

Presentation Material for the 15th Fiscal Period
(March 1, 2013 — August 31, 2013)

(Asset Management Company)

DAIWA HOUSE
ASSET MANAGEMENT Co., Ltd.

Financial Instruments Dealer, Kanto Financial Bureau
Director (Kin-sho) No. 409

Member of The Investment Trusts Association, Japan



Management Highlight

Page	
2	Overview of DHI
3	Fifteenth Fiscal Period (ended August 2013) Results Highlights
4	Fifteenth and Fourteenth Fiscal Period Results
5	Fifteenth Fiscal Period (ended August 2013) Term-on-Term Breakdown of Distribution per Unit Change
6	Difference Between Actual Distribution per Unit in Fifteenth Fiscal Period (ended August 2013) and Initial Forecast
7	Capital Increase through Public Offering
8	External Growth Achievements (1)
9	External Growth Achievements (2)
10	External Growth Achievements (3)
11	Improving Portfolio Quality by Replacing Assets
12	Sponsor Support by Daiwa House Group
13	Portfolio Distribution
14	Occupancy Rate
15	Rent per Tsubo

Page	
16	Rents at Tenant Replacement
17	Internal Growth Strategy
18	Asset Management Strategies Leveraging Daiwa House Group's Comprehensive Strength
19	Financial Conditions (1)
20	Financial Conditions (2)
21	Financial Conditions (3)
22	Stabilizing and Increasing Distributions through Distribution Management (1)
23	Stabilizing and Increasing Distributions through Distribution Management (2)
24	Stabilizing and Increasing Distributions through Distribution Management (3)
25	Stabilizing and Increasing Distributions through Distribution Management (4)
26	Future Forecast
27	Sixteenth Fiscal Period (ending Feb. 2014) and Seventeenth Fiscal Period (ending Aug. 2014) Breakdown of Distribution Forecast per Unit
28	Initiatives with a Focus on Unitholders
29	Future Growth Strategy

A P P E N D I X

Page	
31	Investment Strategy on Residential Properties by Area
32	Investment Strategy on Residential Properties by Type
33	Building Portfolio: Strengths of DHI Portfolio
34	Residential Market Conditions
35	Overview of the Daiwa House Industry
36 ~40	Appraisal Value Comparison Table
41 ~45	Portfolio Data (as of October 31, 2013)
46	Summary of Financial Results
47	Selected Financial Data
48 ~50	Balance Sheet
51	Income Statement
52	Unitholders (Statistical Tables by Unitholder)
53	Unitholders (Major Unitholders)
54	Unit Prices since 2006

*) All photos used in this material are photos of properties managed by Daiwa House Residential Investment Corporation ("DHI") except for the property photos on pages 12 and 28.

- ① DHI is a residential-focus J-REIT that mainly invests in **residential properties** with stable rent and occupancy rate.
- ② DHI closely works in cooperation with our sponsor, **Daiwa House Group** to secure stable revenue in the medium to long-term and steadily increase our assets under management.
- ③ The **merger** with New City Residence Investment Corporation in April 2010 and expanding asset size enabled DHI to **stabilize distributions by utilizing retained earnings**.
- ④ DHI is realizing steady external growth by **capital increase through public offerings**; October 2011 (¥17.6 billion), March 2013 (¥11.5 billion) and October 2013 (¥8.5 billion (*)) with the current portfolio size of ¥231.3 billion (as of October 31, 2013).

*) Based on the assumption that new investment units are issued up to the upper limit of 2,000 units through third party allotment.

As of August 31, 2013 (15th Fiscal Period)

Fiscal Periods	6 months through February and August
Number of Owned Properties	127 Properties [133 Properties] (126 residential, 1 retail)
Leasable units	9,814 units [10,181 units]
Total Assets	229,781 million yen
Portfolio Size *1	221,091 million yen [231,391 million yen]
Net Assets	103,406 million yen
Number of Units	351,870
Net Assets per Unit (NAV)	293 thousand yen
LTV *2	53.0% [51.4%]
Listing Date	March 22, 2006
Sponsor	Daiwa House Industry

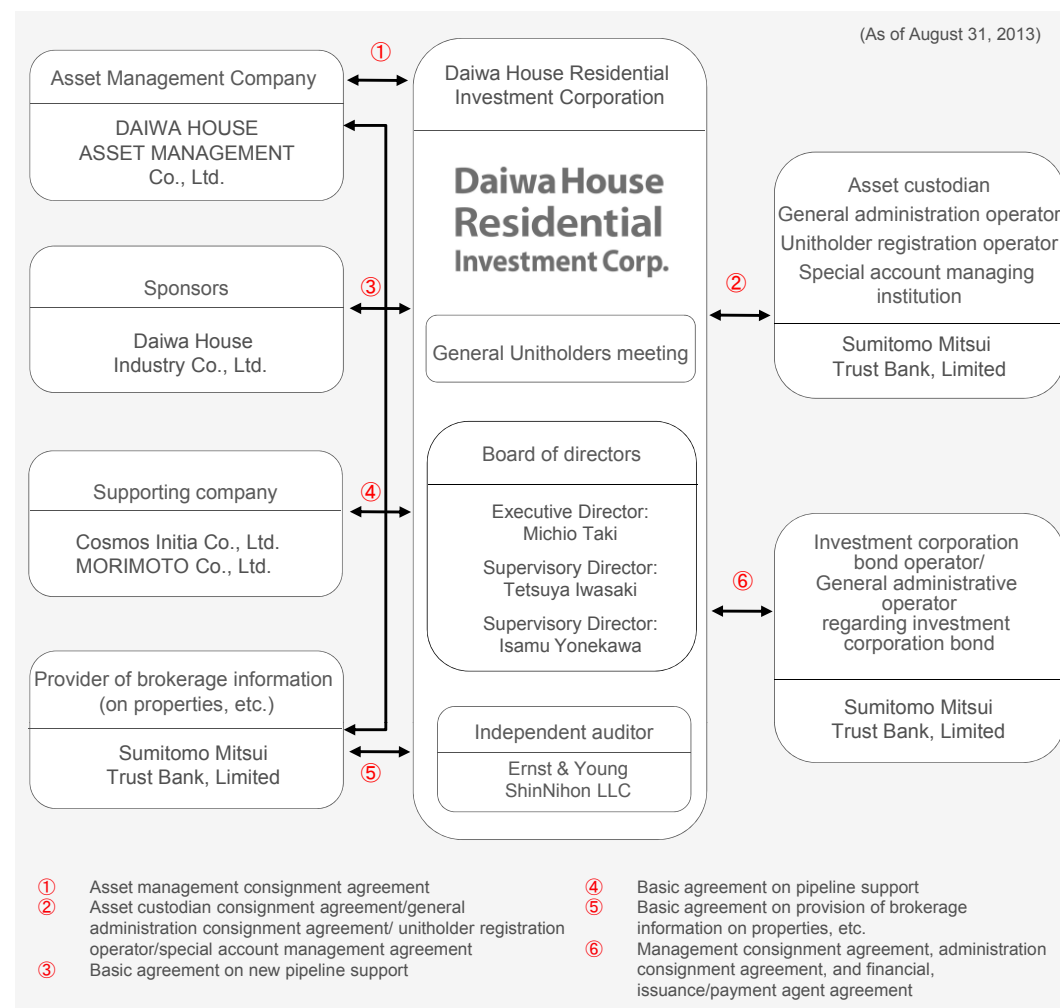
*1) Purchase price basis, figures rounded down to the nearest million yen; same as below

*2) LTV (total interest-bearing liability ratio) = interest-bearing liabilities at end of fiscal period / total assets at end of fiscal period × 100

*3) The figures in [parentheses] show the rough estimated figures after the public offering on October 2013.

Ratings

Rating Agency	Type	Rating
Rating and Investment Information, Inc. (R&I)	Issuer rating	A+ (Stable)
Japan Credit Rating Agency, Ltd. (JCR)	Long-Term Senior Debt Rating	AA- (Stable)



Fifteenth Fiscal Period (ended August 2013) Results Highlights

Steady External Growth	<div>■ External growth achievements</div> <div>In the 15th fiscal period, DHI acquired four properties with a total value of ¥8,400 million (acquisition price), including two properties acquired with funds from a public offering conducted in March 2013.</div> <div>On September 27, 2013, DHI also acquired six properties with a total value of ¥10,300 million (acquisition price) and expanded its portfolio size to ¥231.3 billion (as of October 31, 2013).</div> <div>The details are on pages 8–11</div> <table><tr><td></td><td>14th Fiscal Period (as of Feb. 28, 2013)</td><td>15th Fiscal Period (as of Aug. 31, 2013)</td><td>As of October 31, 2013</td></tr><tr><td>Number of properties</td><td>123 properties</td><td>127 properties</td><td>133 properties</td></tr><tr><td>Portfolio size</td><td>¥212.6 billion</td><td>¥221.0 billion</td><td>¥231.3 billion</td></tr></table>		14th Fiscal Period (as of Feb. 28, 2013)	15th Fiscal Period (as of Aug. 31, 2013)	As of October 31, 2013	Number of properties	123 properties	127 properties	133 properties	Portfolio size	¥212.6 billion	¥221.0 billion	¥231.3 billion								
	14th Fiscal Period (as of Feb. 28, 2013)	15th Fiscal Period (as of Aug. 31, 2013)	As of October 31, 2013																		
Number of properties	123 properties	127 properties	133 properties																		
Portfolio size	¥212.6 billion	¥221.0 billion	¥231.3 billion																		
Acquisition of Housing for Elderly People	<div>■ Urban Living Inage</div> <div>DHI adopted a new investment policy and criteria regarding housing for elderly people in October 2012 and started considering acquiring attractive properties. In June 2013, DHI acquired an assisted-living pay nursing home (Urban Living Inage) as its first portfolio property of housing for elderly people.</div> <div>The details are on page 9</div>																				
Reducing LTV	<div>■ DHI achieved a reduction of LTV through two public offerings: one in March 2013 (¥11.5 billion) and the other in October 2013 (¥8.5 billion).</div> <table><tr><td></td><td>14th Fiscal Period (as of Feb. 28, 2013)</td><td>15th Fiscal Period (as of Aug. 31, 2013)</td><td>Rough estimate after capital increase through public offering in October 2013</td></tr><tr><td>LTV</td><td>56.6%</td><td>53.0%</td><td>51.4%</td></tr><tr><td colspan="3">Remaining borrowing capacity up to LTV of 55%</td><td>¥19.1 billion</td></tr><tr><td colspan="3">Cash reserves (estimate for December 31, 2013)</td><td>¥4.0 billion</td></tr><tr><td colspan="3">Total acquisition capacity</td><td>¥23.1 billion</td></tr></table>		14th Fiscal Period (as of Feb. 28, 2013)	15th Fiscal Period (as of Aug. 31, 2013)	Rough estimate after capital increase through public offering in October 2013	LTV	56.6%	53.0%	51.4%	Remaining borrowing capacity up to LTV of 55%			¥19.1 billion	Cash reserves (estimate for December 31, 2013)			¥4.0 billion	Total acquisition capacity			¥23.1 billion
	14th Fiscal Period (as of Feb. 28, 2013)	15th Fiscal Period (as of Aug. 31, 2013)	Rough estimate after capital increase through public offering in October 2013																		
LTV	56.6%	53.0%	51.4%																		
Remaining borrowing capacity up to LTV of 55%			¥19.1 billion																		
Cash reserves (estimate for December 31, 2013)			¥4.0 billion																		
Total acquisition capacity			¥23.1 billion																		
Improving unrealized gain and loss	<div>■ Unrealized loss, which amounted to ¥10.9 billion immediately after the merger with NCR (the end of 9th Fiscal Period), improved to record unrealized gain of ¥4.9 billion at the end of 15th Fiscal Period.</div> <table><tr><td></td><td>9th Fiscal Period (as of Aug. 31, 2010)</td><td>14th Fiscal Period (as of Feb. 28, 2013)</td><td>15th Fiscal Period (as of Aug. 31, 2013)</td></tr><tr><td>Unrealized gain and loss</td><td>¥(10.9) billion</td><td>¥(1.2) billion</td><td>¥+4.9 billion</td></tr></table>		9th Fiscal Period (as of Aug. 31, 2010)	14th Fiscal Period (as of Feb. 28, 2013)	15th Fiscal Period (as of Aug. 31, 2013)	Unrealized gain and loss	¥(10.9) billion	¥(1.2) billion	¥+4.9 billion												
	9th Fiscal Period (as of Aug. 31, 2010)	14th Fiscal Period (as of Feb. 28, 2013)	15th Fiscal Period (as of Aug. 31, 2013)																		
Unrealized gain and loss	¥(10.9) billion	¥(1.2) billion	¥+4.9 billion																		

	14th Fiscal Period Actual (A) (ended Feb. 2013)	15th Fiscal Period Forecast (ended Aug. 2013)		15th Fiscal Period Actual (C) (ended Aug. 2013)	Difference (C) - (A)	Difference (C) - (B)
		Initial forecast (announced on April 11, 2013)	Revised forecast (B) (announced on June 21, 2013)			
Net income per unit	¥7,875	¥7,689	¥7,750	¥7,899	¥24	¥149
Net income per unit excluding gain and loss from disposition of properties	¥8,473	¥7,689	¥7,740	¥7,889	¥(584)	¥149
Distribution per unit	¥8,473	¥8,300	¥8,300	¥8,300	¥(173)	—

* DHI implemented a 2-for-1 split of investment units effective March 1, 2013. In order to factor in the impact of this split, net income per unit, net income per unit excluding gain/loss from disposition of properties and distribution per unit for the 14th Fiscal Period have been divided by two and rounded down to the nearest unit.

Fifteenth and Fourteenth Fiscal Period Results

(unit: million yen)

	14th Actual (ended Feb. 2013)	15th Forecast (*1) (ended Aug. 2013)	15th Actual (ended Aug. 2013)	Differences between 15th Fiscal Period and 14th Fiscal Period	
Management Period	181 days	184 days	184 days	—	
Operating Revenue (a)	7,612	7,946	7,971	358	4.7% increase
Lease business revenue (b)	7,612	7,943	7,968	355	4.7% increase
Lease business revenue	7,152	7,422	7,431	278	Properties acquired in 14th, 15th: +316, Properties disposed in 14th: (38)
Other lease business revenue	460	521	537	76	Income from non-refundable deposits: +16, contract renewal income: +19, Income from restoration cost: +9
Gain from disposal of properties	—	3	3	3	Gain from disposition of property (part of land, FOLEO TOWN Tsutsui)
Operating Expenses (c)	4,214	4,340	4,309	95	
Expenses related to rent business (d)	4,022	4,340	4,309	287	
Expenses related to rent business	3,265	3,514	3,520	254	Depreciation and amortization :+101, restoration cost: +61, tax and public charges: +26, Management / intermediary expenses: +30
Other expenses related to rent business	756	825	789	32	
Loss from disposal of properties	192	—	—	(192)	Decrease of loss from property disposition (Inageya)
Operating Income excl. gain and loss from disposition of properties (b)-(d)	3,590	3,603	3,658	67	1.9% increase
Operating Income (a)-(c)	3,398	3,606	3,661	263	7.7% increase
Non-operating Income	1	0	5	4	
Non-operating Expenses	871	880	887	16	
Interest expenses	725	670	672	(52)	Decrease from refinancing in 14th
Borrowing related expenses	141	159	160	19	Increase in initial fees related to the preceding item
Other non-operating expenses	3	50	53	50	Increase in public offering costs
Ordinary Income	2,529	2,726	2,780	250	9.9% increase (2.0% increase on an ongoing basis *2)
Extraordinary Income and Loss	—	—	—	—	
Net Income	2,528	2,726	2,779	250	9.9% increase (2.0% increase on an ongoing basis *2)
Reversal of Retained Earnings	(191)	(193)	(141)	50	
Total Distributions	2,720	2,920	2,920	199	
Net Income per Unit	7,875 yen	7,750 yen	7,899 yen	24 yen	
Net Income per Unit excl. gains and loss from property disposal	8,473 yen	7,740 yen	7,889 yen	(584 yen)	
Reversal of Retained Earnings per Unit	(597 yen)	(550 yen)	(400 yen)	197 yen	
Distributions per Unit	8,473 yen	8,300 yen	8,300 yen	(173 yen)	
[outstanding units issued at end of fiscal period :after split]	[321,070 units]	[351,870 units]	[351,870 units]	30,800 units	

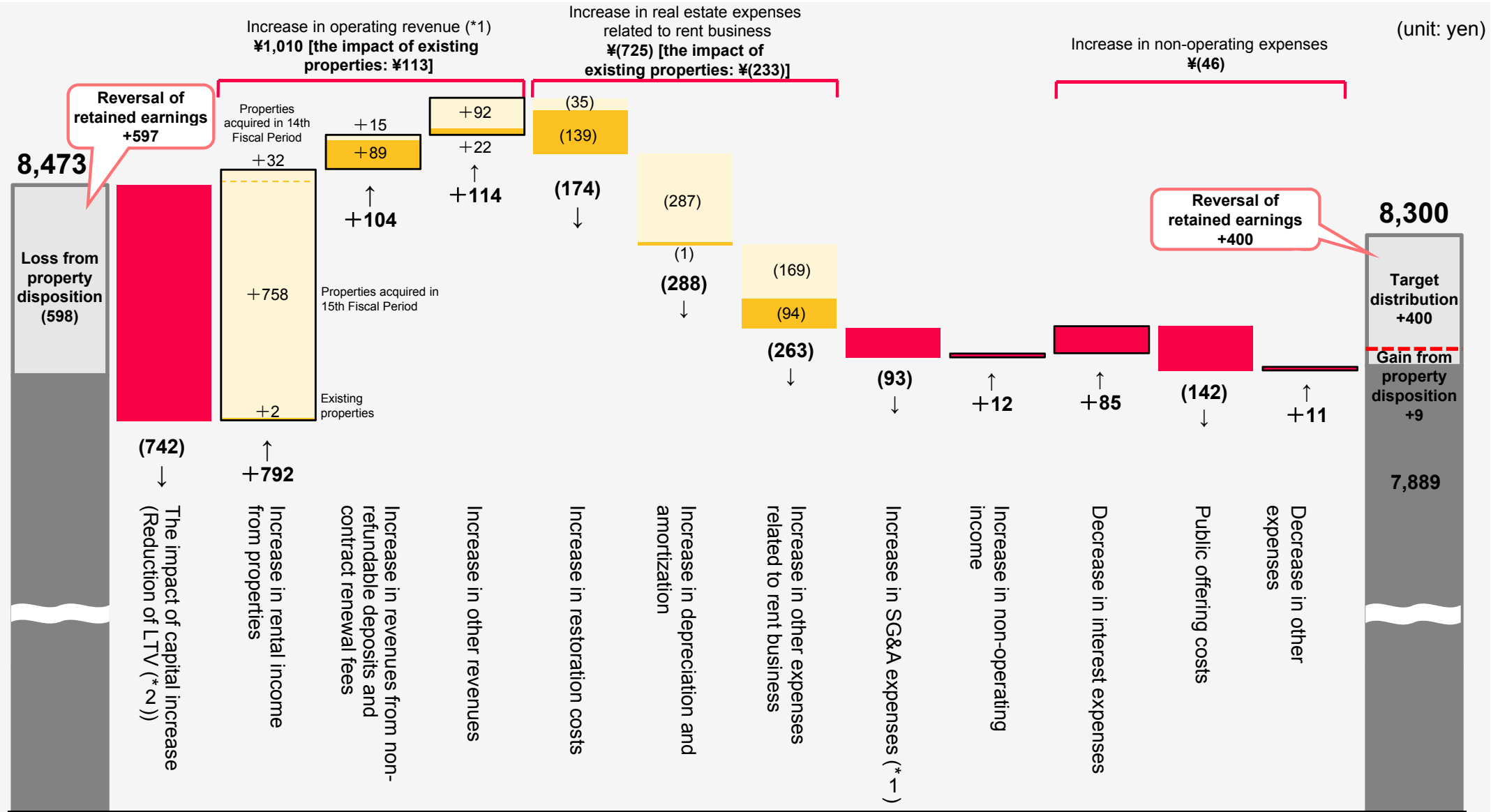
*1) Revised forecasts for the 15th fiscal period announced on June 21, 2013.

*2) "Ongoing basis" indicates figures obtained by excluding extraordinary income and losses such as gains and losses from disposition of properties and impairment losses on noncurrent assets.

*3) DHI implemented a 2-for-1 split of investment units with an effective date of March 1, 2013. To factor in the impact of this split, amounts per unit for the 14th fiscal period have been divided by two and rounded down to the nearest unit.

Fifteenth Fiscal Period (ended August 2013) Term-on-Term Breakdown of Distribution per Unit Change

Analysis of Breakdown of Distribution per Unit (comparison with previous fiscal period)



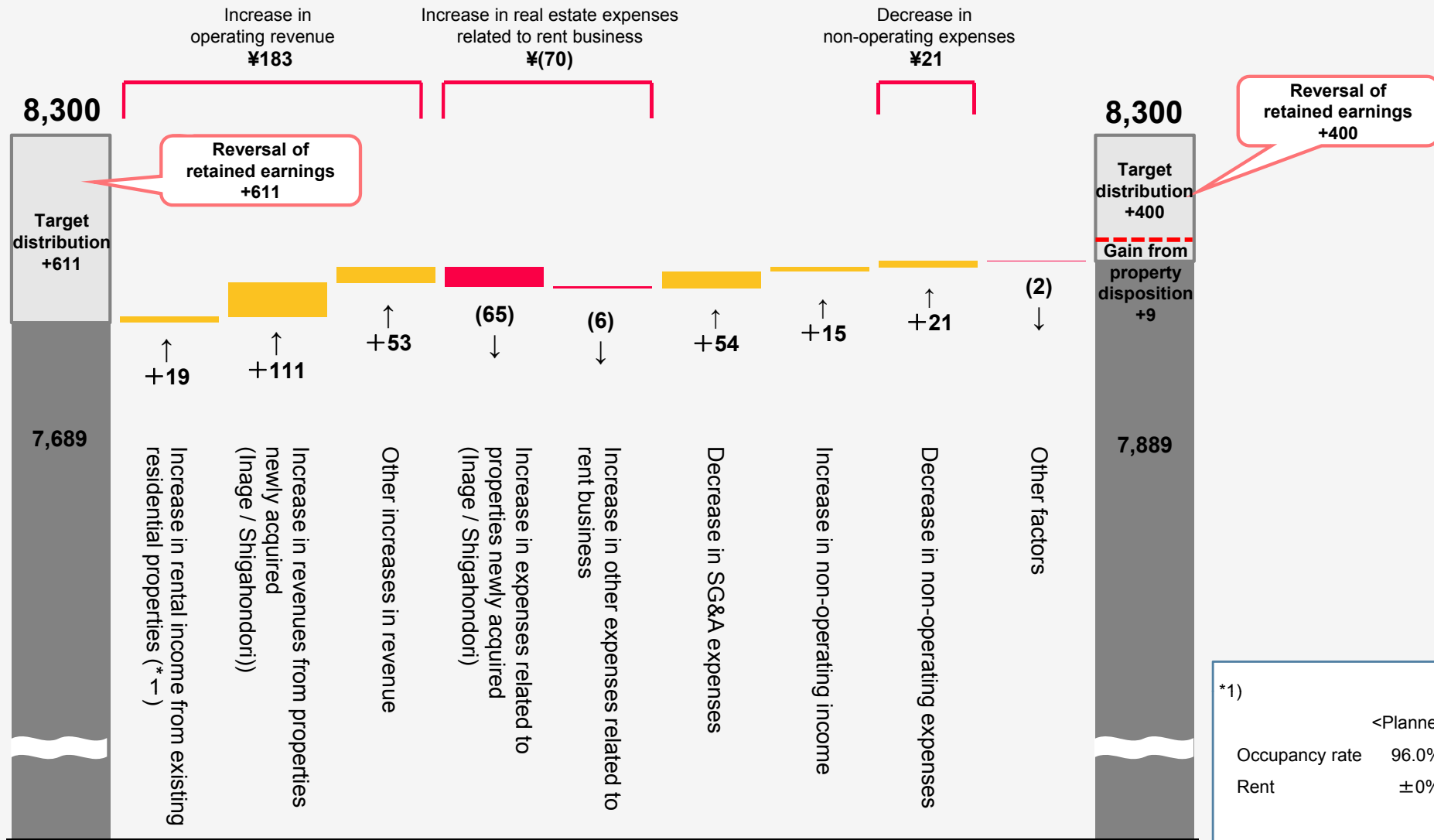
*1) Excluding gain and loss from disposition of properties.

*2) Number of outstanding units (after split): 14th fiscal period 321,070 units, 15th fiscal period 351,870 units; LTV at the end of the fiscal period: 14th fiscal period 56.6%, 15th fiscal period 53.0%

Difference Between Actual Distribution per Unit in Fifteenth Fiscal Period (ended August 2013) and Initial Forecast

Variance Analysis Against Forecast for Distribution per Unit

(unit: yen)



**15th Fiscal Period
Forecast (*)
(ended Aug. 2013)**

**15th Fiscal Period
Actual
(ended Aug. 2013)**

*) 15th Fiscal Period forecast announced on April 11, 2013

*1)

	<Planned>		<Actual>
Occupancy rate	96.0%	⇒	96.5%
Rent	±0%	⇒	(0.2)%

// Overview of Capital Increase through Public Offering

	2nd Capital Increase through Public Offering		3rd Capital Increase through Public Offering		
Resolution date of issuance	March 1, 2013		October 10, 2013		
Total issuance price (proceeds from issuance)	¥11.5 billion		¥8.5 billion (*)		
Number of units issued	30,800 units		22,000 units (*)		
Portfolio size after capital increase (total acquisition price)	¥218.4 billion		¥231.3 billion		
New properties acquired through capital increase	3 properties	Castalia Nakameguro (repayment of the loans) Castalia Ohori Bay Tower Royal Parks Namba	6 properties (repayment of the loans)	Castalia Hatsudai II Castalia Meguro Chojyamaru Castalia Omori III	Castalia Ebisu Castalia Meguro Takaban Castalia Musashikosugi
Impact of lowering LTV by capital increase	56.6% (14th fiscal period: ended February 2013) ⇒ 53.0% (15th fiscal period: ended August 2013)		53.0% (15th Fiscal Period: ended August 2013) ⇒ 51.4% (rough estimate after capital increase through public offering)		

*) It is based on the assumption that new investment units are issued up to the upper limit of 2,000 units through third party allotment.

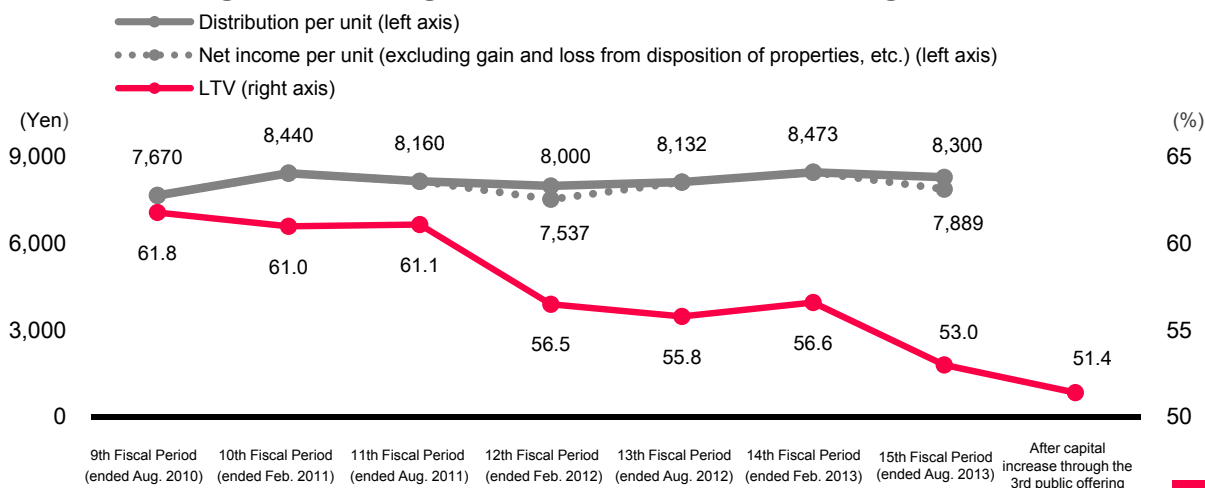
// Offering Highlights

2nd Capital Increase through Public Offering	3rd Capital Increase through Public Offering
<ul style="list-style-type: none"> Expansion of portfolio size and improvement of profitability Control of LTV at an appropriate level and strengthening financial position Stabilizing and increasing distributions by distribution management 	<ul style="list-style-type: none"> Expansion of portfolio size and improvement of profitability and quality of portfolio Maintaining / increasing distributions and reducing LTV simultaneously and ensuring capacity for acquiring new assets. Stabilizing and increasing distributions by distribution management

// Expansion of Portfolio Size and Control of LTV

	14th Fiscal Period (As of Feb. 28, 2013)	15th Fiscal Period (As of Aug. 31, 2013)	Properties acquired with funds from the 3rd public offering	After capital increase through the 3rd public offering
Number of properties	123 properties	127 properties	6 properties	133 properties
Portfolio size	¥212.6 billion	¥221.0 billion	¥10.3 billion	¥231.3 billion
Leasable units	9,305 units	9,814 units	367 units	10,181 units
NAV per unit	¥282 thousand	¥307 thousand		

// Maintaining / Increasing Distributions and Reducing LTV Simultaneously



// Property Acquired in 15th Fiscal Period (ended Aug. 2013)



Property Name	Castalia Ohori Bay Tower
Location	Fukuoka City, Fukuoka
Structure · Floor	RC、30F
Completion Date	September, 2006
Leasable Units	215 units
Acquisition Date	March 25, 2013
Acquisition Price	2,910 million yen
Seller	Special Limited Liability Company in Japan
NOI yield (*)	7.5%



Property supported by Daiwa House Group	
Property Name	Royal Parks Namba
Location	Osaka City, Osaka
Structure · Floor	RC、14F
Completion Date	February, 2006
Leasable Units	162 units
Acquisition Date	March 29, 2013
Acquisition Price	2,830 million yen
Seller	Royal Parks Namba Co., Ltd. (Subsidiary of Daiwa House)
NOI yield (*)	7.1%



Property Name	Castalia Shigahondori
Location	Nagoya City, Aichi
Structure · Floor	RC、15F
Completion Date	February, 2008
Leasable Units	128 units
Acquisition Date	June 26, 2013
Acquisition Price	1,730 million yen
Seller	Limited Liability Company in Japan
NOI yield (*)	6.6%

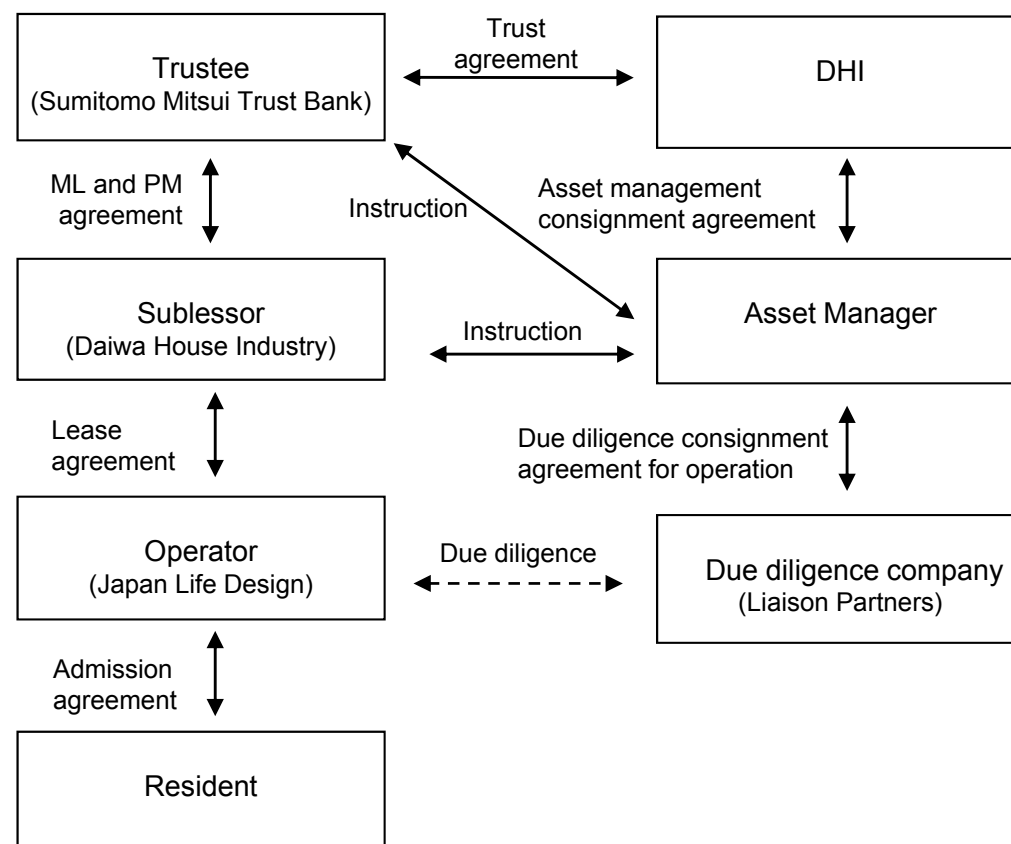
*) Net rental income shown in the real estate appraisal report at the time of purchase / acquisition price

// Property Acquired in 15th Fiscal Period (ended Aug. 2013)

- DHI acquired an assisted-living pay nursing home (Urban Living Inage) as its first portfolio property of housing for elderly people.



【 Flow Chart of Scheme of Urban Living Inage 】



【 Support from Daiwa House Industry 】

Daiwa House Industry provides support in managing and operating the property as the property management company. Stable revenue over the long term will be secure with a rent-guaranteed-type master lease agreement.

【 Due diligence company】

DHI entrust investigating the facility operational status and competitiveness as well as compliance concerning the operating of the nursing care business, etc. Due diligence company will continue monitoring of operational status after the acquisition.

【 Operator Profile 】

Japan Life Design Corporation is a 100%-owned subsidiary of Ginza Medical Group.

Property supported by Daiwa House Group	
Property Name	Urban Living Inage
Location	Inage Ward, Chiba City, Chiba
Structure · Floor	S、 4F
Completion Date	March, 2009
Leasable Units	100 units
Acquisition Date	June 24, 2013
Acquisition Price	930 million yen
Seller	Daiwa House Industry Co., Ltd.
NOI yield (*)	7.4%

(*) Net rental income shown in the real estate appraisal report at the time of purchase / acquisition price

// Property Acquired in 16th Fiscal Period (ending Feb. 2014)



< Castalia Hatsudai II >



< Castalia Ebisu >



< Castalia Meguro Choijamaru >



< Castalia Meguro Takaban >



< Castalia Omori III >



< Castalia Musashikosugi >

Property Name	Castalia Hatsudai II	Castalia Ebisu	Castalia Meguro Choijamaru	Castalia Meguro Takaban	Castalia Omori III	Castalia Musashikosugi
Location	Shibuya Ward, Tokyo	Shibuya Ward, Tokyo	Shinagawa Ward, Tokyo	Meguro Ward, Tokyo	Shinagawa Ward, Tokyo	Kawasaki City, Kanagawa
Structure · Floor	RC, 5F / B1F	RC, 9F / B1F	RC, 3F / B1F	RC, 6F	RC, 8F	RC, 7F
Completion Date	January, 2008	October, 2007	February, 2006	September, 1969 (Renovation construction date: August, 2007)	February, 2008	November, 2007
NOI yield (*)	5.3%	5.2%	5.1%	5.3%	5.5%	5.6%
Acquisition Date	September 27, 2013	September 27, 2013	September 27, 2013	September 27, 2013	September 27, 2013	September 27, 2013
Acquisition Price	1,900 million yen	1,420 million yen	2,030 million yen	1,750 million yen	1,520 million yen	1,680 million yen
Seller	Limited liability company in Japan					

*) Net rental income shown in the real estate appraisal report at the time of purchase / acquisition price

// Asset Replacement Results since April 2010

- Of the 29 properties acquired, 10 properties (total acquisition price of ¥32.5 billion) were acquired from the Daiwa House Group (listed in red text) (49.3% based on an acquisition price).

Fiscal Period	Property Acquired	Acquisition Date	Acquisition Price ① (million yen)	Appraisal Value ② (million yen)	②-① (million yen)	NOI Yield (%) (*1)	Age of Property (years) (*2)	Total Units
9th Fiscal Period (ended Aug. 2010)	Castalia Ichigaya	2010/ 6/29	940	1,210	270	6.9	1.8	50
	Castalia Nakanobu	2010/ 6/29	1,790	2,170	380	6.5	2.1	83
10th Fiscal Period (ended Feb. 2011)	Royal Parks Toyosu	2010/11/ 1	7,360	7,550	190	6.4	3.7	276
	Castalia Togoshi	2010/11/ 1	1,770	2,130	360	6.8	2.7	120
	Big Tower Minami Sanjo	2010/11/ 1	1,740	2,130	390	7.9	3.2	179
	Castalia Fushimi	2011/ 1/14	2,260	2,490	230	7.1	4.3	123
	Castalia Ooimachi	2011/ 6/30	1,181	1,200	19	5.6	0.3	65
11th Fiscal Period (ended Aug. 2011)	Castalia Meieki Minami	2011/ 8/ 1	720	757	37	6.5	4.6	70
	Castalia Omori	2011/ 8/ 2	1,500	1,600	100	6.0	4.4	60
	Castalia Yakuin	2011/ 9/26	930	951	21	6.5	5.6	118
12th Fiscal Period (ended Feb. 2012)	Royal Parks Hanakoganei	2011/10/ 7	5,300	5,560	260	6.7	5.6	279
	Castalia Mishuku	2011/10/ 7	1,900	2,050	150	5.9	4.6	53
	Shibaura Island Bloom Tower	2011/10/18	7,580	7,880	300	6.7	3.1	213
	Castalia Hatsudai	2011/12/19	2,030	2,180	150	5.6	5.1	81
	Castalia Mibu	2011/12/22	1,193	1,210	16	6.1	3.8	78
	Castalia Arakawa	2012/ 3/28	1,660	1,830	170	6.5	5.1	70
13th Fiscal Period (ended Aug. 2012)	Castalia Omori II	2012/ 3/29	2,370	2,460	90	5.4	3.1	112
	Castalia Tsutsujigaoka	2012/ 9/ 3	1,209	1,320	111	6.9	3.6	84
14th Fiscal Period (ended Feb. 2013)	Castalia Nakameguro	2012/11/29	3,800	4,000	200	5.2	4.8	101
	Castalia Ohori Bay Tower	2013/ 3/25	2,910	3,520	610	7.5	6.5	215
15th Fiscal Period (ended Aug. 2013)	Royal Parks Namba	2013/ 3/29	2,830	2,940	110	7.1	7.1	162
	Urban Living Inage	2013/ 6/24	930	978	48	7.4	4.3	(*4) 1
	Castalia Shigahondori	2013/ 6/26	1,730	1,860	130	6.6	5.4	128
	Castalia Hatsudai II	2013/ 9/27	1,900	2,030	130	5.3	5.7	56
16th Fiscal Period (ending Feb. 2014)	Castalia Ebisu	2013/ 9/27	1,420	1,520	100	5.2	5.9	36
	Castalia Meguro Chojyamaru	2013/ 9/27	2,030	2,150	120	5.1	5.6	61
	Castalia Meguro Takaban	2013/ 9/27	1,750	1,790	40	5.3	44.1	55
	Castalia Omori III	2013/ 9/27	1,520	1,660	140	5.5	5.6	74
	Castalia Musashikosugi	2013/ 9/27	1,680	1,750	70	5.6	5.8	85
Total/ Average (*3)			65,932	70,876	4,943	6.3	5.5	3,088

*1) (Net rental income shown in the real estate appraisal report at the time of purchase / acquisition price)

*2) Age of property as of the acquisition date rounded off to one decimal place.

*3) Weighted average NOI yield and age of property by acquisition price of each property.

*4) Although DHI owns 100 units, all of them are leased to a tenant collectively and listed as one unit.

Increased
profitability

Reduced
property age

■ Results of properties disposed

9th – 15th Fiscal Period	Book Value ① (*5) (million yen)	Disposition Price ② (*6) (million yen)	②-① (million yen)	NOI Yield (%) (*7)	Age of Property (*8)	Total Units
Total / Average of 25 Properties	24,914	25,335	421	5.9	9.4	1,031

*5) Book value as of the end of the fiscal period previous to the period in which the disposition occurred.

*7) (Total of NOI over the last two fiscal periods / acquisition price)

*9) Partial dispose of land at Aprile Tarumi and Foleo Town Tsutsui is not included.

*6) Disposition-related expenses are not taken into account.

*8) Weighted average age of property as of the acquisition date by acquisition price of each property, rounded off to one decimal place

// Properties in sponsor pipeline

■ Expanding DHI's asset portfolio through property developed by the Daiwa House Group

Developed properties currently in operation	
■ Rental residences ⇒	¥45.8 billion (Based on book value as of June 2013, incl. seven properties in the Royal Parks series)
■ Housing for Elderly People ⇒	2 facilities (as of June 2013)

Items already determined by Daiwa House Industry for its fourth Medium-Term Management Plan, currently being formulated (as of July 5, 2013)	
■ Fourth Medium-Term Management Plan includes total investment of ¥650 billion by the Daiwa House Group over three years	Aim is to channel investment into the real estate development business

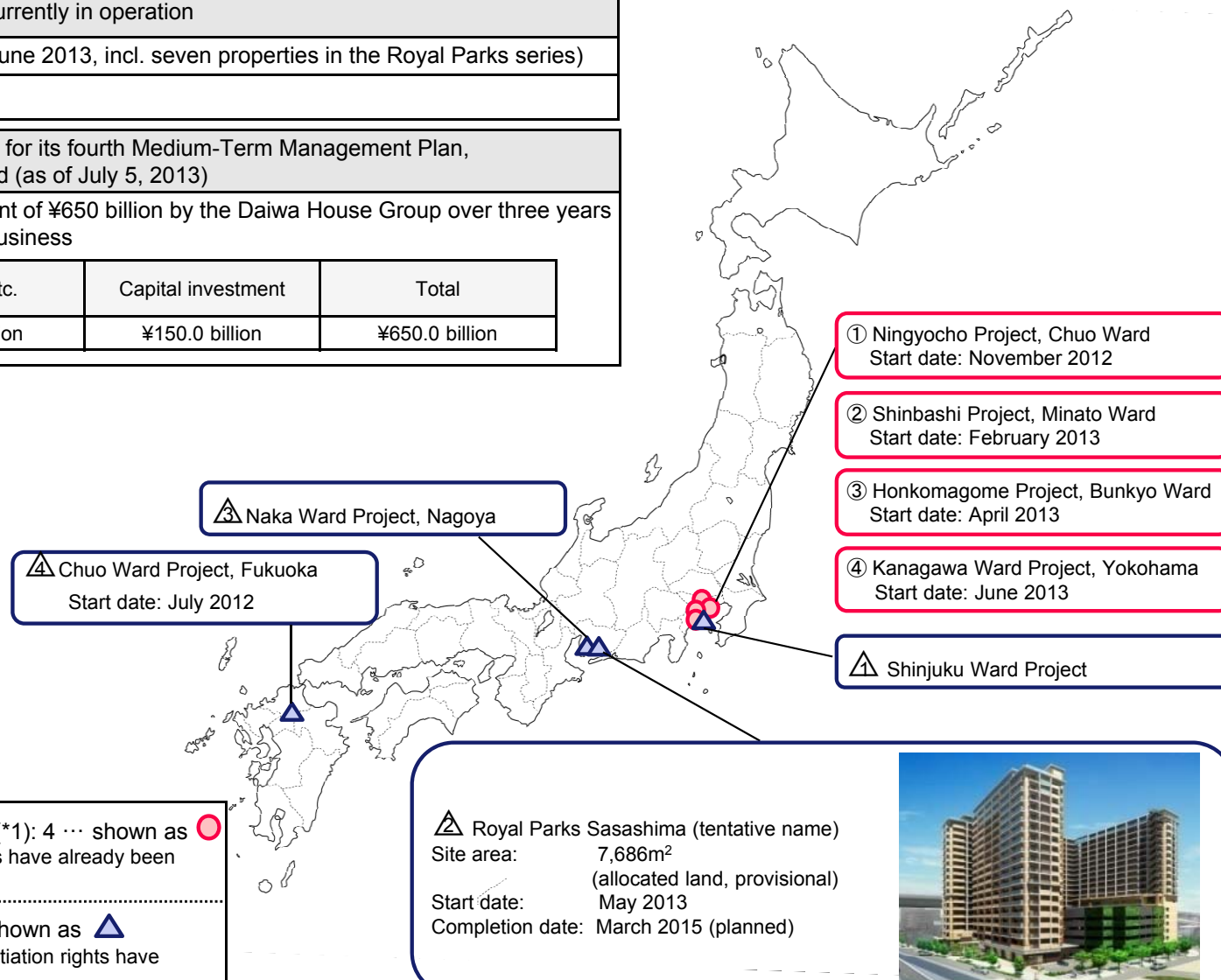
Real estate development investment	Overseas investment	M&As, etc.	Capital investment	Total
¥400.0 billion	¥50.0 billion	¥50.0 billion	¥150.0 billion	¥650.0 billion



【Housing for elderly people developed by Daiwa House Industry】
Aburatubo Marina HILLS

- Number of properties under development specifically for DHI (*1): 4 ... shown as ○ (Properties under development for which preferential negotiation rights have already been secured from Daiwa House Industry)
- Number of properties that DHI is aiming to acquire (*2): 4 ... shown as ▲ (Properties under development for which requests for preferential negotiation rights have already been submitted to Daiwa House Industry)

【Properties under development by the Daiwa House Industry】

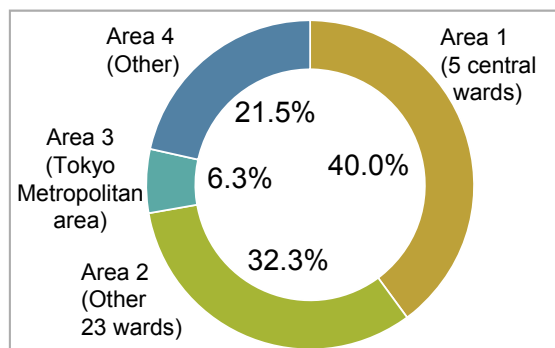


*1) "Number of properties under development specifically for DHI" are properties that have been planned and are currently being developed by Daiwa House Industry reflecting the asset management company's requests and proposals; DHI has been granted preferential negotiation rights for these properties.
 *2) "Number of properties that DHI is aiming to acquire" are properties that have been planned and are currently being developed by Daiwa House Industry reflecting the asset management company's requests and proposals; DHI has submitted requests for preferential negotiation rights for these properties.
 *3) As of the date of this document, no decision had been reached by DHI regarding the above properties.

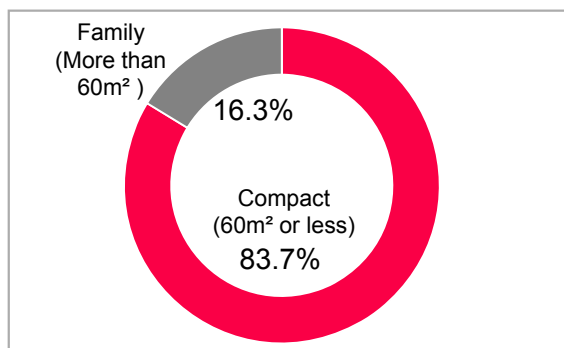
// Portfolio Distribution (as of September 27, 2013)

- Continued investment particularly in Tokyo Metropolitan area, where population growth is expected, and a certain level of investment in major regional cities, where populations are expected to be concentrated
- Investment primarily in compact types (60m² or less:84%) with monthly rents of less than ¥200,000 (89%), with relatively low total rents and more stable occupancy rates and rent levels

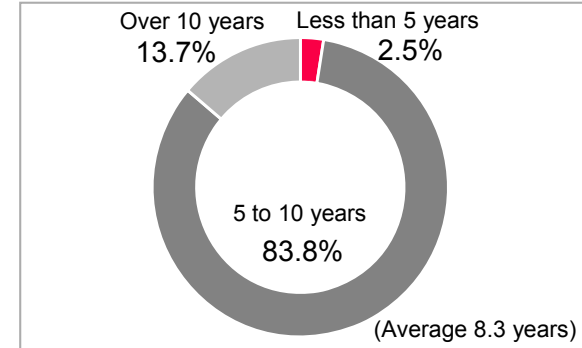
By Area



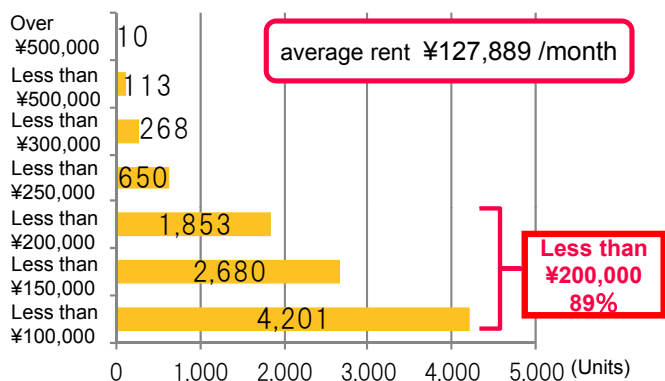
By Type (Residence)



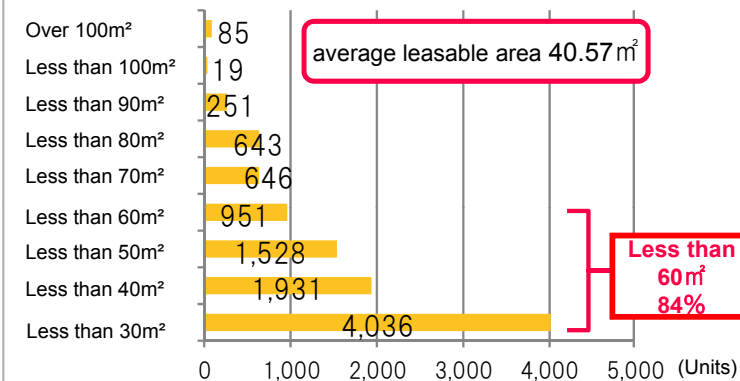
By Age of Property



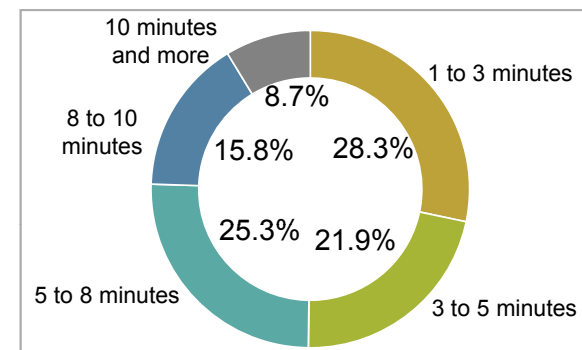
Monthly Rent Range (Residence)



Leasable Area Range (Residence)



Access from station (Residence)



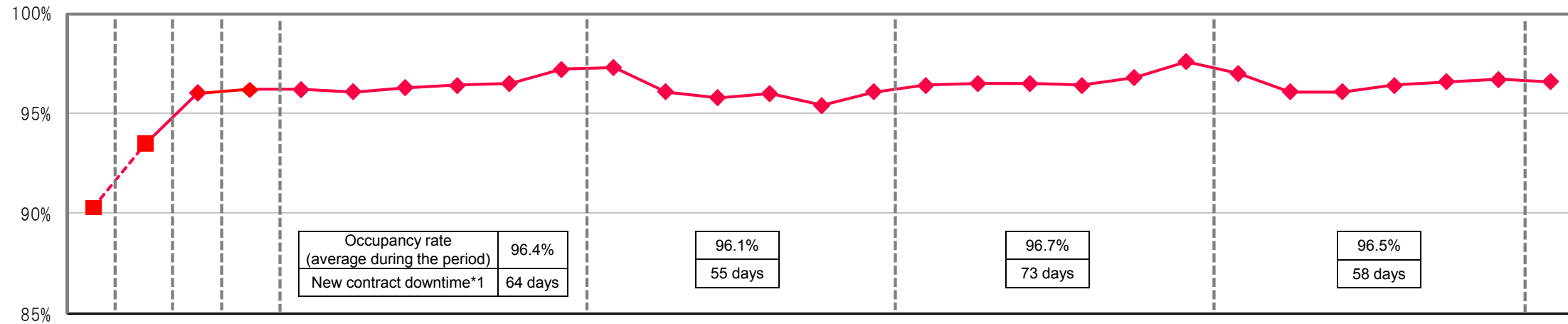
*1) Value by area and by age of property is calculated based on acquisition prices. Value by type is calculated based on the number of residential units in each classification.

*2) Areas are defined as follows: (1) 5 central wards (Area 1): Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward, (2) Other 23 wards (Area 2): 23 wards of Tokyo excluding Area 1, (3) Tokyo Metropolitan area (Area 3): Tokyo excluding Area 1 and Area 2, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture, and (4) Other (Area 4): Other cities with populations of more than approx. 100,000

*3) Types are defined as follows: Compact: leasable area of less than 60m² / Family: leasable area of over 60m²

*4) "Monthly rents" is defined as monthly rents for 133 residential units (excluding Urban Living Inage, stores) described on lease agreements concluded with end tenants and in force as of September 27, 2013 (including common service fees, but not usage fees for attached facilities such as monthly parking bays and storage rooms, and consumption taxes); for rent guarantee properties with master leases, monthly rent for each unit is calculated by equally apportioning the monthly master rent to each unit based on floor area.

// Portfolio Occupancy Rate since 2009



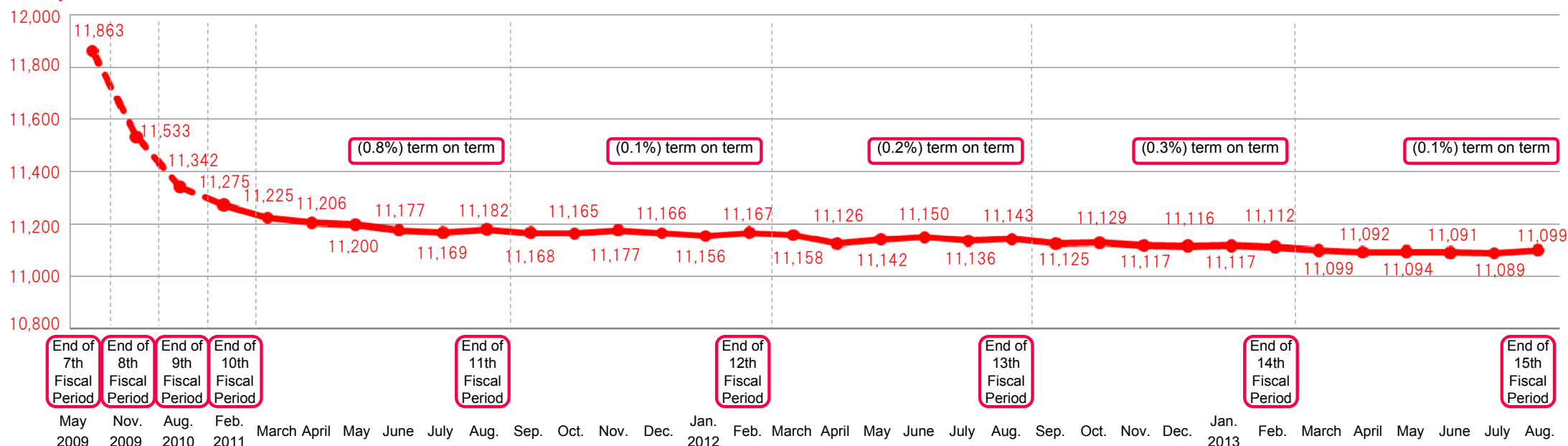
*1) "New contract downtime" relates to new contract residential units (including stores) of residential properties in each period and is measured by the average number of days during the period beginning from the cancellation date of the former contract and ending when lease of the new contract commenced.

8th	9th	10th	11th	12th Fiscal Period (Feb. 2012)						13th Fiscal Period (Aug. 2012)						14th Fiscal Period (Feb. 2013)						15th Fiscal Period (Aug. 2013)						16th
Nov. 2009	Aug. 2010	Feb. 2011	Aug. 2011	Sep. 2011	Oct. 2011	Nov. 2011	Dec. 2011	Jan. 2012	Feb. 2012	Mar. 2012	Apr. 2012	May 2012	June 2012	July 2012	Aug. 2012	Sep. 2012	Oct. 2012	Nov. 2012	Dec. 2012	Jan. 2013	Feb. 2013	Mar. 2013	Apr. 2013	May 2013	June 2013	July 2013	Aug. 2013	Sep. 2013

Total		90.3%	93.5%	96.0%	96.2%	96.2%	96.1%	96.3%	96.4%	96.5%	97.2%	97.3%	96.1%	95.8%	96.0%	95.4%	96.1%	96.4%	96.5%	96.5%	96.4%	96.8%	97.6%	97.0%	96.1%	96.1%	96.4%	96.6%	96.7%	96.6%
Residential	Area1	87.9%	90.4%	94.3%	94.1%	94.3%	94.2%	94.8%	95.1%	94.9%	96.3%	96.5%	94.7%	94.9%	95.1%	93.8%	94.8%	95.4%	95.7%	95.5%	95.1%	95.8%	96.9%	96.1%	95.0%	95.3%	96.1%	96.3%	96.6%	95.7%
	Area2	91.7%	93.6%	96.6%	96.5%	96.5%	96.0%	95.9%	96.1%	96.8%	97.5%	97.1%	96.0%	95.3%	96.1%	96.3%	96.9%	96.6%	96.4%	96.1%	96.4%	96.9%	97.9%	97.0%	96.6%	96.5%	96.5%	96.2%	96.3%	96.9%
	Area3	96.9%	96.3%	97.0%	97.6%	97.5%	98.8%	98.8%	98.5%	98.6%	99.1%	99.6%	98.7%	98.8%	98.8%	98.7%	98.6%	99.0%	99.3%	99.6%	99.4%	99.6%	99.5%	99.6%	99.1%	99.5%	99.3%	99.6%	99.9%	99.3%
	Area4	96.2%	95.8%	96.6%	97.2%	97.0%	96.8%	97.0%	97.1%	96.9%	97.1%	97.5%	96.7%	96.1%	95.8%	95.3%	95.8%	96.3%	96.5%	96.7%	96.7%	97.0%	97.5%	97.1%	95.9%	95.6%	95.7%	96.1%	96.2%	96.1%
Retail		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	98.2%	98.2%	98.2%	98.2%	98.2%	98.2%	97.1%	97.1%	97.1%	97.1%	97.1%	100%	100%	100%	100%

// Rent per Tsubo of Existing Properties (103 properties)

(yen / month · tsubo)



*) Based on the rent roll at the end of each month for **103 residential properties**

(from a total of 127 in the portfolio at the end of the 15th fiscal period, excluding 23 properties acquired after the merger and 1 retail property)

// Rent per Tsubo of Properties at the end of Each Fiscal Period

(yen / month·tsubo)	End of 11th (Aug. 2011)	End of 12th (Feb. 2012)
Rent per Tsubo	11,036	11,015
Term on term	—	(21)
	—	(0.2%)

(Note) Based on the rent roll at the end of each month for **117 residential properties**

(from a total of 125 in the portfolio at the end of the 12th fiscal period, excluding 6 properties acquired in the 12th fiscal period and 2 retail properties)

End of 12th (Feb. 2012)	End of 13th (Aug. 2012)
10,874	10,805
—	(69)
—	(0.6%)

(Note) Based on the rent roll at the end of each month for **119 residential properties**

(from a total of 123 in the portfolio at the end of the 13th fiscal period, excluding 2 properties acquired in the 13th fiscal period and 2 retail properties)

End of 13th (Aug. 2012)	End of 14th (Feb. 2013)
10,805	10,788
—	(17)
—	(0.2%)

(Note) Based on the rent roll at the end of each month for **120 residential properties**

(from a total of 123 in the portfolio at the end of the 14th fiscal period, excluding 2 properties acquired in the 14th fiscal period and 1 retail property)

End of 14th (Feb. 2013)	End of 15th (Aug. 2013)
10,813	10,794
—	(19)
—	(0.2%)

(Note) Based on the rent roll at the end of each month for **122 residential properties**

(from a total of 127 in the portfolio at the end of the 15th fiscal period, excluding 4 properties acquired in the 15th fiscal period and 1 retail property)

Rents at Tenant Replacement

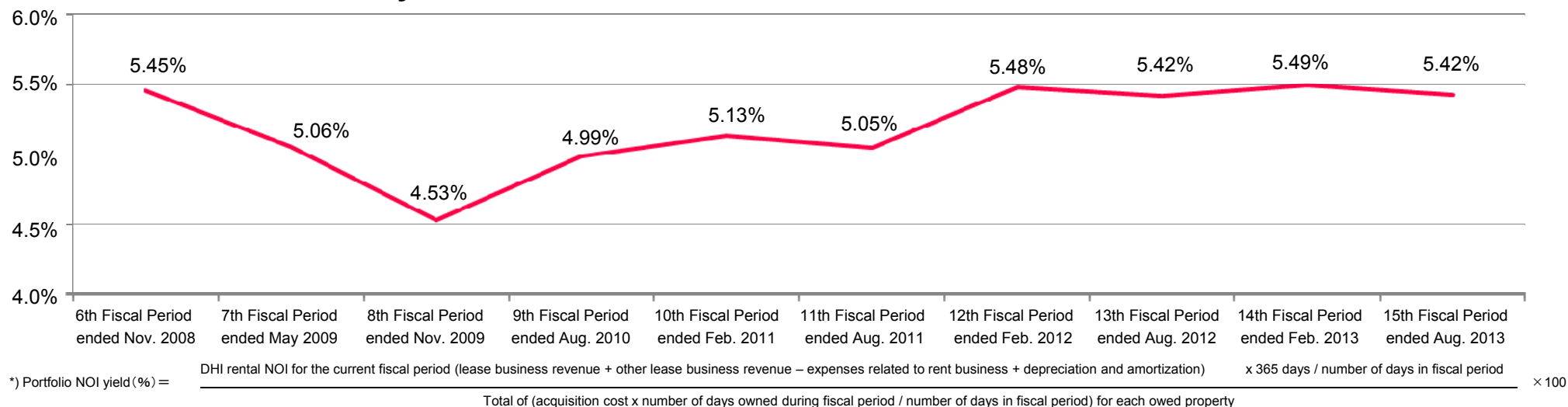
// Number and Ratio of Units with Rent Increases / Reductions and Rent Levels at the time of Tenant Replacement

Fiscal Period		12th Fiscal Period (ended Feb. 2012)			13th Fiscal Period (ended Aug. 2012)			14th Fiscal Period (ended Feb. 2013)			15th Fiscal Period (ended Aug. 2013)		
Area		Units	Ratio	Amount (thousand yen)	Units	Ratio	Amount (thousand yen)	Units	Ratio	Amount (thousand yen)	Units	Ratio	Amount (thousand yen)
All properties	Rent increase	268	30.8%	1,583	366	38.6%	2,102	347	39.2%	2,310	385	38.2%	2,353
	Rent reduction	467	53.7%	(5,797)	426	45.0%	(4,703)	429	48.5%	(4,135)	427	42.4%	(4,552)
	No change	135	15.5%	—	155	16.4%	—	109	12.3%	—	196	19.4%	—
	Not determined *1	58	—	—	15	—	—	17	—	—	47	—	—
	Total	928	100.0%	(4,213)	962	100.0%	(2,601)	902	100.0%	(1,825)	1,055	100.0%	(2,198)
Area 1	Rent increase	80	27.6%	516	99	29.6%	696	113	35.3%	811	99	29.5%	765
	Rent reduction	168	57.9%	(2,717)	169	50.4%	(2,859)	167	52.2%	(1,900)	181	53.9%	(2,613)
	No change	42	14.5%	—	67	20.0%	—	40	12.5%	—	56	16.7%	—
	Not determined *1	44	—	—	13	—	—	3	—	—	32	—	—
	Total	334	100.0%	(2,201)	348	100.0%	(2,162)	323	100.0%	(1,089)	368	100.0%	(1,848)
Area 2	Rent increase	64	24.7%	382	84	36.8%	423	91	33.6%	378	77	30.7%	405
	Rent reduction	150	57.9%	(1,751)	107	46.9%	(806)	136	50.2%	(1,119)	119	47.4%	(1,047)
	No change	45	17.4%	—	37	16.2%	—	44	16.2%	—	55	21.9%	—
	Not determined *1	8	—	—	2	—	—	12	—	—	7	—	—
	Total	267	100.0%	(1,369)	230	100.0%	(383)	283	100.0%	(741)	258	100.0%	(642)
Area 3	Rent increase	10	25.6%	36	8	23.5%	26	2	5.4%	4	5	12.2%	9
	Rent reduction	21	53.8%	(319)	20	58.8%	(169)	29	78.4%	(254)	26	63.4%	(136)
	No change	8	20.5%	—	6	17.6%	—	6	16.2%	—	10	24.4%	—
	Not determined *1	0	—	—	0	—	—	0	—	—	1	—	—
	Total	39	100.0%	(283)	34	100.0%	(143)	37	100.0%	(250)	42	100.0%	(127)
Area 4	Rent increase	114	40.4%	649	175	50.0%	956	141	54.9%	1,117	204	53.7%	1,174
	Rent reduction	128	45.4%	(1,008)	130	37.1%	(869)	97	37.7%	(862)	101	26.6%	(756)
	No change	40	14.2%	—	45	12.9%	—	19	7.4%	—	75	19.7%	—
	Not determined *1	6	—	—	0	—	—	2	—	—	7	—	—
	Total	288	100.0%	(358)	350	100.0%	87	259	100.0%	255	387	100.0%	418

*1) "Not determined" refers to contracts where comparisons are problematic due to changes in contract type (normal contracts, fixed-lease contracts), and contracts for properties previously owned by NCR or for newly acquired properties where comparisons are problematic because previous rents are unknown.

*2) Retail facilities are excluded.

// Transition of Portfolio NOI yield



// Implementing Upgrade Work

- Castalia Abeno: refurbishment of meeting room (cost: ¥6.9 million)

< Details of main refurbishment >

Second-floor meeting room converted into rental apartment (3LDK: 88.64m²)

< Before refurbishment (meeting room) >



< After refurbishment (rental apartment) >



// Construction Technology Group's efforts to enhance the value of portfolio properties

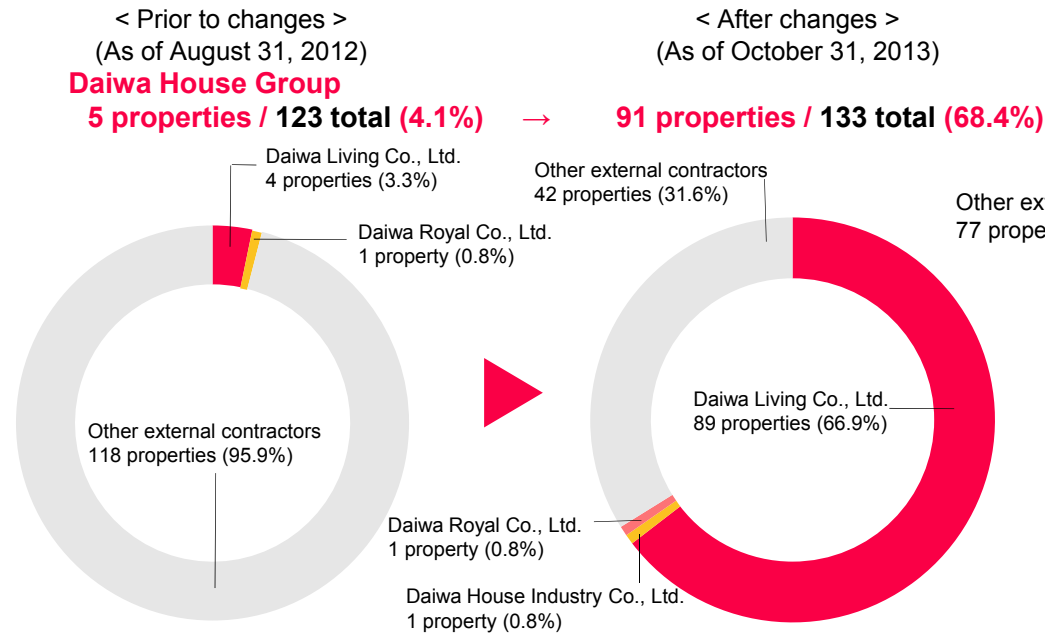
- A new Construction Technology Group was established in the asset management company in April 2013 in order to boost the competitiveness of portfolio properties through large-scale preventative repair work and to ensure stable management of property assets through the implementation of repair plans.
- Track record and planned repair work
 - 1) Building inspections and development of long-term repair plans
To be carried out over the next 1–2 years for 133 portfolio properties (as of Oct. 31, 2013)
(Completed for 16 properties as of the end of the 15th fiscal period)
 - 2) Implement strategic upgrade work
Completed for six properties, including the case given on left (Castalia Abeno), contributing to an increase in property value through greater earnings and brand power
 - 3) Constantly review facility maintenance and management operations as well as restoration work for private areas
Achieve the best possible outcomes in terms of costs, aesthetics and function by modeling maintenance and management services and restoration work

// Consolidating Management Operations within Daiwa House Group

■ Changes of property management (PM), building maintenance (BM), and ML companies

Work currently outsourced to external PM, BM and ML companies was consolidated within the Daiwa House Group in order to improve resident satisfaction by raising the quality of property management, while at the same time increasing management efficiency and reducing costs

Changes of PM companies

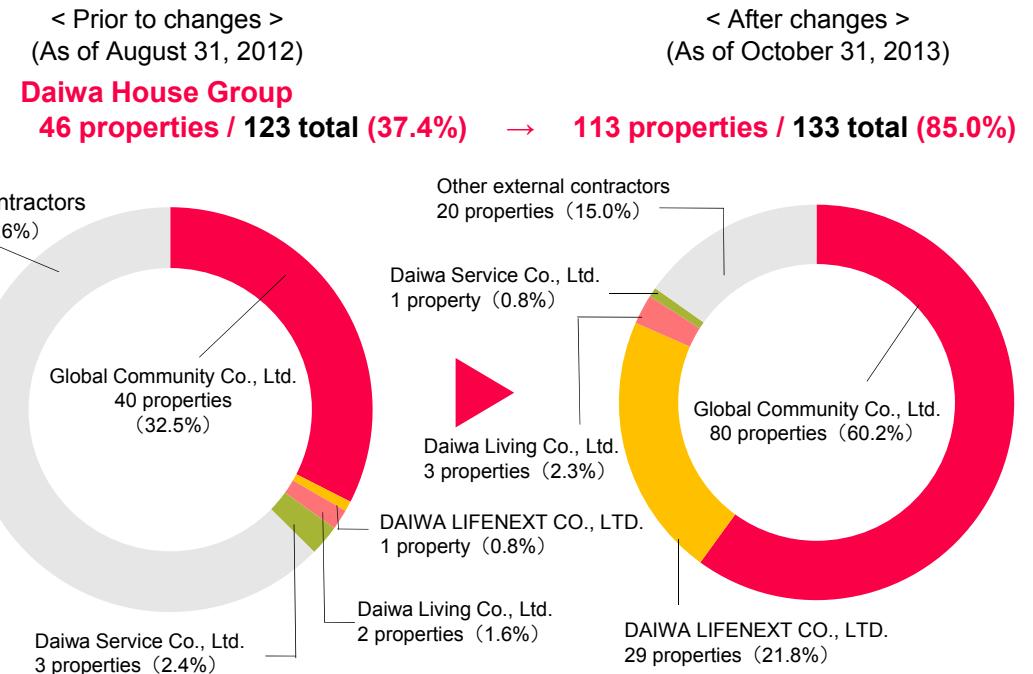


Projected annual cost savings of ¥7,487 thousand (*1)

Changes of ML companies

- 1) Daiwa Living Management Co., Ltd. took over the management of six properties handled by an external ML contractor
- 2) As part of organizational restructuring of the Daiwa House Group, DH Leasing LLC, which serves as a ML company for 71 of DHI's properties, was absorbed and merged with Daiwa Living Management Co., Ltd., effective on March 29, 2013, **reducing ML outsourcing costs by ¥3,166 thousand per year (*2)**

Changes of BM companies



Projected annual cost savings of ¥17,231 thousand (*1)

Consolidation of PM, BM and ML services within the Daiwa House Group is expected to reduce costs by ¥27,885 thousand per year

*1) Using track record for properties in DHI's portfolio in the 15th fiscal period, the asset management company has calculated the difference in costs compared with if no review of outsourcing costs was implemented; amounts have been rounded down to the nearest unit.

*2) Master lease fees in the 13th and 14th fiscal periods; amounts have been rounded down to the nearest unit.

// Financial Strategy

- Establish a bank formation centered on financial institutions that have close relationships with Daiwa House
- Control LTV within a conservative range of around 50% to 55%
- Shift to longer loan terms and reduce debt costs, ensuring a flexible property acquisition stance using the ¥10 billion commitment line

// Improvements to the Financial Position during the 15th Fiscal Period (ended August 2013)

- As of the end of the 15th fiscal period (as of Aug. 31, 2013), LTV had improved to 53.0% due to the capital increase through public offering in March 2013.
End of 14th 56.6% ⇒ End of 15th 53.0% [(3.6)% term on term]
- In September 2013, DHI concluded a contract that revised the terms of its commitment line contract (extended one year) and borrowed ¥7 billion to acquire six new properties.

// Progress with Reducing Debt Costs

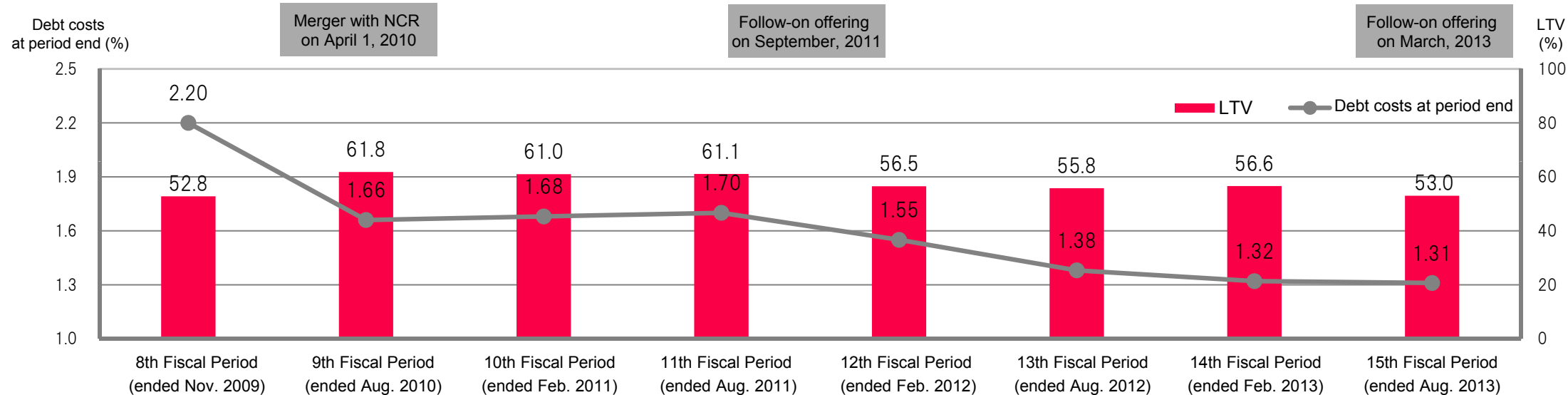
Date of Refinancing	Amount refinanced (billion yen)	Change in debt costs (*1)	Debt costs per unit change (¥/ fiscal period) (*2)
December, 2010	10.5	1.47% ▶ 1.79%	53
September, 2011	31.8	1.93% ▶ 1.34%	(294)
March, 2012	18.0	1.48% ▶ 1.31%	(47)
July, 2012	12.4	2.24% ▶ 0.93%	(254)
January and February, 2013	26.5	1.32% ▶ 1.04%	(119)

*1) Base rate + spread + other financing related expenses

*2) Based on 321,070 units, the number of units after split on March 1, 2013.

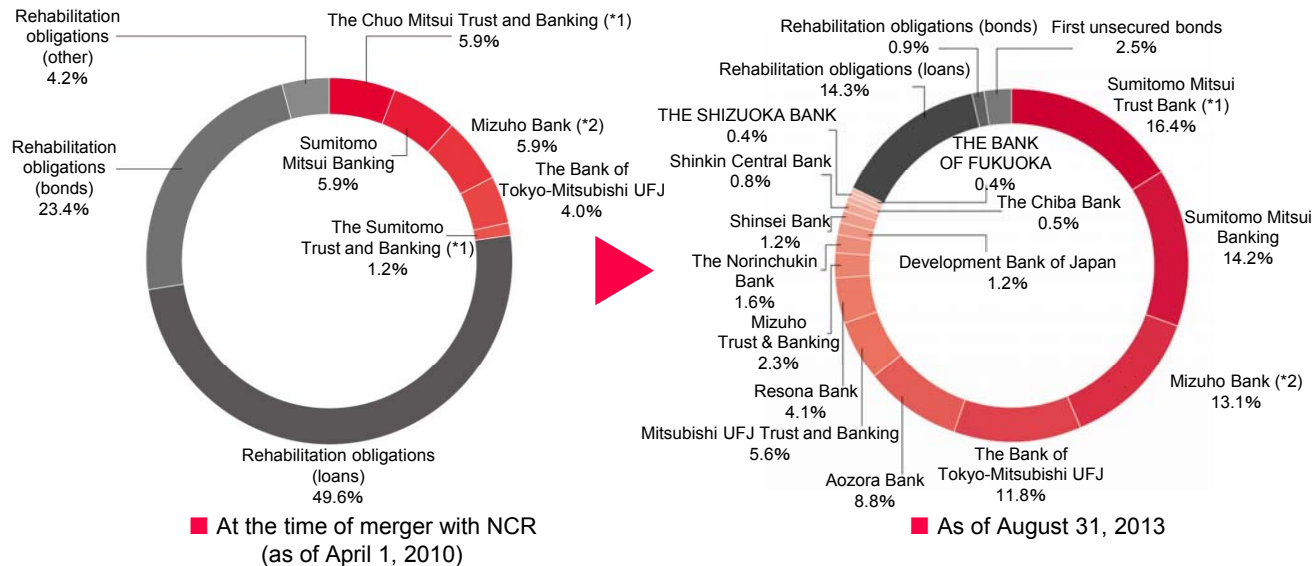
Total (661)

// Transition of Debt Costs and LTV at the End of the Fiscal Period



*3) Excluding commitment line I

// Diversifying Sources of Financing



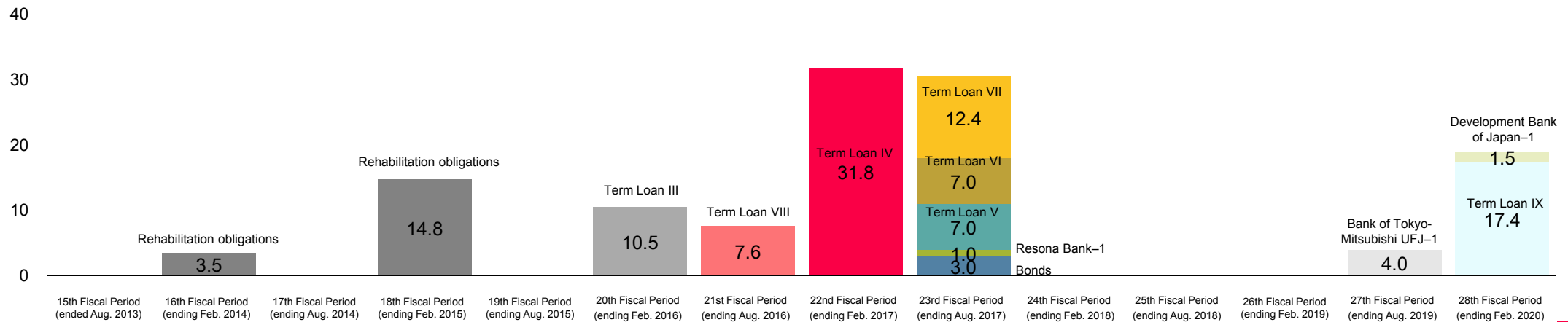
*1) The Chuo Mitsui Trust and Banking Co., Ltd., the Sumitomo Trust and Banking Co., Ltd. and Chuo Mitsui Asset Trust and Banking Co., Ltd. merged effective April 1, 2012 to form Sumitomo Mitsui Trust Bank, Limited.
*2) Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. merged effective July 1, 2013 to form Mizuho Bank, Ltd.

// Debt Maturity

Average remaining term: (End of 14th) 3.97 years ▶ (End of 15th) 3.46 years

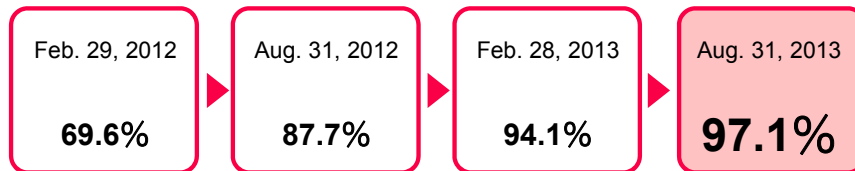
*Excluding commitment line I-5

(unit: billion yen)

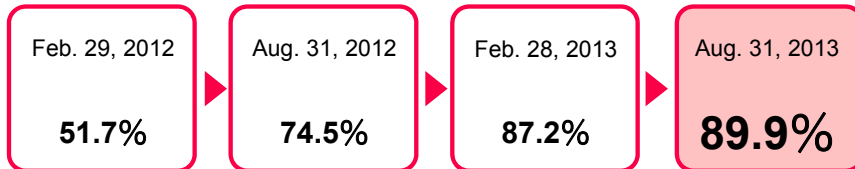


// Breakdown of Interest-bearing Debt

Increase in ratio of long-term debt



Increase in ratio of loans with fixed rates



// Status of Interest-bearing Debt

(unit: million yen)

	Lenders	Balance as of October 31, 2013	Interest Rate	Loan Date	Due date	Duration	Description
Commitment Line I –5	4 financial institutions	7,000	0.95382% (Variable) ＜Spread 0.8%＞	September 27, 2013	September 26, 2014	1 year	Unsecured
Term Loan III	7 financial institutions	10,500	1.40% *1 (Fixed) ＜Spread 0.8%＞	December 28, 2010	December 28, 2015	5 years	Unsecured
Term Loan IV	8 financial institutions	31,800	1.096% *1 (Fixed) ＜Spread 0.65%＞	September 30, 2011	September 30, 2016	5 years	Unsecured
Term Loan V	4 financial institutions	7,000	1.025% *1 (Fixed) ＜Spread 0.6%＞	March 27, 2012	March 31, 2017	5 years	Unsecured
Term Loan VI	3 financial institutions	7,000	1.025% *1 (Fixed) ＜Spread 0.6%＞	March 27, 2012	March 31, 2017	5 years	Unsecured
Term Loan VII	4 financial institutions	12,400	0.69536% *1 (Fixed) ＜Spread 0.45%＞	July 31, 2012	July 31, 2017	5 years	Unsecured
Term Loan VIII	8 financial institutions	7,600	0.44818% (Variable) ＜Spread 0.3%＞	January 31, 2013	March 31, 2016	3.2 years	Unsecured
Term Loan IX	8 financial institutions	17,410	0.9585% *1 (Fixed) ＜Spread 0.5%＞	January 31, 2013 February 28, 2013	January 31, 2020	6.11 years 7 years	Unsecured
Resona Bank-1	Resona Bank, Ltd.	1,095	0.83% (Variable) ＜Spread 0.6%＞	March 26, 2012	March 31, 2017	5 years	Unsecured
Bank of Tokyo-Mitsubishi UFJ-1	Bank of Tokyo-Mitsubishi UFJ	4,000	1.07% (Fixed)	March 27, 2012	March 27, 2019	7 years	Unsecured
Development Bank of Japan Inc-1	Development Bank of Japan Inc.	1,500	0.96375% (Fixed)	January 31, 2013	January 31, 2020	7 years	Unsecured
Bonds	First Series Unsecured Bonds	3,000	1.12% (Fixed)	March 9, 2012	March 9, 2017	5 years	Unsecured
Rehabilitation Obligations		3,573	1.23% (Variable) *2 ＜Spread 1.0%＞	January 5, 2010	January 31, 2014	4 years	Unsecured
		14,861	1.72553% (Fixed) ＜Spread 1.1%＞	January 5, 2010	January 30, 2015	5 years	
Total Interest-bearing Debt		128,740	*1) The interest rate fixed in effect by the interest rate swap agreements. *2) DHI may shift to a fixed interest rate without changing the applied spread.				

*1) The interest rate fixed in effect by the interest rate swap agreements.


*2) DHI may shift to a fixed interest rate without changing the applied spread.

Utilizing of Tax-Loss Carry Forwards **¥44.5 billion**
(as of August 31, 2013)



Utilizing of Retained Earnings **¥19.1 billion**
(as of August 31, 2013)

// Accumulate Retained Earnings by Utilizing ¥44.5 billion Tax-Loss Carry Forwards




- DHI succeeded tax-loss carry forwards through a merger with NCR, which filed for civil rehabilitation
- J-REITs must distribute over 90% of their distributable income and include distributions paid in expenses (J-REIT conduit requirement)
- With the tax-loss carry forwards, there will be no tax profit until the fiscal period ending August 2018. As a result, DHI will not be taxed, even if it doesn't distribute over 90% of distributable income
- **DHI is able to distribute retained earnings by utilizing tax-loss carry forwards when it realizes gain from property disposition**
 **Increase distributions through reinvestment of gain from property disposition**
- Because tax-loss carry forwards are different to the accounting concept, they will have no effect on the balance sheet, distributions and the like, even if they are not depleted by the fiscal period ending August 2018

// Retained Earnings (Reserve for Distribution) and New Distribution Policy

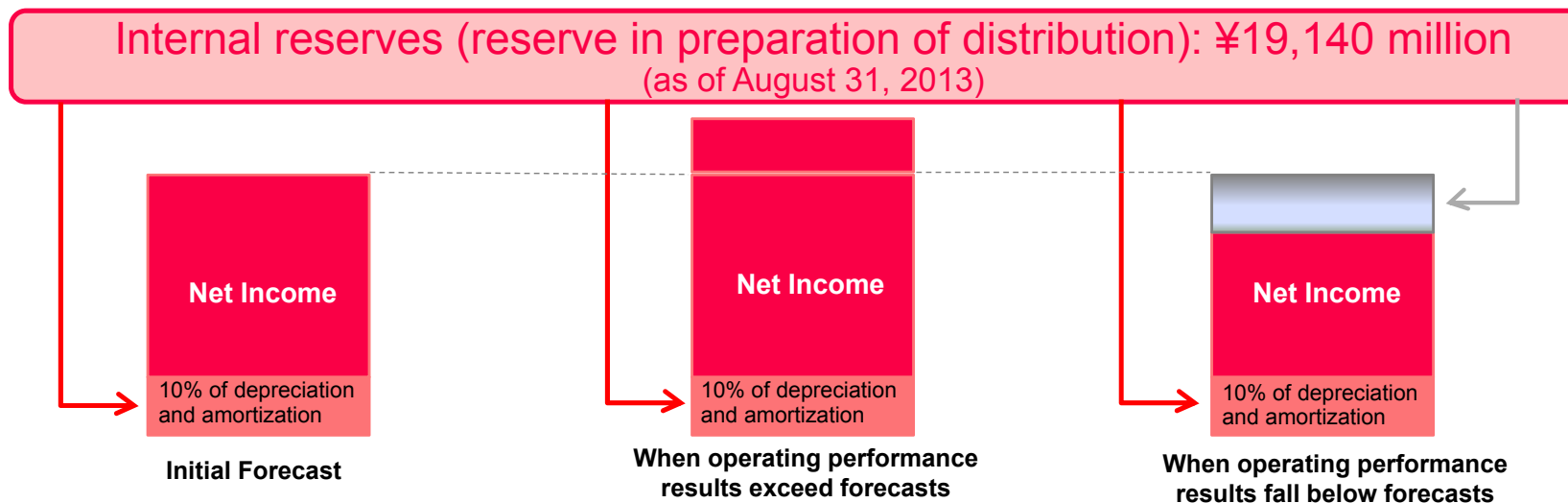
Retained Earnings (Reserve for Distribution)

- Total retained earnings (reserve for distribution) of ¥19.1 billion (amount after reversal of retained earnings in current fiscal period) currently held is the gain from disposal of properties and gains on redemption by purchase, etc. accrued on top of the ¥19.0 billion gain on negative goodwill on the merger with NCR
- Because the amount is accumulated on the balance sheet as reserve for distribution, so it can be used flexibly for future distributions
- Retained earnings **¥51,196 per unit** (*) (*) Based on the total of 373,870 investment units issued and outstanding following the October 2013 capital increase through public offering (assuming that new investment units are issued up to the upper limit of 2,000 units through third party allotment).

New Distribution Policy

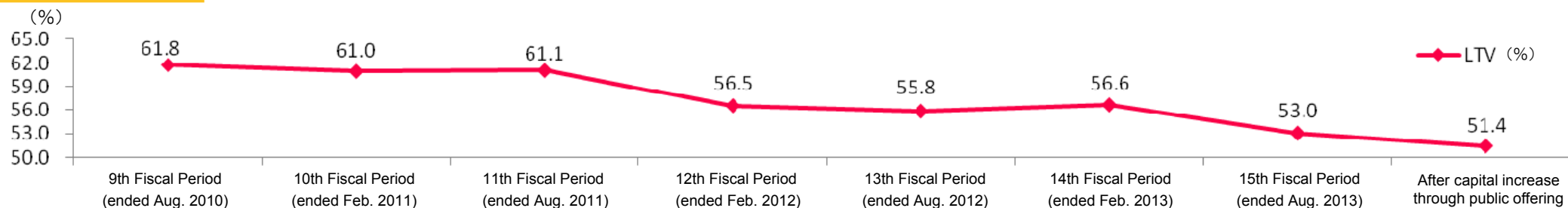
- Under the new policy, DHI plans to reverse the equivalent of 10% of depreciation and amortization from retained earnings to increase net income each fiscal period; the maximum amount shall be equivalent to depreciation and amortization after the deduction of capital expenditure
 **Increasing distributions**
- DHI shall reverse retained earnings for distributions in the event of extraordinary loss caused by loss from property disposition or other factors, or dilution of distribution due to a capital increase through public offering  **Stabilizing distributions**
- Retained earnings shall be reversed for distributions to cover any shortfall in track record versus DHI's forecasts  **Stabilizing distributions**
DHI's reversals of retained earnings are the reversal of the reserve for distribution, which does not correspond to the distribution of excess earnings (repayment of unitholders' capital)

// Image of New Distribution Policy

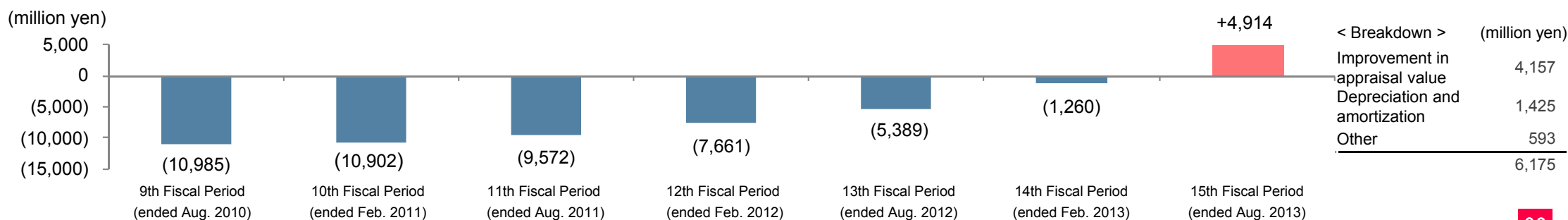


// Background of change in distribution policy

Improvement in LTV

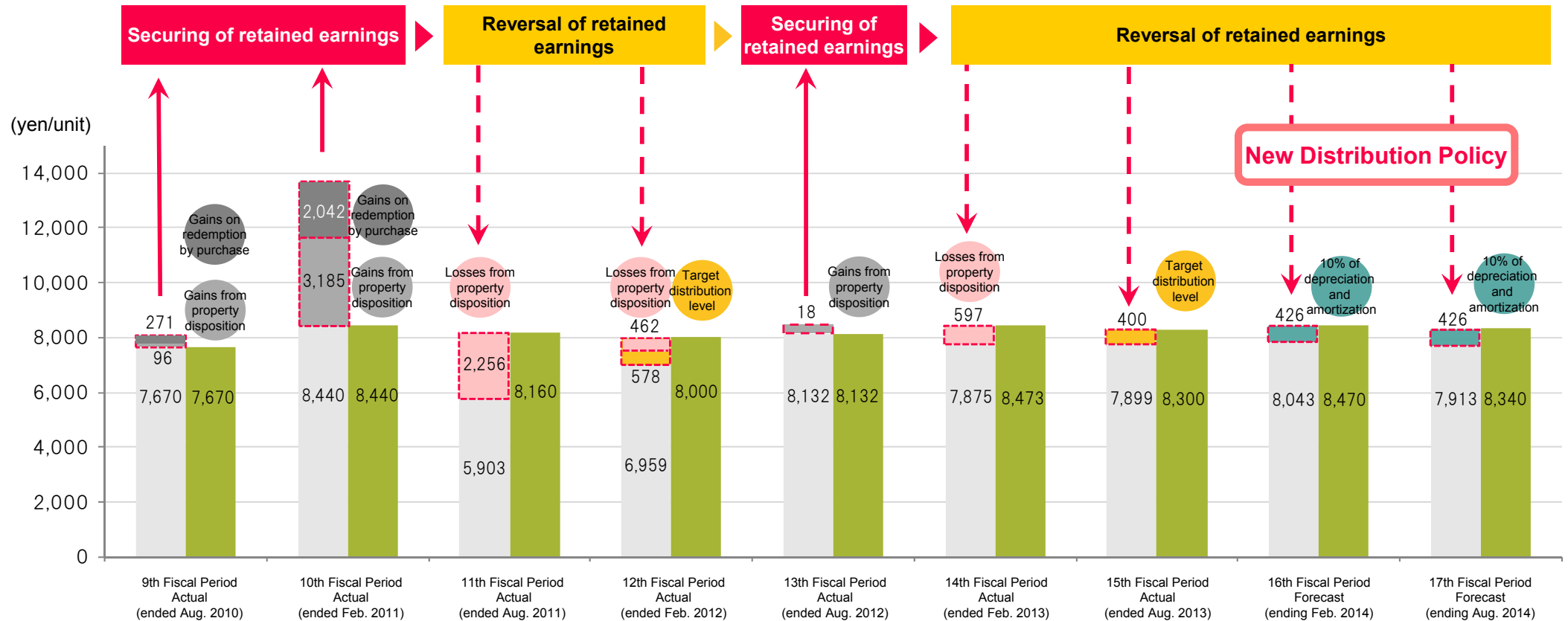


Improvement in unrealized gain and loss



Efforts to Stabilize Distributions

■ Net income per unit (excluding gains on redemption by purchase, gains from property disposition and gain on negative goodwill) (*2) ■ Distribution per unit (*2) □ Securing / reversal of retained earnings per unit (*2)



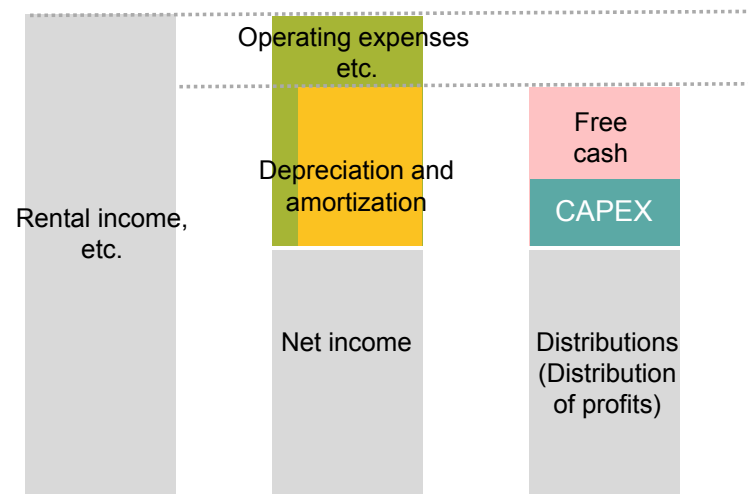
	9th Fiscal Period Actual (ended Aug. 2010)	10th Fiscal Period Actual (ended Feb. 2011)	11th Fiscal Period Actual (ended Aug. 2011)	12th Fiscal Period Actual (ended Feb. 2012)	13th Fiscal Period Actual (ended Aug. 2012)	14th Fiscal Period Actual (ended Feb. 2013)	15th Fiscal Period Actual (ended Aug. 2013)	16th Fiscal Period Forecast (ending Feb. 2014)	17th Fiscal Period Forecast (ending Aug. 2014)
Net income	*3) ¥1,909 million	¥3,245 million	¥1,401 million	¥2,234 million	¥2,616 million	¥2,528 million	¥2,779 million	¥3,007 million	¥2,958 million
Retained earnings (reversal)	¥87 million	¥1,241 million	¥(535 million)	¥(334 million)	¥5 million	¥(191 million)	¥(141 million)	¥(159 million)	¥(159 million)
Total distributions	¥1,821 million	¥2,004 million	¥1,937 million	¥2,568 million	¥2,610 million	¥2,720 million	¥2,920 million	¥3,166 million	¥3,118 million

*1) The above graph shows net income per unit, distribution per unit, and securing / reversals of retained earnings per unit.

*2) DHI implemented a 2-for-1 split of investment units on March 1, 2013. In order to factor in the impact of this split, net income per unit, distribution per unit, and securing / reversal of retained earnings per unit for the 9th fiscal period through to the 14th fiscal period have been divided by two. The 9th fiscal period (ended Aug. 2010) is the nine-months period from December 1, 2009 to August 31, 2010 due to a change in fiscal period-end.

*3) Net income for the 9th fiscal period (ended Aug. 2010) was ¥20,918 million. However, for the purpose of comparison, the figure of ¥1,909 million, which excludes a gain of ¥19,009 million on negative goodwill, is presented, and net income per unit above is based on this amount.

// Reuse of Depreciation and amortization



Stable levels of free cash derived from depreciation and amortization each fiscal period allows DHI to use numerous cash management methods

// Depreciation and amortization Utilizing Policy

- **Maintenance and improvement of asset value using CAPEX**
Implementing upgrade work for the owned properties, maintenance and improvement of asset value
- **Stabilizing and increase distributions by utilizing ¥19.1 billion in retained earnings**
Boost distributions with an amount equivalent to 10% of depreciation and amortization
Mitigate downside risk to distributions
(loss from property disposition, dilution from capital increase)
- **Increase distributions by reinvesting (acquire new properties)**
Target upside to distributions by using around ¥2.5 billion in cash on hand each year to acquire properties

// Usage of Depreciation and amortization

	Reinvestment (Acquisition of new properties)	Reduction of Interest-bearing Liabilities	Return to unitholders (distribution increase, unit buybacks)
Impact on distributions	Contribution from revenues from properties	Interest expenses reduced	
Impact on NAV			
Impact on LTV			
Key points	<ul style="list-style-type: none"> - Use for CAPEX - Effective on condition that: <ul style="list-style-type: none"> - it enables the acquisition of assets that boost profits and increase unrealized gain, - the financial environment is favorable and sufficiently stable 	<ul style="list-style-type: none"> - Given lower priority when the financial environment is stable - Needs consideration when interest rate rise sharply 	<ul style="list-style-type: none"> - To return to unitholders - Does not correspond to the distribution of excess earnings (repayment of unitholders' capital), as funds are reversed from retained earnings

The amount of funds needed to acquire residential properties is relatively small, making it easy to reinvest funds; DHI has therefore selected the reinvestment option for the time being, aiming to increase distributions

// Utilization of depreciation and amortization (unit: million yen)

		10th	11th	12th	13th	14th	15th	Total	16th (Forecast)
Depreciation and amortization		1,146	1,176	1,363	1,411	1,422	1,523	8,045	1,596
Use	Enhance value of portfolio properties	198	85	92	80	105	127	689	168
	Stabilizing distributions	—	535	334	—	191	141	1,203	—
	Increasing distributions	—	—	—	—	—	—	—	159
	Reinvestment (incl. planned amounts)	948	554	937	1,331	1,125	1,255	6,152	1,267
Total		1,146	1,176	1,363	1,411	1,422	1,523	8,045	1,596

- DHI plans to increase net income by an amount equivalent to 10% of depreciation and amortization (¥159 million for both the 16th and 17th fiscal periods (¥426 per unit)) in order to boost distributions.
- DHI will also target further upside to distributions by using cash on hand of ¥4 billion (forecast for end-December 2013) to acquire new properties.

(unit: million yen)

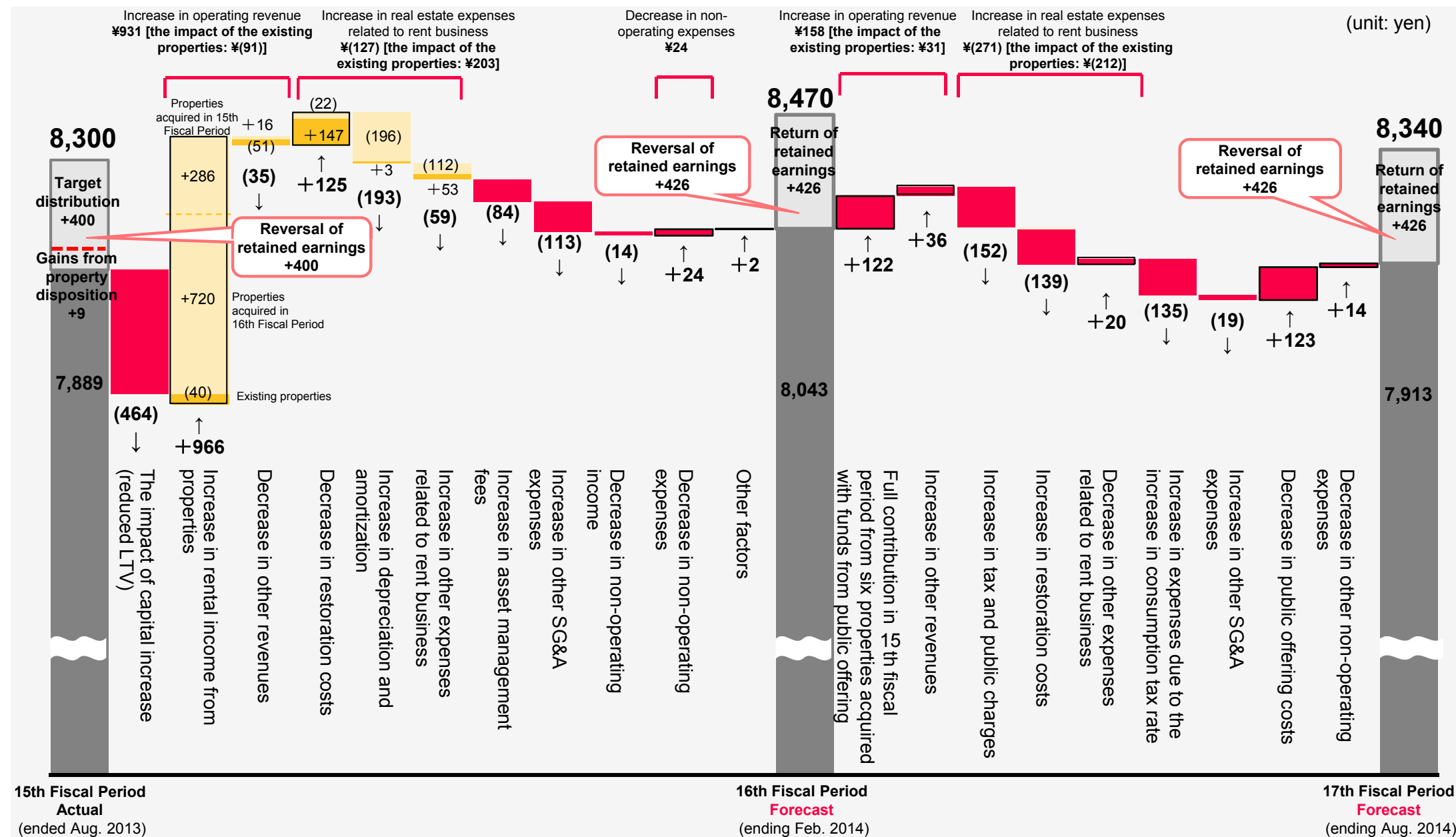
		15th Fiscal Period Actual (ended Aug. 2013)	16th Fiscal Period Forecast (ending Feb. 2014)		17th Fiscal Period Forecast (ending Aug. 2014)	
				Term on term		Term on term
Operating Revenue		7,971	8,316	+344	8,375	+59
	Lease business revenue	7,968	8,316	+348	8,375	+59
	Gain and loss from disposition of properties	3	—	(3)	—	—
Operating Income		3,661	3,885	+223	3,785	(99)
	Excl. gain and loss from disposition of properties	3,658	3,885	+226	3,785	(99)
Ordinary Income		2,780	3,007	+227	2,958	(48)
	Excl. gain and loss from disposition of properties	2,776	3,007	+230	2,958	(48)
Extraordinary Income / Losses		—	—	—	—	—
Net Income		2,779	3,007	+227	2,958	(48)
	Excl. extraordinary income / losses	2,776	3,007	+230	2,958	(48)
Retained Earnings (Reversal)		(141)	(159)	(18)	(159)	—
Total Distributions		2,920	3,166	+246	3,118	(48)

Net Income per Unit	(A)	7,899 yen	8,043 yen	+144 yen	7,913 yen	(130) yen
Net Income per Unit excl. extraordinary income / losses		7,889 yen	8,043 yen	+154 yen	7,913 yen	(130) yen
Reversal of Retained Earnings per Unit	(B)	(400) yen	(426) yen	(26) yen	(426) yen	—
Distribution per Unit	(A) - (B)	8,300 yen	8,470 yen	+170 yen	8,340 yen	(130) yen

(Note) Forecasts for the 16th and 17th fiscal periods assume 373,870 units outstanding at the end of each period.

Sixteenth Fiscal Period (ending Feb. 2014) and Seventeenth Fiscal Period (ending Aug. 2014) Breakdown of Distribution Forecast per Unit

// Analysis of Breakdown of Forecast Distribution per Unit



*) Forecasts for the 16th and 17th fiscal period assume 373,870 units outstanding at the end of each period.

// Implementing Split of Investment Units

- DHI implemented a 2-for-1 split of investment units effective March 1, 2013.
- The purpose of this split is to reduce investment cost per unit and create an environment that encourages investment by investors, in order to expand the investor base and increase the liquidity of DHI's investment units.

// Introducing a Unitholder Special Benefit Program

- From the 15th fiscal period (ended August 2013), DHI launched a unitholder special benefit program.
- Targeting unitholders who are listed or recorded on the list of unitholders of DHI at the end of each fiscal period (the end of February and August of each year)
- Regardless of the number of units held, all eligible unitholders shall receive one hotel discount ticket which allow them to stay at the 27 Daiwa Royal Hotels (for two or more persons per room), which are operated all over the country by Daiwa Resort Co., Ltd. (a wholly-owned subsidiary of Daiwa House Industry Co., Ltd.) without limitation during the term of validity (The ticket will be included in the Asset Management Report and is scheduled to be sent to eligible unitholders in mid-May and mid-November each year.).

*) DHI may make changes to implementation of the unitholder special benefit program or its content in the future.

Period	Price list (room rates per person)
	Two or more persons per room
November 1, 2013 – December 30, 2013	¥7,620
December 31, 2013 – January 2, 2014	—
January 3, 2014 – March 31, 2014	¥7,620



[Minamiboso-Tomiura Royal Hotel]



// Deciding Introduction of Cumulative Investment Program for Officers and Employees

- Daiwa House Asset Management Co., Ltd. will launch a cumulative investment program for officers and employees starting December 2013.
- The purpose of this launch is to encourage officers and employees of Daiwa House Asset management Co., Ltd. to closely watch the trends in DHI's investment unit price and raise their awareness of its earnings through the cumulative investment program, thus incentivizing them to make efforts to increase DHI's investment unit price, drive further growth for DHI, and enhance unitholders' value in the medium and long term.

*) Cumulative investment program allows officers and employees of the asset investment company to acquire DHI's investment units at the fixed time in a fixed amount on a continuous basis through securities companies.

Future Policies of Growth Strategy

Implementation of Distribution Management

Implementation of distribution management utilizing retained earnings of ¥19.1 billion and tax-loss carry forwards of ¥44.5 billion (as of August 31, 2013)

Leverage Comprehensive Strengths of the Daiwa House Group

Leverage the comprehensive strengths of the Daiwa House Group, which can offer total operations of rental residences from planning and development to administration, management and tenant leasing



Daiwa House Residential Investment Corporation

Realizing Sustained External Growth and Stabilized Distribution

Enhancement of Portfolio Quality

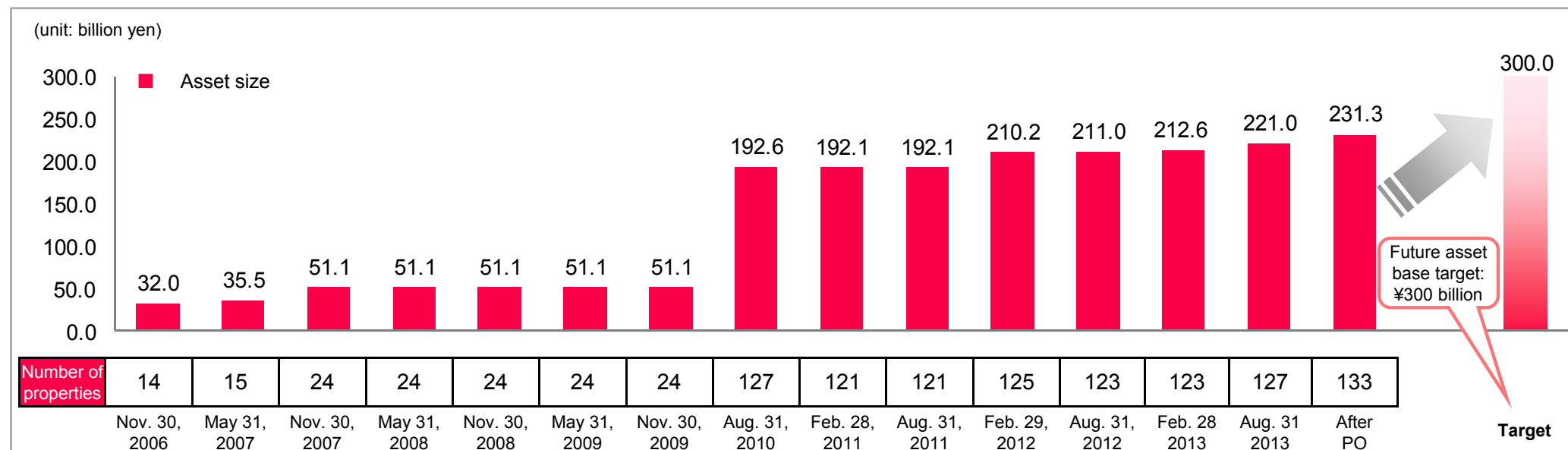
DHI will replace its relatively less competitive management assets, so as to enhance profitability and reduce administrative and management costs

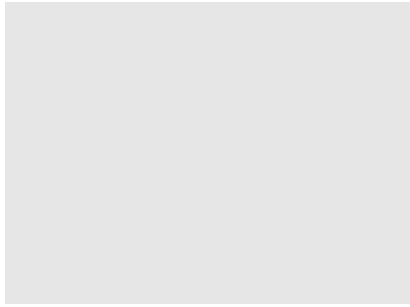
Expansion of Portfolio Size

Aiming to expand portfolio size, mainly in properties to be developed by Daiwa House Industry, Investment in housing for elderly people

Enhancement of Financial Position

Building a strong banking structure backed by the creditworthiness of the Daiwa House Group, Reducing debt costs





A P P E N D I X



Daiwa House
Residential
Investment Corp.







Daiwa House Asset Mgt.TM
Daiwa House Group

Investment Strategy on Residential Properties by Area



// By Area

Area		Area 1	Area 2	Area 3	Area 4
Current	Definition	5 major wards of Tokyo (Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward)	Wards of Tokyo excluding Area 1	Tokyo Metropolitan area (Tokyo excluding Area 1 and Area 2, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture)	Other cities with populations of more than approx. 100,000
	Investment Policy	60% or more		30% or less	30% or less
	DHI's Portfolio (as of October 31, 2013)	72.3% (40.0%)		6.3%	21.5%

Future	Target Portfolio				
	Rationale	<p><Area 1></p> <ul style="list-style-type: none"> Currently high proportion of investment in this area, but offers the potential for strong rent rises once the economy recovers No plan to sell properties, but planning to reduce or maintain relative weighting of investment in this area by acquiring properties in other areas <p><Area 2></p> <ul style="list-style-type: none"> Area 2 rents are very stable while occupancy rates are stable. Aim to increase the investment ratio of this area The strengths of Daiwa House Group can be best utilized in this area 		<ul style="list-style-type: none"> A supply of high-quality properties is expected from Daiwa House Study prospect of investing in properties for which Daiwa House Group function as a master lessee 	<ul style="list-style-type: none"> Consider purchasing attractive properties in this area based on property competitiveness, size, and yields

Investment Strategy on Residential Properties by Type

// By Type

	Type	Compact	Family
Current	Overview	<ul style="list-style-type: none"> Residences aimed mainly at singles, double income no kids (DINKS) and designed in for their life styles 	<ul style="list-style-type: none"> Residences aimed mainly at families and designed for their life styles
	Dedicated Area	60m ² or less	More than 60m ²
	Investment Policy	70% or more	30% or less
	DHI's Portfolio (Unit basis) (as of October 31, 2013)	83.7%	16.3%
Future	Target Portfolio		
	Rationale	<ul style="list-style-type: none"> Rents are currently low however downward rigidity of occupancy rates and rent is strong 	<ul style="list-style-type: none"> A supply of excellent properties is expected from Daiwa House Study prospect of investing in properties for which Daiwa House Group function as an muster lessee

■ Investment in Housing for Elderly People

Newly create additional policies and criteria regarding investing in housing for elderly people (rental residences, care facilities or others scheduled to be occupied exclusively by elderly people living alone or elderly couples with the provision of nursing services, etc., including serviced housing for elderly people and private nursing homes), in order to manage the risk of investing in such housing.

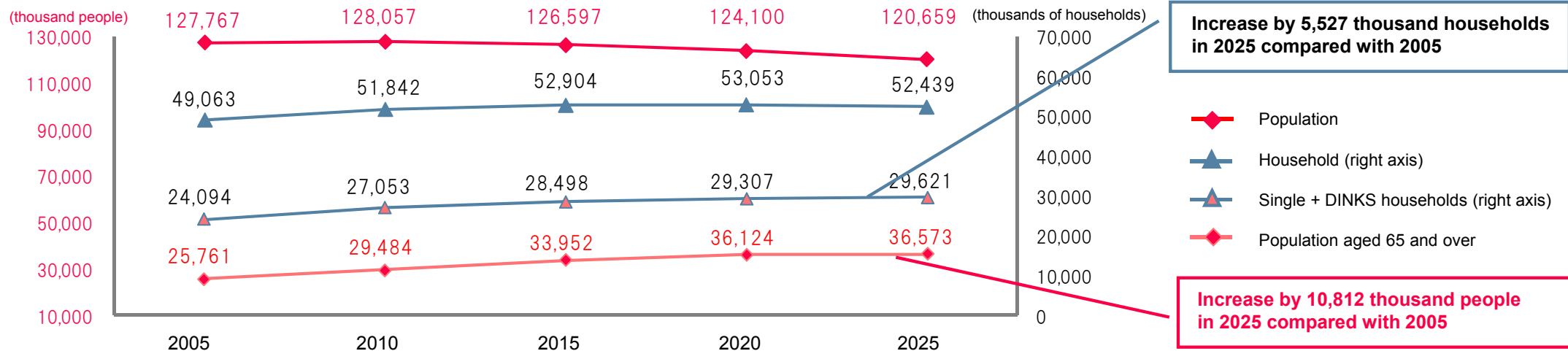
In principle, DHI will invest in properties for which the risk of operating them to house elderly people is limited, by such means as renting out together to operators DHI judges to have the necessary management capabilities and reliability, or investing in properties for which management support from the Daiwa House Group can be expected.

*) Housing for elderly people is not included in calculations of investment ratio by area or type.

Building Portfolio: Strengths of DHI Portfolio

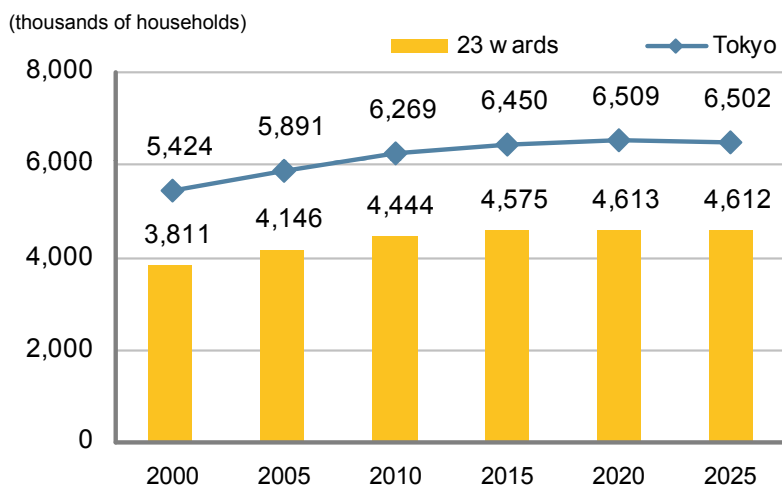
- Investment strategy focused on the Tokyo Metropolitan area where continuous population growth is expected, with a certain level of investment in major regional cities where local populations are expected to be concentrated for portfolio diversification
- By type, investment strategy focused on properties targeting compact types, of which the number of households is expected to increase
- Investment to a certain extent in housing for elderly people in reaction to the aging of society

Estimated Population and Number of Households (including forecasts)



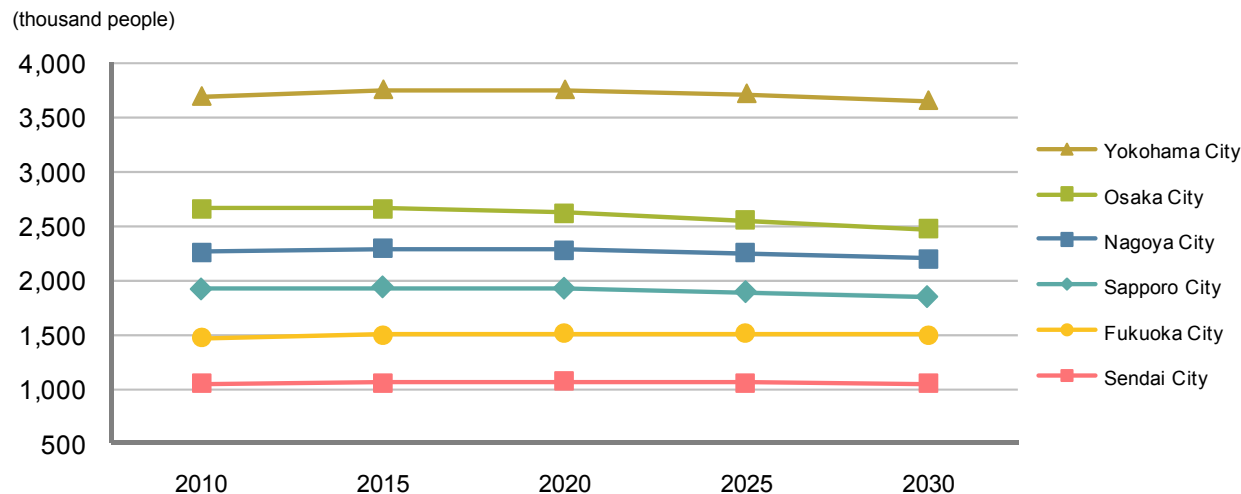
(Source) National Institute of Population and Social Security Research "Future Change in Households in Japan" (January 2013) and "Population Projections for Japan: Medium-fertility and Medium-mortality Assumptions" (January 2012)
(Source) Statistics Bureau, Ministry of Internal Affairs and Communications "Report on Population Census of Japan" for population in 2005

Estimated Number of Households in Tokyo (including forecasts)



(Source) Tokyo Metropolitan Government, "Forecast of Number of Households in Tokyo" statistical data (March 2009)

Estimated Population Changes by City (including forecasts)



(Source) National Institute of Population and Social Security Research "Estimated Population Changes by City, Town or Village" (March 2013)

// Number of Housing Starts Trend

- Number of starts for rental condominiums in Tokyo 23 wards totaled 23,707 units in 2012 (up 31.7% from a year earlier).
- After the peak in 2006, condominium starts declined due to the impact of the amendment of Building Standards Act (2007) and the collapse of emerging small-medium condominium developers during the financial crisis post Lehman Shock (2008); however, it bottomed out in 2010 and has gotten back on a recovery track.

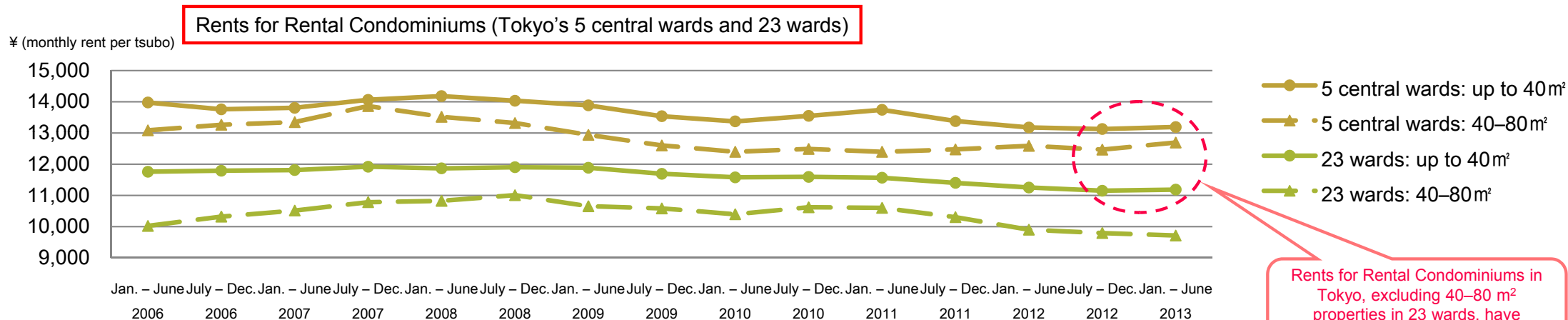


*1) Source: Daiwa House Asset Management Co., Ltd., based on Statistics on Building Starts, Ministry of Land, Infrastructure, Transport and Tourism

*2) Shows the number of new building starts in Tokyo's 23 wards under "by Owner Occupant Relation: Rented," "by Structure: steel-frame reinforced concrete or reinforced concrete," and "by Construction Method: joint project."

// Trends in Condominium Rents

- Condominium rents in Tokyo's 5 central wards reversed a downward trend. The extent of decline in Tokyo's 23 wards has become smaller, and rents for properties with floor area of 40 m² or smaller have risen slightly.



*1) Source: Daiwa House Asset Management Co., Ltd., based on Survey Results of Housing Market Index 2013 H1, published by the Japan Real Estate Institute (JREI) on September 11, 2013

*2) Adjusted by JREI using base data to show rents for 10-year old condominiums; rents are the amounts paid by tenants excluding management fees and common service fees.

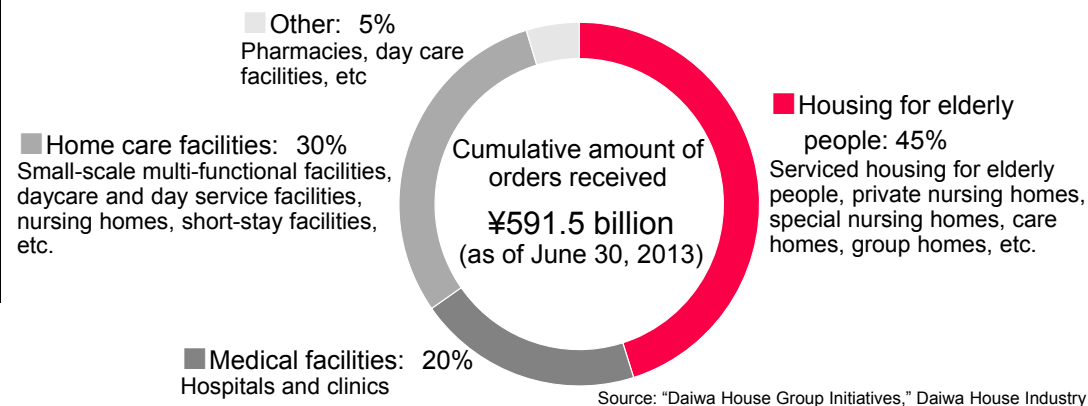
Rents for Rental Condominiums in Tokyo, excluding 40-80 m² properties in 23 wards, have reversed a downward trend.

// Profile of Daiwa House Industry

Company Name	Daiwa House Industry Co., Ltd.		
Head Office	3-3-5, Umeda, Kita Ward, Osaka City		
Established	April 5, 1955 (Founded: March 4, 1947)		
Paid-in Capital	¥161,699 million (as of August 19, 2013)		
Ratings	Japan Credit Rating Agency, Ltd. (JCR)	:	AA (Stable)
	Rating and Investment Information, Inc. (R&I)	:	AA- (Stable)

// Results of Daiwa House Group's Healthcare Business

Amount of orders received by Daiwa House Industry for housing for elderly people, medical treatment and nursing, and welfare facilities

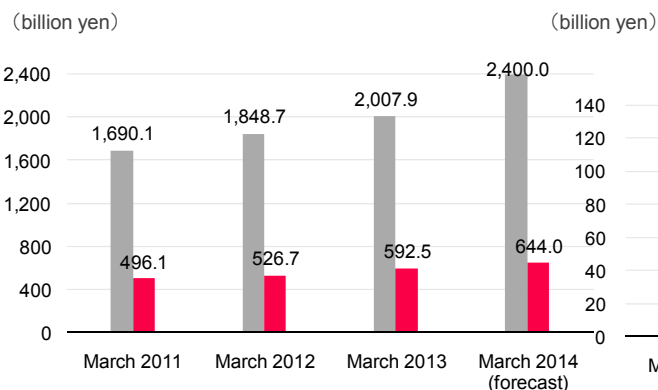


// Selected Financial Data of Rental Housing Business of Daiwa House

- Using its extensive property planning and development expertise in providing a grand total of around 840,000 rental residences, Daiwa House Industry is developing products that anticipate the needs of residents and landowners
- Daiwa House Industry shows a steady growth in net sales and operating income of the Rental Housing Business

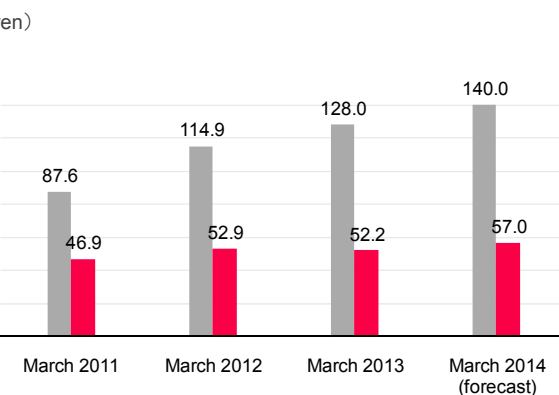
Net Sales (consolidated basis)

- Consolidated net sales
- Of which, sales of Rental Housing Business



Operating Income (consolidated basis)

- Consolidated operating income
- Of which, sales of Rental Housing Business

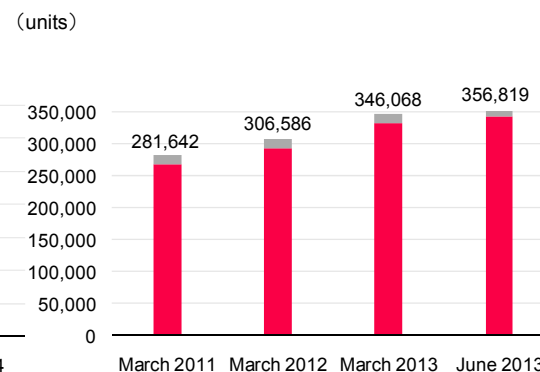


// Number of Rental Residences Managed

- The Daiwa House Group is increasing steadily the number of rental residences managed

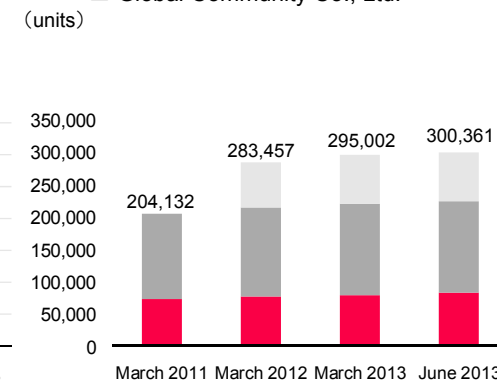
Rental Residences Managed

- Daiwa Living Co., Ltd.
- Daiwa Living Management Co., Ltd.
- Nihon Jyutaku Ryutu Co., Ltd.



Condominiums Managed

- Daiwa Service Co., Ltd.
- Daiwa Lifenext Co., Ltd.
- Global Community Co., Ltd.



(Source) "Financial Factbook" and "Summary of Financial Results" of Daiwa House Industry.

Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2013)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2014	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison	Appraisal at Feb. 28, 2013			Appraisal at Aug. 31, 2013			End of Previous Fiscal Period Comparison		
						At Feb. 28, 2013	At Aug. 31, 2013				Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
						①	②	③	④	④-①	④-②	④-③	CR	DR	TCR	CR	DR	TCR	CR
Area1	1001	Qiz Ebisu	Tanizawa	7,650	7,452	7,610	7,800	150	347	190	4.6	4.8	4.9	4.5	4.7	4.7	(0.1)	(0.1)	(0.2)
	1002	Castalia Azabujuban Shichimenzaka	Chuo	4,500	4,350	3,930	3,950	(550)	(400)	20	4.9	4.6	5.1	4.8	4.5	5.0	(0.1)	(0.1)	(0.1)
	1003	Castalia Shibakoen	Tanizawa	2,630	2,522	1,930	1,950	(680)	(572)	20	5.0	5.1	5.3	4.9	5.0	5.1	(0.1)	(0.1)	(0.2)
	1004	Castalia Ginza	Tanizawa	2,520	2,439	1,890	1,980	(540)	(459)	90	4.9	5.0	5.2	4.8	4.9	5.0	(0.1)	(0.1)	(0.2)
	1005	Castalia Hiroo	Tanizawa	2,220	2,163	1,600	1,610	(610)	(553)	10	4.8	4.9	5.1	4.7	4.8	4.9	(0.1)	(0.1)	(0.2)
	1006	Castalia Nihonbashi	Tanizawa	1,200	1,136	1,030	1,050	(150)	(86)	20	5.0	5.1	5.3	4.9	5.0	5.1	(0.1)	(0.1)	(0.2)
	1007	Castalia Hacchobori	Tanizawa	2,300	2,222	1,990	2,000	(300)	(222)	10	5.0	5.1	5.3	4.9	5.0	5.1	(0.1)	(0.1)	(0.2)
	1008	Castalia Azabujuban	Chuo	2,910	2,871	2,390	2,430	(480)	(441)	40	4.9	4.6	5.1	4.8	4.5	5.0	(0.1)	(0.1)	(0.1)
	1009	Castalia Azabujuban II	Chuo	2,690	2,630	2,270	2,280	(410)	(350)	10	4.8	4.5	5.0	4.7	4.4	4.9	(0.1)	(0.1)	(0.1)
	1010	Castalia Shinjuku Natsumezaka	Chuo	1,865	1,828	1,540	1,580	(285)	(248)	40	5.1	4.8	5.3	5.0	4.7	5.2	(0.1)	(0.1)	(0.1)
	1011	Castalia Ginza II	Tanizawa	1,800	1,747	1,500	1,540	(260)	(207)	40	4.9	5.0	5.2	4.8	4.9	5.0	(0.1)	(0.1)	(0.2)
	1012	Castalia Shibuya Sakuragaoka	Tanizawa	1,400	1,381	991	1,020	(380)	(361)	29	4.8	5.0	5.1	4.7	4.9	4.9	(0.1)	(0.1)	(0.2)
	1015	Castalia Nishi Azabu Kasumicho	Tanizawa	2,143	2,133	1,930	1,940	(203)	(193)	10	4.9	5.0	5.2	4.8	4.9	5.0	(0.1)	(0.1)	(0.2)
	1016	Castalia Ochanomizu	JREI	1,770	1,722	1,830	1,840	70	117	10	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	1017	Castalia Sangubashi	Tanizawa	1,393	1,389	1,310	1,320	(73)	(69)	10	5.0	5.2	5.3	4.9	5.1	5.1	(0.1)	(0.1)	(0.2)
	1018	Castalia Suitengu	Tanizawa	1,279	1,238	1,250	1,260	(19)	21	10	5.1	5.1	5.4	5.0	5.0	5.2	(0.1)	(0.1)	(0.2)
	1019	Castalia Suitengu II	Tanizawa	1,138	1,104	1,090	1,120	(18)	15	30	5.0	5.1	5.3	4.9	5.0	5.1	(0.1)	(0.1)	(0.2)
	1020	Castalia Shintomicho	Tanizawa	932	896	898	919	(13)	22	21	5.1	5.1	5.4	5.0	5.0	5.2	(0.1)	(0.1)	(0.2)
	1021	Castalia Shintomicho II	Tanizawa	825	794	768	790	(35)	(4)	22	5.1	5.1	5.4	5.0	5.0	5.2	(0.1)	(0.1)	(0.2)
	1022	Castalia Harajuku	JREI	887	872	793	803	(84)	(69)	10	4.9	4.7	5.1	4.8	4.6	5.0	(0.1)	(0.1)	(0.1)
	1023	Castalia Yoyogi Uehara	JREI	608	597	587	599	(9)	1	12	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1024	Castalia Sendagaya	JREI	555	551	537	540	(15)	(11)	3	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1025	Castalia Shinjuku 7 chome	JREI	464	453	451	464	0	10	13	5.3	5.1	5.5	5.2	5.0	5.4	(0.1)	(0.1)	(0.1)
	1027	Castalia Ningyocho	JREI	947	909	963	1,020	73	110	57	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1028	Castalia Ningyocho II	JREI	1,070	1,028	1,100	1,160	90	131	60	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1029	Castalia Shin-Ochanomizu	JREI	914	887	912	930	16	42	18	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1030	Castalia Higashi Nihonbashi II	JREI	1,370	1,320	1,420	1,450	80	129	30	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1031	Castalia Jinbocho	JREI	1,160	1,123	1,210	1,240	80	116	30	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	1032	Castalia Shintomicho III	JREI	675	645	652	660	(15)	14	8	5.1	4.8	5.4	5.0	4.7	5.3	(0.1)	(0.1)	(0.1)
	1033	Castalia Shinjuku Gyoen	Tanizawa	2,720	2,641	2,630	2,710	(10)	68	80	5.0	(*2)	5.3	4.9	(*8)	5.1	(0.1)	—	(0.2)

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.

Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2013)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2014	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison	Appraisal at Feb. 28, 2013			Appraisal at Aug. 31, 2013			End of Previous Fiscal Period Comparison		
						At Feb. 28, 2013	At Aug. 31, 2013				Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
			③	④	④-①	④-②	④-③	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR			
Area1	1034	Castalia Takanawadai	JREI	860	838	887	889	29	50	2	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0
	1035	Castalia Higashi Nihonbashi III	Daiwa	666	641	655	668	2	26	13	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	1036	Castalia Shinjuku Gyoen II	Tanizawa	486	469	462	476	(10)	6	14	5.0	5.2	5.3	4.9	5.1	5.1	(0.1)	(0.1)	(0.2)
	1037	Castalia Shintomicho IV	Daiwa	400	385	380	389	(11)	3	9	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	1038	Castalia Takanawadai II	JREI	1,190	1,159	1,180	1,210	20	50	30	4.9	4.7	5.1	4.8	4.6	5.0	(0.1)	(0.1)	(0.1)
	1039	Castalia Minami Azabu	JREI	642	625	594	597	(45)	(28)	3	4.9	4.7	5.1	4.8	4.6	5.0	(0.1)	(0.1)	(0.1)
	1040	Castalia Ginza III	Tanizawa	2,880	2,799	2,600	2,680	(200)	(119)	80	4.9	5.0	5.2	4.8	4.9	5.0	(0.1)	(0.1)	(0.2)
	1041	Castalia Kayabacho	Tanizawa	2,707	2,626	2,620	2,680	(27)	53	60	5.1	5.1	5.4	5.0	5.0	5.2	(0.1)	(0.1)	(0.2)
	1042	Castalia Takanawa	Tanizawa	7,430	7,280	6,850	7,060	(370)	(220)	210	5.0	5.3	5.3	4.9	5.2	5.1	(0.1)	(0.1)	(0.2)
	1043	Castalia Higashi Nihonbashi	Chuo	3,520	3,402	3,400	3,500	(20)	97	100	5.4	5.1	5.6	5.2	4.9	5.4	(0.2)	(0.2)	(0.2)
	1045	Castalia Shinjuku	Tanizawa	2,950	2,891	2,900	2,930	(20)	38	30	5.0	5.2	5.3	4.9	5.1	5.1	(0.1)	(0.1)	(0.2)
	1046	Castalia Ichigaya	Chuo	940	931	1,220	1,240	300	308	20	5.1	4.8	5.3	5.0	4.7	5.2	(0.1)	(0.1)	(0.1)
	1047	Shibaura Island Bloom Tower	JREI	7,580	7,609	7,770	7,880	300	270	110	—	4.9	7.0	—	4.8	6.9	—	(0.1)	(0.1)
	1048	Castalia Hatsudai	Daiwa	2,030	2,093	2,180	2,200	170	106	20	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
Residential Area 1 Subtotal				88,816	86,810	82,700	84,354	(4,462)	(2,456)	1,654									
Area2	2001	Castalia Meguro Kamurozaka	Daiwa	4,500	4,263	3,730	3,770	(730)	(493)	40	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)
	2002	IPSE Toritsudaigaku	Chuo	648	614	504	509	(139)	(105)	5	5.9	5.6	6.2	5.8	5.5	6.1	(0.1)	(0.1)	(0.1)
	2004	Castalia Yukigaya	Tanizawa	1,110	1,064	1,030	1,060	(50)	(4)	30	5.1	5.2	5.4	5.0	5.1	5.2	(0.1)	(0.1)	(0.2)
	2005	Castalia Yutenji	Chuo	1,450	1,399	1,180	1,200	(250)	(199)	20	5.0	4.7	5.2	4.9	4.6	5.1	(0.1)	(0.1)	(0.1)
	2006	Castalia Otsuka	Chuo	1,480	1,410	1,390	1,410	(70)	0	20	5.2	4.9	5.4	5.1	4.8	5.3	(0.1)	(0.1)	(0.1)
	2007	Castalia Kikukawa	Tanizawa	817	778	730	761	(56)	(17)	31	5.2	5.3	5.5	5.1	5.2	5.3	(0.1)	(0.1)	(0.2)
	2008	Castalia Meguro	JREI	844	829	813	831	(13)	1	18	5.2	4.9	5.4	5.1	4.8	5.3	(0.1)	(0.1)	(0.1)
	2009	Castalia Otsuka II	JREI	1,040	996	1,010	1,020	(20)	23	10	5.2	5.0	5.4	5.1	4.9	5.3	(0.1)	(0.1)	(0.1)
	2010	Castalia Jiyugaoka	JREI	1,200	1,172	1,210	1,240	40	67	30	4.9	4.7	5.1	4.8	4.6	5.0	(0.1)	(0.1)	(0.1)
	2011	Castalia Mejiro	Chuo	988	955	935	949	(39)	(6)	14	5.4	5.1	5.6	5.3	5.0	5.5	(0.1)	(0.1)	(0.1)
	2012	Castalia Ikebukuro	Daiwa	2,570	2,488	2,320	2,370	(200)	(118)	50	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	2013	Castalia Kaname-cho	Tanizawa	1,140	1,103	1,060	1,090	(50)	(13)	30	5.1	5.3	5.4	5.0	5.2	5.2	(0.1)	(0.1)	(0.2)
	2014	Castalia Tower Shinagawa Seaside	Tanizawa	7,380	7,118	7,180	7,430	50	311	250	5.1	5.1	5.4	5.0	5.0	5.2	(0.1)	(0.1)	(0.2)
	2015	Castalia Yakumo	Tanizawa	857	839	714	718	(139)	(121)	4	5.0	5.2	5.3	4.9	5.1	5.1	(0.1)	(0.1)	(0.2)
	2016	Castalia Togoshiekimae	JREI	1,560	1,520	1,650	1,690	130	169	40	5.2	5.0	5.4	5.1	4.9	5.3	(0.1)	(0.1)	(0.1)
	2018	Castalia Honjo Azumabashi	Tanizawa	996	958	965	985	(11)	26	20	5.3	5.4	5.6	5.2	5.3	5.4	(0.1)	(0.1)	(0.2)
	2019	Castalia Kitazawa	JREI	742	721	711	712	(30)	(9)	1	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.

Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2013)	Appraiser *1	Acquisitio n Price	Book Value at Aug. 31, 2014	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison	Appraisal at Feb. 28, 2013			Appraisal at Aug. 31, 2013			End of Previous Fiscal Period Comparison		
						At Feb. 28, 2013	At Aug. 31, 2013				Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
												③	④		④-①	④-②		④-③	CR
Area2	2020	Castalia Monzennakacho	Tanizawa	503	483	413	432	(71)	(51)	19	5.5	5.6	5.8	5.4	5.5	5.6	(0.1)	(0.1)	(0.2)
	2023	Castalia Kamiikedai	JREI	198	190	197	200	2	9	3	5.8	5.4	6.0	5.7	5.3	5.9	(0.1)	(0.1)	(0.1)
	2024	Castalia Morishita	JREI	832	800	853	873	41	72	20	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	2025	Castalia Wakabayashi koen	Daiwa	776	756	735	736	(40)	(20)	1	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	2026	Castalia Asakusabashi	Chuo	792	760	776	801	9	40	25	5.5	5.2	5.7	5.3	5.0	5.5	(0.2)	(0.2)	(0.2)
	2027	Castalia Iriya	Chuo	546	523	564	575	29	51	11	5.9	5.6	6.1	5.7	5.4	5.9	(0.2)	(0.2)	(0.2)
	2028	Castalia Kita Ueno	Tanizawa	2,641	2,534	2,390	2,430	(211)	(104)	40	5.2	5.3	5.5	5.1	5.2	5.3	(0.1)	(0.1)	(0.2)
	2029	Castalia Morishita II	Tanizawa	686	657	728	749	63	91	21	5.2	5.3	5.5	5.1	5.2	5.3	(0.1)	(0.1)	(0.2)
	2030	Castalia Minowa	Tanizawa	1,430	1,369	1,380	1,410	(20)	40	30	5.2	5.3	5.5	5.1	5.2	5.3	(0.1)	(0.1)	(0.2)
	2031	Castalia Oyamadai	Tanizawa	533	519	524	535	2	15	11	5.1	5.2	5.4	5.0	5.1	5.2	(0.1)	(0.1)	(0.2)
	2032	Castalia Nakano	JREI	1,060	1,019	1,080	1,100	40	80	20	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	2033	Castalia Yoga	Tanizawa	923	900	988	1,020	97	119	32	5.0	5.2	5.3	4.9	5.1	5.1	(0.1)	(0.1)	(0.2)
	2034	Castalia Sumiyoshi	Tanizawa	948	907	867	892	(56)	(15)	25	5.2	5.3	5.5	5.1	5.2	5.3	(0.1)	(0.1)	(0.2)
	2035	Castalia Monzennakacho II	JREI	2,160	2,087	2,270	2,310	150	222	40	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)
	2036	Castalia Oshiage	Tanizawa	1,100	1,052	1,030	1,060	(40)	7	30	5.3	(*3)	5.6	5.2	(*9)	5.4	(0.1)	—	(0.2)
	2037	Castalia Kuramae	Tanizawa	1,260	1,211	1,300	1,320	60	108	20	5.2	(*4)	5.5	5.1	(*10)	5.3	(0.1)	—	(0.2)
	2038	Castalia Nakanobu	Chuo	1,790	1,772	2,280	2,370	580	597	90	5.1	4.8	5.3	4.9	4.6	5.1	(0.2)	(0.2)	(0.2)
	2039	Royal Parks Toyosu	Chuo	7,360	7,214	8,080	8,090	730	875	10	5.6	5.2	5.9	5.5	5.1	5.8	(0.1)	(0.1)	(0.1)
	2040	Castalia Togoshi	Chuo	1,770	1,733	2,210	2,310	540	576	100	5.3	5.0	5.5	5.0	4.7	5.2	(0.3)	(0.3)	(0.3)
	2041	Castalia Ooimachi	Morii	1,181	1,234	1,270	1,300	119	65	30	4.9	4.6	5.2	4.8	4.5	5.1	(0.1)	(0.1)	(0.1)
	2042	Castalia Omori	Chuo	1,500	1,548	1,640	1,690	190	141	50	5.2	4.9	5.4	5.0	4.7	5.2	(0.2)	(0.2)	(0.2)
	2043	Castalia Mishuku	Chuo	1,900	1,958	2,100	2,140	240	181	40	5.1	4.8	5.3	5.0	4.7	5.2	(0.1)	(0.1)	(0.1)
	2044	Castalia Arakawa	Chuo	1,660	1,699	1,890	1,970	310	270	80	5.5	5.2	5.7	5.3	5.0	5.5	(0.2)	(0.2)	(0.2)
	2045	Castalia Omori II	Morii	2,370	2,398	2,510	2,550	180	151	40	5.0	4.7	5.3	4.9	4.6	5.2	(0.1)	(0.1)	(0.1)
	2046	Castalia Nakameguro	Morii	3,800	3,859	4,000	4,000	200	140	0	4.8	4.5	5.1	4.7	4.4	5.0	(0.1)	(0.1)	(0.1)
	Residential Area 2 Subtotal				69,041	67,430	69,207	70,608	1,567	3,177	1,401								
Area3	3001	Cosmo Heim Musashikosugi	Chuo	1,674	1,635	1,660	1,690	16	54	30	5.7	5.4	6.0	5.6	5.3	5.9	(0.1)	(0.1)	(0.1)
	3002	Castalia Tsurumi	Chuo	666	641	656	663	(3)	21	7	6.1	5.8	6.4	5.9	5.6	6.2	(0.2)	(0.2)	(0.2)
	3003	Castalia Funabashi	Tanizawa	704	700	721	729	25	28	8	5.8	(*5)	6.1	5.7	(*11)	5.9	(0.1)	—	(0.2)
	3006	Castalia Nishi Funabashi	JREI	783	753	730	731	(52)	(22)	1	6.1	5.9	6.3	6.0	5.8	6.2	(0.1)	(0.1)	(0.1)
	3007	Castalia Maihama	Tanizawa	670	644	571	583	(87)	(61)	12	5.9	5.9	6.2	5.8	5.8	6.0	(0.1)	(0.1)	(0.2)

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.

Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2013)	Appraiser *1	Acquisition Price	Book Value at Aug. 31, 2014	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison	Appraisal at Feb. 28, 2013			Appraisal at Aug. 31, 2013			End of Previous Fiscal Period Comparison		
						At Feb. 28, 2013	At Aug. 31, 2013				Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
												③	④		④-①	④-②		④-③	CR
Area3	3008	Castalia Ichikawamyoden	Tanizawa	671	648	657	675	4	26	18	5.8	6.0	6.2	5.7	5.9	6.0	(0.1)	(0.1)	(0.2)
	3010	Castalia Urayasu	Tanizawa	592	569	559	572	(20)	2	13	5.8	5.8	6.2	5.7	5.7	6.0	(0.1)	(0.1)	(0.2)
	3011	Castalia Minamigyotoku	Tanizawa	543	522	498	504	(39)	(18)	6	5.7	5.7	6.0	5.6	5.6	5.8	(0.1)	(0.1)	(0.2)
	3012	NCR Minamigyotoku II	Tanizawa	385	370	348	351	(34)	(19)	3	5.7	5.7	6.0	5.6	5.6	5.8	(0.1)	(0.1)	(0.2)
	3013	Castalia Nogeyama	JREI	325	314	276	278	(47)	(36)	2	6.0	5.8	6.2	5.9	5.7	6.1	(0.1)	(0.1)	(0.1)
	3017	Castalia Ichikawa	JREI	461	438	495	505	44	66	10	6.0	5.8	6.2	5.9	5.7	6.1	(0.1)	(0.1)	(0.1)
	3018	Royal Parks Hanakoganei	Daiwa	5,300	5,478	5,650	5,720	420	241	70	5.9	(*6)	6.1	5.8	(*12)	6.0	(0.1)	—	(0.1)
Residential Area 3 (excl. properties for the elderly) Subtotal				12,774	12,717	12,821	13,001	227	282	180									
Area4	4001	Castalia Shinsakae	Chuo	1,920	1,792	1,450	1,460	(460)	(332)	10	5.9	5.6	6.2	5.8	5.5	6.1	(0.1)	(0.1)	(0.1)
	4008	Aprile Tarumi	JREI	1,340	1,259	1,300	1,320	(20)	60	20	6.6	6.4	6.8	6.5	6.3	6.7	(0.1)	(0.1)	(0.1)
	4009	Crest Kusatsu	Tanizawa	3,004	2,812	2,730	2,790	(214)	(22)	60	7.6	7.7	7.9	7.5	7.6	7.7	(0.1)	(0.1)	(0.2)
	4010	Castalia Sakaisuji Honmachi	Tanizawa	1,490	1,422	1,500	1,560	70	137	60	5.7	5.8	6.0	5.6	5.7	5.8	(0.1)	(0.1)	(0.2)
	4011	Castalia Shin-Umeda	Tanizawa	1,376	1,304	1,430	1,460	84	155	30	5.8	5.9	6.1	5.7	5.8	5.9	(0.1)	(0.1)	(0.2)
	4012	Castalia Abeno	Tanizawa	4,368	4,209	4,140	4,210	(158)	0	70	5.7	5.8	6.0	5.6	5.7	5.8	(0.1)	(0.1)	(0.2)
	4014	Castalia Sakae	Chuo	1,010	962	1,050	1,060	50	97	10	5.8	5.5	6.1	5.7	5.4	6.0	(0.1)	(0.1)	(0.1)
	4015	Castalia Nipponbashi Kouzu	Tanizawa	3,570	3,381	3,410	3,490	(80)	108	80	5.8	5.9	6.1	5.7	5.8	5.9	(0.1)	(0.1)	(0.2)
	4016	Castalia Maruyama Urasando	Tanizawa	411	392	439	457	46	64	18	6.1	6.1	6.4	6.0	6.0	6.2	(0.1)	(0.1)	(0.2)
	4017	Castalia Maruyama Omotesando	Tanizawa	1,740	1,665	1,730	1,810	70	144	80	6.1	6.1	6.4	6.0	6.0	6.2	(0.1)	(0.1)	(0.2)
	4018	Castalia Higashi Hie	Tanizawa	960	912	937	966	6	53	29	6.0	6.2	6.3	5.9	6.1	6.1	(0.1)	(0.1)	(0.2)
	4019	Castalia Tower Nagahoribashi	Chuo	3,400	3,215	3,750	3,800	400	584	50	5.6	5.3	5.9	5.5	5.2	5.8	(0.1)	(0.1)	(0.1)
	4020	Castalia Sannomiya	Daiwa	1,230	1,166	1,330	1,380	150	213	50	6.0	5.8	6.2	5.8	5.6	6.0	(0.2)	(0.2)	(0.2)
	4021	Castalia Kotodaikoen	Daiwa	481	454	478	504	23	49	26	6.3	6.3	6.5	6.1	6.1	6.3	(0.2)	(0.2)	(0.2)
	4022	Castalia Ichibancho	Daiwa	783	746	783	811	28	64	28	6.3	6.3	6.5	6.1	6.1	6.3	(0.2)	(0.2)	(0.2)
	4023	Castalia Omachi	Daiwa	656	617	630	662	6	44	32	6.3	6.3	6.5	6.1	6.1	6.3	(0.2)	(0.2)	(0.2)
	4024	Castalia Uemachidai	Daiwa	2,190	2,090	2,320	2,320	130	229	0	5.6	5.4	5.8	5.5	5.3	5.7	(0.1)	(0.1)	(0.1)
	4025	Castalia Tower Higobashi	Chuo	2,670	2,556	3,040	3,090	420	533	50	5.6	5.3	5.9	5.5	5.2	5.8	(0.1)	(0.1)	(0.1)
	4026	Big Tower Minami Sanjo	Daiwa	1,740	1,641	2,170	2,230	490	588	60	6.1	5.9	6.3	6.0	5.8	6.2	(0.1)	(0.1)	(0.1)
	4027	Castalia Fushimi	JREI	2,260	2,208	2,650	2,680	420	471	30	5.7	5.5	5.9	5.6	5.4	5.8	(0.1)	(0.1)	(0.1)
	4028	Castalia Meieki Minami	Morii	720	728	801	820	100	91	19	5.6	5.3	5.9	5.5	5.2	5.8	(0.1)	(0.1)	(0.1)

CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.

Appraisal Value Comparison Table

(unit: million yen)

(unit: %)

Area	No.	Property Name (Owned properties as of August 31, 2013)	Appraiser *1	Acquisitio n Price	Book Value at Aug. 31, 2014	Real Estate Appraisal Value		Acquisition Value Comparison	Book Value Comparison	End of Previous Fiscal Period Comparison	Appraisal at Feb. 28, 2013			Appraisal at Aug. 31, 2013			End of Previous Fiscal Period Comparison		
						At Feb. 28, 2013	At Aug. 31, 2013				Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method		Direct Capitalizatio n Method	DCF Method	
												③	④		④－①	④－②		④－③	CR
Area 4	4029	Castalia Yakuin	Morii	930	975	1,020	1,040	110	64	20	5.6	5.3	5.9	5.5	5.2	5.8	(0.1)	(0.1)	(0.1)
	4030	Castalia Mibu	JREI	1,193	1,228	1,240	1,270	77	41	30	5.9	5.7	6.1	5.8	5.6	6.0	(0.1)	(0.1)	(0.1)
	4031	Castalia Tsutsujigaoka	Morii	1,209	1,275	1,350	1,400	191	124	50	6.0	5.7	6.3	5.9	5.6	6.2	(0.1)	(0.1)	(0.1)
	4032	Castalia Ohori Bay Tower (*15)	Morii	2,910	3,023	3,520	3,590	680	566	70	5.8	5.5	6.1	5.7	5.4	6.0	(0.1)	(0.1)	(0.1)
	4033	Royal Parks Namba (*15)	Daiwa	2,830	2,949	2,940	2,940	110	(9)	0	6.2	(*7)	6.4	6.2	(*13)	6.4	0.0	—	0.0
	4034	Castalia Shigahondori (*15)	JREI	1,730	1,799	1,860	1,900	170	100	40	6.0	5.8	6.2	5.9	5.7	6.1	(0.1)	(0.1)	(0.1)
Residential Area 4 Subtotal				48,121	46,794	49,998	51,020	2,899	4,225	1,022									
Area 3	6001	Urban Living Inage (*15)	Daiwa	930	982	978	985	55	2	7	6.9	6.7	7.1	6.9	6.7	7.1	0.0	0.0	0.0
	Residential Area 3 (properties for the elderly) Subtotal			930	982	978	985	55	2	7									
Area 4	8002	FOLEO TOWN Tsutsui	Daiwa	1,410	1,368	1,040	1,050	(360)	(318)	10	6.7	6.5	7.2	6.7	6.5	7.2	0.0	0.0	0.0
Retail Properties Subtotal				1,410	1,368	1,040	1,050	(360)	(318)	10	CR is CAP Rate, DR is Discount Rate, TCR is Terminal Cap Rate.								
Total				221,092	216,103	216,744	221,018	(74)	4,914	4,274									

Book value comparison amount is ¥4,914 million in unrealized gains

Real estate appraisal values have improved for 6 consecutive fiscal periods

*1) Under "Appraiser," "Tanizawa" is Tanizawa Sogo Appraisal Co., Ltd. "Chuo" is Chuo Real Estate Appraisal Co., Ltd. "Daiwa" is Daiwa Real Estate Appraisal Co., Ltd. and "JREI" is Japan Real Estate Institute, "Morii" is Morii Appraisal & Investment Consulting, Inc.

*2) 5.1% (1 to 10 years after appraisal dates), 5.2% (11th year after appraisal dates).

*4) 5.4% (1 to 10 years after appraisal dates), 5.3% (11th year after appraisal dates).

*6) 5.7% (1 to 10 years after appraisal dates), 6.1% (11 to 81 years after appraisal dates).

*8) 5.0% (1 to 10 years after appraisal dates), 5.1% (11th year after appraisal dates).

*10) 5.3% (1 to 10 years after appraisal dates), 5.2% (11th year after appraisal dates).

*12) 5.6% (1 to 10 years after appraisal dates), 6.0% (11 to 81 years after appraisal dates).

*14) Under direct capitalization method, net operating income for a single period is capitalized by capitalization rate to determine estimated properties value. Under DCF method, future net operating income during multiple consecutive periods and residual value that are discounted to the present value according to the time of occurrence, are summed together to determine estimated properties value.

*15) Data at Feb. 28, 2013 for properties acquired in 15th fiscal period (ended August 2013), based on appraisal value as of acquisition date. Date of appraisal are January 25, 2013 (Castalia Ohori Bay Tower), January 31, 2013 (Royal Parks Namba), June 1, 2013 (Castalia Shigahondori) and April 1, 2013 (Urban Living Inage).

*3) 5.6% (1 to 10 years after appraisal dates), 5.4% (11th year after appraisal dates).

*5) 6.0% (1 to 4 years after appraisal dates), 5.6% (5 to 11 years after appraisal dates).

*7) 6.0% (1 to 10 years after appraisal dates), 6.4 (11th year after appraisal dates to the expiry of the land lease).

*9) 5.5% (1 to 10 years after appraisal dates), 5.3% (11th year after appraisal dates).

*11) 5.9% (1 to 4 years after appraisal dates), 5.5% (5 to 11 years after appraisal dates).

*13) 6.0% (1 to 10 years after appraisal dates), 6.4 (11th year after appraisal dates to the expiry of the land lease).

Portfolio Data (as of October 31, 2013)

Area *1	No.	Property Name	Address (Residence indication)	Leasable Area (m ²)	Leasable Units (units)	Acquisition Price (mn yen) *2	Acquisition Price Ratio (%) *3	Appraisal Values (mn yen) *4
Area1	1001	Qiz Ebisu	4-3-1 Ebisu, Shibuya Ward, Tokyo	5,230.39	96	7,650	3.3	7,800
	1002	Castalia Azabujuban Shichimenzaka	2-7-5 Azabu Juban, Minato Ward, Tokyo	3,492.93	96	4,500	1.9	3,950
	1003	Castalia Shibakoen	3-32-10 Shiba, Minato Ward, Tokyo	2,707.51	75	2,630	1.1	1,950
	1004	Castalia Ginza	1-14-13 Ginza, Chuo Ward, Tokyo	2,226.42	67	2,520	1.1	1,980
	1005	Castalia Hiroo	3-13-3 Nishi Azabu, Minato Ward, Tokyo	1,621.59	24	2,220	1.0	1,610
	1006	Castalia Nihonbashi	11-2 Nihonbashi Kabutocho, Chuo Ward, Tokyo	1,458.73	51	1,200	0.5	1,050
	1007	Castalia Hacchobori	3-27-5 Hatchobori, Chuo Ward, Tokyo	2,969.57	59	2,300	1.0	2,000
	1008	Castalia Azabujuban	2-10-1 Azabu Juban, Minato Ward, Tokyo	2,400.00	51	2,910	1.3	2,430
	1009	Castalia Azabujuban II	2-21-2 Azabu Juban, Minato Ward, Tokyo	2,094.58	66	2,690	1.2	2,280
	1010	Castalia Shinjuku Natsumezaka	10-1 Kikuicho, Shinjuku Ward, Tokyo (*5)	1,917.62	41	1,865	0.8	1,580
	1011	Castalia Ginza II	1-23-4 Ginza, Chuo Ward, Tokyo	1,817.56	61	1,800	0.8	1,540
	1012	Castalia Shibuya Sakuragaoka	29-21 Sakuragaokacho, Shibuya Ward, Tokyo	1,123.80	30	1,400	0.6	1,020
	1015	Castalia Nishi Azabu Kasumicho	1-3-12 Nishi Azabu, Minato Ward, Tokyo	2,779.77	37	2,143	0.9	1,940
	1016	Castalia Ochanomizu	3-24-1 Kanda Ogawamachi, Chiyoda Ward, Tokyo	2,559.21	44	1,770	0.8	1,840
	1017	Castalia Sangubashi	4-52-12 Yoyogi, Shibuya Ward, Tokyo	1,898.47	26	1,393	0.6	1,320
	1018	Castalia Suitengu	2-8-13 Nihonbashi Kakigaracho, Chuo Ward, Tokyo	1,940.94	62	1,279	0.6	1,260
	1019	Castalia Suitengu II	1-38-16 Nihonbashi Kakigaracho, Chuo Ward, Tokyo	1,858.34	55	1,138	0.5	1,120
	1020	Castalia Shintomicho	3-10-10 Irifune, Chuo Ward, Tokyo	1,444.52	40	932	0.4	919
	1021	Castalia Shintomicho II	2-6-4 Irifune, Chuo Ward, Tokyo	1,244.54	33	825	0.4	790
	1022	Castalia Harajuku	3-55-3 Sendagaya, Shibuya Ward, Tokyo	1,225.26	21	887	0.4	803
	1023	Castalia Yoyogi Uehara	1-17-16 Uehara, Shibuya Ward, Tokyo	811.95	25	608	0.3	599
	1024	Castalia Sendagaya	2-9-10 Sendagaya, Shibuya Ward, Tokyo	803.03	21	555	0.2	540
	1025	Castalia Shinjuku 7 chome	7-17-16 Shinjuku, Shinjuku Ward, Tokyo	957.60	23	464	0.2	464
	1027	Castalia Ningyocho	7-15 Nihonbashi Tomizawacho, Chuo Ward, Tokyo	1,747.90	32	947	0.4	1,020
	1028	Castalia Ningyocho II	8-12 Nihonbashi Tomizawacho, Chuo Ward, Tokyo	1,826.80	38	1,070	0.5	1,160
	1029	Castalia Shin-Ochanomizu	2-3-3 Kanda Awajicho, Chiyoda Ward, Tokyo (*5)	1,308.38	32	914	0.4	930
	1030	Castalia Higashi Nihonbashi II	12-11 Nihonbashi Tomizawacho, Chuo Ward, Tokyo	2,117.46	63	1,370	0.6	1,450
	1031	Castalia Jinbocho	2-40-8 Kanda Jimbocho, Chiyoda Ward, Tokyo	1,628.80	60	1,160	0.5	1,240
	1032	Castalia Shintomicho III	2-8-8 Irifune, Chuo Ward, Tokyo	972.51	41	675	0.3	660
	1033	Castalia Shinjuku Gyoen	2-14-4 Shinjuku, Shinjuku Ward, Tokyo	3,594.16	108	2,720	1.2	2,710
	1034	Castalia Takanawadai	3-4-12 Takanawa, Minato Ward, Tokyo	1,147.44	32	860	0.4	889

Portfolio Data (as of October 31, 2013)

Area *1	No.	Property Name	Address (Residence indication)	Leasable Area (m ²)	Leasable Units (units)	Acquisition Price (mn yen) *2	Acquisition Price Ratio (%) *3	Appraisal Values (mn yen) *4
Area1	1035	Castalia Higashi NihonbashiⅢ	3-5-6 Higashi Nihonbashi, Chuo Ward, Tokyo	1,105.20	48	666	0.3	668
	1036	Castalia Shinjuku Gyoen Ⅱ	1-29-15 Shinjuku, Shinjuku Ward, Tokyo	668.79	27	486	0.2	476
	1037	Castalia ShintomichoⅣ	3-10-8 Irifune, Chuo Ward, Tokyo	681.00	20	400	0.2	389
	1038	Castalia Takanawadai Ⅱ	3-5-6 Takanawa, Minato Ward, Tokyo	1,567.84	40	1,190	0.5	1,210
	1039	Castalia Minami Azabu	2-2-27 Minami Azabu, Minato Ward, Tokyo	882.67	24	642	0.3	597
	1040	Castalia GinzaⅢ	8-18-2 Ginza, Chuo Ward, Tokyo	3,494.42	96	2,880	1.2	2,680
	1041	Castalia Kayabacho	2-1 Nihonbashi Koamicho, Chuo Ward, Tokyo	4,602.95	88	2,707	1.2	2,680
	1042	Castalia Takanawa	2-17-12 Takanawa, Minato Ward, Tokyo	10,408.26	169	7,430	3.2	7,060
	1043	Castalia Higashi Nihonbashi	9-14 Nihonbashi Yokoyamacho, Chuo Ward, Tokyo	6,442.28	103	3,520	1.5	3,500
	1045	Castalia Shinjuku	2-6-11 Shinjuku, Shinjuku Ward, Tokyo	3,150.80	122	2,950	1.3	2,930
	1046	Castalia Ichigaya	14-4 Ichigaya Yakuojimachi, Shinjuku Ward, Tokyo (*5)	1,546.34	50	940	0.4	1,240
	1047	Shibaura Island Bloom Tower	4-20-2, 3, 4, Shibaura, Minato Ward, Tokyo	16,849.50	213	7,580	3.3	7,880
	1048	Castalia Hatsudai	1-10-9, Honmachi, Shibuya Ward, Tokyo	3,077.05	81	2,030	0.9	2,200
	1049	Castalia Hatsudai Ⅱ	1-33-7, Honmachi, Shibuya Ward, Tokyo	2,339.42	56	1,900	0.8	(*6) 2,030
	1050	Castalia Ebisu	3-15-6, Ebisu, Shibuya Ward, Tokyo	1,659.71	36	1,420	0.6	(*6) 1,520
Area2	2001	Castalia Meguro Kamurozaka	4-31-23 Nishi Gotanda, Shinagawa Ward, Tokyo	4,967.97	125	4,500	1.9	3,770
	2002	IPSE Toritsudaigaku	1-4-1 Midorigaoka, Meguro Ward, Tokyo	863.70	30	648	0.3	509
	2004	Castalia Yukigaya	2-13-3 Higashi Yukigaya, Ota Ward, Tokyo	1,542.30	52	1,110	0.5	1,060
	2005	Castalia Yutenji	2-14-21 Yutenji, Meguro Ward, Tokyo	1,380.35	29	1,450	0.6	1,200
	2006	Castalia Otsuka	3-17-4 Minami Otsuka, Toshima Ward, Tokyo	1,871.70	70	1,480	0.6	1,410
	2007	Castalia Kikukawa	2-1-12 Kikukawa, Sumida Ward, Tokyo	1,168.18	43	817	0.4	761
	2008	Castalia Meguro	2-1-13 Meguro, Meguro Ward, Tokyo	1,414.73	26	844	0.4	831
	2009	Castalia Otsuka Ⅱ	2-32-20 Higashi Ikebukuro, Toshima Ward, Tokyo	1,784.50	54	1,040	0.4	1,020
	2010	Castalia Jiyugaoka	1-20-1 Jiyugaoka, Meguro Ward, Tokyo	1,472.47	40	1,200	0.5	1,240
	2011	Castalia Mejiro	2-8-16 Takada, Toshima Ward, Tokyo	1,658.90	29	988	0.4	949
	2012	Castalia Ikebukuro	3-1-12 Nishi Ikebukuro, Toshima Ward, Tokyo	3,644.35	87	2,570	1.1	2,370
	2013	Castalia Kaname-cho	5-26-10 Nishi Ikebukuro, Toshima Ward, Tokyo	1,624.06	73	1,140	0.5	1,090
	2014	Castalia Tower Shinagawa Seaside	4-10-18 Higashi Shinagawa, Shinagawa Ward, Tokyo	12,732.35	208	7,380	3.2	7,430
	2015	Castalia Yakumo	2-20-5 Yakumo, Meguro Ward, Tokyo	1,276.91	18	857	0.4	718
	2016	Castalia Togoshiekimae	1-7-16 Hiratsuka, Shinagawa Ward, Tokyo	2,014.12	64	1,560	0.7	1,690

Portfolio Data (as of October 31, 2013)

Area *1	No.	Property Name	Address (Residence indication)	Leasable Area (m ²)	Leasable Units (units)	Acquisition Price (mn yen) *2	Acquisition Price Ratio (%) *3	Appraisal Values (mn yen) *4
Area2	2018	Castalia Honjo Azumabashi	3-7-11 Honjo, Sumida Ward, Tokyo	2,255.88	35	996	0.4	985
	2019	Castalia Kitazawa	1-15-5 Kitazawa, Setagaya Ward, Tokyo	1,220.16	15	742	0.3	712
	2020	Castalia Monzennakacho	1-17-12 Fukuzumi, Koto Ward, Tokyo	887.94	31	503	0.2	432
	2023	Castalia Kamiikedai	1-4-15 Kamiikedai, Ota Ward, Tokyo	414.45	12	198	0.1	200
	2024	Castalia Morishita	1-16-12 Morishita, Koto Ward, Tokyo	1,383.90	38	832	0.4	873
	2025	Castalia Wakabayashi koen	4-39-4 Wakabayashi, Setagaya Ward, Tokyo	1,425.43	23	776	0.3	736
	2026	Castalia Asakusabashi	2-16-21 Yanagibashi, Taito Ward, Tokyo	1,537.84	32	792	0.3	801
	2027	Castalia Iriya	3-1-28 Shitaya, Taito Ward, Tokyo	1,415.15	22	546	0.2	575
	2028	Castalia Kita Ueno	1-15-5 Kita Ueno, Taito Ward, Tokyo	4,197.66	102	2,641	1.1	2,430
	2029	Castalia Morishita II	2-12-11 Shin Ohashi, Koto Ward, Tokyo	1,275.60	40	686	0.3	749
	2030	Castalia Minowa	5-24-4 Negishi, Taito Ward, Tokyo	2,406.41	78	1,430	0.6	1,410
	2031	Castalia Oyamadai	7-14-13 Todoroki, Setagaya Ward, Tokyo	857.32	28	533	0.2	535
	2032	Castalia Nakano	2-12-13 Arai, Nakano Ward, Tokyo	1,613.86	42	1,060	0.5	1,100
	2033	Castalia Yoga	1-3-12 Tamagawadai, Setagaya Ward, Tokyo	1,472.38	45	923	0.4	1,020
	2034	Castalia Sumiyoshi	2-8-11 Sumiyoshi, Koto Ward, Tokyo	1,362.60	60	948	0.4	892
	2035	Castalia Monzennakacho II	2-2-9 Tomioka, Koto Ward, Tokyo	3,038.98	94	2,160	0.9	2,310
	2036	Castalia Oshiage	3-5-2 Mukojima, Sumida Ward, Tokyo	1,785.24	60	1,100	0.5	1,060
	2037	Castalia Kuramae	3-9-4 Kuramae, Taito Ward, Tokyo	1,994.93	67	1,260	0.5	1,320
	2038	Castalia Nakanobu	4-7-11 Nakanobu, Shinagawa Ward, Tokyo	2,421.82	83	1,790	0.8	2,370
	2039	Royal Parks Toyosu	3-5-21 Toyosu, Koto Ward, Tokyo	18,112.03	276	7,360	3.2	8,090
	2040	Castalia Togoshi	5-2-1 Togoshi, Shinagawa Ward, Tokyo	2,629.59	120	1,770	0.8	2,310
	2041	Castalia Ooimachi	4-2-11 Ooi, Shinagawa Ward, Tokyo	1,413.75	65	1,181	0.5	1,300
	2042	Castalia Omori	1-19-20, Omori kita, Ota Ward, Tokyo	2,046.36	60	1,500	0.6	1,690
	2043	Castalia Mishuku	1-3-39, Taishidou, Setagaya Ward, Toyko	2,640.86	54	1,900	0.8	2,140
	2044	Castalia Arakawa	2-3-1, Arakawa, Arakawa Ward, Tokyo	3,797.92	70	1,660	0.7	1,970
	2045	Castalia Omori II	1-8-13, Omori kita, Omori Ward, Tokyo	2,818.70	112	2,370	1.0	2,550
	2046	Castalia Nakameguro	1-18-7, Aobadai, Meguro Ward, Tokyo	3,166.71	101	3,800	1.6	4,000
	2047	Castalia Meguro Chojyamaru	2-8-1, Kamiosaki, Shinagawa Ward, Tokyo	2,123.77	61	2,030	0.9	(*6) 2,150
	2048	Castalia Meguro Takaban	1-6-19, Takaban, Meguro Ward, Tokyo	1,961.52	55	1,750	0.8	(*6) 1,790
	2049	Castalia Omori III	5-21-11, Minami-ooi, Shinagawa Ward, Tokyo	2,004.80	74	1,520	0.7	(*6) 1,660

Portfolio Data (as of October 31, 2013)

Area *1	No.	Property Name	Address (Residence indication)	Leasable Area (m ²)	Leasable Units (units)	Acquisition Price (mn yen) *2	Acquisition Price Ratio (%) *3	Appraisal Values (mn yen) *4
Area3	3001	Cosmo Heim Musashikosugi	2-8 Kizuki Isecho, Nakahara Ward, Kawasaki City, Kanagawa	4,208.83	59	1,674	0.7	1,690
	3002	Castalia Tsurumi	3-5-10 Tsurumi Chuo, Tsurumi Ward, Yokohama City, Kanagawa	1,452.09	32	666	0.3	663
	3003	Castalia Funabashi	4-4-8 Honcho, Funabashi City, Chiba	1,552.01	87	704	0.3	729
	3006	Castalia Nishi Funabashi	4-19-16 Nishifuna, Funabashi City, Chiba	1,597.32	81	783	0.3	731
	3007	Castalia Maihama	5-14-17 Fujimi, Urayasu City, Chiba	1,287.72	61	670	0.3	583
	3008	Castalia Ichikawamyoden	2-14-20 Shioyaki, Ichikawa City, Chiba	1,218.00	58	671	0.3	675
	3010	Castalia Urayasu	3-30-4 Arai, Ichikawa City, Chiba	1,074.53	51	592	0.3	572
	3011	Castalia Minamigyotoku	4-1-26 Minami Gyotoku, Ichikawa City, Chiba	1,031.81	49	543	0.2	504
	3012	Castalia Minamigyotoku II	4-1-5 Minami Gyotoku, Ichikawa City, Chiba	724.63	35	385	0.2	351
	3013	Castalia Nogeyama	1-8 Hinodecho, Naka Ward, Yokohama City, Kanagawa (*5)	744.90	30	325	0.1	278
	3017	Castalia Ichikawa	1-24-3 Ichikawa, Ichikawa City, Chiba	876.89	40	461	0.2	505
	3018	Royal Parks Hanakoganei	1-8-2, Hanakoganei, Kodaira City, Tokyo	18,153.57	279	5,300	2.3	5,720
	3019	Castalia Musashikosugi	20-1, Imaikami-cho, Nakahara Ward, Kawasaki City, Kanagawa (*5)	2,179.80	85	1,680	0.7	(*6) 1,750
Area4	4001	Castalia Shinsakae	1-11-29 Shin Sakae, Naka Ward, Nagoya City, Aichi	3,548.48	131	1,920	0.8	1,460
	4008	Aprile Tarumi	7-3-1 Takamaru, Tarumi Ward, Kobe City, Hyogo	6,545.25	99	1,340	0.6	1,320
	4009	Crest Kusatsu	5-3-27 Kasayama, Kusatsu City, Shiga	13,452.80	540	3,004	1.3	2,790
	4010	Castalia Sakaisuji Honmachi	1-3-7 Kyutaromachi, Chuo Ward, Osaka City, Osaka	3,471.39	117	1,490	0.6	1,560
	4011	Castalia Shin-Umeda	6-8-21 Nakatsu, Kita Ward, Osaka City, Osaka	3,279.90	108	1,376	0.6	1,460
	4012	Castalia Abeno	2-4-37 Abenosuji, Abeno Ward, Osaka City, Osaka	10,920.75	154	4,368	1.9	4,210
	4014	Castalia Sakae	4-16-10 Sakae, Naka Ward, Nagoya City, Aichi	2,836.00	73	1,010	0.4	1,060
	4015	Castalia Nipponbashi Kouzu	2-4-6 Kouzu, Chuo Ward, Osaka City, Osaka	9,334.47	262	3,570	1.5	3,490
	4016	Castalia Maruyama Urasando	21-1-47 Minami 2 Jo Nishi, Chuo Ward, Sapporo City, Hokkaido	1,522.89	36	411	0.2	457
	4017	Castalia Maruyama Omotesando	21-2-1 Kita 1 Jo Nishi, Chuo Ward, Sapporo City, Hokkaido	6,100.31	146	1,740	0.8	1,810
	4018	Castalia Higashi Hie	5-31 Hiemachi, Hakata Ward, Fukuoka City, Fukuoka	3,061.60	115	960	0.4	966
	4019	Castalia Tower Nagahoribashi	1-15-25 Shimanouchi, Chuo Ward, Osaka City, Osaka	8,747.40	133	3,400	1.5	3,800
	4020	Castalia Sannomiya	3-2-31 Isobedori, Chuo Ward, Kobe City, Hyogo	3,071.60	112	1,230	0.5	1,380

Portfolio Data (as of October 31, 2013)

Area *1	No.	Property Name	Address (Residence indication)	Leasable Area (m ²)	Leasable Units (units)	Acquisition Price (mn yen) *2	Acquisition Price Ratio (%) *3	Appraisal Values (mn yen) *4
Area4	4021	Castalia Kotodaikoen	3-10-24 Kokubuncho, Aoba Ward, Sendai City, Miyagi	1,684.10	50	481	0.2	504
	4022	Castalia Ichibancho	1-6-27, 30 Ichibancho, Aoba Ward, Sendai City, Miyagi	2,800.32	68	783	0.3	811
	4023	Castalia Omachi	2-5-8 Omachi, Aoba Ward, Sendai City, Miyagi	2,149.08	72	656	0.3	662
	4024	Castalia Uemachidai	4-1-12 Uehonmachi Nishi, Chuo Ward, Osaka City, Osaka	5,415.39	69	2,190	0.9	2,320
	4025	Castalia Tower Higobashi	1-2-24 Tosabori, Nishi Ward, Osaka City, Osaka	6,230.20	194	2,670	1.2	3,090
	4026	Big Tower Minami Sanjo	2-15-1 Minami Sanjo Higashi, Chuo Ward, Sapporo City, Hokkaido (*5)	8,661.19	179	1,740	0.8	2,230
	4027	Castalia Fushimi	1-8-49, Nishiki, Naka Ward, Nagoya City, Aichi	7,022.69	123	2,260	1.0	2,680
	4028	Castalia Meieki Minami	1-12-22, Meiekininami, Nakamura Ward, Nagoya City, Aichi	1,822.10	70	720	0.3	820
	4029	Castalia Yakuin	2-3-13, Imaizumi, Chuo Ward, Fukuoka City, Fukuoka	2,784.83	118	930	0.4	1,040
	4030	Castalia Mibu	79, Mibu, Aiai-chou, Nakagyo Ward, Kyoto City, Kyoto (*5)	2,828.39	78	1,193	0.5	1,270
	4031	Castalia Tsutsujigaoka	4-2-35, Shintera, Wakabayashi Ward, Sendai City, Miyagi	4,471.11	84	1,208	0.5	1,400
	4032	Castalia Ohori Bay Tower	1-6-6, Minato, Chuo Ward, Fukuoka city, Fukuoka	11,089.75	215	2,910	1.3	3,590
	4033	Royal Parks Namba	2-2-40, Minato machi, Naniwa Ward, Osaka city, Osaka	10,354.15	162	2,830	1.2	2,940
	4034	Castalia Shigahondori	1-15-2, Wakabadori, Kita Ward, Nagoya City, Aichi	5,086.69	128	1,730	0.7	1,900
Total of Residential Properties (131 properties)				418,899.09	10,169	229,051	99.0	229,883
Area3	6001	Urban Living Inage	327-1, Sanno-cho, Inage Ward, Chiba city, Chiba (*5)	4,177.52	1	930	0.4	985
Total of Residential Properties (properties for the elderly) (1 property)				4,177.52	1	930	0.4	985
Total of Residential Properties (132 properties)				423,076.61	10,170	229,981	99.4	230,868
Area4	8002	FOLEO TOWN Tsutsui	531-1, Tsutsuimachi, Yamato Koriyama City, Nara (*5)	4,022.27	11	1,410	0.6	1,050
Total of Retail Properties (1 property)				4,022.27	11	1,410	0.6	1,050
Total Owned Assets (133 properties)				427,098.88	10,181	231,391	100.0	231,918

*1) "Area 1" indicated in the Area column means Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward and Shinjuku Ward of Tokyo. "Area 2" means the wards of Tokyo excluding Area 1. "Area 3" means the Tokyo Metropolitan area (Tokyo excluding Area 1 and Area 2, Kanagawa Prefecture, Saitama Prefecture and Chiba Prefecture). "Area 4" means other cities (areas with populations more than approx. 100,000).

*2) "Acquisition price" does not include expenses related to acquisition, settlement of taxes and public charges and consumption taxes. For properties formerly owned by NCR, the table shows the agreed book value at the time of the merger (appraisal value as of February 28, 2010); amounts rounded down to ¥ million units.

*3) "Acquisition Price Ratio" column indicates the ratio of each acquisition price against the total acquisition price. The figures are rounded to the first decimal place.

*4) "Appraisal Values" column indicates real estate appraisal values as of August 31, 2013. Amounts rounded to ¥ million units.

*5) Residence indication is NCW. Address on registry.

*6) The appraisal values as of acquisition.

*7) "Leasable area" is the floor area of the real estate or the real estate in trust that are leasable based on information as of August 31, 2013.

Summary of Financial Results

	9th Fiscal Period (ended Aug. 2010)	10th Fiscal Period (ended Feb. 2011)	11th Fiscal Period (ended Aug. 2011)	12th Fiscal Period (ended Feb. 2012)	13th Fiscal Period (ended Aug. 2012)	14th Fiscal Period (ended Feb. 2013)	15th Fiscal Period (ended Aug. 2013)	Variation Between 14th Fiscal Period
Operating days	274 days	181 days	184 days	182 days	184 days	181 days	184 days	+3 days
Operating Revenue	6,514 mn yen	7,793 mn yen	6,728 mn yen	7,421 mn yen	7,746 mn yen	7,612 mn yen	7,971 mn yen	+358 mn yen
[gains from property disposition]	22 mn yen	1,062 mn yen	0 mn yen	—	112 mn yen	—	3 mn yen	+3 mn yen
Operating Income	2,951 mn yen	3,796 mn yen	2,478 mn yen	3,434 mn yen	3,691 mn yen	3,398 mn yen	3,661 mn yen	+263 mn yen
[losses from property disposition]	—	305 mn yen	501 mn yen	63 mn yen	—	192 mn yen	—	(192 mn yen)
Ordinary Income	1,845 mn yen	2,761 mn yen	1,437 mn yen	2,357 mn yen	2,724 mn yen	2,529 mn yen	2,780 mn yen	+250 mn yen
Net Income	20,918 mn yen	3,245 mn yen	1,401 mn yen	2,234 mn yen	2,616 mn yen	2,528 mn yen	2,779 mn yen	+250 mn yen
Distribution Per Unit	15,341 yen	16,880 yen	16,320 yen	16,000 yen	16,264 yen	16,947 yen	8,300 yen	— (*5)
Payout Ratio * 1	6.5%	61.8%	138.2%	109.1%	99.8%	107.6%	104.1%	(3.5%)
Outstanding Units Issued at End of Fiscal Period	118,735 units	118,735 units	118,735 units	160,535 units	160,535 units	160,535 units	351,870 units	+191,335 units
Real Estate Lease Business Revenue	6,491 mn yen	6,731 mn yen	6,728 mn yen	7,421 mn yen	7,633 mn yen	7,612 mn yen	7,968 mn yen	+355 mn yen
Real Estate Expenses Related To Rent Business	2,714 mn yen	2,982 mn yen	3,053 mn yen	3,167 mn yen	3,270 mn yen	3,265 mn yen	3,520 mn yen	+254 mn yen
Real Estate Lease Business Income	3,777 mn yen	3,748 mn yen	3,674 mn yen	4,254 mn yen	4,362 mn yen	4,347 mn yen	4,447 mn yen	+100 mn yen
Rent NOI	4,850 mn yen	4,895 mn yen	4,850 mn yen	5,618 mn yen	5,774 mn yen	5,770 mn yen	5,971 mn yen	+201 mn yen
NOI Yield * 2	4.99%	5.13%	5.05%	5.48%	5.42%	5.49%	5.42%	(0.07%)

<Portfolio at End of Fiscal Period>

Number of Owned Properties	127	121	121	125	123	123	127	+4
Total Acquisition Price	192,603 mn yen	192,176 mn yen	192,192 mn yen	210,282 mn yen	211,035 mn yen	212,692 mn yen	221,091 mn yen	+8,400 mn yen
Leasable Units	8,139 units	8,314 units	8,402 units	9,164 units	9,181 units	9,305 units	9,814 units	+509 units
	[Store: 63 units]	[Store: 67 units]	[Store: 69 units]	[Store: 74 units]	[Store: 78 units]	[Store: 82 units]	[Store: 90 units]	[Store: +8 units]
Properties Acquired (Disposed) in The Fiscal Period *3	107 /	4 /	3 /	6 /	2 /	2 /	4 /	+2 /
	142,128 mn yen	13,130 mn yen	3,401 mn yen	18,933 mn yen	4,030 mn yen	5,009 mn yen	8,400 mn yen	+3,391 mn yen
Properties Disposed in the Fiscal Period *3	4 /	10 /	3 /	2 /	4 /	2 /	0 /	(2) /
	709 mn yen	14,572 mn yen	2,900 mn yen	766 mn yen	3,324 mn yen	3,063 mn yen	49 mn yen	(3,013 mn yen)
Average Occupancy Rate in the Fiscal Period *4	90.1% 92.8%	95.1%	95.7%	96.4%	96.1%	96.7%	96.5%	(0.2%)
Occupancy Rate at End of Fiscal Period	93.5%	96.0%	96.2%	97.2%	96.1%	97.6%	96.7%	(0.9%)

*1) Dividend payout ratio excluding gain on negative goodwill as part of the merger in the ninth fiscal period is 70.8%.

*2) $\text{NOI yield} = \frac{\text{Rent NOI (lease business revenue + other lease business revenue - real estate expenses related to rent business + depreciation and amortization)} \times 365 \text{ days}}{\text{Total of (acquisition cost} \times \text{number of days owned during fiscal period / number of days in fiscal period) for each owed property}}$

*3) Figures indicate the number of properties and total acquisition price or disposition price. Expenses related to acquisition or disposition, settlement of taxes and public charges and consumption taxes are excluded.

*4) For average occupancy rates in the ninth fiscal period, the left figure shows the rate from December 31, 2009 through March 31, 2010, while the right figure shows the rate from April 30, 2010 through August 31, 2010 after the merger with NCR.

*5) DHI implemented a 2-for-1 split of investment units with an effective date of March 1, 2013. Consequently no comparison has been shown for the 14th and 15th fiscal periods, as the ratio per distribution unit is different.

	9th Fiscal Period (ended Aug. 2010)	10th Fiscal Period (ended Feb. 2011)	11th Fiscal Period (ended Aug. 2011)	12th Fiscal Period (ended Feb. 2012)	13th Fiscal Period (ended Aug. 2012)	14th Fiscal Period (ended Feb. 2013)	15th Fiscal Period (ended Aug. 2013)	Variation Between 14th Fiscal Period
Operating days	274 days	181 days	184 days	182 days	184 days	181 days	184 days	+3 days
Total Assets	201,545 mn yen	202,092 mn yen	200,699 mn yen	221,703 mn yen	218,295 mn yen	221,779 mn yen	229,781 mn yen	+8,001 mn yen
Net Assets	73,162 mn yen	74,586 mn yen	73,984 mn yen	91,880 mn yen	91,928 mn yen	91,846 mn yen	103,406 mn yen	+11,560 mn yen
Unitholders' Capital	24,002 mn yen	24,002 mn yen	24,002 mn yen	41,602 mn yen	41,602 mn yen	41,602 mn yen	53,104 mn yen	+11,501 mn yen
Total Outstanding Units Issued	118,735 units	118,735 units	118,735 units	160,535 units	160,535 units	160,535 units	351,870 units	+191,335 units
Net Assets Per Unit	616,183 yen	628,176 yen	623,103 yen	572,339 yen	572,640 yen	572,127 yen	293,878 yen	— (*10)
Distribution Per Unit	15,341 yen	16,880 yen	16,320 yen	16,000 yen	16,264 yen	16,947 yen	8,300 yen	— (*10)
Payout Ratio * 1	6.5%	61.8%	138.2%	109.1%	99.8%	107.6%	104.1%	(3.5%)
Return on Assets (ROA) *2	1.9%	2.8%	1.4%	2.2%	2.5%	2.3%	2.4%	+0.1%
Return on Equity (ROE) *3	57.1%	8.9%	3.7%	5.4%	5.6%	5.5%	5.6%	+0.1%
Net Asset Ratio at End of Fiscal Period *4	36.3%	36.9%	36.9%	41.4%	42.1%	41.4%	45.0%	+3.6%
Number of Properties	127	121	121	125	123	123	127	+4
Leasable Units	8,139 units [Store: 63 units]	8,314 units [Store: 67 units]	8,402 units [Store: 69 units]	9,164 units [Store: 74 units]	9,181 units [Store: 78 units]	9,305 units [Store: 82 units]	9,814 units [Store: 90 units]	+509 units [Store: 8 units]
Leasable Area *5	337,589.55㎡ [Store: 12,521.02㎡]	341,034.63㎡ [Store: 13,898.46㎡]	340,892.79㎡ [Store: 13,851.34㎡]	383,773.51㎡ [Store: 15,114.21㎡]	381,992.54㎡ [Store: 15,581.95㎡]	383,991.17㎡ [Store: 13,360.86㎡]	414,829.86㎡ [Store: 14,240.48㎡]	+30,838.69㎡ [Store: 879.62㎡]
Average Occupancy Rate in the Fiscal Period *6	90.1% 92.8%	95.1%	95.7%	96.4%	96.1%	96.7%	96.5%	(0.2%)
Occupancy Rate at End of Fiscal Period	93.5%	96.0%	96.2%	97.2%	96.1%	97.6%	96.7%	(0.9%)
Current Depreciation and Amortization	1,072 mn yen	1,146 mn yen	1,176 mn yen	1,363 mn yen	1,411 mn yen	1,422 mn yen	1,523 mn yen	+101 mn yen
Rent NOI *7	4,850 mn yen	4,895 mn yen	4,850 mn yen	5,618 mn yen	5,774 mn yen	5,770 mn yen	5,971 mn yen	+201 mn yen
FFO Per Unit *8	24,427 yen	26,541 yen	26,228 yen	23,570 yen	25,075 yen	25,828 yen	12,229 yen	— (*10)
Debt Service Coverage Ratio *9	25.7x	6.0x	3.9x	5.4x	6.1x	6.5x	7.4x	+0.9x
Total Interest-bearing Liabilities	124,590 mn yen	123,325 mn yen	122,653 mn yen	125,325 mn yen	121,834 mn yen	125,540 mn yen	121,740 mn yen	(3,800 mn yen)
LTV (interest-bearing liabilities/total assets)	61.8%	61.0%	61.1%	56.5%	55.8%	56.6%	53.0%	(3.6%)

*1) Dividend payout ratio excluding gains on negative goodwill as part of the merger in the ninth fiscal period is 70.8%.

*2) Return on assets (ROA) = Ordinary income/((total assets at beginning of fiscal period + total assets at end of fiscal period)/2) x 100, annualized based on management period

*3) Return on equity (ROE) = Net income/((net assets at beginning of fiscal period + net assets at end of fiscal period)/2) x 100, annualized based on management period *4) Net asset ratio at end of fiscal period = Net assets at end of fiscal period/total assets at end of fiscal period

*5) The leasable area of 8001 INAGEYA Yokohama Nishigaoka, which was acquired in the fourth fiscal period and is continually owned at the end of the tenth fiscal period is larger than the total floor area of 2,221.32㎡ under the Real Estate Registration Law, as the lease agreement was concluded to include the space below the floors and other areas that were not calculated in the total floor area.

*6) For average occupancy rates in the ninth fiscal period, the left figure shows the rate from December 31, 2009 through March 31, 2010, while the right figure shows the rate from April 30, 2010 through August 31, 2010 after the merger with NCR.

*7) Rent NOI = Lease business revenue + other lease business revenue – real estate expenses related to rent business + depreciation and amortization

*8) FFO per unit = (Net income + depreciation and amortization + other amortization expenses – gains from property disposition)/ total outstanding units issued (for the ninth fiscal period, gain on negative goodwill and other extraordinary income are deducted from net income)

*9) Debt service coverage ratio = Net income before interest amortization/interest expenses. The debt service coverage ratio excluding gain on negative goodwill as part of the merger in the ninth fiscal period is 4.4 times.

*10) DHI implemented a 2-for-1 split of investment units with an effective date of March 1, 2013. Consequently no comparison has been shown for the 14th and 15th fiscal periods, as the ratio per distribution unit is different.

Assets

(unit: thousand yen)

Category	Fourteenth Fiscal Period (as of February 28, 2013)		Fifteenth Fiscal Period (as of August 31, 2013)		Variation
	Share (%)		Share (%)		
Assets					
Current assets					
Cash and deposits	6,506,958		7,469,590		962,631
Cash and deposits in trust	4,118,396		3,666,188		(452,208)
Operating accounts receivable	40,861		41,700		839
Prepaid expenses	297,628		285,617		(12,011)
Deferred tax assets	5,691		27,820		22,128
Other	680		194		(486)
Allowance for doubtful accounts	(7,816)		(4,735)		3,081
Total current assets	10,962,400	5.0	11,486,376	5.0	523,975
Noncurrent assets					
Property, plant and equipment					
Buildings	27,992,162		28,026,484		34,321
Accumulated depreciation	(1,599,314)		(1,882,881)		(283,566)
Buildings, net	26,392,847		26,143,602		(249,244)
Structures	239,126		239,378		252
Accumulated depreciation	(14,268)		(16,868)		(2,599)
Structures, net	224,857		222,510		(2,347)
Machinery and equipment	432,205		432,205		0
Accumulated depreciation	(44,138)		(52,023)		(7,884)
Machinery and equipment, net	388,067		380,182		(7,884)
Tools, furniture and fixtures	648,997		651,242		2,245
Accumulated depreciation	(138,312)		(160,820)		(22,508)
Tools, furniture and fixtures, net	510,685		490,422		(20,263)
Land	21,150,419		21,150,419		0
Buildings in trust	88,023,245		94,869,545		6,846,299
Accumulated depreciation	(6,756,378)		(7,868,023)		(1,111,644)
Buildings in trust, net	81,266,867		87,001,521		5,734,654
Structures in trust	677,748		732,015		54,266
Accumulated depreciation	(52,659)		(66,484)		(13,825)
Structures in trust, net	625,089		665,530		40,441
Machinery and equipment in trust	1,363,827		1,511,116		147,289
Accumulated depreciation	(291,669)		(343,675)		(52,006)
Machinery and equipment in trust, net	1,072,157		1,167,440		95,282
Tools, furniture and fixtures in trust	296,693		308,265		11,571
Accumulated depreciation	(92,331)		(109,162)		(16,830)
Tools, furniture and fixtures in trust, net	204,362		199,103		(5,258)
Land in trust	74,632,549		76,137,759		1,505,210
Total property, plant and equipment	206,467,903	93.1	213,558,493	92.9	7,090,590

■ Assets

(unit: thousand yen)

Category	Fourteenth Fiscal Period (as of February 28, 2013)		Fifteenth Fiscal Period (as of August 31, 2013)		Variation
	Share (%)		Share (%)		
Assets					
Intangible assets					
Leasehold rights in trust	2,239,038		2,544,964		305,925
Right of trademark	6,248		5,702		(546)
Total intangible assets	2,245,287	1.0	2,550,666	1.1	305,378
Investments and other assets					
Long-term prepaid expenses	875,114		747,162		(127,952)
Guarantee deposits	10,030		10,030		0
Lease deposits in trust	1,200,020		1,412,200		212,179
Total investments and other assets	2,085,165	0.9	2,169,392	1.0	84,227
Total noncurrent assets	210,798,356	95.0	218,278,552	95.0	7,480,196
Deferred assets					
Bonds issuance costs	18,830		16,476		(2,353)
Total Deferred assets	18,830	0.0	16,476	0.0	(2,353)
Total assets	221,779,586	100.0	229,781,405	100.0	8,001,818

Balance Sheet

Liabilities and Net Assets

(unit: thousand yen)

Category	Fourteenth Fiscal Period (as of February 28, 2013)		Fifteenth Fiscal Period (as of August 31, 2013)		Variation
	Share (%)		Share(%)		
Liabilities					
Current liabilities					
Operating accounts payable	311,702		434,908		123,206
Short-term loans	3,800,000		0		(3,800,000)
Current portion of long-term loans payable	0		0		0
Accounts payable-other	106,802		140,438		33,635
Accrued expenses	525,202		460,668		(64,533)
Income taxes payable	605		605		0
Consumption tax payable	0		0		0
Advances received	773,348		830,330		56,981
Deposits received	190,780		193,707		2,927
Current portion of rehabilitation debt	3,573,845		3,573,845		0
Total current liabilities	9,282,286	4.2	5,634,505	2.5	(3,647,781)
Non current liabilities					
Investment Corporation Bonds	3,000,000		3,000,000		0
Long-term loans payable	100,305,000		100,305,000		0
Tenant leasehold and security deposits	328,754		317,811		(10,942)
Tenant leasehold and security deposits in trust	1,762,835		1,858,475		95,639
Asset retirement obligations	392,301		396,754		4,453
Rehabilitation debt	14,861,887		14,861,887		0
Total noncurrent liabilities	120,650,779	54.4	120,739,929	52.5	89,149
Total liabilities	129,933,066	58.6	126,374,434	55.0	(3,558,632)
Net assets					
Unitholders' equity					
Unitholders' capital	41,602,436		53,104,018		11,501,582
Surplus					
Capital surplus	28,241,587		28,241,587		0
Reserve for distribution	19,473,874		19,281,910		(191,964)
Unappropriated retained earnings (undisposed loss)	2,528,622		2,779,454		250,832
Total surplus	50,244,084		50,302,952		58,867
Total unitholders' equity	91,846,520	41.4	103,406,970	45.0	11,560,450
Total net assets	91,846,520	41.4	103,406,970	45.0	11,560,450
Total liabilities and net assets	221,779,586	100.0	229,781,405	100.0	8,001,818

Notes and Remarks for Fifteenth Fiscal Period

(unit: million yen)

1. Cash and deposits	
Investment corporation title	7,469
Trust bank title	3,666
(of which, equivalent to deposit)	2,176
Balance	8,959
2. Interest-bearing liabilities	121,740
3. Allowance for doubtful accounts	4
4. Change in Unitholders' capital	
Total Unitholders' capital	53,104
June 2005: Established with private offering	300
December 2005: Increase capital through third party allotment	1,430
March 2006: Increase capital through public offering	18,238
March 2007: Increase capital through third party allotment	4,034
October 2011: Increase capital through public offering	15,999
November 2011: Increase capital through third party allotment	1,599
March 2013: Increase capital through public offering	10,455
April 2013: Increase capital through third party allotment	1,045

Unitholders' Capital and Total Outstanding Units Issued

Date	Unitholders' Capital (yen)	Total Unitholders' Capital (yen)	Total Units Issued (unit)	Total Outstanding Units Issued (unit)
June 7, 2005 *1	300,000,000	300,000,000	600	600
Dec. 19, 2005	1,430,000,000	1,730,000,000	2,860	3,460
March 20, 2006	18,238,500,000	19,968,500,000	37,800	41,260
March 2, 2007	4,034,088,000	24,002,588,000	8,000	49,260
April 1, 2010 *2	-	24,002,588,000	69,475	118,735
October 4, 2011	15,999,862,000	40,002,450,000	38,000	156,735
Nov. 2, 2011	1,599,986,200	41,602,436,200	3,800	160,535
March 1, 2013 *3	Split of investment units			321,070
March 18, 2013	10,455,984,000	52,058,420,200	28,000	349,070
April 17, 2013	1,045,598,400	53,104,018,600	2,800	351,870

*1) Daiwa House Residential Investment Corporation was established on June 7, 2005.

*2) Following the merger with NCR, for each unit of NCR, 0.23 units of DHI was allotted and issued.

*3) DHI implemented a 2-for-1 split of investment units with an effective date of March 1, 2013.

Income Statement

(unit: thousand yen)

Category	Fourteenth Fiscal Period (Sep. 1, 2012 – Feb. 28, 2013)	Fifteenth Fiscal Period (Mar. 1, 2013 – Aug. 31, 2013)	Variation
Operating revenue			
Lease business revenue	7,152,415	7,431,254	278,839
Other lease business revenue	460,518	537,040	76,521
Gain from disposition of properties	0	3,236	3,236
Total operating revenue	7,612,933	7,971,531	358,597
Operating expenses			
Expenses related to rent business	3,265,383	3,520,378	254,995
Loss from disposition of properties	192,067	0	(192,067)
Asset management fee	483,135	510,191	27,056
Asset custody fee	21,833	20,267	(1,565)
Administrative service fees	72,058	64,010	(8,048)
Directors' compensations	6,600	6,600	0
Provision of allowance for doubtful accounts	2,417	1,084	(1,332)
Other operating expenses	170,771	187,316	16,544
Total operating expenses	4,214,266	4,309,849	95,582
Operating income	3,398,666	3,661,681	263,014
Non-operating income			
Interest income	619	895	276
Reversal of allowance for doubtful accounts	0	0	0
Other	1,120	4,966	3,846
Total non-operating income	1,739	5,862	4,122
Non-operating expenses			
Interest expenses	708,995	655,445	(53,550)
Interest expenses on bonds	16,523	17,076	552
Retirement of bonds issuance cost	2,353	2,353	0
Borrowing related expenses	141,742	160,980	19,237
Unit issuance expenses	0	50,064	50,064
Other	1,563	1,564	0
Total non-operating expenses	871,179	887,484	16,305
Ordinary income	2,529,227	2,780,059	250,832
Extraordinary income			
Gain on redemption by purchase of rehabilitation obligations	0	0	0
Other	0	0	0
Total extraordinary income	0	0	0
Extraordinary loss			
Impairment losses	0	0	0
Loss on disaster	-	-	-
Total extraordinary losses	0	0	0
Income before income taxes	2,529,227	2,780,059	250,832
Income taxes-current	605	605	0
Total income taxes	605	605	0
Net income	2,528,622	2,779,454	250,832
Retained earnings brought forward	-	-	-
Unappropriated retained earnings (undisposed loss)	2,528,622	2,779,454	250,832

Financial statements pertaining to distribution of funds

(unit: yen)

Category	Fourteenth Fiscal Period (Sep. 1, 2012 – Feb. 28, 2013)	Fifteenth Fiscal Period (Mar. 1, 2013 – Aug. 31, 2013)	Variation
I. Unappropriated retained earnings	2,528,622,143	2,779,454,398	250,832,255
II. Reversal of reserve for distribution	191,964,502	141,066,602	(50,897,900)
III. Distribution amount [Distribution per unit]	2,720,586,645 [16,947]	2,920,521,000 [8,300]	199,934,355
IV. Reserve of reserve for distribution	-	-	-
V. Retained earnings carried forward	-	-	-

Breakdown of Real Estate Lease Business Revenue and Expenses

(unit: thousand yen)

Category	Fourteenth Fiscal Period (Sep. 1, 2012 – Feb. 28, 2013)	Fifteenth Fiscal Period (Mar. 1, 2013 – Aug. 31, 2013)	Variation
A. Real estate lease business revenue			
Lease business revenue			
Rent income	6,933,010	7,194,511	261,501
Common service fees	219,404	236,742	17,338
Subtotal	7,152,415	7,431,254	278,839
Other lease business revenue			
Facility charges	201,432	213,626	12,194
Incidental revenue	39,063	45,505	6,442
Other lease business revenue	220,022	277,907	57,884
Subtotal	460,518	537,040	76,521
Total real estate lease business revenue	7,612,933	7,968,294	355,361
B. Real estate expenses related to rent business			
Expenses related to rent business			
Management fees	788,112	829,244	41,132
Utility expenses	112,031	116,605	4,573
Tax and public charges	386,957	413,566	26,609
Repair expenses	121,121	124,094	2,972
Insurance expenses	10,812	11,542	730
Restoration cost	173,939	235,265	61,325
Custodian fees	57,919	65,841	7,922
Depreciation and amortization	1,422,775	1,523,951	101,175
Other operating expenses	191,713	200,266	8,553
Total real estate expenses related to rent business	3,265,383	3,520,378	254,995
C. Real estate lease business income (A – B)	4,347,549	4,447,916	100,366

Statistical Table of DHI Unitholders

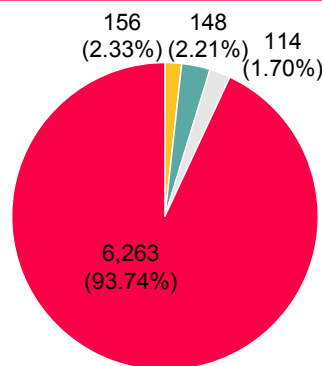
Number of Unitholders

Unitholder type		Previous Fiscal Period (14th Fiscal Period) (as of February 28, 2013)		Current Fiscal Period (15th Fiscal Period) (as of August 31, 2013)		Variation
		Number of Unitholders (persons)	Ratio (%)	Number of Unitholders (persons)	Ratio (%)	Number of Unitholders (persons)
Individuals and others		4,323	93.04	6,263	93.74	1,940
Financial institutions		60	1.29	88	1.31	28
	Banks and trust banks	37	0.79	46	0.68	9
	City banks	0	0.00	1	0.01	1
	Regional banks	24	0.51	33	0.49	9
	Trust banks	13	0.27	12	0.17	(1)
	Life insurance companies	7	0.15	7	0.10	0
	Non-life insurance companies	1	0.02	3	0.04	2
	Other financial	15	0.32	32	0.47	17
	Credit unions	9	0.19	22	0.32	13
	Other	6	0.12	10	0.14	4
Other domestic corporations		98	2.10	156	2.33	58
Foreign corporations and individuals		149	3.20	148	2.21	(1)
Securities companies		16	0.34	26	0.38	10
Total		4,646	100.00	6,681	100.00	2,035

The number of unitholders increased by 2,035 (including 1,940 individual investors) due to the split of investment units.

Number of Unitholders

Total number of Unitholders:
6,681



- Financial institutions (including securities companies)
- Foreign corporations and individuals
- Other domestic corporations
- Individuals and others

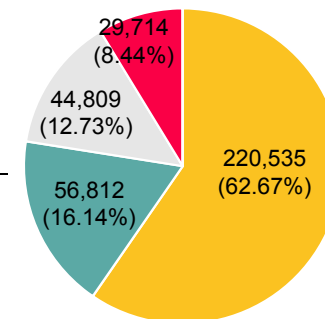
Number of Units

Unitholder type		Previous Fiscal Period (14th Fiscal Period) (as of February 28, 2013)		Current Fiscal Period (15th Fiscal Period) (as of August 31, 2013)		Variation
		Number of Units (units)	Ratio (%)	Number of Units (units)	Ratio (%)	Number of Units (units)
Individuals and others		14,020	8.73	29,714	8.44	15,694
Financial institutions		94,532	58.88	217,117	61.70	122,585
	Banks and trust banks	85,767	53.42	192,211	54.62	106,444
	City banks	0	0.00	475	0.13	475
	Regional banks	9,569	5.96	32,484	9.23	22,915
	Trust banks	76,198	47.46	159,252	45.25	83,054
	Life insurance companies	4,242	2.64	9,377	2.66	5,135
	Non-life insurance companies	563	0.35	7,825	2.22	7,262
	Other financial	3,960	2.46	7,704	2.18	3,744
	Credit unions	991	0.61	2,822	0.80	1,831
	Other	2,969	1.84	4,882	1.38	1,913
Other domestic corporations		22,112	13.77	44,809	12.73	22,697
Foreign corporations and individuals		28,673	17.86	56,812	16.14	28,139
Securities companies		1,198	0.74	3,418	0.97	2,220
Total		160,535	100.00	351,870	100.00	191,335

Increase in number of investment units (191,335 units): Second capital increase through public offering (30,800 units) + investment unit split (160,535 units)

Number of Units

Outstanding units issued:
351,870 units



- Financial institutions (including securities companies)
- Foreign corporations and individuals
- Other domestic corporations
- Individuals and others

Unitholders (Major Unitholders)

Major Unitholders of DHI

Name	14th Fiscal Period (as of February 28, 2013)		15th Fiscal Period (as of August 31, 2013)		Variation
	Number of Units Held (units)	Percentage of Total (%)	Number of Units Held (units)	Percentage of Total (%)	
Japan Trustee Services Bank, Ltd. (trust account)	38,433	23.94	80,009	22.73	41,576
Daiwa House Industry Co., Ltd.	18,860	11.74	37,720	10.71	18,860
The Master Trust Bank of Japan, Ltd. (trust account)	14,064	8.76	25,388	7.21	11,324
Trust & Custody Services Bank, Ltd. (securities investment trust account)	9,532	5.93	20,017	5.68	10,485
The Nomura Trust and Banking Co., Ltd. (investment trust account)	7,742	4.82	18,286	5.19	10,544
NOMURA BANK (LUXEMBOURG) S.A.	5,343	3.32	13,247	3.76	7,904
SCBHK AC DBS VICKERS (HK) LIMITED—CLIENT A/C	3,450	2.14	6,900	1.96	3,450
Trust & Custody Services Bank, Ltd. (money trust tax account)	3,002	1.86	6,510	1.85	3,508
HSBC PRIVATE BANK (SUISSE) SA SINGAPORE-TRUST A/C CLIENTS	2,966	1.84	5,932	1.68	2,966
The Chugoku Bank, Ltd.	1,837	1.14	5,776	1.64	3,939
Total	105,229	65.54	219,785	62.46	114,556

Questionnaire for Unitholders in 14th Fiscal Period

A questionnaire was sent to all unitholders together with the asset management report for the 14th fiscal period, and completed questionnaires were returned by 952 unitholders (20.5% of the total).

Gender	「Male」 77%, 「Female」 23%, 「No answer」 0.3%	Reason for investing in DHI (*)	「Distribution yield」 72%, 「Creditworthiness of sponsor」 29%, 「Recommendation by securities company」 22%, 「Low unit price」 22%, 「Growth potential」 19%, 「Comparison with other REITs」 18%
Age	「60 and over」 53%, 「50s」 19%, 「40s」 15%	Approach to investing in DHI	「Long-term holding」 72%, 「Increasing investment」 7%
Occupation	「Unemployed/retired」 34%, 「Company employee」 24%, 「Full-time homemaker」 12%, 「Self-employed」 11%	Reasons for long-term holding (*)	「Stability of distributions」 73%, 「Expectation of rise in unit price」 30%, 「High quality of owned properties」 18%, 「Real estate market trends」 14%
Years as a unitholder	「10 years and over」 57%, 「Less than 10 years」 25%	Highest priority in investment approach decision (*)	「Distribution yield」 84%, 「Profitability」 36%, 「Quality of owned properties」 24%, 「Real estate market trends」 22%, 「Track record」 21%, 「Unit price」 20%
		Satisfaction with DHI's IR activities	「Satisfied/somewhat satisfied」 89%, 「Somewhat dissatisfied」 7%

*) Multiple answers allowed.

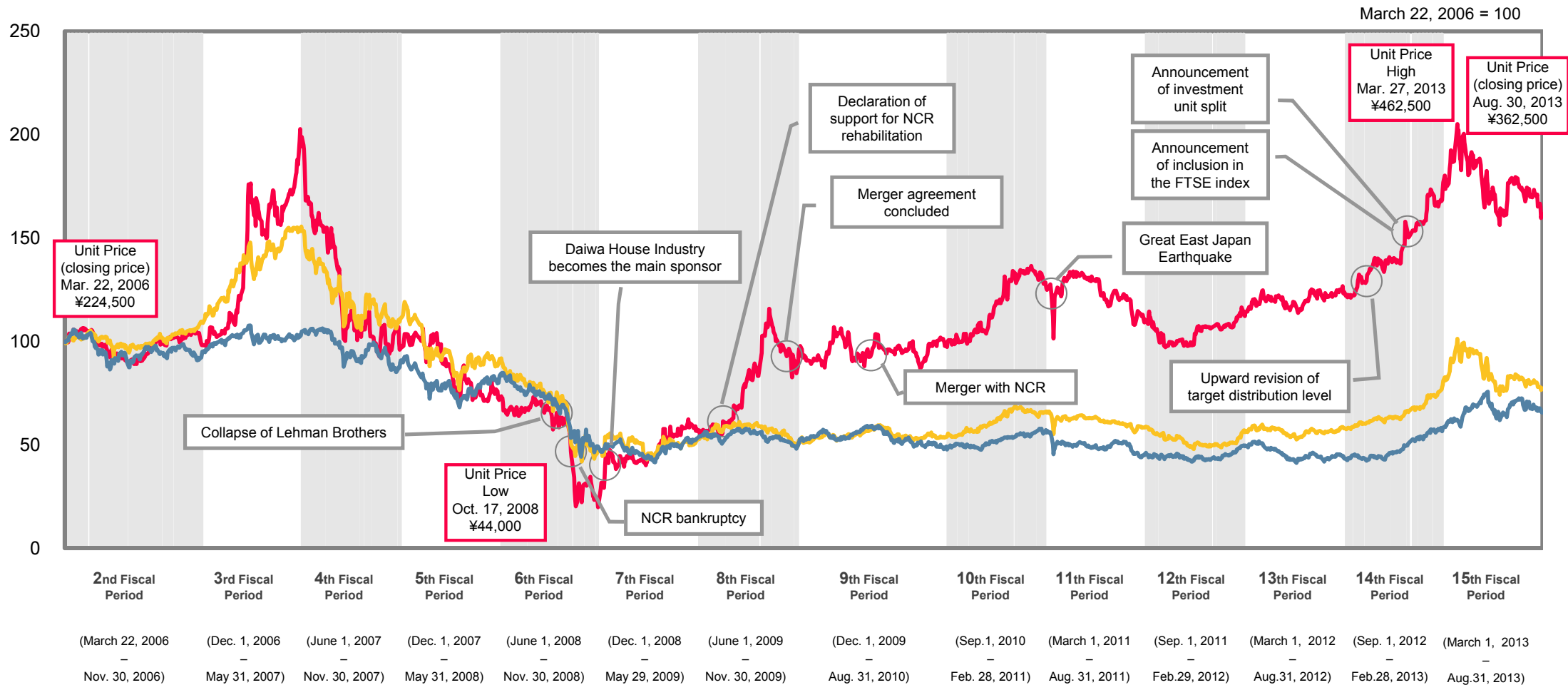
Unit Prices since 2006

Investment Unit
Price Index
REIT Index
TOPIX

Investment Unit Price Index (Daiwa House Residential Investment Corporation)

TSE REIT Index

TOPIX



*1) The investment unit price index shows the indexed value of closing price of DHI's investment unit on the TSE.

*2) "Unit Price High" and "Unit Price Low" are a new high and low, respectively, during trading hours.

*3) DHI implemented a 2-for-1 split of investment units on March 1, 2013. Factoring in the impact of the split, investment unit prices on or before February 28, 2013 are divided by two.

- This document is provided for information purposes only and is not intended as a solicitation to invest or a recommendation to trade in a specific security. Please contact a financial product brokerage company if you are interested in purchasing the investment units of Daiwa House Residential Investment Corporation (“DHI”).
- This document is not a disclosure document or investment report required under and made in accordance with the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations and related cabinet orders and cabinet office ordinances, or under the Tokyo Stock Exchange’s securities listing rules or any other related rules.
- The contents of this document include forward-looking statements based on certain assumptions and judgments using information currently available to DHI. These forward-looking statements are not a guarantee of DHI’s future results, business performance and financial position.
- DHI endeavors to ensure the contents of this document are as accurate as possible. However, DHI cannot guarantee the accuracy, reliability, adequacy or the accessibility of the information herein. DHI reserves the right to change or delete information without prior notice.
- Duplication or reproduction of any item presented as information herein without the prior consent of DHI is strictly prohibited.