

October 2, 2023

To All Concerned Parties

REIT Issuer: Daiwa Securities Living Investment Corporation
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(Securities Code: 8986)
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Notice Concerning Issuance of New Investment Units and Secondary Offering

Daiwa Securities Living Investment Corporation (the “Investment Corporation”) hereby announces that the Investment Corporation has resolved the issuance of new investment units and secondary offering at the Board of Directors held today. Details are provided below.

1. Issuance of New Investments Units through Public Offering (The Public Offering underwritten by the Underwriters)

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| (1) Total number of units to be offered | 139,047 investment units |
| (2) Amount to be paid in (purchase price) | To be determined
The price shall be determined at the Board of Directors to be held on any of the days (the “Pricing Day”) from October 5, 2023 (Thursday) to October 11, 2023(Wednesday). |
| (3) Total amount to be paid in (purchase price) | To be determined |
| (4) Offering method | Investment units shall be offered through the Public Offering and all investment units for the Public Offering shall be underwritten by Daiwa Securities Co. Ltd. (the “Lead Manager”), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd. (collectively referred to as the “Underwriters”). The issue price (offer price) will be determined at the Board of Directors to be held on the Pricing Day, based on the provisional condition of the price obtained by multiplying the closing price (if there was no closing price on that day, then the closing price of the day immediately preceding that day) of the Investment Units in the regular trading on the Tokyo Stock Exchange Inc. (the “Tokyo Stock Exchange”) on the Pricing Day by a number from 0.90 to 1.00 (rounding all fractions down to the nearest yen), taking into consideration the demand situation and other factors, using the method stipulated in Article 25 of the Rules on Underwriting of Securities, etc. set by Japan Securities Dealers Association. |
| (5) Details of underwriting agreement | The Underwriters shall pay the Investment Corporation the total amount to be paid in (purchase price) on the payment date stated in (9) below, and the difference between the total amount of issue price (offer price) and the total amount to be paid (purchase price) in the Public Offering shall be the proceeds of Underwriters. The Investment Corporation shall not pay an underwriting commission to the Underwriters. |
| (6) Subscription unit | More than one unit in multiples of one unit |
| (7) Subscription period | On the business day immediately following the Pricing Day |
| (8) Payment period for deposit in securities | From the business day following the Pricing Day to the day 2 business days after the Pricing Day. |
| (9) Payment date | Any of the day during the period from October 12, 2023 (Thursday) to October 17, 2023 (Tuesday), which it shall be the date 4 business days after the Pricing Day. |
| (10) Delivery date | The business day following the Payment date stated in (9) above. |
| (11) The issue price (offer price) and the other items of investment units to be offered through the Public Offering required for the issuance of the new investment units shall be determined at the Board of Directors to be held going forward. | |
| (12) The item mentioned above shall be subject to the conditions that the filing under the Financial Instruments and Exchange Act takes effect. | |

Note: This press release is a document for making a public announcement concerning issuance of new investment units and secondary offering 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. Secondary Offering (Over-Allotment)

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| (1) Seller | Daiwa Securities Co. Ltd. |
| (2) Total number of units to be sold | 6,953 units
The above number of investment units to be sold is the maximum number of investment units to be sold in the secondary offering via over-allotment, and the number may decrease or the secondary offering via over-allotment itself may not take place at all depending on the condition of demand and other factors. The number of investment units to be sold shall be determined at a Board of Directors to be held on the Pricing Day, taking into consideration the condition of demand of the Public Offering and other factors. |
| (3) Selling price | To be determined
(The price shall be determined at the Board of Directors to be held on the Pricing Day. Furthermore, the selling price shall be the same price as the issue price (offer price) for the Public Offering.) |
| (4) Total amount of selling price | To be determined |
| (5) Offering method | Daiwa Securities Co. Ltd. shall conduct a secondary offering in Japan of the Investment Corporation's investment units, which it shall borrow from Daiwa Securities Group Inc. at a maximum of 6,953 units (the "Borrowed Investment Units") at the time of the Public Offering but separately from the Public Offering, taking into consideration the condition of demand and other factors of the Public Offering. |
| (6) Subscription unit | More than one unit in multiples of one unit |
| (7) Subscription period | Same as the subscription period for the Public Offering stated in 1.(7) |
| (8) Payment period for deposit in securities | Same as the payment period for the Public Offering stated in 1.(8) |
| (9) Delivery date | Same as the delivery date for the Public Offering stated in 1.(10) |
| (10) The selling price and other matters necessary for the secondary offering via over-allotment | shall be determined at the Board of Directors to be held going forward. |
| (11) This secondary offering via over-allotment | shall be canceled upon the cancellation of the Public Offering. |
| (12) The item mentioned above | shall be subject to the filing under the Financial Instruments and Exchange Act taking effect. |

3. Issuance of New Investment Units through Third-Party Allotment

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| (1) Total number of units to be offered | 6,953 units |
| (2) Amount to be paid in (purchase price) | To be determined
(The price shall be determined at the Board of Directors to be held on the Pricing Day. Furthermore, the amount to be paid in (purchase price) shall be the same price as the amount to be paid in (purchase price) for the Public Offering.) |
| (3) Allottee and units | Daiwa Securities Co. Ltd. 6,953 units |
| (4) Total amount to be paid in (purchase price) | To be determined |
| (5) Subscription unit | More than one unit in multiples of one unit |
| (6) Subscription period (Subscription date) | November 7, 2023 (Tuesday) |
| (7) Payment date | November 8, 2023 (Wednesday) |
| (8) If there is no subscription for investment units to be offered during the subscription period (subscription date) mentioned in (6), | the issuance of such investment units shall be canceled. |
| (9) The amount to be paid in (purchase price) and other items required for the issuance of new investment units via third-party allotment | shall be determined at the Board of Directors to be held going forward. |
| (10) The issuance of new investment units through the Third-Party Allotment | shall be canceled upon the cancellation of the issuance of new investment units via the Public Offering. |
| (11) The item mentioned above | shall be subject to the filing under the Financial Instruments and Exchange Act taking effect. |

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<Reference>

1. Details of the Secondary Offering via Over-Allotment

The secondary offering in Japan (secondary offering via over-allotment) may be conducted with Daiwa Securities Co. Ltd., borrowing from Daiwa Securities Group Inc., the unitholder of the Investment Corporation, in a maximum amount of 6,953 units, in conjunction with the Public Offering but separate from the Public Offering, taking demand condition and other factors into consideration. The number of investment units to be sold by the secondary offering via over-allotment is the maximum number of units to be sold and, depending on the demand conditions and other factors, this number may decrease, or the secondary offering via over-allotment itself may be canceled.

In connection with the secondary offering via over-allotment, the Investment Corporation's Board of Directors resolved at the meeting held on October 2, 2023 (Monday) that the Investment Corporation will issue by third-party allotment 6,953 units necessary for Daiwa Securities Co. Ltd. to return the Borrowed Investment Units where the payment date is November 8, 2023 (Wednesday).

In addition, Daiwa Securities Co. Ltd. may conduct stabilizing transactions with the public offering and secondary offering via over-allotment and the investment units acquired through stabilizing transactions will be allotted to return the Borrowed Investment Units.

Furthermore, Daiwa Securities Co. Ltd. may also purchase investment units on the Tokyo Stock Exchange up to the number of investment units to be sold by over-allotment ("Syndicate Cover Transactions") to return the Borrowed Investment Units. All investment units purchased by Daiwa Securities Co. Ltd. through Syndicate Cover Transactions shall be used to return the Borrowed Investment Units. Such Syndicate Cover Transactions would be made during the period beginning from the date immediately following the subscription period for the Public Offering and secondary offering by over-allotment to November 2, 2023 (Thursday) ("the Syndicate Cover Transaction Period"). At its discretion during the Syndicate Cover Transaction Period, Daiwa Securities Co. Ltd. may not conduct any Syndicate Cover Transactions or may terminate any Syndicate Cover Transactions before the number of investment units purchased reaches the number of investment units sold by the secondary offering via over-allotment.

Daiwa Securities Co. Ltd. plans to subscribe for the allotment of the new investment units by Third-Party Allotment of a number of investment units obtained by deducting the number of investment units purchased through stabilizing transactions and Syndicate Cover Transactions that are to be used to return the Borrowed Investment Units, from the number of investment units to be sold in the over-allotment. Accordingly, all or a part of the investment units to be issued by Third-Party Allotment may not be subscribed for, which may result in a decrease in the final number of investment units planned to be issued by Third-Party Allotment to that extent, or in the cancellation of the entire issuance due to forfeiture.

Whether or not the secondary offering via over-allotment will be conducted and the number of investment units sold in the event that it takes place will be determined on the Pricing Day. If the secondary offering via over-allotment does not take place, Daiwa Securities Co. Ltd. will not borrow investment units from our unitholders. Consequently, Daiwa Securities Co. Ltd. would not respond to allotment of the Third-Party Allotment and would not subscribe thereof, the issuance of new investment units through the Third-Party Allotment would not be conducted at all due to forfeiture. Syndicate Cover Transaction at the Tokyo Stock Exchange would not be conducted either.

2. Change in the Total Number of Investment Units Outstanding after the Issuance of the New Investment Units

Total number of investment units outstanding	2,260,890 units
Increase in investment units following the issuance of new investment units in the Public Offering	139,047 units
Total number of investment units outstanding following the issuance of new investment units in the Public Offering	2,399,937 units
Increase in investment units following the issuance of new investment units in the Third-Party Allotment	6,953 units (Note)
Total number of investment units outstanding following the issuance of new investment units in the Third-Party Allotment	2,406,890 units (Note)

(Note) These figures are based on the assumption that the new investment units to be issued by the Third-Party Allotment are all subscribed for by Daiwa Securities Co. Ltd. and issued.

3. Purpose and Reason for Issuance

The purpose is to expand asset size and further improve portfolio quality by acquiring new specified assets (as defined in Article 2.1 of the Act on Investment Trusts and Investment Corporations, the same applies hereinafter) (Note) with the funds raised through the issuance of new investment units. The decision to issue new investment units was made after considering the possibility of achieving the purpose, paying attention to the real estate trading market, market trends, distribution level and debt ratio (LTV), etc., and determining that the age and location of the property will be improved.

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The Investment Corporation aims to maximize unitholder value by growing as REIT that comprehensively provides a comfortable living space for “Support Life and Lifestyle of Everyone”.

(Note) Please refer to “Notice Concerning Acquisition and Leasing of Domestic Real Estate and Domestic Trust Beneficiary Interests (16 Rental Housing and 3 Healthcare Facilities)” announced today.

4. Amount to be Procured, Use of Funds and Scheduled Expenditure Date

(1) Amount to be Procured through Funding (approximate net proceeds)

¥15,972,400,000 (maximum)

(Note) The aggregate of the proceeds from the Public Offering of ¥15,211,741,800 and the maximum proceeds from the issuance of new investment units through Third-Party Allotment of ¥760,658,200 are indicated. In addition, the above mentioned amount is an estimated amount calculated based on the closing price for regular trading of investment units on the Tokyo Stock Exchange as of September 15, 2023 (Friday).

(2) Details on the Use of Funds to be Procured and Scheduled Expenditure Date

The proceeds from the Public Offering (¥15,211,741,800) and the maximum proceeds from the issuance of new investment units through the Third-Party Allotment (¥760,658,200) will be allocated to a part of the funds for acquisition of the specified assets that the Investment Corporation plans to acquire between October 2023 and March 2024 in “Notice Concerning Acquisition and Leasing of Domestic Real Estate and Domestic Trust Beneficiary Interests (16 Rental Housing and 3 Healthcare Facilities)” announced today, and the remaining, if any, will be kept as cash on hand deposited into bank accounts until spending, which will be allocated to future acquisitions of specified assets and the repayment of existing loans.

(Note) The above mentioned amount is an estimated amount calculated based on the closing price for regular trading of investment units on the Tokyo Stock Exchange as of September 15, 2023 (Friday).

5. Designation of party to receive allocation

The underwriter plans to sell 22,972 units to Daiwa Securities Group Inc. out of the investment units that are subject to public offering as sales destinations designated by the Investment Corporation.

6. Future Outlook

Please refer to the press release “Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2024 (36th Fiscal Period) and Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2024 (37th Fiscal Period)” announced today.

7. Management Status for the Three Most Recent Fiscal Periods and Status of Equity Finance

(1) Management Status for the Three Most Recent Fiscal Periods (Note1)

	Fiscal period ended March 2022	Fiscal period ended September 2022	Fiscal period ended March 2023
Net income per unit (Note2)	¥2,096	¥2,110	¥2,136
Distribution per unit	¥2,180	¥2,180	¥2,200
Distribution payout ratio (Note3)	104.0%	103.3%	103.0%
Net assets per unit	¥75,002	¥74,932	¥75,826

(Note1) Since the financial results for the fiscal period ending September 2023 have not been completed as of today, the “Management Status for the Three Most Recent Fiscal Periods” shows the fiscal periods ended March 2022, September 2022 and March 2023 as the three most recent fiscal periods. Amounts are rounded down to the nearest whole number, and various ratios are rounded off to the first decimal place. The same applies below.

(Note2) Net income per unit is calculated by dividing net income by day-weighted average number of investment units during the period.

(Note3) The distribution payout ratio is calculated by the following formula.

(Distribution payout ratio = Total Distribution amount / Net income × 100)

(2) Status of the Most Recent Investment Unit Prices

i) Status for the three most recent fiscal periods

	Fiscal period ended March 2022	Fiscal period ended September 2022	Fiscal period ended March 2023
Opening price	¥112,200	¥111,700	¥115,000
Highest price	¥120,000	¥126,600	¥120,500
Lowest price	¥101,800	¥109,300	¥106,000
Closing price	¥115,100	¥114,800	¥108,900

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ii) Status for the six month period

	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023
Opening price	¥109,000	¥116,000	¥114,900	¥114,500	¥113,800	¥111,500
Highest price	¥116,100	¥119,100	¥115,400	¥117,200	¥113,800	¥116,700
Lowest price	¥108,800	¥111,100	¥110,800	¥113,200	¥108,300	¥109,100
Closing price	¥115,700	¥119,100	¥114,400	¥113,900	¥111,500	¥110,900

iii) Investment unit price 1 business day prior to the issuance resolution date

	September 29, 2023
Opening price	¥109,900
Highest price	¥110,900
Lowest price	¥109,700
Closing price	¥110,900

(3) Status of Equity Finance during the Three Most Recent Fiscal Periods

Public Offering

Issue date	October 3, 2022
Procured amount	¥5,900,336,456
Amount to be paid in (purchase price)	¥110,632
Number of investment units issued and outstanding before the offering	2,204,890 units
Number of investment units issued through public offering	53,333 units
Total number of investment units issued and outstanding after the offering	2,258,223 units
Initial use of funds at the time of issuance	To be allocated to a part of funds for the scheduled acquisition of the specified assets and the remaining if any, will be used to a part of the repayment of existing loans or as a part of funds for the future acquisition of the specified assets
Scheduled expenditure date at the time of issuance	After October 2022
Status of expenditure to date	Allocated to a part of the acquisition of the specified assets

Third-party Allotment

Issue date	October 19, 2022
Procured amount	¥295,055,544
Amount to be paid in (purchase price)	¥110,632
Number of investment units issued and outstanding before the offering	2,258,223 units
Number of investment units issued through public offering	2,667 units
Total number of investment units issued and outstanding after the offering	2,260,890 units
Allottee	Daiwa Securities Co. Ltd.
Initial use of funds at the time of issuance	To be allocated to a part of funds for the future acquisition of the specified assets or to a part of the repayment of existing loans
Scheduled expenditure date at the time of issuance	After October 2022
Status of expenditure to date	Allotted to cash on hand

8. Other (Restrictions on Sale and Additional Issue of Investment Units)

- (1) Concerning the Public Offering, Daiwa Securities Group Inc. will agree with Daiwa Securities Co. Ltd. not to sell, etc. the investment units during the period from the Pricing Day until 180 days after the delivery date without the prior written

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consent of Daiwa Securities Co. Ltd. (excluding, however, loans, etc. of the investment units accompanying the secondary offering via over-allotment).

In the above case, Daiwa Securities Co. Ltd. holds the right to cancel the restriction in part or in whole, shorten the restriction period at its discretion.

- (2) Concerning the Public Offering, Good Time Living Co. Ltd. agrees with Daiwa Securities Co. Ltd. not to sell, etc. the investment units during the period from Pricing Day until 180 days after the delivery date without the prior written consent of Daiwa Securities Co. Ltd..

In the above case, Daiwa Securities Co. Ltd. holds the right to cancel the restriction in part or in whole, shorten the restriction period at its discretion.

- (3) Concerning the Public Offering, Daiwa Real Estate Asset Management Co. Ltd. agrees with Daiwa Securities Co. Ltd. not to sell, etc. the investment units during the period from Pricing Day until 180 days after the delivery date without the prior written consent of Daiwa Securities Co. Ltd..

In the above case, Daiwa Securities Co. Ltd. holds the right to cancel the restriction in part or in whole, shorten the restriction period at its discretion.

- (4) Concerning the Public Offering, the Investment Corporation agrees Daiwa Securities Co. Ltd. not to issue, etc. the investment units during the period from Pricing Day until 90 days after the delivery date without the prior written consent of Daiwa Securities Co. Ltd. (excluding, however, issuance, etc. of the investment units through public offering, third-party allotment, or investment split).

In the above case, Daiwa Securities Co. Ltd. holds the right to cancel the restriction in part or in whole, shorten the restriction period at its discretion.

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* Website URL of the Investment Corporation : <https://www.daiwa-securities-living.co.jp/en/>

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