

Investor Presentation



April 20, 2017

The **22nd** Period Ended **Feb. 2017**

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1. Financial Results

- ◆ Feb. 2017 DPU **4,800** yen (previous forecast 4,700 yen)
- ◆ Acquired **6** properties for **17.2** bn yen through Daiwa House Group pipeline in Sep. 2016

2. Equity Offering

- ◆ Raised **46.4** bn yen from the first equity offering after the merger
- ◆ Acquired **15** properties for **67.9** bn yen through Daiwa House Group pipeline in Apr. 2017

3. Initiatives to Pursue Growth

- ◆ Acquired **22** properties for **90.7** bn yen since the transition to a diversified REIT upon the merger
- ◆ Aim **800** bn yen in asset size leveraging Daiwa House Group pipeline

4. Operation and Financial Status

- ◆ Feb. 2017 occupancy remained stable at a high level of **99.0** % (**+0.3** p.p.)
- ◆ Further lengthening and diversifying debt maturities and fixing interest rates

5. Financial Forecasts

- ◆ Aug. 2017 Forecast DPU **4,800** yen (forecast as of Oct. 2016 4,720 yen)
- ◆ Feb. 2018 Forecast DPU **5,050** yen



1. Financial Results

February 2017 Financial Results

- ◆ DPU 4,800 yen
+100 yen vs forecast due to high occupancy at residential properties, acquisition of one retail property (land), etc.

- ◆ Increase in assets upon the merger as of Sep. 1

Asset class	Number of properties	Acquisition price	Goodwill
Logistics	32 properties	192,498 mil yen	79,289 mil yen
Residential	9 properties	42,480 mil yen	
Total	41 properties	234,978 mil yen	

- ◆ Property Acquisitions

Property name	Asset class	Acquisition price (mil yen)	Appraisal NOI yield	Acquisition date
Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Other (office, hotel and retail)	7,600	5.9 %	Sep. 28, 2016
D Project Hibiki Nada	Logistics	2,080	6.3 %	
D Project Morioka II	Logistics	1,280	6.3 %	
Castalia Ningyocho III	Residential	2,000	5.0 %	
Royal Parks Umejima	Residential	2,020	6.9 %	
Sports Depo and GOLF Kokurahigachi IC Store	Retail	2,230	6.9 %	
Hiratsuka Retail Property (Land)	Retail	5,620	4.2 %	Jan. 31, 2017
Total		22,830	5.6 %	—

- ◆ Property Sale

Property name	Asset class	Sale price (mil yen)	Appraisal value (mil yen)	Loss on sale (mil yen)	Sale date
Castalia Minamigyotoku II	Residential	370	338	4	Feb 23, 2017

- ◆ NOI yield

Asset class	NOI (mil yen)	Acquisition price (mil yen)	NOI yield
Logistics	4,850	195,858	5.0 %
Residential	6,888	257,954	5.4 %
Retail	1,361	50,330	5.5 %
Other	298	9,630	6.3 %
Portfolio	13,398	513,772	5.3 %

- ◆ Period end occupancy

Asset class	Aug. 2016	Feb. 2017	Change
Logistics	100.0 %	100.0 %	—
Residential	96.0 %	97.0 %	+1.0 p.p.
Retail	99.6 %	99.4 %	-0.2 p.p.
Other	100.0 %	99.5 %	-0.5 p.p.
Portfolio	98.7 %	99.0 %	+0.3 p.p.

- ◆ Capex, repairs and maintenance and restoration costs

Capex and planned repairs and maintenance in place on a long-term view

	Aug. 2016 Former DHI + Former DHR	Feb. 2017
Capex	717 mil yen	843 mil yen
Repairs and maintenance expenses	345 mil yen	569 mil yen
Restoration costs	298 mil yen	293 mil yen
Total	1,360 mil yen	1,706 mil yen

Financial Results (Statements of Income)

◆ The merger and acquisition of 7 properties contributed to 8 consecutive periods with income growth and 4,800 yen of DPU

// Statements of Income for the Period ended Feb. 2017

	Aug. 2016			Feb. 2017		Feb. 2017	
	Former DHI Result	Former DHR Result	Former DHI + Former DHR	Result	vs Aug. 2016 Former DHI + Former DHR	Forecast as of 2016/10/19	Result vs Forecast
Operating Revenue	9,691	7,142	16,833	17,531	697	17,360	170
Total Rental Revenue	9,691	7,142	16,833	17,531	697	17,360	170
Rental Revenue	9,020	6,938	15,958	16,606	647	16,491	115
Other rental revenue	670	204	874	924	49	869	55
Operating Expenses	5,731	3,261	8,992	11,963	2,970	12,005	-42
Property operating expenses	4,746	2,667	7,414	7,493	79	7,457	36
Property operating expenses (excluding depreciation)	2,713	1,160	3,873	4,132	258	4,091	41
Depreciation	2,033	1,507	3,540	3,361	-179	3,366	-5
Other operating expenses	984	593	1,578	4,465	2,887	4,547	-82
Amortization of goodwill	—	—	—	1,982	1,982	1,982	—
Operating Income	3,959	3,880	7,840	5,567	-2,273	5,354	212
Non-operating income	10	2	13	32	19	5	26
Non-operating expenses	756	601	1,358	1,125	-232	1,140	-14
Interest and borrowing related expenses	730	600	1,331	1,123	-208	1,138	-14
Ordinary Income	3,214	3,281	6,495	4,474	-2,021	4,219	254
Net Income	3,213	3,280	6,494	4,393	-2,101	4,219	174
Reversal of retained earnings (Note)	178	—	178	2,899	2,720	2,921	-22
Total distribution	3,392	3,281	6,673	7,292	618	7,140	151
DPU	4,537 yen	—	—	4,800 yen	263 yen	4,700 yen	100 yen

// Major Variation Factors (vs Forecast)

- Increase in operating revenue +170 mil yen
 - Favorable occupancy at residential properties
 - Acquisition of one retail property (land)
- Increase in property operating expenses -36 mil yen
 - Increase in repairs and maintenance expenses and restoration costs
- Loss on sale of property -4 mil yen
 - Sale of Castalia Minamigyotoku II
- Decrease in other operating expenses +82 mil yen
 - Expenses related to D Project Shin-Misato litigation recorded as extraordinary loss
- Increase in non-operating income +26 mil yen
 - Refunded consumption taxes
- Decrease in interest and borrowing related expenses +14 mil yen
- Extraordinary loss -80 mil yen

(Note) Reversal of retained earnings of former DHI for the period ended Aug. 2016: Amount of retained earnings equivalent to 10% of depreciation (202 mil yen) and netting the amount retained for distribution (23 mil yen)
 Reversal of retained earnings for the period ended Feb. 2017: Reversal of retained earnings (2,920 mil yen) and netting the amount retained for distribution (21 mil yen)

Financial Results (Balance Sheets)

- ◆ Increase in assets due to the merger and acquisition of 7 properties (acquisition price 257,808 mil yen)
- ◆ Recognition of goodwill of 79,289 mil yen due to the merger

// Balance Sheets for the Period ended Feb. 2017

	Period ended Aug. 2016	Period ended Feb. 2017	Period-on-period change
Total Assets	258,266	604,142	345,875
Current assets	9,753	21,630	11,876
Non-current assets	248,478	582,418	333,940
Investment properties	239,518	494,701	255,182
Intangible assets	5,284	82,811	77,526
Goodwill	—	77,306	77,306
Total Liabilities	147,223	273,837	126,613
Current liabilities	75,081	57,428	-17,653
Interest-bearing debt	72,295	52,495	-19,800
Non-current liabilities	72,142	216,409	144,267
Interest-bearing debt	69,368	200,668	131,300
Net Assets	111,042	330,304	219,262
Reserve for distribution ^(Note 1)	17,884	17,705	-178

LTV (including goodwill)	54.9 %	41.9 %	-13.0 p.p.
LTV (excluding goodwill)	—	48.1 %	—

Number of investment units issued	747,740 units	1,519,280 units	771,540 units
Net Assets per unit	148,504 yen	217,408 yen	68,904 yen
NAV per unit ^(Note 2)	195,377 yen	248,462 yen	53,085 yen

(Note 1) Reserve for distribution for the period ended Feb. 2017 represents the amount before a reversal and the amount after a reversal is 14,806 mil yen.

(Note 2) NAV per unit: (Net Assets + unrealized gain or loss) / number of investment units issued

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

Period-on-period change	■ Increase in total assets	+345,875 mil yen
	• Assets acquired at the merger	
	• Acquisition of 7 properties	
	• Recognition of goodwill	
	■ Increase in interest-bearing debt	+111,500 mil yen
	• Liabilities assumed at the merger	
	• New loans	
	■ Increase in net assets	+219,262 mil yen
	• Increase in capital surplus due to the merger	

// Unrealized Gain by Asset Class

- ◆ Increase in appraisal value on compression in the cap rate

Asset class	Book value	Appraisal value	Unrealized gain
Logistics	195,030	199,738	4,707
Residential	245,129	285,738	40,608
Retail	50,445	51,650	1,204
Other	9,590	10,250	659
Total	500,196	547,376	47,179



2. Equity Offering

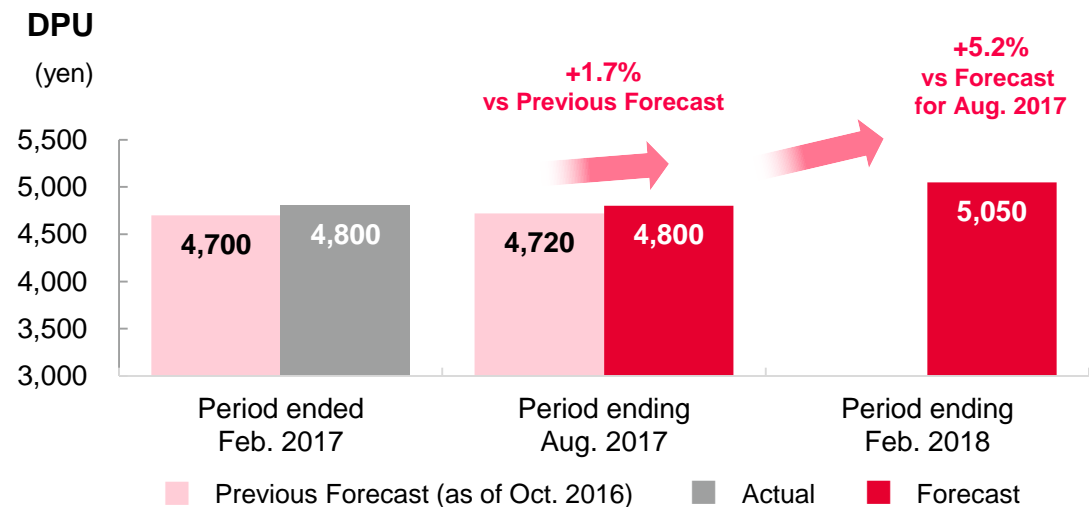
Overview of Equity Offering

- ◆ Raised 46.4 bn yen of equity from the first global equity offering after the merger
- ◆ Acquired 15 properties, 67.9 bn yen (5.1% appraisal NOI yield) through Daiwa House Group pipeline

// Overview of Equity Offering

Offering structure	Global offering (Regulation S +144 A)	
Launch date	March 1, 2017	
Pricing date	March 13, 2017	
Issue price	280,868 yen	
Amount paid-in	271,983 yen	
Number of units newly issued	Japanese tranche	94,672 units
	Greenshoe option	14,000 units
	International tranche	62,048 units
	Total	170,720 units
Net proceeds	46,432 million yen	
Same boat investment by Daiwa House	15,600 units	

// Impact of Equity Offering



(Reference) Property taxes for the properties acquired in 2017 will be expensed starting from the period ending Aug. 2018.

	Period ended Feb. 2017	Post offering as of Apr. 14, 2017	Impact of offering, etc.
NAV per unit	248,462 yen	251,394 yen	+2,932 yen
LTV (incl. goodwill)	41.9 %	41.6 %	-0.3 p.p.
LTV (excl. goodwill)	48.1 %	46.9 %	-1.2 p.p.

Overview of Acquisitions in April 2017

Property name	Location	Asset class	Acquisition price (mill yen)	Appraisal value (mil yen)	Appraisal NOI yield	Occupancy rate	Property age	Lessee	(Average) lease term	(Average) remaining lease term
Acquisitions on April 11, 2017										
DPL Misato	Misato, Saitama	Logistics	16,831	16,900	4.5%	100%	3.8 years	Kokubu Group, ARATA, Kato Sangyo, Nitori, etc.	8.7 years	6.3 years
D Project Kawagoe III	Kawagoe, Saitama	Logistics	7,200	7,260	5.0%	100%	2.8 years	Hitachi Transport System Kanto	10.0 years	7.2 years
D Project Kazo	Kazo, Saitama	Logistics	3,300	3,350	5.1%	100%	2.7 years	Itochu Logistics	10.6 years	7.9 years
D Project Urayasu III	Urayasu, Chiba	Logistics	8,500	8,880	4.8%	100%	11.4 years	Daiwa Logistics	19.8 years	8.4 years
D Project Tomisato	Tomisato, Chiba	Logistics	5,000	5,030	5.1%	100%	2.0 years	Tokyo Nohin Daiko	10.8 years	8.8 years
D Project Kyotanabe	Kyotanabe, Kyoto	Logistics	3,520	3,550	5.8%	100%	4.5 years	Hutech norin	20.1 years	15.6 years
D Project Sendai Izumi	Sendai, Miyagi	Logistics	1,510	1,560	5.7%	100%	3.0 years	Mitsubishi Shokuhin	Not disclosed	Not disclosed
D Project Oyama	Oyama, Tochigi	Logistics	2,000	2,010	5.8%	100%	7.1 years	Mitsubishi Shokuhin	Not disclosed	Not disclosed
D Project Sano	Sano, Tochigi	Logistics	1,780	1,780	5.8%	100%	2.9 years	Toryusha	15.0 years	12.2 years
D Project Tatebayashi	Tatebayashi, Gunma	Logistics	3,100	3,120	5.7%	100%	1.6 years	Hitachi Transport System Kanto	15.0 years	13.4 years
D Project Kakegawa	Kakegawa, Shizuoka	Logistics	6,000	6,070	5.8%	100%	2.7 years	Hitachi Transport System Chubu	20.0 years	17.3 years
D Project Hiroshima Seifu	Hiroshima, Hiroshima	Logistics	3,820	3,860	5.8%	100%	2.3 years	MITSUI FOODS	Not disclosed	Not disclosed
D Project Tosu II	Tosu, Saga	Logistics	1,700	1,740	5.5%	100%	0.3 years	Marukyo Transportation	7.0 years	6.7 years
Logistics Sub-total / Average			64,261	65,110	5.1%	100%	4.2 years	—	13.5 years	9.7 years
Castalia Shinsakae II	Nagoya, Aichi	Residential	1,800	1,850	5.5%	100%	1.2 years	Daiwa Living Management	—	—
Sharp Hiroshima Building	Hiroshima, Hiroshima	Other	1,850	1,890	5.7%	100%	1.2 years	Sharp	Not disclosed	Not disclosed
Total / Average			67,911	68,850	5.1%	100%	4.0 years	—	13.7 years	10.0 years

DPL Misato



D Project Kawagoe III



D Project Kazo



D Project Urayasu III



D Project Tomisato



D Project Kyotanabe



D Project Sendai Izumi



D Project Oyama



D Project Sano



D Project Tatebayashi



D Project Kakegawa



D Project Hiroshima Seifu



D Project Tosu II



Castalia Shinsakae II



Sharp Hiroshima Building

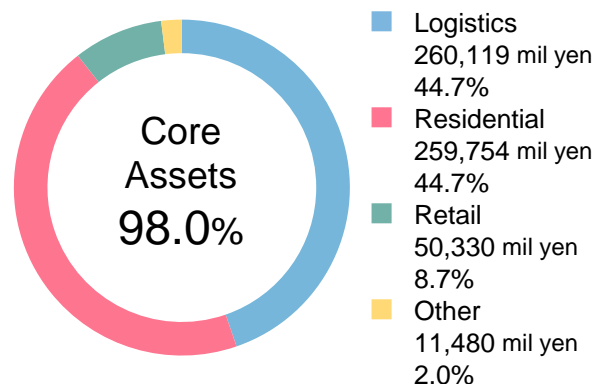


Portfolio Summary (as of April 11, 2017)

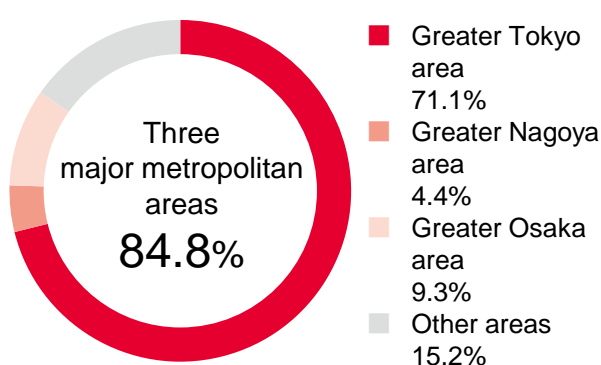
	Portfolio	Logistics	Residential	Retail	Other
Acquisition price	581,683 mil yen	260,119 mil yen	259,754 mil yen	50,330 mil yen	11,480 mil yen
Number of properties	204 properties	47 properties	142 properties	11 properties	4 properties
NOI yield ^(Note)	5.2 %	5.0 %	5.4 %	5.5 %	6.2 %
Average property age	9.0 years	6.8 years	11.2 years	9.4 years	5.5 years
Occupancy rate	99.2 %	100.0 %	97.1 %	99.4 %	99.6 %
Area breakdown	Greater Tokyo 71.1% Greater Nagoya 4.4% Greater Osaka 9.3% Other 15.2%	Greater Tokyo 74.8% Greater Nagoya 5.7% Greater Osaka 8.2% Other 11.2%	Greater Tokyo 80.4% Greater Nagoya 3.6% Greater Osaka 11.4% Other 4.6%	Greater Tokyo 45.8% Greater Nagoya 4.7% Greater Osaka 9.1% Other 40.3%	Greater Tokyo 17.7% Other 82.3%

(Note) NOI yield is based on actual NOI for the period ended Feb. 2017 and appraisal NOI for the new acquisitions in Apr. 2017.

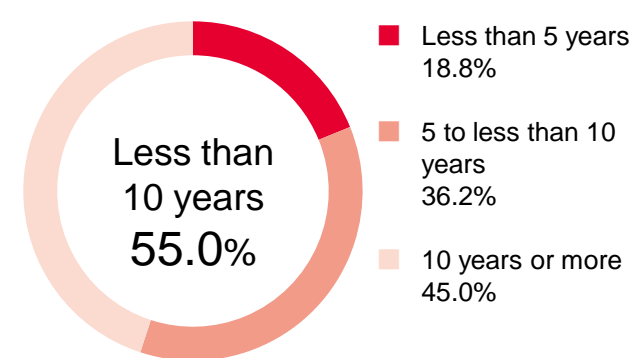
// Portfolio by Asset Class (acquisition price basis)



// Portfolio by Area (acquisition price basis)



// Portfolio by Property Age (acquisition price basis)

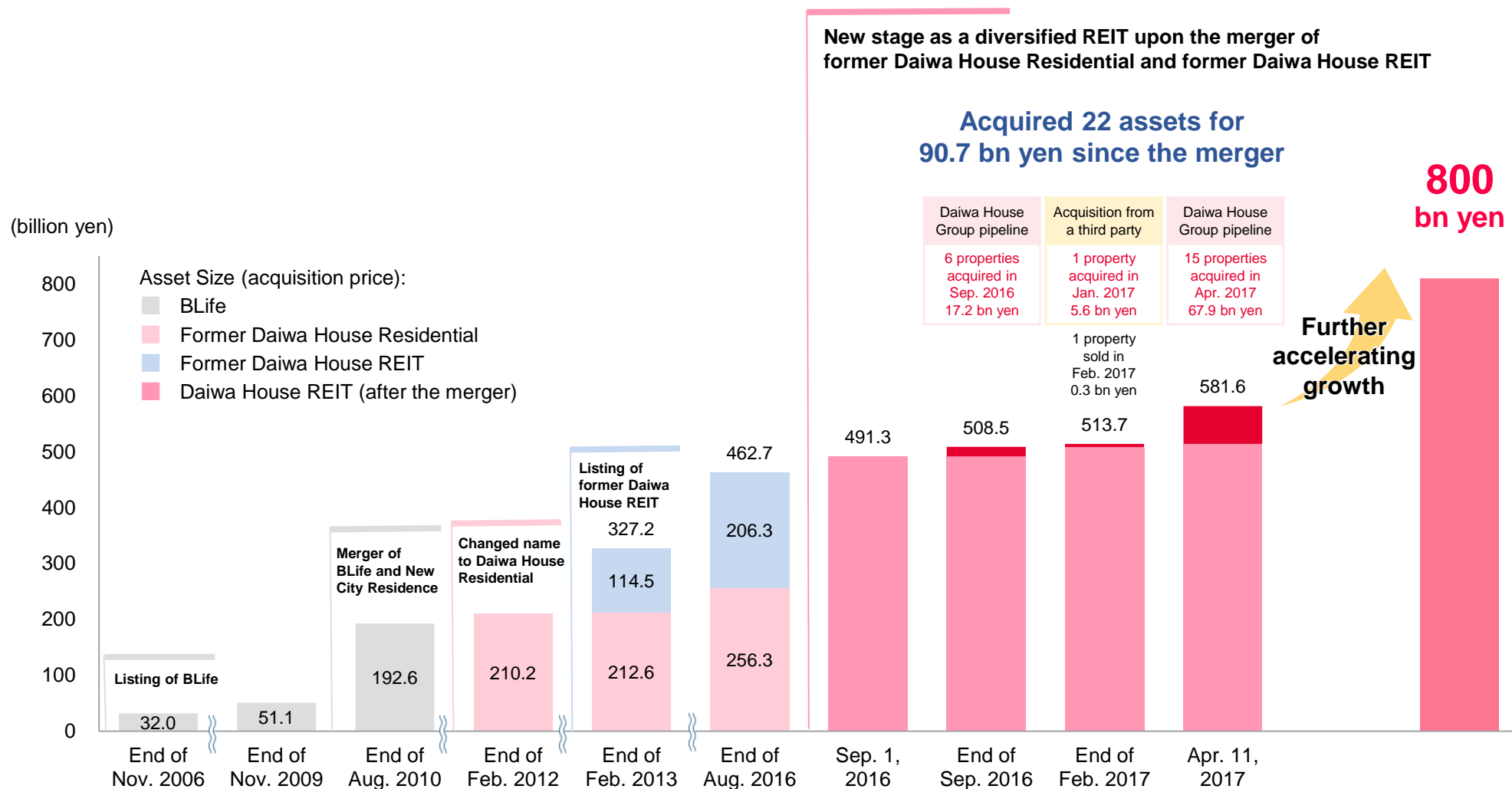




3. Initiatives to Pursue Growth

Growth Track Record and Asset Size Target

- ◆ Acquired 22 properties for 90.7 bn yen since the transition to a diversified REIT upon the merger
- ◆ Aim 800 bn in asset size by leveraging Daiwa House Group pipeline



Pipeline of Daiwa House Group (1)

// Logistics Properties

Property Name	Type	Location	Completion	No. of Floors	Gross Floor Area
D Project Kita Hachioji Annex A	BTS	Hachioji City, Tokyo	Feb. 2011	5	15,352 m ²
D Project Kita Hachioji Annex B	BTS	Hachioji City, Tokyo	Nov. 2011	4	18,762 m ²
D Project Kita Hachioji Annex C	BTS	Hachioji City, Tokyo	Jun. 2014	4	26,310 m ²
D Project Jonanjima	BTS	Ota Ward, Tokyo	May 2014	8	49,739 m ²
D Project Itabashi Shingashi	BTS	Itabashi Ward, Tokyo	Dec. 2014	7	31,094 m ²
D Project Sagamihara II	BTS	Sagamihara City, Kanagawa	Apr. 2015	2	17,576 m ²
D Project Kuki Shoubu I Annex B	BTS	Kuki City, Saitama	Jan. 2010	1	2,940 m ²
D Project Kuki III Annex K	BTS	Kuki City, Saitama	Sep. 2016	5	29,090 m ²
D Project Kawagoe Annex A	BTS	Kawagoe City, Saitama	Jan. 2011	3	24,684 m ²
D Project Wako Annex A	BTS	Wako City, Saitama	Apr. 2015	6	57,198 m ²
D Project Matsudo Annex A	BTS	Matsudo City, Chiba	Apr. 2011	5	19,837 m ²
D Project Chibakita	BTS	Chiba City, Chiba	Jun. 2016	2	25,123 m ²
D Project Tomisato II	BTS	Tomisato City, Chiba	Mar. 2016	4	42,125 m ²
D Project Sendai Izumi II	BTS	Sendai City, Miyagi	Oct. 2015	2	39,531 m ²
D Project Ibaraki Ishioka	BTS	Ishioka City, Ibaraki	Jul. 2015	2	24,524 m ²
D Project Fuji	BTS	Fuji City, Shizuoka	Oct. 2013	2	24,176 m ²
D Project Shikoku Sakaide Annex A	BTS	Sakaide City, Kagawa	Aug. 2015	1	27,995 m ²
DPL Sagamihara	Multi-tenant	Sagamihara City, Kanagawa	Dec. 2013	5	82,685 m ²
DPL Yokohama Daikoku	Multi-tenant	Yokohama City, Kanagawa	Feb. 2014	6	121,818 m ²
DPL Kawasaki Yakou	Multi-tenant	Kawasaki City, Kanagawa	Mar. 2017	5	92,924 m ²
DPL Ichikawa	Multi-tenant	Ichikawa City, Chiba	Jun. 2016	5	88,050 m ²
DPL Sendai Port	Multi-tenant	Sendai City, Miyagi	Mar. 2017	2	63,098 m ²
DPL Fukuoka Kasuya	Multi-tenant	Kasuya District, 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
Annex A, B and C**



D Project Jonanjima



D Project Itabashi Shingashi



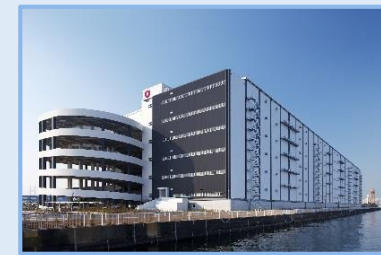
D Project Wako Annex A



DPL Sagamihara



DPL Yokohama Daikoku



DPL Ichikawa



DPL Fukuoka Kasuya



Pipeline of Daiwa House Group (2)

Residential Properties

Property Name	Type	Location	Completion (Planned)	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/ pay nursing homes/ nursery school/retail	Nagoya City, Aichi	Mar. 2015	Condominium: 430 units, shared house: 136 units, pay nursing homes: 66 units (annexed by senior day service), nursery school, retail: 2 sections
Roygent Higashi Kanda	Compact	Chiyoda Ward, Tokyo	May 2018	Condominium: 134 units
Roygent Kudanshita	Compact	Chiyoda Ward, Tokyo	Aug. 2017	Condominium: 48 units
Roygent Shinsakae III	Compact/family	Nagoya City, Aichi	Sep. 2017	Condominium: 111 units
Royal Parks ER Bandai	Compact/family/ medical mall	Niigata City, Niigata	Feb. 2018	Condominium: 427 units, medical mall

Retail Properties

Property Name	Type	Location	Completion (Planned)	No. of Floors	Gross Floor Area
iiias Takao	Mall	Hachioji City, Tokyo	Jun. 2017	4	80,758 m ²
FOLEO Otsu Ichiriyama	Mall	Otsu City, Shiga	Oct. 2008	2 + 1 basement	62,918 m ²
iiias Tsukuba	Mall	Tsukuba City, Ibaraki	Sep. 2008	5	112,509 m ²
COMBOX Mito	Mall/hotel	Mito City, Ibaraki	Apr. 2006	13	18,498 m ²
FOLEO Hakata	Mall	Fukuoka City, Fukuoka	Jan. 2008	3	23,230 m ²
FOLEO Shoubu	Roadside	Kuki City, Saitama	Mar. 2010	1	19,089 m ²

Hotel Properties

Property Name	Type	Location	Completion (Planned)	No. of Floors	Gross Floor Area
Daiwa Royal Ariake Project	Hotel/retail/convention	Koto Ward, Tokyo	Mar. 2018	17 + 1 basement	22,500 m ²
Daiwa Roynet Hotel Yokohama Kannai	Hotel	Yokohama City, Kanagawa	Aug. 2009	10 + 1 basement	8,567 m ²

Other Assets

Property Name	Type	Location	Completion (Planned)	Gross Floor Area/ No. of Floors
Hiroshima Futaba no Sato Project	Office/hotel/retail	Hiroshima City, Hiroshima	Mar. 2019	47,123 m ²
Nerima Takamatsu Project	Assisted-living pay nursing homes	Nerima Ward, Tokyo	Feb. 2015 Jan. 2017	100 units 40 units
Shibuya Honmachi Project	Assisted-living pay nursing homes	Shibuya Ward, Tokyo	Oct. 2015	57 units
Utsunomiya Project	Serviced senior housing	Utsunomiya City, Tochigi	Sep. 2015	77 units

Royal Parks ER Sasashima



Roygent Higashi Kanda



FOLEO Otsu Ichiriyama



iiias Tsukuba



Daiwa Royal Ariake Project



Hiroshima Futaba no Sato Project



Nerima Takamatsu Project



Shibuya Honmachi Project



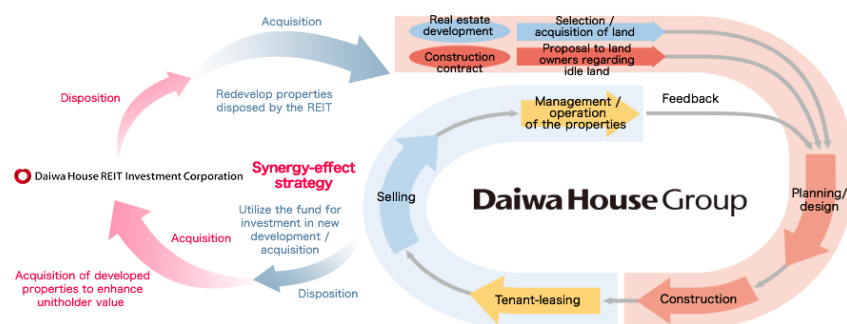
(Source) Daiwa House Industry Co., Ltd.

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

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

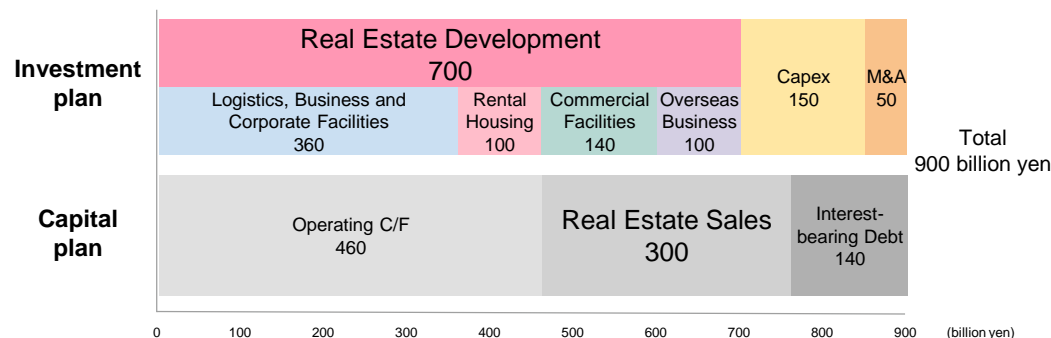
Value Chain of Daiwa House Group

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



5th Medium-Term Management Plan of Daiwa House Group

- ◆ Daiwa House Group intends to invest 700 bn yen in aggregate in the property development business according to its 5th Medium-Term Plan covering the fiscal year ending March 2017 through the fiscal year ending March 2019.



(Source) Daiwa House Industry Co., Ltd.

Same Boat Investment by Daiwa House

- ◆ In order to align interests between our unitholders and Daiwa House, Daiwa House intends to continue holding our units

Daiwa House's investment in Daiwa House REIT (% of ownership)

185,200 units (11.0%)

As of April 14, 2017

Real Estates Available for Sale of Daiwa House Group

(billion yen)

December 31, 2016	Being rented	Not being rented	Total
Logistics, business & corporate facilities	109.5	230.4	340.0
Rental housing	4.3	13.1	17.4
Commercial facilities	52.8	30.5	83.4

(Source) Daiwa House Industry Co., Ltd.



4. Operation and Financial Status



Operation Status

- 100% occupancy since acquisitions unchanged
- Installed LED light for 4 properties including D Project Machida, D Project Aikawa-Machi, D Project Akanehama and D Project Kuki V
→ Increased rental revenue
- Installed solar power generation system on roof for rent for DPL Inuyama
→ Increased rental revenue

Rent Revision / Lease Contract Renewal

- Rent revision:
D Project Nishi-Hiroshima Bldg. A and D Project Kuki I
→ Revised rent on equal terms
- D Project Shin-Misato in ongoing litigation
Recorded provision for loss on litigation of 80 mil yen comprehensively taking account the current status of the litigation

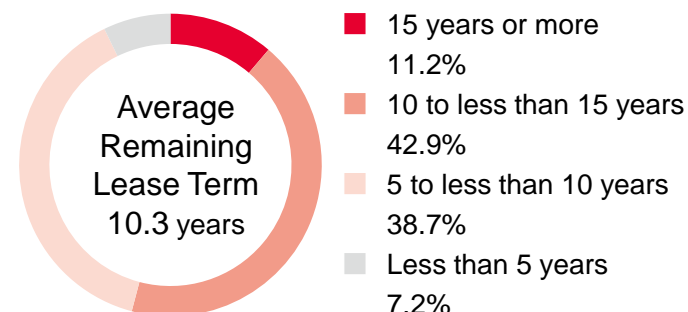
Future Plans for Internal Growth

- Aim to increase revenue by investing in properties suited for tenant needs

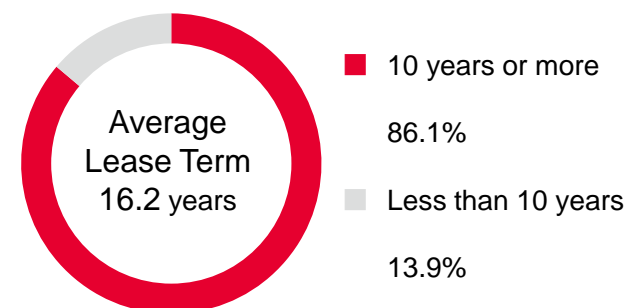
D Project Gifu D Project Kuki I D Project Kakegawa	<ul style="list-style-type: none"> Installation of LED light → Increase rental revenue
D Project Aikawa-Machi	<ul style="list-style-type: none"> Installation of freezing and refrigeration facility → Increase rental revenue
D Project Inuyama	<ul style="list-style-type: none"> Installation of solar power generation system on roof → Increase rental revenue



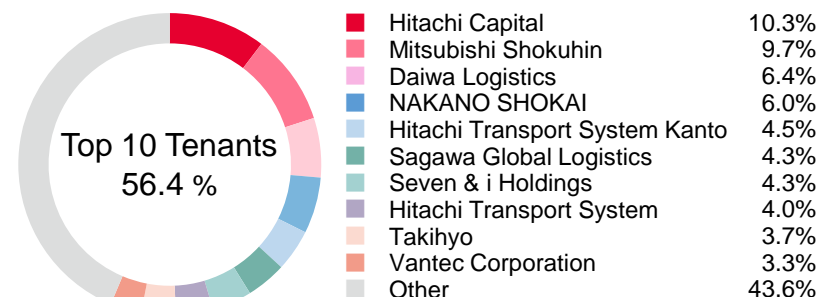
Remaining Lease Term (annual rent basis)



Lease Term (annual rent basis)



% of Top 10 Tenants (leased area basis)



As of April 11, 2017

Operation Status of Residential Properties

Operation Status

- Period average occupancy at 96.4%, above forecast of 95.0%
- Performed major renovations for 5 properties

Rents

- Monthly rents at tenant replacement increased for 4 consecutive periods
- Performed upgrade work for 21 residence units of 13 properties
→ Contracts were signed for 17 residence units at end of period with 8.1% increase in rents

Performing Upgrade Work

- Performed upgrade work considering the characteristics of each property in order to maintain competitiveness

Before

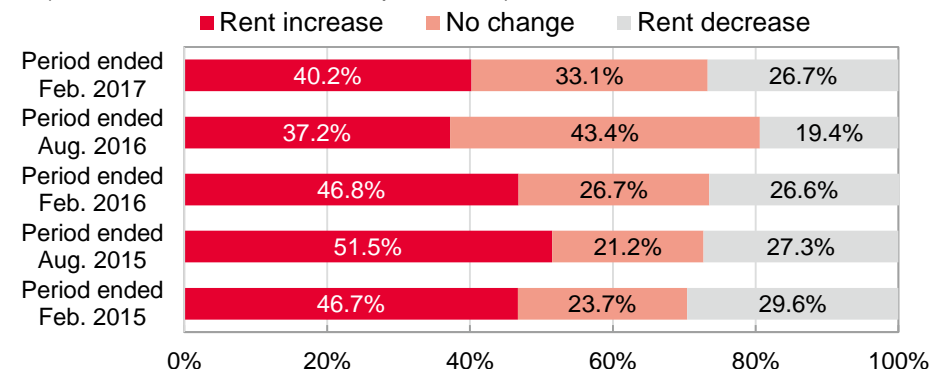


After

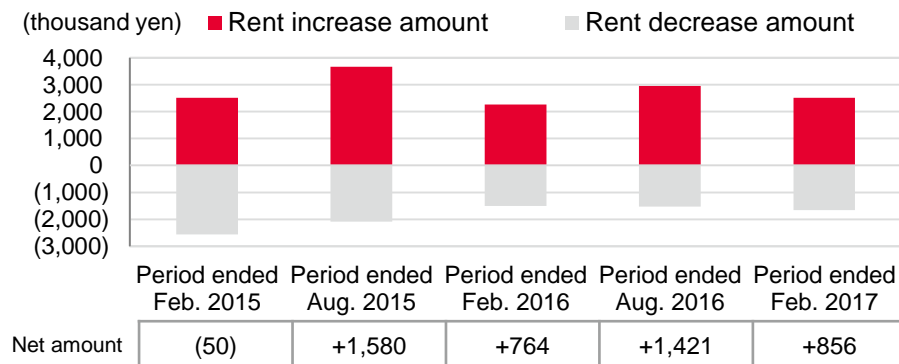


Monthly Rent at Tenant Replacement

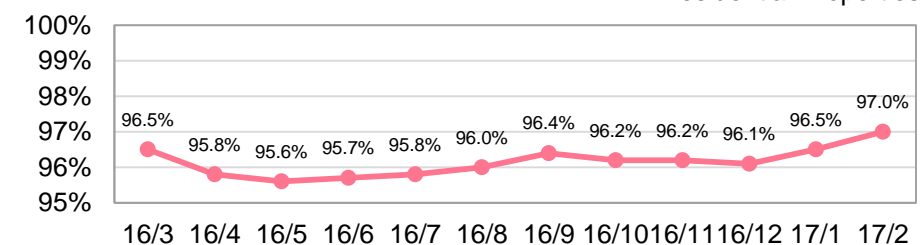
(Ratio of number of tenant replacement)



Amount of Monthly Rent Increase and Decrease



Monthly Occupancy Rate



Operation Status

- Occupancy remained at a high level of 99.4%
 - Move-ins: 6 units
 - Move-outs: 9 units

< QiZ GATE URAWA >

- Replacing tenant with a competitive food supermarket
 - LOPIA will newly open in late May 2017
- Renewal construction work in time with opening of LOPIA



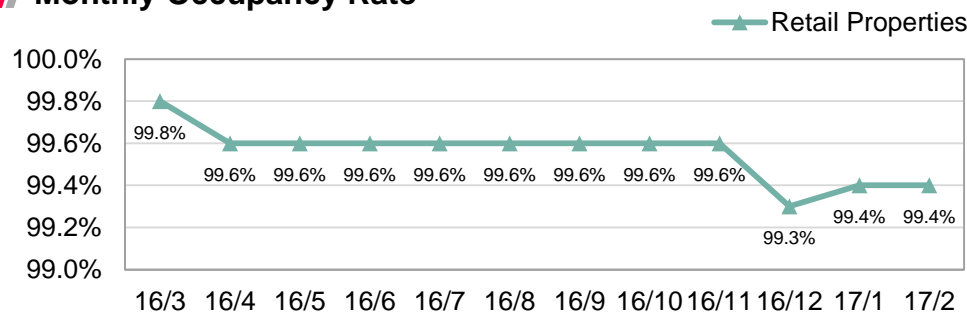
< FOLEO Hirakata >

- Planning renewal construction work in time with contract renewal of 7 units in Sep. 2017

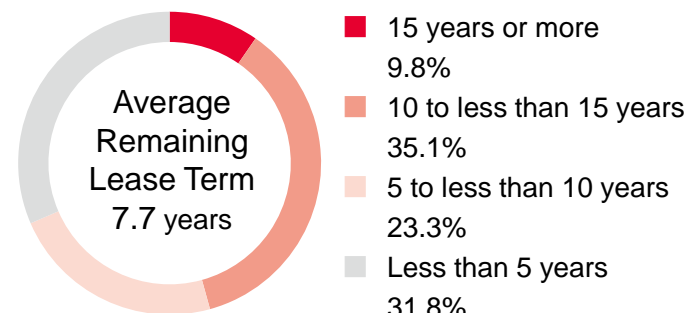
Rent Revision / Lease Contract Renewal of Major Tenants

- Rent revision:
 - ACROSSMALL Shinkamagaya and ACROSSPLAZA Miyoshi
 - Revised rent on equal terms

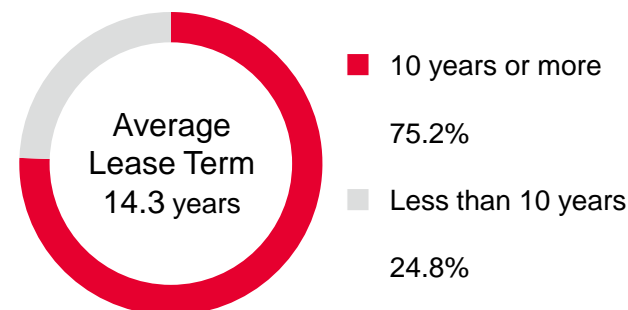
Monthly Occupancy Rate



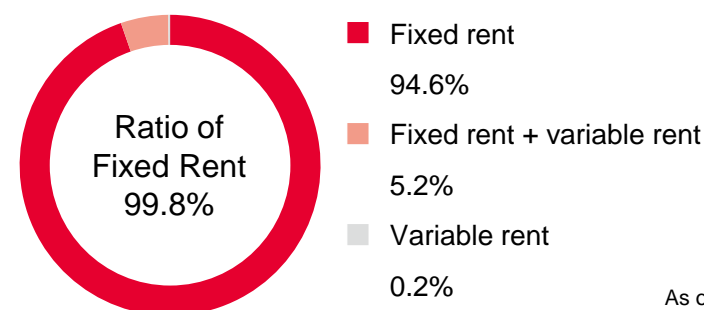
Remaining Lease Term (annual rent basis)



Lease Term (annual rent basis)



Rent Type (leased area basis)



As of April 11, 2017

- ◆ Established Sustainability Policy
- ◆ 3 properties newly received DBJ Green Building Certification

// Establishment of Sustainability Policy

- The Daiwa House Group's basic approach is "Creating Dreams, Building Hearts." As a group that co-creates value for individuals, communities and people's lifestyles, the Group aims to build trust relationships with stakeholders and contribute to society through its businesses, and to realize a sustainable society by meeting the challenge of achieving "zero environmental impacts."
- Daiwa House Asset Management Co., Ltd. shares the Daiwa House Group's basic approach as DHR's asset manager, and considers that including consideration for environment, society, and governance in its real estate investment management operations contributes to DHR's basic policy of ensuring stable revenue and steady growth of assets over the long term. Therefore, we have established the "Sustainability Policy" to guide our real estate investment and management.

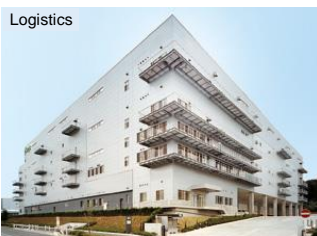
Prevention of global warming	Establishment of an internal framework and initiatives for employees
Harmony with the natural environment	Building of trust relationships with external stakeholders
Conservation of natural resources	Promotion of communication through information disclosure
Prevention of chemical pollution	Compliance with laws and regulations, and risk management

// DBJ Green Building Certification

- ◆ DHR has received the certification for logistics, residential and retail properties

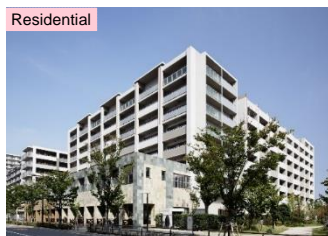
Newly Certified

D Project Machida



DBJ Green Building
2016 

Royal Parks Toyosu



DBJ Green Building
2016 

ACROSSMALL Shinkamagaya



DBJ Green Building
2016 

Certified

D Project Hachioji



DBJ Green Building
2016 

Pacific Royal Court
Minato Mirai Urban Tower



DBJ Green Building
2016 

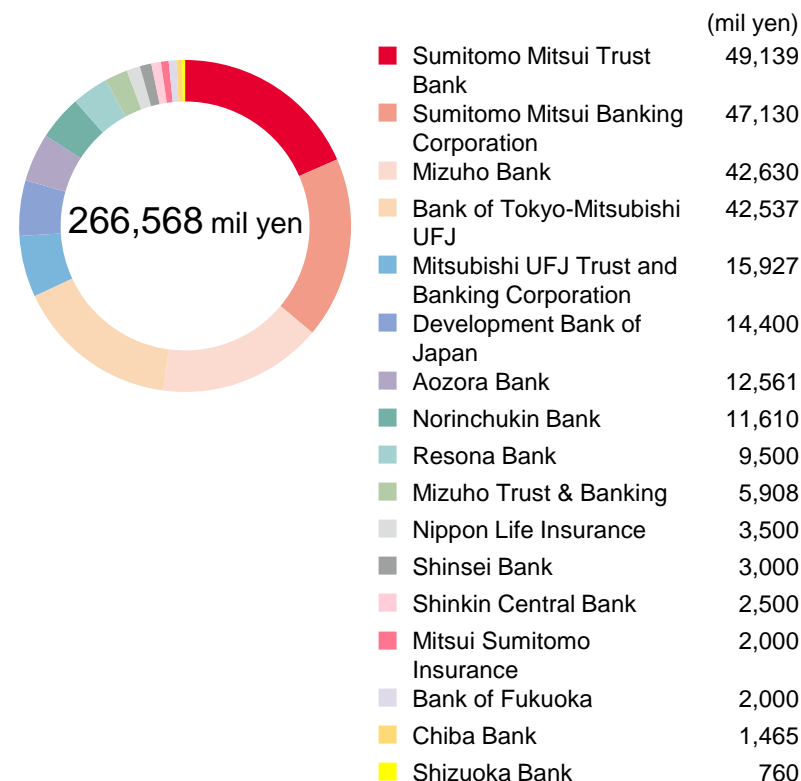
Financial Status (1)

- ◆ Control LTV within 40% to 50% range and maintain stable financial operation
- ◆ DHR currently has 38 bn yen of debt capacity for acquisition of up to 50% of LTV (excluding goodwill)

// Financial Status

	As of Sep. 30, 2016	As of Apr. 14, 2017	Change
Interest-bearing debt	253,163 mil yen	282,568 mil yen	+29,405 mil yen
Loans	242,163 mil yen	266,568 mil yen	+24,405 mil yen
Bonds	11,000 mil yen	16,000 mil yen	+5,000 mil yen
LTV (including goodwill)	41.8 %	41.6 %	-0.2 p.p.
LTV (excluding goodwill)	48.1 %	46.9 %	-1.2 p.p.
Long-term interest- bearing debt ratio	76.5 %	89.9 %	+13.4 p.p.
Fixed interest ratio	87.1 %	93.8 %	+6.7 p.p.
Average interest rate	0.77 %	0.76 %	-0.01 p.p.
Average remaining maturity	4.3 years	5.6 years	+1.3 years
Commitment line	20,000 mil yen	20,000 mil yen	—

// Lender Formation



// Credit Rating

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

Financial Status (2)

- ◆ Further lengthening and diversifying debt maturities and fixing interest rates
- ◆ Issued 5-year and 10-year investment corporation bonds in Dec. 2016

// Debt Financing

Period ended Feb. 2017

New Financing (as of financing)	
Financing amount	10,000 mil yen
Average interest rate	0.64 %
Average maturity	9.1 years

Repayment (as of repayment)	
Repayment amount	54,800 mil yen
Average interest rate	0.89 %
Average maturity	4.1 years

Refinancing

Refinancing (as of financing)	
Financing amount	54,300 mil yen
Average interest rate	0.51 %
Average maturity	7.3 years

Period ending Aug. 2017 (as of April 14, 2017)

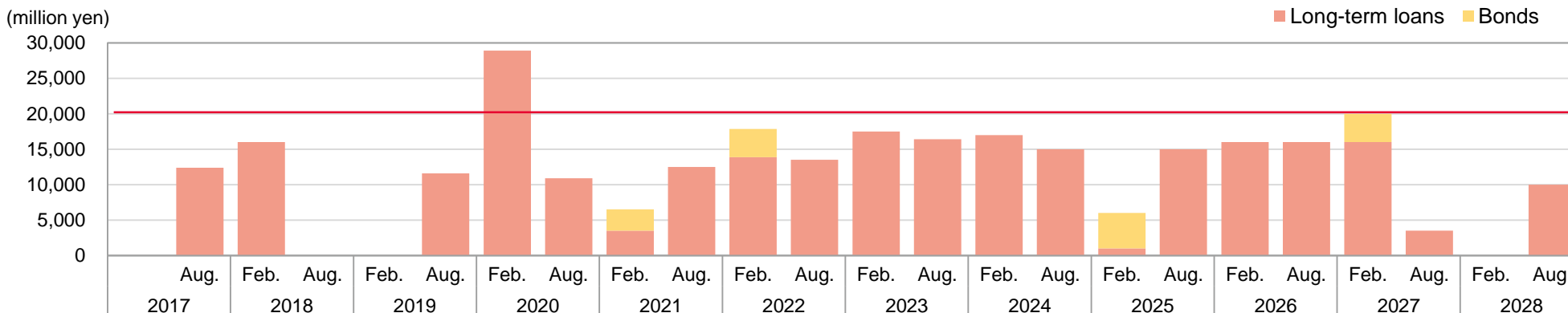
New Financing (as of financing)	
Financing amount	29,500 mil yen
Average interest rate	0.73 %
Average maturity	8.1 years

Repayment (as of repayment)	
Repayment amount	24,095 mil yen
Average interest rate	0.82 %
Average maturity	4.0 years

Refinancing

Refinancing (as of financing)	
Financing amount	24,000 mil yen
Average interest rate	0.65 %
Average maturity	7.5 years

// Diversified Maturity Ladder





5. Financial Forecasts

◆ Aug. 2017 DPU Forecast 4,800 yen from earnings contribution of new acquisitions

◆ Feb. 2018 DPU Forecast 5,050 yen

// Periods ending Aug. 2017 and Feb. 2018 Forecasts

	Period ended Feb. 2017 Result	Period ending Aug. 2017 Forecast	Period-on- period change	(million yen)	
				Period ending Feb. 2018 Forecast	Period-on- period change
Operating revenue	17,531	19,341	1,809	19,650	309
Operating expenses	11,963	11,670	-293	11,773	103
Amortization of goodwill	1,982	1,982	—	1,982	—
Property taxes	1,175	1,226	51	1,226	0
Depreciation	3,361	3,713	352	3,788	74
Operating income	5,567	7,670	2,102	7,876	206
Interest and borrowing related expenses	1,123	1,272	148	1,309	37
Ordinary income	4,474	6,146	1,672	6,569	423
Extraordinary loss	80	15	-64	16	0
Net income	4,393	6,129	1,736	6,552	422
Reversal of retained earnings	2,899	1,982	-917	1,982	—
Total distribution	7,292	8,112	819	8,534	422

<Per unit information>

Net income per unit (A)	2,891 yen	3,627 yen	736 yen	3,877 yen	250 yen
Reversal of retained earnings per unit (B)	1,908 yen	1,172 yen	-736 yen	1,172 yen	—
DPU (A)+(B)	4,800 yen	4,800 yen	—	5,050 yen	250 yen
[forecast as of Oct. 2016]	[4,700 yen]	[4,720 yen]			

// Major Variation Factors for Aug. 2017 Forecast vs Feb. 2017 Result

- Increase in operating revenue +1,809 mil yen
 - Full period contribution of 7 properties acquired in Feb. 2017 period
 - Contribution of 15 property acquired in Apr. 2017
 - Lease cancellation penalty from tenants
- Decrease in operating expenses +293 mil yen
 - Expenses for 7 properties acquired in Feb. 2017 period
 - Expenses for 15 property acquired in Apr. 2017
 - Property taxes for the properties acquired in 2016
 - Absence of merger fees
- Increase in non-operating expenses -403 mil yen
 - Investment unit issuance expenses
 - Increase in interest expenses related to new loans

// Major Variation Factors for Feb. 2018 Forecast vs Aug. 2017 Forecast

- Increase in operating revenue +309 mil yen
 - Full period contribution of 15 properties acquired in Apr. 2017
 - Absence of lease cancellation penalty from tenants
- Increase in operating expenses -103 mil yen
 - Full period expenses for 15 properties acquired in Apr. 2017
- Decrease in non-operating expenses +216 mil yen
 - Absence of investment unit issuance expenses incurred in the previous period
 - Increase in interest expenses

// Treatment of Goodwill

Goodwill recognized from the merger

79,289 million yen

Goodwill is recorded as intangible non-current assets on B/S
* Amortized over 20 years using the straight-line method

// Use of Retained Earnings

Retained earnings

14,806 million yen

(after a reversal for the period ended Feb. 2017)

To pay distribution equivalent to goodwill amortization

Reversal of retained earnings

To cover loss on sale of property, etc.

Reversal of retained earnings

To address dilution as a result of issuance of units

Tax-loss carry-forwards

45,031 million yen (Note)

(Note) 44,524 million yen can be applied to offset taxable income through August 31, 2018 and 507 million yen can be applied to offset taxable income through February 28, 2021.

When gain on sale of property, etc. is realized or other factors

Accumulate retained earnings

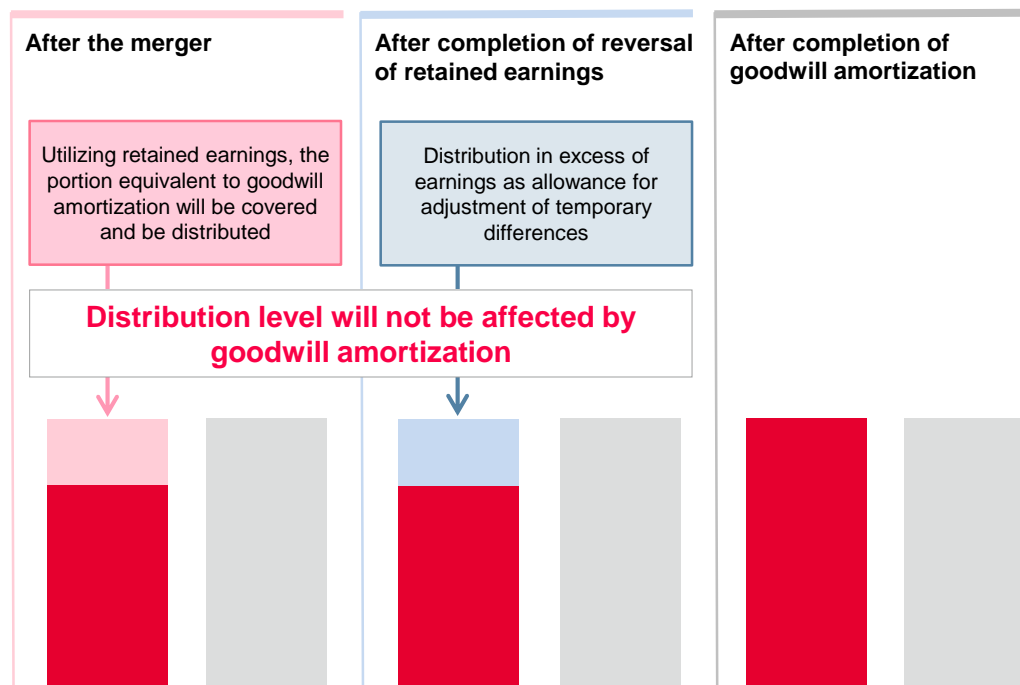
// Distribution policy

Net income

Distributions

Reversal of retained earnings

Distribution in excess of earnings

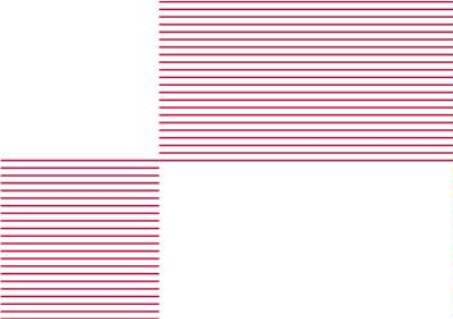


Goodwill to be amortized over 20 years

Realize stable distributions



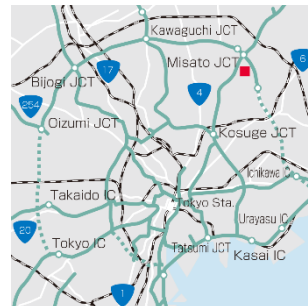
Appendix



Acquisitions in April 2017 (1)

LM-001 DPL Misato

Logistics (Multi-tenant-type)



- Adjacent to Misato JCT, an intersection of Metropolitan Expressway, Joban Expressway and Tokyo Gaikan Expressway, a strategic location for logistics in terms of access within inland greater Tokyo area
- Location in industrial area allows 24-hour operation. Nearby population provides advantages for employee hiring
- GFA of approx. 14,955 tsubo, 5-story multi-tenant type facility. Solar panels on the roof
- Two-sided car berths on 1st floor, 2-way ramp way allows trucks direct access to each floor for efficient delivery
- Ceiling height 5.5m (1st to 4th floor) and 5.75m (5th floor), floor weight capacity 1.5t/sqm, pillar interval spacing of 11.5m x 11.5m

Location	Misato City, Saitama
Construction date	Jul. 8, 2013
Acquisition price	16,831 mil yen
Appraisal value	16,900 mil yen
Appraisal NOI yield	4.5%
Average lease term	8.7 years
Average remaining lease term	6.3 years
Total leasable area	55,864.93 m ²
Tenants	Kokubu Group, ARATA, Kato Sangyo, Nitori, etc.

LB-035 D Project Kawagoe III

Logistics (BTS-type)



- Located approx. 30 km from central Tokyo, excellent accessibility to National Route 16, Kawagoe IC of Kanetsu Expressway and Kawajima IC of Ken-O Expressway
- GFA of approx. 12,010 tsubo, 4-story property (3-story for the warehouse), solar panels on the roof



Location	Kawagoe City, Saitama
Construction date	Jul. 1, 2014
Acquisition price	7,200 mil yen
Appraisal value	7,260 mil yen
Appraisal NOI yield	5.0%
Lease term	10.0 years
Remaining lease term	7.2 years
Total leasable area	39,572.32 m ²
Tenant	Hitachi Transport System Kanto

LB-036 D Project Kazo

Logistics (BTS-type)



- Located 50 km from central Tokyo, access to central Saitama and central Tokyo using National Route 4 or 122, and Tohoku area and surrounding areas by using Kazo IC of Tohoku Expressway
- GFA of approx. 5,537 tsubo, 4-story property



Location	Kazo City, Saitama
Construction date	Jul. 14, 2014
Acquisition price	3,300 mil yen
Appraisal value	3,350 mil yen
Appraisal NOI yield	5.1%
Lease term	10.6 years
Remaining lease term	7.9 years
Total leasable area	18,371.10 m ²
Tenant	Itochu Logistics

Acquisitions in April 2017 (2)

LB-037 D Project Urayasu III



Logistics (BTS-type)

Location	Urayasu City, Chiba
Construction date	Nov. 1, 2005
Acquisition price	8,500 mil yen
Appraisal value	8,880 mil yen
Appraisal NOI yield	4.8%
Lease term	19.8 years
Remaining lease term	8.4 years
Total leasable area	39,441.32 m ²
Tenant	Daiwa Logistics



- Located 2 to 3 km from National Route 357 along the Metropolitan Expressway Wangan Route with the closest interchanges being Maihama and Urayasu, a major distribution base adjacent to a large-scale consumer area. Located approx. 20 km from the Tokyo port, well-suited for importing logistics and large-scale distribution base for the greater Tokyo area
- GFA of approx. 11,828 tsubo, 5-story property

LB-038 D Project Tomisato



Logistics (BTS-type)

Location	Tomisato City, Chiba
Construction date	Apr. 23, 2015
Acquisition price	5,000 mil yen
Appraisal value	5,030 mil yen
Appraisal NOI yield	5.1%
Lease term	10.8 years
Remaining lease term	8.8 years
Total leasable area	36,113.25 m ²
Tenant	Tokyo Nohin Daiko



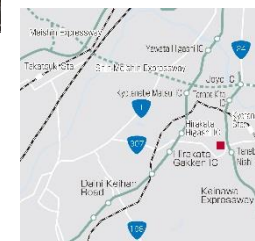
- Located 50 km from central Tokyo, coverage area of central Chiba and east Tokyo by National Route 296, central Saitama by National Route 16, and surrounding area by Tomisato IC of Higashi Kanto Expressway, a transit center for air cargo nearby Narita Airport
- GFA of approx. 10,991 tsubo, 6-story property

LB-039 D Project Kyotanabe



Logistics (BTS-type)

Location	Kyotanabe City, Kyoto
Construction date	Sep. 28, 2012
Acquisition price	3,520 mil yen
Appraisal value	3,550 mil yen
Appraisal NOI yield	5.8%
Lease term	20.1 years
Remaining lease term	15.6 years
Total leasable area	10,965.68 m ²
Tenant	Hutech norin



- Located 30 km from central Osaka city and 20 km from central Kyoto city, enabling delivery to surrounding areas and longer-distance transportation by accessing the Daini Keihan St. or the Tanabe Nishi IC of the Keihin Expressway
- GFA of approx. 3,317 tsubo, 2-story property consisting of a freezing and refrigeration facility

LB-040 D Project Sendai Izumi



Logistics (BTS-type)

Location	Sendai City, Miyagi
Construction date	Apr. 1, 2014
Acquisition price	1,510 mil yen
Appraisal value	1,560 mil yen
Appraisal NOI yield	5.7%
Total leasable area	10,764.05 m ²
Tenant	Mitsubishi Shokuhin



- Located approx. 16 km from central Sendai City, providing access to central Sendai, and to Tohoku area through Tohoku Expressway's Izumi IC
- GFA of approx. 3,648 tsubo, 3-story property, well-suited for operating trucks on the premises, with a parking lot with 84 parking spaces

Acquisitions in April 2017 (3)

LB-041 D Project Oyama



- Located approx. 80 km from central Tokyo, coverage area of Maebashi city, central Saitama through Kita-Kanto Expressway and National Routes 4 and 50, and Tohoku area through Tohoku Expressway
- GFA of approx. 3,960 tsubo, 2-story property

Location	Oyama City, Tochigi
Construction date	Mar. 1, 2010 (Extension) Mar. 1, 2014
Acquisition price	2,000 mil yen
Appraisal value	2,010 mil yen
Appraisal NOI yield	5.8%
Total leasable area	14,106.91 m ²
Tenant	Mitsubishi Shokuhin

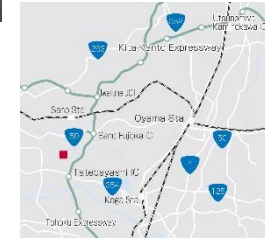


LB-043 D Project Tatebayashi



- Coverage area of Maebashi City and central Saitama by National Route 122, and Tohoku area by accessing Tohoku Expressway's Tatebayashi IC and Sano Fujioka IC
- GFA of approx. 4,105 tsubo, 2-story property, solar panels on the roof

Location	Tatebayashi City, Gunma
Construction date	Sep. 1, 2015
Acquisition price	3,100 mil yen
Appraisal value	3,120 mil yen
Appraisal NOI yield	5.7%
Lease term	15.0 years
Remaining lease term	13.4 years
Total leasable area	13,521.56 m ²
Tenant	Hitachi Transport System Kanto

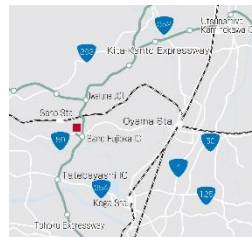


LB-042 D Project Sano



- Located approx. 80 km from central Tokyo, coverage area of Kita Kanto area, Maebashi and surrounding areas by National Route 50 and Tohoku area from Tohoku Expressway's Sano Fujioka IC (approx. 3 km away)
- GFA of approx. 4,733 tsubo, 2-story property, solar panels on the roof

Location	Sano City, Tochigi
Construction date	May 12, 2014
Acquisition price	1,780 mil yen
Appraisal value	1,780 mil yen
Appraisal NOI yield	5.8%
Lease term	15.0 years
Remaining lease term	12.2 years
Total leasable area	15,668.44 m ²
Tenant	Toryusha



LB-044 D Project Kakegawa



- Coverage area of Shizuoka City and central Hamamatsu City by National Route 1, and Tokyo, Chubu and Kansai areas by accessing Tomei Expressway's Kakegawa IC
- GFA of approx. 10,252 tsubo, 5-story property

Location	Kakegawa City, Shizuoka
Construction date	Aug. 1, 2014
Acquisition price	6,000 mil yen
Appraisal value	6,070 mil yen
Appraisal NOI yield	5.8%
Lease term	20.0 years
Remaining lease term	17.3 years
Total leasable area	39,341.44 m ²
Tenant	Hitachi Transport System Chubu



Acquisitions in April 2017 (4)

LB-045 D Project Hiroshima Seifu



Logistics (BTS-type)

- Enable delivery to Yamaguchi and Okayama areas via Hiroshima Seifushinto IC, connecting Chugoku Expressway running inland and the Sanyo Expressway running along the coast of the Chugoku area, and access to central Hiroshima City via Hiroshima Expressway 4
- GFA of approx. 5,764 tsubo, 2-story property

Location	Hiroshima City, Hiroshima
Construction date	Dec. 19, 2014
Acquisition price	3,820 mil yen
Appraisal value	3,860 mil yen
Appraisal NOI yield	5.9%
Total leasable area	19,004.72 m ²
Tenant	MITSUI FOODS



RE-143 Castalia Shinsakae II



Residential
(Compact / Family)

Daiwa House Group
Sublease

- Located 9 minutes walking distance to Yabacho Station and also accessible to Sakae Station
- Walking distance to the commercial center Sakae and various stores and restaurants located along the main road, making this property convenient for everyday life
- The variety of apartment types can meet the various needs of end-tenants

Location	Nagoya City, Aichi
Construction date	Jan. 25, 2016
Acquisition price	1,800 mil yen
Appraisal value	1,850 mil yen
Appraisal NOI yield	5.5%
Structure / floors	RC, 12-storied
Leasable units	99 units
Total leasable area	4,425.46 m ²
Tenant	Daiwa Living Management



LB-046 D Project Tosu II



Logistics (BTS-type)

- Located 1.5 km from Tosu IC, the inland point where Kyushu Expressway runs north-south, Nagasaki Expressway runs east-west, and the Oita Expressway in the Kyushu area intersects
- Having the advantage of covering all areas of Kyushu, primarily the northern area of Kyushu, and easy access to local roads such as National Routes 3, 34 and 500
- GFA of approx. 3,902 tsubo, 4-story property

Location	Tosu City, Saga
Construction date	Dec. 21, 2016
Acquisition price	1,700 mil yen
Appraisal value	1,740 mil yen
Appraisal NOI yield	5.5%
Lease term	7.0 years
Remaining lease term	6.7 years
Total leasable area	13,012.50 m ²
Tenant	Marukyo Transportation



OT-004 Sharp Hiroshima Building



Other (Office)

- Located on a main street of National Route that connects to JR Hiroshima Station and Sanyo Expressway's Hiroshima IC. Area with high convenience and visibility, suitable as a sales office for manufacturers hub for covering the surrounding area
- Standard floor area of approx. 300 tsubo, 3-story property consists of an office with storage, and has a parking lot with approx. 48 parking spaces

Location	Hiroshima City, Hiroshima
Construction date	Jan. 29, 2016
Acquisition price	1,850 mil yen
Appraisal value	1,890 mil yen
Appraisal NOI yield	5.7%
Total leasable area	3,064.89 m ²
Tenant	Sharp



Historical Financial Data

	Feb. 2015	Aug. 2015	Feb. 2016	Aug. 2016 (A)	Feb. 2017 (B)	Change (B-A)
Operating days	181 days	184 days	182 days	184 days	181 days	-3 days
Operating Revenue	8,693 mil yen	9,356 mil yen	9,662 mil yen	9,691 mil yen	17,531 mil yen	7,840 mil yen
Operating Income	3,881 mil yen	3,925 mil yen	3,947 mil yen	3,959 mil yen	5,567 mil yen	1,607 mil yen
Gain / loss on sale of property	—	—	—	—	-4 mil yen	-4 mil yen
Ordinary Income	3,081 mil yen	3,146 mil yen	3,177 mil yen	3,214 mil yen	4,474 mil yen	1,259 mil yen
Net Income	3,080 mil yen	3,145 mil yen	3,177 mil yen	3,213 mil yen	4,393 mil yen	1,179 mil yen
DPU	8,691 yen	4,460 yen	4,501 yen	4,537 yen	4,800 yen	263 yen
Number of investment units issued	373,870 units	747,740 units	747,740 units	747,740 units	1,519,280 units	771,540 units
Payout ratio	105.5 %	106.0 %	106.0 %	105.6 %	166.0 %	60.4 p.p.
Total Assets	238,730 mil yen	258,400 mil yen	258,590 mil yen	258,266 mil yen	604,142 mil yen	345,875 mil yen
Net Assets	111,455 mil yen	111,352 mil yen	111,194 mil yen	111,042 mil yen	330,304 mil yen	219,262 mil yen
Unitholders' Capital	61,703 mil yen	61,703 mil yen	61,703 mil yen	61,703 mil yen	61,703 mil yen	—
Capital Surplus	28,241 mil yen	28,241 mil yen	28,241 mil yen	28,241 mil yen	247,667 mil yen	219,425 mil yen
Interest-bearing debt	122,463 mil yen	141,663 mil yen	141,663 mil yen	141,663 mil yen	253,163 mil yen	111,500 mil yen
LTV (Including goodwill)	51.3 %	54.8 %	54.8 %	54.9 %	41.9 %	-13.0 p.p.
LTV (Excluding goodwill)	—	—	—	—	48.1 %	—
Net Assets per unit ^(Note 1)	149,056 yen	148,918 yen	148,707 yen	148,504 yen	217,408 yen	68,904 yen
NAV per unit ^(Note 1)	177,581 yen	185,450 yen	191,454 yen	195,377 yen	248,462 yen	53,085 yen
FFO per unit ^{(Note 1) (Note 2)}	6,385 yen	6,752 yen	6,948 yen	7,024 yen	6,469 yen	-555 yen

(Note 1) "Net Assets per unit", "NAV per unit" and "FFO per unit" for the period ended February 2015 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 + amortization of investment corporation bond issuance costs + amortization of trademark rights + amortization of software +/- loss or gain on sale of property +/- extraordinary loss or gain) / number of investment units issued

Historical Portfolio Data

	Feb. 2015	Aug. 2015	Feb. 2016	Aug. 2016 (A)	Feb. 2017 (B)	Change (B-A)
Number of properties	136 properties	141 properties	142 properties	142 properties	189 properties	47 properties
Total acquisition price	237,626 mil yen	255,376 mil yen	256,349 mil yen	256,349 mil yen	513,772 mil yen	257,423 mil yen
Ratio of logistics properties	—	—	—	—	38.1 %	38.1 p.p.
Ratio of residential properties	99.1 %	99.2 %	99.2 %	99.2 %	50.2 %	-49.0 p.p.
Ratio of retail properties	—	—	—	—	9.8 %	9.8 p.p.
Ratio of hotel properties	—	—	—	—	—	—
Ratio of other assets	0.9 %	0.8 %	0.8 %	0.8 %	1.9 %	1.1 p.p.
Unrealized gain / loss	21,328 mil yen	27,316 mil yen	31,963 mil yen	35,048 mil yen	47,179 mil yen	12,130 mil yen
Leasable area	451,292.44 m ²	503,899.79 m ²	505,935.16 m ²	505,935.16 m ²	1,605,625.31 m ²	1,099,690.15 m ²
Properties acquired during the period	2 properties / 2,265 mil yen	5 properties / 17,750 mil yen	1 property / 973 mil yen	—	7 properties / 22,830 mil yen	7 properties / 22,830 mil yen
Properties sold during the period	—	—	—	—	1 property / 370 mil yen	1 property / 370 mil yen
Occupancy rate	97.1 %	95.9 %	96.0 %	96.1 %	99.0 %	2.9 p.p.
Real estate rental revenue	8,693 mil yen	9,356 mil yen	9,662 mil yen	9,691 mil yen	17,531 mil yen	7,840 mil yen
Real estate rental expenses	3,875 mil yen	4,438 mil yen	4,688 mil yen	4,746 mil yen	7,493 mil yen	2,747 mil yen
Real estate rental income	4,817 mil yen	4,917 mil yen	4,974 mil yen	4,944 mil yen	10,037 mil yen	5,092 mil yen
Depreciation	1,689 mil yen	1,897 mil yen	2,012 mil yen	2,033 mil yen	3,361 mil yen	1,328 mil yen
NOI ^(Note)	6,507 mil yen	6,814 mil yen	6,986 mil yen	6,977 mil yen	13,398 mil yen	6,420 mil yen
NOI yield	5.5 %	5.4 %	5.5 %	5.4 %	5.3 %	-0.1 p.p.

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

Balance Sheets

(thousand yen)

	Period ended Aug. 2016	Period ended Feb. 2017
Assets		
Current assets		
Cash and deposits	4,960,930	11,110,819
Cash and deposits in trust	4,427,398	9,416,246
Operating accounts receivable	110,856	169,018
Prepaid expenses	255,842	447,439
Consumption taxes receivable	—	487,928
Other	3,034	4,946
Allowance for doubtful accounts	(4,078)	(5,521)
Total current assets	9,753,983	21,630,877
Non-current assets		
Property, plant and equipment		
Buildings, net	25,446,827	25,199,993
Structures, net	222,317	219,669
Machinery and equipment, net	384,354	389,326
Tools, furniture and fixtures, net	389,715	375,707
Land	22,453,490	22,453,490
Buildings in trust, net	103,228,969	214,004,771
Structures in trust, net	831,554	3,389,114
Machinery and equipment in trust, net	1,218,678	1,631,215
Tools, furniture and fixtures in trust, net	340,288	369,510
Land in trust	85,002,219	226,663,386
Construction in progress in trust	380	5,022
Total property, plant and equipment	239,518,795	494,701,208
Intangible assets		
Goodwill	—	77,306,836
Leasehold rights in trust	5,279,705	5,500,051
Software	1,740	1,448
Trademark rights	3,092	2,825
Total intangible assets	5,284,538	82,811,162
Investments and other assets		
Investment securities	—	9,291
Long-term prepaid expenses	396,454	1,453,688
Guarantee deposits	10,261	10,261
Lease and guarantee deposits in trust	3,250,134	3,414,720
Other	42,488	42,488
Allowance for doubtful accounts	(24,058)	(24,058)
Total investments and other assets	3,675,279	4,906,390
Total non-current assets	248,478,614	582,418,762
Deferred assets		
Investment corporation bond issuance costs	33,930	92,831
Total deferred assets	33,930	92,831
Total assets	258,266,528	604,142,471

	Period ended Aug. 2016	Period ended Feb. 2017
Liabilities		
Current liabilities		
Operating accounts payable	789,782	1,210,266
Short-term loans	10,000,000	6,000,000
Current portion of investment corporation bonds	3,000,000	3,000,000
Current portion of long-term loans	59,295,000	43,495,000
Accounts payable – other	99,151	75,311
Accrued expenses	638,221	1,089,119
Income taxes payable	605	605
Consumption taxes payable	22,971	—
Advances received	901,603	1,935,780
Unearned revenue	—	221,735
Deposits received	334,234	356,801
Other	—	43,852
Total current liabilities	75,081,569	57,428,471
Non-current liabilities		
Investment corporation bonds	6,000,000	16,000,000
Long-term loans	63,368,000	184,668,000
Long-term unearned revenue	—	1,262,357
Tenant leasehold and security deposits	277,602	288,912
Tenant leasehold and security deposits in trust	2,072,139	12,515,805
Provision for loss in litigation	—	80,147
Asset retirement obligations	424,558	429,379
Derivatives liabilities	—	1,164,700
Total non-current liabilities	72,142,301	216,409,303
Total liabilities	147,223,870	273,837,775
Net assets		
Unitholders' equity		
Unitholders' capital	61,703,224	61,703,224
Surplus		
Capital surplus	28,241,587	247,667,563
Reserve for distribution	17,884,290	17,705,349
Unappropriated retained earnings	3,213,554	4,393,259
Total surplus	49,339,433	269,766,172
Total unitholders' equity	111,042,657	331,469,396
Deferred gains or losses on hedges	—	(1,164,700)
Total net assets	111,042,657	330,304,696
Total liabilities and net assets	258,266,528	604,142,471

Statements of Income

(thousand yen)

	Period ended Aug. 2016	Period ended Feb. 2017
Operating revenue		
Rental business revenue	9,020,350	16,606,592
Other rental business revenue	670,787	924,550
Total operating revenue	9,691,138	17,531,143
Operating expenses		
Expenses related to rent business	4,746,584	7,493,903
Loss on sale of real estate properties	—	4,207
Asset management fees	609,840	983,471
Asset custody fees	23,083	26,204
Administrative service fees	65,557	72,780
Directors' remuneration	6,600	6,600
Merger expenses	—	1,042,059
Amortization of goodwill	—	1,982,226
Provision of allowance for doubtful accounts	373	1,974
Other operating expenses	279,286	350,360
Total operating expenses	5,731,326	11,963,787
Operating Income	3,959,811	5,567,356
Non-operating income		
Interest income	43	109
Gain on forfeiture of unclaimed distributions	4,046	5,180
Refunded consumption taxes	—	21,388
Gain on adjustment of liabilities	6,853	8
Gain on donation of non-current assets	—	5,433
Other	3	19
Total non-recurring income	10,947	32,138
Non-operating expenses		
Interest expenses	539,652	827,814
Interest expenses on investment corporation bonds	32,451	45,953
Amortization of investment corporation bond issuance costs	5,025	7,898
Borrowing related expenses	153,724	241,696
Provision of allowance for doubtful accounts	24,058	—
Other	1,686	2,119
Total non-recurring expenses	756,599	1,125,483
Ordinary Income	3,214,159	4,474,011
Extraordinary losses	—	80,147
Income before income taxes	3,214,159	4,393,864
Total income taxes	605	605
Net income	3,213,554	4,393,259
Unappropriated retained earnings	3,213,554	4,393,259

// Statements of Cash Distributions

(yen)

	Period ended Aug. 2016	Period ended Feb. 2017
I Unappropriated retained earnings	3,213,554,837	4,393,259,342
II Reversal of reserve for distribution	202,816,078	17,669,020,696
III Distributions	3,392,496,380	7,292,544,000
[Distributions per unit]	[4,537]	[4,800]
IV Retention of reserve for distribution	23,874,535	21,388,890
Retention of retained earnings for temporary difference adjustment	—	14,748,347,148
V Retained earnings carried forward	—	—

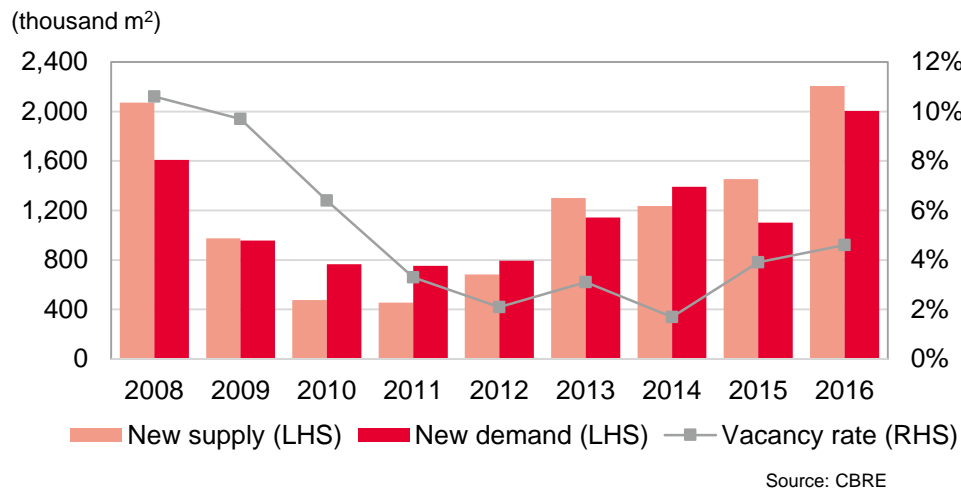
// Rental Revenue and Expenses

(thousand yen)

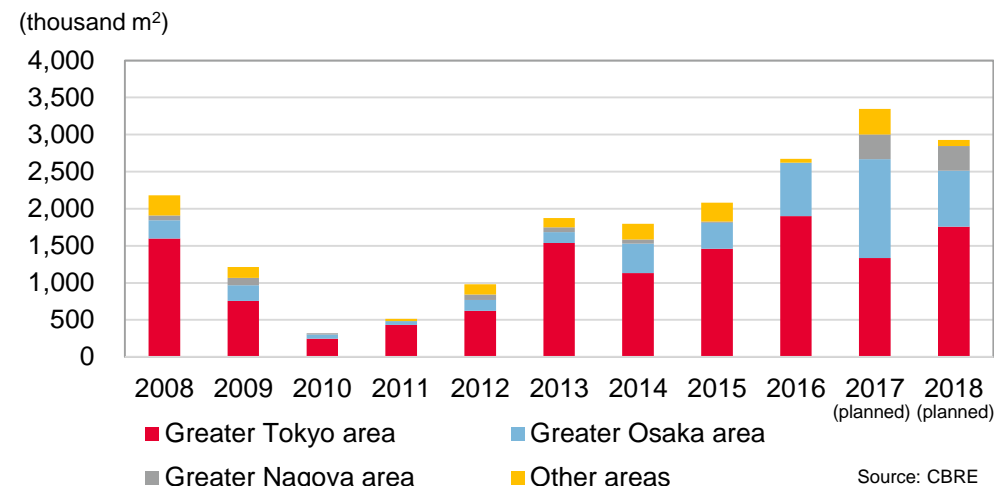
	Period ended Aug. 2016	Period ended Feb. 2017
A. Real estate rental revenue		
Rental revenue		
Rent	8,711,310	16,184,156
Common area charges	309,039	422,436
Total real estate rental revenue	9,020,350	16,606,592
Other rental revenue		
Facility charges	287,364	338,545
Incidental revenue	56,177	253,928
Other	327,245	332,076
Total other rental revenue	670,787	924,550
Total real estate rental revenue	9,691,138	17,531,143
B. Real estate rental expenses		
Rental expenses		
Management fees	956,941	1,233,882
Utilities	121,597	285,590
Taxes and public dues	552,179	1,175,602
Repairs and maintenance expenses	251,273	569,404
Restoration costs	298,033	293,588
Insurance expenses	14,511	25,089
Custodian fees	43,667	61,639
Depreciation	2,033,025	3,361,190
Other operating expenses	475,353	487,914
Total real estate rental expenses	4,746,584	7,493,903
C. Income from real estate rental business (A-B)	4,944,553	10,037,240

Market Environment for Logistics Properties

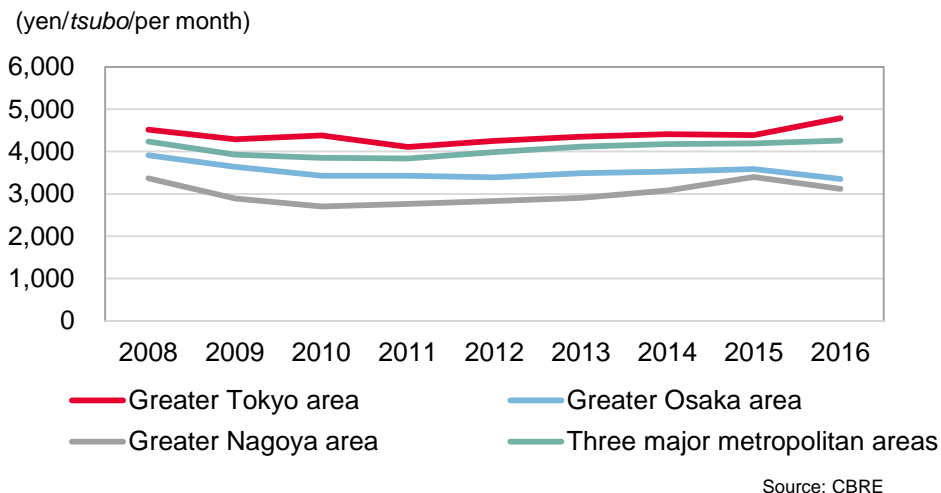
Supply and Demand of Logistics Properties for Lease in the Three Major Metropolitan Areas



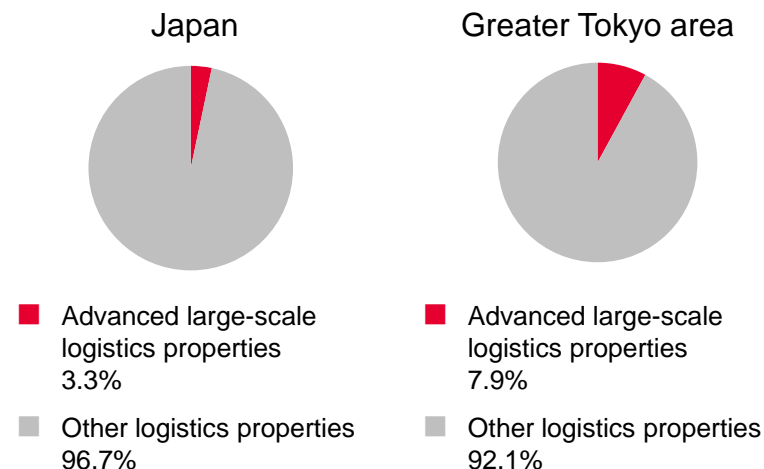
Development of Medium-to-Large Scale Logistics Properties in the Three Major Metropolitan Areas



Average Offered Rent for Logistics Properties in the Three Major Metropolitan Areas



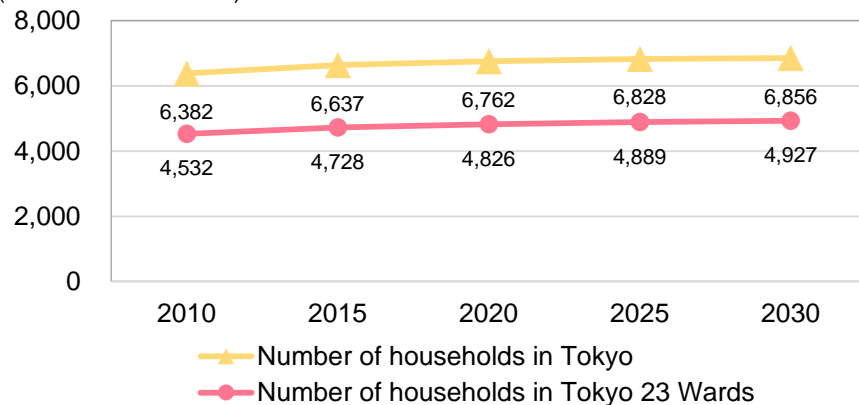
Proportion of Advanced Large-scale Logistics Properties



Market Environment for Residential Properties

Estimated Number of Households in Tokyo (including Forecasts)

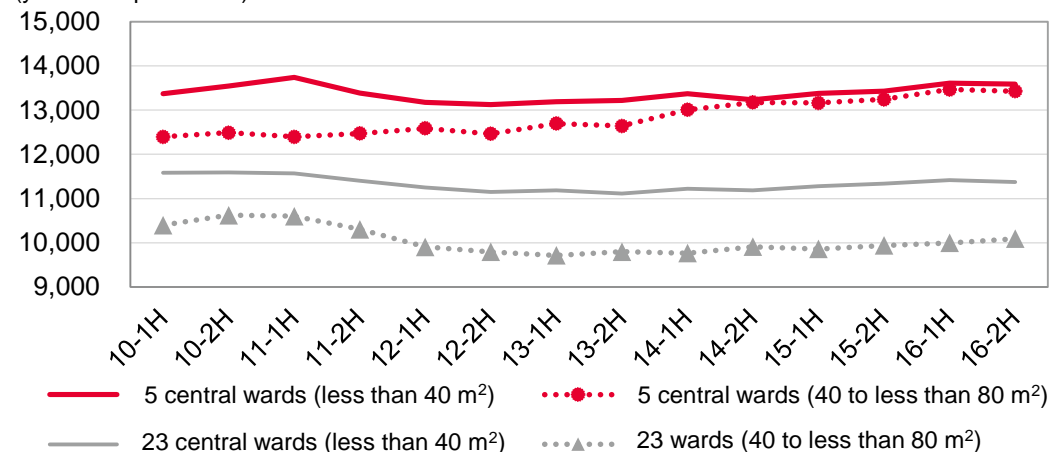
(thousand households)



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

Rent Per Tsubo for Apartments in Tokyo

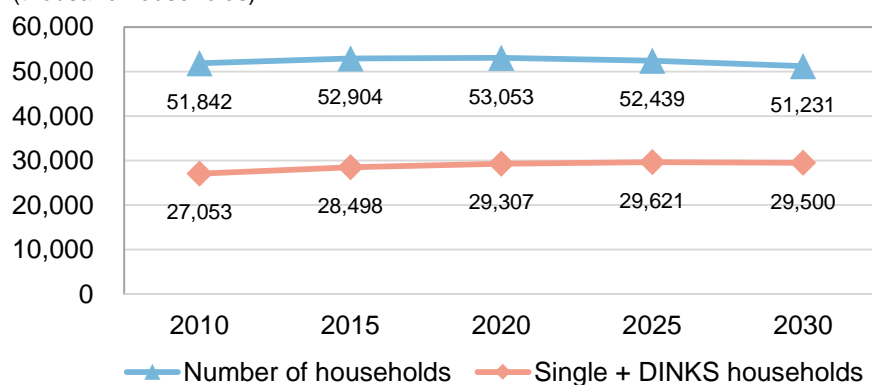
(yen/tsubo/per month)



Source: Compiled by the Asset Manager from data published by Japan Real Estate Institute in "Housing Market Index, Second Half 2016".

Estimated Number of Households (including Forecasts)

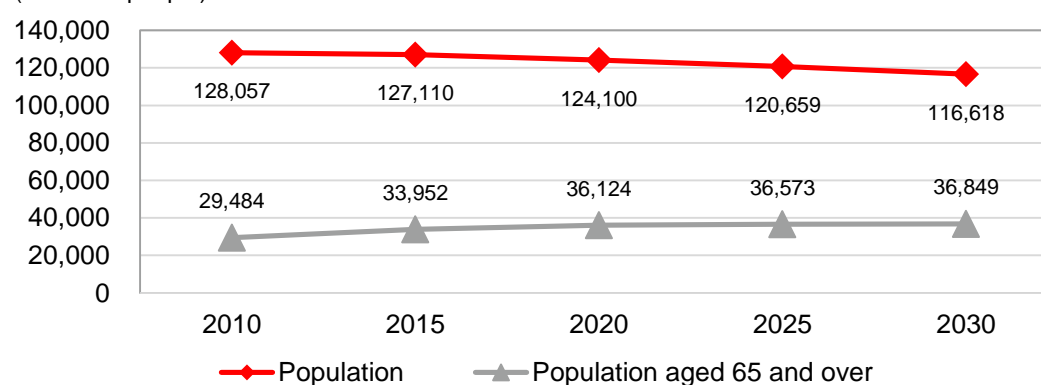
(thousand households)



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

Estimated Population (Including Forecasts)

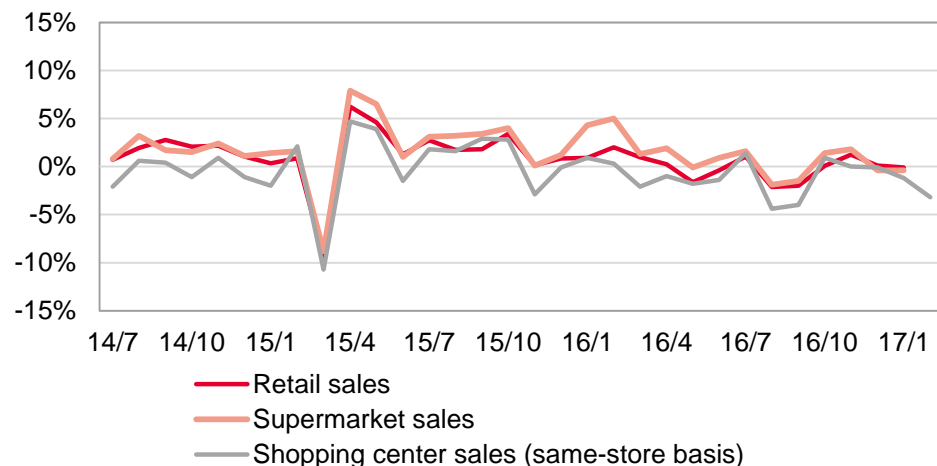
(thousand people)



Source: National Institute of Population and Social Security Research

Market Environment for Retail and Hotel Properties

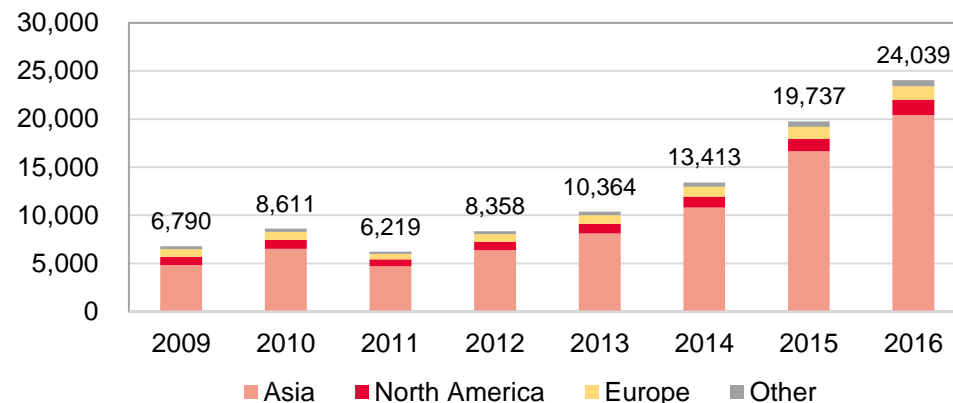
// Retail Sales (YoY Change)



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

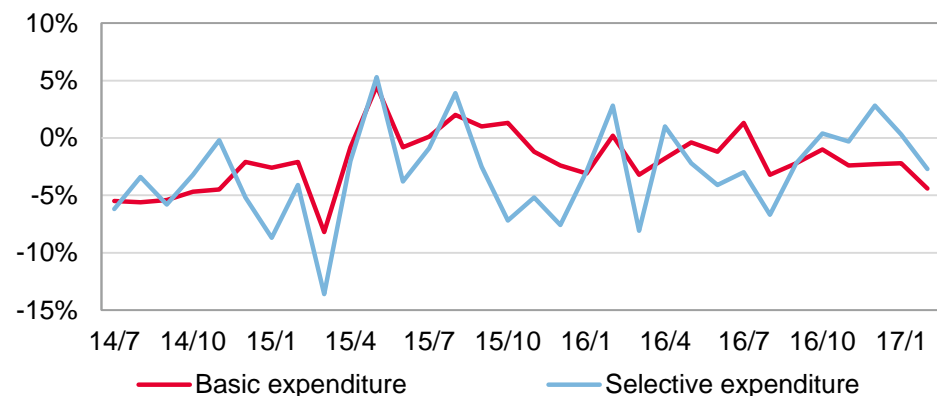
// Number of Overseas Visitors to Japan

(thousand visitors)



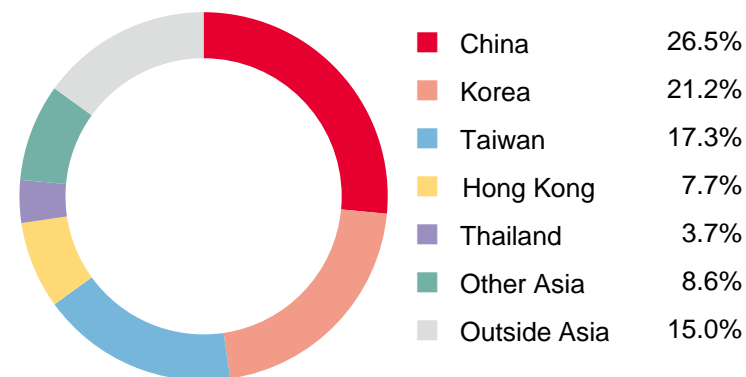
Source: Japan National Tourism Organization (JNTO)

// Basic Expenditure and Selective Expenditure (YoY Change)



Source: "Family Income and Expenditure Survey", Ministry of Internal Affairs and Communications

// Overseas Visitors in 2016 by Country and Region



Source: Japan National Tourism Organization (JNTO)

Portfolio List as of April 11, 2017 (1)

Property number	Property name	Location	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.6%	50,490.39	100.0%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	2.6%	62,394.17	100.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.6%	14,240.84	100.0%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	1.0%	11,289.91	100.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.6%	36,515.81	100.0%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	4.5%	72,320.01	100.0%
LB-007	D Project Akanehamma	Narashino City, Chiba	2,950	0.5%	11,663.39	100.0%
LB-008	D Project Noda	Noda City, Chiba	6,210	1.1%	29,232.53	100.0%
LB-009	D Project Inuyama	Inuyama City, Aichi	8,690	1.5%	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	1.0%	11,151.51	100.0%
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	818	0.1%	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	0.6%	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	0.7%	24,729.56	100.0%
LB-019	D Project Tosu	Tosu City, Saga	5,740	1.0%	17,858.01	100.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.7%	22,708.72	100.0%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.4%	50,490.00	100.0%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.6%	16,150.88	100.0%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.8%	19,872.00	100.0%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.7%	21,628.50	100.0%
LB-025	D Project Fukuoka Hakozaiki	Fukuoka City, Fukuoka	4,340	0.7%	34,710.80	100.0%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.3%	26,937.41	100.0%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.9%	26,460.00	100.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.4%	47,320.89	100.0%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.9%	29,244.66	100.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	1.1%	21,965.04	100.0%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.8%	39,584.80	100.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.3%	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	0.2%	4,481.00	100.0%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	1.2%	39,572.32	100.0%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.6%	18,371.10	100.0%

Property number	Property name	Location	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	1.5%	39,441.32	100.0%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.9%	36,113.25	100.0%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.6%	10,965.68	100.0%
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	1,510	0.3%	10,764.05	100.0%
LB-041	D Project Oyama	Oyama City, Tochigi	2,000	0.3%	14,106.91	100.0%
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.3%	15,668.44	100.0%
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.5%	13,521.56	100.0%
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	1.0%	39,341.44	100.0%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.7%	19,004.72	100.0%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.3%	13,012.50	100.0%
LM-001	DPL Misato	Misato City, Saitama	16,831	2.9%	55,864.93	100.0%
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.3%	5,230.39	98.8%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.8%	3,492.93	95.2%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.5%	2,707.51	97.5%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.4%	2,226.42	93.7%
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 Hachobori	Chuo Ward, Tokyo	2,300	0.4%	2,969.57	96.9%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.5%	2,400.00	96.7%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.5%	2,094.58	94.8%
RE-010	Castalia Shinjuku Natsumeza	Shinjuku Ward, Tokyo	1,865	0.3%	1,917.62	79.4%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.3%	1,817.56	96.0%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%	1,123.80	97.1%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.4%	2,779.77	91.3%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.3%	2,559.21	100.0%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%	1,898.47	100.0%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.2%	1,940.94	100.0%
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	97.5%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%	1,244.54	97.1%
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	93.2%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%	803.03	100.0%
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%

Portfolio List as of April 11, 2017 (2)

Property number	Property name	Location	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
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	0.2%	2,117.46	100.0%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.2%	1,628.80	98.4%
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	0.1%	1,147.44	94.0%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%	1,105.20	100.0%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%	668.79	100.0%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.1%	681.00	100.0%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.2%	1,567.84	100.0%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%	882.67	100.0%
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.5%	3,494.42	96.9%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.5%	4,602.95	100.0%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.3%	10,408.26	97.0%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.6%	6,442.28	99.1%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.5%	3,150.80	100.0%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.2%	1,546.34	96.1%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.3%	16,849.50	97.8%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.3%	3,077.05	98.5%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.3%	2,339.42	98.9%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%	1,659.71	95.1%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.8%	4,967.97	94.7%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%	863.70	97.4%
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.2%	1,542.30	100.0%
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.2%	1,380.35	97.8%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.3%	1,871.70	98.3%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.1%	1,168.18	98.0%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.1%	1,414.73	100.0%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.2%	1,784.50	94.9%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.2%	1,472.47	93.9%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.2%	1,658.90	92.3%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.4%	3,644.35	98.8%
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	1.3%	12,732.35	97.9%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%	1,276.91	100.0%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.3%	2,014.12	100.0%

Property number	Property name	Location	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.2%	2,255.88	94.4%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%	1,220.16	93.4%
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	92.9%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.1%	1,383.90	100.0%
RE-067	Castalia Wakabayashi koen	Setagaya Ward, Tokyo	776	0.1%	1,425.43	100.0%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%	1,537.84	98.0%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%	1,415.15	92.1%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.5%	4,197.66	97.8%
RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%	1,275.60	100.0%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.2%	2,406.41	94.8%
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	97.7%
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	98.1%
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	97.1%
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	0.3%	2,421.82	98.8%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.3%	18,112.03	100.0%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.3%	2,629.59	96.7%
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	100.0%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.3%	2,640.86	96.7%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.3%	3,797.92	100.0%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.4%	2,818.70	96.3%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.7%	3,166.71	94.2%
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,030	0.3%	2,123.77	92.6%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.3%	1,961.52	91.9%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.3%	2,004.80	100.0%
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,020	0.2%	1,668.24	100.0%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%	1,278.52	96.7%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.7%	17,269.74	100.0%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.3%	2,224.41	92.1%
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	100.0%

Portfolio List as of April 11, 2017 (3)

Property number	Property name	Location	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%	1,552.01	96.6%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%	1,597.32	98.8%
RE-100	Castalia Maihama	Urayasu City, Chiba	670	0.1%	1,287.72	100.0%
RE-101	Castalia Ichikawamiyoden	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	89.8%
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	325	0.1%	744.90	100.0%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%	876.89	100.0%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.9%	18,153.57	100.0%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.3%	2,179.80	100.0%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.7%	21,367.93	100.0%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.6%	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 Musashikosugi	Kawasaki City, Kanagawa	1,060	0.2%	3,808.97	100.0%
RE-113	Castalia Shinsakae	Nagoya City, Aichi	1,920	0.3%	3,548.48	98.0%
RE-114	Aprile Tarumi	Kobe City, Hyogo	1,340	0.2%	6,545.25	100.0%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.5%	13,452.80	85.9%
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.3%	3,471.39	95.8%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%	3,279.90	97.2%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.8%	10,920.75	97.9%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.2%	2,836.00	94.5%
RE-120	Castalia Nipponbashi Kouzu	Osaka City, Osaka	3,570	0.6%	9,334.47	95.8%
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%	1,522.89	100.0%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.3%	6,100.31	100.0%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.2%	3,061.60	98.4%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.6%	8,747.40	98.0%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.2%	3,071.60	97.4%
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%	1,684.10	100.0%
RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.1%	2,800.32	96.8%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%	2,149.08	98.6%
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	97.0%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%	8,661.19	98.3%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.4%	7,022.69	94.1%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%	1,822.10	97.3%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.2%	2,784.83	96.7%

Property number	Property name	Location	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
RE-135	Castalia Mibu	Koyto City, Kyoto	1,193	0.2%	2,828.39	94.5%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%	4,471.11	97.9%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.5%	11,089.75	59.8%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.5%	10,354.15	100.0%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%	5,086.69	98.1%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.2%	2,035.37	94.0%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.3%	2,897.06	100.0%
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.3%	6,828.78	100.0%
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	1,800	0.3%	4,425.46	100.0%
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.3%	41,742.84	100.0%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.8%	16,380.78	96.7%
RM-003	QIZ GATE URAWA	Saitama City, Saitama	4,270	0.7%	9,705.31	97.1%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.5%	9,277.08	100.0%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.6%	24,018.00	100.0%
RM-006	DREAM TOWN ALI	Aomori City, Aomori	8,100	1.4%	22,196.81	98.4%
RR-001	LIFE Sagami-hara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.3%	2,973.44	100.0%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.2%	19,845.72	100.0%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.4%	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%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	1.0%	28,002.92	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	1.3%	13,480.00	99.2%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.3%	3,064.89	100.0%

Asset class	Number of properties	Acquisition price (million yen)	Investment ratio	Leasable area (m ²)	Occupancy rate (Note)
Logistics	47 properties	260,119	44.7%	1,187,932.67	100.0%
Residential	142 properties	259,754	44.7%	511,283.17	97.1%
Retail	11 properties	50,330	8.7%	215,024.49	99.4%
Other	4 properties	11,480	2.0%	24,623.55	99.6%
Portfolio Total	204 properties	581,683	100.0%	1,938,863.88	99.2%

(Note) Occupancy rate as of February 28, 2017. Occupancy rate of the properties acquired in April 2017 is as of the time of acquisition.

Rent Revision Schedule of Logistics Properties (1)

Property number	Property name	Tenant	Rent type	2017	2018		2019		2020		2021		2022	Rent revision	Expiry
				Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.		
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											2019/12/25	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
LB-019	D Project Tosu	NH Foods, Ltd.	Fixed											2018/4/1	Not disclosed
LB-020	D Project Kuki I	TRANCOM Co., Ltd.	Fixed											2021/10/5	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

Rent Revision Schedule of Logistics Properties (2)

Property number	Property name	Tenant	Rent type	2017	2018		2019		2020		2021		2022	Rent revision	Expiry
				Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.		
Logistics Properties															
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											2020/4/9	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											—	2035/10/31
LB-035	D Project Kawagoe III	Hitachi Transport System Kanto Co., Ltd.	Fixed											2019/4/1	2024/6/30
LB-036	D Project Kazo	Itochu Logistics Corp.	Fixed											2020/3/1	2025/2/28
LB-037	D Project Urayasu III	Daiwa Logistics Co., Ltd.	Fixed											2022/6/1	2025/8/31
LB-038	D Project Tomisato	Tokyo Nohin Daiko Co., Ltd.	Fixed											No revision	2026/1/31
LB-039	D Project Kyotanabe	Hutech norin Co., Ltd.	Fixed											2017/9/28	2032/10/31
LB-040	D Project Sendai Izumi	Mitsubishi Shokuhin Co., Ltd.	Fixed											2019/4/1	Not disclosed
LB-041	D Project Oyama	Mitsubishi Shokuhin Co., Ltd.	Fixed											2020/3/1	Not disclosed
LB-042	D Project Sano	Toryusha Co., Ltd.	Fixed											No revision	2029/6/30
LB-043	D Project Tatebayashi	Hitachi Transport System Kanto Co., Ltd.	Fixed											2020/9/1	2030/8/31
LB-044	D Project Kakegawa	Hitachi Transport System Central Japan Co., Ltd.	Fixed											2019/8/1	2034/7/31
LB-045	D Project Hiroshima Seifu	MITSUI FOODS Co., Ltd.	Fixed											Not disclosed	Not disclosed
LB-046	D Project Tosu II	Marukyo Transportation Co., Ltd.	Fixed											—	2024/1/2
LM-001	DPL Misato	Kokubu Group Corp.	Fixed											2018/10/15	2033/11/14
LM-001	DPL Misato	ARATA CORPORATION	Fixed											No revision	2020/12/31
LM-001	DPL Misato	Kato Sangyo Co., Ltd.	Fixed											Not disclosed	Not disclosed
LM-001	DPL Misato	Nitori Co., Ltd.	Fixed											No revision	2018/10/31

// Rent Revision / Lease Contract Renewal of Logistics Properties

Period ending Aug. 2017	Period ending Feb. 2018
Rent revision of 2 tenants → 1 tenant revised rent on equal terms	Rent revision of 4 tenants

Rent Revision Schedule of Retail Properties

Property number	Property name	Tenant	Rent type	2017	2018		2019		2020		2021		2022	Rent revision	Expiry
				Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.		
Retail Properties															
RM-001	ACROSSMALL Shinkamagaya	Daiwa Information Service Co., Ltd.	Fixed	Expiry										—	2017/12/11
RM-002	FOLEO Hirakata	Core tenant A	Fixed											2019/1/1	2026/12/8
RM-002	FOLEO Hirakata	Core tenant B	Fixed											2019/1/1	2026/12/14
RM-003	QIZ GATE URAWA	Core tenant A	Fixed											No revision	2027/5/31
RM-003	QIZ GATE URAWA	Core tenant B	Fixed											2020/3/27	2028/3/26
RM-004	UNICUS Takasaki	P&D Consulting Co., Ltd.	Fixed											2017/12/9	2028/11/19
RM-005	ACROSSPLAZA Miyoshi (Land)	Mizuho Trust & Banking Co., Ltd. (Daiwa Information Service Co., Ltd.)	Fixed											2017/10/1	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	Expiry										No revision	2017/11/1
RM-006	DREAM TOWN ALI	Core tenant C	Fixed + Variable								Expiry			No revision	2021/6/30
RR-001	LIFE Sagamihara Wakamatsu	LIFE CORPORATION	Fixed											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
RR-005	Hiratsuka Retail Property (Land)	Not disclosed	Not disclosed											Not disclosed	Not disclosed

// Rent Revision / Lease Contract Renewal of Retail Properties

Period ending Aug. 2017	Period ending Feb. 2018
Rent revision of 1 tenant → 1 tenant revised rent on equal terms	Rent revision of 2 tenants Contract expiry of 2 tenants

Appraisal Value Changes Comparison (1)

(million yen)																	(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
LB-001	D Project Machida	9,200	9,246	163	9,200	9,410	210	4.7	4.6	4.9	4.6	4.5/4.6	4.8	-0.1	—	-0.1	Tanizawa
LB-002	D Project Hachioji	15,400	15,318	381	15,400	15,700	300	4.6	4.5/4.6	4.8	4.5	4.4/4.5	4.7	-0.1	-0.1	-0.1	Tanizawa
LB-003	D Project Aikawa-Machi	3,390	3,377	52	3,390	3,430	40	4.8	4.8	5.0	4.7	4.7	4.9	-0.1	-0.1	-0.1	Tanizawa
LB-004	D Project Shin-Misato	5,710	5,689	70	5,710	5,760	50	5.3	5.3	5.5	5.2	5.2	5.4	-0.1	-0.1	-0.1	Tanizawa
LB-005	D Project Urayasu I	9,280	9,255	204	9,280	9,460	180	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
LB-006	D Project Urayasu II	26,000	25,914	285	26,000	26,200	200	4.2	4.2	4.4	4.1	4.1/4.2	4.3	-0.1	—	-0.1	Tanizawa
LB-007	D Project Akanehama	2,950	2,940	39	2,950	2,980	30	4.7	4.8	4.9	4.6	4.7	4.8	-0.1	-0.1	-0.1	Tanizawa
LB-008	D Project Noda	6,210	6,175	164	6,210	6,340	130	4.9	4.8	5.1	4.8	4.7	5.0	-0.1	-0.1	-0.1	Tanizawa
LB-009	D Project Inuyama	8,690	8,636	183	8,690	8,820	130	5.1	5.0/5.1	5.3	5.0	4.9/5.0	5.2	-0.1	-0.1	-0.1	Tanizawa
LB-010	D Project Gifu	1,100	1,092	17	1,100	1,110	10	5.7	5.6/5.7	5.9	5.6	5.5/5.6	5.8	-0.1	-0.1	-0.1	Tanizawa
LB-011	D Project Neyagawa	5,980	5,956	123	5,980	6,080	100	4.8	4.8	5.0	4.7	4.7	4.9	-0.1	-0.1	-0.1	Tanizawa
LB-012	D Project Sapporo Minami	818	810	27	818	838	20	6.2	6.0/6.1	6.4	6.1	5.9/6.0	6.3	-0.1	-0.1	-0.1	Tanizawa
LB-013	D Project Morioka	1,200	1,190	29	1,200	1,220	20	6.1	6.0	6.3	6.0	5.9	6.2	-0.1	-0.1	-0.1	Tanizawa
LB-014	D Project Sendai Minami	1,530	1,517	32	1,530	1,550	20	5.4	5.2/5.3	5.6	5.3	5.1/5.2	5.5	-0.1	-0.1	-0.1	Tanizawa
LB-015	D Project Tsuchiura	3,390	3,365	64	3,390	3,430	40	5.4	5.3	5.6	5.3	5.2	5.5	-0.1	-0.1	-0.1	Tanizawa
LB-016	D Project Gotenba	1,140	1,133	26	1,140	1,160	20	5.6	5.5	5.8	5.5	5.4	5.7	-0.1	-0.1	-0.1	Tanizawa
LB-017	D Project Nishi-Hiroshima	1,210	1,204	15	1,210	1,220	10	5.6	5.6/5.7	5.8	5.5	5.5/5.6	5.7	-0.1	-0.1	-0.1	Tanizawa
LB-018	D Project Fukuoka Umi	4,240	4,214	85	4,240	4,300	60	5.3	5.0/5.1 /5.2	5.5	5.2	4.9/5.0 /5.1	5.4	-0.1	-0.1	-0.1	Tanizawa
LB-019	D Project Tosu	5,740	5,694	105	5,740	5,800	60	5.3	5.3/5.4	5.5	5.2	5.2/5.3	5.4	-0.1	-0.1	-0.1	Tanizawa
LB-020	D Project Kuki I	3,900	3,879	140	3,900	4,020	120	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-021	D Project Kuki II	8,120	8,063	336	8,120	8,400	280	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-022	D Project Kawagoe I	3,530	3,513	126	3,530	3,640	110	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-023	D Project Kawagoe II	4,850	4,827	242	4,850	5,070	220	5.1	5.1	5.3	4.9	4.9	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-024	DPL Inuyama	3,940	3,918	51	3,940	3,970	30	5.1	5.0	5.3	5.0	4.9	5.2	-0.1	-0.1	-0.1	Tanizawa
LB-025	D Project Fukuoka Hakozaki	4,340	4,316	113	4,340	4,430	90	5.0	4.9	5.2	4.9	4.8	5.1	-0.1	-0.1	-0.1	Tanizawa
LB-026	D Project Kuki III	7,630	7,585	304	7,630	7,890	260	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-027	D Project Kuki IV	5,520	5,485	204	5,520	5,690	170	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-028	D Project Kuki V	8,280	8,289	320	8,280	8,610	330	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-029	D Project Kuki VI	5,140	5,104	195	5,140	5,300	160	5.1	5.1/5.2	5.3	4.9	4.9/5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
LB-030	D Project Yashio	6,400	6,365	114	6,400	6,480	80	4.8	4.3	5.1	4.7	4.2	5.0	-0.1	-0.1	-0.1	JREI
LB-031	D Project Nishiyodogawa	10,300	10,239	260	10,300	10,500	200	5.0	4.7	5.2	4.9	4.6	5.1	-0.1	-0.1	-0.1	JREI
LB-032	D Project Matsudo	7,370	7,339	120	7,370	7,460	90	4.8	4.5	4.9	4.7	4.4	4.8	-0.1	-0.1	-0.1	JREI

Appraisal Value Changes Comparison (2)

(million yen)																	(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
LB-033	D Project Hibiki Nada	2,080	2,083	66	2,110	2,150	40	6.0	5.9/6.1	6.2	5.9	5.8/6.0	6.1	-0.1	-0.1	-0.1	Tanizawa
LB-034	D Project Morioka II	1,280	1,283	36	1,300	1,320	20	6.1	5.8/5.9	6.3	6.0	5.7/5.8	6.2	-0.1	-0.1	-0.1	Tanizawa
Logistics Properties Total		195,858	195,030	4,707	195,908	199,738	3,830	—	—	—	—	—	—	—	—	—	—
RE-001	Qiz Ebisu	7,650	7,263	1,026	8,170	8,290	120	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-002	Castalia Azabujuban Shichimenzaka	4,500	4,193	16	4,140	4,210	70	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-003	Castalia Shibakoen	2,630	2,423	-283	2,090	2,140	50	4.5	4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-004	Castalia Ginza	2,520	2,364	-194	2,120	2,170	50	4.4	4.5	4.6	4.3	4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-005	Castalia Hiroo	2,220	2,089	-289	1,810	1,800	-10	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-006	Castalia Nihonbashi	1,200	1,080	59	1,120	1,140	20	4.5	4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-007	Castalia Hacchobori	2,300	2,127	62	2,150	2,190	40	4.5	4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-008	Castalia Azabujuban	2,910	2,803	-153	2,620	2,650	30	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-009	Castalia Azabujuban II	2,690	2,542	-52	2,450	2,490	40	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	Chuo
RE-010	Castalia Shinjuku Natsumezaka	1,865	1,777	-107	1,650	1,670	20	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Chuo
RE-011	Castalia Ginza II	1,800	1,676	-6	1,640	1,670	30	4.4	4.5	4.6	4.3	4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-012	Castalia Shibuya Sakuragaoka	1,400	1,343	-263	1,130	1,080	-50	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	2,307	-97	2,150	2,210	60	4.4	4.5	4.6	4.3	4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-014	Castalia Ochanomizu	1,770	1,712	337	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	1,475	44	1,470	1,520	50	4.4	4.6	4.6	4.3	4.5	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-016	Castalia Suitengu	1,279	1,205	154	1,330	1,360	30	4.6	4.6	4.8	4.5	4.5	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-017	Castalia Suitengu II	1,138	1,071	148	1,190	1,220	30	4.5	4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-018	Castalia Shintomicho	932	885	112	981	998	17	4.6	4.6	4.8	4.5	4.5	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-019	Castalia Shintomicho II	825	781	100	866	882	16	4.6	4.6	4.8	4.5	4.5	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-020	Castalia Harajuku	887	861	48	888	910	22	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	JREI
RE-021	Castalia Yoyogi Uehara	608	642	52	685	695	10	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-022	Castalia Sendagaya	555	560	35	580	596	16	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-023	Castalia Shinjuku 7 chome	464	442	75	503	518	15	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	JREI
RE-024	Castalia Ningyocho	947	870	319	1,160	1,190	30	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-025	Castalia Ningyocho II	1,070	986	343	1,310	1,330	20	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-026	Castalia Shin-Ochanomizu	914	862	197	1,030	1,060	30	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-027	Castalia Higashi Nihonbashi II	1,370	1,271	388	1,610	1,660	50	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-028	Castalia Jinbocho	1,160	1,089	330	1,390	1,420	30	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-029	Castalia Shintomicho III	675	620	118	728	739	11	4.5	4.2	4.8	4.4	4.1	4.7	-0.1	-0.1	-0.1	JREI
RE-030	Castalia Shinjuku Gyoen	2,720	2,633	396	2,950	3,030	80	4.5	4.7	4.7	4.4	4.6	4.6	-0.1	-0.1	-0.1	Tanizawa

Appraisal Value Changes Comparison (3)

(million yen)																	(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
RE-031	Castalia Takanawadai	860	819	190	985	1,010	25	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	JREI
RE-032	Castalia Higashi Nihonbashi III	666	616	174	765	791	26	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Daiwa
RE-033	Castalia Shinjuku Gyoen II	486	478	20	487	499	12	4.5	4.7	4.7	4.4	4.6	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-034	Castalia Shintomicho IV	400	378	80	444	459	15	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Daiwa
RE-035	Castalia Takanawadai II	1,190	1,166	153	1,300	1,320	20	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	JREI
RE-036	Castalia Minami Azabu	642	614	65	671	680	9	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	JREI
RE-037	Castalia Ginza III	2,880	2,746	153	2,840	2,900	60	4.4	4.5	4.6	4.3	4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-038	Castalia Kayabacho	2,707	2,534	495	2,960	3,030	70	4.6	4.6	4.8	4.5	4.5	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-039	Castalia Takanawa	7,430	7,166	443	7,520	7,610	90	4.5	4.8	4.7	4.4	4.7	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-040	Castalia Higashi Nihonbashi	3,520	3,286	713	3,960	4,000	40	4.6	4.4	4.8	4.5	4.3	4.7	-0.1	-0.1	-0.1	Chuo
RE-041	Castalia Shinjuku	2,950	2,858	511	3,280	3,370	90	4.4	4.6	4.6	4.3	4.5	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-042	Castalia Ichigaya	940	886	443	1,330	1,330	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Chuo
RE-043	Shibaura Island Bloom Tower	7,580	6,999	1,760	8,540	8,760	220	—	4.1	6.2	—	4.0	6.1	—	-0.1	-0.1	JREI
RE-044	Castalia Hatsudai	2,030	1,999	300	2,240	2,300	60	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Daiwa
RE-045	Castalia Hatsudai II	1,900	1,892	177	2,070	2,070	0	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	1,424	175	1,600	1,600	0	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	4,086	143	4,140	4,230	90	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Daiwa
RE-048	Castalia Toritsudaigaku	648	601	-43	555	558	3	5.2	5.0	5.5	5.1	4.9	5.4	-0.1	-0.1	-0.1	Chuo
RE-049	Castalia Yukigaya	1,110	1,013	76	1,070	1,090	20	4.6	4.7	4.8	4.5	4.6	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-050	Castalia Yutenji	1,450	1,341	-81	1,240	1,260	20	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-051	Castalia Otsuka	1,480	1,344	275	1,590	1,620	30	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Chuo
RE-052	Castalia Kikukawa	817	738	16	737	755	18	4.7	4.8	4.9	4.6	4.7	4.8	-0.1	-0.1	-0.1	Tanizawa
RE-053	Castalia Meguro	844	850	121	932	972	40	4.6	4.3	4.8	4.5	4.2	4.7	-0.1	-0.1	-0.1	JREI
RE-054	Castalia Otsuka II	1,040	997	232	1,200	1,230	30	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	JREI
RE-055	Castalia Jiyugaoka	1,200	1,171	198	1,340	1,370	30	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	JREI
RE-056	Castalia Mejiro	988	936	133	1,050	1,070	20	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Chuo
RE-057	Castalia Ikebukuro	2,570	2,473	276	2,690	2,750	60	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Daiwa
RE-058	Castalia Kaname-cho	1,140	1,071	148	1,200	1,220	20	4.6	4.8	4.8	4.5	4.7	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-059	Castalia Tower Shinagawa Seaside	7,380	6,876	1,663	8,370	8,540	170	4.6	4.6	4.8	4.5	4.5	4.7	-0.1	-0.1	-0.1	Tanizawa
RE-060	Castalia Yakumo	857	835	-74	744	761	17	4.5	4.7	4.7	4.4	4.6	4.6	-0.1	-0.1	-0.1	Tanizawa
RE-061	Castalia Togoshiekimae	1,560	1,478	411	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	987	102	1,060	1,090	30	4.8	4.9	5.0	4.7	4.8	4.9	-0.1	-0.1	-0.1	Tanizawa

Appraisal Value Changes Comparison (4)

(million yen)																		(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)	
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF			
									CR	DR		TCR	CR		DR	TCR		CR
RE-063	Castalia Kitazawa	742	764	32	796	797	1	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI	
RE-064	Castalia Monzennakacho	503	462	62	510	525	15	4.9	5.0	5.1	4.8	4.9	5.0	-0.1	-0.1	-0.1	Tanizawa	
RE-065	Castalia Kamiikedai	198	183	28	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	810	187	985	998	13	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	JREI	
RE-067	Castalia Wakabayashi koen	776	751	78	809	830	21	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Daiwa	
RE-068	Castalia Asakusabashi	792	740	191	913	932	19	4.6	4.4	4.8	4.5	4.3	4.7	-0.1	-0.1	-0.1	Chuo	
RE-069	Castalia Iriya	546	508	144	641	653	12	5.0	4.8	5.2	4.9	4.7	5.1	-0.1	-0.1	-0.1	Chuo	
RE-070	Castalia Kita Ueno	2,641	2,434	235	2,590	2,670	80	4.7	4.8	4.9	4.6	4.7	4.8	-0.1	-0.1	-0.1	Tanizawa	
RE-071	Castalia Morishita II	686	627	146	771	774	3	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	1,309	200	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 Oyamadai	533	504	78	583	583	0	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	983	216	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	875	234	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	863	146	983	1,010	27	4.6	4.7	4.8	4.5	4.6	4.7	-0.1	-0.1	-0.1	Tanizawa	
RE-077	Castalia Monzennakacho II	2,160	2,010	599	2,600	2,610	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	1,003	96	1,100	1,100	0	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	1,158	301	1,430	1,460	30	4.6	4.8/4.7	4.8	4.5	4.7/4.6	4.7	-0.1	-0.1	-0.1	Tanizawa	
RE-080	Castalia Nakanobu	1,790	1,686	893	2,560	2,580	20	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Chuo	
RE-081	Royal Parks Toyosu	7,360	6,506	3,203	9,190	9,710	520	4.8	4.5	5.1	4.7	4.4	5.0	-0.1	-0.1	-0.1	Chuo	
RE-082	Castalia Togoshi	1,770	1,632	877	2,500	2,510	10	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	Chuo	
RE-083	Castalia Ooimachi	1,181	1,178	271	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	1,459	320	1,760	1,780	20	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	Chuo	
RE-085	Castalia Mishuku	1,900	1,867	422	2,280	2,290	10	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	Chuo	
RE-086	Castalia Arakawa	1,660	1,590	549	2,100	2,140	40	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Chuo	
RE-087	Castalia Omori II	2,370	2,306	453	2,760	2,760	0	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	3,797	472	4,400	4,270	-130	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	2,027	272	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	1,767	112	1,880	1,880	0	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	1,504	185	1,690	1,690	0	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	1,061	108	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	1,220	19	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	4,387	492	4,830	4,880	50	5.6	5.4/5.8	—	5.6	5.4/5.8	—	0.0	0.0	—	Morii	

Appraisal Value Changes Comparison (5)

(million yen)																	(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
RE-095	Castalia Honkomagome	1,520	1,549	120	1,670	1,670	0	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	Morii
RE-096	Cosmo Heim Musashikosugi	1,674	1,609	360	1,940	1,970	30	5.0	4.8	5.2	4.9	4.7	5.1	-0.1	-0.1	-0.1	Chuo
RE-097	Castalia Tsurumi	666	605	124	720	730	10	5.3	5.1	5.5	5.2	5.0	5.4	-0.1	-0.1	-0.1	Chuo
RE-098	Castalia Funabashi	704	689	85	770	775	5	5.2	5.2/5.0	5.4	5.1	5.1/4.9	5.3	-0.1	-0.1	-0.1	Tanizawa
RE-099	Castalia Nishi Funabashi	783	758	129	887	888	1	5.4	5.2	5.6	5.4	5.2	5.6	0.0	0.0	0.0	JREI
RE-100	Castalia Maihama	670	617	27	635	645	10	5.4	5.4	5.6	5.3	5.3	5.5	-0.1	-0.1	-0.1	Tanizawa
RE-101	Castalia Ichikawamyoden	671	628	86	703	715	12	5.3	5.5	5.6	5.2	5.4	5.5	-0.1	-0.1	-0.1	Tanizawa
RE-102	Castalia Urayasu	592	574	48	614	623	9	5.3	5.3	5.6	5.2	5.2	5.5	-0.1	-0.1	-0.1	Tanizawa
RE-103	Castalia Minamigyotoku	543	509	-6	493	503	10	5.2	5.2	5.4	5.1	5.1	5.3	-0.1	-0.1	-0.1	Tanizawa
RE-105	Castalia NogeYama	325	302	15	317	318	1	5.4	5.2	5.6	5.3	5.1	5.5	-0.1	-0.1	-0.1	JREI
RE-106	Castalia Ichikawa	461	415	105	513	521	8	5.4	5.2	5.6	5.3	5.1	5.5	-0.1	-0.1	-0.1	JREI
RE-107	Royal Parks Hanakoganei	5,300	4,971	1,098	5,900	6,070	170	5.3	5.1/5.5	—	5.2	5.0/5.4	—	-0.1	-0.1	—	Daiwa
RE-108	Castalia Musashikosugi	1,680	1,673	226	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	4,185	724	4,750	4,910	160	5.4	5.2/5.6	—	5.3	5.1/5.5	—	-0.1	-0.1	—	Daiwa
RE-110	Pacific Royal Court Minatomirai Urban Tower	9,100	9,145	1,554	10,600	10,700	100	5.1	4.9/5.3	—	5.1	4.9/5.3	—	0.0	0.0	—	Morii
RE-111	L-Place Shinkoyasu	1,720	1,770	199	1,940	1,970	30	5.2	5.0	5.4	5.1	4.9	5.3	-0.1	-0.1	-0.1	JREI
RE-112	Royal Parks Musashikosugi	1,060	1,064	205	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	1,683	-103	1,580	1,580	0	5.1	4.9	5.3	5.0	4.8	5.2	-0.1	-0.1	-0.1	Chuo
RE-114	Aprile Tarumi	1,340	1,209	360	1,550	1,570	20	5.7	5.5	5.9	5.6	5.4	5.8	-0.1	-0.1	-0.1	JREI
RE-115	Crest Kusatsu	3,004	2,922	-962	1,940	1,960	20	7.1	7.2	7.3	7.0	7.1	7.2	-0.1	-0.1	-0.1	Tanizawa
RE-116	Castalia Sakaisuji Honmachi	1,490	1,350	319	1,600	1,670	70	5.1	5.2	5.3	4.9	5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
RE-117	Castalia Shin-Umeda	1,376	1,236	253	1,420	1,490	70	5.2	5.3	5.4	5.0	5.1	5.2	-0.2	-0.2	-0.2	Tanizawa
RE-118	Castalia Abeno	4,368	4,085	724	4,620	4,810	190	5.1	5.2	5.3	4.9	5.0	5.1	-0.2	-0.2	-0.2	Tanizawa
RE-119	Castalia Sakae	1,010	931	278	1,190	1,210	20	5.0	4.8	5.2	4.9	4.7	5.1	-0.1	-0.1	-0.1	Chuo
RE-120	Castalia Nipponbashi Kouzu	3,570	3,180	709	3,740	3,890	150	5.2	5.3	5.4	5.0	5.1	5.2	-0.2	-0.2	-0.2	Tanizawa
RE-121	Castalia Maruyama Urasando	411	372	126	494	499	5	5.3	5.3	5.5	5.2	5.2	5.4	-0.1	-0.1	-0.1	Tanizawa
RE-122	Castalia Maruyama Omotesando	1,740	1,583	436	1,940	2,020	80	5.3	5.3	5.5	5.1	5.1	5.3	-0.2	-0.2	-0.2	Tanizawa
RE-123	Castalia Higashi Hie	960	865	134	985	1,000	15	5.2	5.4	5.4	5.1	5.3	5.3	-0.1	-0.1	-0.1	Tanizawa
RE-124	Castalia Tower Nagahoribashi	3,400	3,041	1,408	4,370	4,450	80	4.9	4.7	5.1	4.8	4.6	5.0	-0.1	-0.1	-0.1	Chuo
RE-125	Castalia Sannomiya	1,230	1,102	387	1,470	1,490	20	5.2	5.0	5.4	5.1	4.9	5.3	-0.1	-0.1	-0.1	Daiwa
RE-126	Castalia Kotodaikoen	481	428	117	536	546	10	5.5	5.5	5.7	5.4	5.4	5.6	-0.1	-0.1	-0.1	Daiwa
RE-127	Castalia Ichibancho	783	711	220	915	932	17	5.5	5.5	5.7	5.4	5.4	5.6	-0.1	-0.1	-0.1	Daiwa

Appraisal Value Changes Comparison (6)

(million yen)																	(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
RE-128	Castalia Omachi	656	625	113	726	739	13	5.5	5.5	5.7	5.4	5.4	5.6	-0.1	-0.1	-0.1	Daiwa
RE-129	Castalia Uemachidai	2,190	2,000	629	2,590	2,630	40	4.9	4.7	5.1	4.8	4.6	5.0	-0.1	-0.1	-0.1	Daiwa
RE-130	Castalia Tower Higobashi	2,670	2,443	1,086	3,490	3,530	40	4.9	4.7	5.1	4.8	4.6	5.0	-0.1	-0.1	-0.1	Chuo
RE-131	Big Tower Minami Sanjo	1,740	1,410	1,159	2,490	2,570	80	5.4	5.2	5.6	5.3	5.1	5.5	-0.1	-0.1	-0.1	Daiwa
RE-132	Castalia Fushimi	2,260	2,055	954	2,980	3,010	30	5.0	4.8	5.2	4.9	4.7	5.1	-0.1	-0.1	-0.1	JREI
RE-133	Castalia Meieki Minami	720	684	212	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	910	209	1,110	1,120	10	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0	Morii
RE-135	Castalia Mibu	1,193	1,147	292	1,440	1,440	0	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	1,187	472	1,690	1,660	-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	2,756	993	3,750	3,750	0	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	2,667	262	3,080	2,930	-150	5.7	5.6/6.0	—	5.6	5.5/5.9	—	-0.1	-0.1	—	Daiwa
RE-139	Castalia Shigahondori	1,730	1,667	402	2,140	2,070	-70	5.2	5.0	5.4	5.1	4.9	5.3	-0.1	-0.1	-0.1	JREI
RE-140	Castalia Kyoto Nishioji	973	1,037	2	1,030	1,040	10	4.9	4.7	5.1	4.8	4.6	5.0	-0.1	-0.1	-0.1	Morii
RE-141	Castalia Ningyocho III	2,000	2,042	207	2,180	2,250	70	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-142	Royal Parks Umejima	2,020	2,084	75	2,150	2,160	10	5.6	5.4/5.8	—	5.6	5.4/5.8	—	0.0	0.0	—	Morii
Residential Properties Total		257,954	245,129	40,608	281,329	285,738	4,409	—	—	—	—	—	—	—	—	—	—
RM-001	ACROSSMALL Shinkamagaya	7,770	7,716	93	7,770	7,810	40	6.0	5.7	6.2	5.9	5.6	6.1	-0.1	-0.1	-0.1	JREI
RM-002	FOLEO Hirakata	4,580	4,552	27	4,580	4,580	0	6.4	5.8	6.4	6.2	5.7	6.3	-0.2	-0.1	-0.1	JREI
RM-003	QIZ GATE URAWA	4,270	4,300	-30	4,270	4,270	0	5.6	5.2	5.7	5.5	5.1	5.6	-0.1	-0.1	-0.1	JREI
RM-004	UNICUS Takasaki	3,000	2,989	30	3,000	3,020	20	6.5	6.2	6.7	6.4	6.1	6.6	-0.1	-0.1	-0.1	JREI
RM-005	ACROSSPLAZA Miyoshi (Land)	3,740	3,740	60	3,740	3,800	60	—	4.6	—	—	4.5	—	—	-0.1	—	Tanizawa
RM-006	DREAM TOWN ALI	8,100	8,061	38	8,100	8,100	0	6.0	5.8	6.3	5.9	5.7	6.2	-0.1	-0.1	-0.1	JREI
RR-001	LIFE Sagamihara Wakamatsu	1,670	1,667	22	1,670	1,690	20	5.2	4.8	5.3	5.1	4.7	5.2	-0.1	-0.1	-0.1	JREI
RR-002	FOLEO Sendai Miyanomori	6,960	6,938	101	6,960	7,040	80	6.0	5.7	6.2	5.9	5.6	6.1	-0.1	-0.1	-0.1	JREI
RR-003	ACROSSPLAZA Inazawa (Land)	2,390	2,390	20	2,390	2,410	20	—	5.5	—	—	5.4	—	—	-0.1	—	JREI
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	2,230	2,231	68	2,280	2,300	20	6.4	6.4/6.5	6.6	6.3	6.3/6.4	6.5	-0.1	-0.1	-0.1	Tanizawa
RR-005	Hiratsuka Retail Property (Land)	5,620	5,857	772	6,630	6,630	0	—	4.0	—	—	4.0	—	—	0.0	—	Tanizawa
Retail Properties Total		50,330	50,445	1,204	51,390	51,650	260	—	—	—	—	—	—	—	—	—	—
OT-001	Urban Living Inage	930	897	382	1,260	1,280	20	5.4	5.2	5.6	5.3	5.1	5.5	-0.1	-0.1	-0.1	Daiwa
OT-002	Aburatsubo Marina HILLS	1,100	1,106	153	1,250	1,260	10	6.2	6.0	6.4	6.1	5.9	6.3	-0.1	-0.1	-0.1	JREI
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	7,600	7,586	123	7,630	7,710	80	5.8	5.6	6.0	5.7	5.5	5.9	-0.1	-0.1	-0.1	Daiwa
Other Assets Total		9,630	9,590	659	10,140	10,250	110	—	—	—	—	—	—	—	—	—	—

Appraisal Value Changes Comparison (7)

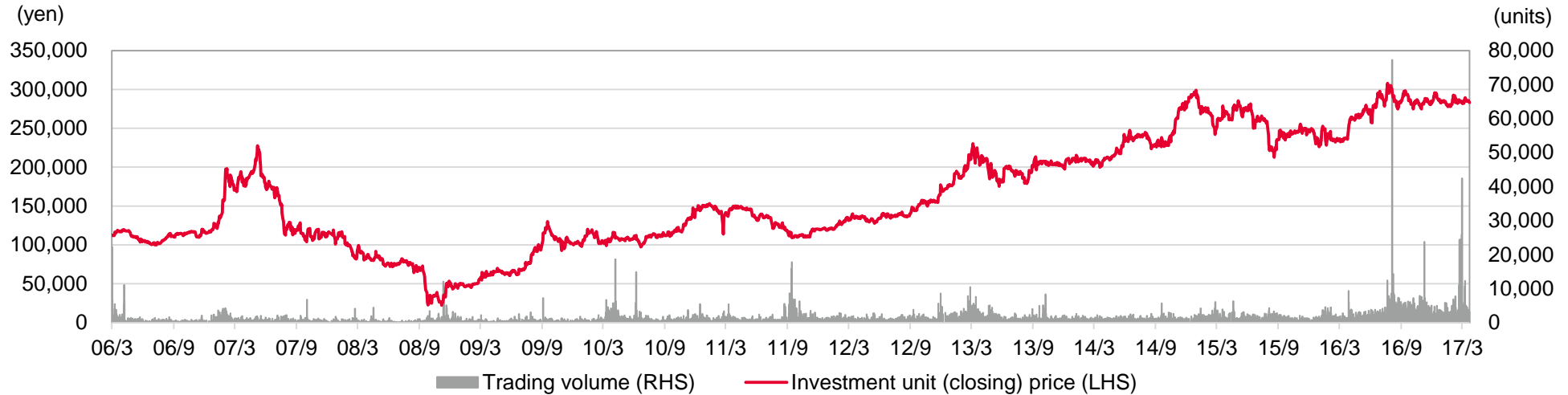
(million yen)																	(%)
Property number	Property name	Acquisition price	Book value Feb. 2017	Unrealized gain/loss	Appraisal value (Note 1)			Aug. 2016			Feb. 2017			Change			Appraiser (Note 2)
					Aug. 2016	Feb. 2017	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
Portfolio Total		513,772	500,196	47,179	538,767	547,376	8,609	—	—	—	—	—	—	—	—	—	—
Acquisitions in April 2017																	
LB-035	D Project Kawagoe III	7,200	—	—	—	7,260	—	—	—	—	4.8	4.8/4.9	5.0	—	—	—	Tanizawa
LB-036	D Project Kazo	3,300	—	—	—	3,350	—	—	—	—	5.0	5.0/5.1	5.2	—	—	—	Tanizawa
LB-037	D Project Urayasu III	8,500	—	—	—	8,880	—	—	—	—	4.3	4.2/4.3 /4.4	4.5	—	—	—	Tanizawa
LB-038	D Project Tomisato	5,000	—	—	—	5,030	—	—	—	—	5.0	5.0/5.1	5.2	—	—	—	Tanizawa
LB-039	D Project Kyotanabe	3,520	—	—	—	3,550	—	—	—	—	5.7	5.3	6.0	—	—	—	JREI
LB-040	D Project Sendai Izumi	1,510	—	—	—	1,560	—	—	—	—	5.5	5.2	5.7	—	—	—	JREI
LB-041	D Project Oyama	2,000	—	—	—	2,010	—	—	—	—	5.6	5.7	5.8	—	—	—	Tanizawa
LB-042	D Project Sano	1,780	—	—	—	1,780	—	—	—	—	5.6	5.6	5.8	—	—	—	Tanizawa
LB-043	D Project Tatebayashi	3,100	—	—	—	3,120	—	—	—	—	5.6	5.6	5.8	—	—	—	Tanizawa
LB-044	D Project Kakegawa	6,000	—	—	—	6,070	—	—	—	—	5.7	5.5	5.9	—	—	—	JREI
LB-045	D Project Hiroshima Seifu	3,820	—	—	—	3,860	—	—	—	—	5.7	5.2	6.1	—	—	—	JREI
LB-046	D Project Tosu II	1,700	—	—	—	1,740	—	—	—	—	5.3	5.3/5.4	5.5	—	—	—	Tanizawa
LM-001	DPL Misato	16,831	—	—	—	16,900	—	—	—	—	4.3	4.3/4.4	4.5	—	—	—	Tanizawa
RE-143	Castalia Shinsakae II	1,800	—	—	—	1,850	—	—	—	—	5.1	4.9	5.3	—	—	—	Daiwa
OT-004	Sharp Hiroshima Building	1,850	—	—	—	1,890	—	—	—	—	5.5	5.3	5.7	—	—	—	JREI
Total of Acquisitions in April 2017		67,911	—	—	—	68,850	—	—	—	—	—	—	—	—	—	—	—
Portfolio Grand Total		581,683	—	—	—	616,226	—	—	—	—	—	—	—	—	—	—	—

(Note 1) For the properties acquired in the period ended February 2017 (LB-033, LB-034, RE-141, RE-142, RR-004, RR-005 and OT-003), "Appraisal value" as of the period ended Aug. 2016 is based on the appraisal value at the time of acquisition.

(Note 2) "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., "Mori": Mori Appraisal & Investment Consulting Inc.

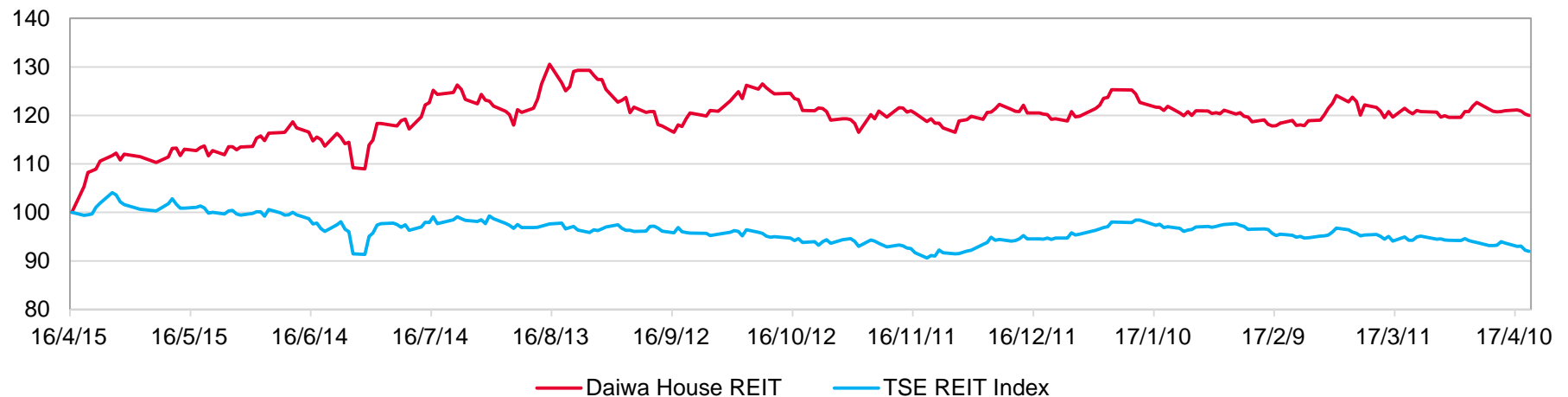
Unit Price Performance

// Unit Price and Trading Volume



(Note) Adjusted to take into account two-for-one unit splits effective as of March 1, 2013 and March 1, 2015.

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



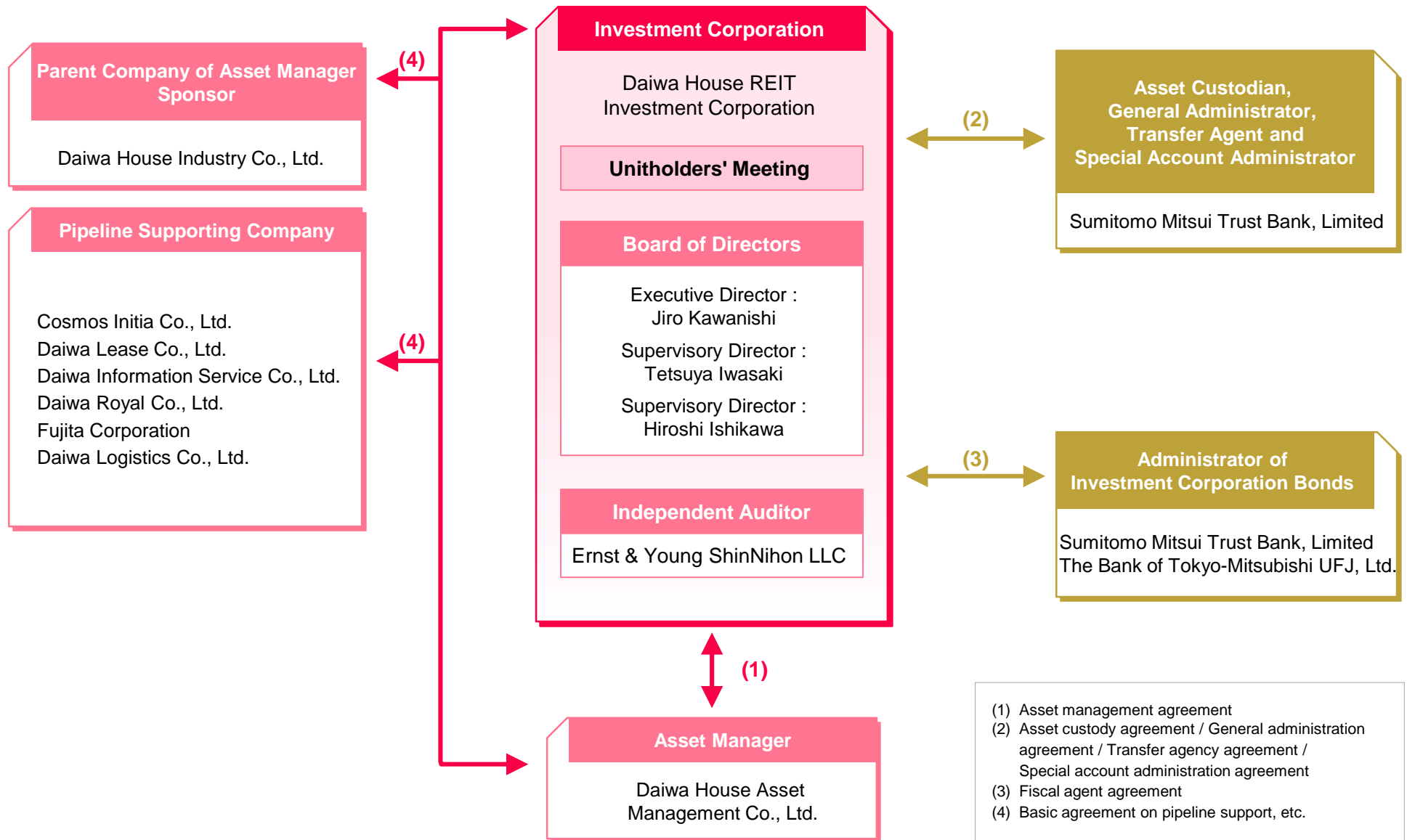
(Note) Indexed with the April 15, 2016 (announcement date of the merger) closing prices of DHR's unit and TSE REIT Index.

// Number of Unitholders and Units by Unitholder Type

Unitholder type	Period ended Aug. 2016				Period ended Feb. 2017			
	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	10,077	92.9	77,264	5.1
Financial institutions	96	1.5	491,438	65.7	141	1.3	917,313	60.4
Banks / trust banks	49	0.8	436,004	58.3	63	0.6	823,499	54.2
City banks	0	0.0	0	0.0	0	0.0	0	0.0
Regional banks	35	0.5	76,427	10.2	48	0.4	130,805	8.6
Trust banks	14	0.2	359,577	48.1	15	0.1	692,694	45.6
Life insurance companies	8	0.1	21,523	2.9	7	0.1	31,950	2.1
Non-life insurance companies	2	0.0	14,474	1.9	3	0.0	23,395	1.5
Other financial institutions	37	0.6	19,437	2.6	68	0.6	38,469	2.5
Shinkin banks	27	0.4	11,070	1.5	45	0.4	22,374	1.5
Others	10	0.2	8,367	1.1	23	0.2	16,095	1.1
Other domestic corporations	121	1.9	88,841	11.9	232	2.1	199,103	13.1
Foreign corporations and individuals	237	3.7	125,976	16.8	382	3.5	293,557	19.3
Securities firms	11	0.2	1,732	0.2	19	0.2	32,043	2.1
Total	6,431	100.0	747,740	100.0	10,851	100.0	1,519,280	100.0

// Major Unitholders

Name	Period ended Feb. 2017	
	Number of units owned	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	335,526	22.1
Daiwa House Industry Co., Ltd.	169,600	11.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	154,040	10.1
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	103,934	6.8
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	52,026	3.4
State Street Bank West Client - Treaty 505234	25,250	1.7
State Street Bank - West Pension Fund Clients - Exempt 505233	23,617	1.6
State Street Bank and Trust Company 505012	23,372	1.5
The Fuji Fire and Marine Insurance Co., Ltd.	21,236	1.4
Trust & Custody Services Bank, Ltd. (Money Trust Taxable Account)	15,264	1.0
Total	923,865	60.8



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