

English Translation

The following is an English translation of the Japanese original press release and is being provided for information purposes only.

June 23, 2021

To All Concerned Parties

REIT Issuer: Daiwa Securities Living Investment Corporation

6-2-1 Ginza, Chuo-ku, Tokyo 104-0061 Ikuo Shoda, Executive Director

(Securities Code: 8986)

Asset Manager: Daiwa Real Estate Asset Management Co. Ltd. Toshio Fukushima, President and Chief Executive Officer Inquiries: Takashi Chiba, General Manager, Corporate Division

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Correction to Notice Concerning Acquisition of Asset (Gran Casa Itabashi EAST)

Daiwa Securities Living Investment Corporation announces the following correction of part of the "Notice Concerning Acquisition of Asset (Gran Casa Itabashi EAST)" announced on June 22, 2021. Corrections are underlined as below.

P4. X. Summary of Appraisal Report

(Before)

Appraiser	e of the property months for each consideration of s in relation to id- to long-term
Date of appraisal June 1, 2021	e of the property months for each consideration of s in relation to id- to long-term
Nature indicated by income approach JPY 989,000 —	e of the property months for each consideration of s in relation to id- to long-term
Value indicated by income approach Value indicated by the direct capitalization method (1) Total Operating Income: (a) – (b) Rental revenues including common service fees JPY A7,800 Taking into account mid- to long-term competitiveness of the properties in demand area, posted assumed standardized revenues from the common service fees of the property. Taking into account assumed vacancy rates of such parking space based on lease cases. Posted key money and other revenues by applying the number of tenant based on assessed tenants change and vacancy rates. Renewal fee revenue was assessed and recorded, based on the renewal ratios and vacancy ratios. Posted loss from vacant units, etc. by assessing vacancy rate revenues from rental units that are deemed to be stable over a reperiod, common service fees and parking space revenues account competitiveness, etc. of the property based on standardized of similar properties. Bad debt losses JPY Operation costs JPY Posted operation costs by assessing the level of operation of properties.	e of the property months for each consideration of s in relation to id- to long-term
Value indicated by the direct capitalization method (1) Total Operating Income: (a) – (b) Rental revenues including common service fees (a) Parking fees Other revenues (b) Losses from vacancies Bad debt losses Bad debt losses Description (2) Total Operating Expenses Operation costs Py 1,030,000 Taking into account mid- to long-term competitiveness of the property. Taking into account assumed standardized revenues from the common service fees of the property. Taking into account assumed vacancy rates of such parking space based on lease cases. Posted key money and other revenues by applying the number of tenant based on assessed tenants change and vacancy rates. Renewal fee revenue was assessed and recorded, based on the renewal ratios and vacancy ratios. Posted loss from vacant units, etc. by assessing vacancy rate revenues from rental units that are deemed to be stable over a reperiod, common service fees and parking space revenues an account competitiveness, etc. of the property based on standardized of similar properties. Operation costs Posted operation costs by assessing the level of operation of properties.	e of the property months for each consideration of s in relation to id- to long-term
Taking into account mid- to long-term competitiveness of the properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties in the level and movements of new rents of similar properties. Apply	e of the property months for each consideration of s in relation to id- to long-term
(a) Parking fees JPY 47,800 Argunia revenues including common service fees JPY 47,904 (a) Parking fees JPY 47,904 (b) Losses from vacancies JPY Losses from vacancies JPY Argunia revenues including common service fees JPY 1,437 Argunia into account mid- to long-term competitiveness of the property in the level and movements of new rents of similar properties in the demand area, posted assumed standardized revenues from the common service fees of the property. Taking into account assumed vacancy rates of such parking space based on lease cases. Posted key money and other revenues by applying the number of tenant based on assessed tenants change and vacancy rates. Renewal fee revenue was assessed and recorded, based on the renewal ratios and vacancy ratios. Posted loss from vacant units, etc. by assessing vacancy rate revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be secured by a scenario of similar properties. Argunia deed to be stable over a revenues and account competitiveness, etc. of the property based on standardized revenues and account competitiveness, etc. of the property based on standardized revenues and account competitiveness, etc. of the property based on standardized revenues and account competitiveness. Argunia deed to be secured by the level of operation of similar properties. Argunia deed to long-term competitiveness of such parking space revenues and accou	e of the property months for each consideration of s in relation to id- to long-term
Rental revenues including common service fees JPY 47,904	e of the property months for each consideration of s in relation to id- to long-term
Conter revenues Section	months for each consideration of s in relation to id- to long-term
Other revenues JPY 1,312 tenant based on assessed tenants change and vacancy rates. Renewal fee revenue was assessed and recorded, based on the renewal ratios and vacancy ratios. Posted loss from vacant units, etc. by assessing vacancy rat revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units that are deemed to be stable over a revenue from rental units, etc. by assessing vacancy rate revenue from rental units, etc. by assessing vacancy retreations. Bad debt losses JPY Not posted because bad debt losses are deemed to be secured by a specific from rental units, etc. by assessing vacancy rate revenue from rental units, etc. by assessing vacancy rate revenue from rental units, etc. by assessing vacancy rate revenues and vacancy rates. Posted loss from vacant units, etc. by assessing vacancy rates.	consideration of s in relation to id- to long-term
Losses from vacancies JPY 1,437 revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a revenues from rental units that are deemed to be stable over a reperiod, common service fees and parking space revenues an account competitiveness, etc. of the property based on standardize of similar properties. Bad debt losses	id- to long-term
(2) Total Operating Expenses JPY 8,989 — Operation costs JPY 2,472 Posted operation costs by assessing the level of operation operation of properties.	by taking into ed vacancy rates
Operation costs <u>JPY</u> 2,472 Posted operation costs by assessing the level of operation operation costs.	cey money, etc.
Operation costs $\frac{JPY}{}$ 2,4/2 properties.	acta for similar
	osis for similar
Utilities JPY 340 Posted utility costs by assessing the level of utility costs for sim	
Repairs and maintenance expenses by assessing the lev maintenance expenses for similar properties. Assessed and posted tenant change costs, taking into account to vacancy rates.	•
Property management fees <u>JPY</u> 697 Posted property management fees by assessing the level of property manage	
Tenant promotion fees, etc. JPY Posted secretarial costs associated with solicitation for new tenar and parking space by assessing the portion to which the assum rate would apply, taking into account the level of secretarial cost solicitation for new tenants of similar properties.	d tenant change associated with
Taxes and public dues JPY 2,553 [Land] Assessed and posted Taxes and public dues by the tax refiscal year 2021. [Property] Posted taxes and public dues, by assessing from a new perspective the assumed amount of taxes for the year which construction based on the replacement value of the planned built	id- to long-term s 11 years after ing.
Nonlife insurance JPY 63 Assessed in reference to the level of non-life insurance prem properties.	ums for similar
Other expenses <u>JPY</u> 965 Posted internet expenses and miscellaneous expenses, etc. by as of these for similar properties.	essing the level
(3) Net Operating Income (NOI): <u>JPY</u> 38,810	

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	(4) Lump-Sum Investment Return	<u>JPY</u>	35	By comprehensively taking into account the actual situation of investing lump sum paid, etc. from both investment and funding perspectives and assuming investment yields, posted an amount calculated by multiplying said assumed investment yields by an amount equivalent to assumed key money in custody, etc.
	(5) Capital Expenditure	<u>JPY</u>	811	Posted by assessing the level of renewal expenses for similar properties with taking into account assumed CM fees.
	(6) Net Cash Flow (NCF): $(3) + (4) - (5)$	<u>JPY</u>	38,033	
	(7) Capitalization Rate	(%)	3.7	-
Va	alue indicated by DCF method	<u>JPY</u>	972,000	-
	Discount rate	(%)	3.5	Assessed the discount rate, taking into account discount rates used in transactions of similar properties, comparison with yields from other financial instruments and so forth.
	Terminal capitalization rate	(%)	3.9	Assessed terminal capitalization rate, taking into account factors such as the marketability of the property at the maturity of the holding period in relation to capitalization rate.
Value	Value indicated by cost approach JPY		984,000	
	Land ratio	(%)	67.0	1
	Property ratio	(%)	33.0	=
Other	Other items of note by appraiser			

Property name				Gran Casa Itabashi EAST		
Appraisal value				989,000,000 yen		
Appraiser Date of appraisal				DAIWA REAL ESTATE APPRAISAL CO.,LTD. June 1, 2021		
Item				Details	Outline, etc.	
	Value indicated by income approach JPY thousand			989,000	=	
	hod	ed by the direct capitalization	JPY thousand	1,030,000	_	
	(1) Total Operating Income: (a) – (b) <u>JPY th</u>		JPY thousand	47,800	_	
		Rental revenues including common service fees	JPY thousand	47,904	Taking into account mid- to long-term competitiveness of the property based of the level and movements of new rents of similar properties in the same supply demand area, posted assumed standardized revenues from the rental units are common service fees of the property.	
	(a)	Parking fees	JPY thousand	21	Taking into account assumed vacancy rates of such parking space of the proper based on lease cases.	
		Other revenues	JPY thousand	1,312	Posted key money and other revenues by applying the number of months for each tenant based on assessed tenants change and vacancy rates. Renewal fee revenue was assessed and recorded, based on the consideration of renewal ratios and vacancy ratios.	
	(b)	Losses from vacancies	JPY thousand	1,437	Posted loss from vacant units, etc. by assessing vacancy rates in relation revenues from rental units that are deemed to be stable over a mid- to long-ter period, common service fees and parking space revenues and by taking in account competitiveness, etc. of the property based on standardized vacancy rate of similar properties.	
		Bad debt losses	JPY thousand	0	Not posted because bad debt losses are deemed to be secured by key money, etc.	
	(2) Total	Operating Expenses	JPY thousand	8,989	Posted operation costs by assessing the level of operation costs for similar	
		Operation costs	JPY thousand	2,472	properties.	
		Utilities	JPY thousand	340	Posted utility costs by assessing the level of utility costs for similar properties.	
		Repairs and maintenance expense	JPY thousand	606	Posted repairs and maintenance expenses by assessing the level of repairs at maintenance expenses for similar properties. Assessed and posted tenant change costs, taking into account tenant change at vacancy rates.	
		Property management fees	JPY thousand	697	Posted property management fees by assessing the level of property manageme fees for similar properties.	
		Tenant promotion fees, etc.	JPY thousand	1,291	Posted secretarial costs associated with solicitation for new tenants for rental uni and parking space by assessing the portion to which the assumed tenant chang rate would apply, taking into account the level of secretarial costs associated wi solicitation for new tenants of similar properties.	
		Taxes and public dues	JPY thousand	2,553	[Land] Assessed and posted Taxes and public dues by the tax registered book f fiscal year 2021. [Property] Posted taxes and public dues, by assessing from a mid- to long-ter perspective the assumed amount of taxes for the year which is 11 years aft construction based on the replacement value of the planned building.	
		Nonlife insurance	JPY thousand	63	Assessed in reference to the level of non-life insurance premiums for simil- properties.	
		Other expenses	JPY thousand	965	Posted internet expenses and miscellaneous expenses, etc. by assessing the lev of these for similar properties.	
	(3) Net C (1) –	Operating Income (NOI): (2)	JPY thousand	38,810	-	
	(4) Lump-Sum Investment Return <u>JPY thousand</u>		35	By comprehensively taking into account the actual situation of investing lun sum paid, etc. from both investment and funding perspectives and assuming		



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Value	Value indicated by cost approach JPY thousand		984,000	
	Land ratio	(%)	67.0	_
	Property ratio	(%)	33.0	_
Other	Other items of note by appraiser		None.	

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