

Investor Presentation for the 35th Fiscal Period Ended August 2023

Held on October 19, 2023

Major Questions and Answers (Summary)

Q. 1

With regard to external growth, you have explained that you are considering not just public offering but various funding sources such as property replacement and use of cash on hand. Is your strategy primarily focused on improving or maintaining DPU? Can you be quite flexible or are you more particular about the size of the annual property acquisitions?

Ans. 1

When Daiwa House, our sponsor, sold part of our investment units through the secondary offering this September, some of the investors seemed to have doubts about the sponsor's future commitment to us. Strong sponsor support remains and will be intact, and we hope to prove this to be true at an early stage by acting on the property acquisitions. However, property acquisitions accompanying public offerings are becoming more difficult than before, considering the current level of our investment unit price. While we have targeted annual property acquisitions of roughly 50 billion yen in the past, we are now targeting roughly 30 billion yen. Through proactive property replacement as well as utilization of cash on hand as funding sources for property acquisitions, we continue to aim for DPU growth going forward.

Q. 2

According to the presentation material, you plan to consider reconstruction of existing properties and investment in development projects. Are you willing to proceed with the idea to the next stage as a more feasible plan, or have you just started to consider such possibility as one of the future options?

Ans. 2

We acquired one retail property in Bunkyo Ward of Tokyo several years ago with a view to reconstructing it into a residential property after the current tenant leaves in the future, and yet we do not have any specific plans at this time. Meanwhile, reconstruction of a small residential property located in central Tokyo is now in consideration. We also started considering investment in a development project for construction of a residential property. We would like to study further and proceed with these projects in the future.