

## Investor Presentation

The **27<sup>th</sup>** Fiscal Period Ended **Aug. 2019**

October 17, 2019



1. Financial Results	Page
<ul style="list-style-type: none"> <li>Financial Highlights for August 2019 Period</li> <li>Statement of Income for August 2019 Period</li> <li>Balance Sheet for August 2019 Period</li> <li>Financial Forecasts for Feb. 2020 &amp; Aug. 2020 Periods</li> <li>Impact of Gain on Sale of Properties on DPU</li> </ul>	3 4 5 6 7
2. Initiatives to Pursue Growth	
<ul style="list-style-type: none"> <li>Mid-Term Growth Strategy</li> <li>Stabilized Forecast DPU</li> <li>Pipeline of Daiwa House Group</li> </ul>	9 10 11
3. Operation Status	
<ul style="list-style-type: none"> <li>Sale of Six Logistics Properties</li> <li>Track Record of Asset Size Growth</li> <li>Portfolio Summary (as of September 2, 2019)</li> <li>Operation Status of Logistics Properties</li> <li>Operation Status of Residential Properties</li> <li>Operation Status of Retail and Hotel Properties</li> <li>ESG Initiatives</li> </ul>	13 14 15 16 17 18 19
4. Financial Status	Page
<ul style="list-style-type: none"> <li>Financial Status</li> <li>Preparation for Issuance of Green Bonds</li> </ul>	21-22 23
Appendix	Page
<ul style="list-style-type: none"> <li>Overview of Acquisitions in March and April 2019</li> <li>Leveraging Value Chain of Daiwa House Group</li> <li>Distribution Policy</li> <li>Key Financial Indicators</li> <li>Historical Financial Data</li> <li>Historical Portfolio Data</li> <li>Balance Sheets</li> <li>Statements of Income</li> <li>ESG Initiatives</li> <li>Market Environment for Logistics Properties</li> <li>Market Environment for Residential Properties</li> <li>Market Environment for Retail and Hotel Properties</li> <li>Portfolio List</li> <li>Rent Revision Schedule of Logistics Properties</li> <li>Rent Revision Schedule of Retail Properties</li> <li>Appraisal Value Comparison</li> <li>Unit Price Performance</li> <li>Unitholder Status</li> <li>REIT Structure</li> </ul>	25 26 27 28 29 30 31 32 33-37 38 39 40 41-44 45-47 48 49-56 57 58 59



# 1. Financial Results



# Financial Highlights for August 2019 Period

## DPU

**5,773 yen**

+603 yen vs Forecast  
as of Apr. 2019

+346 yen vs Feb. 2019

## Operation Status

◆ Acquisition **13** properties **67.0** Bn yen  
Sale **1** property **5.7** Bn yen

◆ NOI yield **5.2 %**  
(-0.2 p.p. vs Feb. 2019)

\* Property taxes for the properties acquired in 2018 started  
being expensed from the period ended Aug. 2019

◆ NOI yield after depreciation **4.0 %**  
(-0.1 p.p. vs Feb. 2019)

◆ Occupancy rate **99.4 %**  
(-0.1 p.p. vs Feb. 2019)

## Financial Status

◆ Global Equity Offering  
New Equity **36.3** Bn yen  
New Loans **27.5** Bn yen

◆ R&I credit rating  
**A+** Positive → **AA-** Stable

◆ NAV per unit **264,981** yen  
(+3,371 yen vs Feb. 2019)

◆ LTV (excluding goodwill) **45.1 %**  
(-0.3 p.p. vs Feb. 2019)

### ■ NOI yield

Asset class	NOI (mil yen)	Acquisition price (mil yen)	NOI yield	NOI yield after depreciation
Logistics	9,496	379,439	5.1 %	3.9 %
Residential	6,635	246,424	5.3 %	3.7 %
Retail	2,521	95,330	5.4 %	4.5 %
Hotel	250	10,770	5.0 %	4.1 %
Other	394	12,860	6.1 %	4.6 %
Portfolio	19,297	744,823	5.2 %	4.0 %

(Note 1) Calculated excluding the property sold during the period.

(Note 2) NOI yield and NOI yield after depreciation are based on annualized NOI for the period ended Aug. 2019.

### ■ Period end occupancy

Asset class	Feb. 2019	Aug. 2019	Change
Logistics	100.0 %	100.0 %	—
Residential	97.4 %	96.7 %	-0.7 p.p.
Retail	99.7 %	99.7 %	—
Hotel	100.0 %	100.0 %	—
Other	100.0 %	100.0 %	—
Portfolio	99.5 %	99.4 %	-0.1 p.p.

# Statement of Income for August 2019 Period

- ◆ New acquisitions contributed to growth of rental revenue for 13 consecutive periods
- ◆ Realizing gain on sale of logistics property led to 5,773 yen of DPU

(mil yen)

	Period ended Feb. 2019	Period ended Aug. 2019		Period ended Aug. 2019	
	Result	Result	Period-on- period change	Forecast as of 2019/4/18	Result vs Forecast
Operating Revenue	23,127	24,877	1,750	24,585	292
Rental revenue	23,013	24,722	1,709	24,585	137
Gain on sale of properties	113	154	41	—	154
Operating Expenses	13,166	14,175	1,008	14,147	28
Rental expenses	9,184	10,062	877	9,991	71
Rental expenses (excluding depreciation)	4,729	5,298	568	5,223	74
Depreciation	4,454	4,764	309	4,767	-3
Other operating expenses	3,982	4,113	130	4,155	-42
Amortization of goodwill	1,982	1,982	—	1,982	—
Operating Income	9,960	10,702	742	10,438	263
Non-operating income	14	111	97	4	107
Non-operating expenses	1,377	1,647	270	1,694	-47
Interest and borrowing related expenses	1,375	1,471	96	1,492	-21
Ordinary Income	8,597	9,166	568	8,747	419
Net Income	8,597	9,166	568	8,747	419
Reversal of reserve for temporary difference adjustments	1,980	2,920	939	1,982	937
Accumulation of reserve for distribution	120	107	-13	—	107
Total distribution	10,457	11,978	1,521	10,729	1,249
DPU	5,427 yen	5,773 yen	346 yen	5,170 yen	603 yen

## Major Variation Factors (vs Forecast)

[Contribution to income]	
■ Increase in operating revenue	292 mil yen
• Increase in rents at residential properties	
• Recording of gain on sale of properties	
■ Increase in rental expenses	-71 mil yen
• Increase in repairs and maintenance expenses	
• Increase in loss on retirement of non-current assets	
■ Decrease in other operating expenses	42 mil yen
■ Increase in non-operating income	107 mil yen
• Recording of gain on adjustment of liabilities (accumulated as reserve for distribution)	
■ Decrease in non-operating expenses	47 mil yen
• Decrease in interest expenses	
• Decrease in investment unit issuance expenses	
■ Increase in reversal of reserve for temporary difference adjustments	937 mil yen
• Distribution of the amount of accounting and tax difference in gain on sale of properties net of tax loss carryforwards	

## Capex, Repairs, and Restoration Costs (mil yen)

	Feb. 2019	Aug. 2019
Capex	944	778
Repairs and maintenance expenses	746	833
Restoration costs	230	301
Total	1,921	1,913

# Balance Sheet for August 2019 Period

- ◆ Increase in appraisal value from the compression of the cap rate (+10.4 Bn yen vs Feb. 2019)
- ◆ LTV (excluding goodwill) 45.1% (-0.3 p.p. vs Feb. 2019) as a result of equity offering

	Period ended Feb. 2019	Period ended Aug. 2019	Period-on-period change
Total Assets	777,727	841,236	63,508
Current assets	42,135	49,276	7,141
Non-current assets	735,501	791,877	56,375
Investment properties	654,523	712,856	58,332
Intangible assets	75,368	73,338	-2,030
Goodwill	69,377	67,395	-1,982
Total Liabilities	348,504	378,065	29,560
Current liabilities	47,108	43,515	-3,592
Interest-bearing debt	40,510	36,810	-3,700
Non-current liabilities	301,396	334,550	33,153
Interest-bearing debt	280,758	311,958	31,200
Net Assets	429,223	463,170	33,947
Reserve for temporary difference adjustments (Note 1)	8,804	6,823	-1,980
Reserve for distribution (Note 2)	1,986	2,106	120

LTV (excluding goodwill)	45.4 %	45.1 %	-0.3 p.p.
LTV (including goodwill)	41.3 %	41.5 %	0.2 p.p.

Number of investment units issued	1,927,000 units	2,075,000 units	148,000 units
Net Assets per unit	222,741 yen	223,214 yen	473 yen
NAV per unit (Note 3)	261,610 yen	264,981 yen	3,371 yen

(Note 1) Reserve for temporary difference adjustments for the period ended Aug. 2019 represents the amount before reversal and the amount after reversal is 3,903 mil yen.

(Note 2) Reserve for distribution for the period ended Aug. 2019 represents the amount before accumulation and the amount after accumulation is 2,214 mil yen.

(Note 3) NAV per unit: (Unitholders' capital + capital surplus + unrealized gain or loss) / number of investment units issued

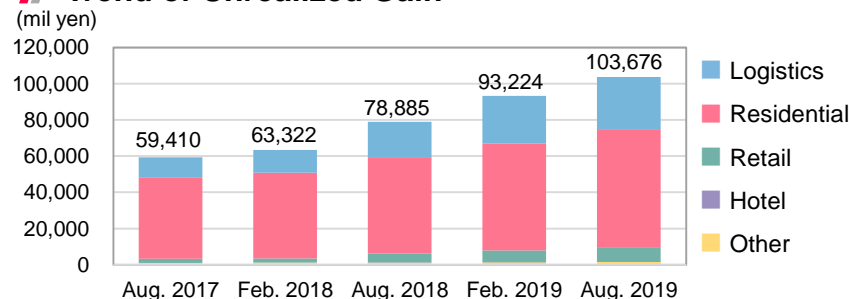
## Major Variation Factors (period-on-period)

■ Increase in total assets	63,508 mil yen
• Acquisition of 13 properties in Mar. and Apr. 2019	
• Sale of 1 property in Aug. 2019	
■ Increase in interest-bearing debt	27,500 mil yen
• New loans	
■ Increase in net assets	33,947 mil yen
• Increase in unitholders' capital due to equity raised from the public offering	
• Decrease in reserve for temporary difference adjustments	

## Unrealized Gain by Asset Class

Asset class	Book value	Appraisal value	Unrealized gain
Logistics	373,250	401,951	28,700
Residential	227,274	292,928	65,653
Retail	94,820	102,299	7,478
Hotel	10,785	11,090	304
Other	12,441	13,980	1,538
Total	718,571	822,248	103,676

## Trend of Unrealized Gain



# Financial Forecasts for February 2020 & August 2020 Periods Daiwa House REIT Investment Corporation

- ◆ Feb. 2020 DPU Forecast 6,040 yen (distribution of gain on sale of properties +814 yen)
- ◆ Aug. 2020 DPU Forecast 5,270 yen (incurrence of property taxes for acquisitions in 2019)

(mil yen)						
		Period ended Aug. 2019	Period ending Feb. 2020		Period ending Aug. 2020	
		Result	Forecast	Period-on- period change	Forecast	Period-on- period change
Operating revenue		24,877	24,910	32	24,643	-266
	Rental revenue	24,722	24,604	-118	24,643	39
	Gain on sale of properties	154	306	151	—	-306
Operating expenses		14,175	14,272	96	14,245	-27
	Amortization of goodwill	1,982	1,982	—	1,982	—
	Property taxes	1,798	1,774	-24	1,963	188
	Depreciation	4,764	4,772	8	4,780	8
Operating income		10,702	10,638	-63	10,398	-239
	Interest and borrowing related expenses	1,471	1,484	12	1,457	-26
	Investment unit issuance expenses	173	—	-173	—	—
Ordinary income		9,166	9,169	3	8,954	-215
Net income		9,166	9,169	3	8,953	-215
Reversal of reserve for temporary difference adjustments		2,920	3,365	445	1,982	-1,383
Accumulation of reserve for distribution		107	—	-107	—	—
Total distribution		11,978	12,534	555	10,935	-1,598

< Per unit information >

Net income	4,417 yen	4,418 yen	1 yen	4,314 yen	-104 yen
DPU	5,773 yen	6,040 yen	267 yen	5,270 yen	-770 yen
[Forecast as of Apr. 18, 2019]	[5,170 yen]	[5,370 yen]			

## Major Variation Factors for Feb. 2020 Forecast vs Aug. 2019 Result

- |   |                          |
|---|--------------------------|
|   | [Contribution to income] |
| ■ Increase in operating revenue   | 32 mil yen               |
| • Full period contribution of 13 properties acquired in Mar. and Apr. 2019                  |                          |
| • Decrease in revenues of 6 properties sold in Aug. and Sep. 2019                           |                          |
| • Increase in gain on sale of properties  |                          |
| ■ Increase in operating expenses  | -96 mil yen              |
| • Full period expenses for 13 properties acquired in Mar. and Apr. 2019                     |                          |
| • Decrease in expenses for 6 properties sold in Aug. and Sep. 2019                          |                          |
| • Increase in repairs and maintenance expenses by front-loaded repair                       |                          |
| • Decrease in restoration costs   |                          |
| ■ Decrease in non-operating expenses  | 161 mil yen              |
| • Absence of investment unit issuance expenses  |                          |
| ■ Increase in reversal of reserve for temporary difference adjustments                      | 445 mil yen              |
| • Distribution of the amount of accounting and tax difference in gain on sale of properties |                          |

## Major Variation Factors for Aug. 2020 Forecast vs Feb. 2020 Forecast

- |   |                          |
|---|--------------------------|
|   | [Contribution to income] |
| ■ Decrease in operating revenue                     | -266 mil yen             |
| • Absence of gain on sale of properties             |                          |
| ■ Decrease in operating expenses                    | 27 mil yen               |
| • Property taxes for 13 properties acquired in 2019 |                          |
| • Decrease in repairs and maintenance expenses      |                          |
| ■ Decrease in non-operating expenses                | 26 mil yen               |
| • Decrease in interest expenses                     |                          |



# Impact of Gain on Sale of Properties on DPU

## // Distribution of gain on sale of properties

(mil yen)	Aug. 2019 Actual	Feb. 2020 Forecast
Gain in accounting	154	306
Gain for tax purpose (A)	1,602	1,689
Tax loss carryforwards, etc. (B)	507	—
Distribution of gain (A) - (B)	1,094	1,689

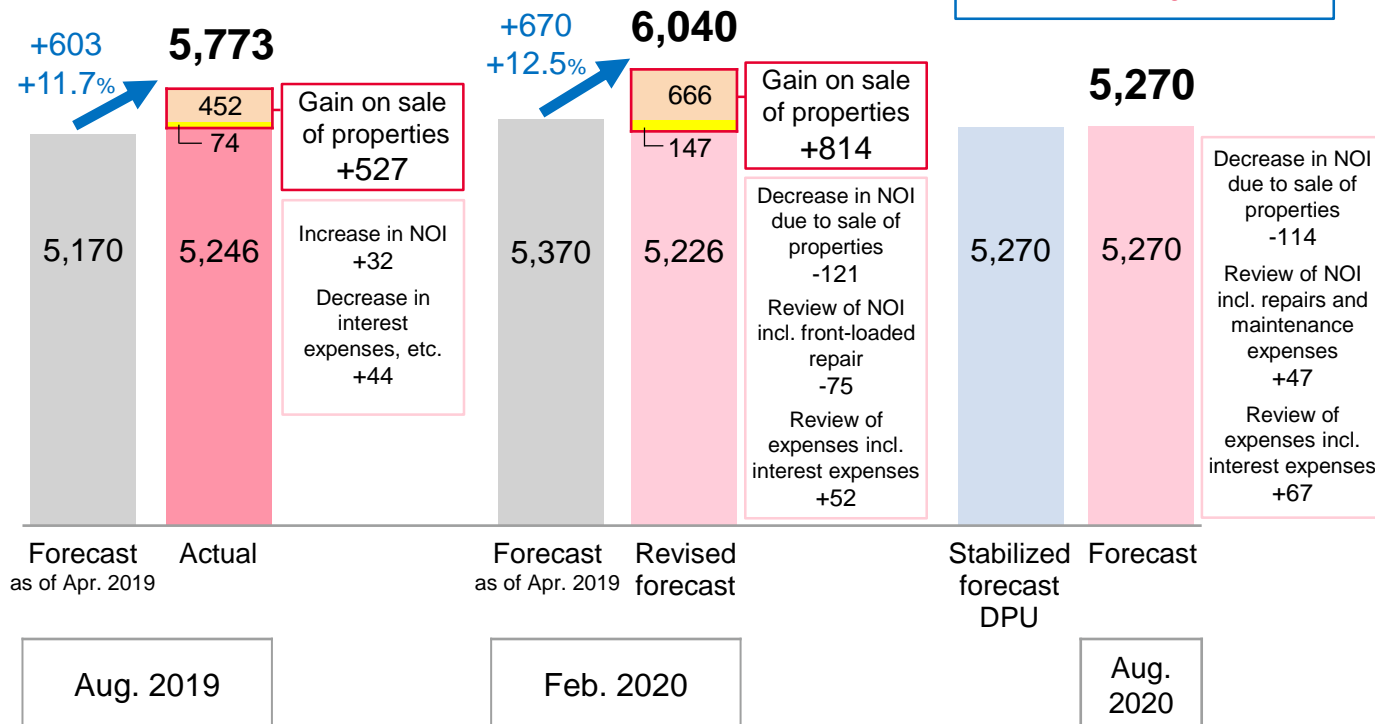
Per unit

Distribution of gain	527 yen	814 yen
Gain in accounting	74 yen	147 yen
Accounting and tax difference net of tax loss carryforwards, etc.	452 yen	666 yen

- To maintain its conduit status, DHR distributes on top of accounting gain the accounting and tax difference in gain net of tax loss carryforwards, etc.
- DHR distributes as cash distribution the accounting and tax difference by reversing reserve for temporary difference adjustments

## // DPU

(yen)



Aug. 2019

Feb. 2020

Aug.  
2020

Forecast as of Apr. 2019

Actual (excluding gain on sale)

Gain on sale in accounting

Accounting and tax difference in gain net of tax loss carryforwards, etc.

Revised forecast (excluding gain on sale) / Forecast

Stabilized forecast DPU<sup>(Note)</sup>

(Note) Stabilized forecast DPU: Forecast DPU adjusted for property taxes

\* Impact from property taxes of the properties acquired in 2019  
-92 yen





## 2. Initiatives to Pursue Growth



## Sustainable Growth of DPU

**Stabilized Target DPU**

**5,600 yen**

### External growth

- Selectively acquire highly competitive properties mainly in the three major metropolitan areas and core regional cities
- Leverage pipeline and promote portfolio rebalancing
- Utilize various acquisition schemes

**Acquire properties accretive to DPU**

### Internal growth

- Steadily increase rent mainly at the residential properties in central Tokyo
- Invest in LED light installation and other value enhancement measures
- Conduct planned large-scale repair
- Promote redevelopment

**Improve profitability**

### Finance

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

**Maintain financial discipline**

### ESG

- Improve ESG rating by third parties including GRESB and MSCI
- Increase the ratio of properties with environmental certification to 50% or more

Over the 3 Years after the Merger

Mid-Term Growth Strategy

**Target**

**AUM 800 Bn yen**

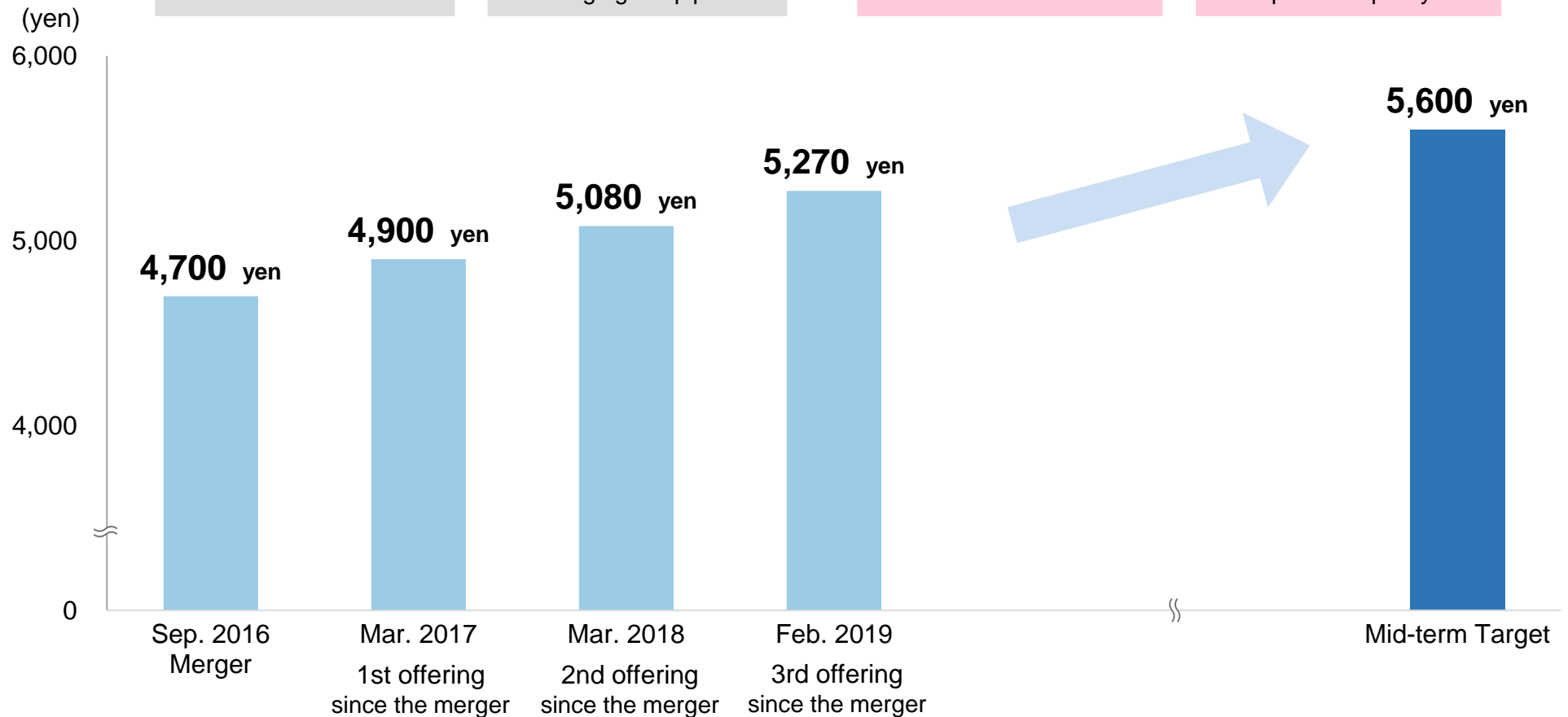
**Stabilized DPU 5,600 yen**

Shift to diversified REIT

Acceleration of growth  
leveraging the pipeline

Sustainable growth of DPU

Improvement in  
portfolio quality



# Pipeline of Daiwa House Group

## // Logistics

Property name	Type	Location	Completion	No. of floors	GFA
D Project Jonanjima	BTS	Ota Ward, Tokyo	May 2014	8	49,739 m <sup>2</sup>
D Project Wako A	BTS	Wako City, Saitama	Apr. 2015	6	57,198 m <sup>2</sup>
D Project Kawajima	BTS	Hiki District, Saitama	Sep. 2017	1	9,408 m <sup>2</sup>
D Project Ibaraki A	BTS	Ibaraki City, Osaka	Sep. 2017	6	90,486 m <sup>2</sup>
D Project Ibaraki B	BTS	Ibaraki City, Osaka	Apr. 2018	4	65,341 m <sup>2</sup>
DPL Sagami-hara	Multi-tenant	Sagami-hara City, Kanagawa	Dec. 2013	5	82,685 m <sup>2</sup>
DPL Yokohama Daikoku	Multi-tenant	Yokohama City, Kanagawa	Feb. 2014	6	121,818 m <sup>2</sup>
DPL Kawasaki Yakou	Multi-tenant	Kawasaki City, Kanagawa	Mar. 2017	5	92,924 m <sup>2</sup>
DPL Ichikawa	Multi-tenant	Ichikawa City, Chiba	Jun. 2016	5	88,050 m <sup>2</sup>
DPL Nagareyama	Multi-tenant	Nagareyama City, Chiba	Mar. 2018	4	141,316 m <sup>2</sup>
DPL Fukuoka Umi	Multi-tenant	Kasuya District, Fukuoka	Jan. 2017	5	90,882 m <sup>2</sup>

## // Residential

Property name	Type	Location	Completion	No. of units
Royal Parks ER Sasashima	Compact / family / shared house / pay nursing homes / nursery school / retail	Nagoya City, Aichi	Feb. 2015	Condominium 430 units, shared house 136 units, pay nursing homes 66 units (including senior day-care), nursery school, retail 2 sections

## // Retail

Property Name	Type	Location	Completion (planned)	No. of Floors	GFA
ias Tsukuba (70% co-ownership interest)	Mall	Tsukuba City, Ibaraki	Sep. 2008	5	112,509 m <sup>2</sup>
(Provisional) Okinawa Toyosaki Town Project	Mall	Tomigusuku City, Okinawa	Mar. 2020	4	135,000 m <sup>2</sup>

## // Hotel

Property name	Type	Location	Completion (planned)	No. of floors	GFA
Daiwa Roynet Hotel Tokyo Ariake	Hotel / retail / convention	Koto Ward, Tokyo	Sep. 2018	17 + 1 basement	22,500 m <sup>2</sup>
Agora Kanazawa	Hotel	Kanazawa City, Ishikawa	Sep. 2019	12	7,615 m <sup>2</sup>
(Provisional) Nagasaki Douza Building	Hotel	Nagasaki City, Nagasaki	Feb. 2020	12	6,770 m <sup>2</sup>

(Source) Daiwa House Industry Co., Ltd.

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

## // Other Assets

Property name	Type	Location	Completion (planned)	GFA / No. of units
D Tower Nishi-Shinjuku	Office / service apartment / retail	Shinjuku Ward, Tokyo	Mar. 2020	39,460 m <sup>2</sup>
(Provisional) Nagoya Marunouchi 1-chome Project	Office / retail	Nagoya City, Aichi	Aug. 2021	14,496 m <sup>2</sup>
Granode Hiroshima	Office / hotel / retail	Hiroshima City, Hiroshima	Mar. 2019	47,123 m <sup>2</sup>
Shibuya Honmachi Project	Assisted-living pay nursing homes	Shibuya Ward, Tokyo	Oct. 2015	57 units

D Project Jonanjima



D Project Wako A



D Project Ibaraki A



DPL Sagami-hara



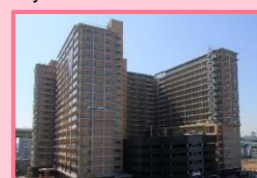
DPL Ichikawa



DPL Nagareyama



Royal Parks ER Sasashima



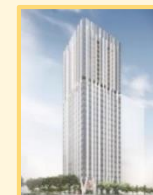
Daiwa Roynet Hotel Tokyo Ariake (Provisional) Nagasaki Douza Building



(Provisional) Okinawa Toyosaki Town Project



D Tower Nishi-Shinjuku



Granode Hiroshima





# 3. Operation Status



# Sale of Six Logistics Properties

- ◆ Recording gain on sale of six logistics properties over Aug. 2019 and Feb. 2020 periods
- ◆ Improving portfolio quality and management efficiency and returning gain to unitholders by distribution

(mil yen)

Property name	Date of sale	Acquisition price	Sale price	Appraisal value at sale	Accounting		Acquisition price of former DHR	Tax	
					Book value	Gain on sale		Book value	Gain on sale
D Project Shin-Misato	Aug. 30, 2019	5,710	5,755	5,750	5,584	154	4,440	4,136	1,602
Total of the period ended Aug. 2019		5,710	5,755	5,750	5,584	154	4,440	4,136	1,602
D Project Gifu	Sep. 2, 2019	1,100	1,171	1,170	1,065	100	900	805	361
D Project Sapporo Minami		818	863	862	781	77	600	527	332
D Project Sendai Minami		1,530	1,581	1,580	1,509	65	1,250	1,138	437
D Project Gotenba		1,140	1,141	1,140	1,107	29	950	871	265
D Project Nishi-Hiroshima		1,210	1,211	1,210	1,173	32	990	912	292
Total of the period ending Feb. 2020		5,798	5,967	5,962	5,638	306	4,690	4,255	1,689
Total		11,508	11,722	11,712	11,222	461	9,130	8,391	3,292

Number of properties	Sale price
6 properties	11,722 mil yen
Feb. 2019 Average NOI yield	Feb. 2019 Average NOI yield after depreciation
4.4 %	3.3 %
Average remaining lease term	Average property age
7.6 years	11.1 years

- To improve portfolio quality including area, remaining lease term and property age, DHR sold six logistics properties previously owned by the former DHR since its IPO in November 2012 for 11.7 billion yen
- DHR aims to promote efficiency of portfolio management by selling the properties considered at risk for a potential decrease in NOI in the future due to rent reduction and increased repair and maintenance expenses, and the properties considered less efficient due to the small size
- Book values for accounting and tax purposes were different, since DHR inherited the properties from the former DHR at the merger in Sep. 2016 at market value (appraisal value) for accounting purpose and at book value for tax purpose
- By selling the properties with large unrealized gain for tax purpose, DHR aims to realize unrealized gain and return the gain to unitholders as distribution

# Track Record of Asset Size Growth

Total Acquisition Price of Properties  
Acquired since the Merger

**57** properties **272.9** Bn yen

Growth of Asset Size  
since the Merger

**+50.4%**  
Increase in asset size after the merger  
**247.6** Bn yen

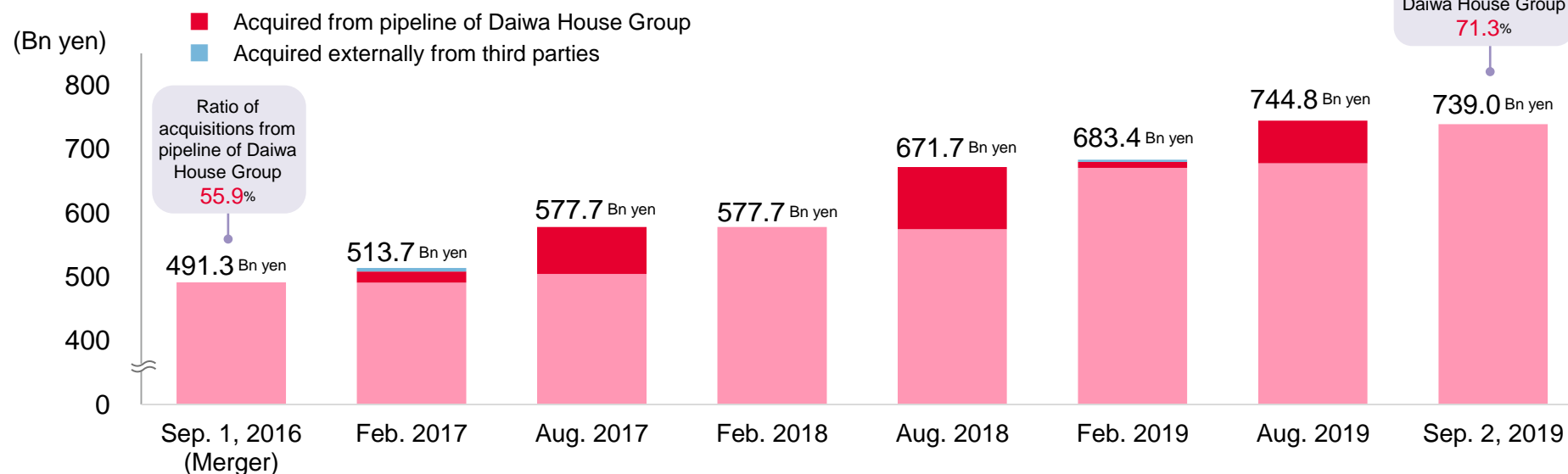
Acquisitions from Pipeline of  
Daiwa House Group since the Merger

**96.7%** (**55** properties / **57** properties)  
(acquisition price basis)

Acquisitions Developed by  
Daiwa House Group since the Merger

**94.5%** (**53** properties / **57** properties)  
(acquisition price basis)

## // Asset Size (acquisition price)



NOI yield	5.2 %	5.3 %	5.4 %	5.4 %	5.3 %	5.3 %	5.2 %	5.2 %
* Adjusted for property taxes								

NOI yield after depreciation	3.8 %	4.0 %	4.0 %	4.1 %	4.0 %	4.0 %	3.9 %	3.9 %
* Adjusted for property taxes								

(Note) NOI yield and NOI yield after depreciation are based on annualized NOI adjusted for property taxes to be expensed and excluding the properties sold during the period.  
NOI as of Sep. 1, 2016 (Merger) is based on NOI of Daiwa House Residential and former Daiwa House REIT for the period ended Aug. 31, 2016 preceding the merger.  
NOI yield and NOI yield after depreciation as of Sep. 2, 2019 are excluding the properties sold in Sep. 2019.

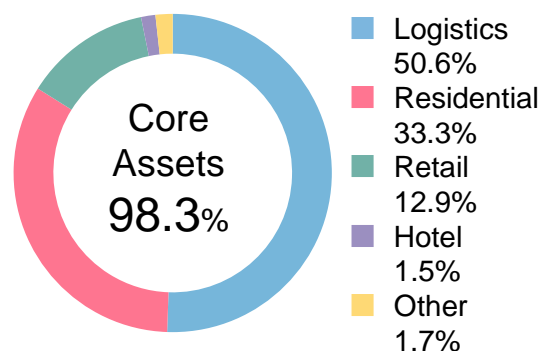


# Portfolio Summary (as of September 2, 2019)

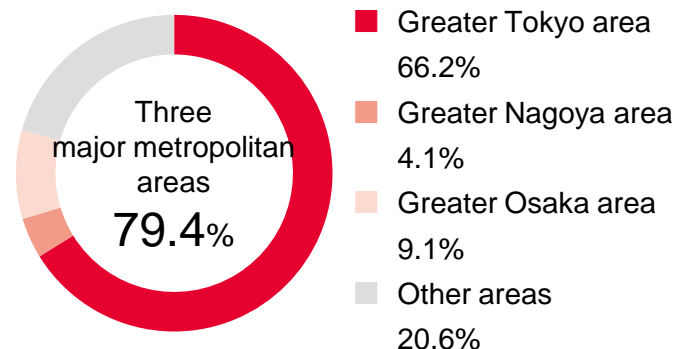
	Portfolio	Logistics	Residential	Retail	Hotel	Other
Acquisition price	739,025 mil yen	373,641 mil yen	246,424 mil yen	95,330 mil yen	10,770 mil yen	12,860 mil yen
Number of properties	223 properties	61 properties	133 properties	21 properties	3 properties	5 properties
NOI yield (adjusted for property taxes)	5.2 %	5.0 %	5.3 %	5.3 %	4.8 %	6.1 %
NOI yield after depreciation (adjusted for property taxes)	3.9 %	3.9 %	3.7 %	4.4 %	3.9 %	4.6 %
Average property age	10.3 years	8.0 years	13.5 years	11.1 years	12.7 years	7.1 years
Occupancy rate	99.4 %	100.0 %	96.7 %	99.7 %	100.0 %	100.0 %
Area breakdown	Greater Tokyo 66.2 % Greater Nagoya 4.1 % Greater Osaka 9.1 % Other 20.6 %	Greater Tokyo 65.0 % Greater Nagoya 4.3 % Greater Osaka 6.3 % Other 24.4 %	Greater Tokyo 83.3 % Greater Nagoya 3.1 % Greater Osaka 8.8 % Other 4.8 %	Greater Tokyo 34.2 % Greater Nagoya 2.5 % Greater Osaka 21.4 % Other 41.8 %	Greater Tokyo 44.6 % Greater Nagoya 41.8 % Greater Osaka 13.6 %	Greater Tokyo 26.5 % Other 73.5 %

(Note) NOI yield and NOI yield after depreciation are calculated excluding the properties sold in Aug. and Sep. 2019.  
Occupancy rate is as of Aug. 31, 2019.

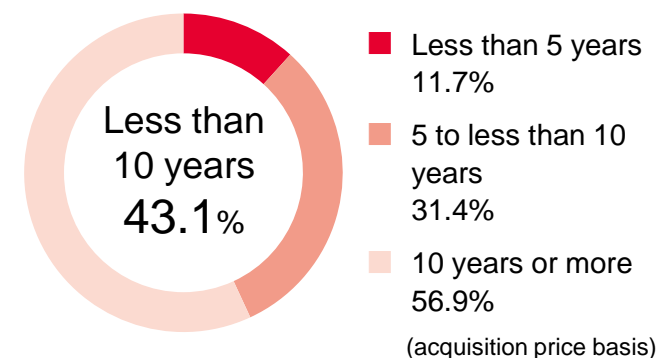
## // Portfolio by Asset Class



## // Portfolio by Area



## // Portfolio by Property Age



# Operation Status of Logistics Properties

## Operation Status

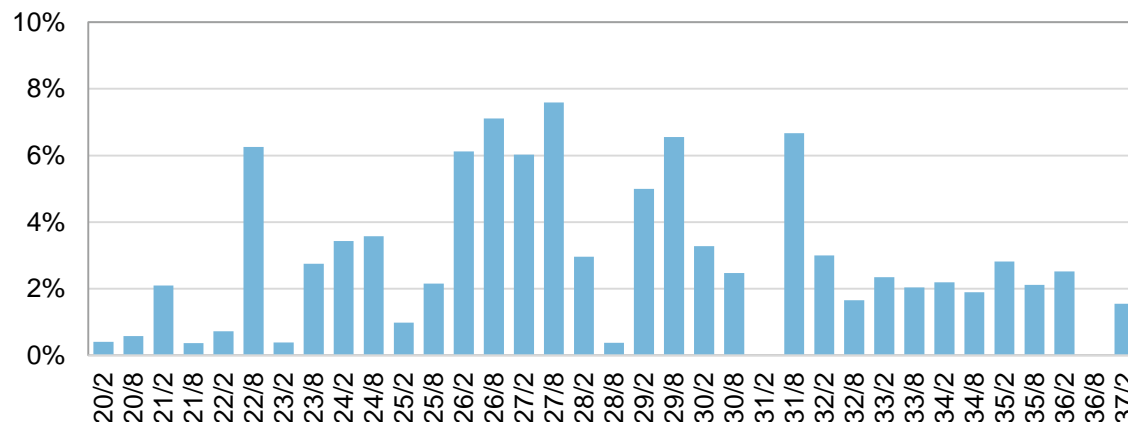
- Acquired 8 properties (acquisition price: 45,140 mil yen)
- Sold 6 properties (sale price: 11,722 mil yen)
- Period end occupancy 100.0%
- < D Project Fukuoka Umi C >  
Renewed air conditioning equipment → Increased rent
- < D Project Urayasu II > Part of the building cannot be used due to water leakage caused by the typhoon in Sep. 2019

## Rent Revision / Lease Contract Renewal

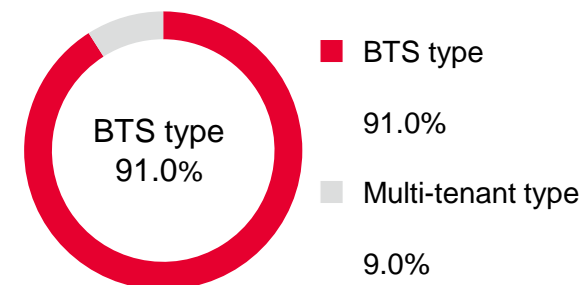
- Rent revision:  
D Project Fukuoka Umi D, D Project Kawagoe III, D Project Sendai Izumi, and D Project Kakegawa → Revised rent on equal terms

## Lease Expiration Ladder (annual rent basis)

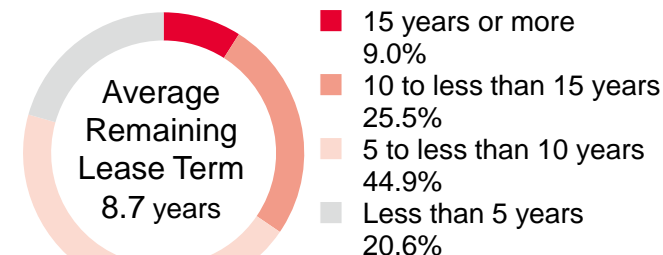
- Stable cash flow based on long-term lease contracts



## Type (acquisition price basis)



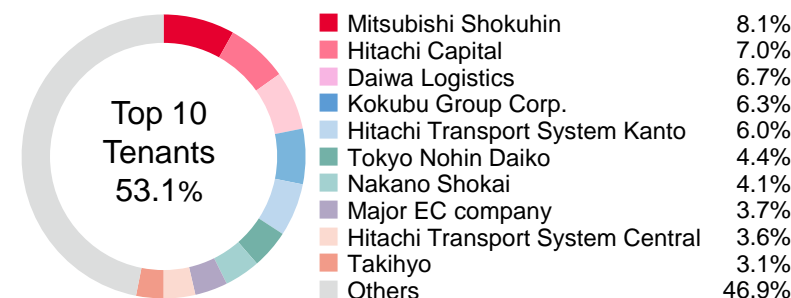
## Remaining Lease Term (annual rent basis)



Average Remaining Lease Term  
8.7 years

Average Lease Term 15.7 years

## % of Top 10 Tenants (leased area basis)



Top 10 Tenants  
53.1%

# Operation Status of Residential Properties

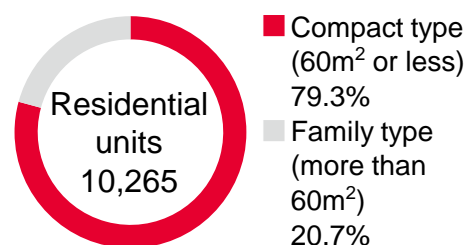
## Operation Status

- Period average occupancy at 96.8%, above the forecast of 96.5%
- Conducted major renovations for 2 properties

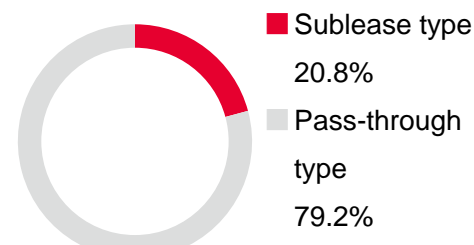
## Rents

- Monthly rent at tenant replacement increased for 9 consecutive periods  
Total: +4,112 thousand yen, or +3.4% vs before replacement  
5 central wards of Tokyo: +2,257 thousand yen, or +5.6%
- Performed upgrade work for 19 units of 15 properties  
→ Contracts signed for 18 units at end of period  
with 9.4% increase in rents

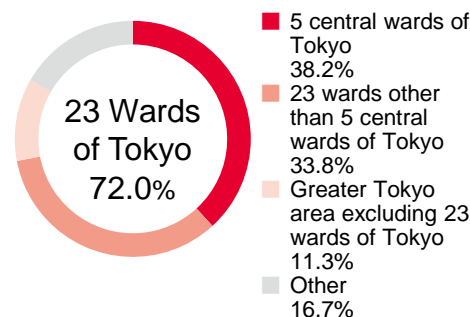
## Unit Type (number of units basis)



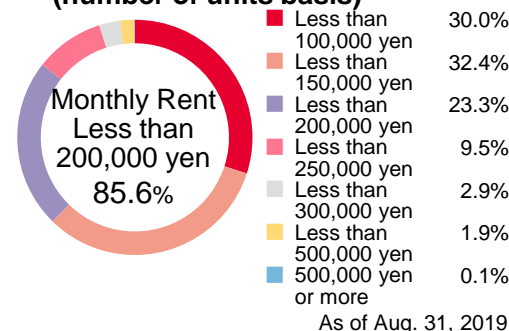
## Master Lease Type (annual rent basis)



## Area (acquisition price basis)

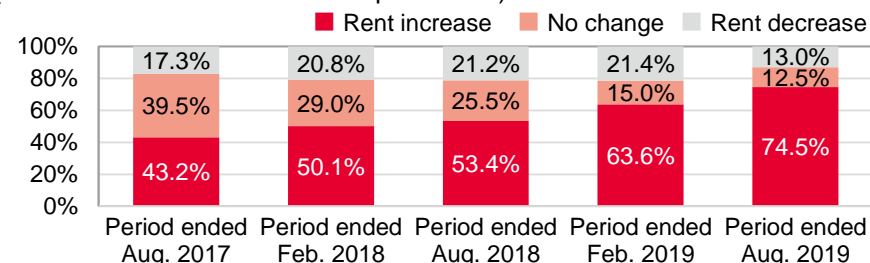


## Monthly Rent (number of units basis)



## Monthly Rent at Tenant Replacement

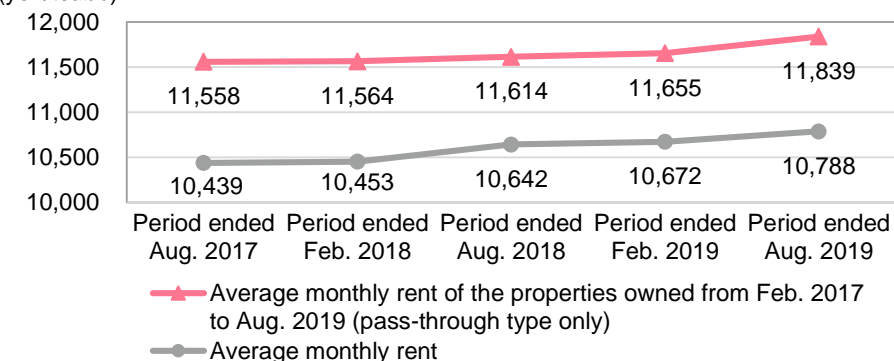
(Ratio of the number of tenant replacement)



Change in rent (thousand yen)	+1,667	+1,689	+2,598	+2,529	+4,112
Change in rent	+1.3 %	+1.6 %	+1.9 %	+2.4 %	+3.4 %
Number of replacement	1,110 units	806 units	990 units	748 units	879 units

## Average Monthly Rent

(yen/tsubo)



## Upgrade Work

- Royal Parks Hanakoganei

Replaced underutilized multi-story mechanical parking garage with flat parking garage equipped with EV chargers

Minimizing costs estimated to arise in the future and improving profitability



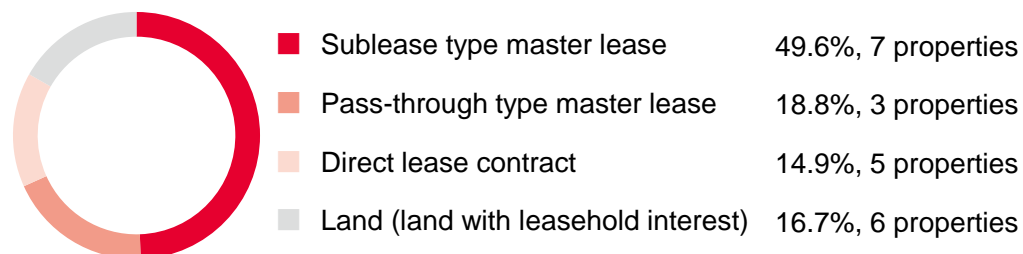
## Operation Status of Retail Properties

- Acquired 3 properties (acquisition price: 16,070 mil yen)
- Period end occupancy remained at a high level of 99.7%  
Move-ins: 1 unit, Move-outs: 1 unit
- Monthly rent as of Aug. 2019 +682 thousand yen, or +0.2% vs as of Feb. 2019  
< ACROSSMALL Shinkamagaya >  
Installed groundwater usage equipment → Increased rent  
< FOLEO Otsu Ichiriyama > Installed LED light → Increased rent

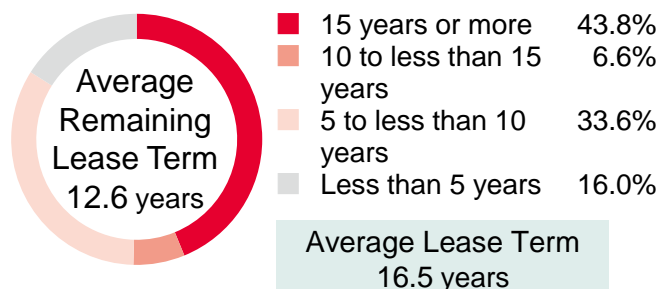
### Rent Revision / Lease Contract Renewal of Major Tenants

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

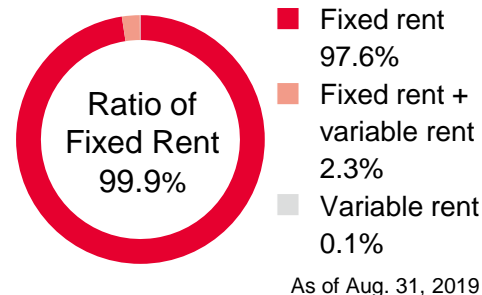
### // Lease Contract Type (annual rent basis)



### // Remaining Lease Term (annual rent basis)



### // Rent Type (leased area basis)



## Operation Status of Hotel Properties

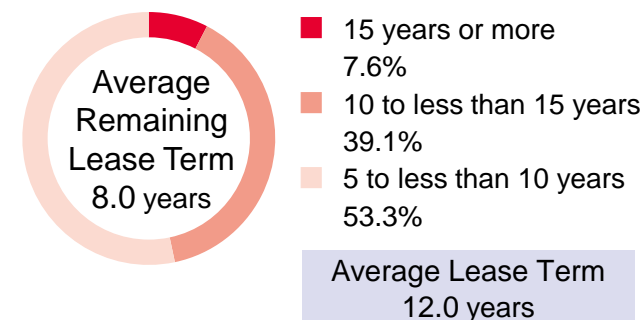
- Acquired 1 property  
(acquisition price: 4,500 mil yen)
- Period end occupancy 100.0%

### Rent Revision /

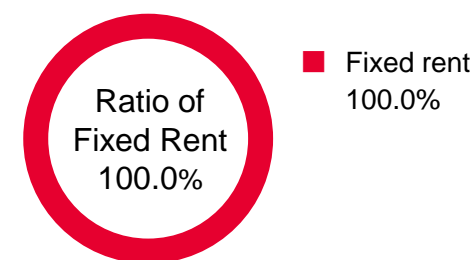
### Lease Contract Renewal of Hotel Space

- Rent revision / lease contract renewal: None

### // Remaining Lease Term of Hotel Space (annual rent basis)



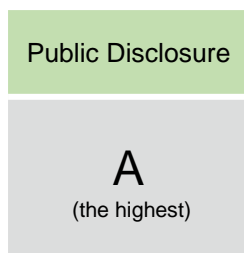
### // Rent Type of Hotel Space (leased area basis)



- ◆ 2019 GRESB Rating upgraded by one notch to “3 Stars”
- ◆ Promoting environmental certifications and achieved our first “CASBEE for Real Estate Certification”

## // 2019 GRESB Assessment Upgrade

- ◆ Promotion of green lease agreements to monitor and reduce energy consumption  
4.8% 2018 assessment → 25.0% 2019 assessment
- ◆ Promotion of environmental certification  
26.8% 2018 assessment → 38.8% 2019 assessment



## // MUFG ESG Rating Certificate for J-REITs supported by JCR



As of Sep. 10, 2019



## // Status of Green Lease Agreement / Environmental Certification

Ratio of properties with green lease agreements concluded (based on gross floor area)	Ratio of properties with environmental certification (based on gross floor area)
37.0 % +12.0 p.p. compared to Mar. 31, 2019	47.0 % +8.2 p.p. compared to Mar. 31, 2019

As of Sep. 30, 2019

## // New Environmental Certifications (Apr.-Sep. 2019)

	★★★★★	Retail	1 property
	★★★★★	Logistics	2 properties
	★★★★★	Logistics	1 property
	★★★★	Logistics	1 property
	★★★	Logistics	4 properties
	★★★	Logistics	4 properties

## // Contribution to Local Communities

- ◆ Holding local events at retail properties



School brass band performance



Information booth for finding temporary foster home for babies



Event for mothers and kids

## // Same Boat Investment by Daiwa House

- ◆ Additional equity investment of 2,000 units in Mar. 2019

Daiwa House's investment in DHR (% of ownership)	187,200 units (9.0%)
--	----------------------

As of Aug. 31, 2019

## // Investment Unit Ownership Program

Subjects	Introduction
Daiwa House Officers	Nov. 2018
Daiwa House Employees	16,670 (as of Apr. 1, 2019) Nov. 2019
Asset Manager Officers and Employees	58 (as of Oct. 1, 2019)



## 4. Financial Status

# Financial Status (1)

- ◆ R&I credit rating upgraded from “A+” with positive outlook to “AA-” with stable outlook in Jul. 2019
- ◆ Control LTV (excluding goodwill) at around 45%

## // Financial Status (as of August 31, 2019)

Interest-bearing debt
348,768 mil yen
Loans
329,768 mil yen
Bonds
19,000 mil yen

Long-term interest-bearing debt ratio
89.4 %

Average interest rate
0.74 %

LTV (Excluding goodwill)
45.1 %

Debt capacity for acquisition of up to 50%: 76.0 Bn yen

Fixed interest ratio
95.2 %

Average remaining maturity
4.9 years

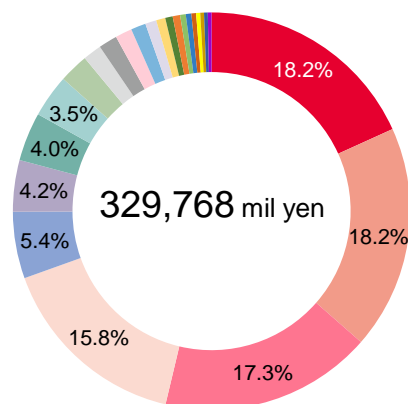
LTV (Including goodwill)
41.5 %

## // Credit Rating

JCR
AA (Stable)

R&I
AA- (Stable)

## // Lender Formation



Sumitomo Mitsui Trust Bank	60,109	Mizuho Trust & Banking	7,908	Nishi-Nippon City Bank	2,000
Sumitomo Mitsui Banking Corporation	60,100	Nippon Life Insurance	5,000	Iyo Bank	1,500
MUFG Bank	56,954	Shinsei Bank	5,000	Chugoku Bank	1,500
Mizuho Bank	52,100	Shinkin Central Bank	4,500	Shizuoka Bank	1,260
Development Bank of Japan	17,900	Mitsui Sumitomo Insurance	4,000	Japan Post Insurance	1,100
Norinchukin Bank	13,810	Bank of Fukuoka	3,000	Bank of Kyoto	1,000
Aozora Bank	13,061	Chiba Bank	2,465	Dai-ichi Life Insurance	1,000
Resona Bank	11,500	77 Bank	2,000	Taiyo Life Insurance	1,000



## ◆ Further lengthening and diversifying debt maturities and fixing interest rates

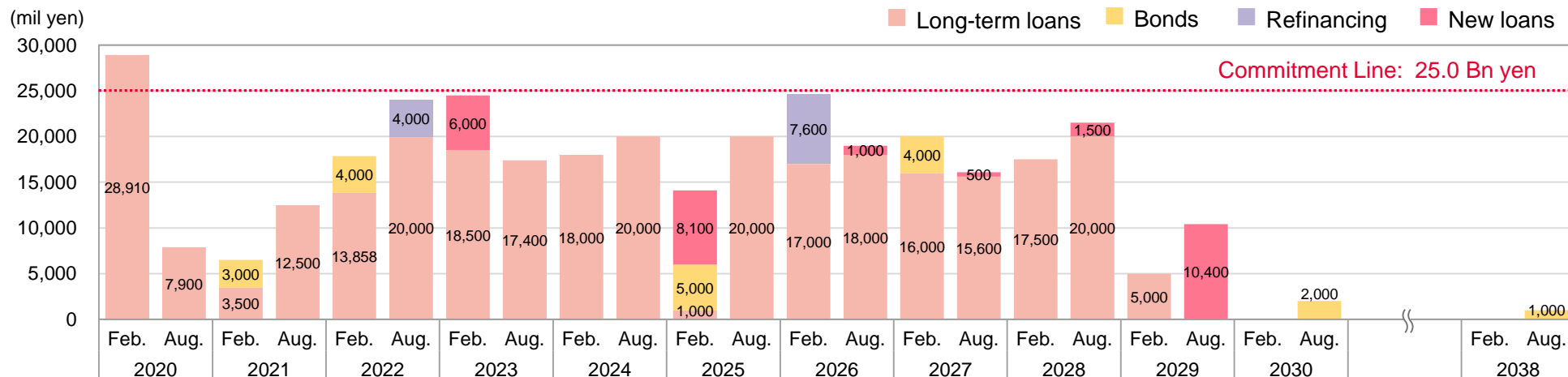
### // Debt Financing

	Repayment in Mar. 2019	Refinancing in Mar. 2019	Financing in Apr. 2019
Amount	11,600 mil yen	11,600 mil yen	27,500 mil yen
Average interest rate	0.54 %	0.36 %	0.52 %
Average maturity	4.4 years	5.4 years	7.1 years

### // Scheduled Refinancing in Feb. 2020 Period

Repayment date	Nov. 29, 2019	Jan. 31, 2020	Total
Amount	10,000 mil yen	18,910 mil yen	28,910 mil yen
Average interest rate	1.29 %	0.96 %	1.07 %
Average maturity	7.0 years	7.0 years	7.0 years

### // Diversified Maturity Ladder



- ◆ Submitted a revised shelf registration on Oct. 17, 2019 for issuance of green bonds
- ◆ Aim to promote ESG initiatives, further expand investor base and ensure stable fundraising method

## // Use of Proceeds from Green Bonds

- (1) To fund acquisition of eligible green assets or refinancing of such funds
- (2) To fund renovation work or refinancing of such funds that meet the following eligibility criteria

### Eligibility Criteria

#### A) Eligible green assets

Properties which have received or will receive certification from a third-party certification body under any of the following 1) to 3)

- |   |                                 |
|---|---------------------------------|
| 1) DBJ Green Building Certification     | 3 Stars, 4 Stars or 5 Stars     |
| 2) CASBEE for Real Estate Certification | B+ Rating, A Rating or S Rating |
| 3) BELS Certification                   | 3 Stars, 4 Stars or 5 Stars     |

**Eligible green assets**  
**24** properties **220** Bn yen  
 (total acquisition price)

**Certified rate** (Note)  
**30.7 %**



#### B) Renovation work

Renovation work which is able to reduce energy consumption, CO<sub>2</sub> emissions or water consumption by 10% or more

(Note) Excluding the properties where only land is owned and Shibaura Island Bloom Tower.

## // Eligibility as Green Bonds

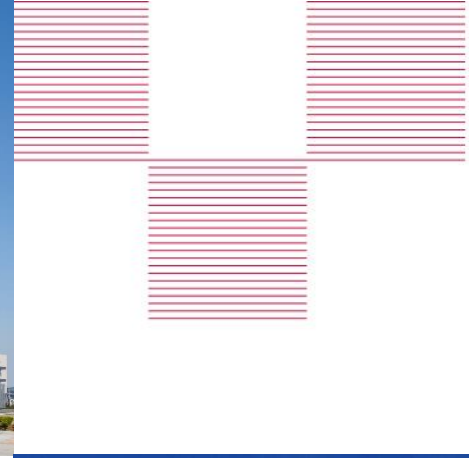
- Formulated a green finance framework for the implementation of green finance including the issuance of green bonds
- Received a preliminary evaluation rating of “**Green 1**”, the highest rating from JCR as a third-party assessment on the DHR green bonds currently in preparation

Targeted for subsidies from the Ministry of the Environment's 2019 Financial Support Programme for Green Bond Issuance

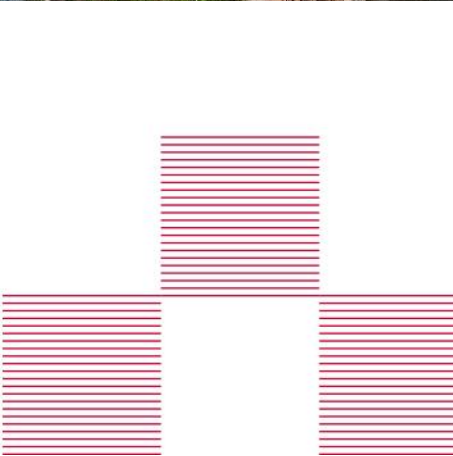
Subsidies provided for expenses incurred for obtaining a third-party assessment on green bonds



- DHR will disclose the following indicators on its website once a year
  - Number and type of environmental certification received
  - Water consumption
  - Energy consumption
  - CO<sub>2</sub> emissions



# Appendix





# Overview of Acquisitions in March and April 2019

Asset class	Property name	Location	Acquisition price (mil yen)	Appraisal value at acquisition (mil yen)	NOI yield	NOI yield after depreciation	Occupancy rate	Property age at acquisition (years)	Lessee	(Average) Lease term (years)	(Average) Remaining lease term (years)
Logistics	D Project Kitahachioji I	Hachioji City, Tokyo	4,300	4,360	4.8 %	3.9 %	100.0 %	8.1	Sanritsu	15.0	7.0
	D Project Kitahachioji II	Hachioji City, Tokyo	5,700	5,760	4.8 %	4.0 %	100.0 %	7.2	Hutech norin	20.0	12.8
	D Project Kitahachioji III	Hachioji City, Tokyo	7,300	7,450	4.8 %	4.0 %	100.0 %	4.8	Mitsubishi Shokuhin / Sanritsu	Not disclosed	Not disclosed
	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	12,300	12,400	4.3 %	3.5 %	100.0 %	4.4	Kokubu Group Corp.	Not disclosed	Not disclosed
	D Project Sagamihara	Sagamihara City, Kanagawa	3,900	3,940	4.5 %	3.3 %	100.0 %	4.0	Daiwa Logistics	20.0	16.0
	D Project Kuki VIII	Kuki City, Saitama	6,100	6,110	4.8 %	3.7 %	100.0 %	2.5	ESCO	20.0	17.5
	D Project Yokkaichi	Yokkaichi City, Mie	1,490	1,500	5.3 %	4.2 %	100.0 %	2.3	Kintetsu Logistics Systems	Not disclosed	Not disclosed
	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	4,050	4,090	5.3 %	4.0 %	100.0 %	3.7	Kokubu Group Corp.	Not disclosed	Not disclosed
Logistics Subtotal / Average			45,140	45,610	4.7 %	3.8 %	100.0 %	4.8	—	18.5	13.8
Retail	iiias Tsukuba (30% co-ownership interest)	Tsukuba City, Ibaraki	10,320	10,320	5.4 %	4.2 %	100.0 %	10.5	Daiwa House	20.1	20.1
	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	750	762	4.9 %	4.5 %	100.0 %	25.0	Aoyama Trading	Not disclosed	Not disclosed
	FOLEO Shobu	Kuki City, Saitama	5,000	5,050	5.5 %	4.5 %	100.0 %	9.1	Daiwa House	20.1	20.1
Hotel	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	4,500	4,540	4.5 %	3.7 %	100.0 %	17.8	Daiwa Royal	5.1	5.1
Other	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	1,380	1,380	4.4 %	4.1 %	100.0 %	0.1	NESS Corporation / Welcia Yakkyoku	20.1	19.9
Total / Average			67,090	67,662	4.8 %	3.9 %	100.0 %	7.0	—	17.8	14.8

(Note) NOI yield and NOI yield after depreciation are based on appraisal NOI.

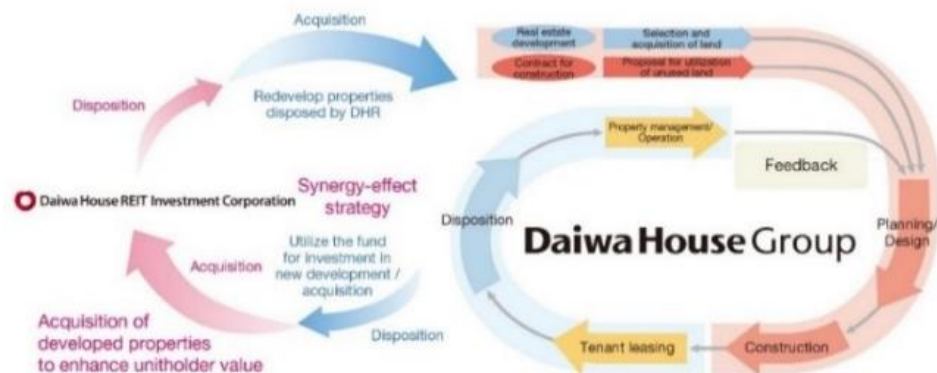
As of Apr. 10, 2019



# Leveraging Value Chain of Daiwa House Group

## Value Chain of Daiwa House Group

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



## 6<sup>th</sup> Medium-Term Management Plan of Daiwa House Group

- Daiwa House Group intends to invest 700 Bn yen in the real estate development business and finance 400 Bn yen by sale of real estate properties according to its 6<sup>th</sup> Medium-Term Plan covering the fiscal year ending March 2020 through the fiscal year ending March 2022

(Bn yen)

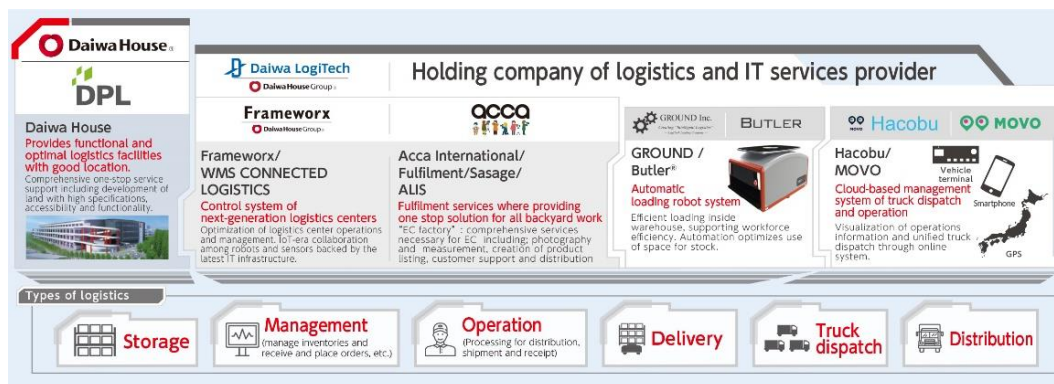
Real estate  
Investment plan

Real estate  
Sale plan

Real estate development 700			
Logistics, Business and Corporate Facilities 350	Rental Housing 50	Commercial Facilities 150	Overseas 150
Sale of development properties 400			

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

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



## Real Estate Available for Sale of Daiwa House Group

(Bn yen)

As of Jun. 30, 2019	Being rented	Not being rented	Total
Logistics, business & corporate facilities	232.6	328.2	560.8
Rental housing	7.9	38.4	46.3
Commercial facilities	53.5	51.2	104.8

(Source) Daiwa House Industry Co., Ltd.

## // Accounting Treatment of Goodwill

**Goodwill recognized from the merger**

**67,395 mil yen**  
(as of Aug. 31, 2019)

- ◆ Goodwill is recorded as intangible non-current assets on balance sheet
- ◆ Amortized over 20 years using the straight-line method (1,982 mil yen per 6-month fiscal period)

## // Use of Voluntary Reserve

**Voluntary reserve**

**6,117 mil yen**  
(after distribution payment for the period ended Aug. 2019)

To pay distribution equivalent to goodwill amortization

To pay distribution equivalent to gain for tax purpose in excess of gain for accounting purpose at sale of properties for maintaining conduit status

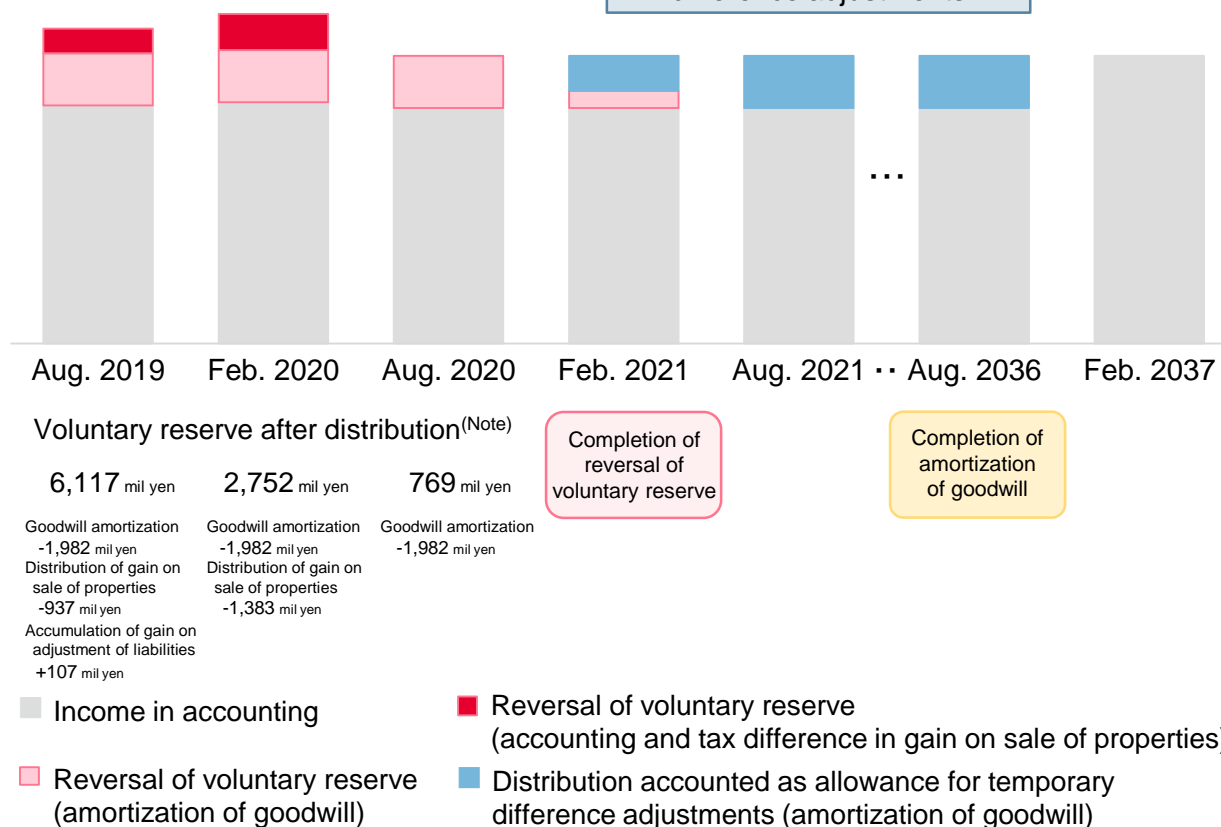
When income falls below forecast due to non-recurring loss on sale of properties or dilution as a result of issuance of units, etc.

**Reversal of voluntary reserve**

## // Distribution Policy

**Distribution of earnings**  
Distribution of earnings by reversal of voluntary reserve

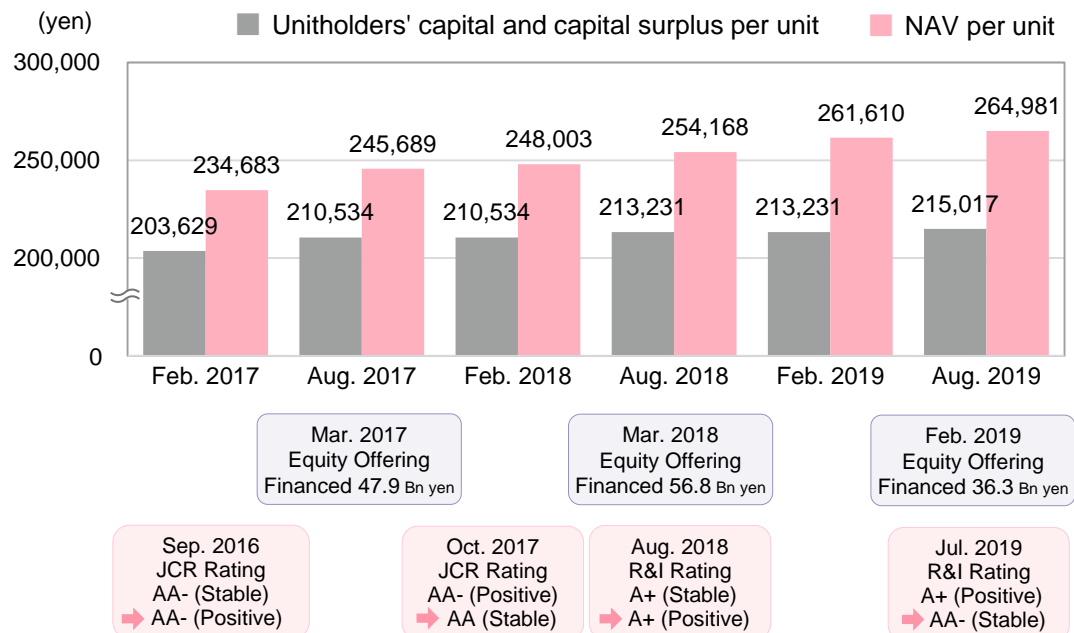
**Distribution in excess of earnings**  
as allowance for temporary difference adjustments



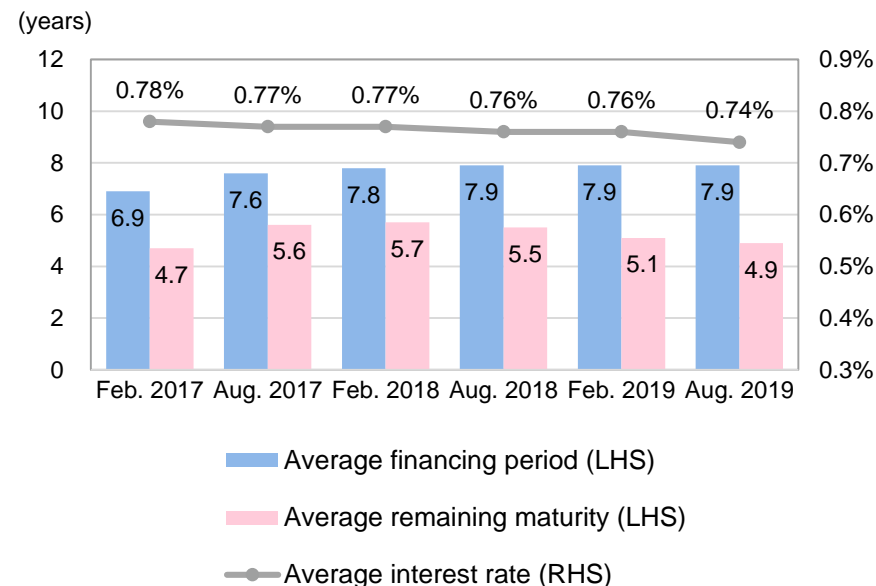
(Note) Based on the estimate of voluntary reserve as of Oct. 17, 2019.

# Key Financial Indicators

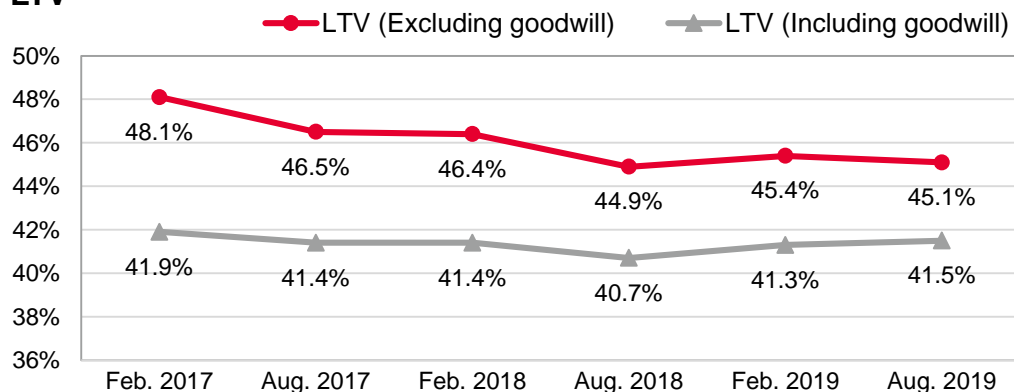
## NAV per Unit



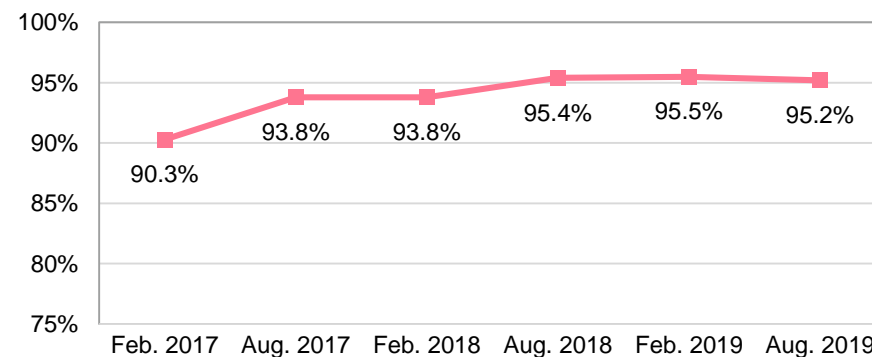
## Average Financing Period / Average Remaining Maturity / Average Interest Rate



## LTV



## Fixed Interest Ratio





# Historical Financial Data

	Aug. 2017	Feb. 2018	Aug. 2018 (A)	Feb. 2019 (B)	Aug. 2019 (B)	Change (B-A)
Operating days	184 days	181 days	184 days	181 days	184 days	3 days
Operating Revenue	21,015 mil yen	19,700 mil yen	22,211 mil yen	23,127 mil yen	24,877 mil yen	1,750 mil yen
Operating Income	9,392 mil yen	8,012 mil yen	9,269 mil yen	9,960 mil yen	10,702 mil yen	742 mil yen
Gain (loss) on sale of properties	1,536 mil yen	—	-99 mil yen	113 mil yen	154 mil yen	41 mil yen
Ordinary Income	7,974 mil yen	7,146 mil yen	7,770 mil yen	8,597 mil yen	9,166 mil yen	568 mil yen
Net Income	7,968 mil yen	7,142 mil yen	7,765 mil yen	8,597 mil yen	9,166 mil yen	568 mil yen
DPU	4,964 yen	5,194 yen	5,046 yen	5,427 yen	5,773 yen	346 yen
Number of investment units issued	1,690,000 units	1,690,000 units	1,927,000 units	1,927,000 units	2,075,000 units	148,000 units
Payout ratio	104.0 %	122.9 %	123.6 %	121.7 %	130.6 %	8.9 p.p.
Total Assets	682,359 mil yen	681,192 mil yen	771,281 mil yen	777,727 mil yen	841,236 mil yen	63,508 mil yen
Net Assets	377,321 mil yen	376,300 mil yen	430,596 mil yen	429,223 mil yen	463,170 mil yen	33,947 mil yen
Unitholders' Capital	108,136 mil yen	108,136 mil yen	163,230 mil yen	163,230 mil yen	198,492 mil yen	35,262 mil yen
Capital Surplus	247,667 mil yen	247,667 mil yen	247,667 mil yen	247,667 mil yen	247,667 mil yen	—
Interest-bearing debt	282,268 mil yen	282,268 mil yen	314,268 mil yen	321,268 mil yen	348,768 mil yen	27,500 mil yen
LTV (Excluding goodwill)	46.5 %	46.4 %	44.9 %	45.4 %	45.1 %	-0.3 p.p.
LTV (Including goodwill)	41.4 %	41.4 %	40.7 %	41.3 %	41.5 %	0.2 p.p.
Net Assets per unit	223,267 yen	222,663 yen	223,454 yen	222,741 yen	223,214 yen	473 yen
NAV per unit (Note 1)	245,689 yen	248,003 yen	254,168 yen	261,610 yen	264,981 yen	3,371 yen
FFO per unit (Note 2)	7,184 yen	7,625 yen	7,346 yen	7,747 yen	7,598 yen	-149 yen

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

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

# Historical Portfolio Data

	Aug. 2017	Feb. 2018	Aug. 2018 (A)	Feb. 2019 (B)	Aug. 2019 (B)	Change (B-A)
Number of properties	199 properties	199 properties	213 properties	216 properties	228 properties	12 properties
Total acquisition price	577,777 mil yen	577,777 mil yen	671,753 mil yen	683,443 mil yen	744,823 mil yen	61,380 mil yen
Ratio of logistics properties	45.0 %	45.0 %	50.1 %	49.7 %	50.9 %	1.2 p.p.
Ratio of residential properties	43.3 %	43.3 %	36.8 %	36.1 %	33.1 %	-3.0 p.p.
Ratio of retail properties	9.6 %	9.6 %	10.6 %	11.6 %	12.8 %	1.2 p.p.
Ratio of hotel properties	—	—	0.7 %	0.9 %	1.4 %	0.5 p.p.
Ratio of other assets	2.0 %	2.0 %	1.7 %	1.7 %	1.7 %	—
Number of properties acquired	17 properties	—	16 properties (Note 1)	4 properties	13 properties	9 properties
Acquisition price	73,311 mil yen	—	96,980 mil yen	12,710 mil yen	67,090 mil yen	54,380 mil yen
Number of properties sold	7 properties	—	1 property	1 property	1 property	— properties
Sale price	10,193 mil yen	—	2,800 mil yen	1,200 mil yen	5,755 mil yen	4,555 mil yen
Unrealized gain (loss)	59,410 mil yen	63,322 mil yen	78,885 mil yen	93,224 mil yen	103,676 mil yen	10,452 mil yen
Leasable area	1,934,669.61 m <sup>2</sup>	1,934,679.13 m <sup>2</sup>	2,427,976.21 m <sup>2</sup>	2,516,960.54 m <sup>2</sup>	2,751,125.06 m <sup>2</sup>	234,164.52 m <sup>2</sup>
Occupancy rate	99.2 %	99.3 %	99.5 %	99.5 %	99.4 %	-0.1 p.p.
Real estate rental revenue	19,479 mil yen	19,700 mil yen	22,211 mil yen	23,013 mil yen	24,722 mil yen	1,709 mil yen
Real estate rental expenses	7,906 mil yen	7,947 mil yen	8,944 mil yen	9,184 mil yen	10,062 mil yen	877 mil yen
Real estate rental income	11,573 mil yen	11,753 mil yen	13,267 mil yen	13,828 mil yen	14,660 mil yen	831 mil yen
Depreciation	3,713 mil yen	3,750 mil yen	4,296 mil yen	4,454 mil yen	4,764 mil yen	309 mil yen
NOI <sup>(Note 2)</sup>	15,286 mil yen	15,503 mil yen	17,563 mil yen	18,283 mil yen	19,424 mil yen	1,141 mil yen
NOI yield <sup>(Note 3)</sup>	5.4 %	5.4 %	5.4 %	5.4 %	5.2 %	-0.2 p.p.

(Note 1) Including additional acquisition of D Project Inuyama

(Note 2) NOI: Real estate rental business revenue – real estate rental business expenses + depreciation

(Note 3) NOI yield is annualized and excluding the properties sold during the period.

# Balance Sheets

	(thousand yen)	
	Period ended Feb. 2019	Period ended Aug. 2019
<b>Assets</b>		
Current assets		
Cash and deposits	31,274,515	29,273,305
Cash and deposits in trust	9,976,462	17,998,615
Operating accounts receivable	275,683	175,551
Prepaid expenses	609,658	627,313
Consumption taxes receivable	—	1,199,509
Other	25	3,166
Allowance for doubtful accounts	(1,225)	(989)
Total current assets	42,135,120	49,276,472
Non-current assets		
Investment properties		
Buildings, net	21,695,476	21,467,135
Structures, net	200,072	200,017
Machinery and equipment, net	333,314	329,128
Tools, furniture and fixtures, net	298,398	298,636
Land	20,879,124	20,879,124
Buildings in trust, net	292,521,677	311,430,184
Structures in trust, net	6,613,525	7,523,909
Machinery and equipment in trust, net	1,399,830	1,422,301
Tools, furniture and fixtures in trust, net	565,623	634,689
Land in trust	310,001,420	348,445,376
Construction in progress in trust	15,228	225,909
Total investment properties	654,523,691	712,856,413
Intangible assets		
Goodwill	69,377,930	67,395,703
Leasehold rights in trust	5,987,926	5,940,513
Software	276	71
Trademark rights	2,059	1,780
Total intangible assets	75,368,193	73,338,070
Investments and other assets		
Investment securities	9,360	9,377
Long-term prepaid expenses	2,110,873	2,184,143
Guarantee deposits	261	195
Lease and guarantee deposits in trust	3,489,293	3,489,293
Total investments and other assets	5,609,787	5,683,009
Total non-current assets	735,501,672	791,877,493
Deferred assets		
Investment corporation bond issuance costs	90,823	82,464
Total deferred assets	90,823	82,464
<b>Total assets</b>	<b>777,727,616</b>	<b>841,236,430</b>

	(thousand yen)	
	Period ended Feb. 2019	Period ended Aug. 2019
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	1,297,062	1,396,148
Current portion of long-term loans	40,510,000	36,810,000
Accounts payable – other	66,683	115,747
Accrued expenses	1,418,415	1,544,776
Income taxes payable	605	605
Accrued consumption taxes	398,538	—
Advances received	2,757,226	2,988,375
Unearned revenue	222,342	222,342
Deposits received	345,273	343,242
Other	91,929	94,179
Total current liabilities	47,108,077	43,515,417
Non-current liabilities		
Investment corporation bonds	19,000,000	19,000,000
Long-term loans	261,758,000	292,958,000
Long-term unearned revenue	818,279	706,501
Tenant leasehold and security deposits	276,389	273,928
Tenant leasehold and security deposits in trust	17,854,492	19,885,704
Asset retirement obligations	626,251	640,015
Derivatives liabilities	1,063,056	1,085,876
Total non-current liabilities	301,396,469	334,550,025
<b>Total liabilities</b>	<b>348,504,547</b>	<b>378,065,443</b>
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	163,230,367	198,492,847
Surplus		
Capital surplus	247,667,563	247,667,563
Voluntary reserve		
Reserve for temporary difference adjustments	8,804,571	6,823,576
Reserve for distribution	1,986,536	2,106,789
Total voluntary reserve	10,791,107	8,930,366
Unappropriated retained earnings	8,597,087	9,166,085
Total surplus	267,055,758	265,764,015
Total unitholders' equity	430,286,126	464,256,863
Deferred gains or losses on hedges	(1,063,056)	(1,085,876)
<b>Total net assets</b>	<b>429,223,069</b>	<b>463,170,986</b>
<b>Total liabilities and net assets</b>	<b>777,727,616</b>	<b>841,236,430</b>

# Statements of Income

	(thousand yen)	
	Period ended Feb. 2019	Period ended Aug. 2019
Operating revenue		
Rental revenue	21,984,957	23,639,627
Other rental revenue	1,028,600	1,083,326
Gain on sale of real estate properties	113,532	154,968
Total operating revenue	23,127,090	24,877,922
Operating expenses		
Rental expenses	9,184,698	10,062,619
Asset management fees	1,519,464	1,623,154
Asset custody fees	33,727	36,240
Administrative service fees	89,196	92,336
Directors' remuneration	6,600	6,600
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	–	107
Other operating expenses	351,000	372,460
Total operating expenses	13,166,914	14,175,746
Operating Income	9,960,176	10,702,176
Non-operating income		
Interest income	166	197
Gain on forfeiture of unclaimed distributions	4,436	4,508
Reversal of allowance for doubtful accounts	266	–
Settlement money for property tax, etc.	1,564	–
Refunded consumption taxes	6,720	–
Interest on tax refund	1,518	–
Gain on adjustment of liabilities	–	107,238
Other	1	17
Total non-operating income	14,674	111,961
Non-operating expenses		
Interest expenses	1,036,887	1,114,268
Interest expenses on investment corporation bonds	51,092	52,527
Amortization of investment corporation bond issuance costs	8,358	8,358
Investment unit issuance expenses	–	173,770
Borrowing related expenses	278,819	296,456
Other	2,000	2,065
Total non-operating expenses	1,377,157	1,647,447
Ordinary Income	8,597,692	9,166,690
Income before income taxes	8,597,692	9,166,690
Total income taxes	605	605
Net income	8,597,087	9,166,085
Unappropriated retained earnings	8,597,087	9,166,085

## // Statements of Cash Distributions

	(yen)	
	Period ended Feb. 2019	Period ended Aug. 2019
I Unappropriated retained earnings	8,597,087,441	9,166,085,941
II Reversal of voluntary reserve		
Reversal of reserve for temporary difference adjustments	1,980,994,520	2,920,127,436
III Distributions [Distributions per unit]	10,457,829,000 [5,427]	11,978,975,000 [5,773]
IV Accumulation of voluntary reserve		
Accumulation of reserve for distribution	120,252,961	107,238,377
V Retained earnings carried forward	–	–

## // Rental Revenue and Expenses

	(thousand yen)	
	Period ended Feb. 2019	Period ended Aug. 2019
A. Real estate rental revenue		
Rental revenue		
Rent	21,511,590	23,149,693
Common area charges	473,366	489,934
Total rental revenue	21,984,957	23,639,627
Other rental revenue		
Facility charges	382,753	388,843
Incidental revenue	283,633	282,426
Other	362,213	412,056
Total other rental revenue	1,028,600	1,083,326
Total real estate rental revenue	23,013,558	24,722,954
B. Real estate rental expenses		
Rental expenses		
Management fees	1,283,640	1,314,771
Utilities	349,856	332,752
Taxes and public dues	1,432,107	1,798,996
Repairs and maintenance expenses	746,985	833,301
Restoration costs	230,219	301,418
Insurance expenses	27,558	29,840
Custodian fees	58,202	62,116
Depreciation	4,454,820	4,764,371
Other operating expenses	601,307	625,050
Total real estate rental expenses	9,184,698	10,062,619
C. Income from real estate rental business (A-B)	13,828,859	14,660,334

## // 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. (the "Asset Manager") shares the Daiwa House Group's basic approach as DHR's asset manager, and considers that including consideration for ESG 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.

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

## // Sustainability Target

- ◆ The Asset Manager considers efforts such as energy conservation and reducing greenhouse gas emissions in relation to asset management to be of paramount importance. It establishes individual policies for the matter and strives to reduce the burden it puts on the environment.

### Reduction Target of Energy Consumption

Aim to reduce energy consumption and CO<sub>2</sub> emission intensity by **10%** over the **10 year** period from 2018 to 2027

## // 2019 GRESB Assessment

- ◆ "Green Star" rating in the "Real Estate Assessment" as both "Management & Policy" and "Implementation & Measurement" were highly praised
- ◆ "3-Star" rating in the "GRESB Rating" based on relative evaluation
- ◆ "A" rating (the highest) in the "GRESB Public Disclosure"



GRESB: Annual benchmark assessment that evaluates ESG initiatives in the real estate sector

## // MUFG ESG Rating Certificate for J-REITs supported by JCR

- ◆ Awarded "S" rating (the highest) for broad-based initiatives in all areas of ESG by establishing a system to promote sustainability based on the Sustainable Policy



## // Promotion of Environmental Certification

- ◆ Increased the ratio of properties with environmental certification

Number of certified properties	Ratio of certified properties (based on gross floor area)
28 properties +6 properties compared to Mar. 31, 2019	47.0 % +8.2 p.p. compared to Mar. 31, 2019

Certification rating	DBJ Green Building	BELS	CASBEE
★★★★★	2 properties	3 properties	1 property
★★★★☆	10 properties	1 property	
★★★☆☆	9 properties	1 property	
★★☆☆☆	5 properties	4 properties	
Number of certified properties	26 properties	9 properties	1 property
Certified ratio (based on gross floor area)	40.0 %	14.9 %	4.8 %
Certified ratio compared to Mar. 31, 2019	+1.1 p.p.	+13.0 p.p.	+4.8 p.p.

as of Sep. 30, 2019

## // CASBEE for Real Estate Certification

- ◆ Awarded “S” rating (the highest) in our first CASBEE certification



## // Green Lease Agreement

- ◆ Promoted conclusion of green lease agreements and implemented initiatives in cooperation with tenants to reduce environmental burden
- ◆ Installed LED lights and introduced automatic truck dispatch system at logistics properties

\* Expected benefits of automatic truck dispatch system:

- (1) Reduction of CO<sub>2</sub> emissions by saving standby time of trucks
- (2) Improvement in operation efficiency and tenant satisfaction by automating truck dispatch operation

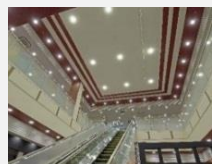
Number of properties with green lease agreements concluded
36 properties +8 properties compared to Mar. 31, 2019

Ratio of properties with green lease agreements concluded (based on gross floor area)
37.0 % +12.0 p.p. compared to Mar. 31, 2019

as of Sep. 30, 2019

## // Environmental Consideration

LED lights



Solar / wind power generation system



Heat insulation sandwich panels



Large-scale window space allowing use of natural light



Large-scale green area



Rooftop greening



Exterior greening, water-permeable paving



Using goats to eradicate weeds





## // Social Consideration

### ◆ Accessible Design

Accessible design toilet system



Accessible design elevator



Accessible parking space



### ◆ Comfortable environment for tenants and facility users

Workout gym



Lounge



Play space for children



### ◆ Contribution to communities

Meeting place for community



Bicycle rentals



Offering water well in times of disaster



## // Community Co-Creation Activities of Asset Manager

### ◆ Clean-up activities



### ◆ Participation as a volunteer in "Japanese Lesson for People Returning from China"



## // Human Resource Development of Asset Manager (FY ended Mar. 2019)

### ◆ Providing healthy work environment

#### < Leave system >

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

#### < Welfare programs >

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

### ◆ Work-life balance

- Average overtime work 12 hours/month
- Paid leave taken 69%

### ◆ Diversity

- Female employees (as of Sep. 30, 2019) 30%
- Female employees of mid-career recruitment 50%

### ◆ Training for all directors and employees

- Number of training sessions 13

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

- ARES certified master 25
- Real estate transaction agent 47
- Real estate appraiser 2
- First-class architect 2
- Certified real estate consulting master 5
- Certified building manager 11

Number of directors and employees as of Sep. 30, 2019: 57

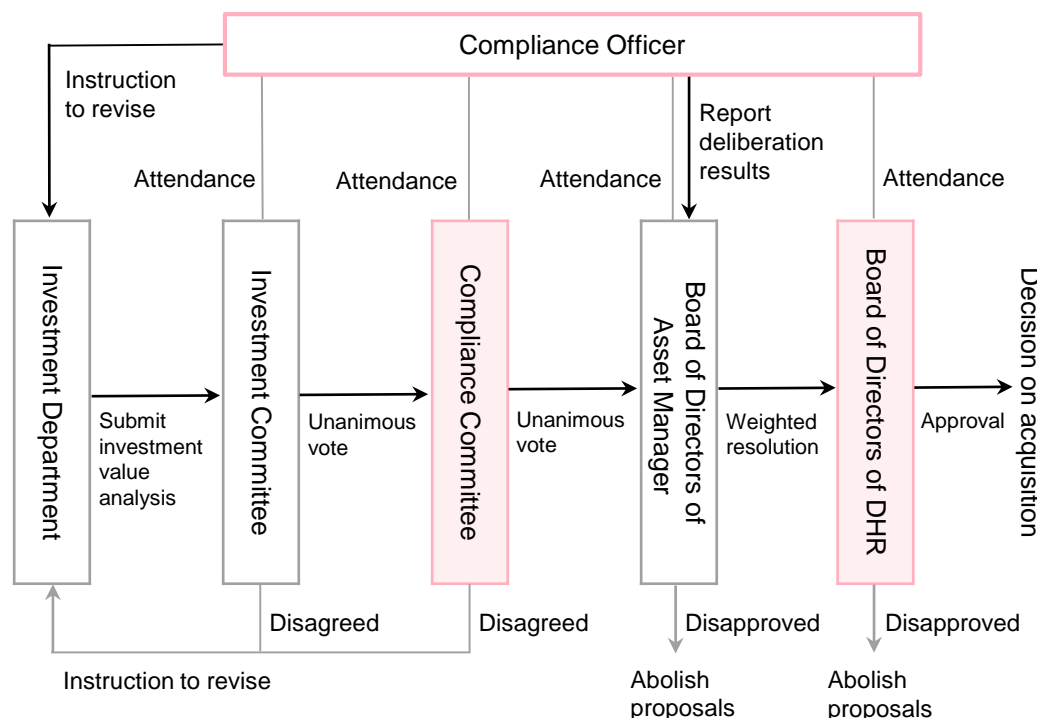


# ESG Initiatives (4) Governance Initiatives

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

- ◆ Flow at the time of the decision to acquire assets from interested parties

Following the unanimous vote at the compliance committee **including the third-party outside experts**, weighted resolution by the board of directors of the Asset Manager and approval by the board of directors of DHR **consisting of third-parties only** are required



Attendance at the board of directors meetings of DHR by the executive director and supervisory directors in the period ended Aug. 2019

100%  
(6 out of 6 board meeting)

## Same Boat Investment / Investment Unit Ownership Program by Daiwa House

- ◆ Investment in DHR units (same boat investment)

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

Daiwa House's investment in DHR (% of ownership)	187,200 units (9.0%)
---	-------------------------

As of Aug. 31, 2019

- ◆ Investment unit ownership program

Daiwa House established the Investment Unit Ownership Association in Oct. 2018, following the release of "Guidelines for Investment Unit Ownership Program" by Japanese Securities Dealers Association in May 2018

Subjects	Officers	Employees
Introduction	Nov. 2018	Nov. 2019

## Investment Unit Ownership Program / Cumulative Investment Unit Investment Program by Asset Manager

- ◆ Investment unit ownership program

Subjects	Officers and Employees
Introduction	Nov. 2019

- ◆ Cumulative investment unit investment program

Subjects	Officers and Employees
Introduction	Dec. 2013

## Environmental Initiatives of Daiwa House Group

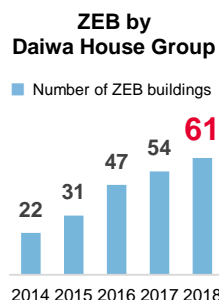
### ◆ “Challenge ZERO 2055”

- Daiwa House Group formulated the long-term environmental vision of “Challenge ZERO 2055”, which marks the 100<sup>th</sup> anniversary of the foundation of Daiwa House
- Challenge of zero environmental impacts through three stages with four environmental themes in mind to realize sustainable society

### ◆ Development of environment friendly technologies and promotion of ZEB (Net Zero Energy Building)

- Promoting ZEB for various buildings based on experiments and validation at Daiwa House Group facilities. Daiwa House Saga Building was constructed in 2018 as a power self-sufficient (sub-zero) building
- Developing new office buildings of the companies challenging RE100<sup>(\*)</sup> as a ZEB office which enables both pleasant working environment and energy conservation. Introducing solar power generation facilities and storage battery is also effective for BCP

\* RE100 refers to a group of companies which aim to achieve renewable energy utilization rate of 100% and fully cover the energy used for business operation



## Community Co-Creation Activities of Daiwa House Group

### ◆ Community co-creation activities for FY2018

Local community services (clean-up)	701
Local community services (other than clean-up)	1,501
Educational assistance	372
Social welfare	327
Environmental preservation	171
Humanitarian assistance	169
International cooperation	90
Assistance to disaster-affected areas	25

**Total  
3,356  
cases**

### ◆ Preserving the cherry trees (Daiwa Sakura Aid)

- Preserving the cherry trees on Mt. Yoshino  
Started the program in 2008 for preserving the cherry trees of Yoshino, the place where the founder of Daiwa House is from  
【FY2018】 Number of activities: 6, Number of participants: 160 (employees of the Group and their family members)
- Sakura Project  
Carried out the planting project mainly with elementary schools to pass on cherry trees to the next generations  
【FY2018】 Number of locations: 23, Number of participants: 6,692, Number of cherry trees planted: 52

## External Evaluation of Daiwa House

### ◆ Nadeshiko Brand Award

【METI/TSE】

Designated for five consecutive years as a publicly-listed company with good female empowerment practices



### ◆ Bloomberg Gender-Equality Index

【Bloomberg】

Designated as a company advancing gender equality in the workplace, such as action guideline, internal company statistics, personnel system, product development and transparency in gender reporting



### ◆ Eco-First Company Certification

【Ministry of the Environment】

Certified by the Minister of the Environment as an advanced, unique and industry-leading company in the environmental arena



### ◆ EcoVadis

Ranked within the top 5% in construction industry and awarded a “Gold” rating in sustainability performance by EcoVadis which evaluates a network of 50,000 suppliers of 190 business categories in 150 countries

### ◆ FTSE4Good Index Series/ FTSE Blossom Japan Index



Included, Rating: 4.1

- \* Highest score in home construction category (FTSE Blossom Japan Index)
- \* as of Jun. 2019

### ◆ MSCI World ESG Leaders Index / MSCI World SRI Index / MSCI Japan ESG Select Leaders Index

Included, Rating: AA

- \* Within the top 30% of incorporated Japanese companies (Japan ESG Select Leaders Index)
- \* as of Jun. 2019



### ◆ MSCI Japan Empowering Women Select Index

Included, Score: 6.25 (out of 10)

- \* Ranked 5th in real estate category
- \* as of Jun. 2019



For an explanation about the MSCI logos, please refer to the following link.  
<https://www.daiwahouse.com/sustainable/csr/esg/evaluation/index.html>

### ◆ Dow Jones Sustainability Indices

Included, Total score: 59 points

- \* Within the top 30% of the real estate sector in Japan, Asia, and Oceanian regions
- \* as of Sep. 2019



### ◆ STOXX® Global ESG Leaders

Included

- \* as of Sep. 2019



### ◆ CDP Climate Change 2018

Score: A (top score)



### ◆ S&P/JPX Carbon Efficient Index

Included, Decile category: 2

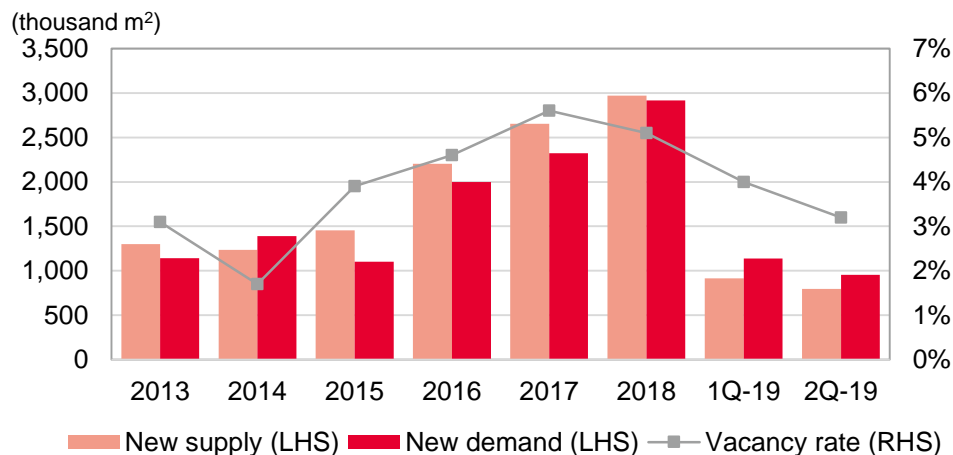
- \* Ranked 2nd in real estate category on a scale of 1-10
- \* as of Mar.18, 2019



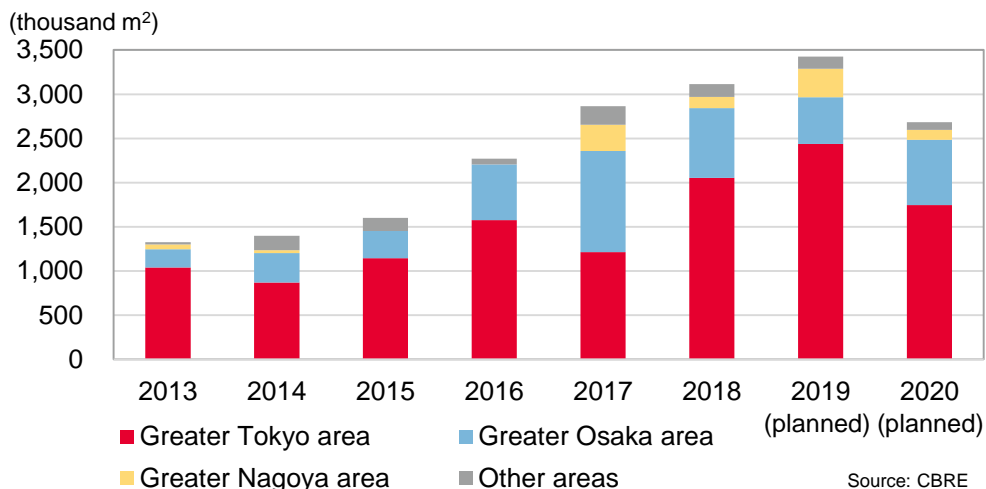
Source: Daiwa House Industry Co., Ltd.

# Market Environment for Logistics Properties

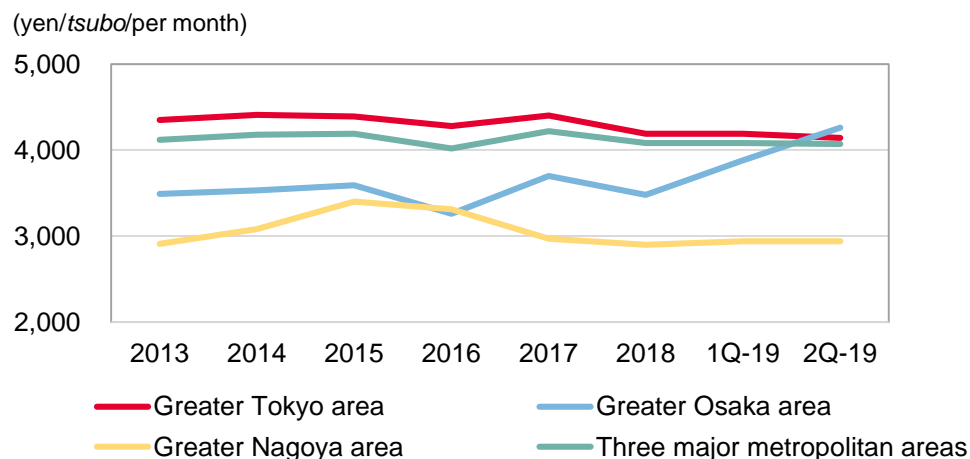
## Supply and Demand of Medium-to Large-scale Logistics Properties in the Three Major Metropolitan Areas



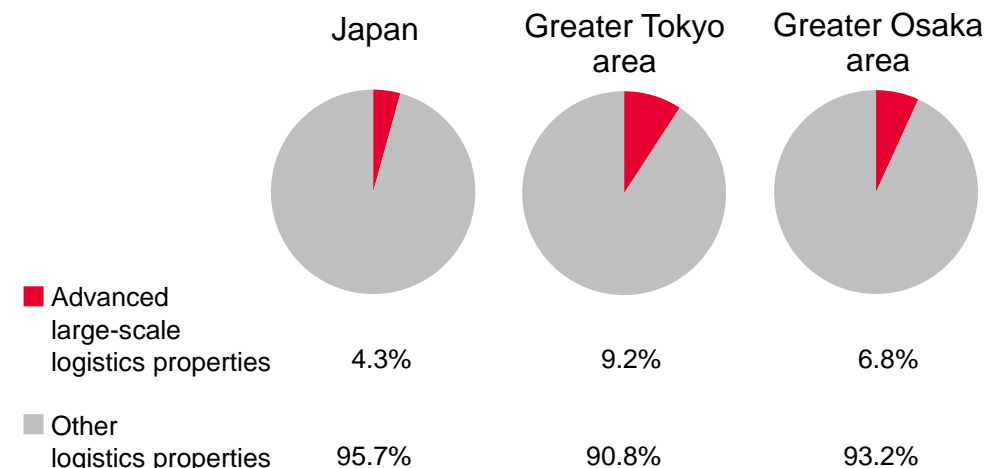
## Development of Medium-to Large-scale Logistics Properties



## Average Offered Rent for Medium-to Large-scale Logistics Properties in the Three Major Metropolitan Areas



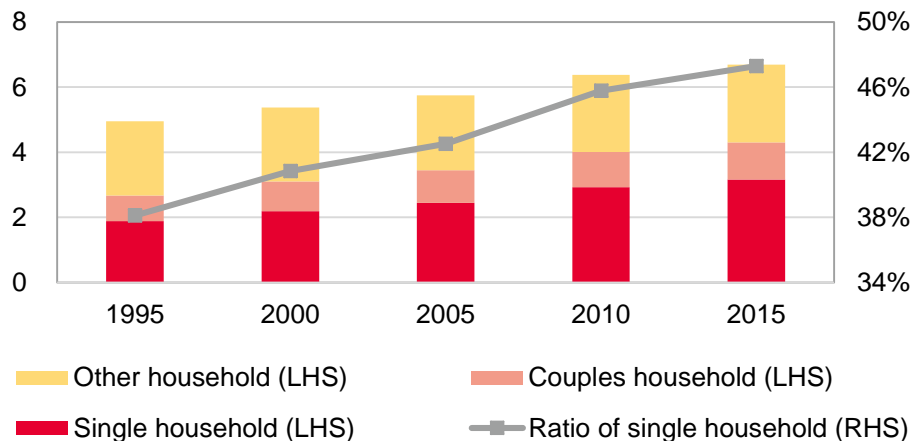
## Proportion of Advanced Large-scale Logistics Properties



# Market Environment for Residential Properties

## // Number of Households in Tokyo

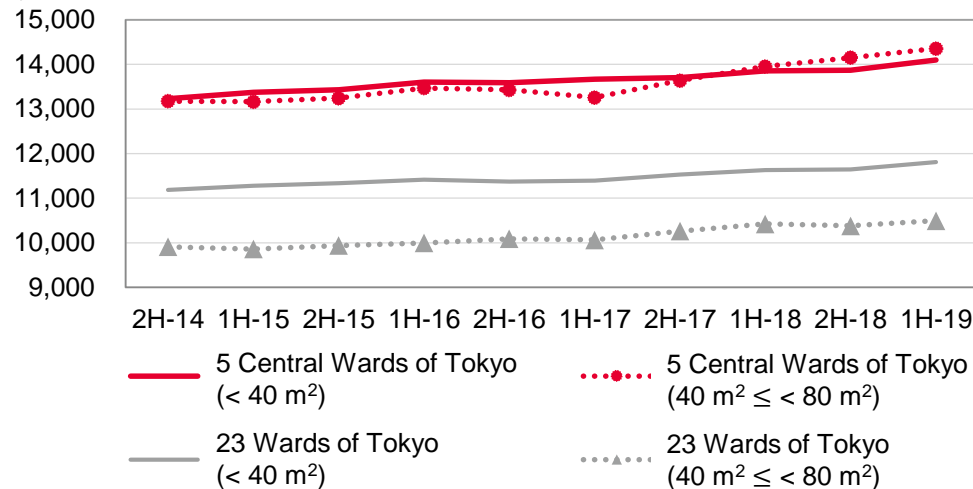
(million households)



Source: "Population Census", Statistics Bureau, Ministry of Internal Affairs and Communications

## // Rent Per Tsubo for Apartments in 23 Wards of Tokyo

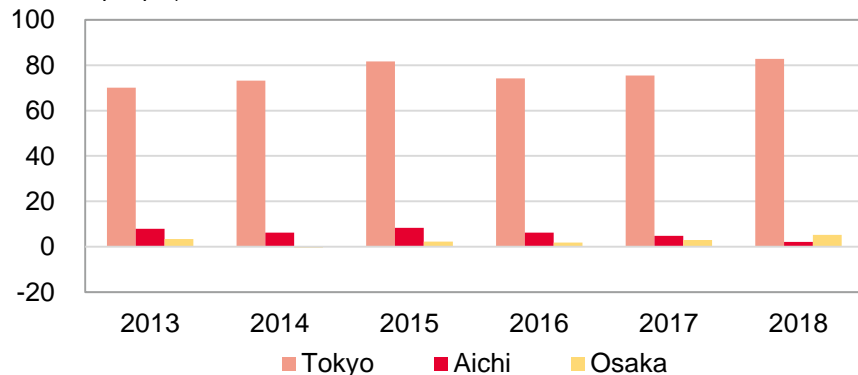
(yen/tsubo/per month)



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

## // Net Population Inflow of Japanese by Area

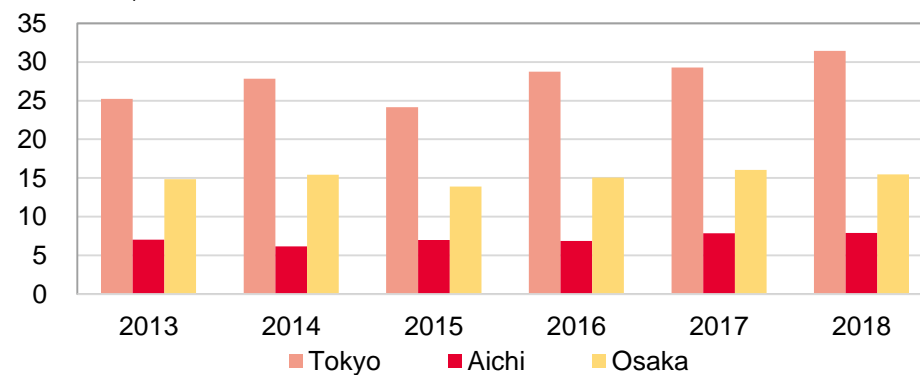
(thousand people)



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

## // Starts of Rental Apartments

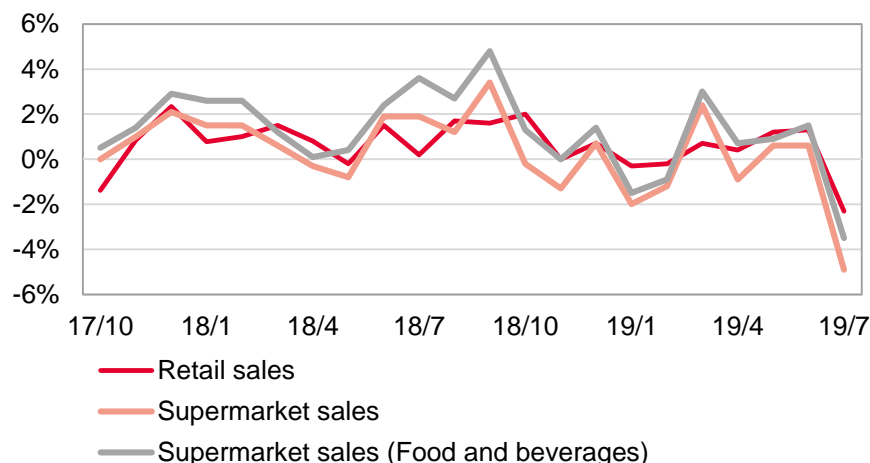
(thousand units)



Note: Based on the aggregate of rental apartments with steel-reinforced concrete and reinforced concrete structure.  
Source: "Housing Stars", Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism

# Market Environment for Retail and Hotel Properties

## // Retail Sales (YoY Change)

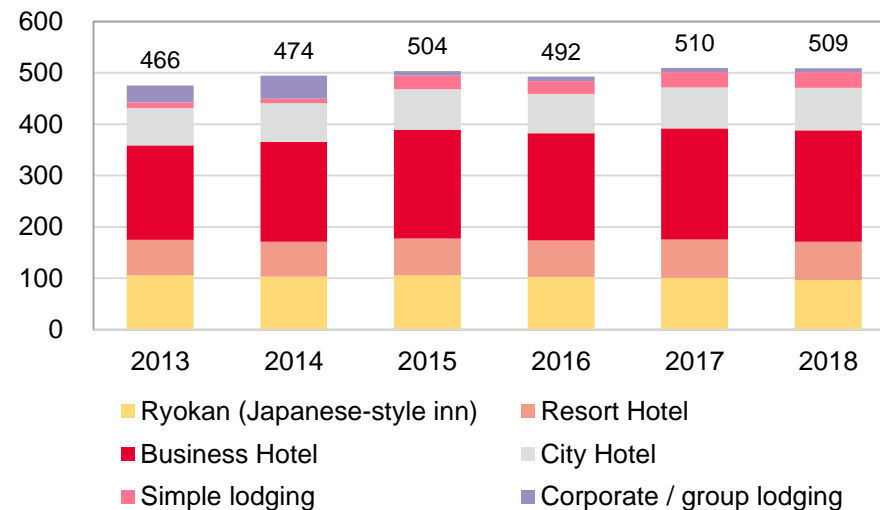


Note: Retail sales exclude sales of cars and fuel.

Source: "Monthly Report on the Current Survey of Commerce", Ministry of Economy, Trade and Industry, or METI

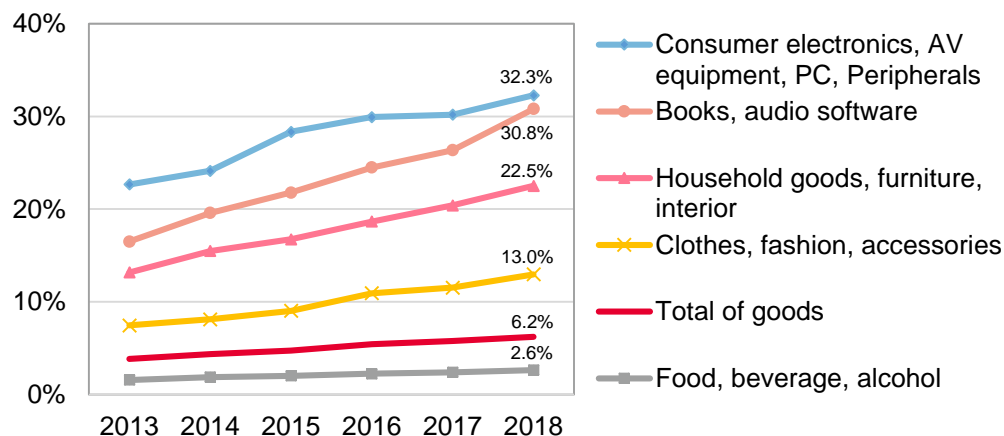
## // Number of Overnight Guests by Accommodation Type

(million guest nights)



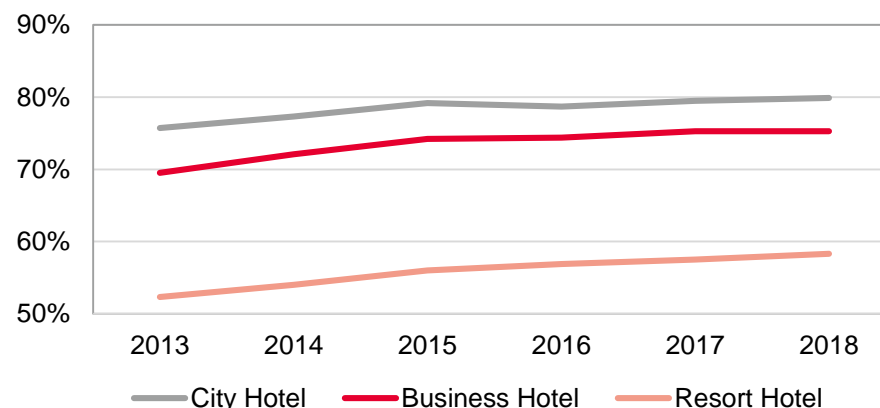
Source: "Accommodation Survey", Japan Tourism Agency

## // BtoC E-Commerce Ratio by Category of Goods



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

## // Guest Room Occupancy Ratio of Accommodation Facilities



Source: "Accommodation Survey", Japan Tourism Agency

# Portfolio List (1)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.2%	50,490.39	100.0%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	2.1%	62,394.17	100.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.5%	14,240.84	100.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.3%	36,515.81	100.0%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	3.5%	72,320.01	100.0%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.4%	11,663.39	100.0%
LB-008	D Project Noda	Noda City, Chiba	6,210	0.8%	29,232.53	100.0%
LB-009	D Project Inuyama	Inuyama City, Aichi	10,790	1.5%	54,197.80	100.0%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	0.8%	11,151.51	100.0%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.2%	9,558.32	100.0%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.5%	17,448.86	100.0%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.6%	24,729.56	100.0%
LB-019	D Project Tosu	Tosu City, Saga	5,740	0.8%	17,858.01	100.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.5%	22,708.72	100.0%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.1%	50,490.00	100.0%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.5%	16,150.88	100.0%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.7%	19,872.00	100.0%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.5%	21,628.50	100.0%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.6%	34,710.80	100.0%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.0%	26,937.41	100.0%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.7%	26,460.00	100.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.1%	47,320.89	100.0%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.7%	29,244.66	100.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	0.9%	21,965.04	100.0%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.4%	39,584.80	100.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.0%	26,776.67	100.0%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.3%	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	1.0%	39,572.32	100.0%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.4%	18,371.10	100.0%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	1.2%	39,441.32	100.0%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.7%	36,113.25	100.0%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.5%	10,965.68	100.0%
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	1,510	0.2%	10,764.05	100.0%
LB-041	D Project Oyama	Oyama City, Tochigi	2,000	0.3%	14,106.91	100.0%
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.2%	15,668.44	100.0%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.4%	13,521.56	100.0%
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	0.8%	39,341.44	100.0%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.5%	19,004.72	100.0%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.2%	13,012.50	100.0%
LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	5,600	0.8%	24,684.47	100.0%
LB-048	D Project Kuki VII	Kuki City, Saitama	1,040	0.1%	3,225.46	100.0%
LB-049	D Project Chibakita	Chiba City, Chiba	7,640	1.0%	24,368.86	100.0%
LB-050	D Project Matsudo II	Matsudo City, Chiba	8,200	1.1%	25,305.82	100.0%
LB-051	D Project Tomisato II	Tomisato City, Chiba	6,900	0.9%	40,870.56	100.0%
LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	3,600	0.5%	22,485.08	100.0%
LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	7,300	1.0%	39,580.46	100.0%
LB-054	D Project Kaminokawa	Kawachi District, Tochigi	7,900	1.1%	52,239.75	100.0%
LB-055	D Project Fuji	Fuji City, Shizuoka	3,600	0.5%	23,795.40	100.0%
LB-056	D Project Tosu III	Tosu City, Saga	9,200	1.2%	65,215.07	100.0%
LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	4,300	0.6%	16,523.82	100.0%
LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	5,700	0.8%	21,402.20	100.0%
LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	7,300	1.0%	26,275.05	100.0%
LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	12,300	1.7%	33,763.46	100.0%
LB-061	D Project Sagamihara	Sagamihara City, Kanagawa	3,900	0.5%	16,599.30	100.0%
LB-062	D Project Kuki VIII	Kuki City, Saitama	6,100	0.8%	29,410.54	100.0%
LB-063	D Project Yokkaichi	Yokkaichi City, Mie	1,490	0.2%	6,185.46	100.0%
LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	4,050	0.5%	24,493.54	100.0%
LM-001	DPL Misato	Misato City, Saitama	16,831	2.3%	55,864.47	100.0%
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	13,300	1.8%	73,747.85	99.6%
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	3,510	0.5%	26,672.98	100.0%



# Portfolio List (2)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.0%	5,230.39	96.4%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.6%	3,492.93	98.6%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.4%	2,707.51	97.5%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.3%	2,226.42	95.1%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.3%	1,621.59	93.5%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%	1,458.73	96.6%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.3%	2,969.57	98.4%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.4%	2,400.00	98.5%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.4%	2,094.58	98.6%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.3%	1,917.62	98.5%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.2%	1,817.56	100.0%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%	1,123.80	90.1%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.3%	2,779.77	94.8%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.2%	2,559.21	97.1%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%	1,898.47	95.9%
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	0.1%	1,444.52	98.0%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%	1,244.54	94.4%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.1%	1,225.26	100.0%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%	811.95	100.0%
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	94.6%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.1%	1,747.90	100.0%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.1%	1,826.80	100.0%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.1%	1,308.38	100.0%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%	2,117.46	98.8%
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	100.0%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.4%	3,594.16	100.0%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.1%	1,147.44	100.0%
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	95.8%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.4%	3,494.42	98.8%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.4%	4,602.95	100.0%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.0%	10,408.26	98.5%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.5%	6,442.28	100.0%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.4%	3,150.80	100.0%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.1%	1,546.34	96.5%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.0%	16,849.50	97.5%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.3%	3,077.05	97.5%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.3%	2,339.42	100.0%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%	1,659.71	97.5%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.6%	4,967.97	95.9%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%	863.70	92.8%
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	89.5%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.2%	1,871.70	98.7%
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	95.8%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.1%	1,784.50	98.3%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.2%	1,472.47	97.7%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.1%	1,658.90	100.0%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.3%	3,644.35	98.3%
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	1.0%	12,732.35	98.9%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%	1,276.91	100.0%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.2%	2,014.12	100.0%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.1%	2,255.88	96.5%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%	1,220.16	100.0%
RE-064	Castalia Monzenkacho	Koto Ward, Tokyo	503	0.1%	887.94	100.0%
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	198	0.0%	414.45	100.0%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.1%	1,383.90	97.1%
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.1%	1,425.43	100.0%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%	1,537.84	98.0%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%	1,415.15	100.0%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.4%	4,197.66	99.0%
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	98.4%



# Portfolio List (3)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-073	Castalia Oyamada	Setagaya Ward, Tokyo	533	0.1%	857.32	100.0%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.1%	1,613.86	97.2%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.1%	1,472.38	96.6%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.1%	1,362.60	100.0%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.3%	3,038.98	97.2%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.1%	1,785.24	100.0%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.2%	1,994.93	100.0%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.2%	2,421.82	94.3%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.0%	18,112.03	100.0%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.2%	2,629.59	98.3%
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	0.2%	2,046.36	96.9%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.3%	2,640.86	98.9%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.2%	3,797.92	94.9%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.3%	2,818.70	99.3%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.5%	3,166.71	96.4%
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,030	0.3%	2,123.77	97.0%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.2%	1,961.52	98.3%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.2%	2,004.80	98.8%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%	1,278.52	100.0%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.6%	17,269.74	100.0%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.2%	2,224.41	96.6%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.2%	4,208.83	100.0%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%	1,452.09	96.9%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%	1,552.01	98.9%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%	1,597.32	96.3%
RE-105	Castalia Nogeyama	Yokohama City, Kanagawa	325	0.0%	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	0.7%	18,153.57	100.0%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.2%	2,179.80	94.1%
RE-109	Royal Parks Wakabada	Inagi City, Tokyo	4,360	0.6%	21,367.93	100.0%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.2%	26,294.49	100.0%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.2%	3,009.74	100.0%
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	1,060	0.1%	3,808.97	100.0%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.2%	3,471.39	95.8%
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	0.6%	10,920.75	97.5%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.1%	2,836.00	100.0%
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%	1,522.89	97.7%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.2%	6,100.31	84.4%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.1%	3,061.60	96.8%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.5%	8,747.40	96.0%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.2%	3,071.60	94.7%
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	97.2%
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.3%	5,415.39	91.5%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.4%	6,230.20	96.8%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.2%	8,661.19	90.3%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.3%	7,022.69	87.0%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%	1,822.10	95.8%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.1%	2,784.83	100.0%
RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.2%	2,828.39	98.8%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%	4,471.11	98.7%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.4%	11,089.75	48.9%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.4%	10,354.15	100.0%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.2%	5,086.69	90.3%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.1%	2,035.37	98.8%
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	0.2%	4,425.46	100.0%

# Portfolio List (4)

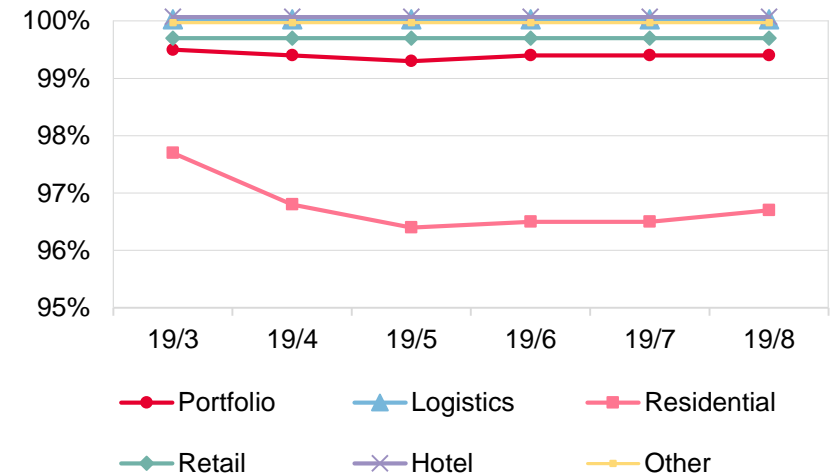
Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.1%	41,742.84	100.0%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.6%	16,390.96	92.8%
RM-003	QIZ GATE URAWA	Saitama City, Saitama	4,270	0.6%	9,720.49	99.7%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.4%	9,277.08	100.0%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.5%	24,018.00	100.0%
RM-006	DREAM TOWN ALI	Aomori City, Aomori	8,100	1.1%	22,196.81	100.0%
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	1,600	0.2%	11,207.90	100.0%
RM-008	FOLEO Ome Imai	Ome City, Tokyo	3,800	0.5%	8,637.91	100.0%
RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	8,100	1.1%	62,917.73	100.0%
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	3,200	0.4%	23,230.77	100.0%
RM-011	ACROSSMALL Semboku (Land)	Sakai City, Osaka	3,250	0.4%	30,824.72	100.0%
RM-012	IIAS Tsukuba	Tsukuba City, Ibaraki	10,320	1.4%	41,670.12	100.0%
RR-001	LIFE Sagami-hara Wakamatsu	Sagami-hara City, Kanagawa	1,670	0.2%	2,973.44	100.0%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	0.9%	19,845.72	100.0%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.3%	31,981.70	100.0%
RR-004	Sports Depo and GOLF5 Kokuragishi IC Store	Kitakyushu City, Fukuoka	2,230	0.3%	8,899.89	100.0%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	0.8%	28,002.92	100.0%
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	4,500	0.6%	6,669.74	100.0%
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	750	0.1%	1,066.95	100.0%
RR-008	FOLEO Shobu	Kuki City, Saitama	5,000	0.7%	19,104.17	100.0%
RU-001	COMBOX310	Mito City, Ibaraki	4,480	0.6%	30,517.69	100.0%
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	4,800	0.6%	7,932.37	100.0%
HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	1,470	0.2%	2,637.18	100.0%
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	4,500	0.6%	7,605.41	100.0%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.1%	4,177.52	100.0%
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	1,100	0.1%	3,901.14	100.0%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	1.0%	13,480.00	100.0%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.3%	3,064.89	100.0%
OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	1,380	0.2%	1,345.60	100.0%

Asset class	Number of properties	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
Logistics Properties	61 properties	373,641	50.6%	1,746,659.21	100.0%
Residential Properties	133 properties	246,424	33.3%	472,121.87	96.7%
Retail Properties	21 properties	95,330	12.9%	450,897.55	99.7%
Hotel Properties	3 properties	10,770	1.5%	18,174.96	100.0%
Other Assets	5 properties	12,860	1.7%	25,969.15	100.0%
Portfolio Total	223 properties	739,025	100.0%	2,713,822.74	99.4%

(Note) Occupancy rate as of Aug. 31, 2019 is indicated.

Figures for total of logistics properties and portfolio total exclude the properties sold as of Sep. 2, 2019.

## Monthly Occupancy Rate



# Rent Revision Schedule of Logistics Properties (1)

Property number	Property name	Tenant	2020		2021		2022		2023		2024		Rent revision	Expiry
			Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.		
Logistics Properties														
LB-001	D Project Machida	Hitachi Capital Corporation											No revision	2027/2/28
LB-002	D Project Hachioji	Mitsubishi Shokuhin Co., Ltd.											2024/2/27	Not disclosed
LB-002	D Project Hachioji	Tokyo Logistics Factory CO. LTD											2024/2/27	2029/2/28
LB-003	D Project Aikawa-Machi	Toward Co., Ltd.											Not disclosed	2032/7/31
LB-005	D Project Urayasu I	Nakano Shokai Co., Ltd.											No revision	2026/2/28
LB-006	D Project Urayasu II	Hitachi Capital Corporation											Not disclosed	2027/5/31
LB-007	D Project Akanehama	Oisix ra daichi Inc.											2020/10/11	2025/10/10
LB-008	D Project Noda	Mitsubishi Shokuhin Co., Ltd.											2022/10/1	Not disclosed
LB-009	D Project Inuyama	Takihyo Co., Ltd.											2020/1/1	2029/12/31
LB-009	D Project Inuyama (Additional acquisition)	Takihyo Co., Ltd.											2022/4/1	2032/3/31
LB-011	D Project Neyagawa	NH Foods, Ltd.											2021/8/1	Not disclosed
LB-013	D Project Morioka	Mitsubishi Shokuhin Co., Ltd.											No revision	Not disclosed
LB-015	D Project Tsuchiura	Yamato Logistics Co., Ltd.											2021/4/1	2029/4/14
LB-018	D Project Fukuoka Umi A	Nippon Express Co., Ltd											No revision	2021/1/20
LB-018	D Project Fukuoka Umi B	CREATE CORPORATION											No revision	2022/4/15
LB-018	D Project Fukuoka Umi C	Fuji Logitech Co., Ltd.											—	2021/5/31
LB-018	D Project Fukuoka Umi D	Japan Beverage Holdings Inc.											2022/4/1	2026/8/31
LB-019	D Project Tosu (Existing building)	NH Foods, Ltd.											2021/4/1	Not disclosed
LB-019	D Project Tosu (Extended building)	NH Foods, Ltd.											No revision	Not disclosed
LB-020	D Project Kuki I	TRANCOM Co., Ltd.											2021/10/5	2031/10/4
LB-021	D Project Kuki II	Seven & i Holdings Co., Ltd.											2023/6/21	2023/6/30
LB-022	D Project Kawagoe I	Daiwa Logistics Co., Ltd.											2021/5/1	2026/4/30
LB-023	D Project Kawagoe II	Daiwa Logistics Co., Ltd.											2022/9/3	2027/9/2
LB-024	DPL Inuyama	Sagawa Global Logistics Co., Ltd.											2023/10/1	2028/9/30
LB-025	D Project Fukuoka Hakozaki	Nakano Shokai Co., Ltd.											No revision	2032/9/30
LB-026	D Project Kuki III	S.D.Logi CO., LTD.											2023/6/28	2033/6/30
LB-027	D Project Kuki IV	Chuo Bussan Corporation											No revision	2029/6/30
LB-028	D Project Kuki V	Hitachi Transport System, Ltd.											—	2022/6/30
LB-029	D Project Kuki VI	Sagawa Global Logistics Co., Ltd.											2023/8/9	2024/2/9
LB-030	D Project Yashio	Tohto CO-OP											2022/8/1	2031/7/31
LB-030	D Project Yashio	Ryutsu Service Co., Ltd.											2022/8/1	2031/7/31
LB-031	D Project Nishiyodogawa	VANTEC CORPORATION											2021/4/15	2026/8/15
LB-032	D Project Matsudo	Asahi Logistics Corp.											2020/4/9	2031/4/30

# Rent Revision Schedule of Logistics Properties (2)

Property number	Property name	Tenant	2020		2021		2022		2023		2024		Rent revision	Expiry
			Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.		
Logistics Properties														
LB-033	D Project Hibiki Nada	Nippon Express Co., Ltd				Expiry							No revision	2021/9/30
LB-034	D Project Morioka II	Nichirei Logistics Group Inc.											—	2035/10/31
LB-035	D Project Kawagoe III	Hitachi Transport System Kanto Co., Ltd.											2024/4/1	2024/6/30
LB-036	D Project Kazo	Itochu Logistics Corp.											2020/3/1	2025/2/28
LB-037	D Project Urayasu III	Daiwa Logistics Co., Ltd.											2022/6/1	2025/8/31
LB-038	D Project Tomisato	Tokyo Nohin Daiko Co., Ltd.											No revision	2026/1/31
LB-039	D Project Kyotanabe	Hutech norin Co., Ltd.											2022/9/28	2032/10/31
LB-040	D Project Sendai Izumi	Mitsubishi Shokuhin Co., Ltd.											—	Not disclosed
LB-041	D Project Oyama	Mitsubishi Shokuhin Co., Ltd.											2020/3/1	Not disclosed
LB-042	D Project Sano	Toryusha Co., Ltd.											No revision	2029/6/30
LB-043	D Project Tatebayashi	Hitachi Transport System Kanto Co., Ltd.											2020/9/1	2030/8/31
LB-044	D Project Kakegawa	Hitachi Transport System Central Japan Co., Ltd.											2024/8/1	2034/7/31
LB-045	D Project Hiroshima Seifu	MITSUI FOODS Co., Ltd.											Not disclosed	Not disclosed
LB-046	D Project Tosu II	Marukyo Transportation Co., Ltd.								Expiry			—	2024/1/2
LB-047	D Project Kawagoe IV	Daiwa Logistics Co., Ltd.											2021/2/1	2026/1/31
LB-048	D Project Kuki VII	Nichirei Logistics Group Inc.											Not disclosed	Not disclosed
LB-049	D Project Chibakita	Hitachi Transport System Metropolitan Co., Ltd.											No revision	2026/6/30
LB-050	D Project Matsudo II	Mitsubishi Shokuhin Co., Ltd.											Not disclosed	Not disclosed
LB-051	D Project Tomisato II	Tokyo Nohin Daiko Co., Ltd.											No revision	2027/2/28
LB-052	D Project Osaka Hirabayashi	Itochu-Shokuhin Co., Ltd.											Not disclosed	2030/6/29
LB-053	D Project Sendai Izumi III	Kokubu Group Corp.											Not disclosed	Not disclosed
LB-054	D Project Kaminokawa	Hitachi Transport System Kanto Co., Ltd.											Not disclosed	Not disclosed
LB-055	D Project Fuji	Hitachi Transport Central Japan Co., Ltd.											2023/10/1	2033/9/30
LB-056	D Project Tosu III	Not disclosed											Not disclosed	Not disclosed
LB-057	D Project Kitahachioji I	Sanritsu Corporation											2021/4/1	2026/3/31
LB-058	D Project Kitahachioji II	Hutech norin Co., Ltd.											2022/2/1	2032/1/31
LB-059	D Project Kitahachioji III	Mitsubishi Shokuhin Co., Ltd.											Not disclosed	Not disclosed
LB-059	D Project Kitahachioji III	Sanritsu Corporation											Not disclosed	Not disclosed
LB-060	D Project Itabashi Shingashi	Kokubu Group Corp.											Not disclosed	Not disclosed
LB-061	D Project Sagamihara	Daiwa Logistics Co., Ltd.											2020/4/1	2035/3/31
LB-062	D Project Kuki III	ESCO CO., LTD.											No revision	2036/9/30
LB-063	D Project Yokkaichi	Kintetsu Logistics Systems, Inc.											Not disclosed	Not disclosed
LB-064	D Project Ibaraki Ishioka	Kokubu Group Corp.											Not disclosed	Not disclosed

# Rent Revision Schedule of Logistics Properties (3)

Property number	Property name	Tenant	2020		2021		2022		2023		2024		Rent revision	Expiry
			Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.		
Logistics Properties														
LM-001	DPL Misato	Kokubu Group Corp.											2023/10/15	2033/11/14
LM-001	DPL Misato	ARATA CORPORATION		Expiry									No revision	2020/12/31
LM-001	DPL Misato	Kato Sangyo Co., Ltd.											Not disclosed	Not disclosed
LM-001	DPL Misato	Nitori Co., Ltd.								Expiry			No revision	2023/10/31
LM-002	DPL Fukuoka Kasuya	UNIQLO CO., LTD.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	Muroo Co., Ltd.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	Nest Logistics											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	Mitsui & Co. Global Logistics, Ltd.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	MK LOGI Co., Ltd.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	NOK Corporation											Not disclosed	Not disclosed
LM-003	DPL Kitakyushu	YAMAE HISANO Co., Ltd.											Not disclosed	Not disclosed
LM-003	DPL Kitakyushu	KYUSO COMPANY LTD.											Not disclosed	Not disclosed
LM-003	DPL Kitakyushu	ASAHI SHOKUJIN Co., Ltd.											Not disclosed	Not disclosed

## // Rent Revision / Lease Contract Renewal of Logistics Properties

Period ending Feb. 2020	Period ending Aug. 2020
Rent revision - 1 tenant Contract expiry - None	Rent revision - 4 tenants Contract expiry - None

As of Oct. 17, 2019

# Rent Revision Schedule of Retail Properties

Property number	Property name	Tenant	Rent type	2020		2021		2022		2023		2024		Rent revision	Expiry
				Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.		
Retail Properties															
RM-001	ACROSSMALL Shinkamagaya	Daiwa Information Service Co., Ltd.	Fixed	<div></div>						<div></div>				2019/12/12	2027/11/30
RM-002	FOLEO Hirakata	Core tenant A	Fixed						<div></div>					2022/1/1	2026/12/8
RM-002	FOLEO Hirakata	Core tenant B	Fixed						<div></div>					2022/1/1	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		<div></div>						<div></div>			2020/3/27	2028/3/26
RM-004	UNICUS Takasaki	P&D Consulting Co., Ltd.	Fixed			<div></div>							<div></div>	2020/12/9	2028/11/19
RM-005	ACROSSPLAZA Miyoshi (Land)	Daiwa Information Service Co., Ltd.	Fixed	<div></div>		<div></div>	<div></div>	<div></div>		<div></div>			<div></div>	2020/10/1	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											No revision	2027/11/30
RM-006	DREAM TOWN ALI	Core tenant C	Fixed + Variable				Expiry <div></div>							No revision	2021/6/30
RM-007	ASOBOX (Land)	Daiwa Information Service Co., Ltd.	Fixed	<div></div>		<div></div>		<div></div>		<div></div>			<div></div>	2020/9/1	2037/8/31
RM-008	FOLEO Ome Imai	Belc CO., LTD.	Fixed											Not disclosed	Not disclosed
RM-008	FOLEO Ome Imai	Yamada Denki Co., Ltd.	Fixed											Not disclosed	2037/6/8
RM-009	FOLEO Otsu Ichiriyama	Daiwa Information Service Co., Ltd.	Fixed											2028/4/3	2038/4/30
RM-010	FOLEO Hakata	Daiwa Information Service Co., Ltd.	Fixed											2028/4/3	2038/4/30
RM-011	ACROSSMALL Semboku (Land)	Daiwa Information Service Co., Ltd.	Fixed	<div></div>		<div></div>		<div></div>		<div></div>			<div></div>	2020/9/1	2038/12/31
RM-012	iias Tsukuba	Daiwa House Industry Co., Ltd.	Fixed											2029/4/5	2039/4/30
RR-001	LIFE Sagamihara Wakamatsu	LIFE CORPORATION	Fixed						<div></div>					2022/5/22	2027/5/21
RR-002	FOLEO Sendai Miyanomori	Daiwa House Industry Co., Ltd.	Fixed						Expiry <div></div>					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
RR-006	Royal Home Center Morinomiya (Land)	Royal Home Center Co., Ltd.	Fixed	<div></div>		<div></div>		<div></div>		<div></div>			<div></div>	2020/9/1	2048/3/31
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Aoyama Trading Co., Ltd.	Fixed											Not disclosed	Not disclosed
RR-008	FOLEO Shobu	Daiwa House Industry Co., Ltd.	Fixed											2029/4/5	2039/4/30
RU-001	COMBOX310	Daiwa Royal Co., Ltd.	Fixed											—	2028/12/31

## // Rent Revision / Lease Contract Renewal of Retail Properties

Period ending Feb. 2020	Period ending Aug. 2020
Rent revision - 5 tenants → 3 tenants revised rent on equal terms → 1 tenant revised rent with rent increase (in tandem with increase in property taxes) Contract expiry - None	Rent revision - 1 tenant Contract expiry - None

As of Oct. 17, 2019

# Appraisal Value Comparison (1)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
LB-001	D Project Machida	9,200	9,209	620	9,840	9,830	-10	4.3	4.2/4.3	4.5	4.3	4.2/4.3	4.5	0.0	0.0	0.0	Tanizawa
LB-002	D Project Hachioji	15,400	15,173	1,726	17,000	16,900	-100	4.2	4.2	4.4	4.2	4.2	4.4	0.0	0.0	0.0	Tanizawa
LB-003	D Project Aikawa-Machi	3,390	3,768	631	4,410	4,400	-10	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa
LB-005	D Project Urayasu I	9,280	9,123	836	9,960	9,960	0	3.9	4.0	4.1	3.9	4.0	4.1	0.0	0.0	0.0	Tanizawa
LB-006	D Project Urayasu II	26,000	25,522	2,677	28,100	28,200	100	3.8	3.8/3.9	4.0	3.8	3.8/3.9	4.0	0.0	0.0	0.0	Tanizawa
LB-007	D Project Akanehama	2,950	2,875	204	3,070	3,080	10	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa
LB-008	D Project Noda	6,210	6,042	507	6,550	6,550	0	4.6	4.5/4.6	4.8	4.6	4.5/4.6	4.8	0.0	0.0	0.0	Tanizawa
LB-009	D Project Inuyama	10,790	10,455	1,334	11,780	11,790	10	4.7	4.6/4.7	4.9	4.7	4.6/4.7	4.9	0.0	0.0	0.0	Tanizawa
LB-010	D Project Gifu (Note 3)	1,100	1,067	92	1,170	1,160	-10	5.3	5.2/5.3	5.5	5.3	5.2/5.3	5.5	0.0	0.0	0.0	Tanizawa
LB-011	D Project Neyagawa	5,980	5,834	485	6,320	6,320	0	4.5	4.5/4.6	4.7	4.5	4.5/4.6	4.7	0.0	0.0	0.0	Tanizawa
LB-012	D Project Sapporo Minami (Note 3)	818	782	78	862	861	-1	5.9	5.8	6.1	5.9	5.8	6.1	0.0	0.0	0.0	Tanizawa
LB-013	D Project Morioka	1,200	1,165	44	1,210	1,210	0	6.0	5.9	6.2	6.0	5.9	6.2	0.0	0.0	0.0	Tanizawa
LB-014	D Project Sendai Minami (Note 3)	1,530	1,512	67	1,580	1,580	0	5.2	5.0/5.1	5.4	5.2	5.0/5.1	5.4	0.0	0.0	0.0	Tanizawa
LB-015	D Project Tsuchiura	3,390	3,241	298	3,540	3,540	0	5.1	5.0/5.1	5.3	5.1	5.0/5.1	5.3	0.0	0.0	0.0	Tanizawa
LB-016	D Project Gotenba (Note 3)	1,140	1,108	1	1,140	1,110	-30	5.4	5.3/5.4	5.6	5.4	5.3/5.4	5.6	0.0	0.0	0.0	Tanizawa
LB-017	D Project Nishi-Hiroshima (Note 3)	1,210	1,174	35	1,210	1,210	0	5.4	5.4/5.5	5.6	5.4	5.4/5.5	5.6	0.0	0.0	0.0	Tanizawa
LB-018	D Project Fukuoka Umi	4,240	4,133	436	4,510	4,570	60	4.9	4.6/4.7 /4.8	5.1	4.9	4.6/4.7 /4.8	5.1	0.0	0.0	0.0	Tanizawa
LB-019	D Project Tosu	5,740	5,469	690	6,150	6,160	10	4.9	4.9/5.0	5.1	4.9	4.9/5.0	5.1	0.0	0.0	0.0	Tanizawa
LB-020	D Project Kuki I	3,900	3,785	364	4,150	4,150	0	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-021	D Project Kuki II	8,120	7,782	877	8,650	8,660	10	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-022	D Project Kawagoe I	3,530	3,434	425	3,850	3,860	10	4.6	4.6/4.7	4.8	4.6	4.6/4.7	4.8	0.0	0.0	0.0	Tanizawa
LB-023	D Project Kawagoe II	4,850	4,734	655	5,390	5,390	0	4.6	4.6/4.7	4.8	4.6	4.6/4.7	4.8	0.0	0.0	0.0	Tanizawa
LB-024	DPL Inuyama	3,940	3,808	411	4,220	4,220	0	4.7	4.6/4.7	4.9	4.7	4.6/4.7	4.9	0.0	0.0	0.0	Tanizawa
LB-025	D Project Fukuoka Hakozaki	4,340	4,198	431	4,630	4,630	0	4.6	4.5	4.8	4.6	4.5	4.8	0.0	0.0	0.0	Tanizawa
LB-026	D Project Kuki III	7,630	7,360	899	8,250	8,260	10	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-027	D Project Kuki IV	5,520	5,337	642	5,910	5,980	70	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-028	D Project Kuki V	8,280	8,037	862	8,910	8,900	-10	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-029	D Project Kuki VI	5,140	4,966	553	5,510	5,520	10	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-030	D Project Yashio	6,400	6,223	566	6,790	6,790	0	4.5	4.0	4.8	4.5	4.0	4.8	0.0	0.0	0.0	JREI
LB-031	D Project Nishiyodogawa	10,300	9,935	964	10,900	10,900	0	4.7	4.4	4.9	4.7	4.4	4.9	0.0	0.0	0.0	JREI
LB-032	D Project Matsudo	7,370	7,187	572	7,760	7,760	0	4.5	4.2	4.6	4.5	4.2	4.6	0.0	0.0	0.0	JREI
LB-033	D Project Hibiki Nada	2,080	1,985	184	2,170	2,170	0	5.7	5.6/5.8	5.9	5.7	5.6/5.8	5.9	0.0	0.0	0.0	Tanizawa



# Appraisal Value Comparison (2)

(mil yen)																		(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)	
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF			
									CR	DR		TCR	CR		DR	TCR		CR
LB-034	D Project Morioka II	1,280	1,240	89	1,330	1,330	0	6.0	5.7/5.8 /5.9	6.2	6.0	5.7/5.8 /5.9	6.2	0.0	0.0	0.0	Tanizawa	
LB-035	D Project Kawagoe III	7,200	7,043	806	7,830	7,850	20	4.5	4.5/4.6	4.7	4.5	4.5/4.6	4.7	0.0	0.0	0.0	Tanizawa	
LB-036	D Project Kazo	3,300	3,227	232	3,460	3,460	0	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa	
LB-037	D Project Urayasu III	8,500	8,470	1,279	9,760	9,750	-10	3.9	3.8/3.9 /4.0	4.1	3.9	3.8/3.9 /4.0	4.1	0.0	0.0	0.0	Tanizawa	
LB-038	D Project Tomisato	5,000	4,862	417	5,280	5,280	0	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa	
LB-039	D Project Kyotanabe	3,520	3,472	237	3,710	3,710	0	5.5	5.1	5.8	5.5	5.1	5.8	0.0	0.0	0.0	JREI	
LB-040	D Project Sendai Izumi	1,510	1,473	126	1,610	1,600	-10	5.3	5.0	5.5	5.3	5.0	5.5	0.0	0.0	0.0	JREI	
LB-041	D Project Oyama	2,000	1,951	98	2,040	2,050	10	5.5	5.6	5.7	5.5	5.6	5.7	0.0	0.0	0.0	Tanizawa	
LB-042	D Project Sano	1,780	1,729	80	1,800	1,810	10	5.5	5.5/5.6	5.7	5.5	5.5/5.6	5.7	0.0	0.0	0.0	Tanizawa	
LB-043	D Project Tatebayashi	3,100	3,018	201	3,210	3,220	10	5.5	5.5	5.7	5.5	5.5	5.7	0.0	0.0	0.0	Tanizawa	
LB-044	D Project Kakegawa	6,000	5,894	245	6,130	6,140	10	5.7	5.5	5.9	5.7	5.5	5.9	0.0	0.0	0.0	JREI	
LB-045	D Project Hiroshima Seifu	3,820	3,738	311	4,050	4,050	0	5.4	4.9	5.8	5.4	4.9	5.8	0.0	0.0	0.0	JREI	
LB-046	D Project Tosu II	1,700	1,652	247	1,890	1,900	10	5.0	5.0/5.1	5.2	5.0	5.0/5.1	5.2	0.0	0.0	0.0	Tanizawa	
LB-047	D Project Kawagoe IV	5,600	5,562	357	5,930	5,920	-10	4.6	4.6/4.7	4.8	4.6	4.6/4.7	4.8	0.0	0.0	0.0	Tanizawa	
LB-048	D Project Kuki VII	1,040	1,037	82	1,110	1,120	10	4.8	4.8	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa	
LB-049	D Project Chibakita	7,640	7,586	473	8,020	8,060	40	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Daiwa	
LB-050	D Project Matsudo II	8,200	8,139	210	8,370	8,350	-20	4.5	4.2	4.6	4.5	4.2	4.6	0.0	0.0	0.0	JREI	
LB-051	D Project Tomisato II	6,900	6,818	261	7,150	7,080	-70	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa	
LB-052	D Project Osaka Hirabayashi	3,600	3,683	616	4,350	4,300	-50	4.7	4.6/4.9	—	4.7	4.6/4.9	—	0.0	0.0	—	Tanizawa	
LB-053	D Project Sendai Izumi II	7,300	7,190	349	7,540	7,540	0	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	JREI	
LB-054	D Project Kaminokawa	7,900	7,806	193	8,050	8,000	-50	5.5	5.5/5.6	5.7	5.5	5.5/5.6	5.7	0.0	0.0	0.0	Tanizawa	
LB-055	D Project Fuji	3,600	3,554	75	3,680	3,630	-50	5.6	5.4	5.9	5.6	5.4	5.9	0.0	0.0	0.0	JREI	
LB-056	D Project Tosu III	9,200	9,074	365	9,380	9,440	60	5.1	5.0/5.2	5.3	5.1	5.0/5.2	5.3	0.0	0.0	0.0	Tanizawa	
LB-057	D Project Kitahachioji I	4,300	4,315	144	4,360	4,460	100	4.6	4.2	4.8	4.5	4.1	4.7	-0.1	-0.1	-0.1	JREI	
LB-058	D Project Kitahachioji II	5,700	5,725	164	5,760	5,890	130	4.6	4.3	4.8	4.5	4.2	4.7	-0.1	-0.1	-0.1	JREI	
LB-059	D Project Kitahachioji III	7,300	7,331	278	7,450	7,610	160	4.6	4.2	4.8	4.5	4.1	4.7	-0.1	-0.1	-0.1	JREI	
LB-060	D Project Itabashi Shingashi	12,300	12,350	49	12,400	12,400	0	4.2	4.2	4.4	4.2	4.2	4.4	0.0	0.0	0.0	Tanizawa	
LB-061	D Project Sagamihara	3,900	3,916	63	3,940	3,980	40	4.3	4.3	4.5	4.3	4.3	4.5	0.0	0.0	0.0	Tanizawa	
LB-062	D Project Kuki VIII	6,100	6,114	5	6,110	6,120	10	4.7	4.6	4.9	4.7	4.6	4.9	0.0	0.0	0.0	Tanizawa	
LB-063	D Project Yokkaichi	1,490	1,497	2	1,500	1,500	0	5.4	5.3/5.4	5.6	5.4	5.3/5.4	5.6	0.0	0.0	0.0	Tanizawa	
LB-064	D Project Ibaraki Ishioka	4,050	4,064	35	4,090	4,100	10	5.1	5.1	5.3	5.1	5.1	5.3	0.0	0.0	0.0	Tanizawa	

# Appraisal Value Comparison (3)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
LM-001	DPL Misato	16,831	16,617	1,282	17,800	17,900	100	4.1	4.1/4.2	4.3	4.1	4.1/4.2	4.3	0.0	0.0	0.0	Tanizawa
LM-002	DPL Fukuoka Kaseya	13,300	13,177	22	13,300	13,200	-100	4.6	4.4	4.8	4.6	4.4	4.8	0.0	0.0	0.0	JREI
LM-003	DPL Kitakyushu	3,510	3,476	103	3,580	3,580	0	5.5	5.4/5.5 /5.6	5.7	5.5	5.4/5.5 /5.6	5.7	0.0	0.0	0.0	Tanizawa
Logistics Properties Total		379,439	373,250	28,700	401,462	401,951	489	—	—	—	—	—	—	—	—	—	—
RE-001	Qiz Ebisu	7,650	7,143	2,006	8,810	9,150	340	3.7	3.9	3.9	3.6	3.8	3.8	-0.1	-0.1	-0.1	Tanizawa
RE-002	Castalia Azabujuban Shichimenzaka	4,500	4,153	356	4,350	4,510	160	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Chuo
RE-003	Castalia Shibakoen	2,630	2,409	-19	2,310	2,390	80	4.1	4.2	4.3	4.0	4.1	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-004	Castalia Ginza	2,520	2,310	19	2,260	2,330	70	4.1	4.1	4.3	4.0	4.0	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-005	Castalia Hiroo	2,220	2,051	-51	1,930	2,000	70	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1	Tanizawa
RE-006	Castalia Nihonbashi	1,200	1,047	162	1,190	1,210	20	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-007	Castalia Hacchobori	2,300	2,060	299	2,330	2,360	30	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-008	Castalia Azabujuban	2,910	2,750	39	2,730	2,790	60	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Chuo
RE-009	Castalia Azabujuban II	2,690	2,516	113	2,560	2,630	70	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	Chuo
RE-010	Castalia Shinjuku Natsumezaka	1,865	1,746	-96	1,630	1,650	20	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	Chuo
RE-011	Castalia Ginza II	1,800	1,647	142	1,760	1,790	30	4.1	4.1	4.3	4.0	4.0	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-012	Castalia Shibuya Sakuragaoka	1,400	1,323	-123	1,180	1,200	20	3.9	4.1	4.1	3.8	4.0	4.0	-0.1	-0.1	-0.1	Tanizawa
RE-013	Castalia Nishi Azabu Kasumicho	2,143	2,337	192	2,480	2,530	50	4.0	4.1	4.2	3.9	4.0	4.1	-0.1	-0.1	-0.1	Tanizawa
RE-014	Castalia Ochanomizu	1,770	1,681	628	2,250	2,310	60	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-015	Castalia Sangubashi	1,393	1,476	113	1,530	1,590	60	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-016	Castalia Suitengu	1,279	1,209	370	1,540	1,580	40	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-017	Castalia Suitengu II	1,138	1,081	328	1,390	1,410	20	4.1	4.2	4.3	4.0	4.1	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-018	Castalia Shintomicho	932	897	252	1,120	1,150	30	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-019	Castalia Shintomicho II	825	805	204	988	1,010	22	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-020	Castalia Harajuku	887	851	141	970	993	23	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	JREI
RE-021	Castalia Yoyogi Uehara	608	650	102	740	753	13	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	JREI
RE-022	Castalia Sendagaya	555	550	118	654	669	15	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	JREI
RE-023	Castalia Shinjuku 7 chome	464	435	115	541	551	10	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	JREI
RE-024	Castalia Ningyocho	947	885	454	1,290	1,340	50	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-025	Castalia Ningyocho II	1,070	981	488	1,420	1,470	50	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-026	Castalia Shin-Ochanomizu	914	844	275	1,090	1,120	30	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-027	Castalia Higashi Nihonbashi II	1,370	1,238	531	1,710	1,770	60	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-028	Castalia Jinbocho	1,160	1,069	450	1,460	1,520	60	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI

# Appraisal Value Comparison (4)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-029	Castalia Shintomicho III	675	604	186	771	791	20	4.2	3.9	4.5	4.1	3.8	4.4	-0.1	-0.1	-0.1	JREI
RE-030	Castalia Shinjuku Gyoen	2,720	2,578	821	3,320	3,400	80	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-031	Castalia Takanawadai	860	809	260	1,050	1,070	20	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	JREI
RE-032	Castalia Higashi Nihonbashi III	666	600	248	830	849	19	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Daiwa
RE-033	Castalia Shinjuku Gyoen II	486	466	97	550	564	14	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-034	Castalia Shintomicho IV	400	390	130	505	521	16	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Daiwa
RE-035	Castalia Takanawadai II	1,190	1,145	274	1,380	1,420	40	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	JREI
RE-036	Castalia Minami Azabu	642	610	148	710	759	49	4.0	3.8	4.2	3.8	3.6	4.0	-0.2	-0.2	-0.2	JREI
RE-037	Castalia Ginza III	2,880	2,706	443	3,070	3,150	80	4.1	4.1	4.3	4.0	4.0	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-038	Castalia Kayabacho	2,707	2,497	872	3,240	3,370	130	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-039	Castalia Takanawa	7,430	7,125	1,414	8,240	8,540	300	4.1	4.4	4.3	4.0	4.3	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-040	Castalia Higashi Nihonbashi	3,520	3,199	980	4,080	4,180	100	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Chuo
RE-041	Castalia Shinjuku	2,950	2,814	725	3,500	3,540	40	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-042	Castalia Ichigaya	940	878	521	1,350	1,400	50	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-043	Shibaura Island Bloom Tower	7,580	6,573	2,626	9,350	9,200	-150	—	3.9	5.9	—	3.9	6.0	—	0.0	0.1	JREI
RE-044	Castalia Hatsudai	2,030	1,940	519	2,390	2,460	70	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Daiwa
RE-045	Castalia Hatsudai II	1,900	1,852	377	2,180	2,230	50	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1	Morii
RE-046	Castalia Ebisu	1,420	1,395	284	1,640	1,680	40	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	Morii
RE-047	Castalia Meguro Kamurozaka	4,500	3,996	673	4,470	4,670	200	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	Daiwa
RE-048	Castalia Toritsudaigaku	648	578	-40	536	538	2	5.0	4.8	5.3	4.9	4.7	5.2	-0.1	-0.1	-0.1	Chuo
RE-049	Castalia Yukigaya	1,110	976	203	1,150	1,180	30	4.2	4.3	4.4	4.1	4.2	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-050	Castalia Yutenji	1,450	1,319	30	1,320	1,350	30	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Chuo
RE-051	Castalia Otsuka	1,480	1,291	398	1,650	1,690	40	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	Chuo
RE-052	Castalia Kikukawa	817	708	114	809	823	14	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-053	Castalia Meguro	844	869	250	1,070	1,120	50	4.2	3.9	4.4	4.1	3.8	4.3	-0.1	-0.1	-0.1	JREI
RE-054	Castalia Otsuka II	1,040	969	360	1,290	1,330	40	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	JREI
RE-055	Castalia Jiyugaoka	1,200	1,153	286	1,400	1,440	40	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	JREI
RE-056	Castalia Mejiro	988	919	210	1,100	1,130	30	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	Chuo
RE-057	Castalia Ikebukuro	2,570	2,414	605	2,950	3,020	70	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Daiwa
RE-058	Castalia Kaname-cho	1,140	1,044	255	1,280	1,300	20	4.2	4.4	4.4	4.1	4.3	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-059	Castalia Tower Shinagawa Seaside	7,380	6,696	2,493	9,130	9,190	60	4.2	4.2	4.4	4.1	4.1	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-060	Castalia Yakumo	857	821	20	819	842	23	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-061	Castalia Togoshiekimae	1,560	1,448	611	2,050	2,060	10	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	JREI

# Appraisal Value Comparison (5)

(mil yen)																	(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
									CR	DR		TCR	CR		DR	TCR	
RE-062	Castalia Honjo Azumabashi	996	978	271	1,230	1,250	20	4.4	4.5	4.6	4.3	4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-063	Castalia Kitazawa	742	752	116	849	869	20	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-064	Castalia Monzennakacho	503	470	145	603	616	13	4.4	4.5	4.6	4.3	4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-065	Castalia Kamiikedai	198	178	47	222	226	4	4.8	4.4	5.0	4.7	4.3	4.9	-0.1	-0.1	-0.1	JREI
RE-066	Castalia Morishita	832	787	282	1,050	1,070	20	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	JREI
RE-067	Castalia Wakabayashikoen	776	742	141	864	884	20	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Daiwa
RE-068	Castalia Asakusabashi	792	724	274	984	999	15	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Chuo
RE-069	Castalia Iriya	546	514	167	671	682	11	4.8	4.6	5.0	4.7	4.5	4.9	-0.1	-0.1	-0.1	Chuo
RE-070	Castalia Kita Ueno	2,641	2,366	583	2,880	2,950	70	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-071	Castalia Morishita II	686	607	249	833	857	24	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-072	Castalia Minowa	1,430	1,280	349	1,580	1,630	50	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-073	Castalia Oyamadai	533	513	96	613	610	-3	4.2	4.3	4.4	4.1	4.2	4.3	-0.1	-0.1	-0.1	Tanizawa
RE-074	Castalia Nakano	1,060	960	299	1,280	1,260	-20	4.1	3.9	4.3	4.1	3.8	4.2	0.0	-0.1	-0.1	JREI
RE-075	Castalia Yoga	923	860	309	1,170	1,170	0	4.1	4.3	4.3	4.0	4.2	4.2	-0.1	-0.1	-0.1	Tanizawa
RE-076	Castalia Sumiyoshi	948	834	215	1,060	1,050	-10	4.3	4.4	4.5	4.2	4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-077	Castalia Monzennakacho II	2,160	1,963	856	2,760	2,820	60	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	JREI
RE-078	Castalia Oshiage	1,100	973	216	1,150	1,190	40	4.4	4.7/4.5	4.6	4.3	4.6/4.4	4.5	-0.1	-0.1	-0.1	Tanizawa
RE-079	Castalia Kuramae	1,260	1,125	414	1,500	1,540	40	4.3	4.5/4.4	4.5	4.2	4.4/4.3	4.4	-0.1	-0.1	-0.1	Tanizawa
RE-080	Castalia Nakanobu	1,790	1,638	811	2,590	2,450	-140	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	Chuo
RE-081	Royal Parks Toyosu	7,360	6,037	3,912	9,950	9,950	0	4.6	4.3	4.9	4.5	4.2	4.8	-0.1	-0.1	-0.1	Chuo
RE-082	Castalia Togoshi	1,770	1,570	909	2,520	2,480	-40	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-083	Castalia Ooimachi	1,181	1,139	430	1,540	1,570	30	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	Morii
RE-084	Castalia Omori	1,500	1,400	429	1,810	1,830	20	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-085	Castalia Mishuku	1,900	1,818	551	2,320	2,370	50	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Chuo
RE-086	Castalia Arakawa	1,660	1,566	643	2,190	2,210	20	4.5	4.3	4.7	4.4	4.2	4.6	-0.1	-0.1	-0.1	Chuo
RE-087	Castalia Omori II	2,370	2,243	766	3,010	3,010	0	3.9	3.7	4.1	3.9	3.7	4.1	0.0	0.0	0.0	Morii
RE-088	Castalia Nakameguro	3,800	3,772	917	4,530	4,690	160	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	Morii
RE-089	Castalia Meguro Chojyamaru	2,030	1,988	461	2,400	2,450	50	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1	Morii
RE-090	Castalia Meguro Takaban	1,750	1,738	211	1,900	1,950	50	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	Morii
RE-091	Castalia Omori III	1,520	1,459	330	1,740	1,790	50	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	Morii
RE-093	Castalia Meguro Tairamachi	1,165	1,196	163	1,320	1,360	40	3.7	3.5	3.9	3.6	3.4	3.8	-0.1	-0.1	-0.1	Morii
RE-094	Royal Parks SEASIR	4,350	4,009	970	4,980	4,980	0	5.2	5.0/5.4	—	5.2	5.0/5.4	—	0.0	0.0	—	Morii
RE-095	Castalia Honkomagome	1,520	1,506	323	1,830	1,830	0	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Morii

# Appraisal Value Comparison (6)

(mil yen)																		(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)	
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF			
									CR	DR		TCR	CR		DR	TCR		CR
RE-096	Cosmo Heim Musashikosugi	1,674	1,657	402	2,020	2,060	40	4.8	4.6	5.0	4.7	4.5	4.9	-0.1	-0.1	-0.1	Chuo	
RE-097	Castalia Tsurumi	666	582	188	754	771	17	5.1	4.9	5.3	5.0	4.8	5.2	-0.1	-0.1	-0.1	Chuo	
RE-098	Castalia Funabashi	704	688	121	794	810	16	4.9	4.9/4.7	5.1	4.8	4.8/4.6	5.0	-0.1	-0.1	-0.1	Tanizawa	
RE-099	Castalia Nishi Funabashi	783	737	234	954	972	18	5.1	4.9	5.3	5.0	4.8	5.2	-0.1	-0.1	-0.1	JREI	
RE-105	Castalia Nogeeyama	325	294	34	328	329	1	5.0	4.8	5.2	4.9	4.7	5.1	-0.1	-0.1	-0.1	JREI	
RE-106	Castalia Ichikawa	461	400	159	549	560	11	4.9	4.8	5.2	4.8	4.7	5.1	-0.1	-0.1	-0.1	JREI	
RE-107	Royal Parks Hanakoganei	5,300	4,819	1,530	6,280	6,350	70	5.0	4.8/5.2	—	4.9	4.7/5.1	—	-0.1	-0.1	—	Daiwa	
RE-108	Castalia Musashikosugi	1,680	1,630	299	1,890	1,930	40	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Morii	
RE-109	Royal Parks Wakabadai	4,360	3,835	934	4,790	4,770	-20	5.1	4.9/5.3	—	5.1	4.9/5.3	—	0.0	0.0	—	Daiwa	
RE-110	Pacific Royal Court Minatomirai Urban Tower	9,100	8,273	2,826	10,900	11,100	200	4.8	4.6/5.0	—	4.7	4.5/4.9	—	-0.1	-0.1	—	Morii	
RE-111	L-Place Shinkoyasu	1,720	1,681	418	2,110	2,100	-10	4.8	4.6	5.0	4.7	4.5	4.9	-0.1	-0.1	-0.1	JREI	
RE-112	Royal Parks Musashikosugi	1,060	973	346	1,310	1,320	10	4.7	4.5/4.9	—	4.6	4.4/4.8	—	-0.1	-0.1	—	Morii	
RE-116	Castalia Sakaisuji Honmachi	1,490	1,297	552	1,820	1,850	30	4.5	4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1	Tanizawa	
RE-117	Castalia Shin-Umeda	1,376	1,200	429	1,590	1,630	40	4.6	4.7	4.8	4.5	4.6	4.7	-0.1	-0.1	-0.1	Tanizawa	
RE-118	Castalia Abeno	4,368	3,980	1,429	5,310	5,410	100	4.5	4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1	Tanizawa	
RE-119	Castalia Sakae	1,010	902	337	1,220	1,240	20	4.8	4.6	5.0	4.7	4.5	4.9	-0.1	-0.1	-0.1	Chuo	
RE-121	Castalia Maruyama Urasando	411	358	151	508	510	2	4.8	4.8	5.0	4.7	4.7	4.9	-0.1	-0.1	-0.1	Tanizawa	
RE-122	Castalia Maruyama Omotesando	1,740	1,523	466	2,010	1,990	-20	4.8	4.8	5.0	4.7	4.7	4.9	-0.1	-0.1	-0.1	Tanizawa	
RE-123	Castalia Higashi Hie	960	832	237	1,050	1,070	20	4.8	5.0	5.0	4.7	4.9	4.9	-0.1	-0.1	-0.1	Tanizawa	
RE-124	Castalia Tower Nagahoribashi	3,400	2,911	1,788	4,620	4,700	80	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Chuo	
RE-125	Castalia Sannomiya	1,230	1,056	463	1,500	1,520	20	4.9	4.7	5.1	4.8	4.6	5.0	-0.1	-0.1	-0.1	Daiwa	
RE-126	Castalia Kotodaikoen	481	409	163	558	573	15	5.2	5.2	5.4	5.1	5.1	5.3	-0.1	-0.1	-0.1	Daiwa	
RE-127	Castalia Ichibancho	783	687	263	938	951	13	5.2	5.2	5.4	5.1	5.1	5.3	-0.1	-0.1	-0.1	Daiwa	
RE-128	Castalia Omachi	656	596	235	820	832	12	5.2	5.2	5.4	5.1	5.1	5.3	-0.1	-0.1	-0.1	Daiwa	
RE-129	Castalia Uemachidai	2,190	1,937	862	2,770	2,800	30	4.6	4.4	4.8	4.5	4.3	4.7	-0.1	-0.1	-0.1	Daiwa	
RE-130	Castalia Tower Higobashi	2,670	2,351	1,228	3,590	3,580	-10	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Chuo	
RE-131	Big Tower Minami Sanjo	1,740	1,284	1,415	2,650	2,700	50	5.1	4.9	5.3	5.0	4.8	5.2	-0.1	-0.1	-0.1	Daiwa	
RE-132	Castalia Fushimi	2,260	1,935	1,244	3,110	3,180	70	4.6	4.4	4.8	4.5	4.3	4.7	-0.1	-0.1	-0.1	JREI	
RE-133	Castalia Meieki Minami	720	651	332	964	984	20	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Morii	
RE-134	Castalia Yakuin	930	880	329	1,180	1,210	30	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Morii	
RE-135	Castalia Mibu	1,193	1,090	429	1,490	1,520	30	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	JREI	
RE-136	Castalia Tsutsujigaoka	1,208	1,165	614	1,750	1,780	30	4.8	4.6	5.0	4.7	4.5	4.9	-0.1	-0.1	-0.1	Morii	

# Appraisal Value Comparison (7)

(mil yen)																		(%)
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)	
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF			
									CR	DR		TCR	CR		DR	TCR		CR
RE-137	Castalia Ohori Bay Tower	2,910	2,552	1,117	3,670	3,670	0	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	Morii	
RE-138	Royal Parks Namba	2,830	2,473	526	2,970	3,000	30	5.4	5.3/5.7	—	5.3	5.2/5.6	—	-0.1	-0.1	—	Daiwa	
RE-139	Castalia Shigahondori	1,730	1,569	550	2,090	2,120	30	4.8	4.6	5.0	4.7	4.5	4.9	-0.1	-0.1	-0.1	JREI	
RE-140	Castalia Kyoto Nishioji	973	998	91	1,080	1,090	10	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Morii	
RE-141	Castalia Ningyocho III	2,000	1,986	563	2,440	2,550	110	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	JREI	
RE-142	Royal Parks Umejima	2,020	1,955	264	2,200	2,220	20	5.2	5.0/5.4	—	5.1	4.9/5.3	—	-0.1	-0.1	—	Morii	
RE-143	Castalia Shinsakae II	1,800	1,827	172	1,960	2,000	40	4.9	4.7	5.1	4.8	4.6	5.0	-0.1	-0.1	-0.1	Daiwa	
Residential Properties Total		246,424	227,274	65,653	287,859	292,928	5,069	—	—	—	—	—	—	—	—	—	—	
RM-001	ACROSSMALL Shinkamagaya	7,770	7,538	991	8,340	8,530	190	5.5	5.2	5.7	5.4	5.1	5.6	-0.1	-0.1	-0.1	JREI	
RM-002	FOLEO Hirakata	4,580	4,467	202	4,670	4,670	0	6.0	5.5	6.1	5.9	5.4	6.0	-0.1	-0.1	-0.1	JREI	
RM-003	QiZ GATE URAWA	4,270	4,211	158	4,330	4,370	40	5.5	5.1	5.6	5.4	5.0	5.5	-0.1	-0.1	-0.1	JREI	
RM-004	UNICUS Takasaki	3,000	2,941	228	3,110	3,170	60	6.1	5.8	6.3	6.0	5.7	6.2	-0.1	-0.1	-0.1	JREI	
RM-005	ACROSSPLAZA Miyoshi (Land)	3,740	3,740	230	3,950	3,970	20	—	4.2	—	—	4.2	—	—	0.0	—	Tanizawa	
RM-006	DREAM TOWN ALi	8,100	7,898	791	8,510	8,690	180	5.6	5.4	5.9	5.5	5.3	5.8	-0.1	-0.1	-0.1	JREI	
RM-007	ASOBOX (Land)	1,600	1,617	292	1,900	1,910	10	—	4.9	—	—	4.9	—	—	0.0	—	JREI	
RM-008	FOLEO Ome Imai	3,800	3,752	197	3,950	3,950	0	5.1	4.6	5.4	5.1	4.6	5.4	0.0	0.0	0.0	JREI	
RM-009	FOLEO Otsu Ichiriyama	8,100	8,031	558	8,450	8,590	140	5.5	5.3	5.8	5.4	5.2	5.7	-0.1	-0.1	-0.1	JREI	
RM-010	FOLEO Hakata	3,200	3,182	497	3,680	3,680	0	4.8	4.6	5.1	4.8	4.6	5.1	0.0	0.0	0.0	JREI	
RM-011	ACROSSMALL Semboku (Land)	3,250	3,383	496	3,880	3,880	0	—	4.3	—	—	4.3	—	—	0.0	—	Tanizawa	
RM-012	lias Tsukuba	10,320	10,368	-18	10,320	10,350	30	5.1	4.9	5.4	5.1	4.9	5.4	0.0	0.0	0.0	JREI	
RR-001	LIFE Sagamihara Wakamatsu	1,670	1,652	157	1,800	1,810	10	4.7	4.3	4.8	4.7	4.2	4.7	0.0	-0.1	-0.1	JREI	
RR-002	FOLEO Sendai Miyanomori	6,960	6,837	542	7,380	7,380	0	5.6	5.3	5.8	5.6	5.3	5.8	0.0	0.0	0.0	JREI	
RR-003	ACROSSPLAZA Inazawa (Land)	2,390	2,390	170	2,520	2,560	40	—	5.1	—	—	5.0	—	—	-0.1	—	JREI	
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	2,230	2,169	230	2,400	2,400	0	6.0	6.1	6.2	6.0	6.1	6.2	0.0	0.0	0.0	Tanizawa	
RR-005	Hiratsuka Retail Property (Land)	5,620	5,857	792	6,640	6,650	10	—	4.0	—	—	4.0	—	—	0.0	—	Tanizawa	
RR-006	Royal Home Center Morinomiya (Land)	4,500	4,541	718	5,220	5,260	40	—	4.0	—	—	4.0	—	—	0.0	—	Tanizawa	
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	750	770	8	762	779	17	4.4	4.0	4.5	4.3	3.9	4.4	-0.1	-0.1	-0.1	JREI	
RR-008	FOLEO Shobu	5,000	5,021	28	5,050	5,050	0	5.2	4.9	5.4	5.2	4.9	5.4	0.0	0.0	0.0	JREI	
RU-001	COMBOX310	4,480	4,448	201	4,600	4,650	50	5.6	5.4	5.8	5.5	5.3	5.7	-0.1	-0.1	-0.1	Daiwa	
Retail Properties Total		95,330	94,820	7,478	101,462	102,299	837	—	—	—	—	—	—	—	—	—	—	

# Appraisal Value Comparison (8)

(mil yen)																		(%)	
Property number	Property name	Acquisition price	Book value Aug. 2019	Unrealized gain (loss)	Appraisal value (Note 1)			Feb. 2019			Aug. 2019			Change			Appraiser (Note 2)		
					Feb. 2019	Aug. 2019	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF				
									CR	DR		TCR	CR		DR	TCR		CR	DR
HO-001	Daiwa Roynet Hotel Yokohama Kannai	4,800	4,780	269	4,940	5,050	110	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Daiwa		
HO-002	Super Hotel JR Nara Station Sanjo Street	1,470	1,467	32	1,490	1,500	10	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0	Daiwa		
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	4,500	4,536	3	4,540	4,540	0	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0	Daiwa		
Hotel Properties Total		10,770	10,783	304	10,970	11,090	120	—	—	—	—	—	—	—	—	—	—		
OT-001	Urban Living Inage	930	835	444	1,280	1,280	0	5.3	5.1	5.5	5.3	5.1	5.5	0.0	0.0	0.0	Daiwa		
OT-002	Aburatsubo Marina HILLS	1,100	1,054	205	1,260	1,260	0	6.1	5.9	6.3	6.1	5.9	6.3	0.0	0.0	0.0	JREI		
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	7,600	7,329	780	8,010	8,110	100	5.5	5.3	5.7	5.4	5.2	5.6	-0.1	-0.1	-0.1	Daiwa		
OT-004	Sharp Hiroshima Building	1,850	1,830	129	1,950	1,960	10	5.3	5.1	5.5	5.3	5.1	5.5	0.0	0.0	0.0	JREI		
OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	1,380	1,390	-20	1,380	1,370	-10	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	Daiwa		
Other Assets Total		12,860	12,441	1,538	13,880	13,980	100	—	—	—	—	—	—	—	—	—	—		
Portfolio Total		744,823	718,571	103,676	815,633	822,248	6,615	—	—	—	—	—	—	—	—	—	—		

(Note 1) "Appraisal value" of the period ended Feb. 2019 for the properties acquired in March and April 2019 are based on the appraisal value at the time of the acquisition.

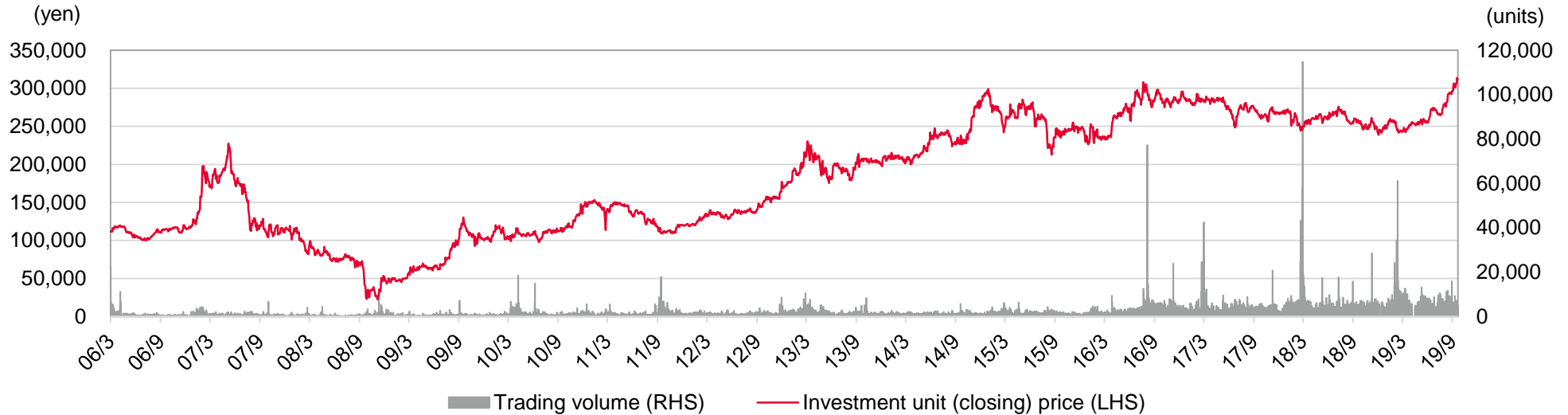
(Note 2) "Tanizawa": The Tanizawa Sogo Appraisal Co., Ltd., "Chuo": Chuo Real Estate Appraisal Co., Ltd., "JREI": Japan Real Estate Institute, "Daiwa": Daiwa Real Estate Appraisal Co., Ltd., "Mori": JLL Mori Valuation & Advisory K.K.

(Note 3) Sold as of Sep. 2, 2019.



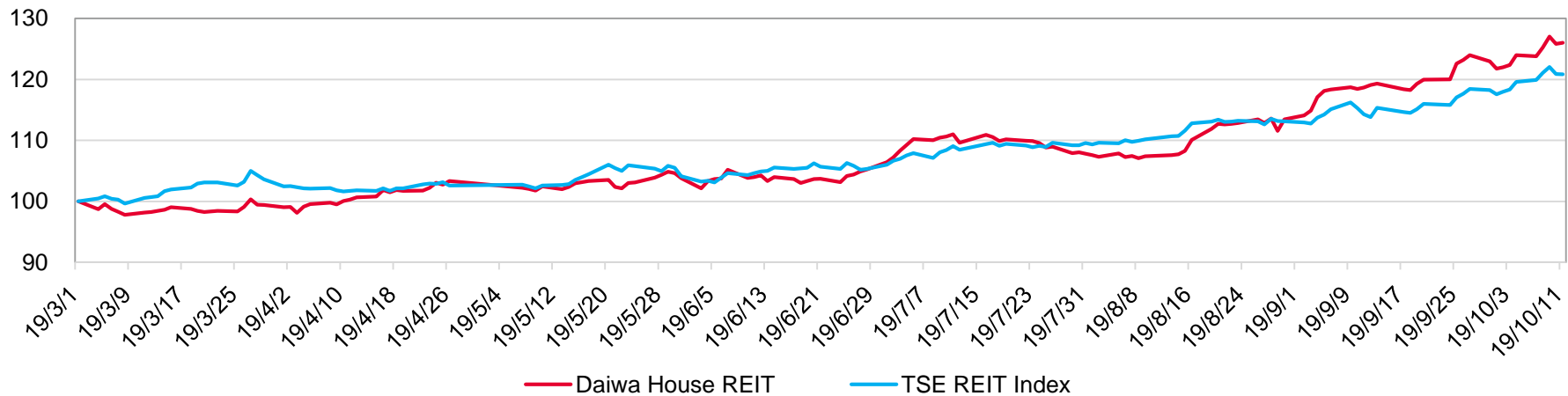
# Unit Price Performance

## Unit Price and Trading Volume



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

## Relative Unit Price Performance



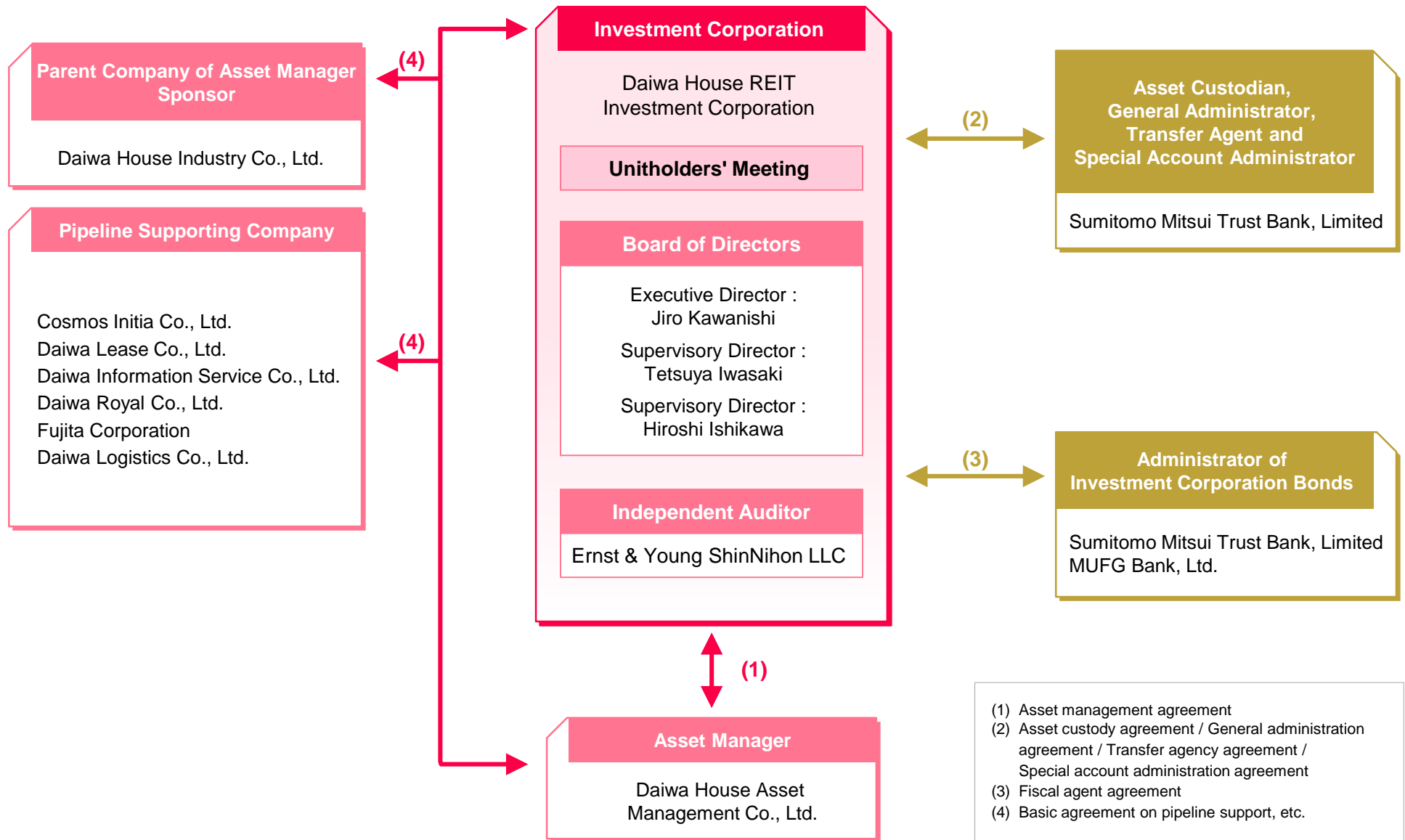
(Note) Indexed with the March 1, 2019 (start of the period ended Aug. 2019) closing prices of DHR's unit and TSE REIT Index.

## // Number of Unitholders and Units by Unitholder Type

Unitholder type	Period ended Feb. 2019				Period ended Aug. 2019			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Units	(%)	Unitholders	(%)	Units	(%)
Individuals and others	15,900	94.1	98,822	5.1	16,650	94.0	100,765	4.9
Financial institutions	202	1.2	1,059,700	55.0	205	1.2	1,151,274	55.5
Banks / trust banks	74	0.4	963,665	50.0	73	0.4	1,022,764	49.3
City banks	—	—	—	—	—	—	—	—
Regional banks	59	0.3	156,920	8.1	59	0.3	158,018	7.6
Trust banks	15	0.1	806,745	41.9	14	0.1	864,746	41.7
Life insurance companies	9	0.1	25,162	1.3	9	0.1	29,663	1.4
Non-life insurance companies	3	0.0	5,920	0.3	2	0.0	18,872	0.9
Other financial institutions	116	0.7	64,953	3.4	121	0.7	79,975	3.9
Shinkin banks	62	0.4	31,412	1.6	64	0.4	31,844	1.5
Others	54	0.3	33,541	1.7	57	0.3	48,131	2.3
Other domestic corporations	316	1.9	220,926	11.5	344	1.9	222,948	10.7
Foreign corporations and individuals	463	2.7	460,442	23.9	493	2.8	472,084	22.8
Securities firms	22	0.1	87,110	4.5	25	0.1	127,929	6.2
<b>Total</b>	<b>16,903</b>	<b>100.0</b>	<b>1,927,000</b>	<b>100.0</b>	<b>17,717</b>	<b>100.0</b>	<b>2,075,000</b>	<b>100.0</b>

## // Major Unitholders

Name	Period ended Aug. 2019	
	Number of units owned	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	402,554	19.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	282,319	13.6
Daiwa House Industry Co., Ltd.	187,200	9.0
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	74,486	3.6
State Street Bank West Client - Treaty 505234	69,360	3.3
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	50,553	2.4
JPMorgan Securities Japan Co., Ltd.	40,603	2.0
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	36,337	1.8
State Street Bank and Trust Company 505103	25,767	1.2
The Shinkumi Federation Bank	18,856	0.9
<b>Total</b>	<b>1,188,035</b>	<b>57.3</b>



## Disclaimer

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