Leasable area	2,980 thousand m <sup>2</sup>	2,979 thousand m <sup>2</sup>	2,983 thousand m <sup>2</sup>	3,200 thousand m <sup>2</sup>	3,200 thousand m <sup>2</sup>	-	
Occupancy rate	99.4 %	99.4 %	99.3 %	99.7 %	99.7 %	-	
Real estate	Rental revenue	26,613 mil yen	27,260 mil yen	27,362 mil yen	28,928 mil yen	29,368 mil yen	440 mil yen
	Rental expenses	10,737 mil yen	11,179 mil yen	12,081 mil yen	12,431 mil yen	12,183 mil yen	-247 mil yen
	Rental income	15,876 mil yen	16,080 mil yen	15,281 mil yen	16,497 mil yen	17,185 mil yen	688 mil yen
Depreciation	5,174 mil yen	5,271 mil yen	5,271 mil yen	5,625 mil yen	5,654 mil yen	28 mil yen	
NOI <sup>(Note 3)</sup>	21,050 mil yen	21,352 mil yen	20,552 mil yen	22,122 mil yen	22,839 mil yen	717 mil yen	
NOI yield <sup>(Note 4)</sup>	5.2 %	5.2 %	5.0 %	5.0 %	5.1 %	0.1 p.p.	

(Note 1) Includes additional acquisition of 70% co-ownership interest in iias Tsukuba.

(Note 2) Includes additional acquisition of 50% co-ownership interest in GRANODE Hiroshima.

(Note 3) NOI: Real estate rental business revenue – real estate rental business expenses + depreciation

(Note 4) NOI yield is annualized and excluding the properties sold during the period.

# Balance Sheets

	(thousand yen)	
	Period ended Feb. 2022	Period ended Aug. 2022
<b>Assets</b>		
Current assets		
Cash and deposits	22,560,614	30,043,112
Cash and deposits in trust	19,351,482	19,987,061
Operating accounts receivable	330,122	314,491
Prepaid expenses	638,140	731,649
Consumption taxes receivable	3,370,380	-
Other	10,163	4,087
Allowance for doubtful accounts	(2,080)	(2,035)
Total current assets	46,258,824	51,078,366
Non-current assets		
Investment properties		
Buildings, net	19,806,736	19,670,659
Structures, net	183,709	187,412
Machinery and equipment, net	280,516	274,700
Tools, furniture and fixtures, net	287,456	300,269
Land	21,711,324	21,711,324
Buildings in trust, net	374,402,289	370,282,033
Structures in trust, net	8,383,035	8,213,278
Machinery and equipment in trust, net	1,316,630	1,247,399
Tools, furniture and fixtures in trust, net	946,334	955,367
Land in trust	421,989,027	421,990,449
Construction in progress in trust	-	199,950
Total investment properties	849,307,062	845,032,844
Intangible assets		
Goodwill	57,484,571	55,502,344
Leasehold rights in trust	5,830,223	5,782,810
Trademark rights	388	161
Total intangible assets	63,315,182	61,285,315
Investments and other assets		
Investment securities	9,463	9,480
Long-term prepaid expenses	2,031,814	2,403,601
Guarantee deposits	99	99
Lease and guarantee deposits in trust	3,547,353	3,547,353
Total investments and other assets	5,588,730	5,960,534
Total non-current assets	918,210,976	912,278,695
Deferred assets		
Investment corporation bond issuance costs	200,100	209,212
Total deferred assets	200,100	209,212
<b>Total assets</b>	<b>964,669,900</b>	<b>963,566,274</b>

	(thousand yen)	
	Period ended Feb. 2022	Period ended Aug. 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	1,777,779	1,693,807
Current portion of long-term loans	42,500,000	35,900,000
Accounts payable – other	98,921	137,152
Accrued expenses	1,784,954	1,818,619
Income taxes payable	605	605
Accrued consumption taxes	-	1,549,216
Advances received	3,603,785	3,628,679
Unearned revenue	157,957	132,825
Deposits received	177,977	173,587
Derivatives liabilities	11,882	23,350
Other	67,520	67,520
Total current liabilities	50,181,383	45,125,362
Non-current liabilities		
Investment corporation bonds	38,000,000	42,000,000
Long-term loans	327,050,000	329,650,000
Long-term unearned revenue	236,320	175,991
Tenant leasehold and security deposits	330,755	330,939
Tenant leasehold and security deposits in trust	23,664,971	23,539,868
Asset retirement obligations	670,889	677,259
Derivatives liabilities	357,567	246,460
Total non-current liabilities	390,310,503	396,620,519
<b>Total liabilities</b>	<b>440,491,887</b>	<b>441,745,882</b>
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	268,042,601	268,042,601
Surplus		
Capital surplus	247,667,563	247,667,563
Allowance for temporary difference adjustments	(3,401,604)	(5,039,524)
Capital surplus, net	244,265,959	242,628,039
Unappropriated retained earnings	12,238,902	11,419,562
Total surplus	256,504,861	254,047,602
Total unitholders' equity	524,547,463	522,090,203
Deferred gains or losses on hedges	(369,449)	(269,810)
<b>Total net assets</b>	<b>524,178,013</b>	<b>521,820,392</b>
<b>Total liabilities and net assets</b>	<b>964,669,900</b>	<b>963,566,274</b>

# Statements of Income

	(thousand yen)	
	Period ended Feb. 2022	Period ended Aug. 2022
Operating revenue		
Rental revenue	27,756,601	28,085,530
Other rental revenue	1,171,703	1,283,457
Gain on sale of real estate properties	1,335,737	-
Total operating revenue	30,264,042	29,368,987
Operating expenses		
Rental expenses	12,431,148	12,183,764
Asset management fees	1,864,782	1,921,674
Asset custody fees	37,932	38,338
Administrative service fees	95,300	94,587
Directors' remuneration	6,600	6,660
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	2,056	1,577
Other operating expenses	434,808	478,750
Total operating expenses	16,854,856	16,707,579
Operating Income	13,409,185	12,661,408
Non-operating income		
Interest income	189	185
Gain on forfeiture of unclaimed distributions	4,830	5,249
Gain on adjustment of liabilities	6,404	7,473
Property tax adjustment at settlement	58	-
Interest on tax refund	-	2,920
Subsidy income	10,225	-
Other	92	23
Total non-operating income	21,800	15,852
Non-operating expenses		
Interest expenses	1,136,690	1,169,396
Interest expenses on investment corporation bonds	99,679	112,622
Amortization of investment corporation bond issuance costs	13,997	15,394
Investment unit issuance expenses	173,618	-
Borrowing related expenses	319,251	325,546
Other	2,025	3,913
Total non-operating expenses	1,745,263	1,626,875
Ordinary Income	11,685,723	11,050,385
Income before income taxes	11,685,723	11,050,385
Total income taxes	605	605
Net income	11,685,118	11,049,780
Retained earnings brought forward	553,783	369,782
Unappropriated retained earnings	12,238,902	11,419,562

## Statements of Cash Distributions

	(yen)			
	Period ended Feb. 2022		Period ended Aug. 2022	
	(Per unit)		(Per unit)	
I Unappropriated retained earnings	12,238,902,254		11,419,562,690	
II Amount added to distributions in excess of earnings				
Allowance for temporary difference adjustments	1,637,920,000		1,839,760,000	
Other deductions from capital surplus	-		44,080,000	
III Distributions	13,507,040,000	5,822	13,031,440,000	5,617
Of the above, earnings distributions	11,869,120,000	5,116	11,147,600,000	4,805
Of the above, distributions in excess of earnings				
Allowance for temporary difference adjustments	1,637,920,000	706	1,839,760,000	793
Other distributions in excess of earnings	-	-	44,080,000	19
IV Retained earnings carried forward	369,782,254		271,962,690	

## Rental Revenue and Expenses

	(thousand yen)	
	Period ended Feb. 2022	Period ended Aug. 2022
A. Real estate rental revenue		
Rental revenue		
Rent	27,199,040	27,524,798
Common area charges	557,560	560,731
Total rental revenue	27,756,601	28,085,530
Other rental revenue		
Facility charges	482,672	483,228
Incidental revenue	433,495	530,924
Other	255,535	269,304
Total other rental revenue	1,171,703	1,283,457
Total real estate rental revenue	28,928,305	29,368,987
B. Real estate rental expenses		
Rental expenses		
Management fees	1,560,618	1,614,583
Utilities	479,766	581,659
Taxes and public dues	2,158,531	2,396,533
Repairs and maintenance expenses	1,575,809	892,040
Restoration costs	290,664	268,558
Insurance expenses	34,685	51,584
Custodian fees	59,021	58,006
Depreciation	5,625,565	5,654,048
Other operating expenses	646,485	666,750
Total real estate rental expenses	12,431,148	12,183,764
C. Income from real estate rental business (A-B)	16,497,156	17,185,223

# ESG Initiatives (1) Environmental Initiatives

## Promotion of Environmental Certification

- Improved the ratio of properties with environmental certification

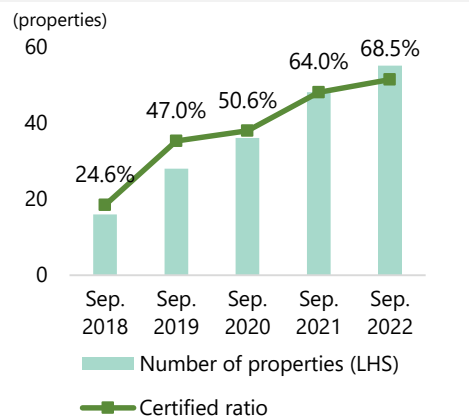
Number of certified properties

55 properties  
+7 properties  
compared to Sep. 30, 2021

Certified ratio  
(based on gross floor area)

68.5 %  
+4.5 p.p.  
compared to Sep. 30, 2021

as of Sep 30, 2022



## Promotion of Green Lease Agreement

- Implemented initiatives to reduce environmental burden in cooperation with tenants

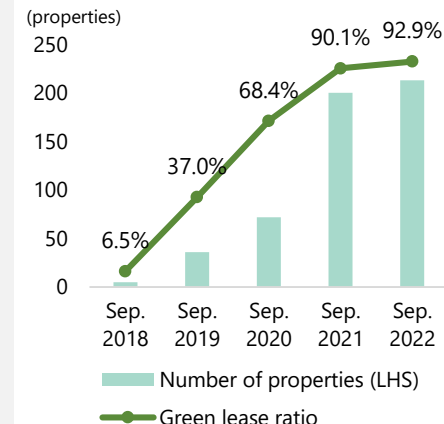
Number of properties with green lease agreements concluded

213 properties  
+13 properties  
compared to Sep. 30, 2021

Ratio of properties with green lease agreements concluded  
(based on gross floor area)

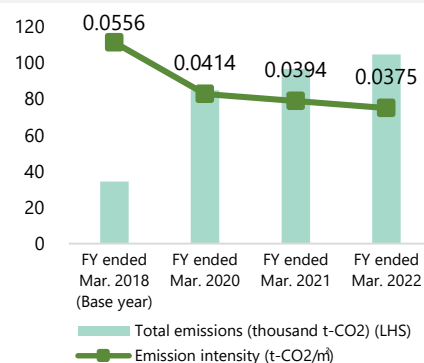
92.9 %  
+2.8 p.p.  
compared to Sep. 30, 2021

as of Sep 30, 2022

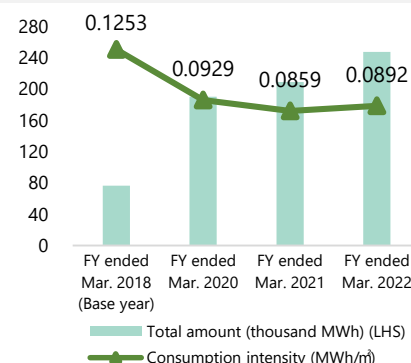


## Improvement in Environmental Performance

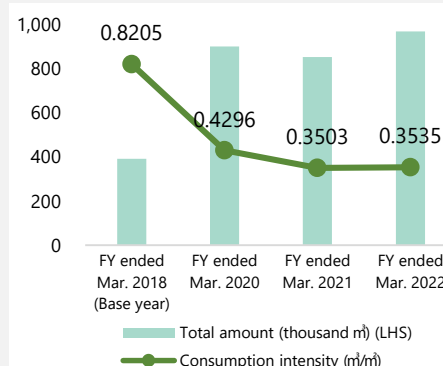
- GHG emissions



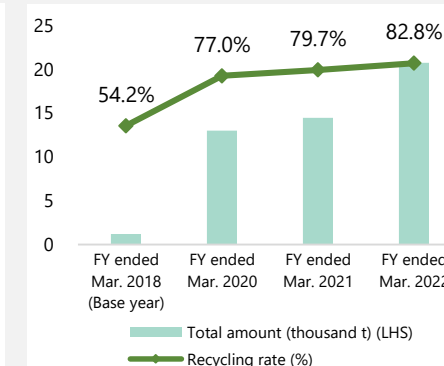
- Energy consumption



- Water consumption



- Waste management (recycling rate)



(Note) The aggregation period is from every April to the following March. Calculated using only DHR's properties for which the requisite data are available. Intensity is calculated by dividing total amount of electricity usage and CO<sub>2</sub> emissions by intensity denominator (gross floor area (m<sup>2</sup>)).

## Social Contribution

- ◆ Installation of a vending machine with a donation function for environmental conservation at Super Hotel JR Nara Station Sanjo Street

- In collaboration with a group of students of Kinki University "Hito Nana", a vending machine with a donation function for environmental conservation in and around Sarusawa Pond in Nara City was installed



Super Hotel JR Nara Station Sanjo Street

- ◆ Donation of emergency supplies at the Asset Manager

- The Asset Manager has regularly conducted volunteer activities such as cleanups in response to calls from public park facility management offices and providing Japanese conversation support to Chinese returnees.
- In 2022, the Asset Manager donated emergency supplies as activities that can be done during the COVID-19 pandemic

Donation recipient	Food Bank Orinasu Edogawa *Provided free of charge mainly to single-parent families and those in need
Donated goods	Emergency supplies 200 servings of rice 50 servings of biscuits



## Investor Relations

- ◆ Disclosure of Sustainability Report 2022

- DHR published Sustainability Report 2022 to provide information to our unitholders and other stakeholders about various ESG initiatives of DHR and the Asset Manager to contribute to the realization of a sustainable society



[https://www.daiwahouse-reit.co.jp/file/en-esg\\_reports-20220719.pdf](https://www.daiwahouse-reit.co.jp/file/en-esg_reports-20220719.pdf)

- ◆ Renewal of Website

- DHR renewed the website specializing in ESG initiatives
- DHR will continue to actively disclose information



<https://www.daiwahouse-reit.co.jp/en/sustainability/index.html>

- ◆ IR activities (including online meetings and telephone/web conferences)

(Apr. 2021 – Mar. 2022)

- Results briefings for domestic institutional investors and analysts 2 times
- IR meetings for domestic institutional investors and analysts 193 times
- IR meetings for overseas institutional investors 68 times

# ESG Initiatives (2)-2 Social Initiatives

## Health and Productivity Management of the Asset Manager

- ◆ Health and productivity management initiatives
  - The Asset Manager believes that efforts to promote employee health will revitalize the entire organization by improving employee vitality and productivity
  - Based on the “Health Declaration”, the Asset Manager is making efforts to promote health and create a comfortable working environment so that every employee can work in good health with peace of mind
- ◆ Declaration of Health (Sep. 2022)
  - Promoting work-life balance
  - Improving health literacy
  - Encouraging regular health checkups and recommending health checkups individually to those who have not undergone secondary health checkups
  - Through prevention of infectious diseases

### ◆ Major health indicators for officers and employees of the Asset Manager

	2020	2021	2022	KPI
Regular health checkup rate	100%	100%	100%	100%
Specific health guidance consultation rate (*1)	100%	None applicable	None applicable	100%
Smoking rate	18%	10%	9%	8%
Exercise habit rate (*2)	29%	19%	20%	30%
Moderate drinking rate (*3)	51%	62%	51%	65%
Percentage of people who get enough sleep	76%	85%	77%	85%

\*1 Specific health guidance consultation rate: Percentage of people who have completed specific health consultation based on the results of health checkups.

\*2 Exercise habit rate: Percentage of people who exercise at least twice a week for 30 minutes or more for one year or more.

\*3 Moderate drinking rate: Percentage of people who drink less than one alcoholic beverage (appropriate amount) per drinking day.

## HR Development of the Asset Manager (FY ended Mar. 2022)

### ◆ Providing healthy work environment

#### < Leave system >

- Childcare leave / granny leave
- Family care leave
- Planned annual paid leave
- Community co-creation leave

#### < Welfare programs >

- Support for official qualification exams
- Cumulative investment unit investment program
- Investment unit ownership program
- Daiwa House Group employee incentive plan
- Emergency support allowance

### ◆ Training for directors and employees

• Number of training sessions	25
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### ◆ Diversity

• Female employees	39%
--------------------	-----

As of Apr. 1, 2021

### ◆ Work-life balance

• Average overtime work	15 hours/month
• Paid leave taken	71%
• Number of employees who took childcare leave / granny leave	3
• Number of employees who took family care leave	9

### ◆ Number of professional credentials (including successful candidates)

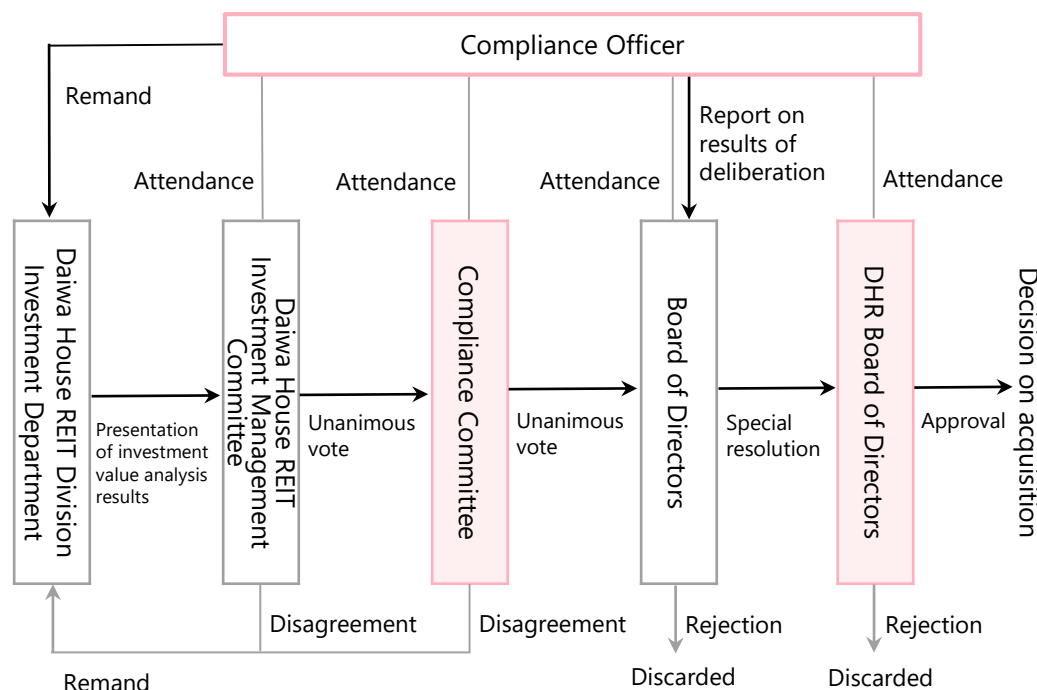
• ARES certified master	28	• Certified building manager	9
• Real estate transaction agent	66	• CASBEE accredited professional for building	2
• Real estate appraiser	2	• CASBEE accredited professional for real estate	3
• First-class architect	2		
• Certified real estate consulting master	7		

Number of officers and employees as of Mar. 31, 2022: 72

# ESG Initiatives (3) Governance Initiatives

## Ensuring Involvement of Third Parties in Decision-Making Flow to Protect Unitholders' Interests

- Flow at the time of the decision to acquire assets from interested parties  
Following the unanimous vote at the compliance committee **including the third-party outside experts**, special resolution by the board of directors of the Asset Manager and approval by the board of directors of DHR **consisting of only third-party members** are required



Attendance at the board of directors meetings of DHR by the executive director and supervisory directors in the period ended Aug. 2022

100%  
(8 out of 8 board meeting)

## Same Boat Investment by Daiwa House

- Investment in DHR units (same boat investment)  
In order to align interests between our unitholders and Daiwa House, Daiwa House intends to continue holding our units

Daiwa House's investment in DHR (% of ownership)	191,200 units (8.2%)
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As of Aug. 31, 2022

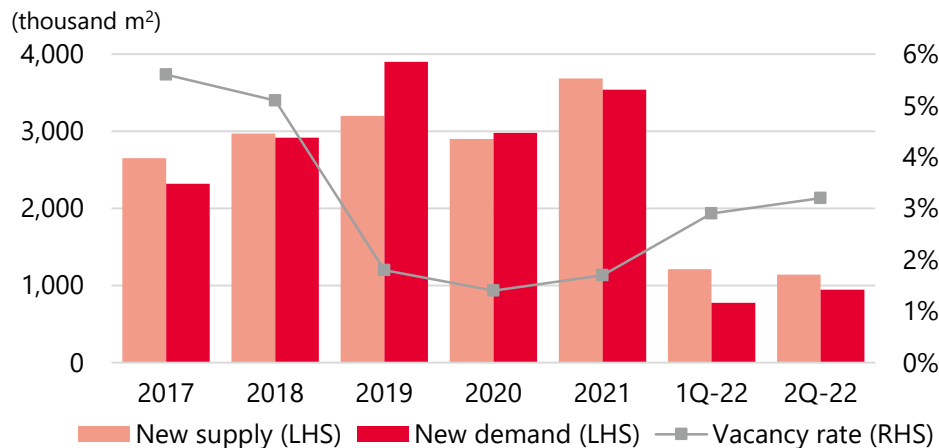
## Introduction of Sustainability Index-linked Fees

- Asset management fee (applied from Mar. 2022)
  - Linked to (1) GHG emissions reduction ratio, (2) GRESB rating, and (3) CDP score
  - For details → Page 31
- Remuneration for Executive Director (applied from Mar. 2022)
  - Linked to (1) GHG emissions reduction ratio, (2) GRESB rating, and (3) CDP score
  - Due to improvement in (3) CDP score, remuneration changed from 400 thousand yen → to 410 thousand yen per month (Feb. 2022 period) (Aug. 2022 period)
  - \* Calculated based on the CDP score obtained as of December 2021 based on the remuneration structure approved in advance at the board of directors of DHR held in Oct. 2021
- Remuneration for Directors of the Asset Manager (applied from Apr. 2022)
  - Linked to (1) GRESB rating, (2) CDP score, and (3) status of compliance with environmental laws

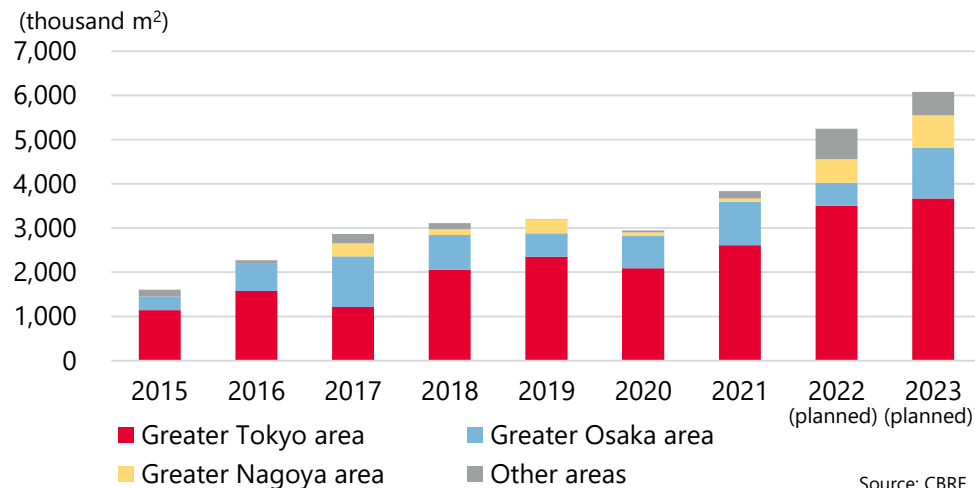


# Market Environment for Logistics Properties

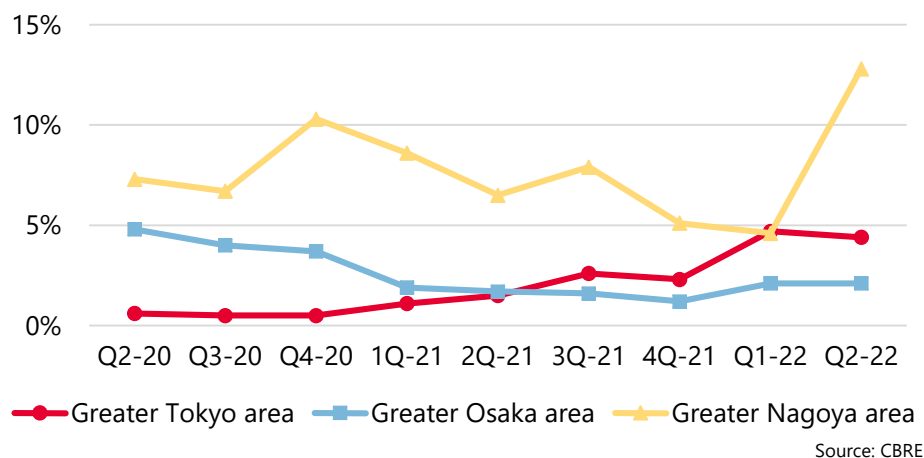
## Supply and Demand of Medium-to Large-scale Logistics Properties in the Three Major Metropolitan Areas



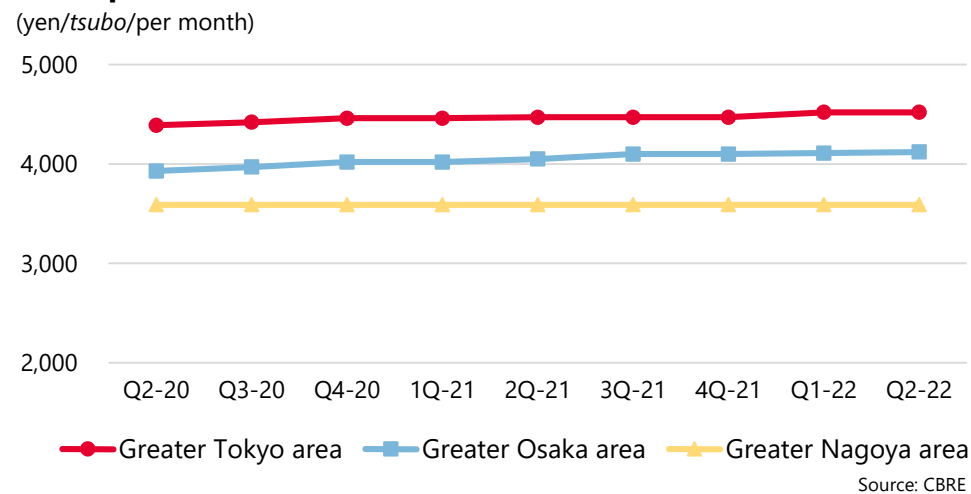
## Development of Medium-to Large-scale Logistics Properties



## Vacancy Rate of Large Multi-Tenant Logistics Properties



## Effective Rent Index of Large Multi-Tenant Logistics Properties

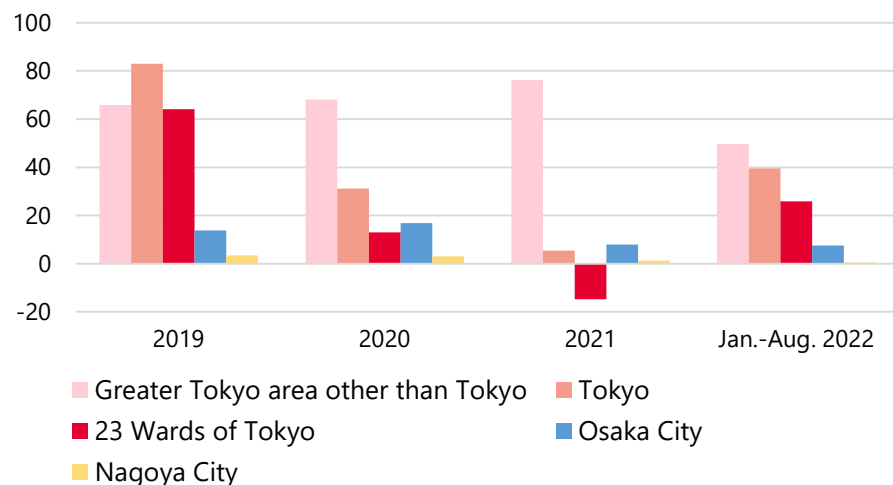




# Market Environment for Residential, Retail and Hotel Properties

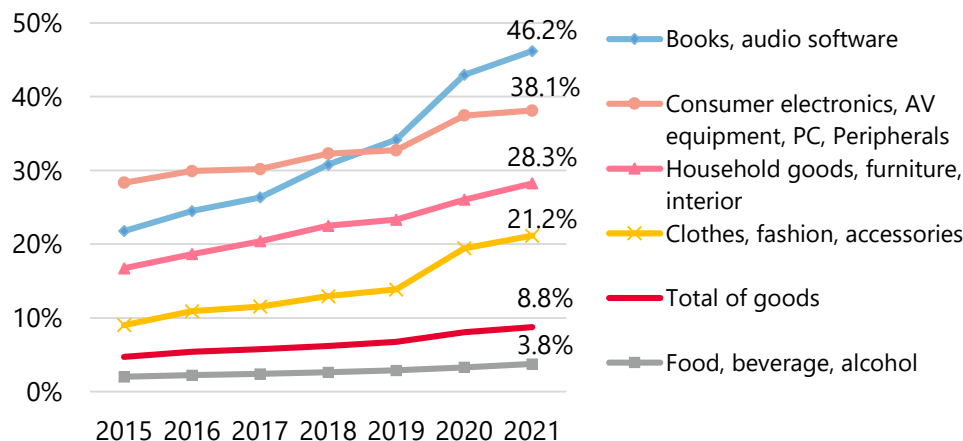
## Net Population Inflow of All Nationalities by Area

(thousand people)



Source: "Report on Internal Migration", Statistics Bureau, Ministry of Internal Affairs and Communications

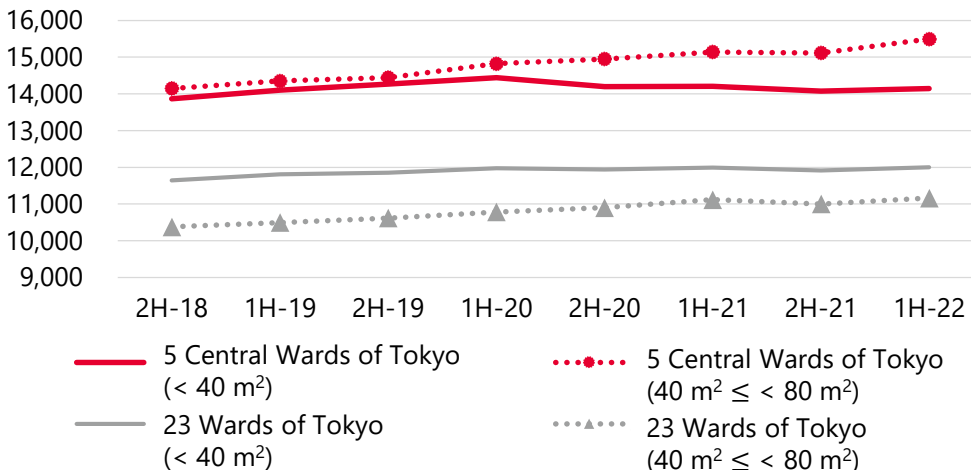
## BtoC E-Commerce Ratio by Category of Goods



Source: "E-Commerce Market Survey", Ministry of Economy, Trade and Industry, or METI

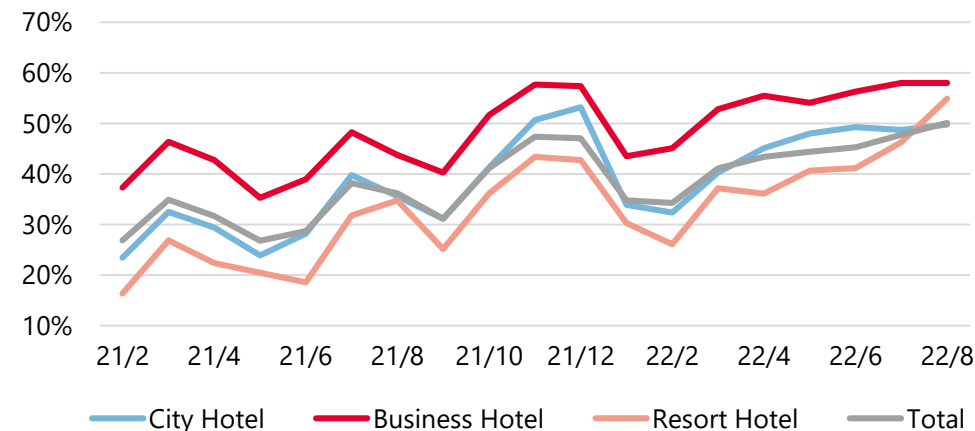
## Rent Per Tsubo for Condominiums in 23 Wards of Tokyo

(yen/tsubo/per month)



Source: Compiled by the Asset Manager from data published by Japan Real Estate Institute in "Housing Market Index".

## Guest Room Occupancy Rate of Accommodation Facilities



Source: "Accommodation Survey", Japan Tourism Agency

# Portfolio List (1)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.0%	50,490.39	100.0%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	1.7%	62,394.17	100.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.4%	14,240.84	100.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.0%	36,515.81	100.0%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	2.9%	72,320.01	100.0%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.3%	11,663.39	100.0%
LB-008	D Project Noda	Noda City, Chiba	6,210	0.7%	29,232.53	100.0%
LB-009	D Project Inuyama	Inuyama City, Aichi	10,790	1.2%	54,197.80	100.0%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	0.7%	11,151.51	100.0%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.1%	9,558.32	100.0%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.4%	17,448.86	100.0%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.5%	24,729.56	100.0%
LB-019	D Project Tosu	Tosu City, Saga	5,740	0.6%	17,858.01	100.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.4%	22,708.72	100.0%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	0.9%	50,490.00	100.0%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.4%	16,150.88	100.0%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.5%	19,872.00	100.0%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.4%	21,628.50	100.0%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.5%	34,710.80	100.0%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	0.9%	26,937.41	100.0%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.6%	26,460.00	100.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	0.9%	47,320.89	100.0%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.6%	29,244.66	100.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	0.7%	21,965.04	100.0%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.2%	39,584.80	100.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	0.8%	26,776.67	100.0%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.2%	23,933.75	100.0%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.1%	4,481.00	100.0%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	0.8%	39,572.32	100.0%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.4%	18,437.60	100.0%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	0.9%	39,441.32	100.0%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.6%	36,113.25	100.0%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.4%	10,965.68	100.0%
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	1,510	0.2%	10,764.05	100.0%
LB-041	D Project Oyama	Oyama City, Tochigi	2,000	0.2%	14,106.91	100.0%
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.2%	15,668.44	100.0%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.3%	13,521.56	100.0%
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	0.7%	39,341.44	100.0%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.4%	19,004.72	100.0%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.2%	13,012.50	100.0%
LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	5,600	0.6%	24,684.47	100.0%
LB-048	D Project Kuki VII	Kuki City, Saitama	1,040	0.1%	3,225.46	100.0%
LB-049	D Project Chibakita	Chiba City, Chiba	7,640	0.9%	24,368.86	100.0%
LB-050	D Project Matsudo II	Matsudo City, Chiba	8,200	0.9%	25,305.82	100.0%
LB-051	D Project Tomisato II	Tomisato City, Chiba	6,900	0.8%	40,870.56	100.0%
LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	3,600	0.4%	22,485.08	100.0%
LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	7,300	0.8%	39,580.46	100.0%
LB-054	D Project Kaminokawa	Kawachi District, Tochigi	7,900	0.9%	52,239.75	100.0%
LB-055	D Project Fuji	Fuji City, Shizuoka	3,600	0.4%	23,795.40	100.0%
LB-056	D Project Tosu III	Tosu City, Saga	9,200	1.0%	65,215.07	100.0%
LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	4,300	0.5%	16,523.82	100.0%
LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	5,700	0.6%	21,402.20	100.0%
LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	7,300	0.8%	26,275.05	100.0%
LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	12,300	1.4%	33,763.46	100.0%
LB-061	D Project Sagamihara	Sagamihara City, Kanagawa	3,900	0.4%	16,599.30	100.0%
LB-062	D Project Kuki VIII	Kuki City, Saitama	6,100	0.7%	29,410.54	100.0%
LB-063	D Project Yokkaichi	Yokkaichi City, Mie	1,490	0.2%	6,185.46	100.0%
LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	4,050	0.5%	24,493.54	100.0%
LB-065	D Project Wako A	Wako City, Saitama	10,750	1.2%	39,258.06	100.0%
LB-066	D Project Hiratsuka	Hiratsuka City, Kanagawa	15,200	1.7%	65,272.52	100.0%
LM-001	DPL Misato	Misato City, Saitama	16,831	1.9%	55,864.47	100.0%
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	13,300	1.5%	73,754.20	100.0%
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	3,510	0.4%	26,672.98	100.0%
LM-004	DPL Nagareyama I	Nagareyama City, Chiba	32,600	3.6%	124,489.93	100.0%
LM-005	DPL Shin-Narashino	Narashino City, Chiba	5,930	0.7%	12,686.32	100.0%
LM-006	DPL Nagareyama III	Nagareyama City, Chiba	32,000	3.6%	106,859.16	100.0%

# Portfolio List (2)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	0.9%	5,230.39	98.8%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.5%	3,492.93	93.0%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.3%	2,707.51	97.6%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.3%	2,226.42	97.3%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.2%	1,621.59	100.0%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.1%	1,458.73	93.1%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.3%	2,969.57	90.3%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.3%	2,400.00	96.7%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.3%	2,094.58	95.7%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.2%	1,917.62	90.5%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.2%	1,817.56	97.1%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%	1,123.80	88.6%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.2%	2,779.77	100.0%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.2%	2,559.21	97.1%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%	1,898.47	95.4%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.1%	1,940.94	98.4%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.1%	1,858.34	98.3%
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.1%	1,444.52	97.7%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%	1,244.54	97.3%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.1%	1,225.26	100.0%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%	811.95	96.2%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%	803.03	91.7%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%	957.60	94.8%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.1%	1,747.90	100.0%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.1%	1,826.80	100.0%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.1%	1,308.38	91.8%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%	2,117.46	100.0%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.1%	1,628.80	96.7%
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	675	0.1%	972.51	93.0%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.3%	3,594.16	100.0%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.1%	1,147.44	93.5%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%	1,105.20	100.0%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%	668.79	100.0%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.0%	681.00	100.0%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.1%	1,567.84	100.0%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%	882.67	100.0%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.3%	3,494.42	95.4%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.3%	4,602.95	98.8%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	0.8%	10,408.26	98.5%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.4%	6,442.28	98.9%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.3%	3,150.80	100.0%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.1%	1,546.34	93.3%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	0.8%	16,849.50	97.4%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.2%	3,077.05	96.4%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.2%	2,339.42	96.9%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%	1,659.71	95.1%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.5%	4,967.97	97.0%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%	863.70	94.3%
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.1%	1,542.30	96.4%
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.2%	1,380.35	92.5%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.2%	1,871.70	95.9%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.1%	1,168.18	95.8%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.1%	1,414.73	95.8%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.1%	1,784.50	94.5%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.1%	1,472.47	97.9%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.1%	1,658.90	92.4%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.3%	3,644.35	97.4%
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.1%	1,624.06	97.3%
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	0.8%	12,732.35	96.6%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%	1,276.91	100.0%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.2%	2,014.12	100.0%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.1%	2,255.88	96.5%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%	1,220.16	100.0%
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	503	0.1%	887.94	100.0%
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	198	0.0%	414.45	82.2%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.1%	1,383.90	100.0%
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.1%	1,425.43	100.0%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%	1,537.84	100.0%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%	1,415.15	100.0%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.3%	4,197.66	97.8%
RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%	1,275.60	97.6%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.2%	2,406.41	99.0%

# Portfolio List (3)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	533	0.1%	857.32	100.0%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.1%	1,613.86	100.0%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.1%	1,472.38	94.3%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.1%	1,362.60	96.9%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.2%	3,038.98	100.0%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.1%	1,785.24	94.0%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.1%	1,994.93	100.0%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.2%	2,421.82	96.2%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	0.8%	18,112.03	100.0%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.2%	2,629.59	96.7%
RE-083	Castalia Oomachi	Shinagawa Ward, Tokyo	1,181	0.1%	1,413.75	96.9%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.2%	2,046.36	98.5%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.2%	2,640.86	93.7%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.2%	3,797.92	98.4%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.3%	2,818.70	96.5%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.4%	3,166.71	97.5%
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,030	0.2%	2,123.77	98.6%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.2%	1,961.52	98.4%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.2%	2,004.80	91.9%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.1%	1,278.52	98.0%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.5%	17,269.74	100.0%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.2%	2,224.41	95.9%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.2%	4,208.83	100.0%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%	1,452.09	100.0%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%	1,552.01	98.9%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%	1,597.32	97.5%
RE-105	Castalia Nogeyama	Yokohama City, Kanagawa	325	0.0%	744.90	93.3%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%	876.89	100.0%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.6%	18,153.57	100.0%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.2%	2,179.80	98.9%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.5%	21,367.93	100.0%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.0%	26,294.49	100.0%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.2%	3,009.74	100.0%
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	1,060	0.1%	3,808.97	100.0%

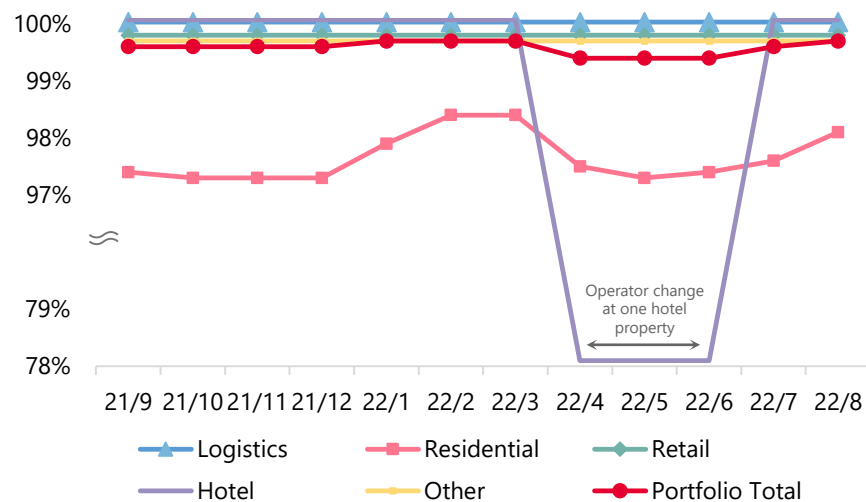
Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.2%	3,471.39	95.9%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%	3,279.90	99.1%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.5%	10,920.75	100.0%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.1%	2,836.00	96.3%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.1%	3,061.60	98.0%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.4%	8,747.40	98.6%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.1%	3,071.60	94.8%
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%	1,684.10	100.0%
RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.1%	2,800.32	100.0%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%	2,149.08	94.4%
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.2%	5,415.39	100.0%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.3%	6,230.20	95.6%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.3%	7,022.69	92.9%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%	1,822.10	95.6%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.1%	2,784.83	100.0%
RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.1%	2,828.39	92.1%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.1%	4,471.11	97.6%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.3%	10,354.15	100.0%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.2%	5,086.69	100.0%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.1%	2,035.37	96.3%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.2%	2,897.06	98.1%
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.2%	6,828.78	100.0%
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	1,800	0.2%	4,425.46	100.0%
RE-144	Castalia Sumiyoshi II	Koto Ward, Tokyo	1,420	0.2%	1,687.89	93.8%
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	0.9%	41,742.84	100.0%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.5%	16,385.56	94.3%
RM-003	QIZ GATE URAWA	Saitama City, Saitama	4,270	0.5%	9,720.49	100.0%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.3%	9,277.08	100.0%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.4%	24,018.00	100.0%
RM-006	DREAM TOWN ALI	Aomori City, Aomori	8,100	0.9%	22,196.81	99.7%
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	1,600	0.2%	11,207.90	100.0%
RM-008	FOLEO Ome Imai	Ome City, Tokyo	3,800	0.4%	8,637.91	100.0%
RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	8,100	0.9%	62,917.73	100.0%
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	3,200	0.4%	23,230.77	100.0%

# Portfolio List (4)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RM-011	ACROSSMALL Semboku (Land)	Sakai City, Osaka	3,250	0.4%	30,824.72	100.0%
RM-012	iias Tsukuba	Tsukuba City, Ibaraki	34,120	3.8%	138,900.39	100.0%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.2%	2,973.44	100.0%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	0.8%	19,845.72	100.0%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.3%	31,981.70	100.0%
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.2%	8,899.89	100.0%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	0.6%	28,002.92	100.0%
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	4,500	0.5%	6,669.74	100.0%
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	750	0.1%	1,066.95	100.0%
RR-008	FOLEO Shobu	Kuki City, Saitama	5,000	0.6%	19,104.17	100.0%
RR-009	Hapias Kaita (Land)	Aki District, Hiroshima	1,400	0.2%	13,415.52	100.0%
RU-001	COMBOX310	Mito City, Ibaraki	4,480	0.5%	30,517.69	100.0%
RU-002	Sports Plaza Ibaraki	Ibaraki City, Osaka	2,689	0.3%	9,470.27	100.0%
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	4,800	0.5%	7,932.37	100.0%
HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	1,470	0.2%	2,637.18	100.0%
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	4,500	0.5%	7,605.41	100.0%
HO-004	AMANEK Kanazawa	Kanazawa City, Ishikawa	5,200	0.6%	7,011.58	100.0%
HO-005	Candeo Hotels Nagasaki Shinchi Chinatown	Nagasaki City, Nagasaki	3,140	0.4%	6,770.65	100.0%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.1%	4,177.52	100.0%
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	1,100	0.1%	3,901.14	100.0%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	0.8%	13,480.00	100.0%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.2%	3,064.89	100.0%
OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	1,380	0.2%	1,345.60	100.0%
OT-006	GRANODE Hiroshima	Hiroshima City, Hiroshima	28,800	3.2%	29,924.46	99.5%

Asset class	Number of properties	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
Logistics Properties	66 properties	470,121	52.5%	2,095,298.05	100.0%
Residential Properties	130 properties	241,043	26.9%	446,435.62	98.1%
Retail Properties	23 properties	123,219	13.8%	571,008.21	99.8%
Hotel Properties	5 properties	19,110	2.1%	31,957.19	100.0%
Other Assets	6 properties	41,660	4.7%	55,893.61	99.7%
Portfolio Total	230 properties	895,153	100.0%	3,200,592.68	99.7%

## Monthly Occupancy Rate



# Appraisal Value Comparison (1)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	CR
LB-001	D Project Machida	9,200	9,144	1,655	10,600	10,800	200	4.0	3.9/4.0	4.2	3.9	3.8/3.9	4.1	-0.1	-0.1	-0.1	
LB-002	D Project Hachioji	15,400	14,711	3,288	17,900	18,000	100	4.0	4.0	4.2	3.9	3.9	4.1	-0.1	-0.1	-0.1	
LB-003	D Project Aikawa-Machi	3,390	3,634	1,045	4,680	4,680	0	4.3	4.3/4.5	4.5	4.3	4.3/4.5	4.5	0.0	0.0	0.0	
LB-005	D Project Urayasu I	9,280	9,124	1,275	10,100	10,400	300	3.8	3.9	4.0	3.7	3.8	3.9	-0.1	-0.1	-0.1	
LB-006	D Project Urayasu II	26,000	25,259	3,740	28,300	29,000	700	3.8	3.8/3.9	4.0	3.7	3.7/3.8	3.9	-0.1	-0.1	-0.1	
LB-007	D Project Akanehama	2,950	2,914	325	3,180	3,240	60	4.2	4.3	4.4	4.1	4.2	4.3	-0.1	-0.1	-0.1	
LB-008	D Project Noda	6,210	6,050	1,019	6,940	7,070	130	4.3	4.2/4.3	4.5	4.2	4.1/4.2	4.4	-0.1	-0.1	-0.1	
LB-009	D Project Inuyama	10,790	10,157	2,632	12,540	12,790	250	4.4	4.3/4.4	4.6	4.3	4.2/4.3	4.5	-0.1	-0.1	-0.1	
LB-011	D Project Neyagawa	5,980	5,688	1,211	6,770	6,900	130	4.2	4.2/4.3	4.4	4.1	4.1/4.2	4.3	-0.1	-0.1	-0.1	
LB-013	D Project Morioka	1,200	1,176	33	1,210	1,210	0	6.0	5.9	6.2	6.0	5.9	6.2	0.0	0.0	0.0	
LB-015	D Project Tsuchiura	3,390	3,107	652	3,700	3,760	60	4.9	4.8/4.9	5.1	4.8	4.7/4.8	5.0	-0.1	-0.1	-0.1	
LB-018	D Project Fukuoka Umi	4,240	4,012	1,317	5,210	5,330	120	4.6	4.3/4.5	4.8	4.5	4.2/4.4	4.7	-0.1	-0.1	-0.1	
LB-019	D Project Tosu	5,740	5,210	1,409	6,440	6,620	180	4.7	4.7/4.8	4.9	4.6	4.6/4.7	4.8	-0.1	-0.1	-0.1	
LB-020	D Project Kuki I	3,900	3,661	1,118	4,670	4,780	110	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-021	D Project Kuki II	8,120	7,483	2,196	9,460	9,680	220	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-022	D Project Kawagoe I	3,530	3,335	894	4,130	4,230	100	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-023	D Project Kawagoe II	4,850	4,593	1,286	5,750	5,880	130	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-024	DPL Inuyama	3,940	3,677	932	4,510	4,610	100	4.4	4.3/4.4	4.6	4.3	4.2/4.3	4.5	-0.1	-0.1	-0.1	
LB-025	D Project Fukuoka Hakozaki	4,340	4,095	904	4,920	5,000	80	4.3	4.2	4.5	4.2	4.1/4.3	4.4	-0.1	-0.1	-0.1	
LB-026	D Project Kuki III	7,630	7,091	2,138	9,040	9,230	190	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-027	D Project Kuki IV	5,520	5,128	1,471	6,470	6,600	130	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-028	D Project Kuki V	8,280	7,735	3,764	11,100	11,500	400	4.3	4.3/4.4	4.5	4.2	4.1/4.3	4.4	-0.1	-0.1	-0.1	
LB-029	D Project Kuki VI	5,140	4,750	1,349	5,960	6,100	140	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1	
LB-030	D Project Yashio	6,400	6,210	999	7,050	7,210	160	4.2	3.7	4.5	4.1	3.6	4.4	-0.1	-0.1	-0.1	
LB-031	D Project Nishiyodogawa	10,300	9,569	2,830	12,100	12,400	300	4.4	4.1	4.6	4.3	4.0	4.5	-0.1	-0.1	-0.1	
LB-032	D Project Matsudo	7,370	7,004	1,475	8,280	8,480	200	4.1	3.8	4.2	4.0	3.7	4.1	-0.1	-0.1	-0.1	
LB-033	D Project Hibiki Nada	2,080	1,915	314	2,200	2,230	30	5.4	5.3/5.5	5.6	5.3	5.2/5.4	5.5	-0.1	-0.1	-0.1	
LB-034	D Project Morioka II	1,280	1,189	130	1,320	1,320	0	6.0	5.7/5.8/ 5.9	6.2	6.0	5.7/5.8/ 5.9	6.2	0.0	0.0	0.0	
LB-035	D Project Kawagoe III	7,200	6,766	1,803	8,370	8,570	200	4.2	4.2/4.3	4.4	4.1	4.1/4.2	4.3	-0.1	-0.1	-0.1	
LB-036	D Project Kazo	3,300	3,150	769	3,830	3,920	90	4.5	4.5/4.6	4.7	4.4	4.4/4.5	4.6	-0.1	-0.1	-0.1	
LB-037	D Project Urayasu III	8,500	8,390	1,709	9,960	10,100	140	3.8	3.7/3.9	4.0	3.7	3.6/3.8	3.9	-0.1	-0.1	-0.1	
LB-038	D Project Tomisato	5,000	4,632	1,087	5,600	5,720	120	4.5	4.5/4.6	4.7	4.4	4.4/4.5	4.6	-0.1	-0.1	-0.1	



# Appraisal Value Comparison (2)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
LB-039	D Project Kyotanabe	3,520	3,353	716	4,010	4,070	60	5.1	4.7	5.4	5.0	4.6	5.3	-0.1	-0.1	-0.1	
LB-040	D Project Sendai Izumi	1,510	1,402	287	1,650	1,690	40	5.0	4.7	5.2	4.9	4.6	5.1	-0.1	-0.1	-0.1	
LB-041	D Project Oyama	2,000	1,866	253	2,080	2,120	40	5.3	5.4	5.5	5.2	5.3	5.4	-0.1	-0.1	-0.1	
LB-042	D Project Sano	1,780	1,636	283	1,880	1,920	40	5.3	5.3/5.4	5.5	5.2	5.2/5.3	5.4	-0.1	-0.1	-0.1	
LB-043	D Project Tatebayashi	3,100	2,878	521	3,330	3,400	70	5.3	5.3/5.4	5.5	5.2	5.2/5.3	5.4	-0.1	-0.1	-0.1	
LB-044	D Project Kakegawa	6,000	5,640	729	6,260	6,370	110	5.5	5.3	5.7	5.4	5.2	5.6	-0.1	-0.1	-0.1	
LB-045	D Project Hiroshima Seifu	3,820	3,591	748	4,260	4,340	80	5.1	4.6	5.5	5.0	4.5	5.4	-0.1	-0.1	-0.1	
LB-046	D Project Tosu II	1,700	1,568	481	2,010	2,050	40	4.7	4.7/4.8	4.9	4.6	4.6/4.7	4.8	-0.1	-0.1	-0.1	
LB-047	D Project Kawagoe IV	5,600	5,402	887	6,400	6,290	-110	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	
LB-048	D Project Kuki VII	1,040	1,016	233	1,230	1,250	20	4.4	4.4/4.5	4.6	4.3	4.3/4.4	4.5	-0.1	-0.1	-0.1	
LB-049	D Project Chibakita	7,640	7,398	1,491	8,890	8,890	0	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0	
LB-050	D Project Matsudo II	8,200	7,884	1,435	9,110	9,320	210	4.1	3.8	4.2	4.0	3.7	4.1	-0.1	-0.1	-0.1	
LB-051	D Project Tomisato II	6,900	6,527	1,182	7,540	7,710	170	4.5	4.5/4.6	4.7	4.4	4.4/4.5	4.6	-0.1	-0.1	-0.1	
LB-052	D Project Osaka Hirabayashi	3,600	3,486	803	4,320	4,290	-30	4.6	4.4/4.5/4.8	-	4.6	4.4/4.5/4.8	-	0.0	0.0	-	
LB-053	D Project Sendai Izumi II	7,300	6,834	1,175	7,990	8,010	20	4.9	4.7	5.1	4.9	4.7	5.0	0.0	0.0	-0.1	
LB-054	D Project Kaminokawa	7,900	7,487	-917	8,210	6,570	-1,640	5.4	5.5	5.6	5.4	5.5	5.6	0.0	0.0	0.0	
LB-055	D Project Fuji	3,600	3,388	391	3,710	3,780	70	5.5	5.3	5.8	5.4	5.2	5.7	-0.1	-0.1	-0.1	
LB-056	D Project Tosu III	9,200	8,671	1,528	10,000	10,200	200	4.8	4.7/4.9	5.0	4.7	4.6/4.8	4.9	-0.1	-0.1	-0.1	
LB-057	D Project Kitahachioji I	4,300	4,211	578	4,780	4,790	10	4.2	3.8	4.4	4.1	3.7	4.3	-0.1	-0.1	-0.1	
LB-058	D Project Kitahachioji II	5,700	5,594	845	6,300	6,440	140	4.2	3.9	4.4	4.1	3.8	4.3	-0.1	-0.1	-0.1	
LB-059	D Project Kitahachioji III	7,300	7,161	1,158	8,120	8,320	200	4.2	3.8	4.4	4.1	3.7	4.3	-0.1	-0.1	-0.1	
LB-060	D Project Itabashi Shingashi	12,300	12,314	1,685	13,600	14,000	400	3.9	3.9	4.1	3.8	3.8	4.0	-0.1	-0.1	-0.1	
LB-061	D Project Sagamihara	3,900	3,782	607	4,280	4,390	110	4.0	4.0	4.2	3.9	3.9	4.1	-0.1	-0.1	-0.1	
LB-062	D Project Kuki VIII	6,100	5,900	899	6,650	6,800	150	4.3	4.2	4.5	4.2	4.1	4.4	-0.1	-0.1	-0.1	
LB-063	D Project Yokkaichi	1,490	1,449	140	1,560	1,590	30	5.1	5.0/5.1	5.3	5.0	4.9/5.0	5.2	-0.1	-0.1	-0.1	
LB-064	D Project Ibaraki Ishioka	4,050	3,906	473	4,290	4,380	90	4.9	4.9	5.1	4.8	4.8	5.0	-0.1	-0.1	-0.1	
LB-065	D Project Wako A	10,750	10,723	1,076	11,500	11,800	300	3.7	3.4	4.0	3.6	3.3	3.9	-0.1	-0.1	-0.1	
LB-066	D Project Hiratsuka	15,200	15,130	669	15,700	15,800	100	4.2	4.2/4.3	4.4	4.1	4.0/4.2	4.3	-0.1	-0.1	-0.1	
LM-001	DPL Misato	16,831	16,225	3,474	19,400	19,700	300	3.8	3.8/3.9	4.0	3.7	3.7/3.8	3.9	-0.1	-0.1	-0.1	
LM-002	DPL Fukuoka Kaseya	13,300	12,754	3,545	15,200	16,300	1,100	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	
LM-003	DPL Kitakyushu	3,510	3,289	540	3,760	3,830	70	5.2	5.1/5.2/5.3	5.4	5.1	5.0/5.1/5.2	5.3	-0.1	-0.1	-0.1	
LM-004	DPL Nagareyama I	32,600	32,089	3,810	35,000	35,900	900	4.0	4.0/4.1	4.2	3.9	3.9/4.0	4.1	-0.1	-0.1	-0.1	

# Appraisal Value Comparison (3)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
LM-005	DPL Shin-Narashino	5,930	5,893	676	6,280	6,570	290	4.7	4.1	5.2	4.6	4.0	5.1	-0.1	-0.1	-0.1	
LM-006	DPL Nagareyama III	32,000	31,877	2,922	33,800	34,800	1,000	4.1	4.0/4.2	4.3	4.0	3.9/4.1	4.2	-0.1	-0.1	-0.1	
Logistics Properties Total		470,121	452,916	82,123	525,390	535,040	9,650	-	-	-	-	-	-	-	-	-	
RE-001	Qiz Ebisu	7,650	7,342	3,057	10,100	10,400	300	3.4	3.6	3.6	3.3	3.5	3.5	-0.1	-0.1	-0.1	
RE-002	Castalia Azabujuban Shichimenzaka	4,500	4,088	841	4,820	4,930	110	3.7	3.5	3.9	3.6	3.4	3.8	-0.1	-0.1	-0.1	
RE-003	Castalia Shibakoen	2,630	2,370	369	2,580	2,740	160	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1	
RE-004	Castalia Ginza	2,520	2,259	400	2,620	2,660	40	3.7	3.7	3.9	3.6	3.6	3.8	-0.1	-0.1	-0.1	
RE-005	Castalia Hiroo	2,220	2,018	241	2,200	2,260	60	3.5	3.6	3.7	3.4	3.5	3.6	-0.1	-0.1	-0.1	
RE-006	Castalia Nihonbashi	1,200	1,059	290	1,320	1,350	30	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-007	Castalia Hacchobori	2,300	2,057	602	2,560	2,660	100	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-008	Castalia Azabujuban	2,910	2,757	322	3,010	3,080	70	3.7	3.5	3.9	3.6	3.4	3.8	-0.1	-0.1	-0.1	
RE-009	Castalia Azabujuban II	2,690	2,492	327	2,770	2,820	50	3.6	3.4	3.8	3.5	3.3	3.7	-0.1	-0.1	-0.1	
RE-010	Castalia Shinjuku Natsumezaka	1,865	1,758	31	1,770	1,790	20	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	
RE-011	Castalia Ginza II	1,800	1,609	430	1,980	2,040	60	3.7	3.7	3.9	3.6	3.6	3.8	-0.1	-0.1	-0.1	
RE-012	Castalia Shibuya Sakuragaoka	1,400	1,339	60	1,370	1,400	30	3.5	3.7	3.7	3.4	3.6	3.6	-0.1	-0.1	-0.1	
RE-013	Castalia Nishi Azabu Kasumicho	2,143	2,291	518	2,700	2,810	110	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1	
RE-014	Castalia Ochanomizu	1,770	1,649	930	2,560	2,580	20	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
RE-015	Castalia Sangubashi	1,393	1,446	463	1,830	1,910	80	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	
RE-016	Castalia Suitengu	1,279	1,163	556	1,670	1,720	50	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-017	Castalia Suitengu II	1,138	1,047	482	1,480	1,530	50	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1	
RE-018	Castalia Shintomicho	932	869	360	1,230	1,230	0	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-019	Castalia Shintomicho II	825	785	304	1,090	1,090	0	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-020	Castalia Harajuku	887	858	341	1,170	1,200	30	3.5	3.3	3.6	3.4	3.2	3.5	-0.1	-0.1	-0.1	
RE-021	Castalia Yoyogi Uehara	608	636	226	839	863	24	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	
RE-022	Castalia Sendagaya	555	552	210	743	763	20	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	
RE-023	Castalia Shinjuku 7 chome	464	429	195	611	625	14	3.9	3.7	4.0	3.8	3.6	3.9	-0.1	-0.1	-0.1	
RE-024	Castalia Ningyocho	947	855	754	1,570	1,610	40	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	
RE-025	Castalia Ningyocho II	1,070	949	780	1,680	1,730	50	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	
RE-026	Castalia Shin-Ochanomizu	914	825	464	1,250	1,290	40	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	
RE-027	Castalia Higashi Nihonbashi II	1,370	1,233	776	1,960	2,010	50	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	
RE-028	Castalia Jinbocho	1,160	1,076	643	1,680	1,720	40	3.6	3.4	3.7	3.5	3.3	3.6	-0.1	-0.1	-0.1	



# Appraisal Value Comparison (4)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-029	Castalia Shintomicho III	675	589	319	887	909	22	3.7	3.4	3.9	3.6	3.3	3.8	-0.1	-0.1	-0.1	
RE-030	Castalia Shinjuku Gyoen	2,720	2,519	1,120	3,670	3,640	-30	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	
RE-031	Castalia Takanawadai	860	818	451	1,220	1,270	50	3.5	3.3	3.6	3.5	3.3	3.6	0.0	0.0	0.0	
RE-032	Castalia Higashi Nihonbashi III	666	604	309	913	914	1	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0	
RE-033	Castalia Shinjuku Gyoen II	486	451	162	610	614	4	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	
RE-034	Castalia Shintomicho IV	400	386	180	569	567	-2	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0	
RE-035	Castalia Takanawadai II	1,190	1,128	551	1,630	1,680	50	3.5	3.3	3.6	3.4	3.2	3.5	-0.1	-0.1	-0.1	
RE-036	Castalia Minami Azabu	642	616	282	874	899	25	3.4	3.2	3.5	3.3	3.1	3.4	-0.1	-0.1	-0.1	
RE-037	Castalia Ginza III	2,880	2,706	823	3,430	3,530	100	3.7	3.7	3.9	3.6	3.6	3.8	-0.1	-0.1	-0.1	
RE-038	Castalia Kayabacho	2,707	2,498	1,341	3,690	3,840	150	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-039	Castalia Takanawa	7,430	7,279	2,920	9,750	10,200	450	3.6	3.9	3.8	3.5	3.8	3.7	-0.1	-0.1	-0.1	
RE-040	Castalia Higashi Nihonbashi	3,520	3,200	1,409	4,530	4,610	80	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	
RE-041	Castalia Shinjuku	2,950	2,764	1,135	3,800	3,900	100	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	
RE-042	Castalia Ichigaya	940	843	666	1,480	1,510	30	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	
RE-043	Shibaura Island Bloom Tower	7,580	6,082	3,797	9,680	9,880	200	-	3.3	5.5	-	3.2	5.4	-	-0.1	-0.1	
RE-044	Castalia Hatsudai	2,030	1,934	695	2,630	2,630	0	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0	
RE-045	Castalia Hatsudai II	1,900	1,818	611	2,370	2,430	60	3.5	3.3	3.7	3.4	3.2	3.6	-0.1	-0.1	-0.1	
RE-046	Castalia Ebisu	1,420	1,363	476	1,790	1,840	50	3.4	3.2	3.6	3.3	3.1	3.5	-0.1	-0.1	-0.1	
RE-047	Castalia Meguro Kamurozaka	4,500	3,950	1,149	5,100	5,100	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0	
RE-048	Castalia Toritsudaigaku	648	560	-7	552	553	1	4.6	4.4	4.9	4.5	4.3	4.8	-0.1	-0.1	-0.1	
RE-049	Castalia Yukigaya	1,110	966	323	1,260	1,290	30	3.8	3.9	4.0	3.7	3.8	3.9	-0.1	-0.1	-0.1	
RE-050	Castalia Yutenji	1,450	1,300	179	1,450	1,480	30	3.7	3.5	3.9	3.6	3.4	3.8	-0.1	-0.1	-0.1	
RE-051	Castalia Otsuka	1,480	1,323	456	1,770	1,780	10	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	
RE-052	Castalia Kikukawa	817	714	248	927	963	36	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1	
RE-053	Castalia Meguro	844	858	481	1,300	1,340	40	3.7	3.4	3.8	3.6	3.3	3.7	-0.1	-0.1	-0.1	
RE-054	Castalia Otsuka II	1,040	941	608	1,510	1,550	40	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
RE-055	Castalia Jiyugaoka	1,200	1,162	517	1,630	1,680	50	3.5	3.3	3.6	3.4	3.2	3.5	-0.1	-0.1	-0.1	
RE-056	Castalia Mejiro	988	923	316	1,220	1,240	20	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	
RE-057	Castalia Ikebukuro	2,570	2,365	874	3,240	3,240	0	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0	
RE-058	Castalia Kaname-cho	1,140	1,065	384	1,410	1,450	40	3.8	4.0	4.0	3.7	3.9	3.9	-0.1	-0.1	-0.1	
RE-059	Castalia Tower Shinagawa Seaside	7,380	6,664	3,535	10,000	10,200	200	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1	
RE-060	Castalia Yakumo	857	811	131	920	943	23	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	

# Appraisal Value Comparison (5)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-061	Castalia Togoshiekimae	1,560	1,417	982	2,340	2,400	60	3.9	3.7	4.0	3.8	3.6	3.9	-0.1	-0.1	-0.1	
RE-062	Castalia Honjo Azumabashi	996	938	431	1,370	1,370	0	4.0	4.1	4.2	3.9	4.0	4.1	-0.1	-0.1	-0.1	
RE-063	Castalia Kitazawa	742	728	231	935	960	25	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
RE-064	Castalia Monzennakacho	503	452	242	679	695	16	4.0	4.1	4.2	3.9	4.0	4.1	-0.1	-0.1	-0.1	
RE-065	Castalia Kamiikedai	198	173	71	240	245	5	4.4	4.0	4.5	4.3	3.9	4.4	-0.1	-0.1	-0.1	
RE-066	Castalia Morishita	832	760	459	1,190	1,220	30	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
RE-067	Castalia Wakabayashikoen	776	756	220	959	977	18	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0	
RE-068	Castalia Asakusabashi	792	712	367	1,070	1,080	10	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	
RE-069	Castalia Iriya	546	498	238	732	737	5	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	
RE-070	Castalia Kita Ueno	2,641	2,367	1,072	3,250	3,440	190	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1	
RE-071	Castalia Morishita II	686	582	378	939	961	22	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1	
RE-072	Castalia Minowa	1,430	1,277	522	1,760	1,800	40	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1	
RE-073	Castalia Oyamadai	533	504	169	656	674	18	3.8	3.9	4.0	3.7	3.8	3.9	-0.1	-0.1	-0.1	
RE-074	Castalia Nakano	1,060	964	485	1,410	1,450	40	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
RE-075	Castalia Yoga	923	849	430	1,240	1,280	40	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	
RE-076	Castalia Sumiyoshi	948	829	330	1,140	1,160	20	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1	
RE-077	Castalia Monzennakacho II	2,160	1,896	1,233	3,050	3,130	80	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
RE-078	Castalia Oshiage	1,100	932	387	1,300	1,320	20	4.0	4.3/4.1	4.2	3.9	4.2/4.0	4.1	-0.1	-0.1	-0.1	
RE-079	Castalia Kuramae	1,260	1,084	615	1,660	1,700	40	3.9	4.1/4.0	4.1	3.8	4.0/3.9	4.0	-0.1	-0.1	-0.1	
RE-080	Castalia Nakanobu	1,790	1,610	1,029	2,580	2,640	60	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	
RE-081	Royal Parks Toyosu	7,360	5,429	5,770	11,000	11,200	200	4.2	3.9	4.5	4.1	3.8	4.4	-0.1	-0.1	-0.1	
RE-082	Castalia Togoshi	1,770	1,496	1,123	2,580	2,620	40	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	
RE-083	Castalia Ooimachi	1,181	1,092	657	1,710	1,750	40	3.5	3.3	3.7	3.4	3.2	3.6	-0.1	-0.1	-0.1	
RE-084	Castalia Omori	1,500	1,374	595	1,930	1,970	40	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	
RE-085	Castalia Mishuku	1,900	1,744	845	2,550	2,590	40	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	
RE-086	Castalia Arakawa	1,660	1,487	962	2,400	2,450	50	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	
RE-087	Castalia Omori II	2,370	2,238	1,021	3,160	3,260	100	3.6	3.4	3.8	3.5	3.3	3.7	-0.1	-0.1	-0.1	
RE-088	Castalia Nakameguro	3,800	3,707	1,442	5,000	5,150	150	3.4	3.2	3.6	3.3	3.1	3.5	-0.1	-0.1	-0.1	
RE-089	Castalia Meguro Chojyamaru	2,030	1,970	779	2,680	2,750	70	3.4	3.2	3.6	3.3	3.1	3.5	-0.1	-0.1	-0.1	
RE-090	Castalia Meguro Takaban	1,750	1,711	468	2,120	2,180	60	3.7	3.5	3.9	3.6	3.4	3.8	-0.1	-0.1	-0.1	
RE-091	Castalia Omori III	1,520	1,422	527	1,900	1,950	50	3.6	3.4	3.8	3.5	3.3	3.7	-0.1	-0.1	-0.1	
RE-093	Castalia Meguro Tairamachi	1,165	1,167	302	1,430	1,470	40	3.4	3.2	3.6	3.3	3.1	3.5	-0.1	-0.1	-0.1	

# Appraisal Value Comparison (6)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-094	Royal Parks SEASIR	4,350	3,722	1,497	5,190	5,220	30	4.9	4.7/5.1	-	4.8	4.6/5.0	-	-0.1	-0.1	-	
RE-095	Castalia Honkomagome	1,520	1,456	553	1,970	2,010	40	3.7	3.5	3.9	3.6	3.4	3.8	-0.1	-0.1	-0.1	
RE-096	Cosmo Heim Musashikosugi	1,674	1,641	678	2,280	2,320	40	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	
RE-097	Castalia Tsurumi	666	587	249	816	837	21	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	
RE-098	Castalia Funabashi	704	654	221	859	876	17	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	
RE-099	Castalia Nishi Funabashi	783	710	339	1,030	1,050	20	4.7	4.5	4.8	4.6	4.4	4.7	-0.1	-0.1	-0.1	
RE-105	Castalia Nogeyama	325	300	96	389	397	8	4.6	4.4	4.7	4.5	4.3	4.6	-0.1	-0.1	-0.1	
RE-106	Castalia Ichikawa	461	401	243	599	645	46	4.5	4.4	4.7	4.4	4.3	4.6	-0.1	-0.1	-0.1	
RE-107	Royal Parks Hanakoganei	5,300	4,452	2,367	6,860	6,820	-40	4.6	4.4/4.8	-	4.6	4.4/4.8	-	0.0	0.0	-	
RE-108	Castalia Musashikosugi	1,680	1,588	481	2,020	2,070	50	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	
RE-109	Royal Parks Wakabadai	4,360	3,402	1,427	4,900	4,830	-70	4.8	4.6/5.0	-	4.8	4.6/5.0	-	0.0	0.0	-	
RE-110	Pacific Royal Court Minatomirai Urban Tower	9,100	7,263	4,536	11,700	11,800	100	4.4	4.2/4.6	-	4.3	4.1/4.5	-	-0.1	-0.1	-	
RE-111	L-Place Shinkoyasu	1,720	1,577	772	2,300	2,350	50	4.3	4.1	4.4	4.2	4.0	4.3	-0.1	-0.1	-0.1	
RE-112	Royal Parks Musashikosugi	1,060	885	494	1,370	1,380	10	4.4	4.2/4.6	-	4.3	4.1/4.5	-	-0.1	-0.1	-	
RE-116	Castalia Sakaisuji Honmachi	1,490	1,290	759	1,980	2,050	70	4.1	4.2	4.3	4.0	4.1	4.2	-0.1	-0.1	-0.1	
RE-117	Castalia Shin-Umeda	1,376	1,208	671	1,790	1,880	90	4.2	4.3	4.4	4.1	4.2	4.3	-0.1	-0.1	-0.1	
RE-118	Castalia Abeno	4,368	4,019	2,400	6,000	6,420	420	4.1	4.2	4.3	4.0	4.1	4.2	-0.1	-0.1	-0.1	
RE-119	Castalia Sakae	1,010	886	453	1,330	1,340	10	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	
RE-123	Castalia Higashi Hie	960	837	342	1,160	1,180	20	4.4	4.6	4.6	4.3	4.5	4.5	-0.1	-0.1	-0.1	
RE-124	Castalia Tower Nagahoribashi	3,400	2,798	2,231	5,000	5,030	30	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	
RE-125	Castalia Sannomiya	1,230	1,052	577	1,630	1,630	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	
RE-126	Castalia Kotodaikoen	481	385	209	596	595	-1	4.8	4.8	5.0	4.8	4.8	5.0	0.0	0.0	0.0	
RE-127	Castalia Ichibancho	783	658	326	985	985	0	4.8	4.8	5.0	4.8	4.8	5.0	0.0	0.0	0.0	
RE-128	Castalia Omachi	656	570	289	860	860	0	4.8	4.8	5.0	4.8	4.8	5.0	0.0	0.0	0.0	
RE-129	Castalia Uemachidai	2,190	1,971	1,028	3,000	3,000	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	
RE-130	Castalia Tower Higobashi	2,670	2,282	1,587	3,800	3,870	70	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	
RE-132	Castalia Fushimi	2,260	1,839	1,410	3,240	3,250	10	4.2	4.0	4.3	4.1	3.9	4.2	-0.1	-0.1	-0.1	
RE-133	Castalia Meieki Minami	720	621	388	999	1,010	11	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	
RE-134	Castalia Yakuin	930	845	454	1,270	1,300	30	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	
RE-135	Castalia Mibu	1,193	1,020	639	1,620	1,660	40	4.2	4.0	4.3	4.1	3.9	4.2	-0.1	-0.1	-0.1	
RE-136	Castalia Tsutsujigaoka	1,208	1,094	825	1,880	1,920	40	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	
RE-138	Royal Parks Namba	2,830	2,391	588	3,000	2,980	-20	5.0	4.9/5.3	-	5.0	4.9/5.3	-	0.0	0.0	-	

# Appraisal Value Comparison (7)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-139	Castalia Shigahondori	1,730	1,473	896	2,320	2,370	50	4.4	4.2	4.5	4.3	4.1	4.4	-0.1	-0.1	-0.1	
RE-140	Castalia Kyoto Nishioji	973	951	178	1,120	1,130	10	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	
RE-141	Castalia Ningyocho III	2,000	1,918	1,101	2,930	3,020	90	3.5	3.3	3.6	3.4	3.2	3.5	-0.1	-0.1	-0.1	
RE-142	Royal Parks Umejima	2,020	1,806	663	2,460	2,470	10	4.9	4.7/5.1	-	4.8	4.6/5.0	-	-0.1	-0.1	-	
RE-143	Castalia Shinsakae II	1,800	1,750	309	2,060	2,060	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	
RE-144	Castalia Sumiyoshi II	1,420	1,511	-11	1,480	1,500	20	3.7	3.5	3.8	3.6	3.4	3.7	-0.1	-0.1	-0.1	
Residential Properties Total		241,043	217,058	98,118	308,728	315,177	6,449	-	-	-	-	-	-	-	-	-	
RM-001	ACROSSMALL Shinkamagaya	7,770	7,230	1,449	8,690	8,680	-10	5.3	5.0	5.5	5.3	5.0	5.5	0.0	0.0	0.0	
RM-002	FOLEO Hirakata	4,580	4,297	372	4,670	4,670	0	5.8	5.3	5.9	5.8	5.3	5.9	0.0	0.0	0.0	
RM-003	QiZ GATE URAWA	4,270	4,064	485	4,550	4,550	0	5.3	4.9	5.4	5.3	4.9	5.4	0.0	0.0	0.0	
RM-004	UNICUS Takasaki	3,000	2,881	338	3,220	3,220	0	5.9	5.6	6.1	5.9	5.6	6.1	0.0	0.0	0.0	
RM-005	ACROSSPLAZA Miyoshi (Land)	3,740	3,740	200	3,940	3,940	0	-	4.2	-	-	4.2	-	-	0.0	-	
RM-006	DREAM TOWN Ali	8,100	7,745	384	8,160	8,130	-30	5.5	5.2	5.7	5.5	5.2	5.7	0.0	0.0	0.0	
RM-007	ASOBOX (Land)	1,600	1,617	392	1,980	2,010	30	-	4.8	-	-	4.8	-	-	0.0	-	
RM-008	FOLEO Ome Imai	3,800	3,650	259	3,950	3,910	-40	5.1	4.6	5.4	5.1	4.6	5.4	0.0	0.0	0.0	
RM-009	FOLEO Otsu Ichiriyama	8,100	7,921	818	8,750	8,740	-10	5.3	5.1	5.6	5.3	5.1	5.6	0.0	0.0	0.0	
RM-010	FOLEO Hakata	3,200	3,076	663	3,750	3,740	-10	4.7	4.5	5.0	4.7	4.5	5.0	0.0	0.0	0.0	
RM-011	ACROSSMALL Semboku (Land)	3,250	3,383	506	3,880	3,890	10	-	4.3	-	-	4.3	-	-	0.0	-	
RM-012	iias Tsukuba	34,120	33,787	512	34,300	34,300	0	5.0	4.8	5.3	5.0	4.8	5.3	0.0	0.0	0.0	
RR-001	LIFE Sagamihara Wakamatsu	1,670	1,634	255	1,850	1,890	40	4.6	4.1	4.6	4.5	4.0	4.5	-0.1	-0.1	-0.1	
RR-002	FOLEO Sendai Miyanomori	6,960	6,869	660	7,520	7,530	10	5.5	5.2	5.7	5.5	5.2	5.7	0.0	0.0	0.0	
RR-003	ACROSSPLAZA Inazawa (Land)	2,390	2,390	220	2,580	2,610	30	-	5.0	-	-	4.9	-	-	-0.1	-	
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	2,230	2,092	367	2,460	2,460	0	6.0	6.1	6.2	6.0	6.1	6.2	0.0	0.0	0.0	
RR-005	Hiratsuka Retail Property (Land)	5,620	5,857	842	6,690	6,700	10	-	4.0	-	-	4.0	-	-	0.0	-	
RR-006	Royal Home Center Morinomiya (Land)	4,500	4,541	748	5,290	5,290	0	-	4.0	-	-	4.0	-	-	0.0	-	
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	750	763	15	779	779	0	4.2	3.8	4.3	4.2	3.8	4.3	0.0	0.0	0.0	
RR-008	FOLEO Shobu	5,000	4,896	243	5,140	5,140	0	5.1	4.8	5.3	5.1	4.8	5.3	0.0	0.0	0.0	
RR-009	Hapias Kaita (Land)	1,400	1,471	58	1,520	1,530	10	-	4.8	-	-	4.8	-	-	0.0	-	
RU-001	COMBOX310	4,480	4,205	514	4,670	4,720	50	5.5	5.3	5.7	5.5	5.3	5.7	0.0	0.0	0.0	
RU-002	Sports Plaza Ibaraki	2,689	2,673	96	2,770	2,770	0	4.7	4.5	4.9	4.7	4.5	4.9	0.0	0.0	0.0	
Retail Properties Total		123,219	120,792	10,406	131,109	131,199	90	-	-	-	-	-	-	-	-	-	

# Appraisal Value Comparison (8)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2022	Unrealized gain (loss)	Appraisal value (Note)			Feb. 2022			Aug. 2022			Change			
					Feb. 2022	Aug. 2022	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	CR
HO-001	Daiwa Roynet Hotel Yokohama Kannai	4,800	4,646	373	5,030	5,020	-10	4.6	4.4	4.8	4.6	4.4	4.8	0.0	0.0	0.0	
HO-002	Super Hotel JR Nara Station Sanjo Street	1,470	1,415	64	1,480	1,480	0	4.8	4.7	5.0	4.8	4.7	5.0	0.0	0.0	0.0	
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	4,500	5,381	-1,001	4,380	4,380	0	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0	
HO-004	AMANEK Kanazawa	5,200	5,035	-135	5,120	4,900	-220	5.5	5.3	5.7	5.2	4.7	5.1	-0.3	-0.6	-0.6	
HO-005	CANDEO HOTELS Nagasaki Shinchi Chinatown	3,140	3,068	271	3,140	3,340	200	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	
Hotel Properties Total		19,110	19,547	-427	19,150	19,120	-30	-	-	-	-	-	-	-	-	-	
OT-001	Urban Living Inage	930	777	512	1,270	1,290	20	5.2	5.0	5.4	5.1	4.9	5.3	-0.1	-0.1	-0.1	
OT-002	Aburatsubo Marina HILLS	1,100	1,008	291	1,280	1,300	20	6.0	5.8	6.2	5.9	5.7	6.0	-0.1	-0.1	-0.2	
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	7,600	7,029	1,070	8,100	8,100	0	5.4	5.2	5.6	5.4	5.2	5.6	0.0	0.0	0.0	
OT-004	Sharp Hiroshima Building	1,850	1,783	186	1,970	1,970	0	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	
OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	1,380	1,379	0	1,380	1,380	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	
OT-006	GRANODE Hiroshima	28,800	28,321	3,478	31,400	31,800	400	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	
Other Assets Total		41,660	40,300	5,539	45,400	45,840	440	-	-	-	-	-	-	-	-	-	
Portfolio Total		895,153	850,615	195,760	1,029,777	1,046,376	16,599	-	-	-	-	-	-	-	-	-	

# Unitholder Status

## Number of Unitholders and Units by Unitholder Type

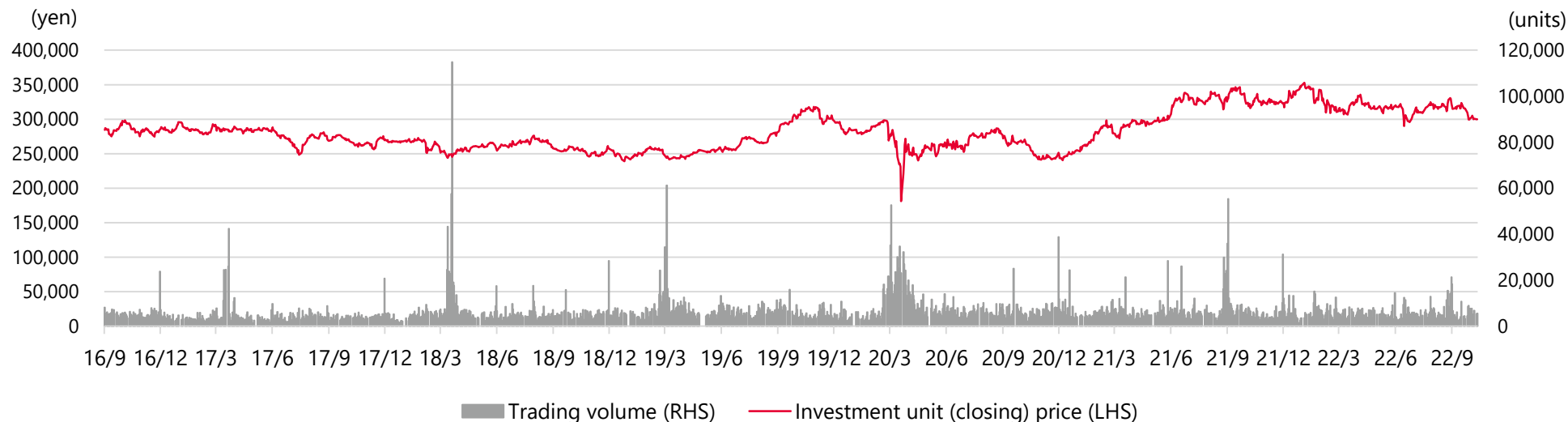
Unitholder type	Period ended Feb. 2022				Period ended Aug. 2022			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Units	(%)	Unitholders	(%)	Units	(%)
Individuals and others	17,054	93.4	97,363	4.2	16,735	93.4	96,901	4.2
Financial institutions	222	1.2	1,223,663	52.7	210	1.2	1,242,065	53.5
Banks / trust banks	72	0.4	1,072,713	46.2	67	0.4	1,086,696	46.8
City banks	-	-	-	-	-	-	-	-
Regional banks	59	0.3	129,488	5.6	56	0.3	101,380	4.4
Trust banks	13	0.1	943,225	40.7	11	0.1	985,316	42.5
Life insurance companies	8	0.0	36,067	1.6	9	0.1	43,930	1.9
Non-life insurance companies	-	-	-	-	-	-	-	-
Other financial institutions	142	0.8	114,883	5.0	134	0.7	111,439	4.8
Shinkin banks	78	0.4	37,813	1.6	72	0.4	37,028	1.6
Others	64	0.4	77,070	3.3	62	0.3	74,411	3.2
Other domestic corporations	385	2.1	232,875	10.0	376	2.1	232,841	10.0
Foreign corporations and individuals	579	3.2	579,297	25.0	569	3.2	592,227	25.5
Securities firms	24	0.1	186,802	8.1	25	0.1	155,966	6.7
<b>Total</b>	<b>18,264</b>	<b>100.0</b>	<b>2,320,000</b>	<b>100.0</b>	<b>17,915</b>	<b>100.0</b>	<b>2,320,000</b>	<b>100.0</b>

## Major Unitholders

Name	Period ended Aug. 2022	
	Number of units owned	Ownership (%)
Custody Bank of Japan, Ltd. (Trust Account)	495,777	21.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	361,851	15.6
Daiwa House Industry Co., Ltd.	191,200	8.2
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	93,039	4.0
SSBTC CLIENT OMNIBUS ACCOUNT	45,685	2.0
STATE STREET BANK WEST CLIENT - TREATY 505234	44,471	1.9
Mizuho Securities Co., Ltd.	39,796	1.7
SMBC Nikko Securities Inc.	37,828	1.6
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	32,460	1.4
JAPAN SECURITIES FINANCE CO., LTD.	31,750	1.4
<b>Total</b>	<b>1,373,857</b>	<b>59.2</b>

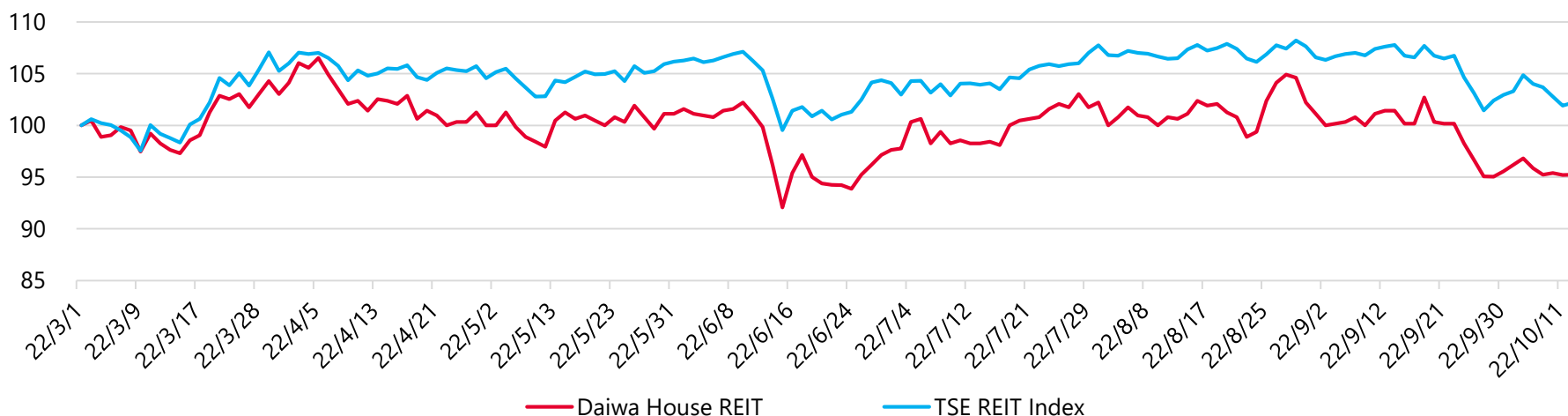
# Unit Price Performance

## Unit Price and Trading Volume



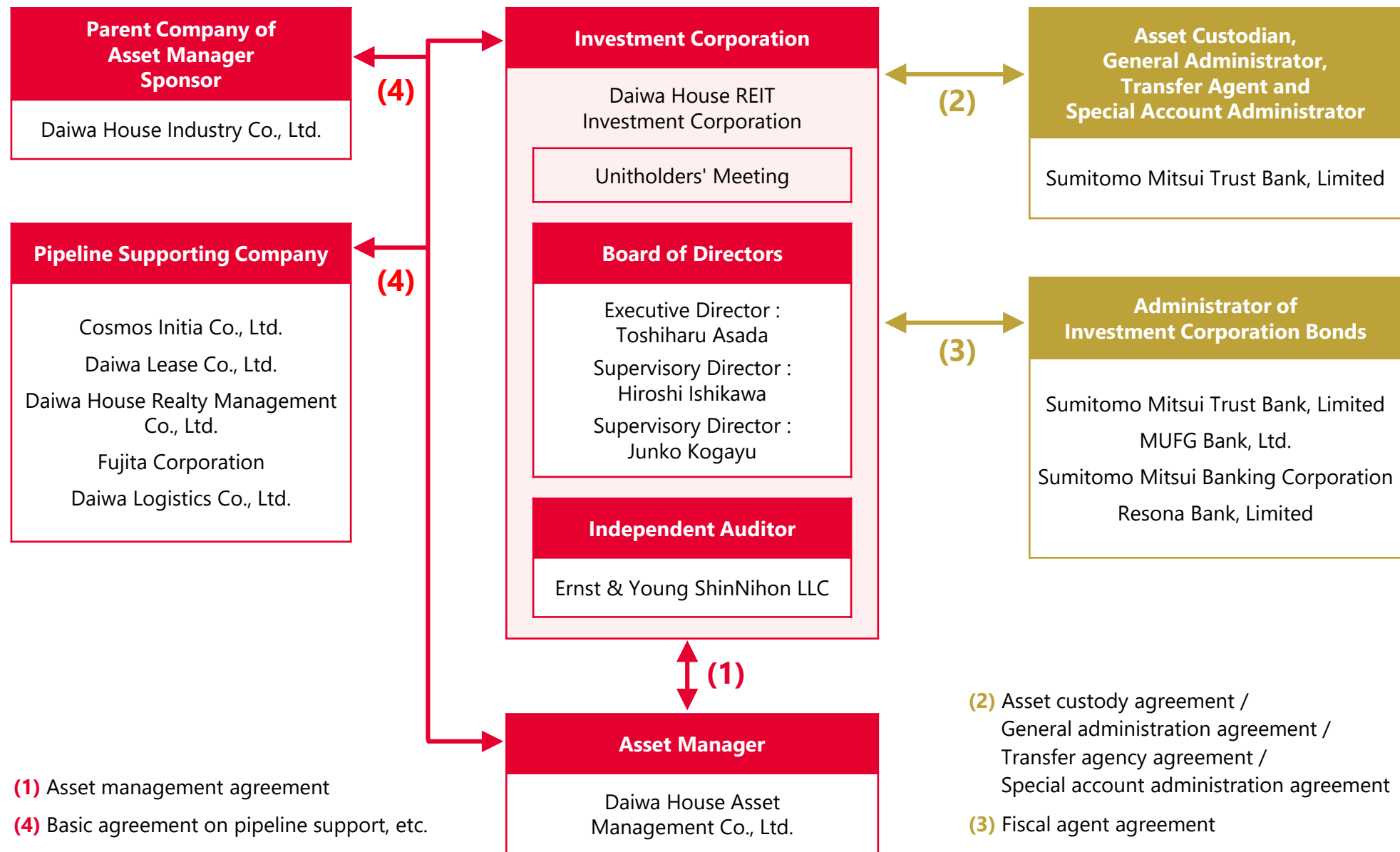
(Note) Investment unit price since Sep. 1, 2016 (effective date of the merger) is shown.

## Relative Unit Price Performance



(Note) Indexed with the Mar. 1, 2022 (start of the period ended Aug. 2022) closing prices of DHR's unit and TSE REIT Index.

# REIT Structure





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