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To All Concerned Parties

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Notice Concerning Revision to Forecasts of Operating Results and Distribution
for the Fiscal Period Ending March 2021 (30th Fiscal Period) and
Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2021 (31st Fiscal Period)

Daiwa Securities Living Investment Corporation (hereinafter referred to as the “Investment Corporation”) hereby announces that it has revised the forecasts of operating results and distribution for the fiscal period ending March 2021 (30th fiscal period: October 1, 2020, to March 31, 2021) announced on May 20, 2020, as follows. It also announces the forecasts of operating results and distribution for the fiscal period ending September 2021 (31st fiscal period: April 1, 2021, to September 30, 2021). Details are as follows.

1. Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2021 (30th Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
Previously announced forecast (A)	JPY10,139 million	JPY4,897 million	JPY4,259 million	JPY4,259 million	JPY2,071	JPY2,150	JPY -
Revised forecast (B)	JPY10,463 million	JPY5,065 million	JPY4,402 million	JPY4,401 million	JPY2,065	JPY2,160	JPY -
Difference (B-A)	JPY323 million	JPY168 million	JPY142 million	JPY142 million	JPY-6	JPY10	JPY -
Difference (%)	3.2%	3.4%	3.4%	3.4%	-0.3%	0.5%	—

(Note 1) Expected number of investment units issued at the end of the period: 2,131,546 unit (For details, please refer to “Total number of investment units issued” in the assumptions described in the Exhibit.

(Note 2) The fiscal period of the Investment Corporation is from April 1 to September 30 every year and from October 1 to March 31 of the following year. The same will apply hereinafter.)

(Note 3) The figures above are forecasts as of this moment calculated based on the conditions stated in the Exhibit “Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period ending March 2021 (the 30th fiscal period: October 1, 2020 - March 31, 2021) and the Fiscal Period ending September 2021 (the 31st fiscal period: April 1, 2021 - September 30, 2021),” and actual operating revenue, operating income, ordinary income, net income, net income per unit, and distribution per unit could fluctuate. In addition, these forecasts do not guarantee the distribution amounts.

(Note 4) The distribution amount for the fiscal period ending March 2021 includes the expected reversal of reserve for temporary difference adjustments of JPY202 million, and the distribution amount is different from the amount of net income.

(Note 5) When a certain degree of discrepancy from the above forecasts is expected, the forecasts may be revised.

(Note 6) Amounts are rounded to the nearest unit and percentages are rounded to the first decimal place. The same applies hereinafter.

Note: This press release is a document for making a public announcement concerning revisions to the forecasts of operating results and distribution for the fiscal period ending March 2021 (30th Fiscal Period) and the forecasts of operating results and distribution for the fiscal period ending September 2021 (31st Fiscal Period), and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.

2. Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2021 (31st Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
Fiscal period ending September 2021 (31st fiscal period)	JPY10,766 million	JPY5,006 million	JPY4,364 million	JPY4,363 million	JPY2,047	JPY2,160	JPY -

(Note 1) Expected number of investment units issued at the end of the period: 2,131,546 unit (For details, please refer to “Total number of investment units issued” in the assumptions described in the Exhibit.

(Note 2) The figures above are forecasts as of this moment calculated based on the conditions stated in the Exhibit “Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period Ending March 2021 (30th Fiscal Period: October 1, 2020 - March 31, 2021) and the Fiscal Period Ending September 2021 (31st Fiscal Period: April 1, 2021 - September 30, 2021),” and actual operating revenue, operating income, ordinary income, net income, net income per unit, and distribution per unit could fluctuate. In addition, these forecasts do not guarantee the distribution amounts.

(Note 3) The distribution amount for the fiscal period ending September 2021 includes the expected reversal of reserve for temporary difference adjustments of JPY240 million, and the distribution amount is different from the amount of net income.

(Note 4) When a certain degree of discrepancy from the above forecasts is expected, the forecasts may be revised.

3. Reasons for Revisions to and Announcement of Operating Results, Etc.

The Investment Corporation decided at a meeting of its board of directors held today on the asset acquisition announced in “Notice Concerning Acquisition and Leasing of Assets (2 Rental Apartments and 3 Healthcare Facilities)” dated today and the issuance of new investment units announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering” dated today. In line with such, forecasts of operating results and distribution for the fiscal period ending March 2021 (30th fiscal period) announced on May 20, 2020, have been revised to reflect the changes in the assumptions for forecasts, although no major discrepancy, such as 5% or more difference in distribution per unit, is expected. In addition, the Investment Corporation newly announces forecasts of operating results and distribution for the fiscal period ending September 2021 (31st fiscal period).

URL: <https://www.daiwa-securities-living.co.jp/en/>

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[Exhibit]

<Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period Ending March 2021 (30th Fiscal Period: October 1, 2020 - March 31, 2021) and the Fiscal Period Ending September 2021 (31st Fiscal Period: April 1, 2021 - September 30, 2021)>

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending March 2021 (30th fiscal period) (October 1, 2020 - March 31, 2021) (182 days) Fiscal period ending September 2021 (31st fiscal period) (April 1, 2021 - September 30, 2021) (183 days)
Assets under management	<ul style="list-style-type: none"> It is assumed that changes in the following assets under management will occur to the 218 real estate and real estate trust beneficiary interests owned by the Investment Corporation as of September 30, 2020. <p>[Acquired Assets and Assets to Be Acquired (hereinafter referred to as the “Assets to Be Acquired, Etc.”)]</p> <ol style="list-style-type: none"> (1) Solid Magome (acquired on October 22, 2020) (2) Splendide Nambamotomachi (scheduled acquisition date: December 10, 2020) (3) Gran Casa Fujisawa (scheduled acquisition date: December 10, 2020) (4) Good Time Living Osaka Bay (scheduled acquisition date: December 10, 2020) (5) Sunny Life Hiyoshi (scheduled acquisition date: December 10, 2020) (6) Sunny Life Chofu (scheduled acquisition date: December 10, 2020) (7) (Temporary Name) Minamioi PJ (scheduled acquisition date: March 1, 2021) (8) (Temporary Name) L’GENTE Ueno Ikenohata (scheduled acquisition date: April 15, 2021) (9) (Temporary Name) Mouri 1-chome PJ (scheduled acquisition date: April 30, 2021) (10) (Temporary Name) Iriya PJ (scheduled acquisition date: June 1, 2021) (11) (Temporary Name) Eitai PJ (scheduled acquisition date: August 3, 2021) (12) (Temporary Name) Nakamagome PJ (scheduled acquisition date: September 1, 2021) <ul style="list-style-type: none"> In light of the above assumptions, the assets under management will be 225 properties as of the end of the fiscal period ending March 2021 and 230 properties as of the end of the fiscal period ending September 2021. However, assets under management could fluctuate due to the acquisition or disposition of other properties.
Operating revenue	<ul style="list-style-type: none"> Operating revenue is calculated on the premise of “Assets under management” above. For the fiscal period ending March 2021 and the fiscal period ending September 2021, the posting of gain on disposition of real estate is not expected.
Operating expenses	<ul style="list-style-type: none"> Operating expenses are calculated on the premise of “Assets under management” above. For the fiscal period ending March 2021 and the fiscal period ending September 2021, the posting of loss on disposition of real estate is not expected. Of property-related expenses, which is a major item of operating expenses, expenses other than depreciation are calculated by reflecting the variable factors of expenses based on the past results and information provided by the former owners of the assets to be acquired and others. For property management fees, JPY429 million is assumed for the fiscal period ending March 2021 and JPY441 million is assumed for the fiscal period ending September 2021. For repair expenses of buildings, the amount deemed necessary in each fiscal period is estimated, and JPY374 million is assumed for the fiscal period ending March 2021 and JPY422 million is assumed for the fiscal period ending September 2021. However, actual expenses could differ significantly from the expected amount for reasons such as the occurrence of unpredictable repair expenses. For taxes, JPY529 million is assumed for the fiscal period ending March 2021 and JPY687 million is assumed for the fiscal period ending September 2021. While property taxes and city planning taxes are settled at the time of acquisition by calculating the amount by dividing proportionally according to the period with the current owners in the general sale and purchase of real estate, property taxes and city planning taxes for the acquisition year paid by the Investment Corporation are not posted in expenses because they are included in the acquisition price. Taxes for (1) to (6) of the Assets to Be Acquired, Etc. stated in “Assets under management” above will arise in the fiscal period ending

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	<p>September 2021, and taxes for (7) to (12) will arise in the fiscal period ending September 2022. The amount of taxes will be JPY28 million and JPY8 million, respectively.</p> <ul style="list-style-type: none"> Depreciation is calculated using the straight-line method, including ancillary expenses and additional capital expenditure in the future, and JPY2,363 million is assumed for the fiscal period ending March 2021 and JPY2,405 million is assumed for the fiscal period ending September 2021.
Non-operating expenses	<ul style="list-style-type: none"> As non-operating expenses, JPY670 million is assumed for the fiscal period ending March 2021 and JPY650 million is assumed for the fiscal period ending September 2021. The details are as follows. <ul style="list-style-type: none"> (1) Interest expenses and interest on investment corporation bonds are JPY470 million for the fiscal period ending March 2021 and JPY495 million for the fiscal period ending September 2021. (2) Finance-related expenses are JPY153 million for the fiscal period ending March 2021 and JPY148 million for the fiscal period ending September 2021. (3) Issuance costs of new units is JPY39 million for the fiscal period ending March 2021. The posting of issuance costs of new units is not expected for the fiscal period ending September 2021. (4) Amortization of investment corporation bond issuance costs is JPY5 million for the fiscal period ending March 2021 and JPY4 million for the fiscal period ending September 2021. (5) Other expenses are JPY1 million for the fiscal period ending March 2021 and JPY1 million for the fiscal period ending September 2021.
Interest-bearing debt	<ul style="list-style-type: none"> As of today, the Investment Corporation has an outstanding balance of loans payable of JPY142,587 million and an outstanding balance of investment corporation bonds of JPY10,100 million. It is assumed that loans payable that will come due and investment corporation bonds that will mature (JPY3,000 million) will be repaid and redeemed with funds raised by loans. For the fiscal period ending March 2021, it is assumed that bank loans of JPY11,470 million be taken out to fund for the acquisition of 5 properties ((2) to (6) stated in “Assets under management”) and bank loans of JPY 1,200 million for the property ((7) stated in “Assets under management”). For the fiscal period ending September 2021, it is assumed that bank loans of JPY5,500 million be taken out to fund the acquisition of 5 properties ((8) to (12) stated in “Assets under management”). Of the bank loans of JPY11,470 million taken out in the fiscal period ending March 2021, JPY 500million is scheduled to appropriate for repayment of debt and JPY370 million is scheduled to be repaid using the proceeds from the issuance of new investment units through third-party allotment. It is assumed that as a result of the above, the outstanding balance of loans payable and the outstanding balance of investment corporation bonds will be JPY154,387 million and JPY10,100 million, respectively, as of the end of March 2021; and JPY162,887 million and JPY7,100 million, respectively, as of the end of September 2021. The ratio of interest-bearing debt is expected to be 50.0% at the end of the fiscal period ending March 2021 and 50.8% at the end of the fiscal period ending September 2021. For the calculation of the ratio of interest-bearing debt in this forecast, the following calculation formula is used. Ratio of interest-bearing debt = (Total amount of interest-bearing debt / Total assets) x 100
Total number of investment units issued	<ul style="list-style-type: none"> The total number is assumed to be 2,131,546 units, which is the sum of the total number of investment units issued as of today (2,055,946 units) and the number of investment units to be offered (75,600 units) through the issuance of new investment units resolved at the Board of Directors meeting of the Investment Corporation held on November 19, 2020. The number of new investment units to be issued through the issuance of new investment units above is based on the premise that all of the new investment units to be issued through public offering (72,000 units) and through third-party allotment in line with over-allotment (3,600 units) will be issued. It is assumed that there will be no change to the total number of investment units issued through to the end of the fiscal period ending September 2021 thereafter.
Distribution per unit	<ul style="list-style-type: none"> Distribution per unit is calculated on the premise of the cash distribution policy set out in the Articles of Incorporation. In addition, distribution per unit is calculated on the assumption that the entire amount of net income for each fiscal period will be distributed, in principle. For distributions in the fiscal period ending March 2021, it is assumed that the total amount of JPY4,604 million (distribution per unit of JPY2,160) that is obtained by adding the scheduled amount of reversal of reserve for temporary difference adjustments of JPY202 million (JPY94 per unit) to net income of JPY4,401 million (JPY2,065 per unit) will be distributed.

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	<ul style="list-style-type: none"> • For distributions in the fiscal period ending September 2021, it is assumed that the total amount of JPY4,604 million (distribution per unit of JPY2,160) that is obtained by adding the scheduled amount of reversal of reserve for temporary difference adjustments of JPY240 million (JPY112 per unit) to net income of JPY4,363 million (JPY2,047 per unit) will be distributed. • Distribution per unit could fluctuate due to various factors including fluctuations in rent income associated with changes in assets under management and changes in tenants and the occurrence of unpredictable repairs. • Net income per unit and distribution per unit for each fiscal period are calculated using the expected total number of investment units issued at the end of each period based on the total number of investment units issued above.
Distribution in excess of earnings per unit	<ul style="list-style-type: none"> • There is no plan to make distributions in excess of earnings at present.
Other	<ul style="list-style-type: none"> • It is assumed that no revisions impacting the forecast figures above will be made to laws, regulations, tax systems, accounting standards, listing regulations, or rules of the Investment Trusts Association, Japan, etc. • It is assumed that no unforeseen significant change will take place in general economic trends or the real estate market conditions, etc.

(Note 1) For details of the asset to be acquired, please refer to “Notice Concerning Acquisition of Assets (Solid Magome and 6 Other Properties)” announced on October 21, 2020 and “Notice Concerning Acquisition and Leasing of Assets (2 Rental Apartments and 3 Healthcare Facilities)” announced today.

(Note 2) For details of the issuance of new investment units, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering” separately announced today.

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