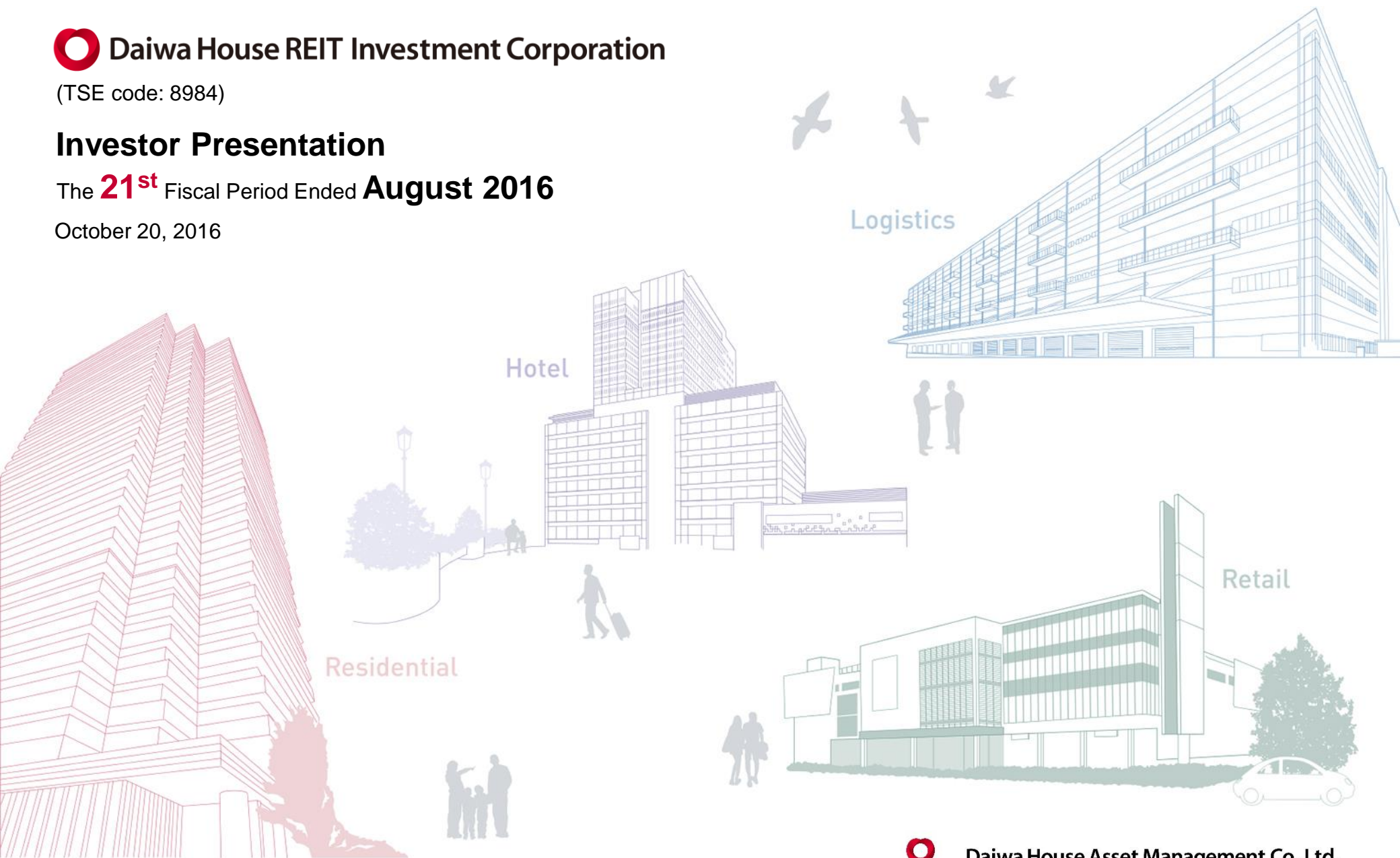


Investor Presentation

The **21st** Fiscal Period Ended **August 2016**

October 20, 2016



Executive Summary	
1. Overview of the Merger	
	Page
■ Overview of the Merger	4
■ Portfolio Summary (as of September 28, 2016)	5
■ Portfolio Breakdown (as of September 28, 2016)	6
2. Initiatives to Pursue Growth	
■ Acquisitions on September 28, 2016	8
■ Growth Track Record and Future Target	9
■ Future Growth Strategy	10
■ Pipeline of Daiwa House Group	11-12
3. Financial Results	
■ August 2016 Financial Results	14
■ Financial Results of Former DHI	15
■ Financial Results of Former DHR	16
4. Operation Status	
■ Topics	18
■ Operation Status of Logistics Properties	19
■ Operation Status of Residential Properties	20
■ Operation Status of Retail Properties	21
■ Financial Strategy and Financial Status (as of September 30, 2016)	22
5. Financial Forecasts	
■ Financial Forecasts	24
■ Pro Forma Balance Sheet as of September 1, 2016	25
■ Distribution Policy	26

Appendix	Page
■ Unit Price Performance	28
■ Historical Financial Data of Former DHI	29
■ Historical Portfolio Data of Former DHI	30
■ Balance Sheets of Former DHI	31
■ Statements of Income of Former DHI	32
■ Historical Financial Data of Former DHR	33
■ Historical Portfolio Data of Former DHR	34
■ Balance Sheets of Former DHR	35
■ Statements of Income of Former DHR	36
■ Market Environment for Logistics Properties	37
■ Market Environment for Residential Properties	38
■ Market Environment for Retail and Hotel Properties	39
■ Portfolio List as of September 28, 2016	40-42
■ Rent Revision Schedule of Logistics Properties	43-44
■ Rent Revision Schedule of Retail Properties	45
■ Appraisal Value Changes Comparison	46-52
■ Unitholders	53
■ REIT Structure	54

1. Overview of the Merger

- ◆ Daiwa House Residential and Daiwa House REIT merged on Sep. 1, 2016
- ◆ Shifted to a diversified REIT strategy with over **500** bn yen in asset size

2. Initiatives to Pursue Growth

- ◆ Acquired **6** properties for **17.2** bn yen from Daiwa House Group on Sep. 28
- ◆ Aim **800** bn yen in asset size leveraging Daiwa House Group pipeline

3. Financial Results

- ◆ Former Daiwa House Residential Aug. 2016 DPU **4,537** yen (forecast 4,510 yen)
- ◆ Former Daiwa House REIT Aug. 2016 DPU **9,356** yen (forecast 9,000 yen)

4. Operation Status

- ◆ Aug. 2016 occupancy remained stable at a high level of **98.7 %**
- ◆ Further lengthening and diversifying debt maturities and fixing interest rates

5. Financial Forecasts

- ◆ Feb. 2017 (22nd Period) Forecast DPU **4,700** yen (initial forecast 4,650 yen)
- ◆ Aug. 2017 (23rd Period) Forecast DPU **4,720** yen (initial forecast 4,700 yen)

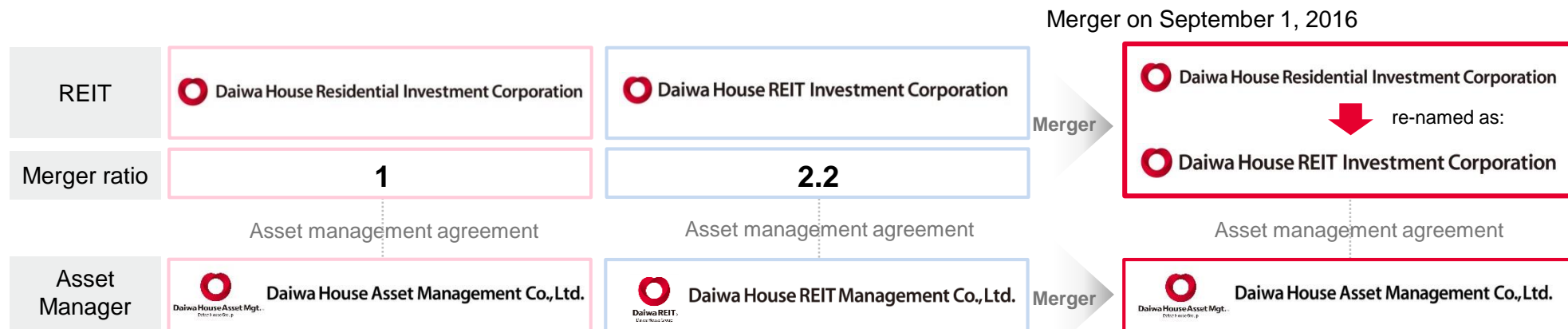


1. Overview of the Merger



Overview of the Merger

◆ The merger improved our positioning in the J-REIT market, leading to enhancement of unitholder value



Events	
Apr. 15	◆ Announcement of the merger
Sep. 1	◆ Daiwa House Residential (“Former DHI”) and Daiwa House REIT (“Former DHR”) merged through an absorption-type merger ◆ The merged REIT was renamed as Daiwa House REIT ◆ Shifted to a diversified REIT and expanding target asset types to offices and hotels, in addition to existing logistics, residential and retail properties
Sep. 28	◆ Acquired six properties including one multi-use complex (office / hotel / retail) from Daiwa House Group for a total acquisition price of 17.2 bn yen ◆ Achieved over 500 bn yen in asset size

Positive Outcomes, etc.			
Aug. 29	◆ Inclusion in the MSCI Global Standard Indexes		
Aug. 31	◆ Increase in foreign unitholders ownership		
		Feb. 2016	
		Aug. 2016	
	Former DHI	11.6%	16.8%
	Former DHR	7.2%	14.3%
Sep. 1	◆ Upward revision of JCR credit rating outlook		
		Before	After
		AA- Stable	AA- Positive

Portfolio Summary (as of September 28, 2016)

// Investment Policy

◆ Core Assets **80% or more**



◆ Other Assets **20% or less** (office buildings, healthcare properties, etc.)



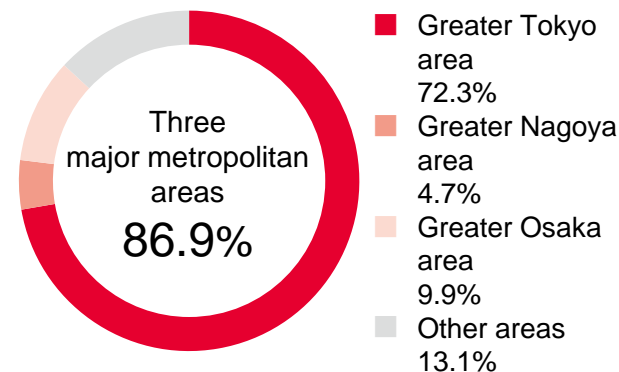
◆ Three Major Metropolitan Areas **70% or more**

// Portfolio Summary

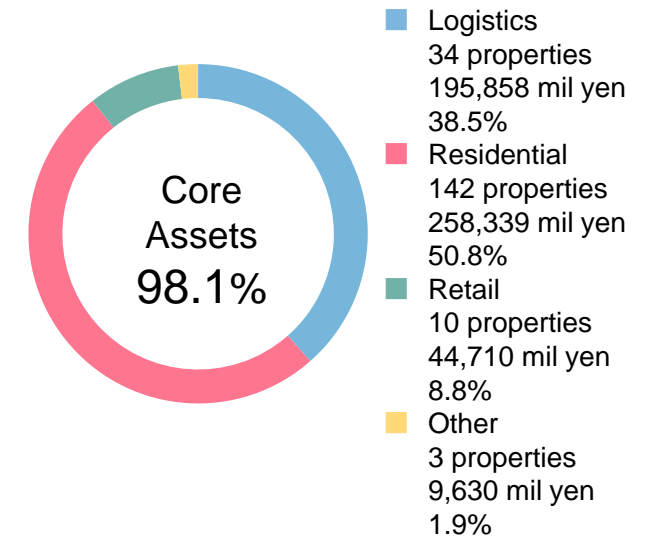
Asset size (acquisition price)	508,537 mil yen
Number of properties	189 properties
NOI yield (Note)	5.3 %
Average property age	9.1 years
Occupancy rate	98.7 %

(Note) NOI yield is based on actual NOI in the period ended Aug. 2016 and appraisal NOI for the new acquisitions on September 28, 2016.

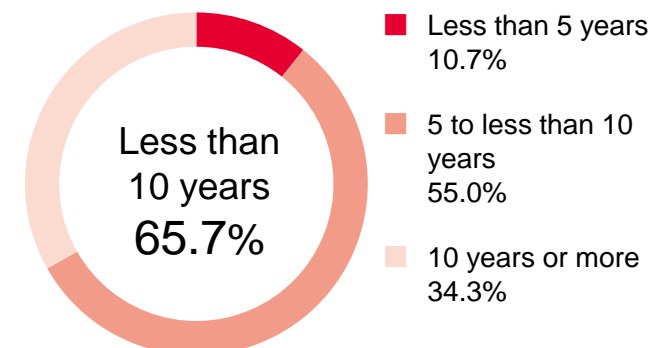
// Portfolio by Area (acquisition price basis)



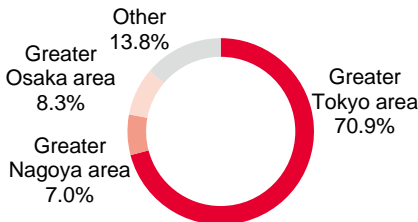
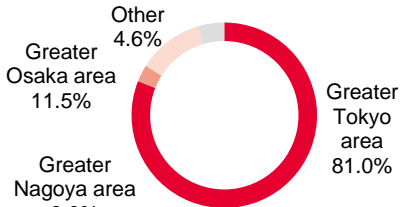
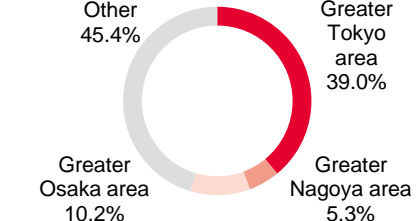
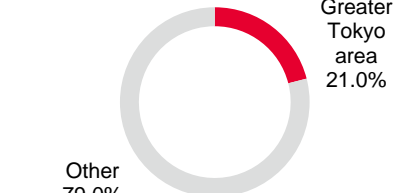








// Portfolio by Asset Type (acquisition price basis)



// Portfolio by Property Age (acquisition price basis)



Portfolio Breakdown (as of September 28, 2016)

	Logistics	Residential	Retail	Other
Acquisition price	195,858 mil yen	258,339 mil yen	44,710 mil yen	9,630 mil yen
Number of properties	34 properties	142 properties	10 properties	3 properties
NOI yield ^(Note)	4.9 %	5.4 %	6.1 %	6.2 %
Average property age	7.2 years	10.8 years	8.8 years	5.8 years
Occupancy rate	100.0 %	96.1 %	99.6 %	100.0 %
Area breakdown				
Major properties	<p>< D Project Urayasu II ></p>  <p>Location Urayasu, Chiba Acquisition price 26,000 mil yen Construction date Apr. 2007 Leasable area 72,320.01 m²</p> <p>< D Project Hachioji ></p>  <p>Location Hachioji, Tokyo Acquisition price 15,400 mil yen Construction date Dec. 2008 Leasable area 62,394.17 m²</p>	<p>< Pacific Royal Court Minatomirai Urban Tower ></p>  <p>Location Yokohama, Kanagawa Acquisition price 9,100 mil yen Construction date May 2008 Leasable units 418 units</p> <p>< Qiz Ebisu ></p>  <p>Location Shibuya, Tokyo Acquisition price 7,650 mil yen Construction date Feb. 2005 Leasable units 96 units</p>	<p>< DREAM TOWN ALI ></p>  <p>Location Aomori, Aomori Acquisition price 8,100 mil yen Construction date Aug. 2007 Leasable area 22,196.81 m²</p> <p>< ACROSSMALL Shinkamagya ></p>  <p>Location Kamagaya, Chiba Acquisition price 7,770 mil yen Construction date Oct. 2006 Leasable area 41,742.84 m²</p>	<p>< Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi) ></p>  <p>Location Naha, Okinawa Acquisition price 7,600 mil yen Construction date Jul. 2011 Leasable area 13,480.00 m²</p> <p>< Aburatsubo Marina HILLS ></p>  <p>Location Miura, Kanagawa Acquisition price 1,100 mil yen Construction date Apr. 2008 Leasable area 3,901.14 m²</p>

(Note) NOI yield is based on actual NOI in the period ended Aug. 2016 and appraisal NOI for the new acquisitions on September 28, 2016.



2. Initiatives to Pursue Growth



Acquisitions on September 28, 2016

◆ Acquired six properties consisting of logistics, residential, retail facilities and hotel, etc. (Note 1) from Daiwa House Group

Property name	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	D Project Hibiki Nada	D Project Morioka II	Castalia Ningyocho III	Royal Parks Umejima	Sports Depo and GOLF5 Kokurahigashi IC Store
Asset type	Multi-use complex (Note 1) (office / hotel / retail)	Logistics	Logistics	Residential	Residential	Retail
Acquisition price	7,600 mil yen	2,080 mil yen	1,280 mil yen	2,000 mil yen	2,020 mil yen	2,230 mil yen
Appraisal value	7,630 mil yen	2,110 mil yen	1,300 mil yen	2,180 mil yen	2,150 mil yen	2,280 mil yen
Appraisal NOI yield (Note 2)	5.9 %	6.3 %	6.3 %	5.0 %	6.9 %	6.9 %
Location	Naha City, Okinawa	Kitakyushu City, Fukuoka	Takizawa City, Iwate	Chuo Ward, Tokyo	Adachi Ward, Tokyo	Kitakyushu City, Fukuoka
Access	5-min. walk from Okinawa urban monorail "Omoromachi" Sta.	8.5km from Shinwakato Expressway "Kitahama" IC	6km from Tohoku Expressway "Morioka" IC	3-min. walk from Tokyo Metro "Ningyocho" Sta.	5-min. walk from Tobu Skytree line "Umejima" Sta.	0.5km from Kyusyu Expressway "Kokurahigashi" IC
Construction date	Jul. 2011	Sep. 2008	Oct. 2015	Oct. 2014	Sep. 2010	Oct. 2007
Occupancy rate (Notes3)	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Leasable area	13,480.00 m ²	23,933.75 m ²	4,481.00 m ²	2,897.06 m ²	6,828.78 m ²	8,899.89 m ²
Land area	7,880.42 m ² (Note 4)	39,659.00 m ²	14,355.00 m ²	529.80 m ²	4,217.10 m ²	6,789.55 m ²
Gross floor area	34,180.43 m ² (Note 4)	19,967.90 m ²	4,289.89 m ²	3,754.28 m ²	7,913.65 m ²	6,506.99 m ²

Total acquisition price

17,210 mil yen

Total appraisal value

17,650 mil yen

Average Appraisal NOI yield

6.1 %

Occupancy rate

100.0 %

(Note 1) The property includes office and retail facilities as well as hotel rooms; its asset type is categorized as "other." DHR acquired 50% quasi-co-ownership interest of the trust beneficiary interest in real estate.

(Note 2) "Net operating income" (direct capitalization method) in the real estate appraisal reports divided by "acquisition price".

(Note 3) Occupancy rate as of August 31, 2016

(Note 4) The figure of the entire property

< Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi) >



< D Project Hibiki Nada >



< D Project Morioka II >



< Castalia Ningyocho III > < Royal Parks Umejima >

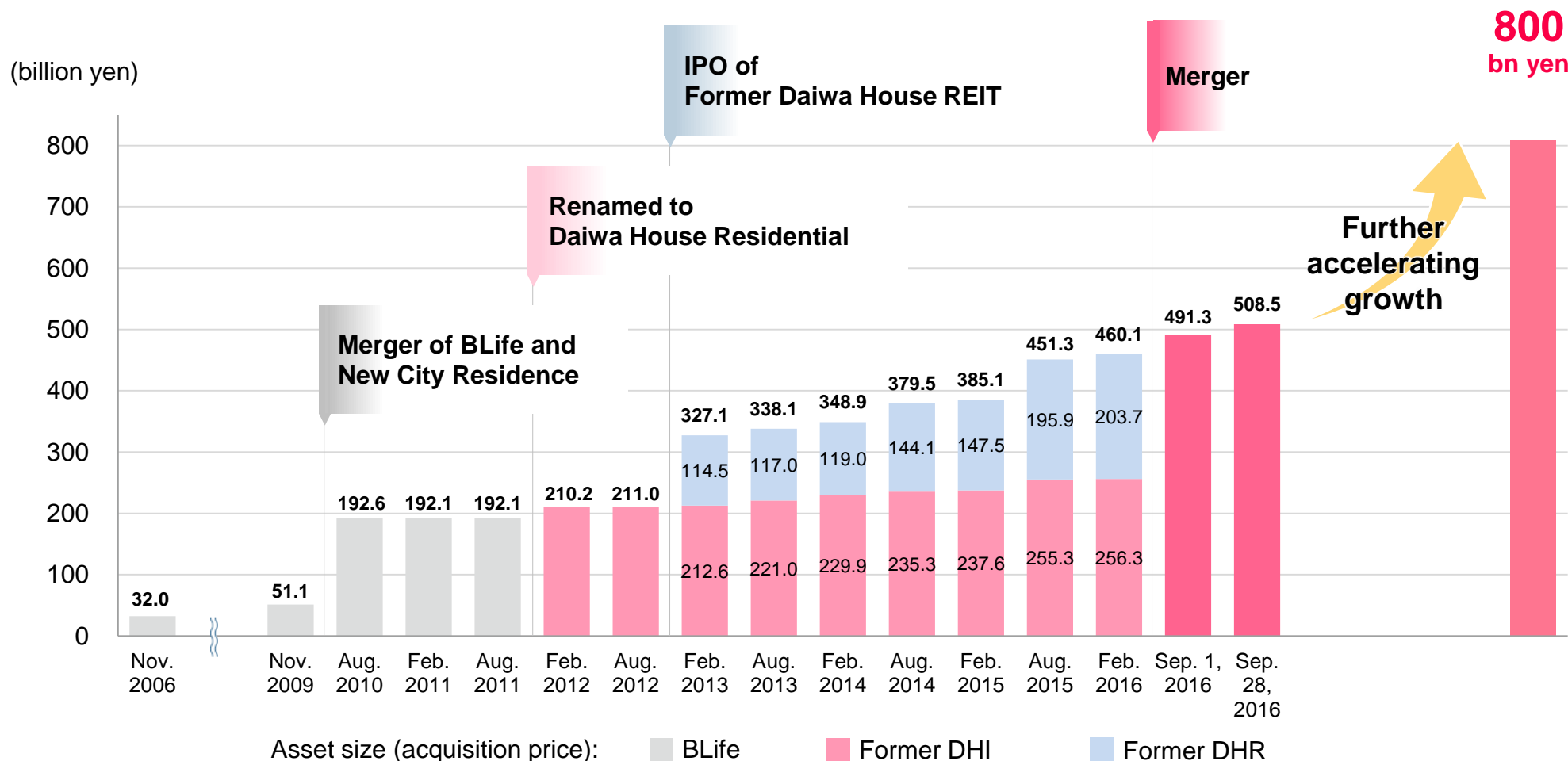


< Sports Depo and GOLF5 Kokurahigashi IC Store >



Growth Track Record and Future Target

◆ Aim 800 bn in asset size by leveraging Daiwa House Group pipeline

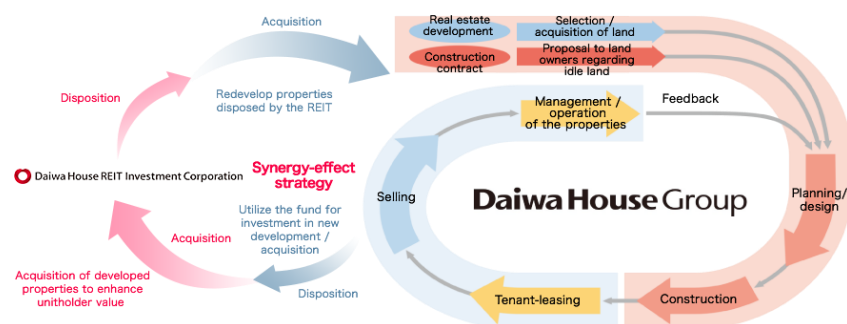


(Note) Asset size as of September 1, 2016 represents a sum of acquisition price of Former DHI and anticipated acquisition price of Former DHR as of the date of this document.

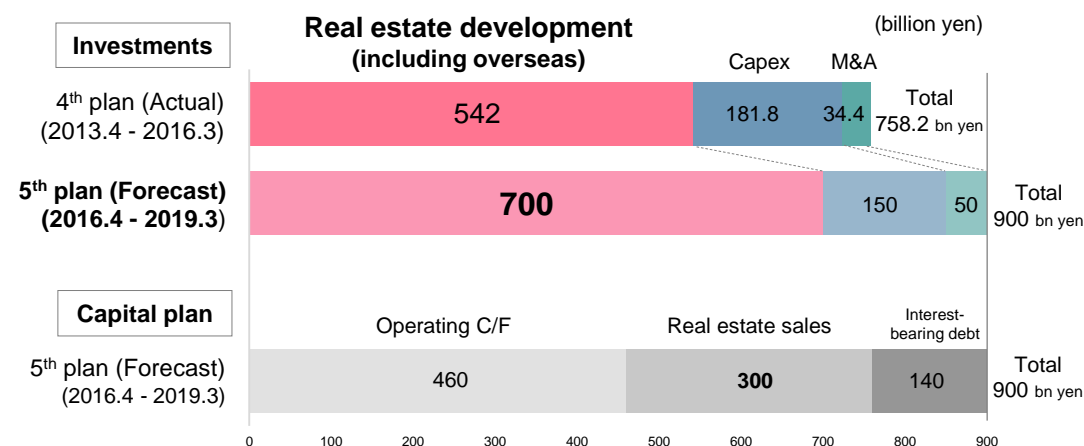
- ◆ Accelerate growth by leveraging Daiwa House Group's comprehensive and integrated capabilities
- ◆ Acquire properties developed by Daiwa House Group based on Group's pipeline support

Value Chain of Daiwa House Group

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



Medium-Term Management Plan of Daiwa House Group (Investment Plan)



(Source) Daiwa House Industry Co., Ltd.

Same Boat Investment by Daiwa House

- ◆ In order to align with its own profit and the benefit of DHR unitholders, Daiwa House will continue to hold units of DHR

Daiwa House's post-merger DHR ownership

169,600 units (11.2%) (Note)

(Note) Based on the number of units of Former DHI and Former DHR held by Daiwa House as of August 31, 2016, in consideration of the merger-ratio adjustment.

Real Estates Available for Sale of Daiwa House Group

	(billion yen)		
June 31, 2016	Being rented	Not being rented	Total
Logistics, Business & corporate facilities	107.9	196.5	304.5
Rental housing	4.4	13.2	17.6
Commercial facilities	53.7	20.3	74.1

(Source) Daiwa House Industry Co., Ltd.

Pipeline of Daiwa House Group (1)

// Logistics Properties

Property name	Category	Location	Construction	No. of floors	Gross floor area
D Project Kitahachioji Annex A	BTS-type	Hachioji City, Tokyo	Feb. 2011	5	15,352 m ²
D Project Kitahachioji Annex B	BTS-type	Hachioji City, Tokyo	Nov. 2011	4	18,762 m ²
D Project Kitahachioji Annex C	BTS-type	Hachioji City, Tokyo	Jun. 2014	4	26,311 m ²
D Project Jonanjima	BTS-type	Ota Ward, Tokyo	May 2014	8	49,739 m ²
D Project Itabashi Shingashi	BTS-type	Itabashi Ward, Tokyo	Dec. 2014	7	31,094 m ²
D Project Kuki Shobu I Annex B	BTS-type	Kuki City, Saitama	Jan. 2010	1	2,941 m ²
D Project Kawagoe Annex A	BTS-type	Kawagoe City, Saitama	Jan. 2011	3	24,684 m ²
D Project Kawagoe	BTS-type	Kawagoe City, Saitama	Jul. 2014	4	39,704 m ²
D Project Wako Annex A	BTS-type	Wako City, Saitama	Apr. 2015	6	57,199 m ²
D Project Kasu	BTS-type	Kasu City, Saitama	Jul. 2014	4	18,305 m ²
D Project Matsudo Annex A	BTS-type	Matsudo City, Chiba	Apr. 2011	5	19,838 m ²
D Project Tomisato I	BTS-type	Tomisato City, Chiba	Apr. 2015	6	36,335 m ²
D Project Kyotanabe	BTS-type	Kyotanabe City, Kyoto	Sep. 2012	2	10,966 m ²
D Project Sendaiizumi IA	BTS-type	Sendai City, Miyagi	Apr. 2014	3	12,062 m ²
D Project Sano	BTS-type	Sano City, Tochigi	May 2014	2	15,649 m ²
D Project Oyama B	BTS-type	Oyama city, Tochigi	Mar. 2014	2	13,091 m ²
D Project Tatebayashi	BTS-type	Tatebayashi City, Gunma	Sep. 2015	2	13,572 m ²
D Project Fuji	BTS-type	Fuji City, Shizuoka	Oct. 2013	2	24,176 m ²
D Project Kakegawa I	BTS-type	Kakegawa City, Shizuoka	Aug. 2014	5	33,893 m ²
D Project Hiroshima Seifu	BTS-type	Hiroshima City, Hiroshima	Dec. 2014	2	19,058 m ²
D Project Tosu II	BTS-type	Tosu City, Saga	Jan. 2017 (planned)	4	13,838 m ²
DPL Misato	Multi-tenant -type	Misato City, Saitama	Jul. 2013	5	49,440 m ²
DPL Sagamihara	Multi-tenant -type	Sagamihara City, Kanagawa	Dec. 2013	5	82,685 m ²
DPL Yokohama Daikoku	Multi-tenant -type	Yokohama City, Kanagawa	Feb. 2014	6	121,818 m ²
DPL Fukuoka Kasuya	Multi-tenant -type	Kasuya Gun, Fukuoka	Apr. 2014	7	87,683 m ²

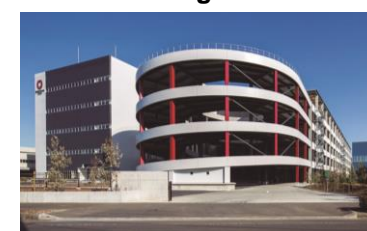
(Source) Daiwa House Industry Co., Ltd.

(Note) As of the date of this document, there are no planned acquisitions.

< D Project Kitahachioji, Annexes A/B/C >



< DPL Sagamihara >



< DPL Yokohama Daikoku >



< DPL Misato >



< DPL Fukuoka Kasuya >



< D Project Kawagoe >



< D Project Tomisato I >



Pipeline of Daiwa House Group (2)

Residential Properties

Property name	Category	Location	Construction	No. of residential units
Royal Parks Ogikubo	Compact / family	Suginami Ward, Tokyo	Mar. 2005	condominium: 157 units
Royal Parks Riverside	Compact / family	Adachi Ward, Tokyo	Dec. 2010	condominium: 200 units
Royal Parks ER Sasashima	Compact / family / shared house / nursing homes / senior day service / nursery school / retail	Nagoya City, Aichi	Mar. 2015	condominium: 430 units, shared house: 136 units, nursing home: 66 units, senior day service, nursery school, retail: 2 units
Roygent Shinsakae I	Compact/ family	Nagoya City, Aichi	Jan. 2016	condominium: 99 units

Retail Properties

Property name	Category	Location	Construction	No. of floors	Gross floor area
FOLEO Shoubu	Roadside-type	Kuki City, Saitama	Mar. 2010	1	19,090 m ²
FOLEO Hakata	Mall-type	Fukuoka City, Fukuoka	Jan. 2008	3	23,231 m ²
FOLEO Otsu Ichiriyama	Mall-type	Ootsu City, Shiga	Oct. 2008	2 + 1 basement	62,918 m ²
iias Tsukuba	Mall-type	Tsukuba City, Ibaraki	Sep. 2008	5	112,509 m ²

Hotel / Multi-use Complex Properties

Property name	Category	Location	Construction	No. of floor	Gross floor area
Daiwa Royal Ariake Project	Hotel / retail / convention	Koto Ward, Tokyo	Mar. 2018 (planned)	17 + 1 basement	22,500 m ²
Hiroshima Futaba no Sato Project	Hotel / office / retail	Hiroshima City, Hiroshima	Mar. 2019 (planned)	23	47,123 m ²
Daiwa Roynet Yokohama Kannai	Hotel	Yokohama City, Kanagawa	Aug. 2009	10 + 1 basement	8,568 m ²
COMBOX 310	Hotel / retail	Mito City, Ibaraki	Jun. 2006	13	18,498 m ²

Other Properties

Property name	Category	Location	Construction	No. of units
Nerima Takamatsu Project	Assisted-living pay nursing homes	Nerima Ward, Tokyo	Feb. 2015 Jan. 2017 (planned)	100 units 40 units
Utsunomiya Project	Serviced senior housing	Utsunomiya City, Tochigi	Sep. 2015	77 units
Shibuya Honmachi Project	Assisted-living pay nursing homes	Shibuya Ward, Tokyo	Oct. 2015	57 units

(Source) Daiwa House Industry Co., Ltd.

(Note) As of the date of this document, there are no planned acquisitions.

< Royal Parks ER Sasashima >



< iias Tsukuba >



< Daiwa Royal Ariake Project >



< Hiroshima Futaba no Sato Project >



< Nerima Takamatsu Project >



< Shibuya Honmachi Project >





3. Financial Results



Former DHI

- ◆ DPU 4,537 yen (forecast 4,510 yen)

- ◆ Monthly rents at tenant replacement

+1,421 thousand yen in Aug. 2016 period

	20 th Period Feb. 2016	21 st Period Aug. 2016
Net change in monthly rents at replacement	+764 thousand yen	+1,421 thousand yen

- ◆ Occupancy rate

Average occupancy rate was 96.0%, above the forecast of 95.0%

	20 th Period Feb. 2016	21 st Period Aug. 2016
Average during the period	96.1 %	96.0 %
End of the period	96.0 %	96.1 %

- ◆ Appraisal value

+1,507 million yen due to cap rate compression

	20 th Period Feb. 2016	21 st Period Aug. 2016	Unrealized gain
Residential	275,900 mil yen	277,337 mil yen	34,569 mil yen
Other	2,440 mil yen	2,510 mil yen	479 mil yen
Total	278,340 mil yen	279,847 mil yen	35,048 mil yen

Former DHR

- ◆ DPU 9,356 yen (forecast 9,000 yen)

- ◆ Acquisition of D Project Tosu (Extended Building)

Acquisition date	Acquisition price	Appraisal NOI yield
June 15, 2016	2,600 mil yen	6.1 %

- ◆ Occupancy rate

Occupancy rate at end of the period remained at a high level of 99.9%

	16 th Period Feb. 2016	17 th Period Aug. 2016
Logistics	100.0 %	100.0 %
Retail	99.7 %	99.6 %
Total	100.0 %	99.9 %

- ◆ Appraisal value

+1,650 million yen due to cap rate compression

	16 th Period Feb. 2016	17 th Period Aug. 2016	Unrealized gain
Logistics	190,748 mil yen	192,498 mil yen	32,704 mil yen
Retail	42,580 mil yen	42,480 mil yen	3,564 mil yen
Total	233,328 mil yen	234,978 mil yen	36,269 mil yen

(Note) For the acquisition in the period ended Aug. 2016 (D Project Tosu Extended Building), appraisal value at the time of the acquisition (3,000 mil yen) is added in the period ended Feb. 2016.

◆ Favorable occupancy led operating revenue to increase for 7 consecutive periods and 4,537 yen of DPU

// 21st Period (Aug. 2016) Results

	20 th Period Result Feb. 2016	21 st Period Result Aug. 2016	Period-on- period change
Operating Revenue	9,662	9,691	28
Rent Revenue	9,662	9,691	28
Rent	9,076	9,020	(56)
Other revenue	585	670	85
Operating Expenses	5,715	5,731	16
Property operating expenses	4,688	4,746	58
Property operating expenses (excluding depreciation)	2,675	2,713	38
Depreciation	2,012	2,033	20
Other operating expenses	1,027	984	(42)
Operating Income	3,947	3,959	12
Non-operating income	4	10	6
Non-operating expenses	774	756	(17)
Interest and borrowing expenses	772	730	(41)
Ordinary Income	3,177	3,214	36
Net Income	3,177	3,213	36
Reversal of retained earnings ^(Note 1)	188	178	(9)
DPU	4,501 yen	4,537 yen	36 yen
FFO per unit ^(Note 2)	6,948 yen	7,024 yen	76 yen
NOI ^(Note 3)	6,986	6,977	(9)
NOI yield	5.5 %	5.4 %	(0.1) %
Operating days	182 days	184 days	2 days

(Note 1) Reversal of retained earnings: Amount of retained earnings equivalent to 10% of depreciation (200 mil yen in the period ended Feb. 2016 and 202 mil yen in the period ended Aug. 2016) and netting the amount retained for distribution (12 mil yen in the period ended Feb. 2016 and 23 mil yen in the period ended Aug. 2016)

(Note 2) FFO (Funds from Operation) per unit: (Net income + depreciation + amortization + gain on property disposition) / number of investment units issued

(Note 3) NOI (Net Operating Income): Rent revenue – property operating expenses + depreciation

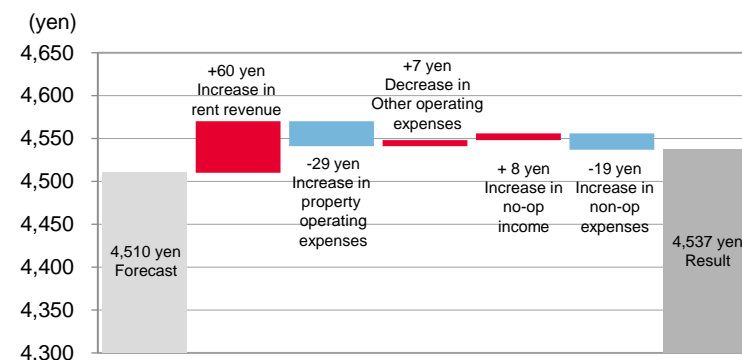
(million yen)

21 st Period Forecast as of 2016/4/15	Versus Forecast
9,645	45
—	—
—	—
—	—
5,714	16
—	—
—	—
2,029	3
—	—
—	—
3,930	29
—	—
—	—
740	(9)
3,193	21
3,192	21
—	—
4,510 yen	27 yen
—	—
6,950	27
—	—
184 days	0 days

// Major Variation Factors (vs Forecast)

vs Forecast	■ Increase in rent revenue	+45 mil yen
	•Favorable occupancy rate	
	•Increase in lease renewal fees	
	■ Increase in property operating expenses	(22) mil yen
	•Increase in repairs and maintenance expenses and restoration cost	
	•Decrease in brokerage fees	
■ Decrease in other operating expenses	+5 mil yen	
■ Increase in non-operating income	+6 mil yen	
■ Decrease in interest expenses, etc.	+9 mil yen	

// Variation Breakdown in DPU (Result vs Forecast)



Financial Results of Former DHR

◆ Achieved 9,356 yen of DPU, which outperformed the forecast of 9,000 yen

// 17th Period (Aug. 2016) Results

	16 th Period Result Feb. 2016	17 th Period Result Aug. 2016	Period-on- period change
Operating Revenue	6,938	7,142	203
Rent Revenue	6,938	7,142	203
Rent	6,757	6,838	81
Other revenue	181	304	122
Operating Expenses	2,969	3,261	292
Property operating expenses	2,383	2,667	284
Property operating expenses (excluding depreciation)	896	1,160	263
Depreciation	1,487	1,507	20
Other operating expenses	585	593	7
Operating Income	3,969	3,880	(88)
Non-operating income	5	2	(3)
Non-operating expenses	592	601	9
Interest and borrowing expenses	592	600	8
Ordinary Income	3,382	3,281	(100)
Net Income	3,381	3,280	(100)
DPU (Note 1)	9,642 yen	9,356 yen	(286)
FFO per unit (Note 2)	13,883 yen	13,654 yen	(229) yen
NOI (Note 3)	6,042	5,982	(60)
NOI yield	5.9 %	5.8 %	(0.1) %
Operating days	182 days	184 days	2 days

(Note 1) A merger payment will be paid instead of cash distribution for the period ended Aug. 2016.

(Note 2) FFO (Funds from Operation) per unit: (Net income + depreciation + gain on property disposition) / number of investment units issued

(Note 3) NOI (Net Operating Income): Rent revenue - property operating expenses + depreciation

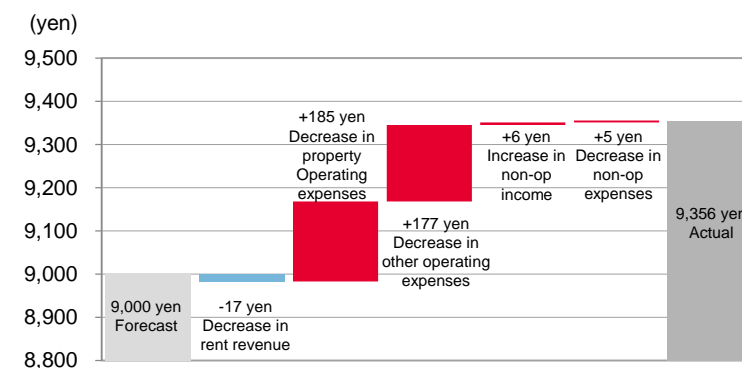
(million yen)

17 th Period Forecast as of 2016/4/15	Versus Forecast
7,148	(6)
—	—
—	—
—	—
3,387	(126)
—	—
—	—
1,505	2
—	—
3,760	120
—	—
—	—
603	(2)
3,157	123
3,157	123
9,000 yen	356 yen
—	—
—	—
—	—
184 days	0 days

// Major Variation Factors (vs Forecast)

vs Forecast	■ Decrease in rent revenue	(6) mil yen
	■ Decrease in property operating expenses	+64 mil yen
	• Decrease in repairs and maintenance expenses and utility expenses	
	■ Decrease in other operating expenses	+61 mil yen
	• Decrease in expert fees and disclosure related expenses	

// Variation Breakdown in DPU (Result vs Forecast)





4. Operation Status



Logistics

Operation Status

- 100% occupancy since acquisitions unchanged
- Acquired D Project Tosu (Extended Building)
- Installed LED light for 3 properties

Rent Revision / Lease Contract Renewal

- Rent revision:
D Project Aikawa-Machi, D Project Kawagoe I, D Project Yashio,
D Project Nishiyodogawa → Revised contract on equal terms
D Project Sendai Minami → Increased rent
- Contract expiry:
D Project Fukuoka Umi Building C → Extended contract by 5 years
- < D Project Shin-Misato > In ongoing litigation

Residential

Operation Status

- Occupancy (period average) remained stable at a high level of 96.0%
- < Crest Kusatsu > Occupancy improved from 49.2% to 80.7%
- Performed major renovations for 5 properties

Rents

- Increase of monthly rents at tenant replacement
for 3 consecutive periods
- Performed upgrade work at 32 residence units of 17 properties
→ Contracts were signed for 26 residence units as of end of period
with 6.1% increase in rents

Retail

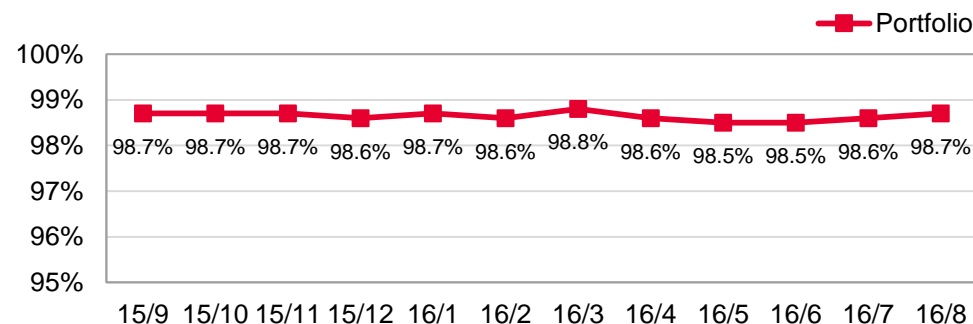
Operation Status

- Occupancy remained at a high level of 99.6%
- < QiZ GATE URAWA >
 - Lease cancellation note received from a major tenant
→ already concluded a new lease contract with a successor tenant
 - Renewal of lease contract with reduced floor space: 1 unit
 - Move-ins: 1 unit
- < DREAM TOWN ALi >
 - Move-ins: 2 units, move-outs: 2 units

Rent Revision / Lease Contract Renewal of Major Tenants

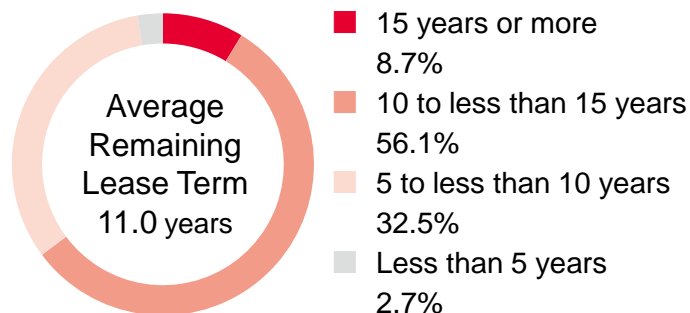
- Rent revision:
LIFE Sagamihara Wakamatsu → Revised rent on equal terms

// Portfolio Occupancy Rate

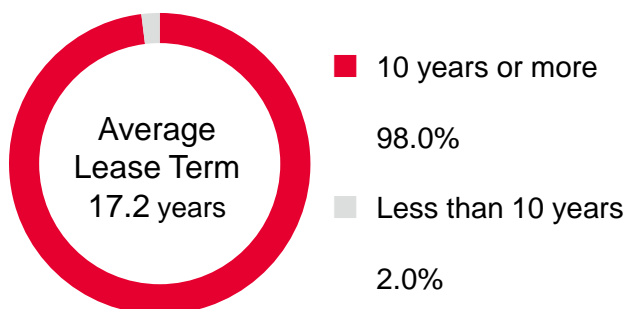


(Note) Combined and recalculated occupancy rate of Former DHI and Former DHR

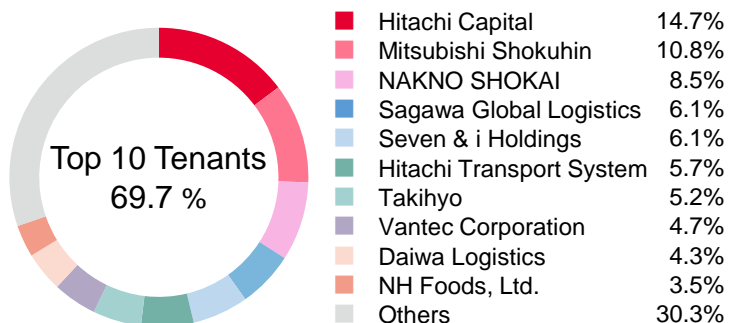
// Remaining Lease Term (annual rent basis)



// Lease Term (annual rent basis)



// % of Top 10 Tenants (lease area basis)



// Initiatives for Internal Growth

LB-018 D Project Fukuoka Umi	<ul style="list-style-type: none"> Building C Installation of LED light, Investment: 11 mil yen → Extended contract period and increased rent Building D Installation of LED light + parking lot improvement Investment: 11 mil yen → Increased rent
LB-023 D Project Kawagoe II	<ul style="list-style-type: none"> Installation of LED light, Investment: 26 mil yen → Increased rent
LB-027 D Project Kuki IV	<ul style="list-style-type: none"> Installation of LED light, Investment: 43 mil yen → Increased other lease revenue



Realizing internal growth by LED investment, etc.

// Future Plans

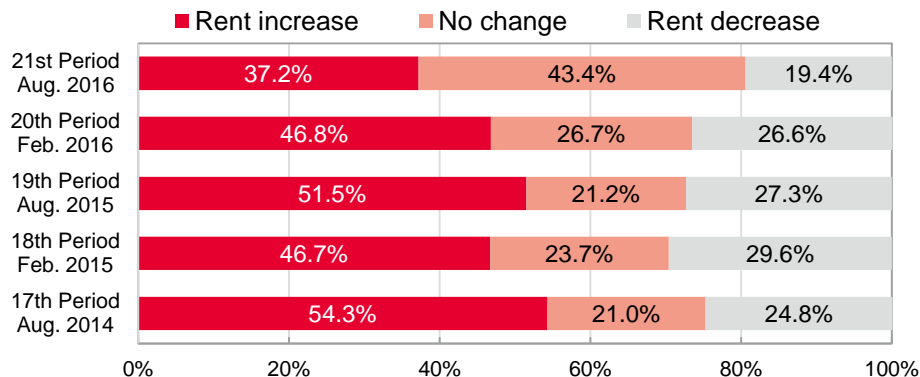
LB-024 DPL Inuyama	<ul style="list-style-type: none"> Installation of solar power generation system on roof → Increase other lease revenue from Oct. 2016
LB-001 D Project Machida	<ul style="list-style-type: none"> Installation of LED light, Investment: 87 mil yen → Increase other lease revenue from Dec. 2016
LB-027 D Project Kuki V	<ul style="list-style-type: none"> Installation of LED light, Investment: 58 mil yen → Increase rent from Feb. 2017
LB-009 D Project Inuyama	<ul style="list-style-type: none"> Installation of solar power generation system on roof → Increase other lease revenue from Apr. 2017



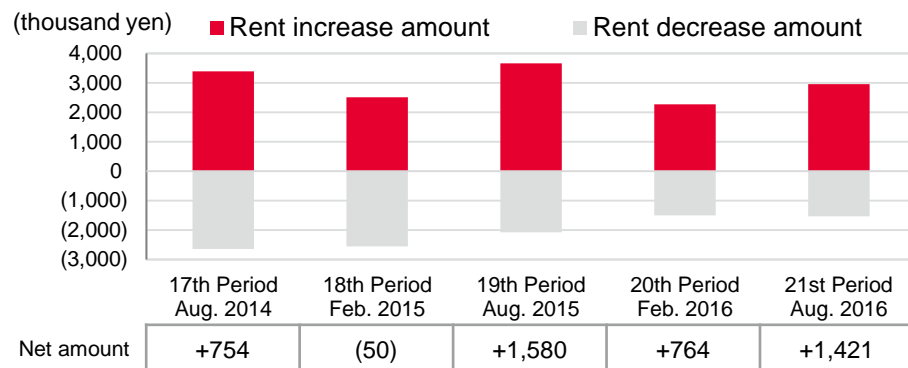
Operation Status of Residential Properties

// Monthly Rent at Tenant Replacement

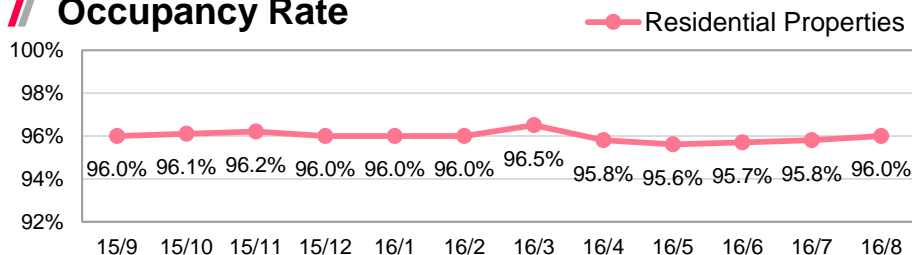
(Ratio of number of tenant replacement)



// Amount of Monthly Rent Increase and Decrease



// Occupancy Rate



// Performing Upgrade Work

■ Installation of movable partitions allowing tenants more flexibility

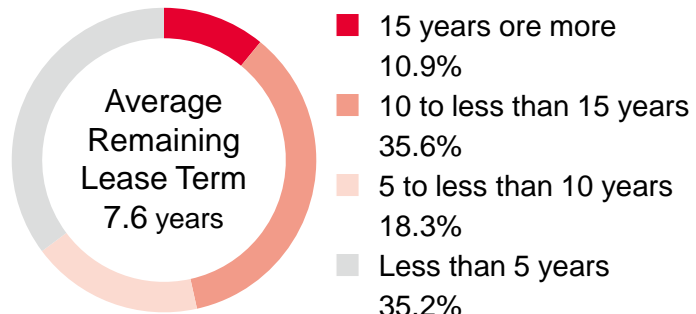


< Toyo Tire & Rubber Seismic Isolation Materials Falsification >

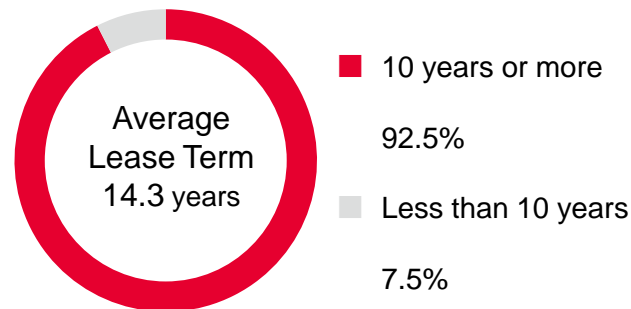
- DHR concluded a compensation agreement with Toyo Tire & Rubber Co., Ltd. And Toyo Chemical Industrial Products Co., Ltd. on October 30, 2015, concerning compensation demands for lost income incurred at the concerned property for the period until the replacement of the substandard seismic isolation materials is completed.
- DHR plans to conduct restoration work when the replacement of the substandard seismic isolation materials is completed. DHR has retained a total of 36 mil yen of earnings for distribution in the periods ended Feb. 2016 and Aug. 2016 to evenly spread the impact of the restoration work on the financial performance.

Operation Status of Retail Properties

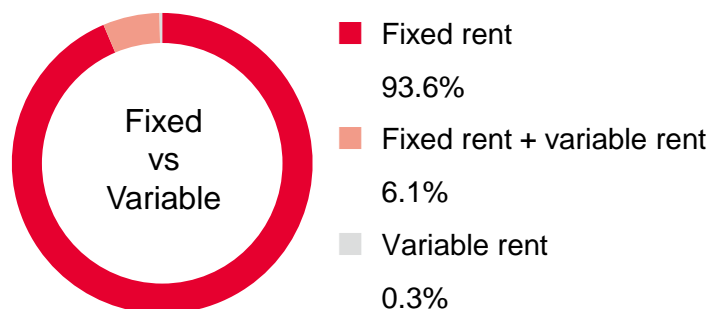
// Remaining Lease Term (annual rent basis) // QiZ GATE URAWA



// Lease Term (annual rent basis)



// Rent Type (lease area basis)



■ Percentage of portfolio (Note)

% of investment: 0.8%
% of annual rent: 1.0%

■ Received a lease cancellation note from a major tenant

→ Concluded a new lease contract with a successor tenant

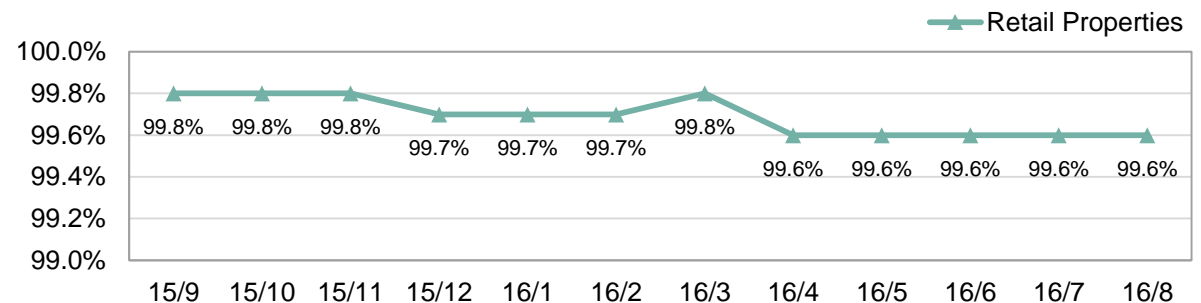
■ As of Oct. 1, 2016 4 vacant units and 2 cancelled units

Currently planning renovation including unit reallocation

(Note) Portfolio includes the new acquisitions on September 28, 2016.



// Occupancy Rate



- ◆ Control LTV (based on total assets including goodwill) within 40% to 50% range
- ◆ Further lengthen and diversify debt maturities and fix interest rates

// Financial Status

LTV (Note 1)	41.8 %
Total interest-bearing debt	253,163 mil yen
Total loans	242,163 mil yen
Total bonds	11,000 mil yen
Long-term debt ratio (Note 2)	94.5 %
Fixed interest ratio	87.1 %
Average interest rate	0.77 %
Average remaining maturity	4.3 years
Commitment line	20,000 mil yen

(Note 1) LTV: Total interest-bearing debt as of Sep. 30, 2016 / (Pro Forma Total Assets as of Sep. 1, 2016 + New loans and refinancing in Sep. 2016)

(Note 2) Long-term debt with maturity periods of less than one year until the repayment date or redemption date as of each date are also included in long-term debt.

// Credit Rating

Rating Agency	Rating (Outlook)
R&I	A+ (Stable)
JCR	AA- (Positive)

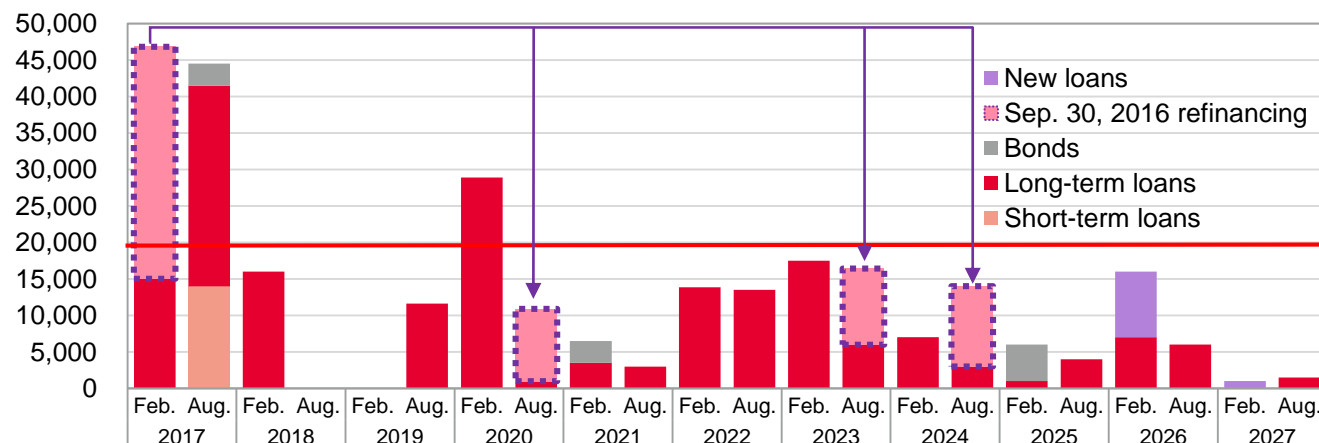
// Lender Formation

Lender	Balance (mil yen)	(%)
Sumitomo Mitsui Trust Bank, Limited	46,789	19.3%
Sumitomo Mitsui Banking Corporation	42,780	17.7%
Mizuho Bank, Ltd.	41,280	17.0%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	39,887	16.5%
Mitsubishi UFJ Trust and Banking Corporation	14,327	5.9%
Development Bank of Japan Inc.	12,400	5.1%
Aozora Bank, Ltd.	11,561	4.8%
The Norinchukin Bank	10,110	4.2%
Resona Bank, Limited	8,495	3.5%

Lender	Balance (mil yen)	(%)
Mizuho Trust & Banking Co., Ltd.	4,308	1.8%
Nippon Life Insurance Company	2,500	1.0%
Shinsei Bank, Limited	2,000	0.8%
Shinkin Central Bank	1,500	0.6%
The Chiba Bank, Ltd.	1,465	0.6%
Mitsui Sumitomo Insurance Company, Limited	1,000	0.4%
The Bank of Fukuoka	1,000	0.4%
The Shizuoka Bank, Ltd.	760	0.3%
Total loans	242,163	100.0%

// Diversified Maturity Ladder

(million yen)





5. Financial Forecasts



◆ Sustainable level of stabilized DPU at 4,720 yen with stable growth prospect going forward

(million yen)

	22 nd Period Forecast Feb. 2017	23 rd Period Forecast Aug. 2017	23 rd Period Period-on- period change
Operating revenue	17,360	17,576	+215
Operating expenses	12,005	11,198	(807)
Amortization of goodwill	1,982	1,982	—
Operating income	5,354	6,378	+1,023
Ordinary income	4,219	5,190	+971
Net income	4,219	5,190	+971
Reversal of retained earnings	2,921	1,980	(940)
Total distribution	7,140	7,171	+30

Net income per unit	(A)	2,777 yen	3,416 yen	+639 yen
Reversal of retained earnings per unit	(B)	1,922 yen	1,303 yen	(619) yen
DPU	(A)+(B)	4,700 yen	4,720 yen	+20 yen
	[Initial Forecasts]	[4,650 yen]	[4,700 yen]	[+50 yen]

// Major Variation Factors vs Initial Forecasts on Apr. 15, 2016

22 nd Period (Feb. 2017) Forecast	<ul style="list-style-type: none"> ■ Decrease in interest and borrowing expenses related to Sep. 2016 financing ■ Decrease in merger related cost, etc.
23 rd Period (Aug. 2017) Forecast	<ul style="list-style-type: none"> ■ Decrease in interest and borrowing expenses related to Sep. 2016 financing

// Major Variation Factors for Aug. 2017 vs Feb. 2017 Forecasts

■ Increase in operating revenue	+215 mil yen
• Full-fiscal period contribution of 6 properties acquired in Sep. 2016	
• Lease cancellation penalty from tenants	
■ Increase in property operating expenses	(51) mil yen
• Property taxes for D Project Tosu (Extended Building) and 6 properties acquired in Sep. 2016	
■ Decrease in other operating expenses	+859 mil yen
• Absence of merger fees and merger related expenses	
■ Increase in non-operating expenses	(52) mil yen
• Increase in interest expenses	

Pro Forma Balance Sheet as of September 1, 2016

// Balance Sheet of Former DHI

	Aug. 2016		(million yen)
Current assets		Current liabilities	
Cash	9,388	Loans	69,295
Other	365	Bonds	3,000
Total current assets	9,753	Other	2,786
Non-current assets		Total current liabilities	75,081
Investment properties	239,518	Non-current liabilities	
Intangible assets	5,284	Loans	63,368
Other	3,675	Bonds	6,000
Total non-current assets	248,478	Other	2,774
Deferred assets	33	Total non-current liabilities	72,142
Total assets	258,266	Total liabilities	147,223
		Net assets	
		Unitholders capital	61,703
		Capital surplus	28,241
		Reserve for distribution	17,884
		Unappropriated retained earnings	3,213
		Total net assets	111,042
		Total liabilities and net assets	258,266

// Balance Sheet of Former DHR

	Aug. 2016		(million yen)
Current assets		Current liabilities	
Cash	22,578	Loans	19,000
Other	258	Bonds	—
Total current assets	22,836	Other	1,846
Non-current assets		Total current liabilities	20,846
Investment properties	198,722	Non-current liabilities	
Intangible assets	—	Loans	81,000
Other	631	Bonds	2,000
Total non-current assets	199,354	Other	9,621
Deferred assets	17	Total non-current liabilities	92,621
Total assets	222,208	Total liabilities	113,467
		Net assets	
		Unitholders capital	105,459
		Unappropriated retained earnings	3,281
		Total net assets	108,740
		Total liabilities and net assets	222,208

// Pro Forma Balance Sheet as of September 1, 2016

	(million yen)		(million yen)
Assets		Liabilities	
Current assets		Current liabilities	
Cash	31,967	Loans	88,295
Other	623	Bonds	3,000
Total current assets	32,590	Other	4,632
Non-current assets		Total current liabilities	95,927
Investment properties	474,510	Non-current liabilities	
Intangible assets	84,573	Loans	144,368
of which, goodwill	79,289	Bonds	8,000
Other	4,309	Other	13,989
Total non-current assets	563,393	Total non-current liabilities	166,357
Deferred assets	50	Total liabilities	262,285
Total assets	596,035		
		Net Assets	
		Unitholders' capital	61,703
		Capital surplus	247,667
		Reserve for distribution	17,884
		Unappropriated retained earnings	6,494
		Total net assets	333,749

(Note) Pro forma figures calculated by the Asset Manager as of the date of this document are presented above, based on the balance sheets of Former DHI and Former DHR as of August 31, 2016 and in consideration of certain assumptions.

// Treatment of Goodwill

Expected goodwill

79,289 mil yen

- Goodwill will be recorded as intangible non-current assets on B/S.
* **In accounting, amortized over 20 years using the straight-line method**
- The goodwill amortization cost will be recorded as operating expenses on P/L.

Outlook as of October 19, 2016

// Treatment of Retained Earnings

Retained earnings (reserved for distribution)

17,705 mil yen

- This will be used to cover losses, etc., when distribution equivalent to goodwill amortization, property disposition loss accrues, or dilution as a result of issuance of units occurs.

as of August 31, 2016 ^(Note)

(Note) This presents the amount after a reversal of retained earnings; the amount before a reversal was 17,884 million yen.



Tax-loss carry-forwards

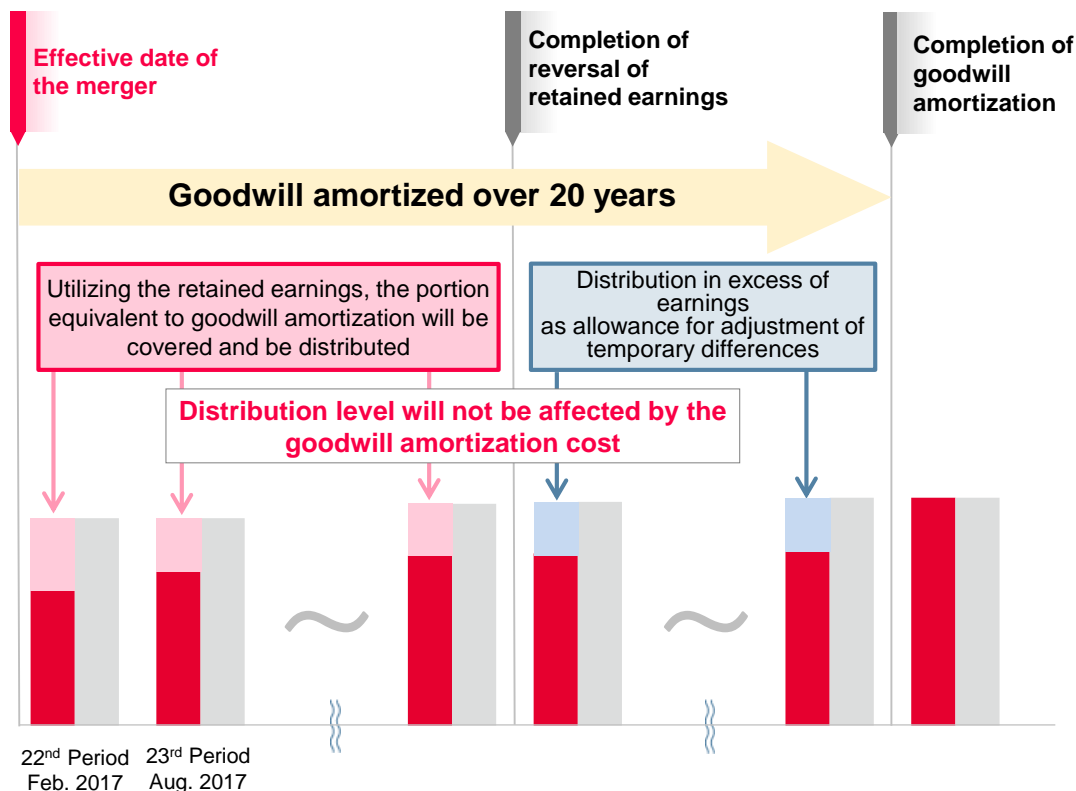
44,524 mil yen

- In the case of sell-off profit from real estate, etc., tax-loss carry-forwards will be applied, and the profit can be retained until the period ending Aug. 2018.

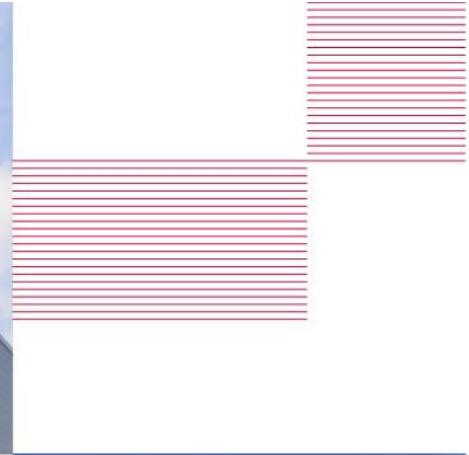
as of August 31, 2016

// Distribution Policy

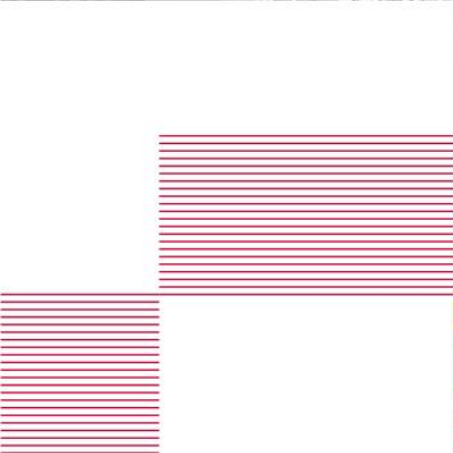
- Net income per unit
- DPU
- Reversal of retained earnings per unit
- Distribution in excess of earnings per unit



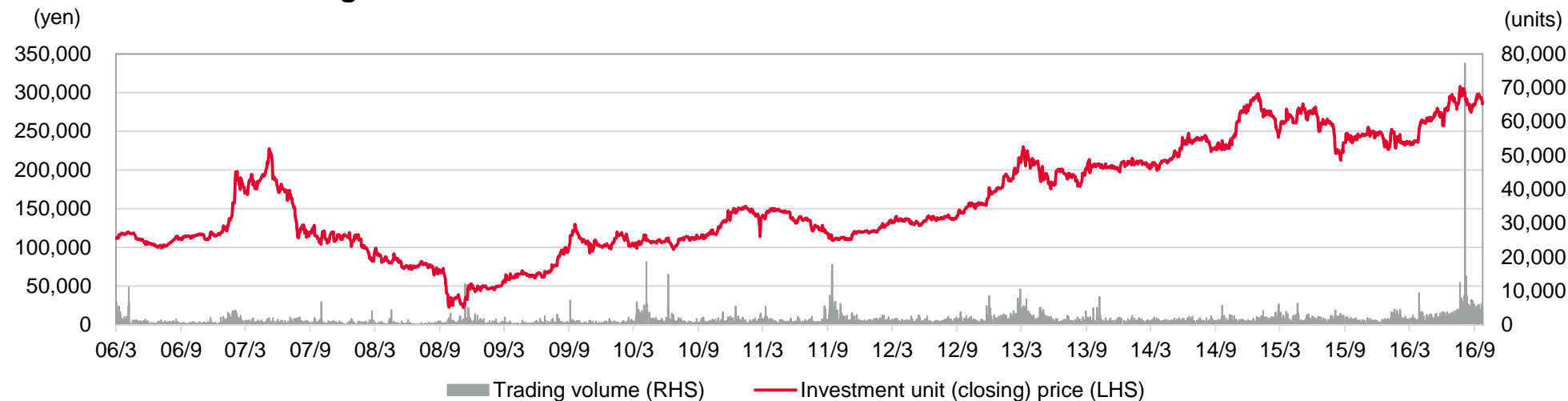
Realize stable distributions



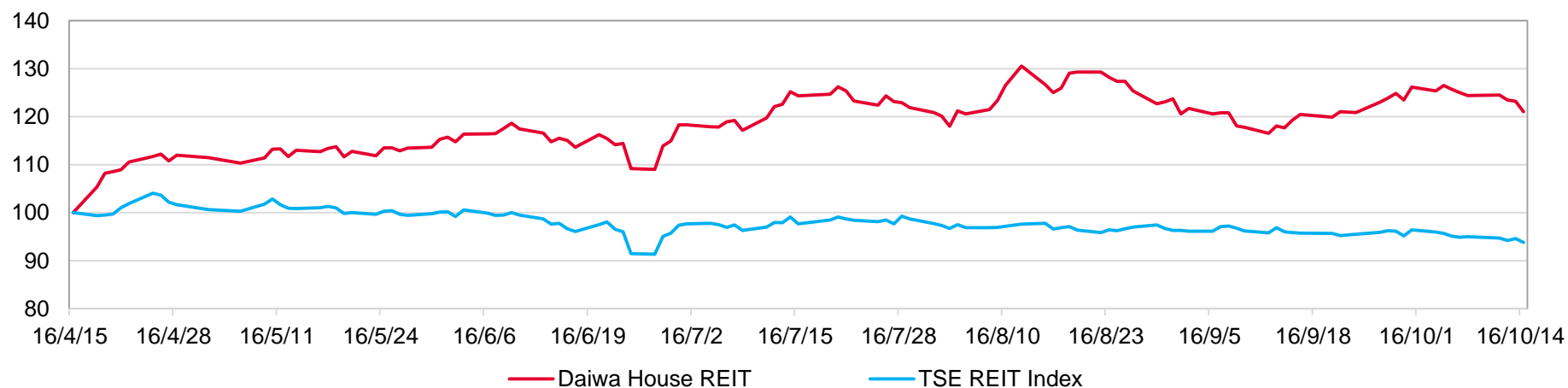
Appendix



// Unit Price and Trading Volume



// Relative Unit Price Performance Since Announcement of the Merger on April 15, 2016



(Note) Indexed with the April 15, 2016 (announcement date of the merger) closing prices of DHR's unit and TSE REIT Index.

Historical Financial Data of Former DHI

	17 th Period August 2014	18 th Period February 2015	19 th Period August 2015	20 th Period February 2016	21 st Period August 2016	21 st Period Period-on-period change
Operating days	184 days	181 days	184 days	182 days	184 days	2 days
Operating Revenue	8,578 mil yen	8,693 mil yen	9,356 mil yen	9,662 mil yen	9,691 mil yen	28 mil yen
Gain on property disposition	—	—	—	—	—	—
Operating Income	3,906 mil yen	3,881 mil yen	3,925 mil yen	3,947 mil yen	3,959 mil yen	12 mil yen
Loss on property disposition	—	—	—	—	—	—
Ordinary Income	3,082 mil yen	3,081 mil yen	3,146 mil yen	3,177 mil yen	3,214 mil yen	36 mil yen
Net Income	3,081 mil yen	3,080 mil yen	3,145 mil yen	3,177 mil yen	3,213 mil yen	36 mil yen
Distribution per unit ^(Note 1)	8,686 yen	8,691 yen	4,460 yen	4,501 yen	4,537 yen	36 yen
Number of investment units issued	373,870 units	373,870 units	747,740 units	747,740 units	747,740 units	—
Payout ratio	105.4 %	105.5 %	106.0 %	106.0 %	105.6 %	(0.4) %
Total Assets	238,092 mil yen	238,730 mil yen	258,400 mil yen	258,590 mil yen	258,266 mil yen	(323) mil yen
Net Assets	111,622 mil yen	111,455 mil yen	111,352 mil yen	111,194 mil yen	111,042 mil yen	(152) mil yen
Unitholders' Capital	61,703 mil yen	61,703 mil yen	61,703 mil yen	61,703 mil yen	61,703 mil yen	—
Interest-bearing debt	121,666 mil yen	122,463 mil yen	141,663 mil yen	141,663 mil yen	141,663 mil yen	—
LTV (Interest-bearing debt / Total Assets)	51.1 %	51.3 %	54.8 %	54.8 %	54.9 %	0.1 %
Net Assets per unit ^(Note 1)	149,280 yen	149,056 yen	148,918 yen	148,707 yen	148,504 yen	(203) yen
NAV per unit ^(Note 1)	169,686 yen	177,581 yen	185,450 yen	191,454 yen	195,377 yen	3,923 yen
FFO per unit ^{(Note 1) (Note 2)}	6,350 yen	6,385 yen	6,752 yen	6,948 yen	7,024 yen	76 yen

(Note 1) "Net Assets per unit", "NAV per unit" and "FFO per unit" are stated using the per unit figures divided by two, factoring the impact of two-for-one unit split effective as of March 1, 2015.

(Note 2) FFO per unit: (Net income + depreciation + amortization + gain on property disposition) / number of investment units issued

Historical Portfolio Data of Former DHI

	17 th Period August 2014	18 th Period February 2015	19 th Period August 2015	20 th Period February 2016	21 st Period August 2016	21 st Period Period-on-period change
Number of properties	134 properties	136 properties	141 properties	142 properties	142 properties	—
Total acquisition price	235,361 mil yen	237,626 mil yen	255,376 million yen	256,349 mil yen	256,349 mil yen	—
Unrealized gain / loss	15,258 mil yen	21,328 mil yen	27,316 million yen	31,963 mil yen	35,048 mil yen	3,085 mil yen
Leasable units	10,390 units	10,429 units	11,345 units	11,426 units	11,426 units	—
(of which, retail units)	101 units	101 units	108 units	108 units	108 units	—
Leasable area	446,112.78 m ²	451,292.44 m ²	503,899.79 m ²	505,935.16 m ²	505,935.16 m ²	—
(of which, retail area)	18,978.50 m ²	18,978.50 m ²	20,314.32 m ²	20,314.32 m ²	20,314.32 m ²	—
Properties acquired in the period	2 properties / 5,380 mil yen	2 properties / 2,265 mil yen	5 properties / 17,750 mil yen	1 property / 973 mil yen	—	(1) property / (973) mil yen
Properties disposed in the period	—	—	—	—	—	—
Average occupancy rate	96.5 %	96.8 %	95.9 %	96.1 %	96.0 %	(0.1) %
End of period occupancy rate	96.7 %	97.1 %	95.9 %	96.0 %	96.1 %	0.1 %
Real estate lease business revenue	8,578 mil yen	8,693 mil yen	9,356 mil yen	9,662 mil yen	9,691 mil yen	28 mil yen
Real estate lease business expenses	3,769 mil yen	3,875 mil yen	4,438 mil yen	4,688 mil yen	4,746 mil yen	58 mil yen
Real estate lease business income	4,808 mil yen	4,817 mil yen	4,917 mil yen	4,974 mil yen	4,944 mil yen	(29) mil yen
Depreciation	1,663 mil yen	1,689 mil yen	1,897 mil yen	2,012 mil yen	2,033 mil yen	20 mil yen
NOI ^(Note)	6,472 mil yen	6,507 mil yen	6,814 mil yen	6,986 mil yen	6,957 mil yen	(29) mil yen
NOI yield	5.5 %	5.5 %	5.4 %	5.5 %	5.4 %	(0.1) %

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

Balance Sheets of Former DHI

	(thousand yen)	
	20 th Period February 2016	21 st Period August 2016
Assets		
Current assets		
Cash and deposits	3,777,892	4,960,930
Cash and deposits in trust	4,219,302	4,427,398
Operating accounts receivable	96,884	110,856
Prepaid expenses	319,970	255,842
Other	45,357	3,034
Allowance for doubtful accounts	(3,921)	(4,078)
Total current assets	8,455,484	9,753,983
Non-current assets		
Property, plant and equipment		
Buildings, net	25,675,007	25,446,827
Structures, net	224,495	222,317
Machinery and equipment, net	385,717	384,354
Tools, furniture and fixtures, net	404,740	389,715
Land	22,453,013	22,453,490
Buildings in trust, net	104,465,769	103,228,969
Structures in trust, net	837,318	831,554
Machinery and equipment, net	1,284,439	1,218,678
Tools, furniture and fixtures, net	326,238	340,288
Land in trust	85,002,219	85,002,219
Construction in progress in trust	—	380
Total property, plant and equipment	241,058,958	239,518,795
Intangible assets		
Leasehold rights in trust	5,317,233	5,279,705
Software	2,033	1,740
Trademark rights	3,385	3,092
Total intangible assets	5,322,652	5,284,538
Investments and other assets		
Long-term prepaid expenses	453,702	396,454
Guarantee deposits	10,261	10,261
Leasehold and guarantee deposits in trust	3,250,134	3,250,134
Other	—	42,488
Allowance for doubtful accounts	—	(24,058)
Total investments and other assets	3,714,098	3,675,279
Total non-current assets	250,095,710	248,478,614
Deferred assets		
Investment corporation bond issuance costs	38,956	33,930
Total deferred assets	38,956	33,930
Total assets	258,590,152	258,266,528
Liabilities		
Current liabilities		
Operating accounts payable	1,056,563	789,782
Short-term loans	10,000,000	10,000,000
Current portion of investment corporation bonds	—	3,000,000
Current portion of long-term loans	39,400,000	59,295,000
Accounts payable - other	107,811	99,151
Accrued expenses	520,944	638,221
Income taxes payable	605	605
Consumption taxes payable	40,265	22,971
Advances received	899,666	901,603
Deposits received	308,560	334,234
Total current liabilities	52,334,417	75,081,569
Non-current liabilities		
Investment corporation bonds	9,000,000	6,000,000
Long-term loans	83,263,000	63,368,000
Tenant leasehold and security deposits	288,518	277,602
Tenant leasehold and security deposits in trust	2,089,742	2,072,139
Asset retirement obligations	419,792	424,558
Total non-current liabilities	95,061,053	72,142,301
Total liabilities	147,395,471	147,223,870
Net assets		
Unitholders' equity		
Unitholders' capital	61,703,224	61,703,224
Surplus		
Capital surplus	28,241,587	28,241,587
Reserve for distribution	18,072,729	17,884,290
Unappropriated retained earnings	3,177,139	3,213,554
Total surplus	49,491,456	49,339,433
Total unitholders' equity	111,194,680	111,042,657
Total net assets	111,194,680	111,042,657
Total liabilities and net assets	258,590,152	258,266,528

Statements of Income of Former DHI

(thousand yen)

	20 th Period February 2016	21 st Period August 2016
Operating revenue		
Lease business revenue	9,076,818	9,020,350
Other lease business revenue	585,507	670,787
Total operating revenue	9,662,326	9,691,138
Operating expenses		
Expenses related to rent business	4,688,094	4,746,584
Asset management fee	645,418	609,840
Asset custody fee	23,065	23,083
Administrative service fees	62,720	65,557
Directors' compensations	6,600	6,600
Provision of allowance for doubtful accounts	1,551	373
Other operating expenses	287,675	279,286
Total operating expenses	5,715,125	5,731,326
Operating Income	3,947,200	3,959,811
Non-operating income		
Interest income	515	43
Gain on forfeiture of unclaimed distributions	4,021	4,046
Gain on adjustment of liabilities	—	6,853
Other	142	3
Total non-recurring income	4,679	10,947
Non-operating expenses		
Interest expenses	572,250	539,652
Interest expenses on investment corporation bonds	31,748	32,451
Amortization of investment corporation bond issuance costs	5,025	5,025
Borrowing related expenses	163,502	153,724
Provision of allowance for doubtful accounts	—	24,058
Other	1,608	1,686
Total non-recurring expenses	774,135	756,599
Ordinary Income	3,177,744	3,214,159
Income before income taxes	3,177,744	3,214,159
Income taxes - current	605	605
Total income taxes	605	605
Net income	3,177,139	3,213,554
Retained earnings brought forward	—	—
Unappropriated retained earnings	3,177,139	3,213,554

// Statements of Cash Distributions

(yen)

	20 th Period February 2016	21 st Period August 2016
I Unappropriated retained earnings	3,177,139,345	3,213,554,837
II Reversal of reserve for distribution	200,892,593	202,816,078
III Distribution amount	3,365,577,740	3,392,982,840
[Distribution per unit]	[4,501]	[4,537]
IV Reserve of reserve for distribution	12,454,198	23,874,535
V Retained earnings carried forward	—	—

// Rental Revenue and Expenses

(thousand yen)

	20 th Period February 2016	21 st Period August 2016
A. Real estate lease business revenue		
Lease business revenue		
Rent revenue	8,772,019	8,711,310
Common service fees	304,799	309,039
Total lease business revenue	9,076,818	9,020,350
Other lease business revenue		
Facility charges	291,639	287,364
Incidental revenue	51,426	56,177
Other lease business revenue	242,441	327,245
Total other lease business revenue	585,507	670,787
Total real estate lease business revenue	9,662,326	9,691,138
B. Real estate lease business expenses		
Expenses related to rent business		
Management fees	879,036	956,941
Utility expenses	130,371	121,597
Tax and public charges	489,583	552,179
Repair expenses	383,566	251,273
Insurance expenses	14,342	14,511
Restoration cost	208,470	298,033
Custodian fees	55,676	43,667
Depreciation and amortization	2,012,584	2,033,025
Other operating expenses	514,462	475,353
Total real estate lease business expenses	4,688,094	4,746,584
C. Real estate lease business income (A-B)	4,974,231	4,944,553

Historical Financial Data of Former DHR

	13 th Period August 2014	14 th Period February 2015	15 th Period August 2015	16 th Period February 2016	17 th Period August 2016	17 th Period Period-on-period change
Operating days	184 days	181 days	184 days	182 days	184 days	2 days
Operating Revenue	4,928 mil yen	5,146 mil yen	6,305 million yen	6,938 mil yen	7,142 mil yen	203 mil yen
Gain on property disposition	—	—	—	—	—	—
Operating Income	2,853 mil yen	3,003 mil yen	3,683 mil yen	3,969 mil yen	3,880 mil yen	(88) mil yen
Loss on property disposition	—	—	—	—	—	—
Ordinary Income	2,359 mil yen	2,546 mil yen	2,972 mil yen	3,382 mil yen	3,281 mil yen	(100) mil yen
Net Income	2,359 mil yen	2,545 mil yen	2,971 mil yen	3,381 mil yen	3,280 mil yen	(100) mil yen
Distribution per unit	8,039 yen	8,674 yen	8,473 yen	9,642 yen	9,356 yen	(286) yen
Number of investment units issued	293,480 units	293,480 units	350,700 units	350,700 units	350,700 units	—
Payout ratio	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	—
Total Assets	163,088 mil yen	166,825 mil yen	216,936 mil yen	222,081 mil yen	222,208 mil yen	126 mil yen
Net Assets	80,407 mil yen	80,593 mil yen	108,430 mil yen	108,840 mil yen	108,740 mil yen	(100) mil yen
Unitholders' Capital	78,048 mil yen	78,048 mil yen	105,459 mil yen	105,459 mil yen	105,459 mil yen	—
Interest-bearing debt	74,500 mil yen	77,500 mil yen	98,000 mil yen	102,000 mil yen	102,000 mil yen	—
LTV (Interest-bearing debt / Total Assets)	45.7 %	46.5 %	45.2 %	45.9 %	45.9 %	—
Net Assets per unit	273,979 yen	274,614 yen	309,183 yen	310,353 yen	310,066 yen	(287) yen
NAV per unit	325,758 yen	346,680 yen	378,131 yen	394,784 yen	404,129 yen	9,345 yen
FFO per unit ^(Note)	11,482 yen	12,233 yen	12,350 yen	13,883 yen	13,654 yen	(229) yen

(Note) FFO per unit: (Net income + depreciation + gain on property disposition) / number of investment units issued

Historical Portfolio Data of Former DHR

	13 th Period August 2014	14 th Period February 2015	15 th Period August 2015	16 th Period February 2016	17 th Period August 2016	17 th Period Period-on-period change
Number of properties	32 properties	33 properties	40 properties	41 properties	41 properties	—
Total acquisition price	144,163 mil yen	147,553 mil yen	195,973 mil yen	203,763 mil yen	206,362 mil yen	2,600 mil yen
Unrealized gain / loss	17,555 mil yen	23,695 mil yen	27,151 mil yen	32,991 mil yen	36,269 mil yen	3,277 mil yen
% of Logistics / Retail	79.2 % / 20.8 %	77.4 % / 22.6 %	83.0 % / 17.0 %	79.8 % / 20.2 %	80.0 % / 20.0 %	0.2 % / (0.2) %
Average property age	6.0 years	6.5 years	6.2 years	6.8 years	7.3 years	0.5 years
Average remaining lease term	12.0 years	11.7 years	11.5 years	10.8 years	10.3 years	(0.5) years
% of top 3 properties	28.9 %	28.3 %	22.3 %	21.4 %	21.2 %	(0.2) %
% of top 10 tenants	79.5 %	80.2 %	68.9 %	64.8 %	64.3 %	(0.5) %
Properties acquired in the period	6 properties / 25,130 mil yen	1 property / 3,390 mil yen	7 properties / 48,420 mil yen	1 property / 7,790 mil yen	0 properties / 2,600 mil yen	(1) property / (5,190) mil yen
Properties disposed in the period	—	—	—	—	—	—
Occupancy rate	99.97 %	99.97 %	99.97 %	99.95 %	99.93 %	(0.02) %
Real estate lease business revenue	4,928 mil yen	5,146 mil yen	6,305 mil yen	6,938 mil yen	7,142 mil yen	203 mil yen
Real estate lease business expenses	1,669 mil yen	1,689 mil yen	2,140 mil yen	2,383 mil yen	2,667 mil yen	284 mil yen
Real estate lease business income	3,258 mil yen	3,457 mil yen	4,164 mil yen	4,555 mil yen	4,474 mil yen	(80) mil yen
Depreciation	1,010 mil yen	1,044 mil yen	1,359 mil yen	1,487 mil yen	1,507 mil yen	20 mil yen
NOI ^(Note)	4,269 mil yen	4,501 mil yen	5,523 mil yen	6,042 mil yen	5,982 mil yen	(60) mil yen
NOI yield	5.9 %	6.2 %	5.6 %	5.9 %	5.8 %	(0.1) %

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

Balance Sheets of Former DHR

	(thousand yen)	
	16 th Period February 2016	17 th Period August 2016
Assets		
Current assets		
Cash and deposits	11,271,952	9,939,171
Cash and deposits in trust	12,497,527	12,639,521
Operating accounts receivable	56,527	89,755
Prepaid expenses	185,670	167,778
Consumption taxes receivable	441	695
Other	24,012,118	22,836,921
Non-current assets		
Property, plant and equipment		
Buildings in trust, net	90,189,086	90,947,254
Structures in trust, net	3,124,148	3,131,051
Machinery and equipment in trust, net	309,864	301,049
Land in trust	103,713,238	104,329,538
Construction in progress in trust	3,889	13,522
Total property, plant and equipment	197,340,227	198,722,417
Intangible assets		
Other	1,190	—
Total intangible assets	1,190	—
Investments and other assets		
Investment securities	6,535	6,615
Long-term prepaid expenses	703,756	625,202
Total investments and other assets	710,292	631,818
Total non-current assets	198,051,709	199,354,235
Deferred assets		
Investment corporation bond issuance costs	18,075	17,042
Total deferred assets	18,075	17,042
Total assets	222,081,904	222,208,199
Liabilities		
Current liabilities		
Operating accounts payable	148,631	242,214
Short-term loans payable	4,000,000	4,000,000
Current portion of long-term loans payable	15,000,000	15,000,000
Accounts payable - other	13,524	11,413
Accrued expenses	530,501	541,285
Income taxes payable	605	605
Accrued consumption taxes	86,672	141,841
Advances received	883,591	862,400
Other	48,245	46,539
Total current liabilities	20,711,772	20,846,298
Non-current liabilities		
Investment corporation bonds	2,000,000	2,000,000
Tenant leasehold and security deposits in trust	81,000,000	81,000,000
Total non-current liabilities	9,529,140	9,621,463
Long-term loans payable	92,529,140	92,621,463
Total liabilities	113,240,912	113,467,761
Net assets		
Unitholders' equity		
Unitholders' capital	105,459,198	105,459,198
Surplus		
Unappropriated retained earnings	3,381,792	3,281,239
Total surplus	3,381,792	3,281,239
Total unitholders' equity	108,840,991	108,740,437
Total net assets	108,840,991	108,740,437
Total liabilities and net assets	222,081,904	222,208,199

Statements of Income of Former DHR

	(thousand yen)	
	16 th Period February 2016	17 th Period August 2016
Operating revenue		
Rent revenue - real estate	6,757,082	6,838,363
Other lease business revenue	181,865	304,164
Total operating revenue	6,938,947	7,142,527
Operating expenses		
Expenses related to rent business	2,383,668	2,667,964
Asset management fee	465,452	472,600
Asset custody fee	19,036	19,896
Administrative service fees	18,176	18,947
Directors' compensations	6,000	6,000
Other operating expenses	77,198	76,161
Total operating expenses	2,969,531	3,261,569
Operating income	3,969,415	3,880,958
Non-operating income		
Interest income	2,250	130
Interest on refund of consumption taxes	1,778	—
Insurance income	1,013	624
Other	300	1,316
Total non-operating income	5,342	2,070
Non-operating expenses		
Interest expenses	484,399	490,318
Interest expenses on investment corporation bonds	8,275	8,365
Amortization of investment corporation bond issuance costs	1,032	1,032
Investment unit issuance expenses	—	—
Borrowing related expenses	98,799	100,960
Total non-operating expenses	—	850
Interest expenses	592,507	601,527
Ordinary income	3,382,251	3,281,500
Income before income taxes	3,382,251	3,281,500
Income taxes - current	605	605
Total income taxes	605	605
Net Income	3,381,646	3,280,895
Retained earnings brought forward	146	343
Unappropriated retained earnings	3,381,792	3,281,239

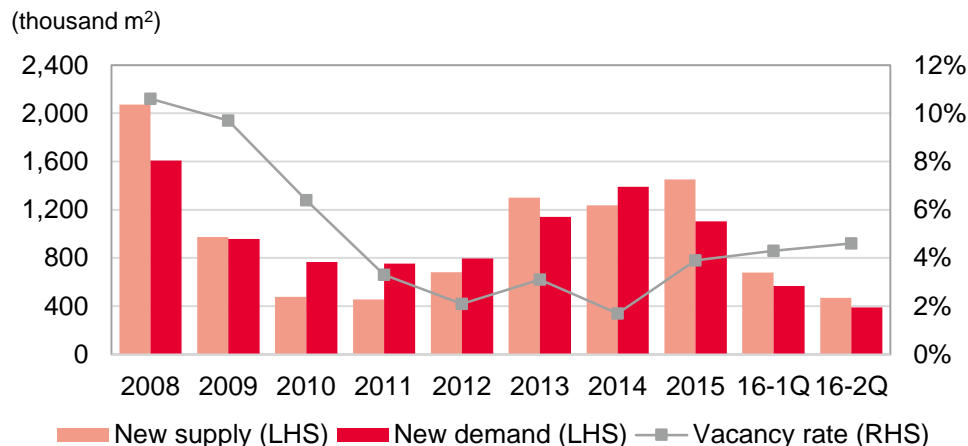
// Statements of Cash Distributions

	(yen)	
	16 th Period February 2016	17 th Period August 2016
I Unappropriated retained earning	3,381,792,820	3,281,239,201
II Distribution amount	3,381,449,400	3,281,149,200
[Distribution per unit]	[9,642]	[9,356]
III Retained earnings carried forward	343,420	90,001

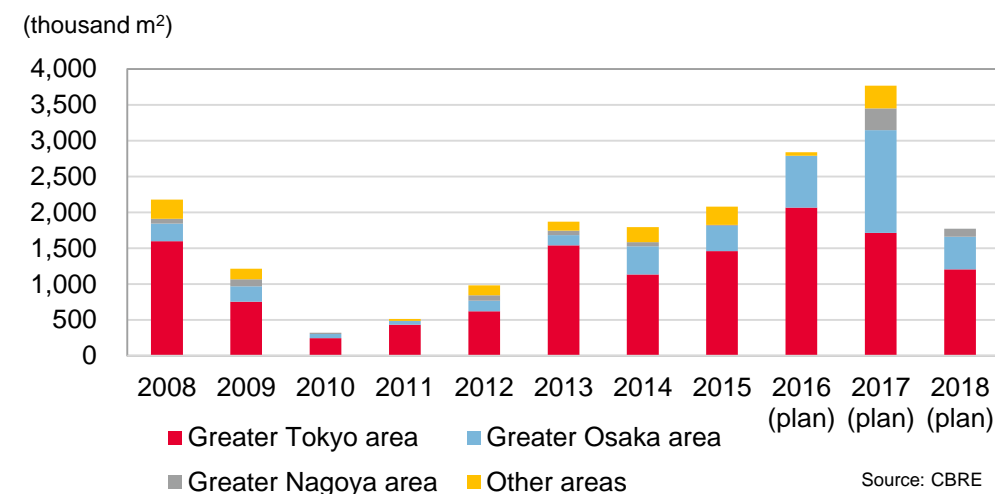
// Rental Revenue and Expenses

	(thousand yen)	
	16 th Period February 2016	17 th Period August 2016
A. Real estate lease business revenue		
Rent revenue - real estate		
Rent	6,757,082	6,838,363
Other lease business revenue		
Common service fees	53,873	99,985
Other revenues	127,991	204,179
Total real estate lease business revenue	6,938,947	7,142,527
B. Real estate lease business expenses		
Expenses related to rent business		
Taxes and public dues	469,774	623,618
Outsourcing expenses	211,662	237,718
Insurance	10,167	10,259
Repairs and maintenance expenses	75,981	94,278
Depreciation	1,487,307	1,507,626
Other expenses related to rent business	128,775	194,461
Total real estate lease business expenses	2,383,668	2,667,964
C. Real estate lease business income (A-B)	4,555,278	4,474,563

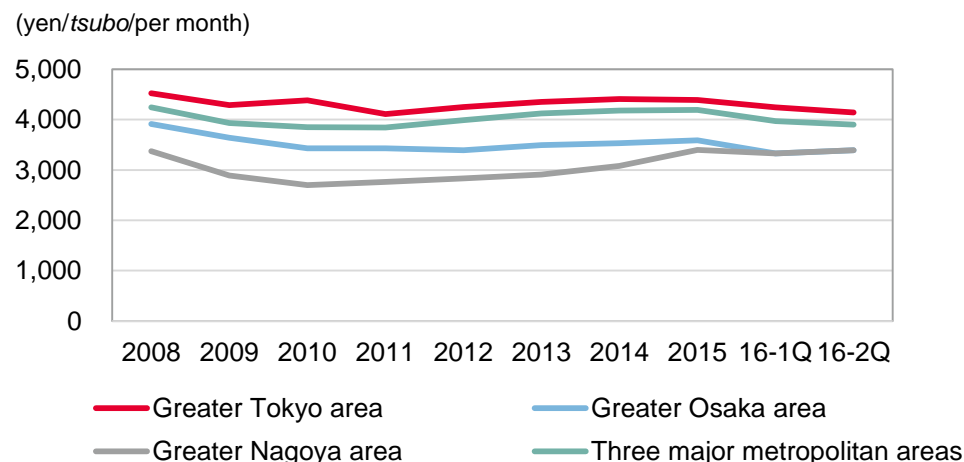
// Supply and Demand of Logistics Properties for Lease in Three Major Metropolitan Areas



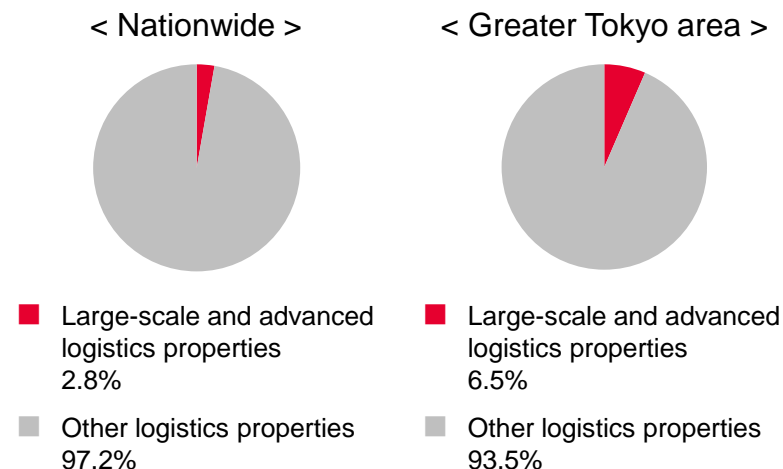
// Development of Medium-to-Large Scale Logistics Properties



// Average Offered Rent for Medium-to-Large Scale Logistics Properties for Lease



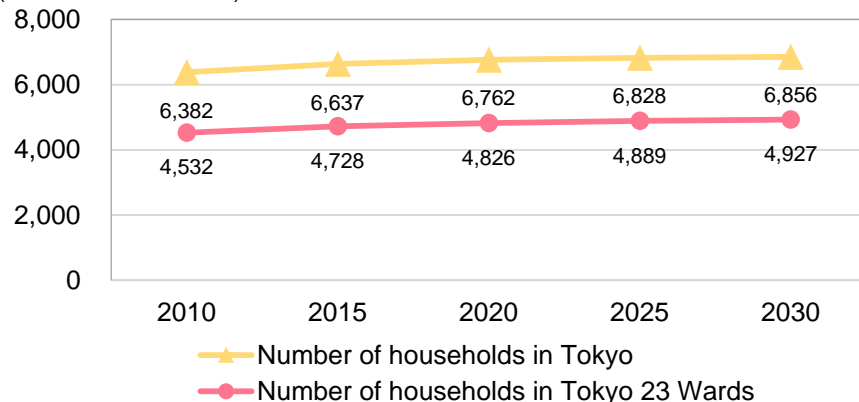
// Supply of Large-scale Advanced Logistics Properties Compared to Other Logistics Properties



Market Environment for Residential Properties

// Estimated Number of Households in Tokyo (Including Forecasts)

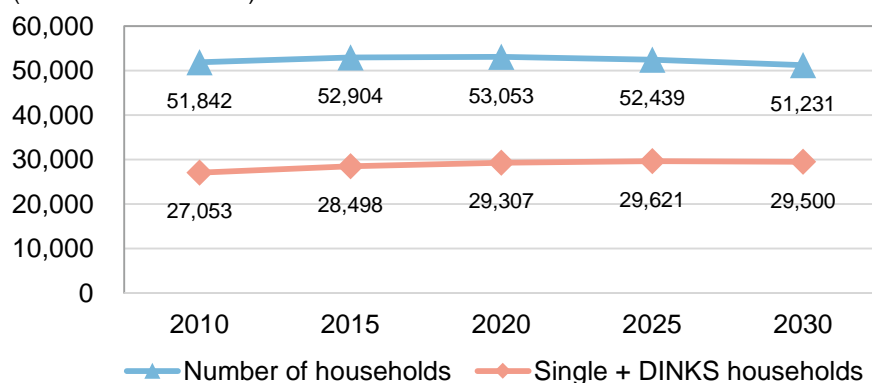
(thousand households)



Source: "Forecast of Number of Households in Tokyo" statistical data (March 2014), Tokyo Metropolitan Government

// Estimated Number of Households (Including Forecasts)

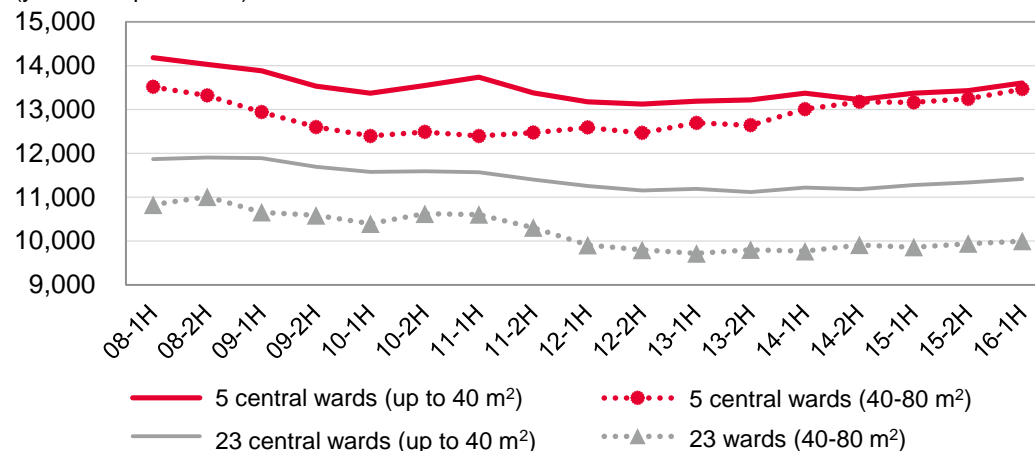
(thousand households)



Source: National Institute of Population and Social Security Research, Ministry of Internal Affairs and Communications

// Trends in Condominium Rents in Tokyo 23 Wards

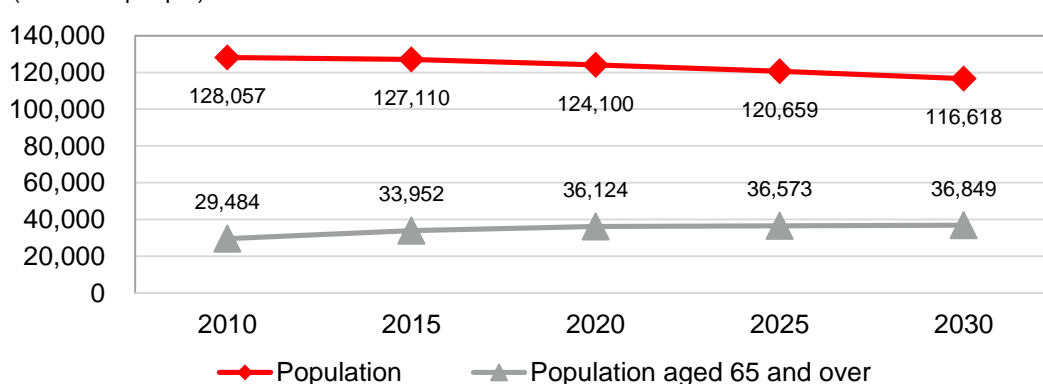
(yen/tsubo/per month)



Source: Daiwa House Asset Management Co., Ltd., based on the Survey Results of Housing Market Index 2016 1H, published by the Japan Real Estate Institute (JREI)

// Estimated Population (Including Forecasts)

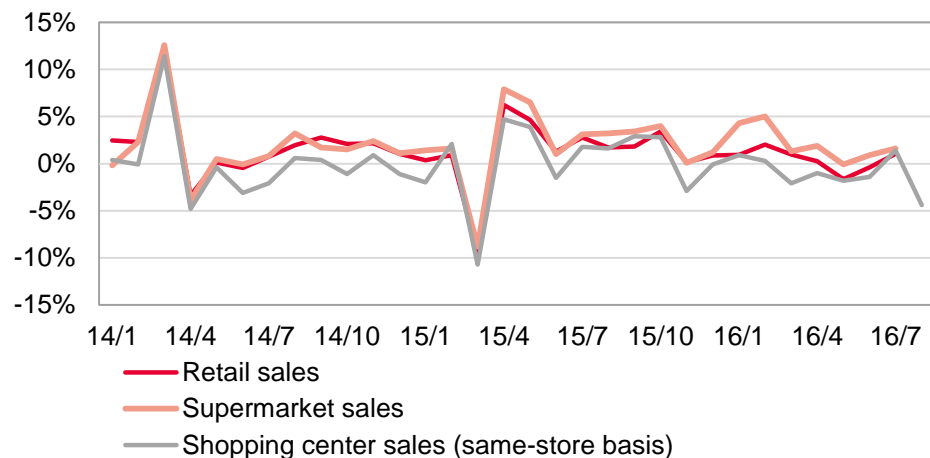
(thousand people)



Source: National Institute of Population and Social Security Research

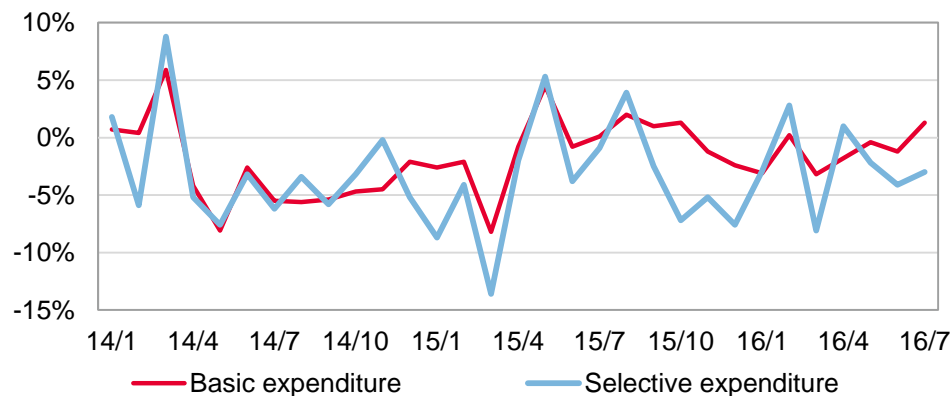
Market Environment for Retail and Hotel Properties

// Retail Sales (YoY Change)



Note: Retail sales exclude sales of cars and fuel.
Source: "Monthly Report on the Current Survey of Commerce", Ministry of Economy, Trade and Industry, or METI, "Report on the Monthly Sales Statistical Survey of Shopping Centers", The Japan Council of Shopping Centers

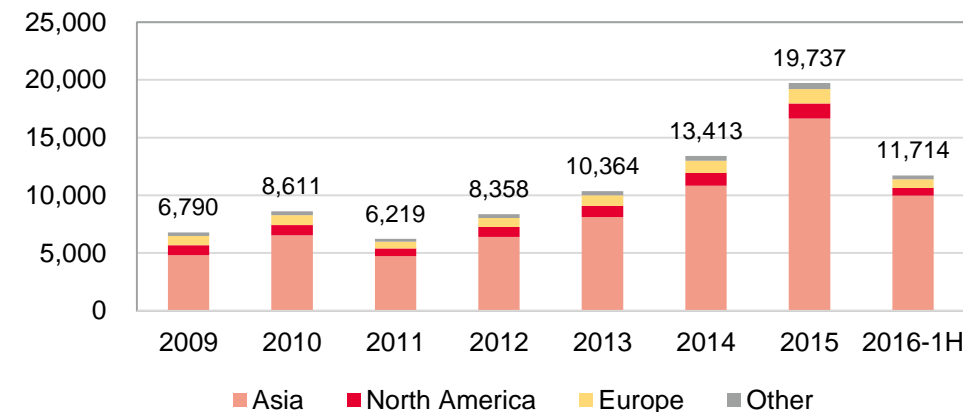
// Basic Expenditure and Selective Expenditure (YoY Change)



Source: "Family Income and Expenditure Survey", Ministry of Economy, Trade and Industry, or METI

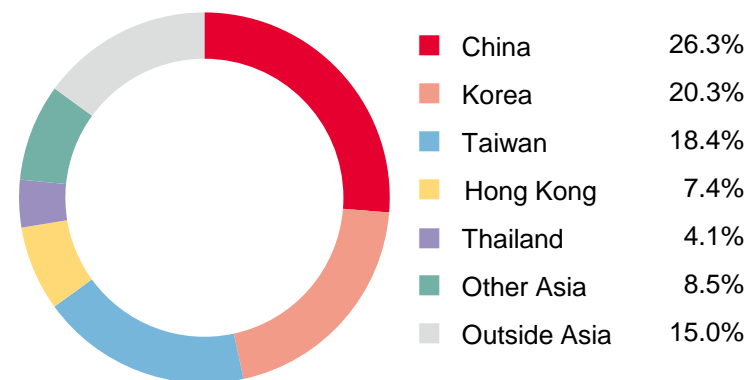
// Number of Foreign Visitors

(thousand visitors)



Source: Japan National Tourism Organization (JNTO)

// Breakdown of Foreign Visitors in 2016 1H



Source: Japan National Tourism Organization (JNTO)

Portfolio List as of September 28, 2016 (1)

Property number	Property name	Location	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.8%	50,490.39	100.0%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	3.0%	62,394.17	100.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.7%	14,240.84	100.0%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	1.1%	11,289.91	100.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.8%	36,515.81	100.0%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	5.1%	72,320.01	100.0%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.6%	11,663.39	100.0%
LB-008	D Project Noda	Noda City, Chiba	6,210	1.2%	29,232.53	100.0%
LB-009	D Project Inuyama	Inuyama City, Aichi	8,690	1.7%	43,723.70	100.0%
LB-010	D Project Gifu	Anpachi District, Gifu	1,100	0.2%	7,669.91	100.0%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	1.2%	11,151.51	100.0%
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	818	0.2%	6,749.10	100.0%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.2%	9,558.32	100.0%
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	1,530	0.3%	11,052.27	100.0%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.7%	17,448.86	100.0%
LB-016	D Project Gotenba	Gotenba City, Shizuoka	1,140	0.2%	6,737.53	100.0%
LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	1,210	0.2%	5,093.51	100.0%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.8%	24,729.56	100.0%
LB-019	D Project Tosu	Tosu City, Saga	5,740	1.1%	17,858.01	100.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.8%	22,708.72	100.0%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.6%	50,490.00	100.0%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.7%	16,150.88	100.0%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	1.0%	19,872.00	100.0%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.8%	21,628.50	100.0%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.9%	34,710.80	100.0%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.5%	26,937.41	100.0%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	1.1%	26,460.00	100.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.6%	47,320.89	100.0%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	1.0%	29,244.66	100.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	1.3%	21,965.04	100.0%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	2.0%	39,584.80	100.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.4%	26,776.67	100.0%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.4%	23,933.75	100.0%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.3%	4,481.00	100.0%

Property number	Property name	Location	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.5%	5,230.39	97.4%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.9%	3,492.93	93.7%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.5%	2,707.51	91.7%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.5%	2,226.42	95.6%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.4%	1,621.59	100.0%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%	1,458.73	100.0%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.5%	2,969.57	96.8%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.6%	2,400.00	96.0%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.5%	2,094.58	95.7%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.4%	1,917.62	100.0%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.4%	1,817.56	94.6%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.3%	1,123.80	100.0%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.4%	2,779.77	96.1%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.3%	2,559.21	95.5%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.3%	1,898.47	100.0%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.3%	1,940.94	96.6%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.2%	1,858.34	100.0%
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.2%	1,444.52	96.0%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.2%	1,244.54	100.0%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.2%	1,225.26	100.0%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%	811.95	96.0%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%	803.03	96.2%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%	957.60	100.0%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.2%	1,747.90	100.0%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.2%	1,826.80	97.4%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.2%	1,308.38	100.0%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.3%	2,117.46	98.6%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.2%	1,628.80	95.1%
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	675	0.1%	972.51	97.8%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.5%	3,594.16	100.0%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.2%	1,147.44	96.9%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%	1,105.20	100.0%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%	668.79	96.3%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.1%	681.00	95.0%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.2%	1,567.84	93.9%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%	882.67	100.0%

Portfolio List as of September 28, 2016 (2)

Property number	Property name	Location	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.6%	3,494.42	94.5%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.5%	4,602.95	98.7%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.5%	10,408.26	97.5%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.7%	6,442.28	93.1%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.6%	3,150.80	100.0%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.2%	1,546.34	97.4%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.5%	16,849.50	96.6%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.4%	3,077.05	95.7%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.4%	2,339.42	93.4%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.3%	1,659.71	94.7%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.9%	4,967.97	97.2%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%	863.70	96.9%
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.2%	1,542.30	98.3%
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.3%	1,380.35	90.3%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.3%	1,871.70	98.7%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.2%	1,168.18	100.0%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.2%	1,414.73	92.4%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.2%	1,784.50	93.2%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.2%	1,472.47	88.0%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.2%	1,658.90	100.0%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.5%	3,644.35	96.5%
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.2%	1,624.06	98.6%
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	1.5%	12,732.35	98.3%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.2%	1,276.91	100.0%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.3%	2,014.12	100.0%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.2%	2,255.88	94.5%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%	1,220.16	100.0%
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	503	0.1%	887.94	100.0%
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	198	0.0%	414.45	100.0%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.2%	1,383.90	96.0%
RE-067	Castalia Wakabayashi koen	Setagaya Ward, Tokyo	776	0.2%	1,425.43	91.5%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.2%	1,537.84	100.0%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%	1,415.15	86.9%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.5%	4,197.66	91.4%
RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%	1,275.60	95.0%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.3%	2,406.41	93.2%

Property number	Property name	Location	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	533	0.1%	857.32	97.1%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.2%	1,613.86	92.6%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.2%	1,472.38	94.9%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.2%	1,362.60	96.6%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.4%	3,038.98	100.0%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.2%	1,785.24	100.0%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.2%	1,994.93	100.0%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.4%	2,421.82	96.4%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.4%	18,112.03	100.0%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.3%	2,629.59	95.8%
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,181	0.2%	1,413.75	100.0%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.3%	2,046.36	98.5%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.4%	2,640.86	96.7%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.3%	3,797.92	93.6%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.5%	2,818.70	94.9%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.7%	3,166.71	93.9%
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,030	0.4%	2,123.77	95.7%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.3%	1,961.52	95.8%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.3%	2,004.80	94.1%
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,020	0.2%	1,668.24	94.1%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%	1,278.52	94.1%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.9%	17,269.74	100.0%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.3%	2,224.41	92.6%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.3%	4,208.83	100.0%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%	1,452.09	97.0%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%	1,552.01	95.5%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.2%	1,597.32	93.8%
RE-100	Castalia Maihama	Urayasu City, Chiba	670	0.1%	1,287.72	93.5%
RE-101	Castalia Ichikawamyoden	Ichikawa City, Chiba	671	0.1%	1,218.00	100.0%
RE-102	Castalia Urayasu	Ichikawa City, Chiba	592	0.1%	1,074.53	100.0%
RE-103	Castalia Minamigyotoku	Ichikawa City, Chiba	543	0.1%	1,031.81	98.0%
RE-104	Castalia Minamigyotoku II	Ichikawa City, Chiba	385	0.1%	724.63	100.0%
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	325	0.1%	744.90	93.3%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%	876.89	100.0%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	1.0%	18,153.57	100.0%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.3%	2,179.80	93.0%

Portfolio List as of September 28, 2016 (3)

Property number	Property name	Location	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.9%	21,367.93	100.0%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.8%	26,294.49	100.0%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.3%	3,009.74	100.0%
RE-112	Royal Parks Musasikosugi	Kawasaki City, Kanagawa	1,060	0.2%	3,808.97	100.0%
RE-113	Castalia Shinsakae	Nagoya City, Aichi	1,920	0.4%	3,548.48	92.3%
RE-114	Aprile Tarumi	Kobe City, Hyogo	1,340	0.3%	6,545.25	100.0%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.6%	13,452.80	80.7%
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.3%	3,471.39	94.1%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.3%	3,279.90	94.8%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.9%	10,920.75	90.2%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.2%	2,836.00	95.2%
RE-120	Castalia Nipponbashi Kouzu	Osaka City, Osaka	3,570	0.7%	9,334.47	97.8%
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%	1,522.89	94.5%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.3%	6,100.31	88.4%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.2%	3,061.60	100.0%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.7%	8,747.40	99.3%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.2%	3,071.60	96.3%
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%	1,684.10	98.2%
RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.2%	2,800.32	95.2%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%	2,149.08	97.2%
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.4%	5,415.39	100.0%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.5%	6,230.20	96.2%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%	8,661.19	98.1%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.4%	7,022.69	94.8%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%	1,822.10	100.0%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.2%	2,784.83	99.2%
RE-135	Castalia Mibu	Koyto City, Kyoto	1,193	0.2%	2,828.39	90.2%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%	4,471.11	100.0%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.6%	11,089.75	62.2%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.6%	10,354.15	100.0%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%	5,086.69	94.0%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.2%	2,035.37	95.1%
RE-141	Castalia Tower Higobashi	Osaka City, Osaka	2,000	0.4%	2,897.06	100.0%
RE-142	Big Tower Minami Sanjo	Sapporo City, Hokkaido	2,020	0.4%	6,828.78	100.0%

Property number	Property name	Location	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.5%	41,742.84	100.0%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.9%	16,380.78	100.0%
RM-003	QIZ GATE URAWA	Saitama City, Saitama	4,270	0.8%	9,705.31	98.0%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.6%	9,277.08	100.0%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.7%	24,018.00	100.0%
RM-006	DREAM TOWN ALI	Aomori City, Aomori	8,100	1.6%	22,196.81	97.8%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.3%	2,973.44	100.0%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.4%	19,845.72	100.0%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.5%	31,981.70	100.0%
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.4%	8,899.89	100.0%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.2%	4,177.52	100.0%
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	1,100	0.2%	3,901.14	100.0%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	1.5%	13,480.00	100.0%

Type	Number of properties	Acquisition price (mil yen) (Note 1)	Investment ratio (Note 2)	Leasable area (m ²)	Occupancy rate (Note 3)
Logistics	34	195,858	38.5%	862,184.45	100.0%
Residential	142	258,339	50.8%	507,582.34	96.1%
Retail	10	44,710	8.8%	187,021.57	99.6%
Other	3	9,630	1.9%	21,558.66	100.0%
Portfolio Total	189	508,537	100.0%	1,578,347.02	98.7%

(Note 1) "Acquisition price" of logistics properties LB-001 through LB-032, retail properties RM-001 through RM-006 and RR-001 through RR-003 is based on the anticipated acquisition price as of the date of this document.

(Note 2) "Investment ratio" represents the percentage of the acquisition price for each asset to the total acquisition price, rounded to the nearest tenth.

(Note 3) Occupancy rate as of August 31, 2016

Rent Revision Schedule of Logistics Properties (1)

Property number	Property name	Tenant	Rent type	2017		2018		2019		2020		2021		Rent revision	Expiry
				Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug		
				22 nd	23 rd	24 th	25 th	26 th	27 th	28 th	29 th	30 th	31 st		
Logistics Properties															
LB-001	D Project Machida	Hitachi Capital Corporation	Fixed											No revision	2027/2/28
LB-002	D Project Hachioji	Mitsubishi Shokuhin Co., Ltd.	Fixed											2019/2/27	Not disclosed
LB-002	D Project Hachioji	Tokyo Logistics Factory CO. LTD	Fixed											2019/2/27	2029/2/28
LB-003	D Project Aikawa-Machi	Nojima Corporation	Fixed											—	2026/6/30
LB-004	D Project Shin-Misato	Asahi Security Co., Ltd.	Fixed	* In ongoing litigation										2019/5/1	2029/4/30
LB-005	D Project Urayasu I	Nakano Shokai Co., Ltd.	Fixed											No revision	2026/2/28
LB-006	D Project Urayasu II	Hitachi Capital Corporation	Fixed											Not disclosed	2027/5/31
LB-007	D Project Akanehama	DAICHI wo MAMORU KAI Co., Ltd.	Fixed											2020/10/11	2025/10/10
LB-008	D Project Noda	Mitsubishi Shokuhin Co., Ltd.	Fixed											2017/10/1	Not disclosed
LB-009	D Project Inuyama	Takihyo Co., Ltd.	Fixed											2020/1/1	2029/12/31
LB-010	D Project Gifu	GOTSU Co., Ltd.	Fixed											2019/3/23	2024/3/22
LB-011	D Project Neyagawa	NH Foods, Ltd.	Fixed											2018/8/1	Not disclosed
LB-012	D Project Sapporo Minami	Mitsubishi Shokuhin Co., Ltd.	Fixed											2017/12/1	Not disclosed
LB-013	D Project Morioka	Mitsubishi Shokuhin Co., Ltd.	Fixed											—	Not disclosed
LB-014	D Project Sendai Minami	Mitsubishi Shokuhin Co., Ltd.	Fixed											2021/4/1	Not disclosed
LB-015	D Project Tsuchiura	YAMATO MULTI-MAINTENANCE SOLUTIONS CO., LTD.	Fixed											2018/4/1	2029/4/14
LB-016	D Project Gotenba	HOKKOH Transportation, Inc.	Fixed											2019/1/15	2029/1/14
LB-017	D Project Nishi-Hiroshima A	UCC FOODS CO., LTD.	Fixed											2016/12/25	2023/1/31
LB-017	D Project Nishi-Hiroshima B	HOKKOH Transportation, Inc.	Fixed											2018/11/1	2028/10/31
LB-018	D Project Fukuoka Umi A	Nippon Express Co., Ltd	Fixed											No revision	2021/1/20
LB-018	D Project Fukuoka Umi B	CREATE CORPORATION	Fixed											No revision	2022/4/15
LB-018	D Project Fukuoka Umi C	Fuji Logitech Co., Ltd.	Fixed											—	2021/5/31
LB-018	D Project Fukuoka Umi D	Japan Beverage Holdings Inc.	Fixed											2019/4/1	2026/8/31

Rent Revision Schedule of Logistics Properties (2)

Property number	Property name	Tenant	Rent type	2017		2018		2019		2020		2021		Rent revision	Expiry
				Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug		
				22 nd	23 rd	24 th	25 th	26 th	27 th	28 th	29 th	30 th	31 st		
Logistics Properties															
LB-019	D Project Tosu	NH Foods, Ltd.	Fixed											2018/4/1	Not disclosed
LB-020	D Project Kuki I	TRANCOM Co., Ltd.	Fixed											2016/10/5	2031/10/4
LB-021	D Project Kuki II	Seven & i Holdings Co., Ltd.	Fixed											2018/6/21	2023/6/30
LB-022	D Project Kawagoe I	Daiwa Logistics Co., Ltd.	Fixed											2021/5/1	2026/4/30
LB-023	D Project Kawagoe II	Daiwa Logistics Co., Ltd.	Fixed											2017/9/3	2027/9/2
LB-024	DPL Inuyama	Sagawa Global Logistics Co., Ltd.	Fixed											2018/10/1	2028/9/30
LB-025	D Project Fukuoka Hakozaki	Nakano Shokai Co., Ltd.	Fixed											No revision	2032/9/30
LB-026	D Project Kuki III	S.D.Logi CO., LTD.	Fixed											2018/6/28	2033/6/30
LB-027	D Project Kuki IV	Chuo Bussan Corporation	Fixed											No revision	2029/6/30
LB-028	D Project Kuki V	Hitachi Transport System, Ltd.	Fixed											2017/7/1	2022/6/30
LB-029	D Project Kuki VI	Sagawa Global Logistics Co., Ltd.	Fixed											2018/8/9	2024/2/9
LB-030	D Project Yashio	Tohto CO-OP	Fixed											2021/8/1	2031/7/31
LB-030	D Project Yashio	Ryutsu Service Co., Ltd.	Fixed											2021/8/1	2031/7/31
LB-031	D Project Nishiyodogawa	VANTEC CORPORATION	Fixed											2021/4/15	2026/8/15
LB-032	D Project Matsudo	Asahi Logistics Corp.	Fixed											2017/4/9	2031/4/30
LB-033	D Project Hibiki Nada	Nippon Express Co., Ltd	Fixed											No revision	2021/9/30
LB-034	D Project Morioka II	Nichirei Logistics Group Inc.	Fixed											2027/11/1	2035/10/31

// Rent Revision / Lease Contract Renewal of Logistics Properties

22 nd Period (Feb. 2017)	23 rd Period (Aug. 2017)
Rent revision of 2 tenants	Rent revision of 2 tenants

Rent Revision Schedule of Retail Properties

Property number	Property name	Tenant	Rent type	2017		2018		2019		2020		2021		Rent revision	Expiry
				Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb	Aug		
				22 nd	23 rd	24 th	25 th	26 th	27 th	28 th	29 th	30 th	31 st		
Retail Properties															
RM-001	ACROSSMALL Shinkamagaya	Daiwa Information Service Co., Ltd.	Fixed	<div></div>		<div></div> Expiry								2016/12/12	2017/12/11
RM-002	FOLEO Hirakata	Core tenant A	Fixed					<div></div>						2019/1/1	2026/12/8
RM-002	FOLEO Hirakata	Core tenant B	Fixed					<div></div>						2019/1/1	2026/12/14
RM-003	QiZ GATE URAWA	Core tenant A	Fixed		<div></div>					<div></div>				2017/3/27	2028/3/26
RM-003	QiZ GATE URAWA	Core tenant B	Fixed		<div></div>					<div></div>				2017/3/27	2028/3/26
RM-004	UNICUS Takasaki	P&D Consulting Co., Ltd.	Fixed			<div></div>								2017/12/9	2028/11/19
RM-005	ACROSSPLAZA Miyoshi (Land)	Mizuho Trust & Banking Co., Ltd. (Daiwa Information Service Co., Ltd.)	Fixed	<div></div>		<div></div>		<div></div>		<div></div>		<div></div>		2016/10/1	2034/9/29
RM-006	DREAM TOWN ALI	Core tenant A	Fixed + Variable											No revision	2027/12/21
RM-006	DREAM TOWN ALI	Core tenant B	Fixed			<div></div> Expiry								No revision	2017/11/1
RM-006	DREAM TOWN ALI	Core tenant C	Fixed + Variable											No revision	2021/6/30
RR-001	LIFE Sagamihara Wakamatsu	LIFE CORPORATION	Fixed						<div></div>					2019/5/22	2027/5/21
RR-002	FOLEO Sendai Miyanomori	Daiwa House Industry Co., Ltd.	Fixed											No revision	2022/11/30
RR-003	ACROSSPLAZA Inazawa (Land)	Daiwa Information Service Co., Ltd.	Fixed											No revision	2034/2/24
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Alpen Co., Ltd.	Fixed											Not disclosed	2027/11/28

// Rent Revision / Lease Contract Renewal of Retail Properties

22 nd Period (Feb. 2017)	23 rd Period (Aug. 2017)
Rent revision of 2 tenants	Rent revision of 2 tenants

Appraisal Value Changes Comparison (1)

(million yen)																	(%)
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		
									CR	DR		TCR	CR		DR	TCR	
LB-001	D Project Machida	9,200	9,200	0	9,200	9,200	0	4.7	4.6	4.9	4.7	4.6	4.9	0.0	0.0	0.0	Tanizawa
LB-002	D Project Hachioji	15,400	15,400	0	15,400	15,400	0	4.6	4.5/4.6	4.8	4.6	4.5/4.6	4.8	0.0	0.0	0.0	Tanizawa
LB-003	D Project Aikawa-Machi	3,390	3,390	0	3,320	3,390	70	4.9	4.9	5.1	4.8	4.8	5.0	(0.1)	(0.1)	(0.1)	Tanizawa
LB-004	D Project Shin-Misato	5,710	5,710	0	5,720	5,710	(10)	5.3	5.3	5.5	5.3	5.3	5.5	0.0	0.0	0.0	Tanizawa
LB-005	D Project Urayasu I	9,280	9,280	0	9,080	9,280	200	4.4	4.5	4.6	4.3	4.4	4.5	(0.1)	(0.1)	(0.1)	Tanizawa
LB-006	D Project Urayasu II	26,000	26,000	0	25,400	26,000	600	4.3	4.3	4.5	4.2	4.2	4.4	(0.1)	(0.1)	(0.1)	Tanizawa
LB-007	D Project Akanehama	2,950	2,950	0	2,890	2,950	60	4.8	4.9	5.0	4.7	4.8	4.9	(0.1)	(0.1)	(0.1)	Tanizawa
LB-008	D Project Noda	6,210	6,210	0	6,200	6,210	10	4.9	4.8	5.1	4.9	4.8	5.1	0.0	0.0	0.0	Tanizawa
LB-009	D Project Inuyama	8,690	8,690	0	8,520	8,690	170	5.2	5.1/5.2	5.4	5.1	5.0/5.1	5.3	(0.1)	(0.1)	(0.1)	Tanizawa
LB-010	D Project Gifu	1,100	1,100	0	1,100	1,100	0	5.7	5.6/5.7	5.9	5.7	5.6/5.7	5.9	0.0	0.0	0.0	Tanizawa
LB-011	D Project Neyagawa	5,980	5,980	0	5,830	5,980	150	4.9	4.9	5.1	4.8	4.8	5.0	(0.1)	(0.1)	(0.1)	Tanizawa
LB-012	D Project Sapporo Minami	818	818	0	818	818	0	6.2	6.0/6.1	6.4	6.2	6.0/6.1	6.4	0.0	0.0	0.0	Tanizawa
LB-013	D Project Morioka	1,200	1,200	0	1,200	1,200	0	6.1	6.0	6.3	6.1	6.0	6.3	0.0	0.0	0.0	Tanizawa
LB-014	D Project Sendai Minami	1,530	1,530	0	1,520	1,530	10	5.4	5.2/5.3	5.6	5.4	5.2/5.3	5.6	0.0	0.0	0.0	Tanizawa
LB-015	D Project Tsuchiura	3,390	3,390	0	3,390	3,390	0	5.4	5.3	5.6	5.4	5.3	5.6	0.0	0.0	0.0	Tanizawa
LB-016	D Project Gotenba	1,140	1,140	0	1,140	1,140	0	5.6	5.5	5.8	5.6	5.5	5.8	0.0	0.0	0.0	Tanizawa
LB-017	D Project Nishi-Hiroshima	1,210	1,210	0	1,210	1,210	0	5.6	5.6/5.7	5.8	5.6	5.6/5.7	5.8	0.0	0.0	0.0	Tanizawa
LB-018	D Project Fukuoka Umi	4,240	4,240	0	4,150	4,240	90	5.4	5.1/5.2 /5.3	5.6	5.3	5.0/5.1 /5.2	5.5	(0.1)	(0.1)	(0.1)	Tanizawa
LB-019	D Project Tosu	5,740	5,740	0	5,730	5,740	10	5.3	5.3/5.4	5.5	5.3	5.3/5.4	5.5	0.0	0.0	0.0	Tanizawa
LB-020	D Project Kuki I	3,900	3,900	0	3,910	3,900	(10)	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-021	D Project Kuki II	8,120	8,120	0	8,100	8,120	20	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-022	D Project Kawagoe I	3,530	3,530	0	3,480	3,530	50	5.2	5.2	5.4	5.1	5.1/5.2	5.3	(0.1)	(0.1)	(0.1)	Tanizawa
LB-023	D Project Kawagoe II	4,850	4,850	0	4,730	4,850	120	5.2	5.2	5.4	5.1	5.1	5.3	(0.1)	(0.1)	(0.1)	Tanizawa
LB-024	DPL Inuyama	3,940	3,940	0	3,850	3,940	90	5.2	5.1	5.4	5.1	5.0	5.3	(0.1)	(0.1)	(0.1)	Tanizawa
LB-025	D Project Fukuoka Hakozaki	4,340	4,340	0	4,250	4,340	90	5.1	5.0	5.3	5.0	4.9	5.2	(0.1)	(0.1)	(0.1)	Tanizawa
LB-026	D Project Kuki III	7,630	7,630	0	7,640	7,630	(10)	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-027	D Project Kuki IV	5,520	5,520	0	5,490	5,520	30	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-028	D Project Kuki V	8,280	8,280	0	8,280	8,280	0	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-029	D Project Kuki VI	5,140	5,140	0	5,130	5,140	10	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-030	D Project Yashio	6,400	6,400	0	6,400	6,400	0	4.8	4.3	5.1	4.8	4.3	5.1	0.0	0.0	0.0	JREI
LB-031	D Project Nishiyodogawa	10,300	10,300	0	10,300	10,300	0	5.0	4.7	5.2	5.0	4.7	5.2	0.0	0.0	0.0	JREI
LB-032	D Project Matsudo	7,370	7,370	0	7,370	7,370	0	4.8	4.5	4.9	4.8	4.5	4.9	0.0	0.0	0.0	JREI
Logistics Properties Total		192,498	192,498	0	190,748	192,498	1,750	—	—	—	—	—	—	—	—	—	—

Appraisal Value Changes Comparison (2)

(million yen)																		(%)
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)	
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method			
									CR	DR		TCR	CR		DR	TCR		CR
RE-001	Qiz Ebisu	7,650	7,294	875	8,160	8,170	10	4.1	4.3	4.3	4.1	4.3	4.3	0.0	0.0	0.0	Tanizawa	
RE-002	Castalia Azabujuban Shichimenzaka	4,500	4,214	(74)	4,080	4,140	60	4.4	4.2	4.6	4.3	4.1	4.5	(0.1)	(0.1)	(0.1)	Chuo	
RE-003	Castalia Shibakoen	2,630	2,438	(348)	2,080	2,090	10	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa	
RE-004	Castalia Ginza	2,520	2,376	(256)	2,120	2,120	0	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa	
RE-005	Castalia Hiroo	2,220	2,099	(289)	1,800	1,810	10	4.3	4.4	4.5	4.3	4.4	4.5	0.0	0.0	0.0	Tanizawa	
RE-006	Castalia Nihonbashi	1,200	1,088	31	1,120	1,120	0	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa	
RE-007	Castalia Hacchobori	2,300	2,138	11	2,150	2,150	0	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa	
RE-008	Castalia Azabujuban	2,910	2,813	(193)	2,620	2,620	0	4.4	4.2	4.6	4.3	4.1	4.5	(0.1)	(0.1)	(0.1)	Chuo	
RE-009	Castalia Azabujuban II	2,690	2,555	(105)	2,430	2,450	20	4.3	4.1	4.5	4.2	4.0	4.4	(0.1)	(0.1)	(0.1)	Chuo	
RE-010	Castalia Shinjuku Natsumezaka	1,865	1,785	(135)	1,680	1,650	(30)	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Chuo	
RE-011	Castalia Ginza II	1,800	1,687	(47)	1,650	1,640	(10)	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa	
RE-012	Castalia Shibuya Sakuragaoka	1,400	1,348	(218)	1,130	1,130	0	4.2	4.4	4.4	4.2	4.4	4.4	0.0	0.0	0.0	Tanizawa	
RE-013	Castalia Nishi Azabu Kasumicho	2,143	2,186	(36)	2,140	2,150	10	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa	
RE-014	Castalia Ochanomizu	1,770	1,683	366	2,050	2,050	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-015	Castalia Sangubashi	1,393	1,427	42	1,460	1,470	10	4.4	4.6	4.6	4.4	4.6	4.6	0.0	0.0	0.0	Tanizawa	
RE-016	Castalia Suitengu	1,279	1,211	118	1,320	1,330	10	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa	
RE-017	Castalia Suitengu II	1,138	1,077	112	1,180	1,190	10	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa	
RE-018	Castalia Shintomicho	932	883	97	980	981	1	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa	
RE-019	Castalia Shintomicho II	825	785	80	860	866	6	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa	
RE-020	Castalia Harajuku	887	864	23	885	888	3	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI	
RE-021	Castalia Yoyogi Uehara	608	640	44	676	685	9	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-022	Castalia Sendagaya	555	561	18	580	580	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-023	Castalia Shinjuku 7 chome	464	444	58	502	503	1	4.7	4.5	4.9	4.7	4.5	4.9	0.0	0.0	0.0	JREI	
RE-024	Castalia Ningyocho	947	875	284	1,150	1,160	10	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-025	Castalia Ningyocho II	1,070	992	317	1,300	1,310	10	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-026	Castalia Shin-Ochanomizu	914	866	163	1,030	1,030	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-027	Castalia Higashi Nihonbashi II	1,370	1,278	331	1,610	1,610	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-028	Castalia Jinbocho	1,160	1,093	296	1,380	1,390	10	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-029	Castalia Shintomicho III	675	623	104	728	728	0	4.5	4.2	4.8	4.5	4.2	4.8	0.0	0.0	0.0	JREI	
RE-030	Castalia Shinjuku Gyoen	2,720	2,645	304	2,950	2,950	0	4.5	4.7	4.7	4.5	4.7	4.7	0.0	0.0	0.0	Tanizawa	
RE-031	Castalia Takanawadai	860	822	162	950	985	35	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI	
RE-032	Castalia Higashi Nihonbashi III	666	619	145	747	765	18	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Daiwa	

Appraisal Value Changes Comparison (3)

(million yen)																	(%)
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		
									CR	DR		TCR	CR		DR	TCR	
RE-033	Castalia Shinjuku Gyoen II	486	480	6	480	487	7	4.5	4.7	4.7	4.5	4.7	4.7	0.0	0.0	0.0	Tanizawa
RE-034	Castalia Shintomicho IV	400	379	64	430	444	14	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Daiwa
RE-035	Castalia Takanawadai II	1,190	1,171	128	1,300	1,300	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-036	Castalia Minami Azabu	642	615	55	670	671	1	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-037	Castalia Ginza III	2,880	2,753	86	2,840	2,840	0	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa
RE-038	Castalia Kayabacho	2,707	2,547	412	2,960	2,960	0	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa
RE-039	Castalia Takanawa	7,430	7,169	350	7,520	7,520	0	4.5	4.8	4.7	4.5	4.8	4.7	0.0	0.0	0.0	Tanizawa
RE-040	Castalia Higashi Nihonbashi	3,520	3,303	656	3,890	3,960	70	4.7	4.5	4.9	4.6	4.4	4.8	(0.1)	(0.1)	(0.1)	Chuo
RE-041	Castalia Shinjuku	2,950	2,861	418	3,280	3,280	0	4.4	4.6	4.6	4.4	4.6	4.6	0.0	0.0	0.0	Tanizawa
RE-042	Castalia Ichigaya	940	892	437	1,300	1,330	30	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Chuo
RE-043	Shibaura Island Bloom Tower	7,580	7,085	1,454	8,540	8,540	0	—	4.2	6.3	—	4.1	6.2	—	(0.1)	(0.1)	JREI
RE-044	Castalia Hatsudai	2,030	2,013	226	2,300	2,240	(60)	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Daiwa
RE-045	Castalia Hatsudai II	1,900	1,898	171	2,090	2,070	(20)	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Morii
RE-046	Castalia Ebisu	1,420	1,430	169	1,610	1,600	(10)	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	Morii
RE-047	Castalia Meguro Kamurozaka	4,500	4,109	30	4,060	4,140	80	4.4	4.2	4.6	4.3	4.1	4.5	(0.1)	(0.1)	(0.1)	Daiwa
RE-048	Castalia Toritsudaigaku	648	606	(51)	552	555	3	5.3	5.1	5.6	5.2	5.0	5.5	(0.1)	(0.1)	(0.1)	Chuo
RE-049	Castalia Yukigaya	1,110	1,019	50	1,070	1,070	0	4.6	4.7	4.8	4.6	4.7	4.8	0.0	0.0	0.0	Tanizawa
RE-050	Castalia Yutenji	1,450	1,349	(109)	1,220	1,240	20	4.4	4.2	4.6	4.3	4.1	4.5	(0.1)	(0.1)	(0.1)	Chuo
RE-051	Castalia Otsuka	1,480	1,352	237	1,590	1,590	0	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Chuo
RE-052	Castalia Kikukawa	817	744	(7)	788	737	(51)	4.7	4.8	4.9	4.7	4.8	4.9	0.0	0.0	0.0	Tanizawa
RE-053	Castalia Meguro	844	851	80	931	932	1	4.6	4.3	4.8	4.6	4.3	4.8	0.0	0.0	0.0	JREI
RE-054	Castalia Otsuka II	1,040	1,002	197	1,200	1,200	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	JREI
RE-055	Castalia Jiyugaoka	1,200	1,170	169	1,330	1,340	10	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-056	Castalia Mejiro	988	941	108	1,030	1,050	20	4.8	4.6	5.0	4.7	4.5	4.9	(0.1)	(0.1)	(0.1)	Chuo
RE-057	Castalia Ikebukuro	2,570	2,485	204	2,630	2,690	60	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Daiwa
RE-058	Castalia Kaname-cho	1,140	1,076	123	1,190	1,200	10	4.6	4.8	4.8	4.6	4.8	4.8	0.0	0.0	0.0	Tanizawa
RE-059	Castalia Tower Shinagawa Seaside	7,380	6,915	1,454	8,360	8,370	10	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa
RE-060	Castalia Yakumo	857	834	(90)	744	744	0	4.5	4.7	4.7	4.5	4.7	4.7	0.0	0.0	0.0	Tanizawa
RE-061	Castalia Togoshiekimae	1,560	1,484	405	1,890	1,890	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	JREI
RE-062	Castalia Honjo Azumabashi	996	978	81	1,060	1,060	0	4.8	4.9	5.0	4.8	4.9	5.0	0.0	0.0	0.0	Tanizawa
RE-063	Castalia Kitazawa	742	736	59	793	796	3	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI
RE-064	Castalia Monzennakacho	503	465	44	500	510	10	5.0	5.1	5.2	4.9	5.0	5.1	(0.1)	(0.1)	(0.1)	Tanizawa

Appraisal Value Changes Comparison (4)

(million yen)																		(%)	
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)		
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method				
									CR	DR		TCR	CR		DR	TCR		CR	DR
RE-065	Castalia Kamiikedai	198	184	27	212	212	0	5.1	4.7	5.3	5.1	4.7	5.3	0.0	0.0	0.0	JREI		
RE-066	Castalia Morishita	832	772	212	975	985	10	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	JREI		
RE-067	Castalia Wakabayashi koen	776	754	54	793	809	16	4.5	4.3	4.7	4.4	4.2	4.6	(0.1)	(0.1)	(0.1)	Daiwa		
RE-068	Castalia Asakusabashi	792	740	172	887	913	26	4.7	4.5	4.9	4.6	4.4	4.8	(0.1)	(0.1)	(0.1)	Chuo		
RE-069	Castalia Iriya	546	510	130	622	641	19	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)	Chuo		
RE-070	Castalia Kita Ueno	2,641	2,449	140	2,570	2,590	20	4.7	4.8	4.9	4.7	4.8	4.9	0.0	0.0	0.0	Tanizawa		
RE-071	Castalia Morishita II	686	631	139	766	771	5	4.6	4.7	4.8	4.6	4.7	4.8	0.0	0.0	0.0	Tanizawa		
RE-072	Castalia Minowa	1,430	1,316	193	1,510	1,510	0	4.6	4.7	4.8	4.6	4.7	4.8	0.0	0.0	0.0	Tanizawa		
RE-073	Castalia Oyamada	533	506	76	581	583	2	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa		
RE-074	Castalia Nakano	1,060	987	212	1,200	1,200	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI		
RE-075	Castalia Yoga	923	879	230	1,110	1,110	0	4.4	4.6	4.6	4.4	4.6	4.6	0.0	0.0	0.0	Tanizawa		
RE-076	Castalia Sumiyoshi	948	869	113	984	983	(1)	4.6	4.7	4.8	4.6	4.7	4.8	0.0	0.0	0.0	Tanizawa		
RE-077	Castalia Monzennakacho II	2,160	2,020	579	2,590	2,600	10	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI		
RE-078	Castalia Oshiage	1,100	1,010	89	1,090	1,100	10	4.7	5.0/4.8	4.9	4.7	5.0/4.8	4.9	0.0	0.0	0.0	Tanizawa		
RE-079	Castalia Kuramae	1,260	1,166	263	1,420	1,430	10	4.6	4.8/4.7	4.8	4.6	4.8/4.7	4.8	0.0	0.0	0.0	Tanizawa		
RE-080	Castalia Nakanobu	1,790	1,697	862	2,560	2,560	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Chuo		
RE-081	Royal Parks Toyosu	7,360	6,608	2,581	9,170	9,190	20	4.9	4.6	5.2	4.8	4.5	5.1	(0.1)	(0.1)	(0.1)	Chuo		
RE-082	Castalia Togoshi	1,770	1,639	860	2,490	2,500	10	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	Chuo		
RE-083	Castalia Ooimachi	1,181	1,186	263	1,450	1,450	0	4.2	4.1	4.4	4.2	4.1	4.4	0.0	0.0	0.0	Morii		
RE-084	Castalia Omori	1,500	1,472	287	1,760	1,760	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	Chuo		
RE-085	Castalia Mishuku	1,900	1,881	398	2,280	2,280	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	Chuo		
RE-086	Castalia Arakawa	1,660	1,606	493	2,100	2,100	0	4.7	4.5	4.9	4.7	4.5	4.9	0.0	0.0	0.0	Chuo		
RE-087	Castalia Omori II	2,370	2,318	441	2,790	2,760	(30)	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	Morii		
RE-088	Castalia Nakameguro	3,800	3,802	597	4,400	4,400	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	Morii		
RE-089	Castalia Meguro Chojyamaru	2,030	2,035	264	2,300	2,300	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	Morii		
RE-090	Castalia Meguro Takaban	1,750	1,773	106	1,890	1,880	(10)	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Morii		
RE-091	Castalia Omori III	1,520	1,514	175	1,720	1,690	(30)	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	Morii		
RE-092	Morino Tonari	1,020	1,066	103	1,170	1,170	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI		
RE-093	Castalia Meguro Tairamachi	1,165	1,225	14	1,240	1,240	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	Morii		
RE-094	Royal Parks SEASIR	4,350	4,462	367	4,820	4,830	10	5.6	5.4/5.8	—	5.6	5.4/5.8	—	0.0	0.0	—	Morii		
RE-095	Castalia Honkomagome	1,520	1,558	111	1,650	1,670	20	4.6	4.4	4.8	4.5	4.3	4.7	(0.1)	(0.1)	(0.1)	Morii		
RE-096	Cosmo Heim Musashikosugi	1,674	1,606	333	1,900	1,940	40	5.1	4.9	5.3	5.0	4.8	5.2	(0.1)	(0.1)	(0.1)	Chuo		

Appraisal Value Changes Comparison (5)

(million yen)																		(%)	
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)		
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method				
									CR	DR		TCR	CR		DR	TCR		CR	DR
RE-097	Castalia Tsurumi	666	610	109	717	720	3	5.4	5.2	5.6	5.3	5.1	5.5	(0.1)	(0.1)	(0.1)	Chuo		
RE-098	Castalia Funabashi	704	693	76	774	770	(4)	5.2	5.3/5.0	5.4	5.2	5.2/5.0	5.4	0.0	—	0.2	Tanizawa		
RE-099	Castalia Nishi Funabashi	783	763	123	887	887	0	5.4	5.2	5.6	5.4	5.2	5.6	0.0	0.0	0.0	JREI		
RE-100	Castalia Maihama	670	621	13	635	635	0	5.4	5.4	5.6	5.4	5.4	5.6	0.0	0.0	0.0	Tanizawa		
RE-101	Castalia Ichikawamyoden	671	631	71	703	703	0	5.3	5.5	5.6	5.3	5.5	5.6	0.0	0.0	0.0	Tanizawa		
RE-102	Castalia Urayasu	592	577	36	609	614	5	5.3	5.3	5.6	5.3	5.3	5.6	0.0	0.0	0.0	Tanizawa		
RE-103	Castalia Minamigyotoku	543	512	(19)	490	493	3	5.2	5.2	5.4	5.2	5.2	5.4	0.0	0.0	0.0	Tanizawa		
RE-104	Castalia Minamigyotoku II	385	364	(26)	338	338	0	5.2	5.2	5.4	5.2	5.2	5.4	0.0	0.0	0.0	Tanizawa		
RE-105	Castalia Nogeeyama	325	304	12	317	317	0	5.4	5.2	5.6	5.4	5.2	5.6	0.0	0.0	0.0	JREI		
RE-106	Castalia Ichikawa	461	419	93	513	513	0	5.4	5.2	5.6	5.4	5.2	5.6	0.0	0.0	0.0	JREI		
RE-107	Royal Parks Hanakoganei	5,300	5,043	856	5,800	5,900	100	5.4	5.2/5.6	—	5.3	5.1/5.5	—	(0.1)	(0.1)	—	Daiwa		
RE-108	Castalia Musashikosugi	1,680	1,679	220	1,900	1,900	0	4.6	4.4	4.8	4.6	4.4	4.8	0.0	0.0	0.0	Morii		
RE-109	Royal Parks Wakabadai	4,360	4,258	491	4,700	4,750	50	5.5	5.3/5.7	—	5.4	5.2/5.6	—	(0.1)	(0.1)	—	Daiwa		
RE-110	Pacific Royal Court Minatomirai Urban Tower	9,100	9,314	1,285	10,400	10,600	200	5.1	4.9/5.3	—	5.1	4.9/5.3	—	0.0	0.0	—	Morii		
RE-111	L-Place Shinkoyasu	1,720	1,788	151	1,960	1,940	(20)	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	JREI		
RE-112	Royal Parks Musasikosugi	1,060	1,082	187	1,270	1,270	0	5.1	4.9/5.3	—	5.1	4.9/5.3	—	0.0	0.0	—	Morii		
RE-113	Castalia Shinsakae	1,920	1,682	(102)	1,550	1,580	30	5.2	5.0	5.4	5.1	4.9	5.3	(0.1)	(0.1)	(0.1)	Chuo		
RE-114	Aprile Tarumi	1,340	1,203	346	1,550	1,550	0	5.7	5.5	5.9	5.7	5.5	5.9	0.0	0.0	0.0	JREI		
RE-115	Crest Kusatsu	3,004	2,963	(1,023)	1,940	1,940	0	7.1	7.2	7.3	7.1	7.2	7.3	0.0	0.0	0.0	Tanizawa		
RE-116	Castalia Sakaisuji Honmachi	1,490	1,361	238	1,580	1,600	20	5.2	5.3	5.4	5.1	5.2	5.3	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-117	Castalia Shin-Umeda	1,376	1,247	172	1,400	1,420	20	5.3	5.4	5.5	5.2	5.3	5.4	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-118	Castalia Abeno	4,368	4,088	531	4,580	4,620	40	5.2	5.3	5.4	5.1	5.2	5.3	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-119	Castalia Sakae	1,010	935	254	1,180	1,190	10	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	Chuo		
RE-120	Castalia Nipponbashi Kouzu	3,570	3,205	534	3,660	3,740	80	5.3	5.4	5.5	5.2	5.3	5.4	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-121	Castalia Maruyama Urasando	411	374	119	486	494	8	5.4	5.4	5.6	5.3	5.3	5.5	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-122	Castalia Maruyama Omotesando	1,740	1,595	344	1,910	1,940	30	5.4	5.4	5.6	5.3	5.3	5.5	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-123	Castalia Higashi Hie	960	873	111	965	985	20	5.3	5.5	5.5	5.2	5.4	5.4	(0.1)	(0.1)	(0.1)	Tanizawa		
RE-124	Castalia Tower Nagahoribashi	3,400	3,070	1,299	4,340	4,370	30	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0	Chuo		
RE-125	Castalia Sannomiya	1,230	1,111	358	1,440	1,470	30	5.3	5.1	5.5	5.2	5.0	5.4	(0.1)	(0.1)	(0.1)	Daiwa		
RE-126	Castalia Kotodaikoen	481	429	106	525	536	11	5.6	5.6	5.8	5.5	5.5	5.7	(0.1)	(0.1)	(0.1)	Daiwa		
RE-127	Castalia Ichibancho	783	713	201	896	915	19	5.6	5.6	5.8	5.5	5.5	5.7	(0.1)	(0.1)	(0.1)	Daiwa		
RE-128	Castalia Omachi	656	631	94	702	726	24	5.6	5.6	5.8	5.5	5.5	5.7	(0.1)	(0.1)	(0.1)	Daiwa		

Appraisal Value Changes Comparison (6)

(million yen)																		(%)
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)	
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalization method	DCF method		Direct capitalization method	DCF method		Direct capitalization method	DCF method			
									CR	DR		TCR	CR		DR	TCR		CR
RE-129	Castalia Uemachidai	2,190	2,013	576	2,530	2,590	60	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)	Daiwa	
RE-130	Castalia Tower Higobashi	2,670	2,463	1,026	3,490	3,490	0	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0	Chuo	
RE-131	Big Tower Minami Sanjo	1,740	1,443	1,046	2,440	2,490	50	5.5	5.3	5.7	5.4	5.2	5.6	(0.1)	(0.1)	(0.1)	Daiwa	
RE-132	Castalia Fushimi	2,260	2,078	901	2,980	2,980	0	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	JREI	
RE-133	Castalia Meieki Minami	720	690	206	897	897	0	4.7	4.5	4.9	4.7	4.5	4.9	0.0	0.0	0.0	Morii	
RE-134	Castalia Yakuin	930	917	192	1,080	1,110	30	4.9	4.7	5.1	4.8	4.6	5.0	(0.1)	(0.1)	(0.1)	Morii	
RE-135	Castalia Mibu	1,193	1,157	282	1,470	1,440	(30)	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	JREI	
RE-136	Castalia Tsutsujigaoka	1,208	1,195	494	1,660	1,690	30	5.1	4.9	5.3	5.1	4.9	5.3	0.0	0.0	0.0	Morii	
RE-137	Castalia Ohori Bay Tower	2,910	2,799	950	3,780	3,750	(30)	5.3	5.1	5.5	5.3	5.1	5.5	0.0	0.0	0.0	Morii	
RE-138	Royal Parks Namba	2,830	2,709	370	3,050	3,080	30	5.8	5.7/6.1	—	5.7	5.6/6.0	—	(0.1)	(0.1)	—	Daiwa	
RE-139	Castalia Shigahondori	1,730	1,686	453	2,130	2,140	10	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	JREI	
RE-140	Castalia Kyoto Nishioji	973	1,044	(14)	1,030	1,030	0	5.0	4.8	5.2	4.9	4.7	5.1	(0.1)	(0.1)	(0.1)	Morii	
Residential Properties Total		254,319	242,767	34,569	275,900	277,337	1,437	—	—	—	—	—	—	—	—	—	—	
RM-001	ACROSSMALL Shinkamagaya	7,770	7,770	0	7,640	7,770	130	6.1	5.8	6.3	6.0	5.7	6.2	(0.1)	(0.1)	(0.1)	JREI	
RM-002	FOLEO Hirakata	4,580	4,580	0	4,580	4,580	0	6.4	5.9	6.5	6.4	5.8	6.4	0.0	(0.1)	(0.1)	JREI	
RM-003	QIZ GATE URAWA	4,270	4,270	0	4,740	4,270	(470)	6.2	5.5	6.0	5.6	5.2	5.7	(0.6)	(0.3)	(0.3)	JREI	
RM-004	UNICUS Takasaki	3,000	3,000	0	2,950	3,000	50	6.6	6.3	6.8	6.5	6.2	6.7	(0.1)	(0.1)	(0.1)	JREI	
RM-005	ACROSSPLAZA Miyoshi (Land)	3,740	3,740	0	3,710	3,740	30	—	4.6	—	—	4.6	—	—	0.0	—	Tanizawa	
RM-006	DREAM TOWN ALI	8,100	8,100	0	8,100	8,100	0	6.0	5.8	6.3	6.0	5.8	6.3	0.0	0.0	0.0	JREI	
RR-001	LIFE Sagamihara Wakamatsu	1,670	1,670	0	1,640	1,670	30	5.3	4.9	5.4	5.2	4.8	5.3	(0.1)	(0.1)	(0.1)	JREI	
RR-002	FOLEO Sendai Miyanomori	6,960	6,960	0	6,840	6,960	120	6.1	5.8	6.3	6.0	5.7	6.2	(0.1)	(0.1)	(0.1)	JREI	
RR-003	ACROSSPLAZA Inazawa (Land)	2,390	2,390	0	2,380	2,390	10	—	5.5	—	—	5.5	—	—	0.0	—	JREI	
Retail Properties Total		42,480	42,480	0	42,580	42,480	(100)	—	—	—	—	—	—	—	—	—	—	
OT-001	Urban Living Inage	930	909	350	1,190	1,260	70	5.7	5.5	5.9	5.4	5.2	5.6	(0.3)	(0.3)	(0.3)	Daiwa	
OT-002	Aburatsubo Marina HILLS	1,100	1,120	129	1,250	1,250	0	6.2	6.0	6.4	6.2	6.0	6.4	0.0	0.0	0.0	JREI	
Other Properties Total		2,030	2,030	479	2,440	2,510	70	—	—	—	—	—	—	—	—	—	—	

Appraisal Value Changes Comparison (7)

(million yen)																	(%)
Property number	Property name	Acquisition price (Note 1)	Book value 21 st Aug. 2016 (Note 1)	Unrealized gain/loss	Appraisal value (Note 2)			20 th (Feb. 2016)			21 st (Aug. 2016)			Difference			Appraiser (Note 3)
					20 th Feb. 2016	21 st Aug. 2016	Difference	Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		Direct capitalizati on method	DCF method		
									CR	DR		TCR	CR		DR	TCR	
LB-033	D Project Hibiki Nada	2,080	—	—	2,100	2,110	10	6.0	5.9/6.1	6.2	6.0	5.9/6.1	6.2	0.0	0.0	0.0	Tanizawa
LB-034	D Project Morioka II	1,280	—	—	1,300	1,300	0	6.1	5.8/5.9	6.3	6.1	5.8/5.9	6.3	0.0	0.0	0.0	Tanizawa
RE-141	Castalia Ningyocho III	2,000	—	—	2,170	2,180	10	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI
RE-142	Royal Parks Umejima	2,020	—	—	2,150	2,150	0	5.6	5.4/5.8	—	5.6	5.4/5.8	—	0.0	0.0	—	Morii
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	2,230	—	—	2,260	2,280	20	6.4	6.4/6.5	6.6	6.4	6.4/6.5	6.6	0.0	0.0	0.0	Tanizawa
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	7,600	—	—	7,600	7,630	30	5.8	5.6	6.0	5.8	5.6	6.0	0.0	0.0	0.0	Daiwa
Total of Acquisitions on September 28, 2016		17,210	—	—	17,580	17,650	70	—	—	—	—	—	—	—	—	—	—
Portfolio Total		508,537	—	—	529,248	532,475	3,227	—	—	—	—	—	—	—	—	—	—

(Note 1) "Acquisition price" and "Book value 21st (Aug. 2016)" of logistics properties LB-001 through LB-032, retail properties RM-001 through RM-006 and RR-001 through RR-003 are based on the anticipated acquisition price as of the date of this document.

(Note 2) For the acquisitions on September 28, 2016, appraisal value at the time of the acquisition is added in the 20th period ended Feb. 2016.

(Note 3) "Tanizawa": The Tanizawa Sogo Appraisal Co., Ltd., "Chuo": Chuo Real Estate Appraisal Co., Ltd., "JREI": Japan Real Estate Institute, "Daiwa": Daiwa Real Estate Appraisal Co., Ltd., "Morii": Morii Appraisal & Investment Consulting Inc.

// Number of Unitholders and Units by Unitholder Type

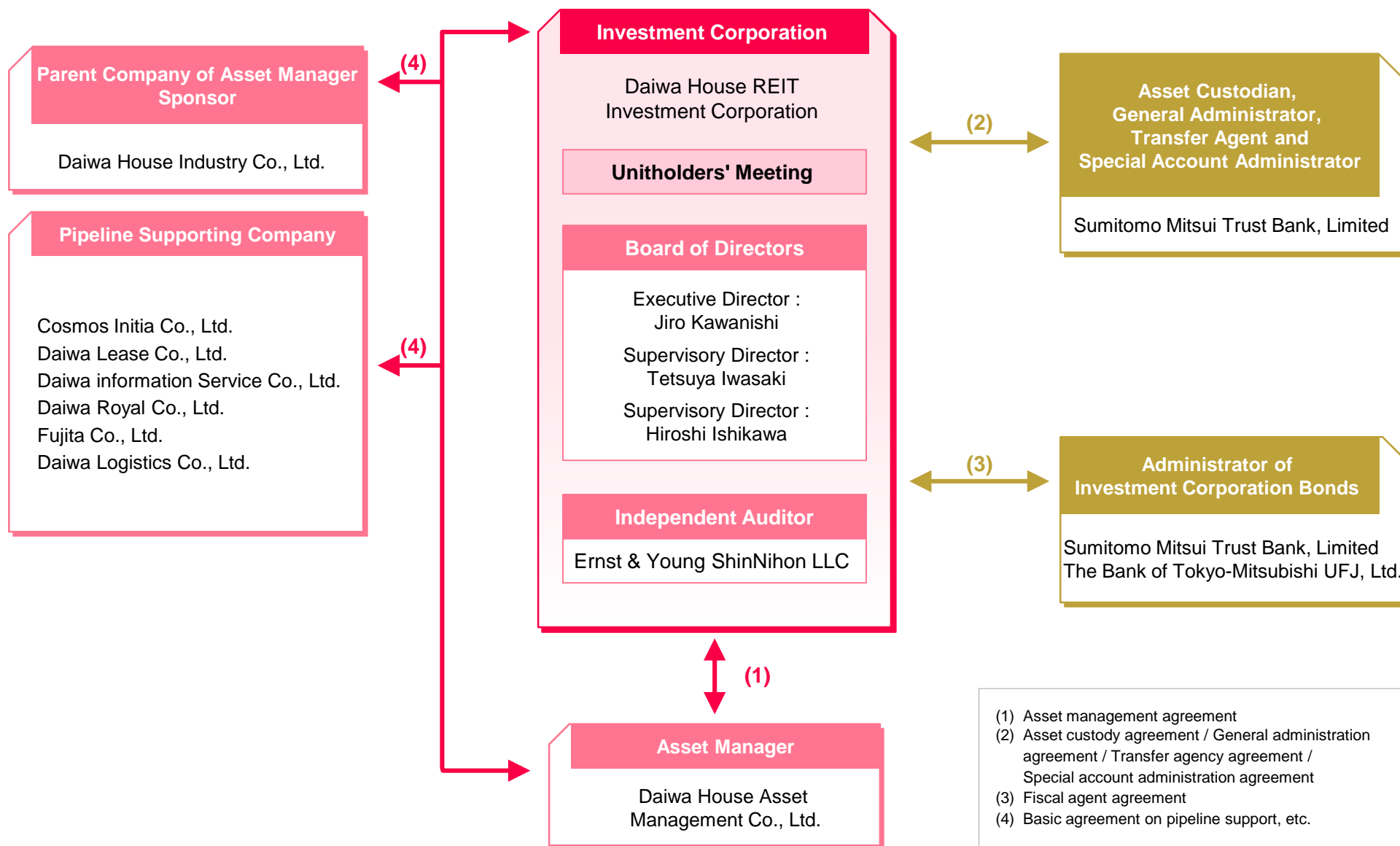
Unitholder type	Former DHI				Former DHR			
	21 st Period (Aug. 2016)				17 th Period (Aug. 2016)			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Units	(%)	Unitholders	(%)	Units	(%)
Individuals and others	5,966	92.8	39,753	5.3	5,020	92.1	20,310	5.8
Financial institutions	96	1.5	491,438	65.7	102	1.9	213,249	60.8
Banks / trust banks	49	0.8	436,004	58.3	44	0.8	191,201	54.5
City banks	0	0.0	0	0.0	0	0.0	0	0.0
Regional banks	35	0.5	76,427	10.2	34	0.6	30,215	8.6
Trust banks	14	0.2	359,577	48.1	10	0.2	160,986	45.9
Life insurance companies	8	0.1	21,523	2.9	7	0.1	7,403	2.1
Non-life insurance companies	2	0.0	14,474	1.9	1	0.0	5,594	1.6
Other financial institutions	37	0.6	19,437	2.6	50	0.9	9,051	2.6
Shinkin banks	27	0.4	11,070	1.5	31	0.6	4,802	1.4
Others	10	0.2	8,367	1.1	19	0.3	4,249	1.2
Other domestic corporations	121	1.9	88,841	11.9	159	2.9	50,955	14.5
Foreign corporations and individuals	237	3.7	125,976	16.8	155	2.8	50,005	14.3
Securities firms	11	0.2	1,732	0.2	16	0.3	16,181	4.6
Total	6,431	100.0	747,740	100.0	5,452	100.0	350,700	100.0

// Major Unitholders of Former DHI

Name	21 st Period (Aug. 2016)	
	Number of units held	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	188,490	25.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	83,717	11.2
Daiwa House Industry Co., Ltd.	75,440	10.1
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	35,070	4.7
The Chugoku Bank, Ltd.	14,041	1.9
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	13,874	1.9
SCBHK AC DBS VICKERS (HK) LIMITED – CLIENT A/C	13,800	1.8
THE BANK OF NEW YORK – JASDEC NON-TREATY ACCOUNT	12,899	1.7
The Fuji Fire and Marine Insurance Co., Ltd.	12,530	1.7
State Street Bank - West Pension Fund Clients - Exempt 505233	10,891	1.5
Total	460,752	61.6

// Major Unitholders of Former DHR

Name	17 th Period (Aug. 2016)	
	Number of units held	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	89,262	25.5
Daiwa House Industry Co., Ltd.	42,800	12.2
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	30,953	8.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	27,044	7.7
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	8,321	2.4
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	7,781	2.2
Goldman Sachs International	6,147	1.8
Morgan Stanley MUFG Securities Co., Ltd.	5,944	1.7
The Fuji Fire and Marine Insurance Co., Ltd.	5,594	1.6
THE BANK OF NEW YORK MELLON SA/NV-BNY GCM CLIENT ACCT JP RD LMGC	4,304	1.2
Total	228,150	65.1



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