

## Investor Presentation

Fiscal Period Ended **August 31, 2023**

October 18, 2023



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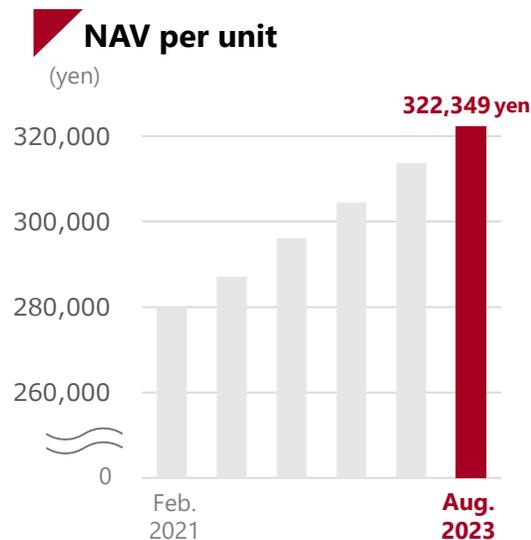
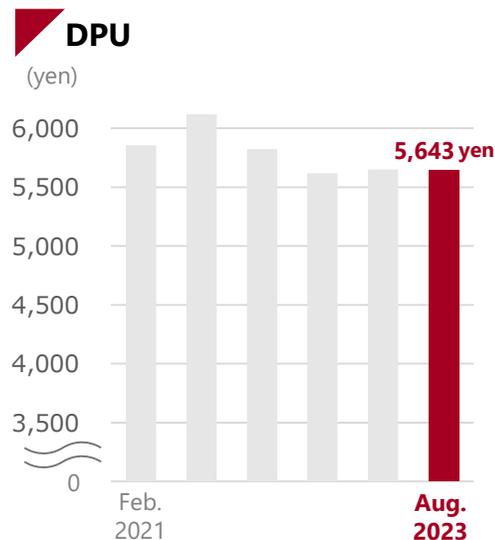
# 1. Financial Highlights and Our Strategy

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# Financial Highlights for August 2023 Period

Stable earnings in Aug. 2023 with DPU +43 yen vs forecast

Financial Highlights	
DPU <b>5,643 yen</b>	+43 yen vs forecast
NAV per unit <b>322,349 yen</b>	+8,633 yen vs Feb. 2023
LTV (excluding goodwill) <b>44.9%</b>	Unchanged vs Feb. 2023



## ESG Highlights

- ◆ Awarded **the highest rating of "5 Stars"** for two consecutive years and selected as **"Global Listed Sector Leader"** for the first time (ranked first in the diversified sector) in 2023 GRESB Real Estate Assessment



# Operation Highlights for August 2023 Period

Continued stable performance of our diversified portfolio

## Portfolio Operation Status

Acquisition price  
(mil yen)

**897,549**

+**2,396** mil yen  
vs Feb. 2023

Occupancy rate

**99.6%**

-**0.1** p.p.  
vs Feb. 2023

NOI yield

**5.0%**

-**0.1** p.p.

NOI yield after depreciation

**3.8%**

-**0.1** p.p.  
vs Feb. 2023

## Asset Class Breakdown

**Core Assets**  
95.4%

Logistics		Residential	
Acquisition price (mil yen)	Investment ratio	Acquisition price (mil yen)	Investment ratio
<b>470,121</b>	<b>52.4%</b>	<b>240,323</b>	<b>26.8%</b>
Occupancy rate	vs Feb. 2023	Occupancy rate	vs Feb. 2023
<b>100.0%</b>	<b>0.0</b> p.p.	<b>97.8%</b>	<b>-0.5</b> p.p.
NOI yield	After depreciation	NOI yield	After depreciation
<b>4.9%</b>	<b>3.7%</b>	<b>5.2%</b>	<b>3.6%</b>
Retail		Hotel	
Acquisition price (mil yen)	Investment ratio	Acquisition price (mil yen)	Investment ratio
<b>123,219</b>	<b>13.7%</b>	<b>22,226</b>	<b>2.5%</b>
Occupancy rate	vs Feb. 2023	Occupancy rate	vs Feb. 2023
<b>99.8%</b>	<b>0.0</b> p.p.	<b>100.0%</b>	<b>0.0</b> p.p.
NOI yield	After depreciation	NOI yield	After depreciation
<b>5.3%</b>	<b>4.3%</b>	<b>4.0%</b>	<b>2.9%</b>
Other Assets			
Acquisition price (mil yen)	Investment ratio		
<b>41,660</b>	<b>4.6%</b>		
Occupancy rate	vs Feb. 2023		
<b>99.2%</b>	<b>-0.5</b> p.p.		
NOI yield	After depreciation		
<b>5.3%</b>	<b>3.9%</b>		

# Continued Strong Support from Sponsor (New Acquisitions)

- ◆ Acquired MIMARU Tokyo Akasaka and D Project Kadoma I from pipeline of Daiwa House Group
- ◆ Both acquired at a larger discount to appraisal value compared to the past acquisitions

## HO-007 MIMARU Tokyo Hatchobori Hotel



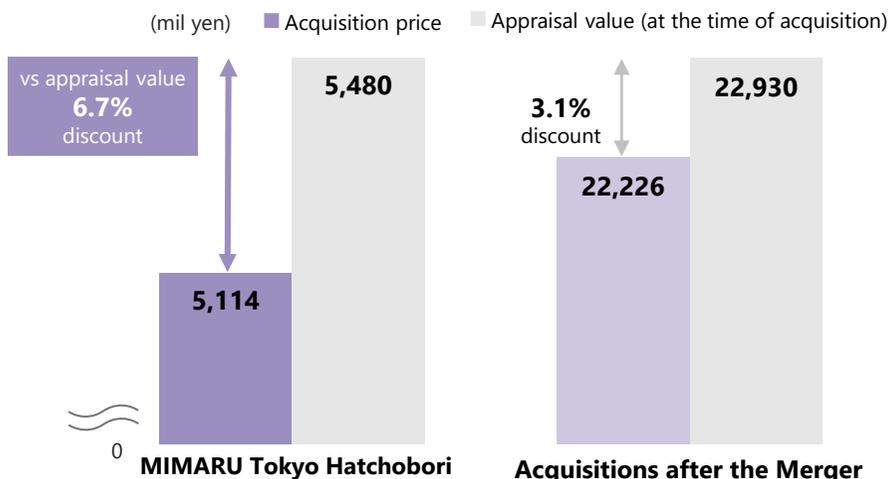
Location	Chuo Ward, Tokyo
Construction date	Feb. 27, 2019
Acquisition price	5,114 mil yen
Appraisal value	5,480 mil yen
Acquisition date	Sep. 1, 2023
Appraisal NOI yield	4.0%
Appraisal NOI yield after depreciation	3.4%
Land / Building	Ownership
Tenant	Cosmos Initia Co., Ltd.

## LB-067 D Project Kadoma I Logistics (BTS-type)

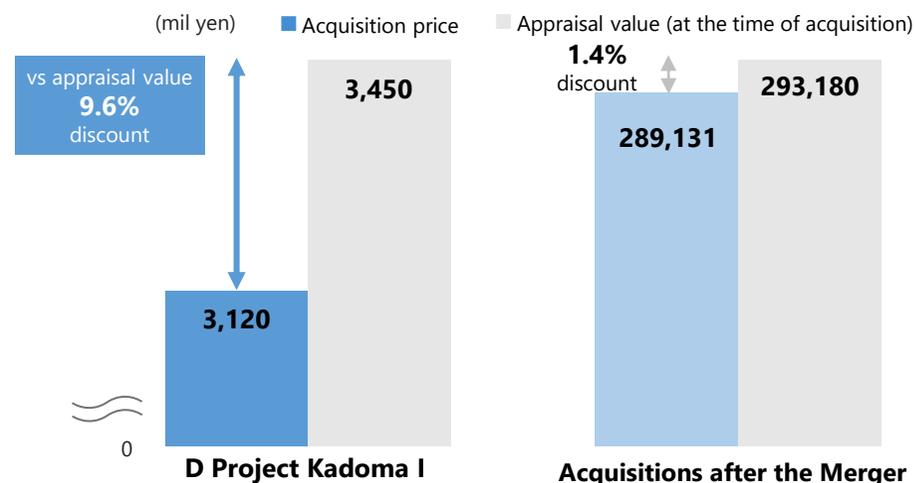


Location	Kadoma City, Osaka
Construction date	Feb. 15, 2019
Acquisition price	3,120 mil yen
Appraisal value	3,450 mil yen
Acquisition date	Oct. 2, 2023
Appraisal NOI yield	6.4%
Appraisal NOI yield after depreciation	3.5%
Land / Building	Fixed-term land lease right and fixed-term sublease right / Ownership
Tenant	YOSHINOYA HOLDINGS CO., LTD.

### Acquisition Price vs Appraisal Value (Hotel) (Acquisitions from Pipeline)



### Acquisition Price vs Appraisal Value (Logistics) (Acquisitions from Pipeline)



(Note) "Acquisitions after the Merger" refers to the total of the property acquisitions from pipeline of Daiwa House Group after the Merger (Sep. 2016) to the fiscal period ended Aug. 2023.

# Pipeline of Daiwa House Group

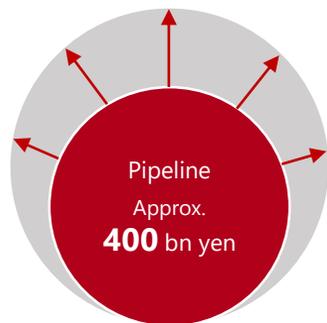
- ◆ Pipeline of Daiwa House Group remains abundant even after secondary offering of DHR units by Daiwa House (Sponsor)
- ◆ Changed asset management guideline relating to development projects, while continuing to improve portfolio quality by promoting property replacement

## Expansion of Pipeline

Recent results

- ✓ Acquired 2 properties (8.2 bn yen in total) from pipeline of Daiwa House Group
- ✓ Expanded our pipeline by adding logistics and hotel properties

### < External Growth Going Forward >



- ✓ Proceeds from the secondary offering will be re-invested in development of prime assets, which is expected to expand the potential pipeline
- ✓ Improve portfolio quality by promoting property replacement leveraging the abundant pipeline and unrealized gain
- ✓ Pursue opportunities to acquire properties redeveloped and reconstructed by DHR

## Development and Reconstruction by DHR (Partial Changes to Asset Management Guideline)

- ✓ Added real estate to be developed by DHR to our major investment targets, as well as selection criteria for investment in development projects and reconstruction of existing properties in the portfolio (Aug. 2023)
- ✓ Aim **to secure further property acquisition opportunities** for DHR



While acquisition environment remains challenging,

- DHR is assumed to acquire or lease land for development, construct a building as a contractee of a construction contract, and acquire such building
- DHR is assumed to reconstruct existing properties
- Small residential properties are potential targets for such initiative

## Pipeline of Daiwa House Group

Logistics Retail Hotel

Property Name	Type	Location	Date of Completion	No. of Floors	Gross Floor Area
D Project Kadoma II <sup>New</sup>	BTS	Kadoma, Osaka	Feb. 2020	6	24,386 m <sup>2</sup>
D Project Kadoma IV <sup>New</sup>	BTS	Kadoma, Osaka	Nov. 2020	4	17,022 m <sup>2</sup>
D Project Isehara	BTS	Isehara, Kanagawa	Dec. 2021	5	61,910 m <sup>2</sup>
DPL Isehara	Multi-tenant	Isehara, Kanagawa	May 2021	5	73,980 m <sup>2</sup>
DPL Shinyokohama II	Multi-tenant	Yokohama, Kanagawa	Sep. 2022	5	101,699 m <sup>2</sup>
DPL Hiratsuka	Multi-tenant	Hiratsuka, Kanagawa	Jul. 2022	4	121,223 m <sup>2</sup>
DPL Sakado	Multi-tenant	Sakado, Saitama	Mar. 2020	4	178,711 m <sup>2</sup>
DPL Misato III	Multi-tenant	Misato, Saitama	Jul. 2022	5	85,593 m <sup>2</sup>
DPL Urayasu III	Multi-tenant	Urayasu, Chiba	Sep. 2022	5	76,416 m <sup>2</sup>
DPL Ichikawa	Multi-tenant	Ichikawa, Chiba	May 2016	5	87,312 m <sup>2</sup>
DPL Chiba Yotsukaido	Multi-tenant	Yotsukaido, Chiba	Feb. 2022	4	142,535 m <sup>2</sup>
DPL Nagareyama II	Multi-tenant	Nagareyama, Chiba	Apr. 2023	4	143,134 m <sup>2</sup>
DPL Kuki Miyashiro <sup>New</sup>	Multi-tenant	Minami-Saitama, Saitama	Nov. 2022	4	164,834 m <sup>2</sup>
DPL Nagareyama IV	Multi-tenant	Nagareyama, Chiba	Oct. 2021	4	270,795 m <sup>2</sup>
DPL Hiroshima Kanon	Multi-tenant	Hiroshima, Hiroshima	Oct. 2021	5	78,159 m <sup>2</sup>
iias Okinawa Toyosaki	Mall	Tomigusuku, Okinawa	Mar. 2020	4	135,000 m <sup>2</sup>
iias Takao	Mall	Hachioji, Tokyo	Jun. 2017	4	80,758 m <sup>2</sup>
Daiwa Roynet Hotel Nishi-Shinjuku <sup>New</sup>	Hotel	Shinjuku, Tokyo	Feb. 2018	14+ 1 basement	11,384 m <sup>2</sup>

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

## 2. Financial Results

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# Statement of Income for August 2023 Period

- ◆ Gain on sale of 1 residential property and acquisition of 1 hotel property led to DPU of 5,643 yen
- ◆ Utilizing gain on sale, strategically carried out repair work ahead of schedule

	(mil yen)			
	Feb. 2023 Actual	Aug. 2023 Actual	Period-on- period change	Aug. 2023 Forecast      Actual vs Forecast
Operating revenue	29,489	29,920	431	29,937      -16
Rental revenue	29,489	29,570	81	29,588      -16
Gain on sale of properties	-	349	349	349      0
Operating expenses	16,748	17,005	257	17,095      -89
Rental expenses	12,283	12,509	226	12,595      -86
Rental expenses (excluding depreciation)	6,657	6,907	249	7,012      -104
Depreciation	5,625	5,602	-23	5,583      18
Operating expenses other than rental expenses	4,465	4,496	30	4,499      -3
Amortization of goodwill	1,982	1,982	-	1,982      -
Operating income	12,740	12,914	174	12,841      73
Non-operating income	12	20	7	10      9
Non-operating expenses	1,628	1,709	81	1,728      -19
Interest and borrowing related expenses	1,626	1,707	81	1,724      -17
Ordinary income	11,124	11,224	100	11,123      101
Net income	11,123	11,224	100	11,123      101
Retained earnings brought forward	271	134	-137	134      -
Distribution in excess of earnings	1,844	1,860	16	1,860      -
Total distribution	13,105	13,091	-13	12,992      99
Retained earnings carried forward	134	127	-6	126      1
				(yen)
Distributions per unit (DPU)	5,649	5,643	-6	5,600      43
Distribution of earnings	4,854	4,841	-13	4,798      43
Distribution in excess of earnings	795	802	7	802      -
Allowance for temporary difference adjustments	795	802	7	802      -
Other distributions in excess of earnings	-	-	-	-      -

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

[Contribution to income]

- ◆ Increase in operating revenue 431 mil yen
  - Gain on sale of properties
  - Acquisition of 1 property in Mar. 2023
- ◆ Increase in operating expenses -257 mil yen
  - Increase in repairs and maintenance expenses
  - Increase in leasing fees
- ◆ Increase in non-operating expenses -81 mil yen
  - Increase in interest and borrowing related expenses

## Major Variation Factors (vs Forecast)

[Contribution to income]

- ◆ Decrease in operating revenue -16 mil yen
  - Increase in rent revenue and renewal fee income at residential properties
  - Increase in rent revenue at logistics properties
  - Decrease in utilities expenses reimbursements
- ◆ Decrease in operating expenses 89 mil yen
  - Increase in repairs and maintenance expenses
  - Decrease in utilities expenses

## Capex, Repairs, and Restoration Costs

	(mil yen)	
	Feb. 2023	Aug. 2023
Capex	1,589	1,467
Repairs and maintenance expenses	1,021	1,177
Restoration costs	240	258
Total	2,851	2,903

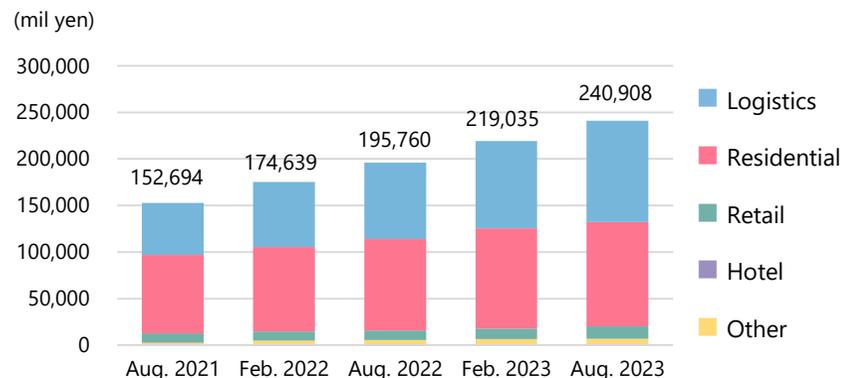
# Balance Sheet for August 2023 Period

- ◆ LTV (excluding goodwill) 44.9% (unchanged vs Feb. 2023)
- ◆ Increase in unrealized gain mainly due to the compression of cap rates (+21.8 bn yen vs Feb. 2023)

	Feb. 2023	Aug. 2023	Period-on-period change
	(mil yen)		
Total assets	960,621	958,747	-1,874
Current assets	54,485	55,891	1,406
Non-current assets	905,928	902,665	-3,263
Investment properties	840,813	839,686	-1,126
Intangible assets	59,255	57,226	-2,029
Goodwill	53,520	51,537	-1,982
Total liabilities	440,571	440,573	1
Current liabilities	50,335	53,066	2,730
Interest-bearing debt	42,100	44,700	2,600
Non-current liabilities	390,236	387,507	-2,728
Interest-bearing debt	365,450	362,850	-2,600
Net assets	520,049	518,173	-1,876
Unitholders' capital	268,042	268,042	-
Capital surplus, net	240,744	238,899	-1,844
LTV (excluding goodwill)	44.9 %	44.9 %	- p.p.
LTV (including goodwill)	42.4 %	42.5 %	0.1 p.p.
Number of investment units issued	2,320,000 units	2,320,000 units	- units
Net Assets per unit	224,159 yen	223,350 yen	-809 yen
NAV per unit (Note)	313,716 yen	322,349 yen	8,633 yen

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

## Trend of Unrealized Gain



## Unrealized Gain by Asset Class

Asset class	Book value	Appraisal value	Unrealized gain
Logistics	448,365	556,810	108,444
Residential	214,283	326,643	112,359
Retail	120,045	133,346	13,300
Hotel	22,447	22,430	-17
Other assets	39,778	46,600	6,821
<b>Total</b>	<b>844,920</b>	<b>1,085,829</b>	<b>240,908</b>

# Financial Forecasts for February 2024 & August 2024 Periods

- ◆ DPU Forecast of 5,650 yen for Feb. 2024 (contribution of 2 acquisitions)
- ◆ DPU Forecast of 5,650 yen for Aug. 2024 (stabilized DPU)

	Aug. 2023 Actual	Feb. 2024 Forecast	vs Aug. 2023 Actual	Aug. 2024 Forecast	vs. Feb. 2024 Forecast
					(mil yen)
Operating revenue	29,920	29,508	-412	29,641	132
Rental revenue	29,570	29,508	-62	29,641	132
Gain on sale of properties	349	-	-349	-	-
Operating expenses	17,005	16,624	-381	16,683	59
Property taxes	2,422	2,420	-2	2,449	28
Depreciation	5,602	5,616	13	5,576	-40
Amortization of goodwill	1,982	1,982	-	1,982	-
Operating income	12,914	12,883	-30	12,957	73
Interest and borrowing related expenses	1,707	1,758	51	1,827	68
Ordinary income	11,224	11,127	-97	11,126	0
Net income	11,224	11,127	-97	11,126	0
Retained earnings brought forward	134	127	-6	128	0
Distribution in excess of earnings	1,860	1,981	120	1,962	-18
Total distribution	13,091	13,108	16	13,108	0
Retained earnings carried forward	127	128	0	108	-19
					(yen)
Distributions per unit (DPU)	5,643	5,650	7	5,650	-
Distribution of earnings	4,841	4,796	-45	4,804	8
Distribution in excess of earnings	802	854	52	846	-8
Allowance for temporary difference adjustments	802	809	7	814	5
Other distributions in excess of earnings	-	45	45	32	-13

## Major Variation Factors for Feb. 2024 Forecast vs Aug. 2023 Actual

- [Contribution to income]
- ◆ Decrease in operating revenue -412 mil yen
    - Impact of gain on sale of properties in the previous period
    - Acquisition of 2 properties in Sep. and Oct. 2023
    - Decrease in rent revenue at residential properties
  - ◆ Decrease in operating expenses 381 mil yen
    - Decrease in repairs and maintenance expenses
  - ◆ Increase in non-operating expenses -58 mil yen
    - Increase in interest and borrowing related expenses

## Major Variation Factors for Aug. 2024 Forecast vs Feb. 2024 Forecast

- [Contribution to income]
- ◆ Increase in operating revenue 132 mil yen
    - Increase in rent revenue
  - ◆ Increase in operating expenses -59 mil yen
    - Increase in property taxes
  - ◆ Increase in non-operating expenses -69 mil yen
    - Increase in interest and borrowing related expenses

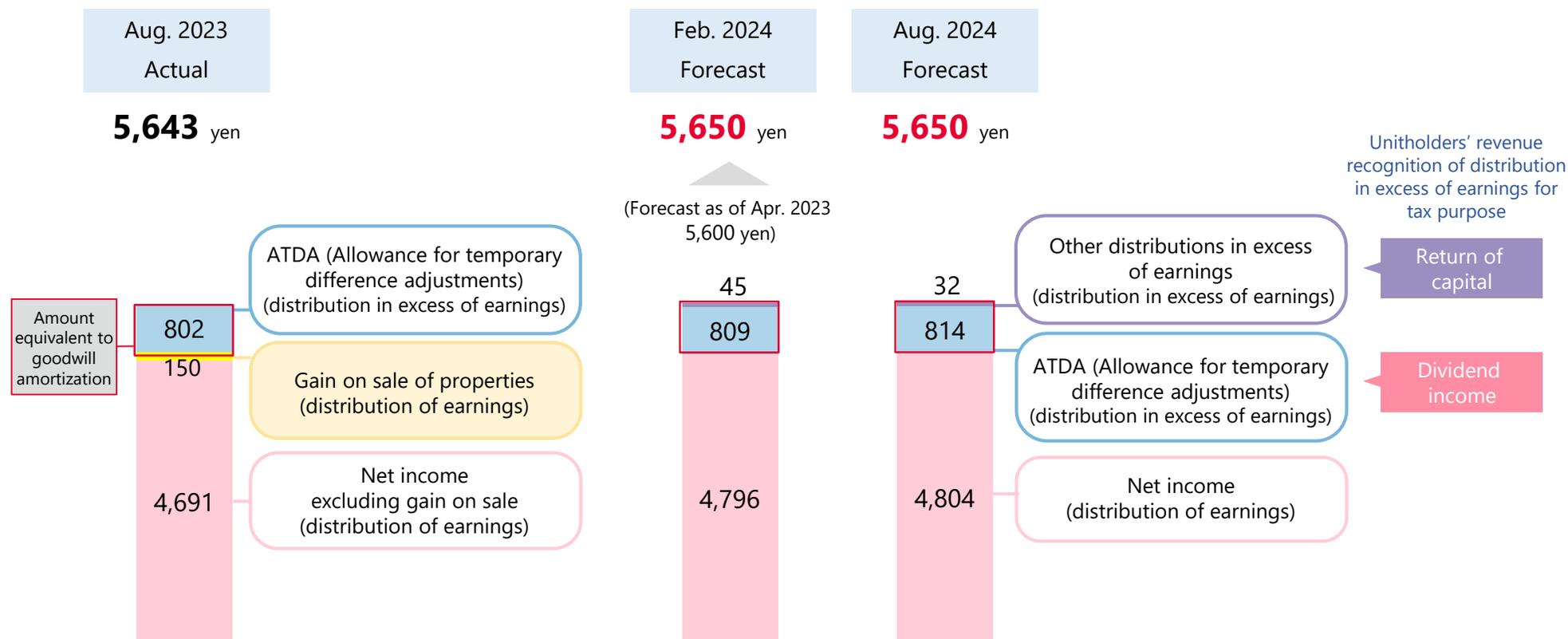
## Capex, Repairs, and Restoration Costs

	Aug. 2023 Actual	Feb. 2024 Forecast	Aug. 2024 Forecast
Capex	1,467	2,014	1,865
Repairs and maintenance expenses	1,177	755	762
Restoration costs	258	271	267
Total	2,903	3,040	2,895

# Controlling DPU at Stable Level

- ◆ Distributed gain on sale due to property replacement and strategically carried out repair work ahead of schedule in Aug. 2023
- ◆ From Feb. 2024 onwards, repairs and maintenance expenses will be leveled in addition to the contribution from newly acquired properties

## Breakdown of DPU



Distribution policy of amount equivalent to goodwill amortization

- Our policy is to distribute amount equivalent to goodwill amortization (1,982 mil yen per period) on top of net income
- In case distribution of allowance for temporary difference adjustments is less than goodwill amortization, the amount of difference may be distributed as other distributions in excess of earnings (return of capital for tax purpose)
- In case of special gains such as gain on sale of properties, other distributions in excess of earnings, which is a part of the distribution in excess of earnings in the amount equivalent to amortization of goodwill, may be reduced by an amount equivalent to part of the gain on sale of properties

(Note) Other distributions in excess of earnings fluctuate depending on the amount of tax-accounting differences and valuation and translation adjustments and other factors.

# 3. Operation Status

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# Operation Status of Logistics Properties

## Operation Status

- ◆ Period-end occupancy at 100.0%
- ◆ 2 BTS type properties → Increased rental revenue by capex such as LED light installment
- ◆ Acquired 1 BTS type property in Oct. 2023 (acquisition price: 3,120 mil yen)

## Rent Revision / Lease Contract Renewal

- ◆ Rent revision: 3 tenants (BTS type) → Revised rent on equal terms
- ◆ Contract expiry: 1 tenant (D Project Kuki II (BTS type))  
→ Replaced tenant with no down time by leasing support from sponsor group
- 3 tenants (multi-tenant type) → Renewed contract with rent increase

< Upcoming schedule >

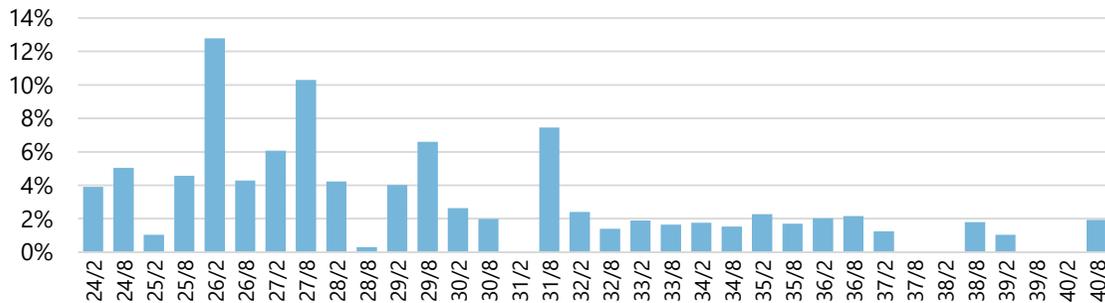
Feb. 2024

Aug. 2024

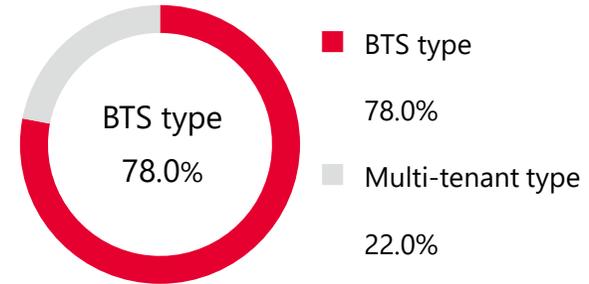
◆ Rent revision:	5 tenants →	1 revised rent with rent increase 2 revised rent on equal terms	6 tenants
◆ Contract expiry:	5 tenants →	1 renewed contract with rent increase for part of the space and cancelled part of the space 1 renewed contract with rent increase 1 renewed contract on equal terms	7 tenants

## Lease Expiration Ladder (annual rent basis)

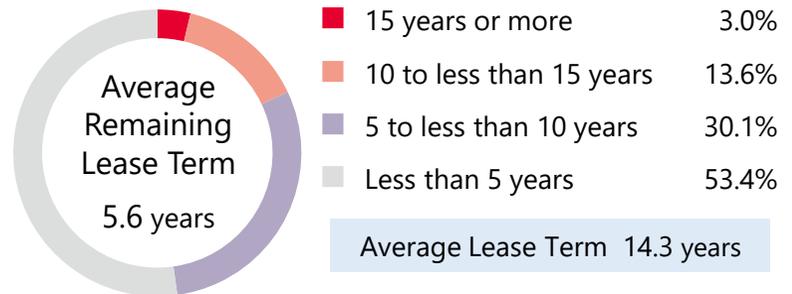
- ◆ Stable cash flow based on long-term lease contracts



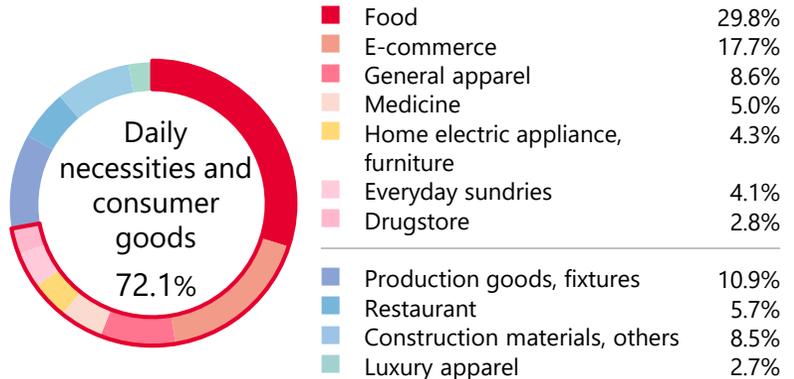
## Type (acquisition price basis)



## Remaining Lease Term (annual rent basis)



## Type of Handling Goods (annual rent basis)



As of Oct. 2, 2023

# Operation Status of Residential Properties

## Operation Status

- ◆ Sold 1 property in Mar. 2023 (sale price: 1,001 mil yen)
- ◆ Average occupancy at 97.9% (+0.4 p.p.) vs forecast of 97.5%
- ◆ Conducted major renovations for 7 properties

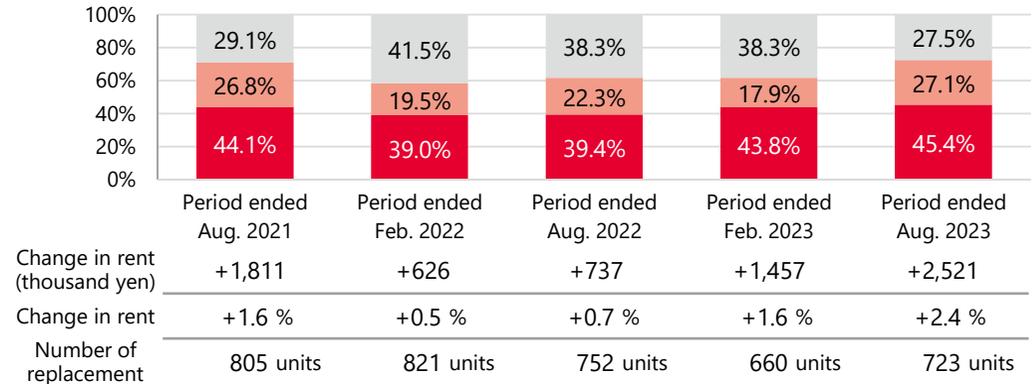
## Rents

- ◆ Monthly rent at tenant replacement increased for 17 consecutive periods  
Total: +2,521 thousand yen, or +2.4% vs before replacement  
Of which, 5 central wards of Tokyo:  
+1,895 thousand yen, or +4.5% vs before replacement
- ◆ Monthly rent at lease contract renewal:  
+708 thousand yen
- ◆ Performed upgrade work for 44 units of 24 properties  
→ Contracts signed for 36 units with 7.1% increase in rents

## Monthly Rent at Tenant Replacement

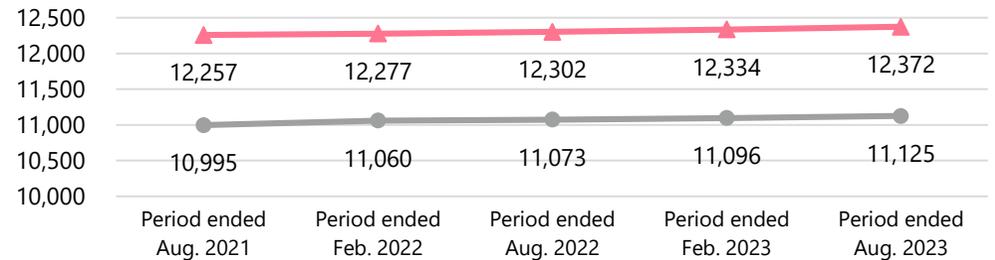
(Ratio of the number of tenant replacement)

■ Rent increase ■ Rent decrease  
■ Unchanged

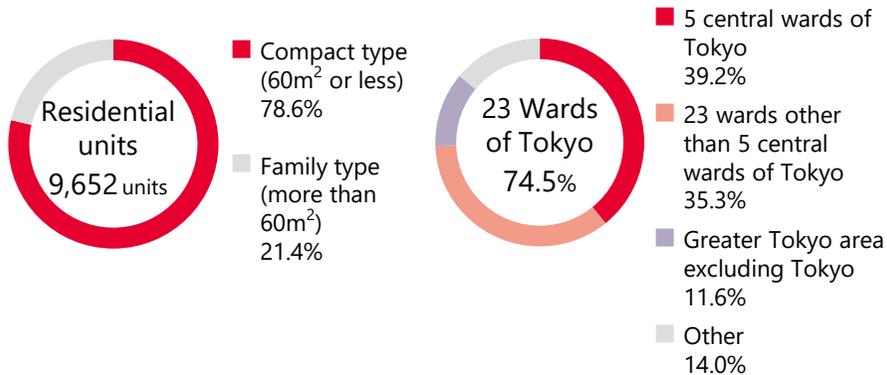


## Average Monthly Rent

(yen/tsubo)

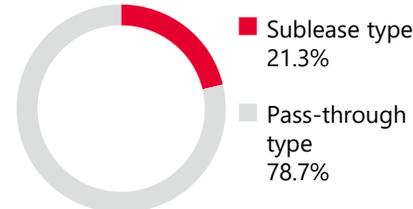


## Unit Type (number of units basis) Area (acquisition price basis)

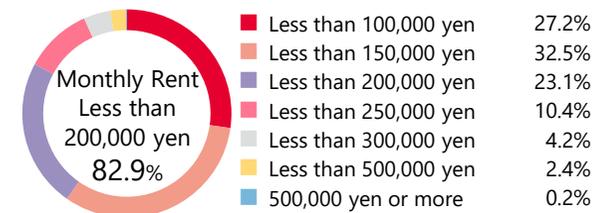


▲ Average monthly rent of the properties owned through Aug. 2023 (pass-through type only)  
● Average monthly rent

## Master Lease Type (annual rent basis)



## Monthly Rent (number of units basis)



As of Aug. 31, 2023

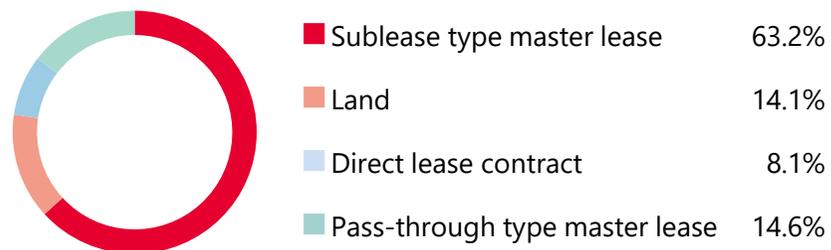
## Operation Status of Retail Properties

- ◆ Period-end occupancy remained at a high level of 99.8%
- Move-outs: No change in core tenants (leased area of 2,000 m<sup>2</sup> or more)

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

- ◆ Rent revision: 1 tenant → Revised rent on equal terms

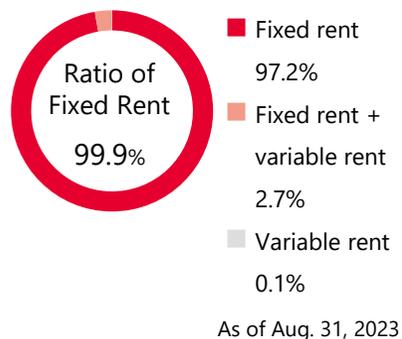
### Lease Contract Type (annual rent basis)



### Remaining Lease Term (annual rent basis)



### Rent Type (leased area basis)



## Operation Status of Hotel Properties

- ◆ Acquired 1 property in Mar. 2023 (acquisition price: 3,116 mil yen)
- ◆ Acquired 1 property in Sep. 2023 (acquisition price: 5,114 mil yen)
- ◆ Both occupancy and ADR recovered to pre-COVID levels on the back of recovery of hotel market

### Rent Type of Hotel Tenants

◆ Hotel ◆ Retail ◆ Other Assets

- ◆ Daiwa Roynet Hotel Yokohama Kannai
  - ◆ Daiwa Roynet Hotel Nagoya Shinkansenguchi
  - ◆ Daiwa Roynet Hotel Mito (COMBOX310)
  - ◆ Daiwa Roynet Hotel Hiroshima-Ekimae (GRANODE Hiroshima)
  - ◆ Candeo Hotels Nagasaki Shinchi Chinatown
  - ◆ MIMARU Tokyo Akasaka (Acquired in Mar. 2023)
  - ◆ MIMARU Tokyo Hatchobori (Acquired in Sep. 2023)
  - ◆ Daiwa Roynet Hotel Naha-Omoromachi (Naha Shin-Toshin Center Building)
  - ◆ Super Hotel JR Nara Station Sanjo Street
  - ◆ AMANEK Kanazawa
- Fixed
- Fixed + Variable
- Not disclosed

# 4. Financial Status

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# Financial Status (1)

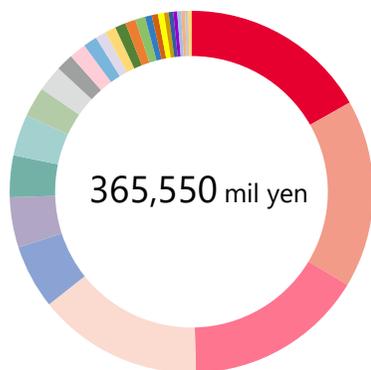
- ◆ **Controlling LTV (excluding goodwill) at around 45%**
- ◆ **Promoting various sustainable finance including green loans and sustainability bonds**

## Financial Status (as of Oct. 2, 2023)

Interest-bearing debt	Of debt, Sustainable Finance		
409,550 mil yen	36,500 mil yen <b>8.9%</b>		
(Breakdown)	Ratio of sustainable finance to interest-bearing debt		
Loans	Of loans, Green Loans		
365,550 mil yen	13,500 mil yen		
Bonds	Of bonds, Green Bonds	Of bonds, Sustainability Bonds	Of bonds, Sustainability-Linked Bonds
44,000 mil yen	15,000 mil yen	4,000 mil yen	4,000 mil yen

Credit Rating		
Long-term debt ratio	Average interest rate	LTV (excl. goodwill)
93.4 %	0.73 %	45.0 %
JCR		
AA (Stable)		
Fixed interest ratio	Average remaining maturity	LTV (incl. goodwill)
99.0 %	4.7 years	42.6 %
R&I		
AA- (Stable)		

## Lender Formation



Sumitomo Mitsui Trust Bank	61,400	Nippon Life Insurance	5,600	Kansai Mirai Bank	2,000
Sumitomo Mitsui Banking Corporation	61,400	Shinkin Central Bank	5,500	Bank of Kyoto	1,500
MUFG Bank	58,550	Mitsui Sumitomo Insurance	4,500	Yamanashi Chuo Bank	1,500
Mizuho Bank	53,750	Nishi-Nippon City Bank	3,500	Keiyo Bank	1,250
Development Bank of Japan	20,900	Bank of Fukuoka	3,500	Shizuoka Bank	1,250
Norinchukin Bank	16,400	Dai-ichi Life Insurance	3,500	Yamaguchi Bank	1,250
Aozora Bank	13,600	Chiba Bank	3,400	Japan Post Insurance	1,100
Resona Bank	13,500	77 Bank	3,200	Taiyo Life Insurance	1,000
Mizuho Trust & Banking	9,800	Chugoku Bank	2,200		
SBI Shinsei Bank	8,500	Iyo Bank	2,000		

As of Oct. 2, 2023

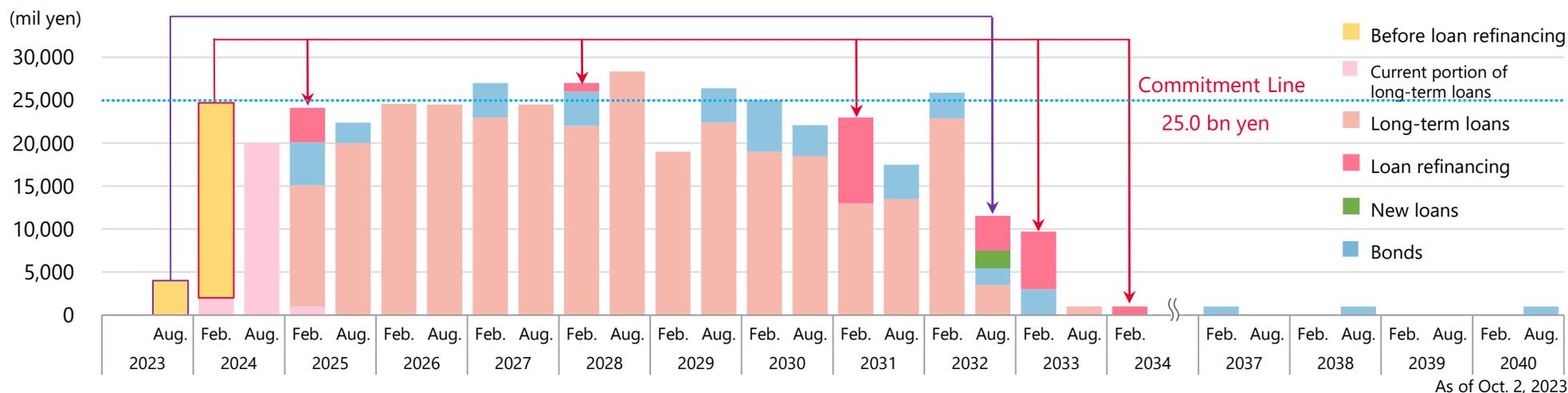
# Financial Status (2)

- ◆ Further lengthening and diversifying debt maturities and fixing interest rates
- ◆ In refinancing, controlling interest rates by various financing methods and lengthening debt maturities

## Debt Financing

	Mar. 2023		May 2023		Sep. and Oct. 2023		Oct. 2023
	Loan repayment	Loan refinancing	Loan repayment	Loan refinancing	Loan repayment	Loan refinancing	New loans (Green loans)
Amount (mil yen)	13,400	13,400	4,000	4,000	22,700	22,700	2,000
Average interest rate	0.57 %	0.93 %	0.71 %	1.03 %	0.56 %	1.00 %	1.30 %
Fixed / Variable	Fixed	Fixed	Fixed	Fixed	Fixed/Partially Variable	Fixed/Partially Variable	Fixed
Average maturity	6.9 years	<b>8.1 years</b>	7.5 years	<b>9.0 years</b>	6.0 years	<b>6.5 years</b>	<b>8.5 years</b>

## Diversified Maturity Ladder

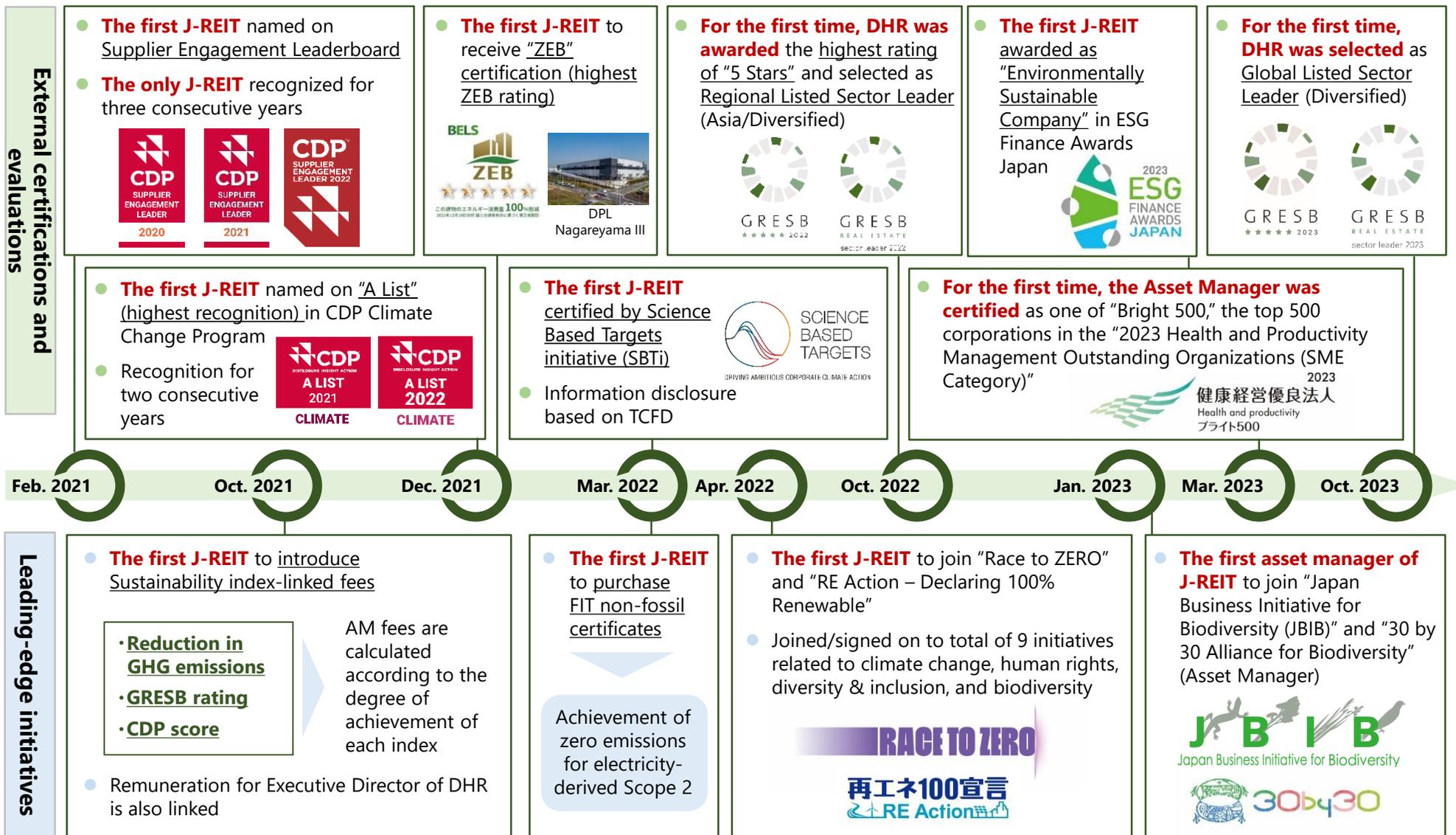


# 5. ESG Initiatives

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# Leading-edge ESG Initiatives

Obtained external certifications and evaluations as the first J-REIT and implemented leading-edge ESG initiatives



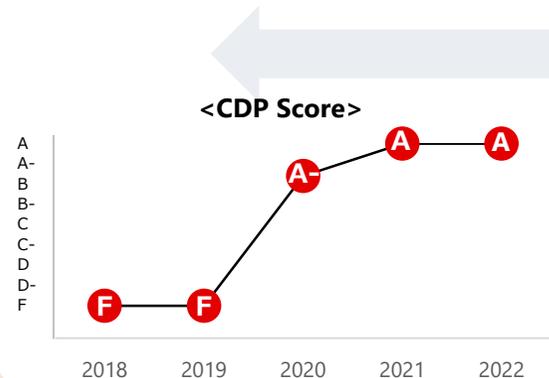
(Note) In chronological order of the date of announcements

# Improved External Evaluations by Promoting ESG Initiatives

## CDP Climate Change Program



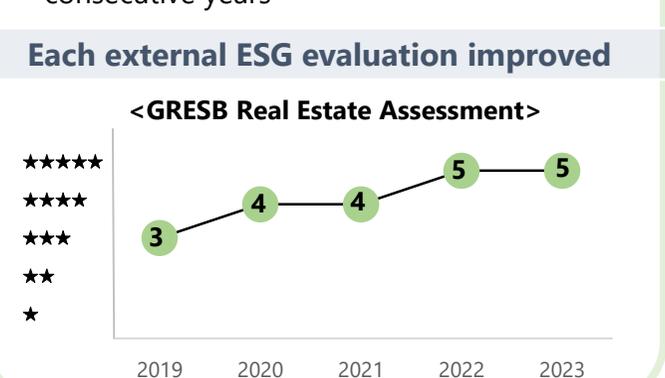
- Awarded **the highest score of "A"** and named on the Climate Change **"A List"** in 2022 CDP Climate Change Program **for two consecutive years**
- Named on 2022 "CDP Supplier Engagement Leaderboard" (highest recognition) as the only J-REIT for three consecutive years



## GRESB Real Estate Assessment and GRESB Public Disclosure



- Awarded **the highest rating of "5 Stars" for two consecutive years** in 2023 GRESB Real Estate Assessment
- Named **Global Listed Sector Leader (diversified sector) for the first time** (ranked first among global 51 peers)
- Awarded the highest rating of "A" on a 5-star scale in GRESB Public Disclosure for five consecutive years

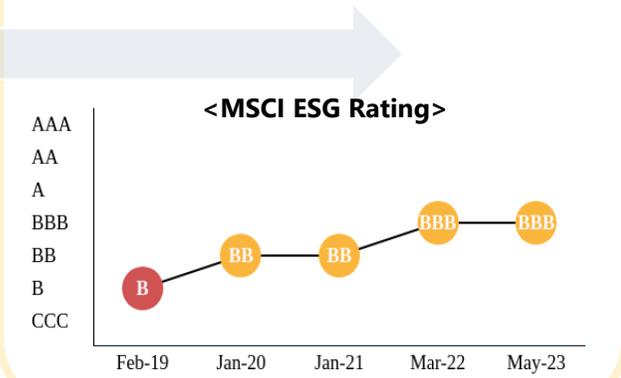


## MSCI ESG Rating



- Rating was unchanged from "BBB" to **"BBB"** in Mar. 2023

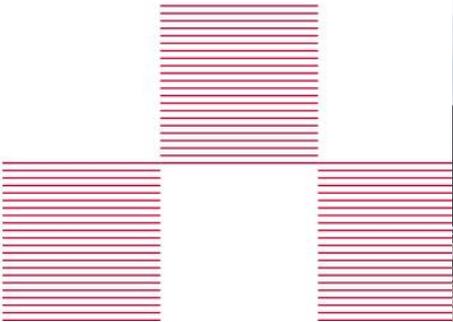
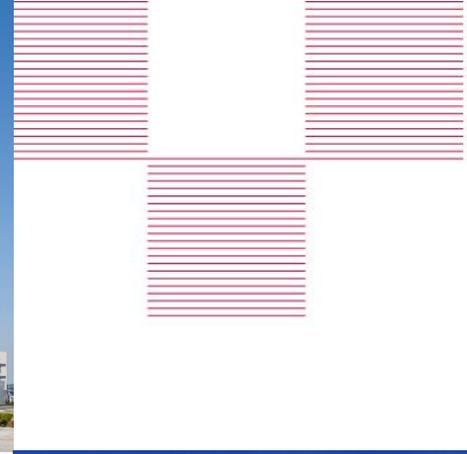
Disclaimer  
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Each external ESG evaluation improved



# Appendix



# Acquisitions in September and October 2023 (1)

## HO-007 MIMARU Tokyo Hatchobori

Hotel



### Favorable location with good access to popular tourist spots

- Located approx. a three-minute walk from Hatchobori Station on the JR Keiyo Line and the Tokyo Metro Hibiya Line, the property is considered to have a great location advantage as a hotel, as it is located in a highly commercial area with many restaurants and stores in the vicinity
- Good access to Tokyo Station, one of the most famous commercial districts in Japan, as well as popular tourists spots such as Tsukiji and Ginza

### "Apartment Hotel" suitable for medium-to long-term stays

- With 74 guest rooms, all equipped with kitchens, with an average room area of approx. 38m<sup>2</sup> or more and a capacity of four or more people per room, it is suitable for inbound and domestic leisure travelers

### Brand of the hotel

- "MIMARU" is located within a five-minute walk from major urban stations and in close proximity to commercial and tourists attraction
- All guest rooms have a mini-kitchen and dining space, and the common areas are equipped with laundry space and other facilities, making the hotel brand highly competitive for the needs of medium- to long-term guests

Location	Chuo Ward, Tokyo
Construction date	Feb. 27, 2019
Acquisition price	5,114 mil yen <span style="color: red;">↗ vs appraisal 93.3%</span>
Appraisal value	5,480 mil yen
Acquisition date	Sep. 1, 2023
Appraisal NOI yield	4.0%
Appraisal NOI yield after depreciation	3.4%
Land / Building	Ownership
Tenant	Cosmos Initia Co., Ltd.



"MI" and "MARU" in MIMARU stand for the Japanese words "minna" (everyone) and "tomaru" (to stay)

- "Apartment Hotel" designed for medium-to long-term stays, themed on "stay as comfortably as you would live there"
- All guest rooms have a living and dining room and a kitchen with dishes and cooking utensils always available
- Room charges are per room (not per person)
- Staff can respond to foreign guests in multiple languages



Suited for  
Family & Groups

Spacious  
Rooms

For Long-term  
Stays

Room Charge  
per Room

Multilingual  
Staff

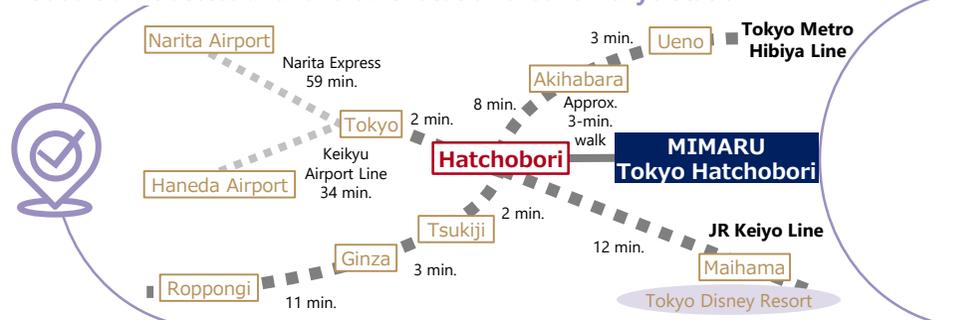
### Concept Room Offering Special Experience

- Pokemon room: Special space for Pokemon fans, greeting by the giant stuffed Snorlax on the bed and availability of originally-designed plates and cups to enjoy meals
- Offering of a wide variety of experience: Light-integrated private theater in the "popIn Aladdin Projector Room", hub for students' graduation trip leveraging traffic convenience, etc.



©Pokémon. ©Nintendo/Creatures Inc./GAME FREAK inc.  
Pocket monster, Pokemon and Pokémon are the registered trademarks of Nintendo / Creatures Inc. / GAME FREAK Inc.

### Good traffic access and favorable location around Tokyo Station



# Acquisitions in September and October 2023 (2)

## LB-067 D Project Kadoma I

Logistics (BTS-type)



Environmental certification



この建物のエネルギー消費量 37%削減  
2022年7月25日交付 国土交通省告示に基づく第三者認証



### Key logistics infrastructure at a traffic hub with access to all directions including Osaka City

- Good access to key artery roads because of the location along Daini Keihan Road and National Route 1
- Traffic convenience for regional / inter-city delivery as located within approx. 1.2km from Kadoma IC on Daini Keihan Road

### Securing employment

- Located within walking distance of approx. 0.7km from Kadoma-Minami Station on Osaka Metro Nagahori Tsurumi-ryokuchi Line promoting to secure workforce from a wide area
- Access to workforce as surrounded by residential districts

### Facility with automatic freezing / refrigerating warehouse

- Rare 4-story facility covering three temperature zones equipped with normal-temperature, automatic freezing / refrigerating and frozen storage warehouses
- Specifications for efficient operation, with 3 cargo elevators and 2 vertical carriers, as well as truck berths on three sides at the 1<sup>st</sup> floor (including for normal- and low-temperature use) and 21 dock shelters

Location	Kadoma City, Osaka
Construction date	Feb. 15, 2019
Acquisition price	3,120 mil yen <span style="color: red;">✓ vs appraisal 90.4%</span>
Appraisal value	3,450 mil yen
Acquisition date	Oct. 2, 2023
Appraisal NOI yield	6.4%
Appraisal NOI yield after depreciation	3.5%
Land / Building	Fixed-term land lease right and fixed-term sublease right / Ownership
Tenant	YOSHINOYA HOLDINGS CO., LTD.



### Track Record of Development in Kadoma City, Warehouse-gathering Area

- Daiwa House has developed 4 BTS-type logistics properties in the area including D Project Kadoma I, despite the difficulty in securing large-lot sites suitable for logistics use due to expansion of the residential districts.

#### D Project Kadoma I (this property)



D Project Kadoma IV  
(Completed in Nov. 2020)

D Project Kadoma II  
(Completed in Feb. 2020)

D Project Kadoma III  
(Completed in Mar. 2021)

(Note) As of the date of this document, DHR does not have any plans to acquire these properties except for D Project Kadoma I which DHR currently owns.

### Green Loans

- Green loans for acquisition of this property

Lender	Borrowing amount (mil yen)	Interest Rate	Borrowing period
SBI Shinsei Bank, Limited	1,000	1.30% (Fixed)	8.5 years
Kansai Mirai Bank, Limited	1,000		

### Coverage of Three Temperature Zones with automatic freezing / refrigerating warehouse, etc.

- Utilized by the tenant as a consolidated distribution center covering western Japan



# Secondary Offering by Daiwa House (September 2023)

- ◆ Daiwa House sold some of DHR investment units to improve capital efficiency upheld in its Medium-Term Management Plan
- ◆ Daiwa House also announced its policy to continue to hold the remaining holdings after the secondary offering and to maintain its support for DHR as the sponsor

## Summary of the Secondary Offering

Seller	Daiwa House Industry Co., Ltd.
Offering structure	Secondary Offering with overseas marketing (Regulation S only)
Launch date	August 31, 2023
Markets where investment units were offered	Domestic and EURO markets (Regulation S)
Offering size	25.6 bn yen
Number of investment units sold	100,000 units (including 5,000 units sold through overallotment)
Number of investment units owned by Daiwa House after the Secondary Offering	91,200 units Lockup period: 1 year % of ownership: 3.9%

## Backgrounds of the Secondary Offering by Daiwa House (Sponsor) and its Future Policy

### Backgrounds

- Daiwa House sold some of the DHR investment units with the aim to improve capital efficiency for the purpose of evolving a revenue model that realizes sustainable growth upheld in the 7<sup>th</sup> Medium-Term Management Plan announced in May 2022
- Proceeds from the secondary offering will be allocated to expanding real estate development investment, based on Daiwa House's financial and investment strategies
- Daiwa House and the Asset Manager discussed sincerely and chose the secondary offering **to offer a wide range of investors, including existing unitholders of DHR, fair opportunities for investment and dialogue**

### Future Policy

- Daiwa House does not plan additional sales and intends to continue to hold 91,200 investment units of DHR after the secondary offering
- **Daiwa House's diversified support for DHR will remain unchanged** after the secondary offering, including granting of preferential negotiation rights

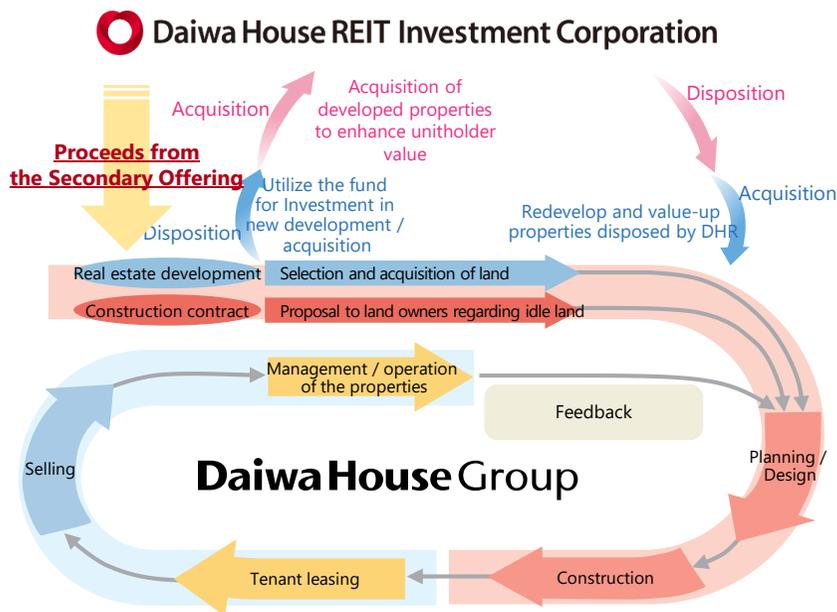
DHR aims to continuously increase unitholder value by leveraging the support which the Sponsor has long been providing

# Unchanged Sponsor Support

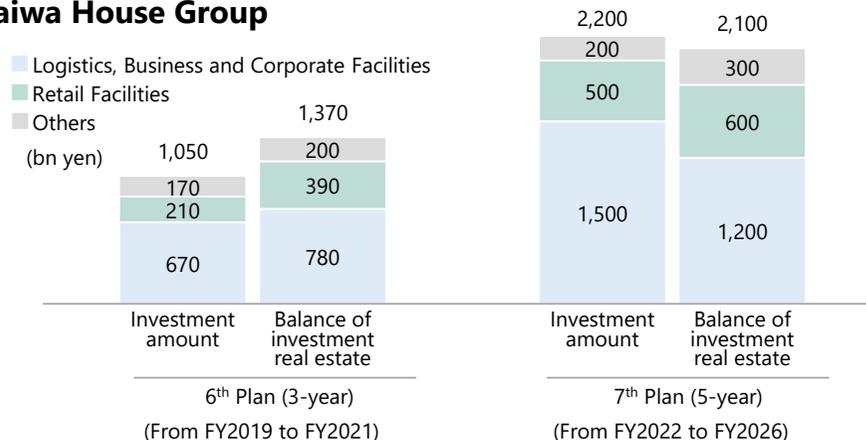
- ◆ Various supports from the Sponsor will remain unchanged, leading to expansion of the potential pipeline
- ◆ DHR has the first priority negotiation rights within major funds sponsored by Daiwa House

## Flow of Funds and Sponsor Support

- ✓ Proceeds from the Secondary Offering will be re-invested in development of prime assets based on the Sponsor's value chain, which is expected to expand the potential pipeline of DHR



## Investment Plan and Balance of Investment Real Estate of Daiwa House Group



(Source) Daiwa House Industry Co., Ltd.

## Investment Target of Major REITs and Funds Sponsored by Daiwa House

Corporate name	Daiwa House REIT Investment Corporation	Daiwa House Global REIT Investment Corporation	Daiwa House Logistics Core Fund	Daiwa House Logistics Trust
Category	Listed REIT (Japan)	Private REIT	Private core fund	Listed REIT (Singapore)
Investment target	Diversified	Diversified	Specialized in logistics	Logistics and industrial assets
Investment area	Japan	Japan and overseas	Japan	Japan and APAC
Preferential negotiation rights	<b>First priority</b>	<b>Ranking of preferential negotiation rights for domestic real estate</b>		

(Source) Daiwa House Industry Co., Ltd.

**Business Value  
(Economic Value)**

×

**Social Value  
(Non-Financial Value)**

=

**Maximization of  
Unitholder Value**

## External Growth

- Selectively acquire highly competitive properties, mainly logistics properties, by leveraging the abundant sponsor pipeline
- Improve portfolio quality by promoting property replacement leveraging the flexibility as a diversified and large-scale REIT with abundant unrealized gain
- Secure property acquisition opportunities by utilizing various acquisition schemes

## Internal Growth

- Steadily increase rent mainly at residential properties
- Increase rent by additional investment in value enhancement measures such as installation of solar power generation equipment and LED light
- Conduct strategic renovation work and planned large-scale repair

## Finance

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

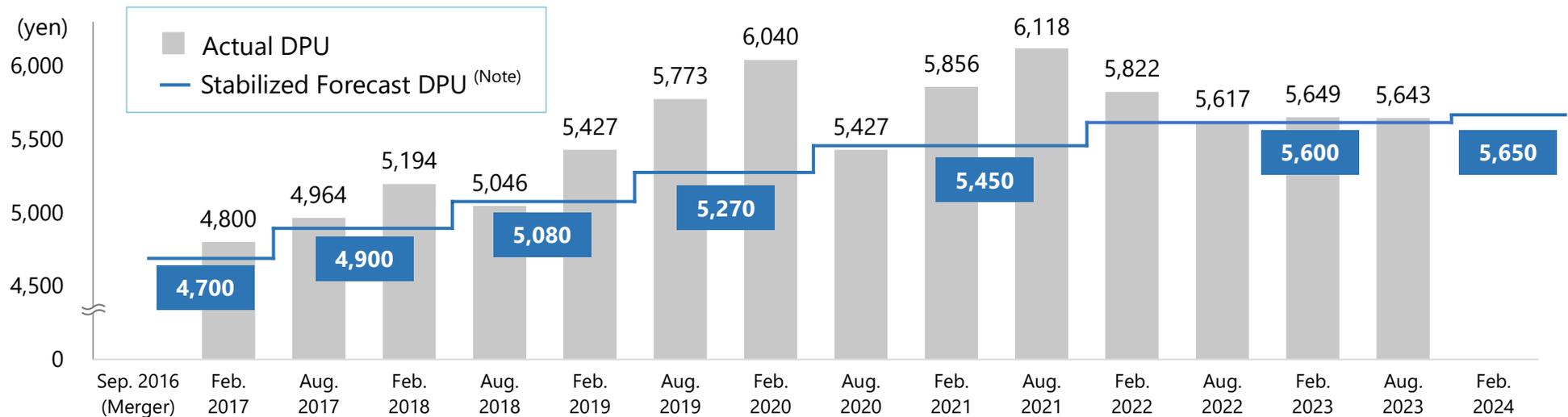
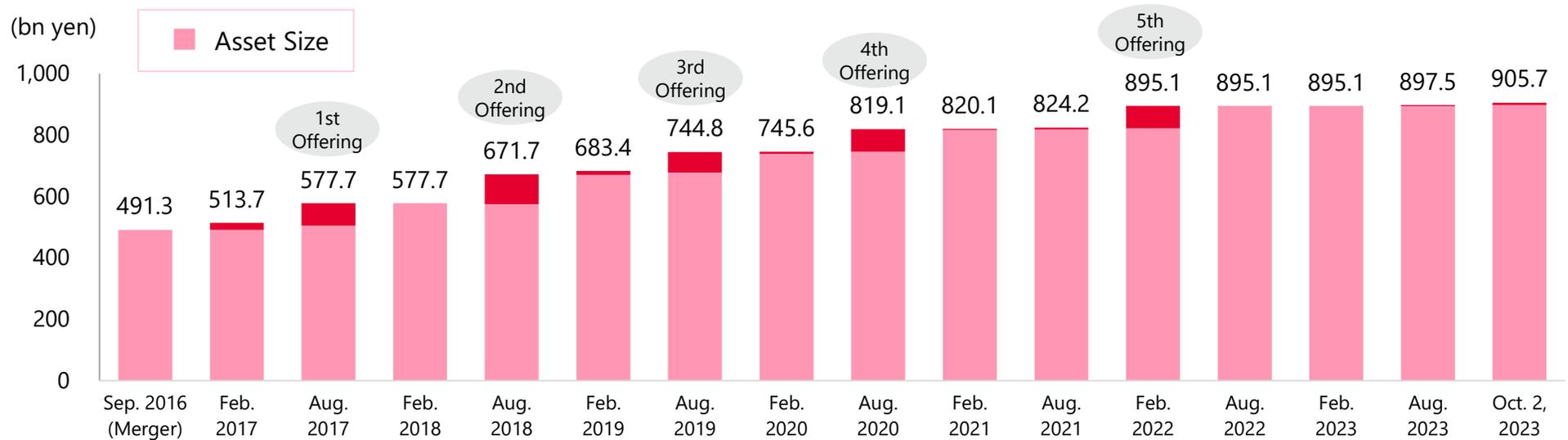
## Business Value

## Social Value

### ESG

- Improve ESG rating by third parties including GRESB and CDP
- Reduce GHG emissions
- Promote biodiversity conservation
- Reduce asset management risk by promoting human capital management and health management of the Asset Manager
- Commit to promoting sustainability by introduction of sustainability index-linked fee

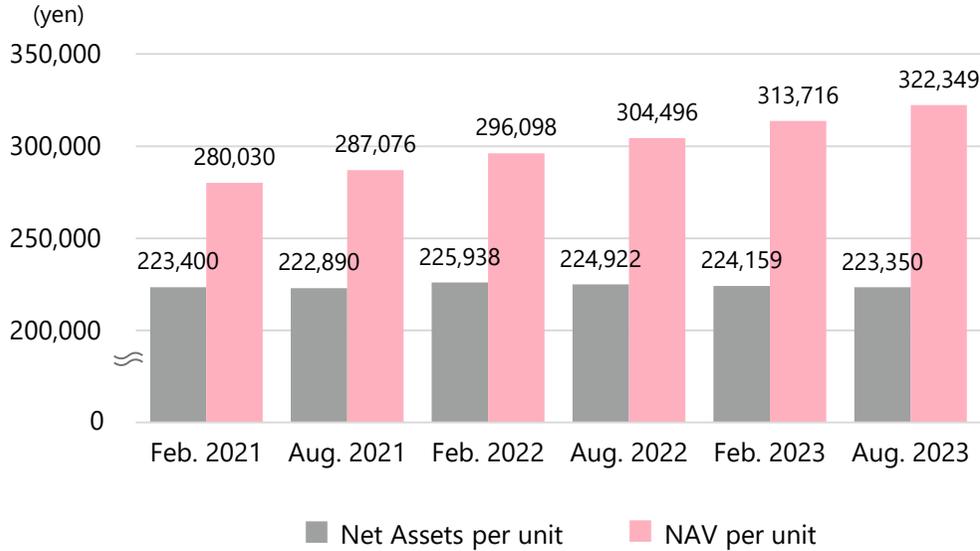
# Asset Size and DPU



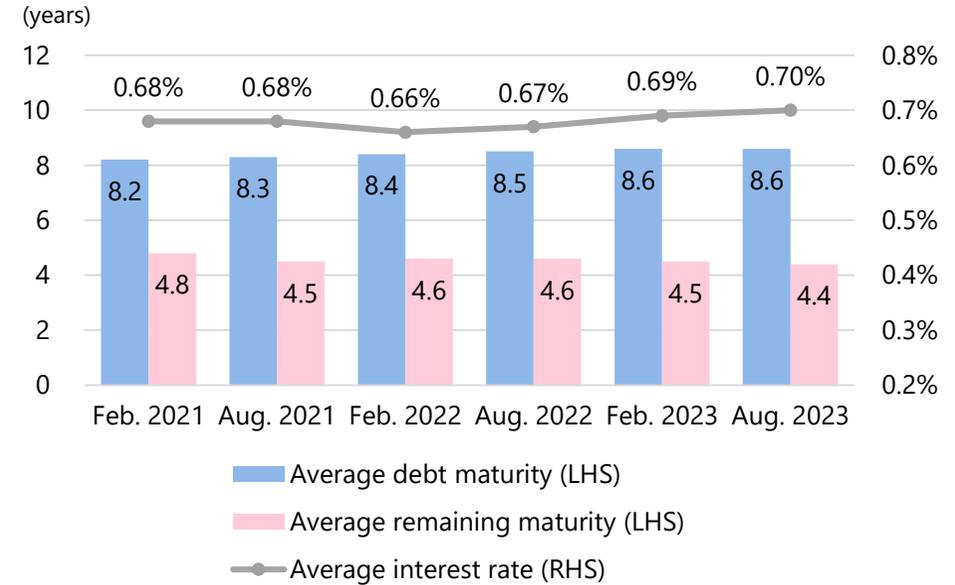
(Note) Stabilized forecast DPU represents forecast DPU adjusted for temporary factors such as acquisition and sale of properties during the period and property taxes to be expensed.

# Key Financial Indicators

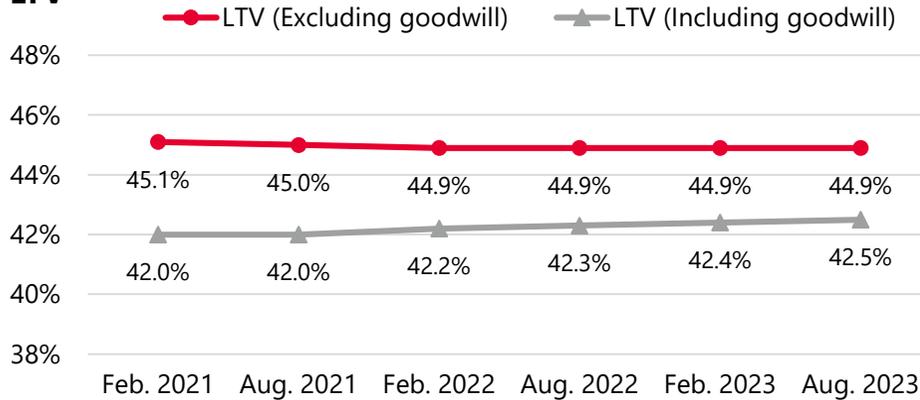
## NAV per Unit



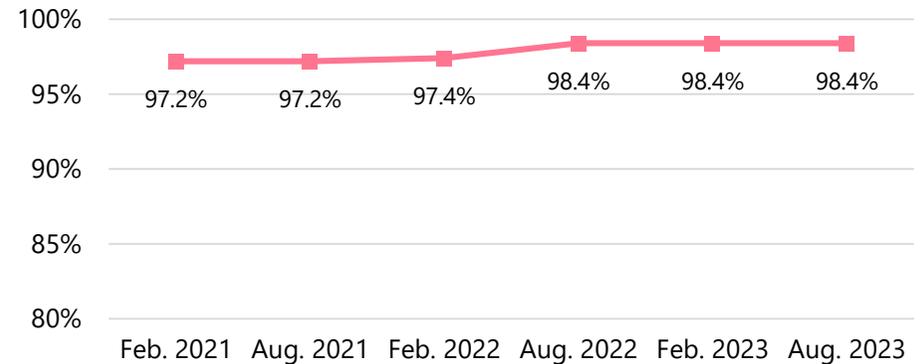
## Average Debt Maturity / Average Remaining Maturity / Average Interest Rate



## LTV



## Fixed Interest Ratio



# Historical Financial Data

	Aug. 2021	Feb. 2022	Aug. 2022	Feb. 2023 (A)	Aug. 2023 (B)	Change (B-A)
Operating days	184 days	181 days	184 days	181 days	184 days	3 days
Operating Revenue	29,571 mil yen	30,264 mil yen	29,368 mil yen	29,489 mil yen	29,920 mil yen	431 mil yen
Operating Income	13,116 mil yen	13,409 mil yen	12,661 mil yen	12,740 mil yen	12,914 mil yen	174 mil yen
Gain (loss) on sale of properties	2,208 mil yen	1,335 mil yen	- mil yen	- mil yen	349 mil yen	349 mil yen
Ordinary Income	11,619 mil yen	11,685 mil yen	11,050 mil yen	11,124 mil yen	11,224 mil yen	100 mil yen
Net Income	11,619 mil yen	11,685 mil yen	11,049 mil yen	11,123 mil yen	11,224 mil yen	100 mil yen
DPU	6,118 yen	5,822 yen	5,617 yen	5,649 yen	5,643 yen	-6 yen
Number of investment units issued	2,196,000 units	2,320,000 units	2,320,000 units	2,320,000 units	2,320,000 units	- units
Payout ratio	101.1%	101.5%	100.9%	101.3%	100.1%	-1.2 p.p.
Total Assets	900,310 mil yen	964,669 mil yen	963,566 mil yen	960,621 mil yen	958,747 mil yen	-1,874 mil yen
Net Assets	489,467 mil yen	524,178 mil yen	521,820 mil yen	520,049 mil yen	518,173 mil yen	-1,876 mil yen
Unitholders' Capital	231,766 mil yen	268,042 mil yen	268,042 mil yen	268,042 mil yen	268,042 mil yen	- mil yen
Capital Surplus, net	245,959 mil yen	244,265 mil yen	242,628 mil yen	240,744 mil yen	238,899 mil yen	-1,844 mil yen
Interest-bearing debt	378,558 mil yen	407,550 mil yen	407,550 mil yen	407,550 mil yen	407,550 mil yen	- mil yen
LTV (Excluding goodwill)	45.0%	44.9%	44.9%	44.9%	44.9%	- p.p.
LTV (Including goodwill)	42.0%	42.2%	42.3%	42.4%	42.5%	0.1 p.p.
Net Assets per unit	222,890 yen	225,938 yen	224,922 yen	224,159 yen	223,350 yen	-809 yen
NAV per unit <sup>(Note 1)</sup>	287,076 yen	296,098 yen	304,496 yen	313,716 yen	322,349 yen	8,633 yen
FFO per unit <sup>(Note 2)</sup>	7,594 yen	7,746 yen	8,061 yen	8,081 yen	7,963 yen	-118 yen

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

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

# Historical Portfolio Data

	Aug. 2021	Feb. 2022	Aug. 2022	Feb. 2023 (A)	Aug. 2023 (B)	Change (B-A)	
Number of properties	227 properties	230 properties	230 properties	230 properties	230 properties	- properties	
Total acquisition price	824,293 mil yen	895,153 mil yen	895,153 mil yen	895,153 mil yen	897,549 mil yen	2,396 mil yen	
Ratio of logistics properties	50.0 %	52.5 %	52.5 %	52.5 %	52.4 %	-0.1 p.p.	
Ratio of residential properties	29.4 %	26.9 %	26.9 %	26.9 %	26.8 %	-0.2 p.p.	
Ratio of retail properties	14.9 %	13.8 %	13.8 %	13.8 %	13.7 %	-0.0 p.p.	
Ratio of hotel properties	2.3 %	2.1 %	2.1 %	2.1 %	2.5 %	0.3 p.p.	
Ratio of other assets	3.3 %	4.7 %	4.7 %	4.7 %	4.6 %	-0.0 %	
Number of properties acquired	1 property	5 properties (Note 1)	- properties	- properties	1 property	1 property	
Acquisition price	5,930 mil yen	73,770 mil yen	- mil yen	- mil yen	3,116 mil yen	3,116 mil yen	
Number of properties sold	1 property	1 property	- properties	- properties	1 property	1 property	
Sale price	3,515 mil yen	3,740 mil yen	- mil yen	- mil yen	1,001 mil yen	1,001 mil yen	
Unrealized gain (loss)	152,694 mil yen	174,639 mil yen	195,760 mil yen	219,035 mil yen	240,908 mil yen	21,872 mil yen	
Leasable area	2,983 thousand m <sup>2</sup>	3,200 thousand m <sup>2</sup>	0 thousand m <sup>2</sup>				
Occupancy rate	99.3 %	99.7 %	99.7 %	99.7 %	99.6 %	-0.1 p.p.	
Real estate	Rental revenue	27,362 mil yen	28,928 mil yen	29,368 mil yen	29,489 mil yen	29,570 mil yen	81 mil yen
	Rental expenses	12,081 mil yen	12,431 mil yen	12,183 mil yen	12,283 mil yen	12,509 mil yen	226 mil yen
	Rental income	15,281 mil yen	16,497 mil yen	17,185 mil yen	17,206 mil yen	17,061 mil yen	-145 mil yen
Depreciation	5,271 mil yen	5,625 mil yen	5,654 mil yen	5,625 mil yen	5,602 mil yen	-23 mil yen	
NOI (Note 2)	20,552 mil yen	22,122 mil yen	22,839 mil yen	22,831 mil yen	22,663 mil yen	-168 mil yen	
NOI yield (Note 3)	5.0 %	5.0 %	5.1 %	5.1 %	5.0 %	-0.1 p.p.	

(Note 1) Includes additional acquisition of 50% co-ownership interest in GRANODE Hiroshima.

(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. 2023	Period ended Aug. 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	34,095,523	35,200,356
Cash and deposits in trust	19,368,951	19,677,731
Operating accounts receivable	281,261	285,942
Prepaid expenses	729,739	723,576
Other	11,372	4,416
Allowance for doubtful accounts	(1,454)	(602)
Total current assets	54,485,394	55,891,421
<b>Non-current assets</b>		
<b>Investment properties</b>		
Buildings, net	19,541,519	19,435,287
Structures, net	201,378	200,448
Machinery and equipment, net	269,752	261,949
Tools, furniture and fixtures, net	308,933	296,269
Land	21,711,324	21,711,324
Buildings in trust, net	366,505,261	362,880,666
Structures in trust, net	8,069,655	7,935,268
Machinery and equipment in trust, net	1,179,129	1,135,656
Tools, furniture and fixtures in trust, net	1,031,508	1,045,112
Land in trust	421,990,449	424,330,713
Construction in progress in trust	4,580	453,937
Total investment properties	840,813,493	839,686,634
<b>Intangible assets</b>		
Goodwill	53,520,117	51,537,891
Leasehold rights in trust	5,735,397	5,687,984
Trademark rights	144	127
Total intangible assets	59,255,659	57,226,003
<b>Investments and other assets</b>		
Investment securities	9,497	9,515
Long-term prepaid expenses	2,302,615	2,195,416
Guarantee deposits	99	99
Lease and guarantee deposits in trust	3,547,353	3,547,332
Total investments and other assets	5,859,566	5,752,363
Total non-current assets	905,928,719	902,665,001
<b>Deferred assets</b>		
Investment corporation bond issuance costs	207,624	190,867
Total deferred assets	207,624	190,867
<b>Total assets</b>	<b>960,621,737</b>	<b>958,747,290</b>

	(thousand yen)	
	Period ended Feb. 2023	Period ended Aug. 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	1,844,875	2,008,257
Current portion of long-term loans	42,100,000	44,700,000
Accounts payable – other	92,099	113,011
Accrued expenses	1,810,661	1,810,542
Income taxes payable	605	605
Accrued consumption taxes	484,068	493,337
Advances received	3,644,153	3,598,896
Unearned revenue	108,530	85,431
Deposits received	166,337	173,101
Derivatives liabilities	16,678	15,363
Other	67,520	67,520
Total current liabilities	50,335,530	53,066,067
<b>Non-current liabilities</b>		
Investment corporation bonds	44,000,000	44,000,000
Long-term loans	321,450,000	318,850,000
Long-term unearned revenue	127,789	90,560
Tenant leasehold and security deposits	332,205	331,684
Tenant leasehold and security deposits in trust	23,526,583	23,432,886
Asset retirement obligations	683,696	690,200
Derivatives liabilities	116,006	112,293
Total non-current liabilities	390,236,281	387,507,625
<b>Total liabilities</b>	<b>440,571,812</b>	<b>440,573,692</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Unitholders' capital	268,042,601	268,042,601
<b>Surplus</b>		
Capital surplus	247,667,563	247,667,563
Allowance for temporary difference adjustments	(6,879,284)	(8,723,684)
Other deductions from capital surplus	(44,080)	(44,080)
Capital surplus, net	240,744,199	238,899,799
Unappropriated retained earnings	11,395,808	11,358,853
Total surplus	252,140,008	250,258,653
Total unitholders' equity	520,182,609	518,301,254
Deferred gains or losses on hedges	(132,684)	(127,656)
<b>Total net assets</b>	<b>520,049,925</b>	<b>518,173,597</b>
<b>Total liabilities and net assets</b>	<b>960,621,737</b>	<b>958,747,290</b>

# Statements of Income

	(thousand yen)	
	Period ended Feb. 2023	Period ended Aug. 2023
Operating revenue		
Rental revenue	28,167,848	28,207,324
Other rental revenue	1,321,890	1,363,489
Gain on sale of real estate properties	-	349,963
<b>Total operating revenue</b>	<b>29,489,738</b>	<b>29,920,778</b>
Operating expenses		
Rental expenses	12,283,588	12,509,714
Asset management fees	1,908,944	1,916,817
Asset custody fees	38,362	38,349
Administrative service fees	94,036	93,730
Directors' remuneration	6,660	6,720
Amortization of goodwill	1,982,226	1,982,226
Other operating expenses	435,118	458,395
<b>Total operating expenses</b>	<b>16,748,936</b>	<b>17,005,954</b>
<b>Operating Income</b>	<b>12,740,801</b>	<b>12,914,823</b>
Non-operating income		
Interest income	229	232
Reversal of allowance for doubtful accounts	103	784
Gain on forfeiture of unclaimed distributions	7,357	5,842
Gain on adjustment of liabilities	4,249	5,795
Gain on donation of non-current assets	531	7,377
Other	17	50
<b>Total non-operating income</b>	<b>12,488</b>	<b>20,081</b>
Non-operating expenses		
Interest expenses	1,176,845	1,248,815
Interest expenses on investment corporation bonds	117,779	125,652
Amortization of investment corporation bond issuance costs	16,367	16,756
Borrowing related expenses	315,847	316,676
Other	2,000	2,075
<b>Total non-operating expenses</b>	<b>1,628,839</b>	<b>1,709,975</b>
<b>Ordinary Income</b>	<b>11,124,451</b>	<b>11,224,929</b>
Income before income taxes	11,124,451	11,224,929
Total income taxes	605	605
<b>Net income</b>	<b>11,123,846</b>	<b>11,224,324</b>
Retained earnings brought forward	271,962	134,528
<b>Unappropriated retained earnings</b>	<b>11,395,808</b>	<b>11,358,853</b>

## Statements of Cash Distributions

	(yen)			
	Period ended Feb. 2023		Period ended Aug. 2023	
	(Per unit)		(Per unit)	
I Unappropriated retained earnings	11,395,808,822		11,358,853,689	
II Amount added to distributions in excess of earnings				
Allowance for temporary difference adjustments	1,844,400,000		1,860,640,000	
III Distributions	13,105,680,000	5,649	13,091,760,000	5,643
Of the above, earnings distributions	11,261,280,000	4,854	11,231,120,000	4,841
Of the above, distributions in excess of earnings				
Allowance for temporary difference adjustments	1,844,400,000	795	1,860,640,000	802
IV Retained earnings carried forward	134,528,822		127,733,689	

## Rental Revenue and Expenses

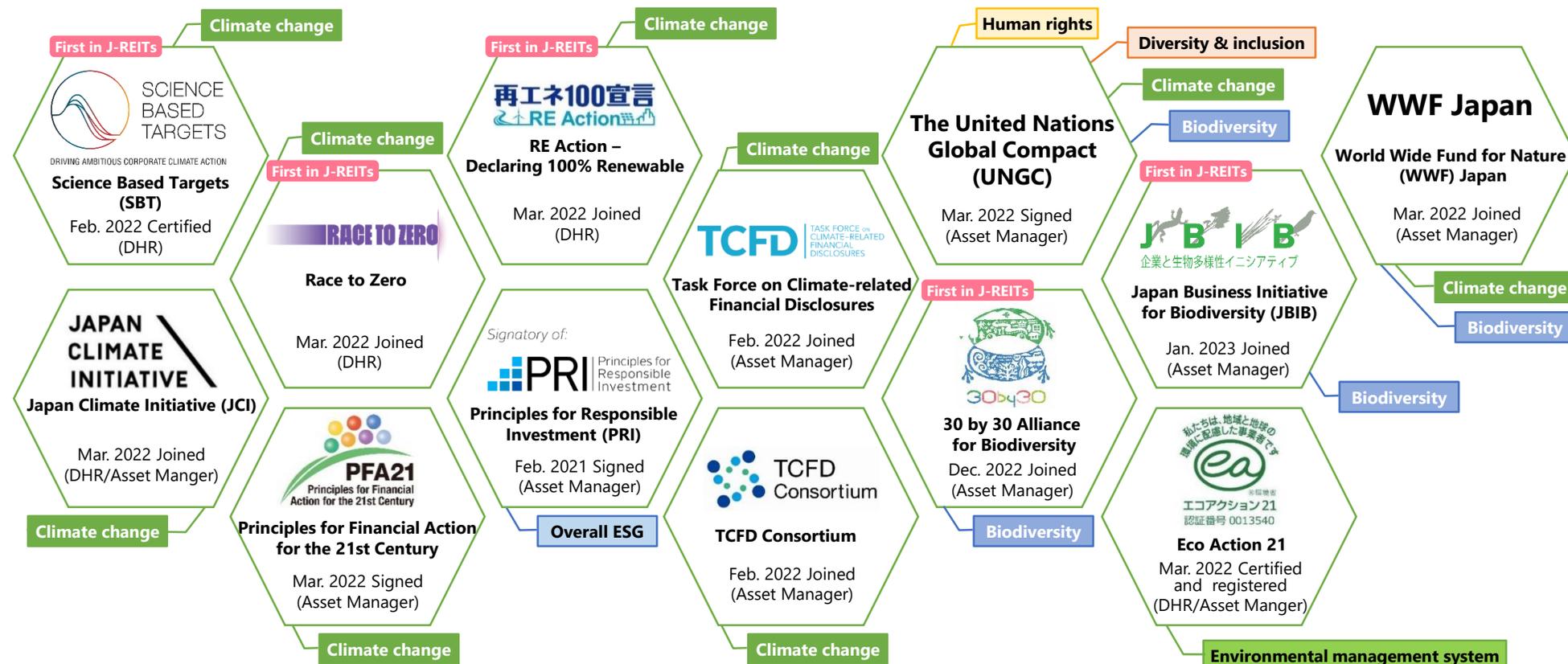
	(thousand yen)	
	Period ended Feb. 2023	Period ended Aug. 2023
A. Real estate rental revenue		
Rental revenue		
Rent	27,603,668	27,644,645
Common area charges	564,179	562,679
<b>Total rental revenue</b>	<b>28,167,848</b>	<b>28,207,324</b>
Other rental revenue		
Facility charges	482,648	479,529
Incidental revenue	571,765	562,263
Other	267,476	321,696
<b>Total other rental revenue</b>	<b>1,321,890</b>	<b>1,363,489</b>
<b>Total real estate rental revenue</b>	<b>29,489,738</b>	<b>29,570,814</b>
B. Real estate rental expenses		
Rental expenses		
Management fees	1,493,274	1,559,184
Utilities	698,672	635,792
Taxes and public dues	2,395,903	2,422,910
Repairs and maintenance expenses	1,021,773	1,177,408
Restoration costs	240,089	258,696
Insurance expenses	53,899	54,805
Custodian fees	61,602	67,738
Depreciation	5,625,660	5,602,550
Other operating expenses	692,711	730,626
<b>Total real estate rental expenses</b>	<b>12,283,588</b>	<b>12,509,714</b>
<b>C. Income from real estate rental business (A-B)</b>	<b>17,206,150</b>	<b>17,061,100</b>

## Initiative Support and Participation Policy

Most important social issues

- Climate change
- Human rights
- Diversity and inclusion
- Biodiversity

We have signed and joined the initiatives listed on this page.  
By joining the initiatives related to the above, we will continue to actively work on solving social issues.



(Note) "DHR" and "Asset Manager" represent Daiwa House REIT Investment Corporation and Daiwa House Asset Management Co., Ltd., respectively.

# ESG Initiatives (1)-1 Environmental Initiatives

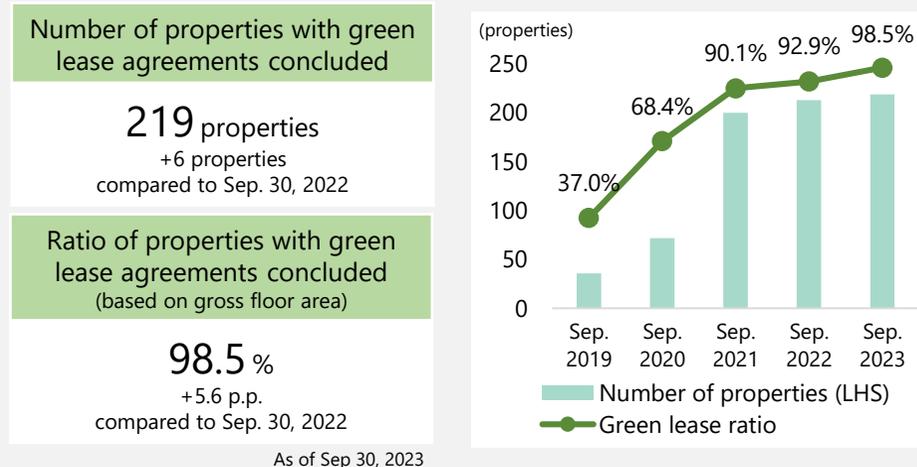
## Promotion of Environmental Certification

- Improved the ratio of properties with environmental certification



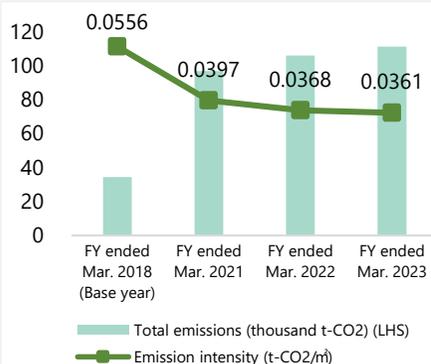
## Promotion of Green Lease Agreement

- Implemented initiatives to reduce environmental burden in cooperation with tenants

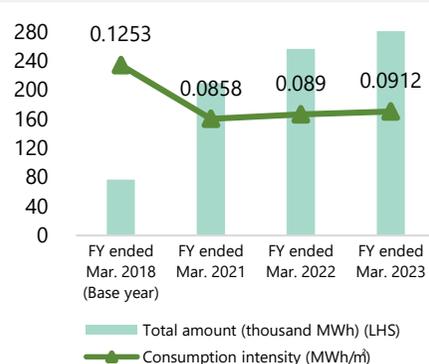


## Improvement in Environmental Performance

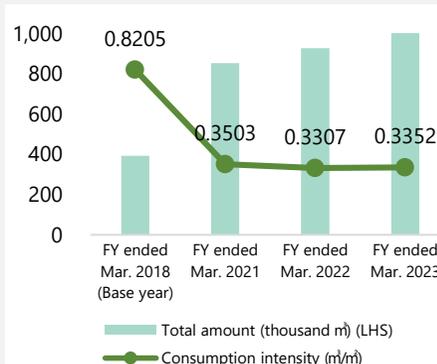
- GHG emissions



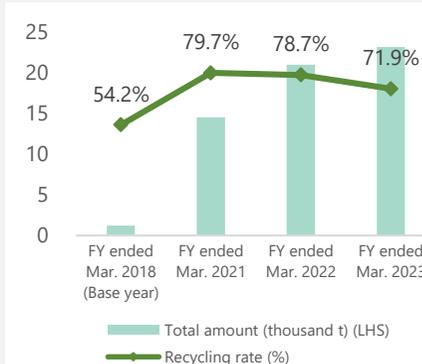
- Energy consumption



- Water consumption



- Waste management (recycling rate)



(Note) The aggregation period is from every April to the following March. Calculated using only DHR's properties for which the requisite data are available. Intensity is calculated by dividing total amount of electricity usage and CO<sub>2</sub> emissions by intensity denominator (gross floor area (m<sup>2</sup>)).

# ESG Initiatives (1)-2 Environmental Initiatives

## Promotion of Environmental Certification

DBJ Green Building CASBEE for Real Estate



BELS



ZEB



LEED



JHEP



ABINC



20 properties	38 properties	56 properties	8 properties	1 property	1 property	1 property
★★★★★ 7 properties	<b>S</b> 21 properties	★★★★★ 14 properties	<b>"ZEB"</b> 1 property	<b>Certified</b> 1 property	<b>A</b> 1 property	1 property
★★★★ 6 properties	<b>A</b> 16 properties	★★★★ 10 properties	<b>ZEB Ready</b> 7 properties			
★★★ 7 properties	<b>B+</b> 1 property	★★★ 9 properties				
		★★ 16 properties				
		★ 7 properties				

As of Oct. 2, 2023

## Acquisition of Property with Environmental Certification (D Project Kadoma I)

- Raised part of acquisition funds through **green loans** as the property is a eligible green asset that meets eligibility criteria



この建物のエネルギー消費量 **37%**削減  
2022年7月25日交付 国土交通省告示に基づく第三者認証

D Project Kadoma I



- Installation of solar panels

- Supply of electricity generated at solar panels installed on the entire rooftop (consumption by the tenant)



## Obtainment of New Environmental Certifications in Aug. 2023 (9 existing properties)

S	D Project Kuki IV	D Project Urayasu III	FOLEO Ome Imai	Sports Depo and GOLF5 Kokurahigashi IC Store
A	Castalia Takanawa	Castalia Nakameguro	Royal Parks Namba	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store
B+	Qiz Ebisu			

## Social Contribution

- ◆ Conclusion of “Agreement on Cooperation in Providing Parking Space in the Event of Disasters” with Ome City (FOLEO Ome Imai)
  - Parking space of the property for 70 vehicles will be provided to local residents for free in the event of disasters (linear rainbands, typhoons, and other heavy rainfalls) within the area of Ome City, as a designated emergency evacuation site for vehicles of the local residents
  - DHR aims to contribute to local communities by collaborating with the local government on storm and flood damage countermeasures, as the property is outside the expected flood zone in the event of storm and flood damage and suitable as an emergency evacuation site



From left (honorific titles are omitted), Keiichi Hamanaka, Mayor of Ome City  
Koichi Tsuchida, President and CEO of the Asset Manager



FOLEO Ome Imai

- ◆ Installment of emergency supply storage box and disaster prevention supplies in elevators (at 39 residential properties including Castalia Yakuin, GRANODE Hiroshima and FOLEO Ome Imai)

- Enables people to wait for rescue without impairing their health when they are trapped in the elevators for long hours during an earthquake
- Portable toilets, water, emergency cookies, multifunctional radio lights, and whistles are stocked as emergency supplies



Emergency supply storage box in the elevator at Castalia Yakuin



Emergency supplies in the storage box

## Initiatives for Investors

- ◆ Issued “Sustainability Report 2023” and updated ESG Website in Aug. 2023



Sustainability Report 2023



ESG Website

<https://www.daiwahouse-reit.co.jp/en/sustainability/>

## Initiatives for Employees of the Asset Manager (from Oct. 2023)

- ◆ Introduction of Wellness Leave System
  - From a perspective of diversity, the Asset Manager changed the name and content of the former menstrual leave so that both male and female employees can take the leave

Applicable scope (no need to specify when applying for leave)	Maximum days
<ul style="list-style-type: none"> <li>• Menstrual leave (*1)</li> <li>• Secondary health checkups and gynecological checkups</li> <li>• Vaccination</li> </ul>	15 days / year (paid leave) (*2)
<ul style="list-style-type: none"> <li>• Fertility treatments</li> </ul>	

\*1 Periods or hours in excess of the maximum days may be taken as unpaid leave.

\*2 Granted in addition to annual leave.

- ◆ Introduction of Flexible Working Hours

- Start and finish time is set in a range from 7:30 to 21:00 on a daily basis
- Working hours per day are set at a minimum of 1 hour and a maximum of 12.5 hours (core time is not set)
- To support flexible working styles, optional break (the time taken to temporarily leave work and return to work again during scheduled working hours) can be taken

## Health and Productivity Management of the Asset Manager

### Health and productivity management initiatives

- Certified as one of the "Bright 500," the top 500 corporations among the "Health & Productivity Management Outstanding Organizations (SME category)" for the first time



Source: "Promotion of Health and Productivity Management (Jun. 2022)", Healthcare Industries Division, Ministry of Economy, Trade and Industry

### Major health indicators for officers and employees of the Asset Manager

	2020	2021	2022	KPI
Regular health checkup rate	100%	100%	100%	100%
Specific health guidance consultation rate (*1)	100%	NA	100%	100%
Smoking rate	18%	10%	9%	8%
Exercise habit rate (*2)	29%	19%	20%	30%
Moderate drinking rate (*3)	51%	62%	51%	65%
Percentage of people who get enough sleep	76%	85%	77%	85%

\*1 Specific health guidance consultation rate: Percentage of people who have completed specific health consultation based on the results of health checkups.

\*2 Exercise habit rate: Percentage of people who exercise at least twice a week for 30 minutes or more for one year or more.

\*3 Moderate drinking rate: Percentage of people who drink less than one alcoholic beverage (appropriate amount) per drinking day.

## HR Development of the Asset Manager (FY ended Mar. 2023)

### 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

### Training for directors and employees

Number of training sessions 38

### Diversity

Female employees 38%

As of Apr. 1, 2023

### Work-life balance

Average overtime work 16 hours/month  
 Paid leave taken 72%  
 Number of employees who took childcare leave / granny leave 10  
 Number of employees who took family care leave 12

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

• ARES certified master	33	• Certified building manager	9
• Real estate transaction agent	64	• CASBEE accredited professional for building	2
• Real estate appraiser	2	• CASBEE accredited professional for real estate	4
• First-class architect	2		
• Certified real estate consulting master	8		

Number of officers and employees as of Mar. 31, 2023: 72

# ESG Initiatives (3) Governance Initiatives

## Introduction of Sustainability Index-linked Fees

First initiative in J-REITs

- ◆ Asset management fee (applied from Mar. 2022)
  - Linked to (1) GHG emissions reduction ratio, (2) GRESB rating, and (3) CDP score

<b>AM fee I</b> (linked to assets)	Total assets x 0.18% <sup>(Note 1)</sup>
<b>AM fee II</b> (linked to NOI)	NOI x 4.5% <sup>(Note 1)</sup>
<b>AM fee III</b> (linked to sustainability indices)	(1) Total assets X 0.008% X <b>Reduction in GHG emissions</b> <sup>(Note 2)</sup>
	(2) Total assets X 0.002% X <b>GRESB rating</b> <sup>(Note 3)</sup>
	(3) Total assets X 0.002% X <b>CDP score</b> <sup>(Note 4)</sup>

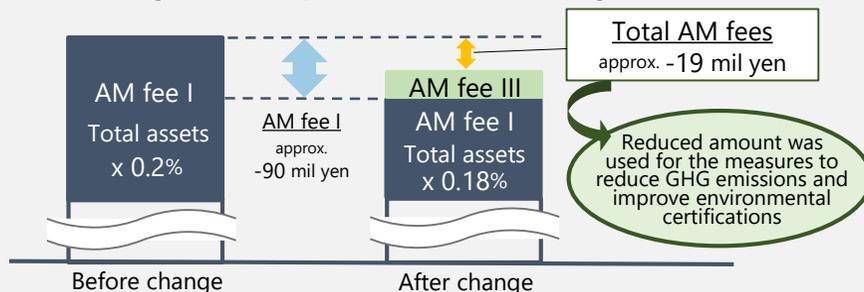
(Note 1) The upper limit is 0.4% for the asset management fee I and 5.0% for the asset management fee II.

(Note 2) The upper limit is 0.012% for the index (1) of asset management fee III.

(Note 3) The upper limit is 0.004% for the index (2) of asset management fee III.

(Note 4) The upper limit is 0.004% for the index (3) of asset management fee III.

- AM fees in Aug. 2023 (comparison with before change)



- ◆ Remuneration for Directors of the Asset Manager (applied from Apr. 2022)
  - Linked to (1) GRESB rating, (2) CDP score, and (3) status of compliance with environmental laws

## Attendance at Board of Directors Meetings (Aug. 2023)

- ◆ Remuneration for Executive Director (applied from Mar. 2022)
  - Linked to (1) GHG emissions reduction ratio, (2) GRESB rating, and (3) CDP score
  - Due to improvement in (2) GRESB rating (from "4 Stars" to "5 Stars") and (3) CDP score (from "A-" to "A")

remuneration changed from 400 thousand yen → to 420 thousand yen per month (Feb. 2022 period) (Mar. 2023 onwards)

Title	Name	Remuneration (thousand yen)	Attendance at the board meetings
Executive Director	Toshiharu Asada	2,520	100% (6 out of 6)
Supervisory Director	Hiroshi Ishikawa	2,100	100% (6 out of 6)
	Junko Kogayu	2,100	100% (6 out of 6)

## Same Boat Investment by Daiwa House

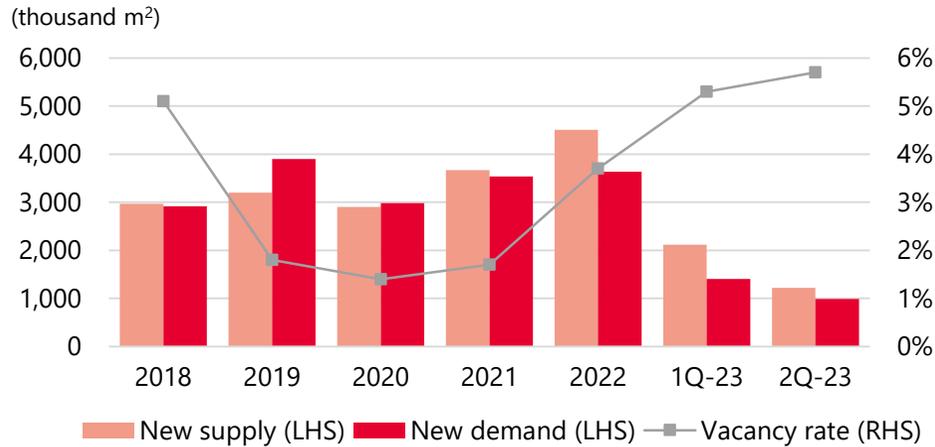
- ◆ Investment in DHR units (same boat investment)
  - Daiwa House announced its intention to continue to hold investment units of DHR after the secondary offering in order to align interests between our unitholders and Daiwa House

Daiwa House's investment in DHR(*) (% of ownership)	91,200 units (3.9%)
--	------------------------

(\*) Number of investment units owned after the secondary offering

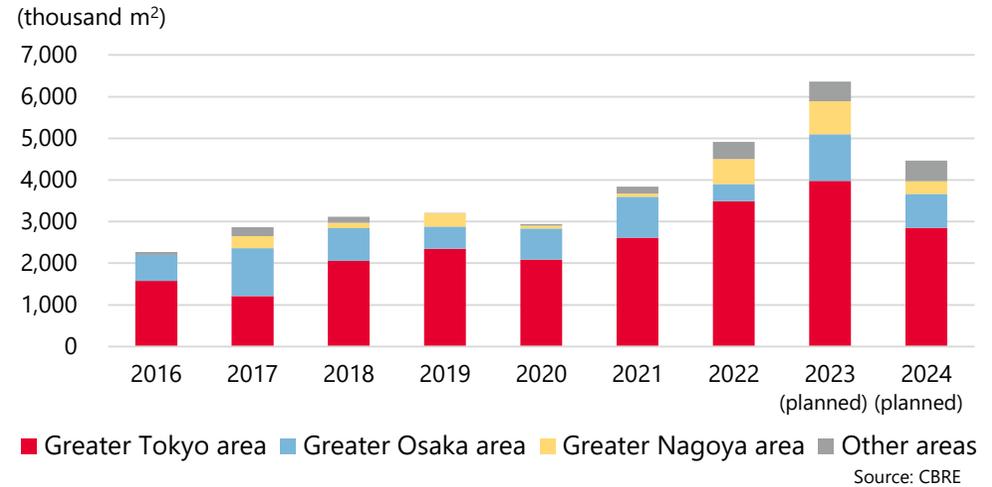
# Market Environment for Logistics Properties

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



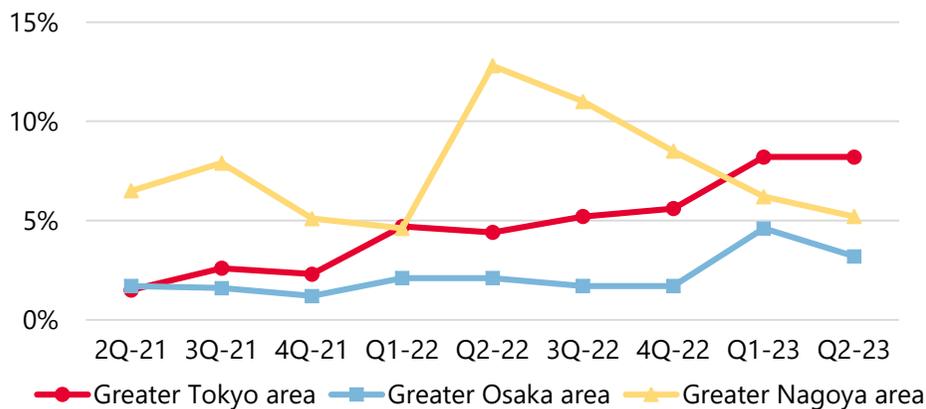
Source: CBRE

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



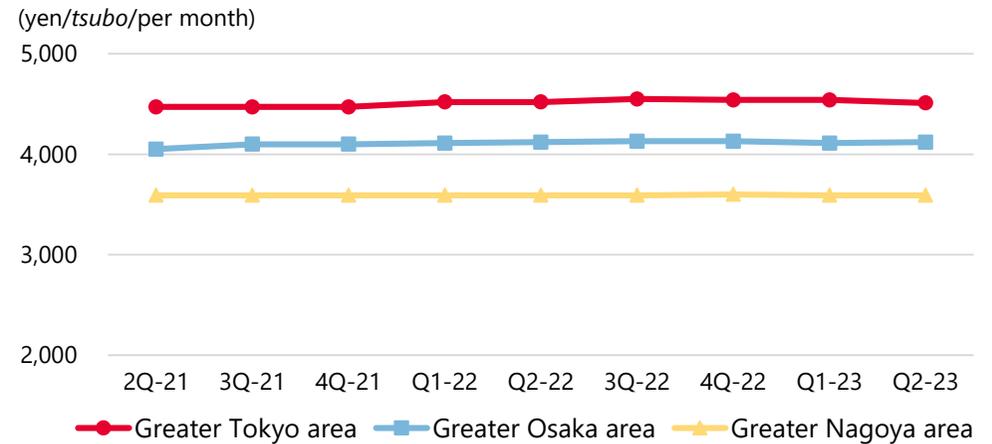
Source: CBRE

## Vacancy Rate of Large Multi-Tenant Logistics Properties



Source: CBRE

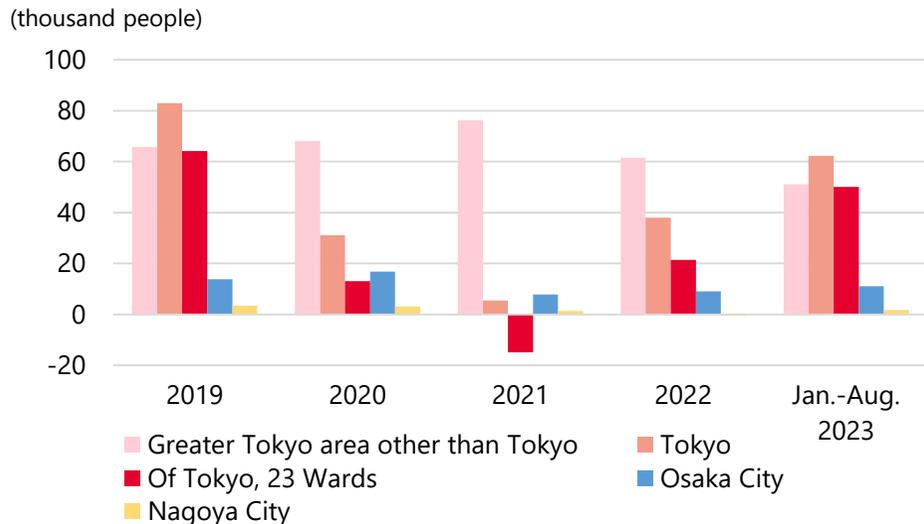
## Effective Rent Index of Large Multi-Tenant Logistics Properties



Source: CBRE

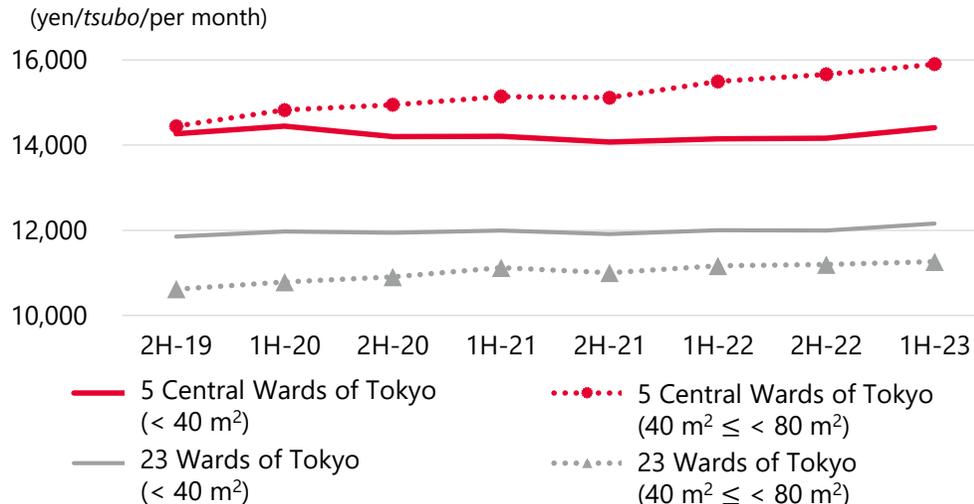
# Market Environment for Residential, Retail and Hotel Properties Daiwa House REIT Investment Corporation

## Net Population Inflow of All Nationalities by Area



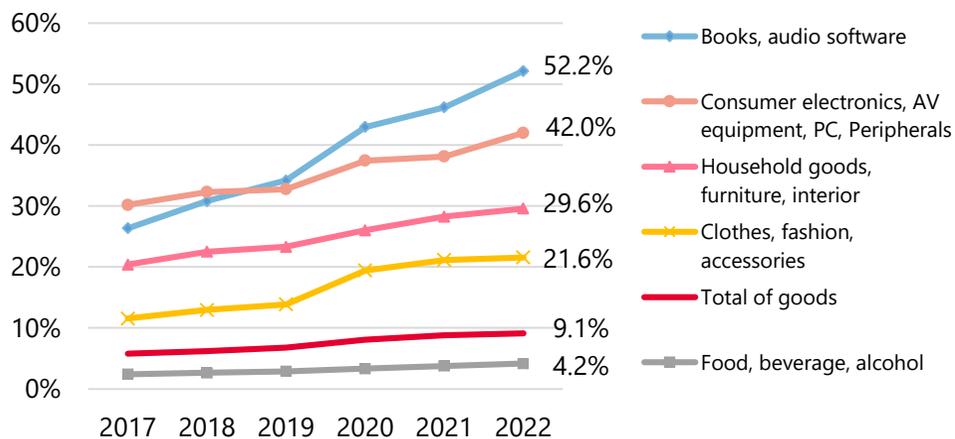
Source: "Report on Internal Migration", Statistics Bureau, Ministry of Internal Affairs and Communications

## Rent Per Tsubo for Condominiums in 23 Wards of Tokyo



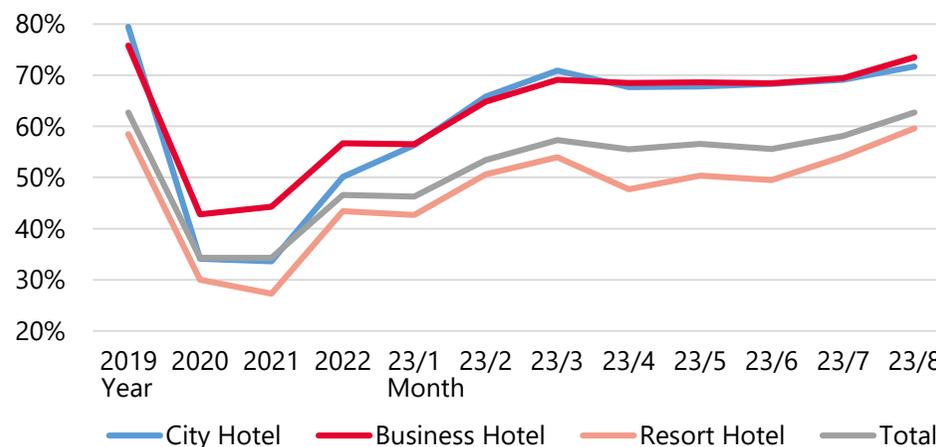
Source: Compiled by the Asset Manager from data published by Japan Real Estate Institute in "Housing Market Index".

## BtoC E-Commerce Ratio by Category of Goods



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

## Guest Room Occupancy Rate of Accommodation Facilities



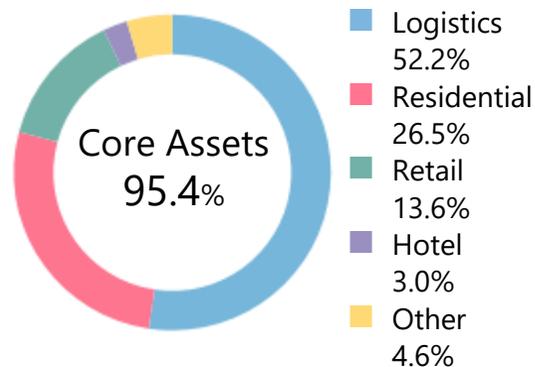
Source: "Accommodation Survey", Japan Tourism Agency

# Portfolio Summary (as of October 2, 2023)

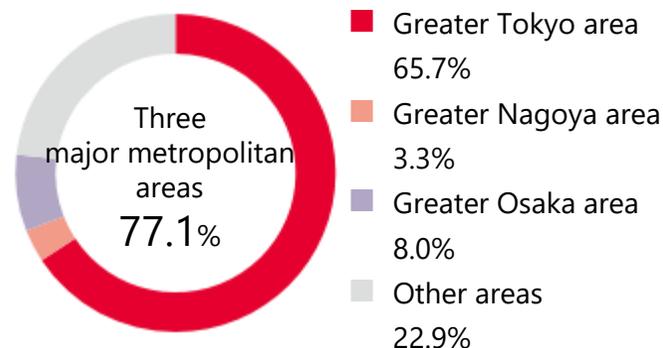
	Portfolio	Logistics	Residential	Retail	Hotel	Other
Acquisition price	905,783 mil yen	473,241 mil yen	240,323 mil yen	123,219 mil yen	27,340 mil yen	41,660 mil yen
Number of properties	232 properties	67 properties	129 properties	23 properties	7 properties	6 properties
NOI yield <sup>(Note)</sup> (adjusted for property taxes)	5.0 %	4.9 %	5.2 %	5.3 %	4.0 %	5.3 %
NOI yield after depreciation <sup>(Note)</sup> (adjusted for property taxes)	3.8 %	3.7 %	3.6 %	4.3 %	2.9 %	3.9 %
Average property age	12.8 years	10.5 years	17.6 years	15.6 years	9.3 years	6.6 years
Occupancy rate	99.6 %	100.0 %	97.8 %	99.8 %	100.0 %	99.2 %
Area breakdown	Greater Tokyo 65.7 % Greater Nagoya 3.3 % Greater Osaka 8.0 % Other 22.9 %	Greater Tokyo 71.7 % Greater Nagoya 3.4 % Greater Osaka 5.6 % Other 19.2 %	Greater Tokyo 86.0 % Greater Nagoya 2.8 % Greater Osaka 9.0 % Other 2.1 %	Greater Tokyo 26.5 % Greater Nagoya 1.9 % Greater Osaka 18.8 % Other 52.8 %	Greater Tokyo 47.7 % Greater Nagoya 16.5 % Greater Osaka 5.4 % Other 30.5 %	Greater Tokyo 8.2 % Other 91.8 %

(Note) NOI yield and NOI yield after depreciation are based on annualized NOI (adjusted for property taxes to be expensed) for the period ended Aug. 2023 and appraisal NOI of the properties acquired in Sep. and Oct. 2023. Occupancy rate is as of Aug. 31, 2023. As for the acquisitions in Sep. and Oct. 2023, occupancy rate is as of each acquisition date.

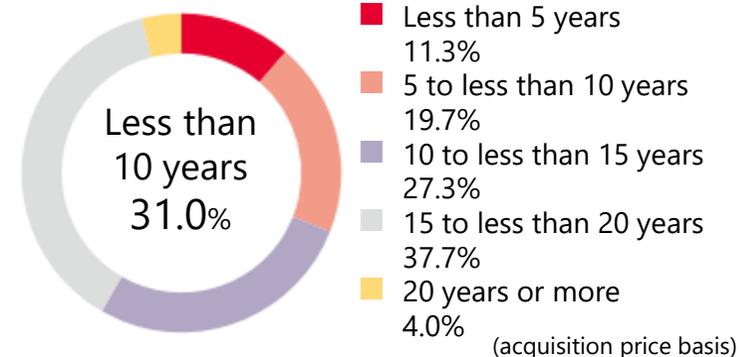
## Portfolio by Asset Class



## Portfolio by Area



## Portfolio by Property Age



# Portfolio List (1)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)	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	1.0%	50,490.39	100.0%	LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.3%	13,521.56	100.0%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	1.7%	62,394.17	100.0%	LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	0.7%	39,341.44	100.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.4%	14,240.84	100.0%	LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.4%	19,004.72	100.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.0%	36,515.81	100.0%	LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.2%	13,012.50	100.0%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	2.9%	72,320.01	100.0%	LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	5,600	0.6%	24,684.47	100.0%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.3%	11,663.39	100.0%	LB-048	D Project Kuki VII	Kuki City, Saitama	1,040	0.1%	3,225.46	100.0%
LB-008	D Project Noda	Noda City, Chiba	6,210	0.7%	29,232.53	100.0%	LB-049	D Project Chibakita	Chiba City, Chiba	7,640	0.8%	24,368.86	100.0%
LB-009	D Project Inuyama	Inuyama City, Aichi	10,790	1.2%	54,197.80	100.0%	LB-050	D Project Matsudo II	Matsudo City, Chiba	8,200	0.9%	25,305.82	100.0%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	0.7%	11,151.51	100.0%	LB-051	D Project Tomisato II	Tomisato City, Chiba	6,900	0.8%	40,870.56	100.0%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.1%	9,558.32	100.0%	LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	3,600	0.4%	22,485.08	100.0%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.4%	17,448.86	100.0%	LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	7,300	0.8%	39,580.46	100.0%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.5%	24,729.56	100.0%	LB-054	D Project Kaminokawa	Kawachi District, Tochigi	7,900	0.9%	52,239.75	100.0%
LB-019	D Project Tosu	Tosu City, Saga	5,740	0.6%	17,858.01	100.0%	LB-055	D Project Fuji	Fuji City, Shizuoka	3,600	0.4%	23,795.40	100.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.4%	22,708.72	100.0%	LB-056	D Project Tosu III	Tosu City, Saga	9,200	1.0%	65,215.07	100.0%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	0.9%	50,498.00	100.0%	LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	4,300	0.5%	16,523.82	100.0%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.4%	16,150.88	100.0%	LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	5,700	0.6%	21,402.20	100.0%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.5%	19,872.00	100.0%	LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	7,300	0.8%	26,275.05	100.0%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.4%	21,628.50	100.0%	LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	12,300	1.4%	33,763.46	100.0%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.5%	34,710.80	100.0%	LB-061	D Project Sagamihara	Sagamihara City, Kanagawa	3,900	0.4%	16,599.30	100.0%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	0.8%	26,937.41	100.0%	LB-062	D Project Kuki VIII	Kuki City, Saitama	6,100	0.7%	29,410.54	100.0%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.6%	26,460.00	100.0%	LB-063	D Project Yokkaichi	Yokkaichi City, Mie	1,490	0.2%	6,185.46	100.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	0.9%	47,320.89	100.0%	LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	4,050	0.4%	24,493.54	100.0%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.6%	29,244.66	100.0%	LB-065	D Project Wako A	Wako City, Saitama	10,750	1.2%	39,258.06	100.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	0.7%	21,965.04	100.0%	LB-066	D Project Hiratsuka	Hiratsuka City, Kanagawa	15,200	1.7%	65,272.52	100.0%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.1%	39,584.80	100.0%	LB-067	D Project Kadoma I	Kadoma City, Osaka	3,120	0.3%	12,194.39	100.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	0.8%	26,776.67	100.0%	LM-001	DPL Misato	Misato City, Saitama	16,831	1.9%	55,864.47	100.0%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.2%	23,933.75	100.0%	LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	13,300	1.5%	73,757.39	100.0%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.1%	4,481.00	100.0%	LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	3,510	0.4%	26,672.98	100.0%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	0.8%	39,572.32	100.0%	LM-004	DPL Nagareyama I	Nagareyama City, Chiba	32,600	3.6%	124,489.93	100.0%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.4%	18,437.60	100.0%	LM-005	DPL Shin-Narashino	Narashino City, Chiba	5,930	0.7%	12,686.30	100.0%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	0.9%	39,441.32	100.0%	LM-006	DPL Nagareyama III	Nagareyama City, Chiba	32,000	3.5%	106,859.16	100.0%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.6%	36,113.25	100.0%							
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.4%	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	0.2%	14,106.91	100.0%							
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.2%	15,668.44	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)	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	0.8%	5,230.39	96.6%	RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.3%	3,494.42	98.3%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.5%	3,492.93	95.5%	RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.3%	4,602.95	96.6%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.3%	2,707.51	94.9%	RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	0.8%	10,408.26	97.4%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.3%	2,226.42	93.8%	RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.4%	6,442.28	99.1%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.2%	1,621.59	96.4%	RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.3%	3,150.80	100.0%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.1%	1,458.73	93.4%	RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.1%	1,546.34	100.0%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.3%	2,969.57	94.6%	RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	0.8%	16,849.50	96.5%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.3%	2,400.00	95.9%	RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.2%	3,077.05	96.5%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.3%	2,094.58	90.5%	RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.2%	2,339.42	89.1%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.2%	1,917.62	98.5%	RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%	1,659.71	88.9%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.2%	1,817.56	97.2%	RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.5%	4,967.97	96.6%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%	1,123.80	100.0%	RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%	863.70	100.0%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.2%	2,779.77	100.0%	RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.1%	1,542.30	94.8%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.2%	2,559.21	100.0%	RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.2%	1,380.35	100.0%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%	1,898.47	100.0%	RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.2%	1,871.70	93.3%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.1%	1,940.94	97.1%	RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.1%	1,168.18	94.1%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.1%	1,858.34	100.0%	RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.1%	1,414.73	100.0%
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.1%	1,444.52	97.7%	RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.1%	1,784.50	100.0%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%	1,244.54	97.3%	RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.1%	1,472.47	95.6%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.1%	1,225.26	95.1%	RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.1%	1,658.90	96.2%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%	811.95	100.0%	RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.3%	3,644.35	96.0%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%	803.03	95.8%	RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.1%	1,624.06	98.6%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%	957.60	100.0%	RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	0.8%	12,732.35	96.7%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.1%	1,747.90	95.0%	RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%	1,276.91	100.0%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.1%	1,826.80	100.0%	RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.2%	2,014.12	100.0%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.1%	1,308.38	100.0%	RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.1%	2,255.88	100.0%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%	2,117.46	98.8%	RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%	1,220.16	93.4%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.1%	1,628.80	100.0%	RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	503	0.1%	887.94	100.0%
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	675	0.1%	972.51	95.6%	RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	198	0.0%	414.45	60.6%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.3%	3,594.16	100.0%	RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.1%	1,383.90	97.8%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.1%	1,147.44	100.0%	RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.1%	1,425.43	95.7%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%	1,105.20	100.0%	RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%	1,537.84	92.5%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%	668.79	100.0%	RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%	1,415.15	100.0%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.0%	681.00	100.0%	RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.3%	4,197.66	98.4%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.1%	1,567.84	94.3%	RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%	1,275.60	97.6%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%	882.67	94.2%	RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.2%	2,406.41	97.3%

# Portfolio List (3)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)	Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	533	0.1%	857.32	100.0%	RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.2%	3,471.39	92.8%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.1%	1,613.86	97.7%	RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%	3,279.90	99.2%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.1%	1,472.38	91.0%	RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.5%	10,920.75	99.4%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.1%	1,362.60	95.3%	RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.1%	2,836.00	89.3%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.2%	3,038.98	100.0%	RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.1%	3,061.60	100.0%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.1%	1,785.24	97.7%	RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.4%	8,747.40	96.2%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.1%	1,994.93	100.0%	RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.1%	3,071.60	92.8%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.2%	2,421.82	96.8%	RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%	1,684.10	98.2%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	0.8%	18,112.03	100.0%	RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.1%	2,800.32	93.8%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.2%	2,629.59	97.4%	RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%	2,149.08	98.6%
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,181	0.1%	1,413.75	100.0%	RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.2%	5,415.39	97.2%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.2%	2,046.36	100.0%	RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.3%	6,230.20	95.6%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.2%	2,640.86	100.0%	RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.2%	7,022.69	93.7%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.2%	3,797.92	98.4%	RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.1%	2,784.83	97.5%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.3%	2,818.70	96.3%	RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.1%	2,828.39	95.1%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.4%	3,166.71	93.9%	RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.1%	4,471.11	96.4%
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,030	0.2%	2,123.77	94.0%	RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.3%	10,354.15	100.0%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.2%	1,961.52	88.8%	RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.2%	5,086.69	95.5%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.2%	2,004.80	95.0%	RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.1%	2,035.37	97.5%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.1%	1,278.52	94.3%	RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.2%	2,897.06	99.0%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.5%	17,269.74	100.0%	RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.2%	6,828.78	100.0%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.2%	2,224.41	97.7%	RE-143	Castalia Shinsakae II	Nagoya City, Aichi	1,800	0.2%	4,425.46	100.0%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.2%	4,208.83	100.0%	RE-144	Castalia Sumiyoshi II	Koto Ward, Tokyo	1,420	0.2%	1,687.89	97.2%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%	1,452.09	100.0%	RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	0.9%	41,742.84	100.0%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%	1,552.01	96.6%	RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.5%	16,385.56	94.3%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%	1,597.32	98.8%	RM-003	QiZ GATE URAWA	Saitama City, Saitama	4,270	0.5%	9,720.49	100.0%
RE-105	Castalia Nogeyama	Yokohama City, Kanagawa	325	0.0%	744.90	93.3%	RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.3%	9,277.08	100.0%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%	876.89	100.0%	RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.4%	24,018.00	100.0%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.6%	18,153.57	100.0%	RM-006	DREAM TOWN ALi	Aomori City, Aomori	8,100	0.9%	22,196.81	99.7%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.2%	2,179.80	94.4%	RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	1,600	0.2%	11,207.90	100.0%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.5%	21,367.93	100.0%	RM-008	FOLEO Ome Imai	Ome City, Tokyo	3,800	0.4%	8,637.91	100.0%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.0%	26,294.49	100.0%	RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	8,100	0.9%	62,917.73	100.0%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.2%	3,009.74	100.0%	RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	3,200	0.4%	23,230.77	100.0%
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	1,060	0.1%	3,808.97	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	34,120	3.8%	138,900.39	100.0%
							RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.2%	2,973.44	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)
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	0.8%	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 Kukurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.2%	8,899.89	100.0%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	0.6%	28,002.92	100.0%
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	4,500	0.5%	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	0.6%	19,104.17	100.0%
RR-009	Hapias Kaita (Land)	Aki District, Hiroshima	1,400	0.2%	13,415.52	100.0%
RU-001	COMBOX310	Mito City, Ibaraki	4,480	0.5%	30,517.69	100.0%
RU-002	Sports Plaza Ibaraki	Ibaraki City, Osaka	2,689	0.3%	9,470.27	100.0%
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	4,800	0.5%	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	0.5%	7,605.41	100.0%
HO-004	AMANEK Kanazawa	Kanazawa City, Ishikawa	5,200	0.6%	7,011.58	100.0%
HO-005	Candeo Hotels Nagasaki Shinchi Chinatown	Nagasaki City, Nagasaki	3,140	0.3%	6,770.65	100.0%
HO-006	MIMARU Tokyo Akasaka	Minato Ward, Tokyo	3,116	0.3%	1,909.44	100.0%
HO-007	MIMARU Tokyo Hatchobori	Chuo Ward, Tokyo	5,114	0.6%	3,665.15	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	0.8%	13,480.00	100.0%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.2%	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%
OT-006	GRANODE Hiroshima	Hiroshima City, Hiroshima	28,800	3.2%	29,915.08	98.6%

Asset class	Number of properties	Acquisition price (mil yen)	Investment ratio	Leasable area (m <sup>2</sup> )	Occupancy rate (Note)
Logistics Properties	67 properties	473,241	52.2%	2,107,503.61	100.0%
Residential Properties	129 properties	240,323	26.5%	444,613.52	97.8%
Retail Properties	23 properties	123,219	13.6%	571,008.21	99.8%
Hotel Properties	7 properties	27,340	3.0%	37,531.78	100.0%
Other Assets	6 properties	41,660	4.6%	55,884.23	99.2%
Portfolio Total	232 properties	905,783	100.0%	3,216,541.35	99.6%

(Note) Occupancy rate is as of Aug. 31, 2023 for each property and as of each acquisition date for the acquisitions in Sep. and Oct. 2023 (D Project Kadoma I and MIMARU Tokyo Hatchobori). Asset class subtotals and portfolio total include the acquisitions in Sep. and Oct. 2023.

## Monthly Occupancy Rate



# Appraisal Value Comparison (1)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			Feb. 2023			Aug. 2023			Change					
					Appraisal value			Direct cap			DCF			Direct cap			DCF		
					Feb. 2023	Aug. 2023	Change	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
LB-001	D Project Machida	9,200	9,048	2,451	11,100	11,500	400	3.8	3.7/3.8	4.0	3.7	3.6/3.7	3.9	-0.1	-0.1	-0.1			
LB-002	D Project Hachioji	15,400	14,558	4,541	18,700	19,100	400	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1			
LB-003	D Project Aikawa-Machi	3,390	3,589	1,260	4,730	4,850	120	4.2	4.2/4.4	4.4	4.1	4.1/4.3	4.3	-0.1	-0.1	-0.1			
LB-005	D Project Urayasu I	9,280	9,077	1,722	10,600	10,800	200	3.6	3.7	3.8	3.5	3.6	3.7	-0.1	-0.1	-0.1			
LB-006	D Project Urayasu II	26,000	25,240	5,759	29,600	31,000	1,400	3.6	3.6/3.7	3.8	3.5	3.5/3.6	3.7	-0.1	-0.1	-0.1			
LB-007	D Project Akanehama	2,950	2,907	442	3,280	3,350	70	4.0	4.1	4.2	3.9	4.0	4.1	-0.1	-0.1	-0.1			
LB-008	D Project Noda	6,210	5,976	1,373	7,210	7,350	140	4.1	4.0/4.1	4.3	4.0	3.9/4.0	4.2	-0.1	-0.1	-0.1			
LB-009	D Project Inuyama	10,790	10,025	3,094	12,800	13,120	320	4.3	4.2/4.3	4.5	4.2	4.1/4.2	4.4	-0.1	-0.1	-0.1			
LB-011	D Project Neyagawa	5,980	5,640	1,609	7,080	7,250	170	4.0	4.0/4.1	4.2	3.9	3.9/4.0	4.1	-0.1	-0.1	-0.1			
LB-013	D Project Morioka	1,200	1,159	50	1,200	1,210	10	6.0	5.9	6.2	6.0	5.9	6.2	0.0	0.0	0.0			
LB-015	D Project Tsuchiura	3,390	3,057	872	3,840	3,930	90	4.7	4.6/4.7	4.9	4.6	4.5/4.6	4.8	-0.1	-0.1	-0.1			
LB-018	D Project Fukuoka Umi	4,240	3,957	1,502	5,420	5,460	40	4.4	4.1/4.2/ 4.3	4.6	4.3	4.0/4.1/ 4.2	4.5	-0.1	-0.1	-0.1			
LB-019	D Project Tosu	5,740	5,118	1,771	6,740	6,890	150	4.5	4.5/4.6	4.7	4.4	4.4/4.5	4.6	-0.1	-0.1	-0.1			
LB-020	D Project Kuki I	3,900	3,620	1,379	4,890	5,000	110	4.1	4.1/4.2	4.3	4.0	4.0/4.1	4.2	-0.1	-0.1	-0.1			
LB-021	D Project Kuki II	8,120	7,401	2,228	9,900	9,630	-270	4.1	4.2	4.3	4.0	4.0/4.1	4.2	-0.1	-0.1	-0.1			
LB-022	D Project Kawagoe I	3,530	3,302	1,127	4,320	4,430	110	4.1	4.1/4.2	4.3	4.0	4.0/4.1	4.2	-0.1	-0.1	-0.1			
LB-023	D Project Kawagoe II	4,850	4,546	1,613	6,010	6,160	150	4.1	4.1/4.2	4.3	4.0	4.0/4.1	4.2	-0.1	-0.1	-0.1			
LB-024	DPL Inuyama	3,940	3,634	1,075	4,620	4,710	90	4.3	4.2/4.3	4.5	4.2	4.1/4.2	4.4	-0.1	-0.1	-0.1			
LB-025	D Project Fukuoka Hakozaki	4,340	4,048	1,141	5,070	5,190	120	4.1	4.0/4.2	4.3	4.0	3.9/4.1	4.2	-0.1	-0.1	-0.1			
LB-026	D Project Kuki III	7,630	7,029	2,490	9,270	9,520	250	4.1	4.2	4.3	4.0	4.1	4.2	-0.1	-0.1	-0.1			
LB-027	D Project Kuki IV	5,520	5,058	1,811	6,720	6,870	150	4.1	4.1/4.2	4.3	4.0	4.0/4.1	4.2	-0.1	-0.1	-0.1			
LB-028	D Project Kuki V	8,280	7,634	4,465	11,800	12,100	300	4.1	4.0/4.2	4.3	4.0	3.9/4.1	4.2	-0.1	-0.1	-0.1			
LB-029	D Project Kuki VI	5,140	4,679	2,230	6,240	6,910	670	4.1	4.1/4.2	4.3	4.0	3.9/4.1	4.2	-0.1	-0.1	-0.1			
LB-030	D Project Yashio	6,400	6,137	1,222	7,220	7,360	140	4.1	3.6	4.4	4.0	3.5	4.3	-0.1	-0.1	-0.1			
LB-031	D Project Nishiyodogawa	10,300	9,447	3,252	12,400	12,700	300	4.3	4.0	4.5	4.2	3.9	4.4	-0.1	-0.1	-0.1			
LB-032	D Project Matsudo	7,370	6,943	1,616	8,480	8,560	80	4.0	3.7	4.1	3.9	3.6	4.0	-0.1	-0.1	-0.1			
LB-033	D Project Hibiki Nada	2,080	1,887	442	2,290	2,330	40	5.2	5.1/5.3	5.4	5.1	5.0/5.2	5.3	-0.1	-0.1	-0.1			
LB-034	D Project Morioka II	1,280	1,172	147	1,320	1,320	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			
LB-035	D Project Kawagoe III	7,200	6,722	2,297	8,800	9,020	220	4.0	4.0/4.1	4.2	3.9	3.9/4.0	4.1	-0.1	-0.1	-0.1			
LB-036	D Project Kazo	3,300	3,105	974	4,000	4,080	80	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1			
LB-037	D Project Urayasu III	8,500	8,340	2,159	10,200	10,500	300	3.6	3.5/3.7	3.8	3.5	3.4/3.6	3.7	-0.1	-0.1	-0.1			
LB-038	D Project Tomisato	5,000	4,601	1,408	5,870	6,010	140	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1			

# Appraisal Value Comparison (2)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			Feb. 2023			Aug. 2023			Change					
					Appraisal value			Direct cap			DCF			Direct cap			DCF		
					Feb. 2023	Aug. 2023	Change	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
LB-039	D Project Kyotanabe	3,520	3,309	910	4,150	4,220	70	4.9	4.5	5.2	4.8	4.4	5.1	-0.1	-0.1	-0.1			
LB-040	D Project Sendai Izumi	1,510	1,380	349	1,720	1,730	10	4.8	4.5	5.0	4.7	4.4	4.9	-0.1	-0.1	-0.1			
LB-041	D Project Oyama	2,000	1,838	381	2,160	2,220	60	5.1	5.2	5.3	5.0	5.1	5.2	-0.1	-0.1	-0.1			
LB-042	D Project Sano	1,780	1,605	394	1,960	2,000	40	5.1	5.1/5.2	5.3	5.0	5.0/5.1	5.2	-0.1	-0.1	-0.1			
LB-043	D Project Tatebayashi	3,100	2,835	704	3,470	3,540	70	5.1	5.1/5.2	5.3	5.0	5.0/5.1	5.2	-0.1	-0.1	-0.1			
LB-044	D Project Kakegawa	6,000	5,556	1,083	6,510	6,640	130	5.3	5.1	5.5	5.2	5.0	5.4	-0.1	-0.1	-0.1			
LB-045	D Project Hiroshima Seifu	3,820	3,542	987	4,430	4,530	100	4.9	4.4	5.3	4.8	4.3	5.2	-0.1	-0.1	-0.1			
LB-046	D Project Tosu II	1,700	1,539	590	2,090	2,130	40	4.5	4.5/4.6	4.7	4.4	4.5	4.6	-0.1	-0.1	-0.1			
LB-047	D Project Kawagoe IV	5,600	5,574	1,085	6,500	6,660	160	4.1	4.2	4.3	4.0	4.1	4.2	-0.1	-0.1	-0.1			
LB-048	D Project Kuki VII	1,040	1,006	303	1,280	1,310	30	4.2	4.2/4.3	4.4	4.1	4.1/4.2	4.3	-0.1	-0.1	-0.1			
LB-049	D Project Chibakita	7,640	7,320	1,799	9,110	9,120	10	3.9	3.7	4.1	3.9	3.7	4.1	0.0	0.0	0.0			
LB-050	D Project Matsudo II	8,200	7,800	1,469	9,200	9,270	70	4.0	3.7	4.1	3.9	3.6	4.0	-0.1	-0.1	-0.1			
LB-051	D Project Tomisato II	6,900	6,430	1,609	7,870	8,040	170	4.3	4.3/4.4	4.5	4.2	4.2/4.3	4.4	-0.1	-0.1	-0.1			
LB-052	D Project Osaka Hirabayashi	3,600	3,392	947	4,320	4,340	20	4.5	4.3/4.4/ 4.7	-	4.4	4.2/4.3/ 4.6	-	-0.1	-0.1	-			
LB-053	D Project Sendai Izumi II	7,300	6,715	1,744	8,320	8,460	140	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1			
LB-054	D Project Kaminokawa	7,900	7,435	-1,005	6,410	6,430	20	5.4	5.5	5.6	5.3	5.4	5.5	-0.1	-0.1	-0.1			
LB-055	D Project Fuji	3,600	3,332	527	3,780	3,860	80	5.3	5.1	5.6	5.2	5.0	5.5	-0.1	-0.1	-0.1			
LB-056	D Project Tosu III	9,200	8,538	2,061	10,400	10,600	200	4.6	4.5/4.7	4.8	4.5	4.4/4.6	4.7	-0.1	-0.1	-0.1			
LB-057	D Project Kitahachioji I	4,300	4,171	728	4,790	4,900	110	4.1	3.7	4.3	4.0	3.6	4.2	-0.1	-0.1	-0.1			
LB-058	D Project Kitahachioji II	5,700	5,552	917	6,450	6,470	20	4.1	3.8	4.3	4.0	3.7	4.2	-0.1	-0.1	-0.1			
LB-059	D Project Kitahachioji III	7,300	7,102	1,407	8,330	8,510	180	4.1	3.7	4.3	4.0	3.6	4.2	-0.1	-0.1	-0.1			
LB-060	D Project Itabashi Shingashi	12,300	12,208	2,391	14,300	14,600	300	3.7	3.7	3.9	3.6	3.6	3.8	-0.1	-0.1	-0.1			
LB-061	D Project Sagamihara	3,900	3,737	882	4,500	4,620	120	3.8	3.8	4.0	3.7	3.7	3.9	-0.1	-0.1	-0.1			
LB-062	D Project Kuki VIII	6,100	5,828	1,321	6,980	7,150	170	4.1	4.0	4.3	4.0	3.9	4.2	-0.1	-0.1	-0.1			
LB-063	D Project Yokkaichi	1,490	1,432	207	1,610	1,640	30	4.9	4.8/4.9	5.1	4.8	4.7/4.8	5.0	-0.1	-0.1	-0.1			
LB-064	D Project Ibaraki Ishioka	4,050	3,854	725	4,470	4,580	110	4.7	4.7	4.9	4.6	4.6	4.8	-0.1	-0.1	-0.1			
LB-065	D Project Wako A	10,750	10,641	1,458	11,850	12,100	250	3.6	3.3	3.9	3.5	3.2	3.8	-0.1	-0.1	-0.1			
LB-066	D Project Hiratsuka	15,200	14,970	1,629	16,200	16,600	400	4.0	3.9/4.1	4.2	3.9	3.8/4.0	4.1	-0.1	-0.1	-0.1			
LM-001	DPL Misato	16,831	16,106	4,293	19,900	20,400	500	3.6	3.6/3.7	3.8	3.5	3.5/3.6	3.7	-0.1	-0.1	-0.1			
LM-002	DPL Fukuoka Kaseya	13,300	12,565	5,134	17,200	17,700	500	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1			
LM-003	DPL Kitakyushu	3,510	3,227	722	3,900	3,950	50	5.0	5.0/5.1	5.2	4.9	4.9/5.0	5.1	-0.1	-0.1	-0.1			
LM-004	DPL Nagareyama I	32,600	31,766	5,133	36,300	36,900	600	3.8	3.8/3.9	4.0	3.7	3.7/3.8	3.9	-0.1	-0.1	-0.1			

# Appraisal Value Comparison (3)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			Feb. 2023			Aug. 2023			Change					
					Appraisal value			Direct cap			DCF			Direct cap			DCF		
					Feb. 2023	Aug. 2023	Change	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
LM-005	DPL Shin-Narashino	5,930	5,829	850	6,580	6,680	100	4.6	4.0	5.1	4.5	3.9	5.0	-0.1	-0.1	-0.1			
LM-006	DPL Nagareyama III	32,000	31,541	5,158	35,700	36,700	1,000	3.9	3.8/4.0	4.1	3.8	3.7/3.9	4.0	-0.1	-0.1	-0.1			
<b>Logistics Properties Total</b>		<b>470,121</b>	<b>448,365</b>	<b>108,444</b>	<b>544,460</b>	<b>556,810</b>	<b>12,350</b>	-	-	-	-	-	-	-	-	-			
RE-001	Qiz Ebisu	7,650	7,301	3,898	10,900	11,200	300	3.2	3.4	3.4	3.1	3.3	3.3	-0.1	-0.1	-0.1			
RE-002	Castalia Azabujuban Shichimenzaka	4,500	4,072	1,037	5,110	5,110	0	3.4	3.2	3.6	3.4	3.2	3.6	0.0	0.0	0.0			
RE-003	Castalia Shibakoen	2,630	2,363	576	2,830	2,940	110	3.5	3.6	3.7	3.4	3.5	3.6	-0.1	-0.1	-0.1			
RE-004	Castalia Ginza	2,520	2,278	611	2,750	2,890	140	3.5	3.5	3.7	3.4	3.4	3.6	-0.1	-0.1	-0.1			
RE-005	Castalia Hiroo	2,220	2,045	324	2,310	2,370	60	3.3	3.4	3.5	3.2	3.3	3.4	-0.1	-0.1	-0.1			
RE-006	Castalia Nihonbashi	1,200	1,048	391	1,390	1,440	50	3.6	3.6	3.8	3.5	3.5	3.7	-0.1	-0.1	-0.1			
RE-007	Castalia Hacchobori	2,300	2,051	788	2,740	2,840	100	3.6	3.6	3.8	3.5	3.5	3.7	-0.1	-0.1	-0.1			
RE-008	Castalia Azabujuban	2,910	2,741	498	3,240	3,240	0	3.4	3.2	3.6	3.4	3.2	3.6	0.0	0.0	0.0			
RE-009	Castalia Azabujuban II	2,690	2,497	322	2,840	2,820	-20	3.3	3.1	3.5	3.3	3.1	3.5	0.0	0.0	0.0			
RE-010	Castalia Shinjuku Natsumezaka	1,865	1,757	102	1,860	1,860	0	3.5	3.3	3.7	3.5	3.3	3.7	0.0	0.0	0.0			
RE-011	Castalia Ginza II	1,800	1,599	580	2,110	2,180	70	3.5	3.5	3.7	3.4	3.4	3.6	-0.1	-0.1	-0.1			
RE-012	Castalia Shibuya Sakuragaoka	1,400	1,332	167	1,450	1,500	50	3.3	3.5	3.5	3.2	3.4	3.4	-0.1	-0.1	-0.1			
RE-013	Castalia Nishi Azabu Kasumicho	2,143	2,264	665	2,860	2,930	70	3.5	3.6	3.7	3.4	3.5	3.6	-0.1	-0.1	-0.1			
RE-014	Castalia Ochanomizu	1,770	1,650	1,089	2,720	2,740	20	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-015	Castalia Sangubashi	1,393	1,436	603	1,970	2,040	70	3.5	3.7	3.7	3.4	3.6	3.6	-0.1	-0.1	-0.1			
RE-016	Castalia Suitengu	1,279	1,149	640	1,740	1,790	50	3.7	3.7	3.9	3.6	3.6	3.8	-0.1	-0.1	-0.1			
RE-017	Castalia Suitengu II	1,138	1,034	575	1,550	1,610	60	3.6	3.7	3.8	3.5	3.6	3.7	-0.1	-0.1	-0.1			
RE-018	Castalia Shintomicho	932	864	415	1,260	1,280	20	3.6	3.6	3.8	3.6	3.6	3.8	0.0	0.0	0.0			
RE-019	Castalia Shintomicho II	825	780	349	1,120	1,130	10	3.6	3.6	3.8	3.6	3.6	3.8	0.0	0.0	0.0			
RE-020	Castalia Harajuku	887	858	411	1,270	1,270	0	3.2	3.0	3.3	3.2	3.0	3.3	0.0	0.0	0.0			
RE-021	Castalia Yoyogi Uehara	608	633	265	897	899	2	3.3	3.1	3.4	3.3	3.1	3.4	0.0	0.0	0.0			
RE-022	Castalia Sendagaya	555	547	237	785	785	0	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-023	Castalia Shinjuku 7 chome	464	427	214	642	642	0	3.7	3.5	3.8	3.7	3.5	3.8	0.0	0.0	0.0			
RE-024	Castalia Ningyocho	947	845	764	1,600	1,610	10	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-025	Castalia Ningyocho II	1,070	938	791	1,730	1,730	0	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-026	Castalia Shin-Ochanomizu	914	852	497	1,330	1,350	20	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-027	Castalia Higashi Nihonbashi II	1,370	1,227	842	2,070	2,070	0	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-028	Castalia Jinbocho	1,160	1,071	688	1,760	1,760	0	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			

# Appraisal Value Comparison (4)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			Feb. 2023			Aug. 2023			Change					
					Appraisal value			Direct cap			DCF			Direct cap			DCF		
					Feb. 2023	Aug. 2023	Change	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
RE-029	Castalia Shintomicho III	675	618	312	931	931	0	3.5	3.2	3.7	3.5	3.2	3.7	0.0	0.0	0.0			
RE-030	Castalia Shinjuku Gyoen	2,720	2,505	1,204	3,620	3,710	90	3.6	3.8	3.8	3.5	3.7	3.7	-0.1	-0.1	-0.1			
RE-031	Castalia Takanawadai	860	815	514	1,330	1,330	0	3.3	3.1	3.4	3.3	3.1	3.4	0.0	0.0	0.0			
RE-032	Castalia Higashi Nihonbashi III	666	598	335	934	934	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-033	Castalia Shinjuku Gyoen II	486	447	199	630	647	17	3.5	3.7	3.7	3.4	3.6	3.6	-0.1	-0.1	-0.1			
RE-034	Castalia Shintomicho IV	400	383	195	579	579	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-035	Castalia Takanawadai II	1,190	1,125	554	1,680	1,680	0	3.3	3.1	3.4	3.3	3.1	3.4	0.0	0.0	0.0			
RE-036	Castalia Minami Azabu	642	612	312	924	925	1	3.2	3.0	3.3	3.2	3.0	3.3	0.0	0.0	0.0			
RE-037	Castalia Ginza III	2,880	2,693	1,036	3,630	3,730	100	3.5	3.5	3.7	3.4	3.4	3.6	-0.1	-0.1	-0.1			
RE-038	Castalia Kayabacho	2,707	2,470	1,589	3,930	4,060	130	3.6	3.6	3.8	3.5	3.5	3.7	-0.1	-0.1	-0.1			
RE-039	Castalia Takanawa	7,430	7,270	3,729	10,500	11,000	500	3.4	3.7	3.6	3.3	3.6	3.5	-0.1	-0.1	-0.1			
RE-040	Castalia Higashi Nihonbashi	3,520	3,165	1,764	4,830	4,930	100	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0			
RE-041	Castalia Shinjuku	2,950	2,744	1,295	4,020	4,040	20	3.5	3.7	3.7	3.4	3.6	3.6	-0.1	-0.1	-0.1			
RE-042	Castalia Ichigaya	940	834	725	1,560	1,560	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-043	Shibaura Island Bloom Tower	7,580	5,926	4,173	10,000	10,100	100	-	3.1	5.3	-	3.1	5.3	-	0.0	0.0			
RE-044	Castalia Hatsudai	2,030	1,920	849	2,780	2,770	-10	3.5	3.3	3.7	3.5	3.3	3.7	0.0	0.0	0.0			
RE-045	Castalia Hatsudai II	1,900	1,811	678	2,420	2,490	70	3.4	3.2	3.6	3.3	3.1	3.5	-0.1	-0.1	-0.1			
RE-046	Castalia Ebisu	1,420	1,351	548	1,840	1,900	60	3.3	3.1	3.5	3.2	3.0	3.4	-0.1	-0.1	-0.1			
RE-047	Castalia Meguro Kamurozaka	4,500	3,921	1,468	5,390	5,390	0	3.4	3.2	3.6	3.4	3.2	3.6	0.0	0.0	0.0			
RE-048	Castalia Toritsudaigaku	648	558	-5	553	553	0	4.4	4.2	4.7	4.4	4.2	4.7	0.0	0.0	0.0			
RE-049	Castalia Yukigaya	1,110	958	401	1,330	1,360	30	3.6	3.7	3.8	3.5	3.6	3.7	-0.1	-0.1	-0.1			
RE-050	Castalia Yutenji	1,450	1,287	232	1,530	1,520	-10	3.4	3.2	3.6	3.4	3.2	3.6	0.0	0.0	0.0			
RE-051	Castalia Otsuka	1,480	1,309	540	1,850	1,850	0	3.5	3.3	3.7	3.5	3.3	3.7	0.0	0.0	0.0			
RE-052	Castalia Kikukawa	817	714	295	983	1,010	27	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1			
RE-053	Castalia Meguro	844	847	552	1,400	1,400	0	3.4	3.1	3.5	3.4	3.1	3.5	0.0	0.0	0.0			
RE-054	Castalia Otsuka II	1,040	940	629	1,570	1,570	0	3.5	3.3	3.6	3.5	3.3	3.6	0.0	0.0	0.0			
RE-055	Castalia Jiyugaoka	1,200	1,154	575	1,730	1,730	0	3.3	3.1	3.4	3.3	3.1	3.4	0.0	0.0	0.0			
RE-056	Castalia Mejiro	988	923	386	1,300	1,310	10	3.8	3.6	4.0	3.8	3.6	4.0	0.0	0.0	0.0			
RE-057	Castalia Ikebukuro	2,570	2,353	1,056	3,410	3,410	0	3.5	3.3	3.7	3.5	3.3	3.7	0.0	0.0	0.0			
RE-058	Castalia Kaname-cho	1,140	1,057	502	1,490	1,560	70	3.6	3.8	3.8	3.5	3.7	3.7	-0.1	-0.1	-0.1			
RE-059	Castalia Tower Shinagawa Seaside	7,380	6,588	4,311	10,500	10,900	400	3.6	3.6	3.8	3.5	3.5	3.7	-0.1	-0.1	-0.1			
RE-060	Castalia Yakumo	857	805	182	964	988	24	3.5	3.7	3.7	3.4	3.6	3.6	-0.1	-0.1	-0.1			

# Appraisal Value Comparison (5)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			(%)											
					Appraisal value			Feb. 2023			Aug. 2023			Change					
					Feb. 2023	Aug. 2023	Change	Direct cap			DCF			Direct cap			DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
RE-061	Castalia Togoshiekimae	1,560	1,410	1,009	2,470	2,420	-50	3.7	3.5	3.8	3.7	3.5	3.8	0.0	0.0	0.0			
RE-062	Castalia Honjo Azumabashi	996	937	492	1,420	1,430	10	3.8	3.9	4.0	3.8	3.9	4.0	0.0	0.0	0.0			
RE-063	Castalia Kitazawa	742	724	285	1,000	1,010	10	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-064	Castalia Monzennakacho	503	446	283	712	730	18	3.8	3.9	4.0	3.7	3.8	3.9	-0.1	-0.1	-0.1			
RE-065	Castalia Kamiikedai	198	173	73	254	247	-7	4.1	3.7	4.2	4.1	3.7	4.2	0.0	0.0	0.0			
RE-066	Castalia Morishita	832	751	478	1,230	1,230	0	3.5	3.3	3.6	3.5	3.3	3.6	0.0	0.0	0.0			
RE-067	Castalia Wakabayashikoen	776	750	249	1,000	1,000	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-068	Castalia Asakusabashi	792	730	379	1,110	1,110	0	3.7	3.5	3.9	3.7	3.5	3.9	0.0	0.0	0.0			
RE-069	Castalia Iriya	546	496	264	761	761	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0			
RE-070	Castalia Kita Ueno	2,641	2,353	1,336	3,570	3,690	120	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1			
RE-071	Castalia Morishita II	686	573	426	969	1,000	31	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1			
RE-072	Castalia Minowa	1,430	1,262	627	1,850	1,890	40	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1			
RE-073	Castalia Oyamadai	533	500	212	696	713	17	3.6	3.7	3.8	3.5	3.6	3.7	-0.1	-0.1	-0.1			
RE-074	Castalia Nakano	1,060	954	585	1,540	1,540	0	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-075	Castalia Yoga	923	863	496	1,310	1,360	50	3.5	3.7	3.7	3.4	3.6	3.6	-0.1	-0.1	-0.1			
RE-076	Castalia Sumiyoshi	948	817	402	1,170	1,220	50	3.7	3.8	3.9	3.6	3.7	3.8	-0.1	-0.1	-0.1			
RE-077	Castalia Monzennakacho II	2,160	1,902	1,397	3,300	3,300	0	3.4	3.2	3.5	3.4	3.2	3.5	0.0	0.0	0.0			
RE-078	Castalia Oshiage	1,100	918	461	1,340	1,380	40	3.8	4.1/3.9	4.0	3.7	4.0/3.8	3.9	-0.1	-0.1	-0.1			
RE-079	Castalia Kuramae	1,260	1,109	650	1,720	1,760	40	3.7	3.9/3.8	3.9	3.6	3.8/3.7	3.8	-0.1	-0.1	-0.1			
RE-080	Castalia Nakanobu	1,790	1,588	1,141	2,730	2,730	0	3.5	3.3	3.7	3.5	3.3	3.7	0.0	0.0	0.0			
RE-081	Royal Parks Toyosu	7,360	5,254	6,145	11,700	11,400	-300	3.9	3.6	4.2	3.9	3.6	4.2	0.0	0.0	0.0			
RE-082	Castalia Togoshi	1,770	1,481	1,268	2,750	2,750	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-083	Castalia Oimachi	1,181	1,080	719	1,750	1,800	50	3.4	3.2	3.6	3.3	3.1	3.5	-0.1	-0.1	-0.1			
RE-084	Castalia Omori	1,500	1,353	716	2,070	2,070	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-085	Castalia Mishuku	1,900	1,723	1,016	2,740	2,740	0	3.6	3.4	3.8	3.6	3.4	3.8	0.0	0.0	0.0			
RE-086	Castalia Arakawa	1,660	1,477	1,102	2,580	2,580	0	3.8	3.6	4.0	3.8	3.6	4.0	0.0	0.0	0.0			
RE-087	Castalia Omori II	2,370	2,217	1,072	3,250	3,290	40	3.5	3.3	3.7	3.4	3.2	3.6	-0.1	-0.1	-0.1			
RE-088	Castalia Nakameguro	3,800	3,692	1,547	5,150	5,240	90	3.3	3.1	3.5	3.2	3.0	3.4	-0.1	-0.1	-0.1			
RE-089	Castalia Meguro Chojyamaru	2,030	2,019	800	2,750	2,820	70	3.3	3.1	3.5	3.2	3.0	3.4	-0.1	-0.1	-0.1			
RE-090	Castalia Meguro Takaban	1,750	1,698	531	2,180	2,230	50	3.6	3.4	3.8	3.5	3.3	3.7	-0.1	-0.1	-0.1			
RE-091	Castalia Omori III	1,520	1,408	591	1,950	2,000	50	3.5	3.3	3.7	3.4	3.2	3.6	-0.1	-0.1	-0.1			
RE-093	Castalia Meguro Tairamachi	1,165	1,158	351	1,470	1,510	40	3.3	3.1	3.5	3.2	3.0	3.4	-0.1	-0.1	-0.1			

# Appraisal Value Comparison (6)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			(%)								
					Appraisal value			Feb. 2023			Aug. 2023			Change		
					Feb. 2023	Aug. 2023	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF	
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
RE-094	Royal Parks SEASIR	4,350	3,571	1,678	5,240	5,250	10	4.8	4.6/5.0	-	4.7	4.5/4.9	-	-0.1	-0.1	-
RE-095	Castalia Honkomagome	1,520	1,439	620	2,010	2,060	50	3.6	3.4	3.8	3.5	3.3	3.7	-0.1	-0.1	-0.1
RE-096	Cosmo Heim Musashikosugi	1,674	1,628	801	2,430	2,430	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0
RE-097	Castalia Tsurumi	666	581	302	868	884	16	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0
RE-098	Castalia Funabashi	704	648	263	892	912	20	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1
RE-099	Castalia Nishi Funabashi	783	712	387	1,100	1,100	0	4.4	4.2	4.5	4.4	4.2	4.5	0.0	0.0	0.0
RE-105	Castalia Nogeyama	325	298	113	412	412	0	4.3	4.1	4.4	4.3	4.1	4.4	0.0	0.0	0.0
RE-106	Castalia Ichikawa	461	399	255	658	655	-3	4.3	4.2	4.5	4.3	4.2	4.5	0.0	0.0	0.0
RE-107	Royal Parks Hanakoganei	5,300	4,379	2,600	7,000	6,980	-20	4.4	4.2/4.6	-	4.4	4.2/4.6	-	0.0	0.0	-
RE-108	Castalia Musashikosugi	1,680	1,573	516	2,070	2,090	20	3.8	3.6	4.0	3.7	3.5	3.9	-0.1	-0.1	-0.1
RE-109	Royal Parks Wakabadai	4,360	3,263	1,636	4,960	4,900	-60	4.6	4.4/4.8	-	4.6	4.4/4.8	-	0.0	0.0	-
RE-110	Pacific Royal Court Minatomirai Urban Tower	9,100	6,919	4,980	11,800	11,900	100	4.3	4.1/4.5	-	4.2	4.0/4.4	-	-0.1	-0.1	-
RE-111	L-Place Shinkoyasu	1,720	1,542	867	2,410	2,410	0	4.1	3.9	4.2	4.1	3.9	4.2	0.0	0.0	0.0
RE-112	Royal Parks Musashikosugi	1,060	853	526	1,370	1,380	10	4.3	4.1/4.5	-	4.2	4.0/4.4	-	-0.1	-0.1	-
RE-116	Castalia Sakaisuji Honmachi	1,490	1,293	856	2,100	2,150	50	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1
RE-117	Castalia Shin-Umeda	1,376	1,190	779	1,930	1,970	40	4.0	4.1	4.2	3.9	4.0	4.1	-0.1	-0.1	-0.1
RE-118	Castalia Abeno	4,368	3,972	2,727	6,530	6,700	170	3.9	4.0	4.1	3.8	3.9	4.0	-0.1	-0.1	-0.1
RE-119	Castalia Sakae	1,010	878	521	1,400	1,400	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0
RE-123	Castalia Higashi Hie	960	823	436	1,210	1,260	50	4.2	4.4	4.4	4.1	4.3	4.3	-0.1	-0.1	-0.1
RE-124	Castalia Tower Nagahoribashi	3,400	2,787	2,522	5,280	5,310	30	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0
RE-125	Castalia Sannomiya	1,230	1,034	665	1,700	1,700	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0
RE-126	Castalia Kotodaikoen	481	409	205	616	615	-1	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0
RE-127	Castalia Ichibancho	783	650	369	1,020	1,020	0	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0
RE-128	Castalia Omachi	656	558	332	891	891	0	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0
RE-129	Castalia Uemachidai	2,190	1,949	1,190	3,140	3,140	0	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0
RE-130	Castalia Tower Higobashi	2,670	2,303	1,756	4,060	4,060	0	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0
RE-132	Castalia Fushimi	2,260	1,831	1,498	3,330	3,330	0	3.9	3.7	4.0	3.9	3.7	4.0	0.0	0.0	0.0
RE-134	Castalia Yakuin	930	836	513	1,300	1,350	50	3.9	3.7	4.1	3.8	3.6	4.0	-0.1	-0.1	-0.1
RE-135	Castalia Mibu	1,193	1,006	703	1,710	1,710	0	3.9	3.7	4.0	3.9	3.7	4.0	0.0	0.0	0.0
RE-136	Castalia Tsutsujigaoka	1,208	1,064	865	1,920	1,930	10	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1
RE-138	Royal Parks Namba	2,830	2,359	680	3,050	3,040	-10	4.8	4.7/5.1	-	4.8	4.7/5.1	-	0.0	0.0	-
RE-139	Castalia Shigahondori	1,730	1,451	1,028	2,480	2,480	0	4.1	3.9	4.2	4.1	3.9	4.2	0.0	0.0	0.0

# Appraisal Value Comparison (7)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	Appraisal value (mil yen)			Feb. 2023 (%)			Aug. 2023 (%)			Change (%)					
					Feb. 2023	Aug. 2023	Change	Direct cap			DCF			Direct cap			DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
					RE-140	Castalia Kyoto Nishioji	973	954	205	1,130	1,160	30	3.9	3.7	4.1	3.8	3.6	4.0	-0.1
RE-141	Castalia Ningyocho III	2,000	1,896	1,203	3,090	3,100	10	3.3	3.1	3.4	3.3	3.1	3.4	0.0	0.0	0.0			
RE-142	Royal Parks Umejima	2,020	1,759	720	2,460	2,480	20	4.8	4.6/5.0	-	4.7	4.5/4.9	-	-0.1	-0.1	-			
RE-143	Castalia Shinsakae II	1,800	1,726	393	2,120	2,120	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0			
RE-144	Castalia Sumiyoshi II	1,420	1,511	8	1,520	1,520	0	3.5	3.3	3.6	3.5	3.3	3.6	0.0	0.0	0.0			
<b>Residential Properties Total</b>		<b>240,323</b>	<b>214,283</b>	<b>112,359</b>	<b>322,671</b>	<b>326,643</b>	<b>3,972</b>	-	-	-	-	-	-	-	-	-			
RM-001	ACROSSMALL Shinkamagaya	7,770	7,202	1,787	8,850	8,990	140	5.2	4.9	5.4	5.1	4.8	5.3	-0.1	-0.1	-0.1			
RM-002	FOLEO Hirakata	4,580	4,223	446	4,670	4,670	0	5.8	5.3	5.9	5.8	5.3	5.9	0.0	0.0	0.0			
RM-003	QiZ GATE URAWA	4,270	4,079	500	4,550	4,580	30	5.2	4.8	5.3	5.1	4.7	5.2	-0.1	-0.1	-0.1			
RM-004	UNICUS Takasaki	3,000	2,876	403	3,220	3,280	60	5.8	5.5	6.0	5.7	5.4	5.9	-0.1	-0.1	-0.1			
RM-005	ACROSSPLAZA Miyoshi (Land)	3,740	3,740	220	3,940	3,960	20	-	4.2	-	-	4.2	-	-	0.0	-			
RM-006	DREAM TOWN ALi	8,100	7,677	762	8,260	8,440	180	5.4	5.1	5.6	5.3	5.0	5.5	-0.1	-0.1	-0.1			
RM-007	ASOBOX (Land)	1,600	1,617	442	2,060	2,060	0	-	4.7	-	-	4.8	-	-	0.1	-			
RM-008	FOLEO Ome Imai	3,800	3,617	452	3,990	4,070	80	5.0	4.5	5.3	4.9	4.4	5.2	-0.1	-0.1	-0.1			
RM-009	FOLEO Otsu Ichiriyama	8,100	7,781	948	8,560	8,730	170	5.2	5.0	5.5	5.1	4.9	5.4	-0.1	-0.1	-0.1			
RM-010	FOLEO Hakata	3,200	3,155	574	3,790	3,730	-60	4.6	4.4	4.9	4.5	4.3	4.8	-0.1	-0.1	-0.1			
RM-011	ACROSSMALL Semboku (Land)	3,250	3,383	536	3,910	3,920	10	-	4.3	-	-	4.3	-	-	0.0	-			
RM-012	iias Tsukuba	34,120	33,473	1,526	34,300	35,000	700	5.0	4.8	5.3	4.9	4.7	5.2	-0.1	-0.1	-0.1			
RR-001	LIFE Sagamihara Wakamatsu	1,670	1,629	300	1,890	1,930	40	4.5	4.0	4.5	4.4	3.9	4.4	-0.1	-0.1	-0.1			
RR-002	FOLEO Sendai Miyanomori	6,960	6,827	812	7,670	7,640	-30	5.4	5.1	5.6	5.4	5.1	5.6	0.0	0.0	0.0			
RR-003	ACROSSPLAZA Inazawa (Land)	2,390	2,390	240	2,620	2,630	10	-	4.9	-	-	4.9	-	-	0.0	-			
RR-004	Sports Depo and GOLF5 Kukurahigashi IC Store	2,230	2,066	383	2,450	2,450	0	6.0	6.1	6.2	6.0	6.1	6.2	0.0	0.0	0.0			
RR-005	Hiratsuka Retail Property (Land)	5,620	5,857	912	6,720	6,770	50	-	4.0	-	-	4.0	-	-	0.0	-			
RR-006	Royal Home Center Morinomiya (Land)	4,500	4,541	768	5,300	5,310	10	-	4.0	-	-	4.0	-	-	0.0	-			
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	750	760	25	779	786	7	4.2	3.8	4.3	4.1	3.7	4.2	-0.1	-0.1	-0.1			
RR-008	FOLEO Shobu	5,000	4,852	497	5,250	5,350	100	5.0	4.7	5.2	4.9	4.6	5.1	-0.1	-0.1	-0.1			
RR-009	Hapias Kaita (Land)	1,400	1,471	78	1,540	1,550	10	-	4.8	-	-	4.8	-	-	0.0	-			
RU-001	COMBOX310	4,480	4,159	630	4,790	4,790	0	5.5	5.3	5.7	5.5	5.3	5.7	0.0	0.0	0.0			
RU-002	Sports Plaza Ibaraki	2,689	2,663	46	2,710	2,710	0	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0			
<b>Retail Properties Total</b>		<b>123,219</b>	<b>120,045</b>	<b>13,300</b>	<b>131,819</b>	<b>133,346</b>	<b>1,527</b>	-	-	-	-	-	-	-	-	-			

# Appraisal Value Comparison (8)

Property number	Property name	Acquisition price	Book value Aug. 2023	Unrealized gain (loss)	(mil yen)			Feb. 2023			Aug. 2023			Change					
					Appraisal value			Direct cap			DCF			Direct cap			DCF		
					Feb. 2023	Aug. 2023	Change	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	CR	DR	TCR
HO-001	Daiwa Roynet Hotel Yokohama Kannai	4,800	4,607	322	4,940	4,930	-10	4.6	4.4	4.8	4.6	4.4	4.8	0.0	0.0	0.0			
HO-002	Super Hotel JR Nara Station Sanjo Street	1,470	1,397	102	1,500	1,500	0	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0			
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	4,500	5,307	-957	4,390	4,350	-40	4.0	3.8	4.2	4.0	3.8	4.2	0.0	0.0	0.0			
HO-004	AMANEK Kanazawa	5,200	4,968	-8	4,900	4,960	60	5.2	4.7	5.1	5.2	4.7	5.1	0.0	0.0	0.0			
HO-005	CANDEO HOTELS Nagasaki Shinchi Chinatown	3,140	3,022	337	3,360	3,360	0	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0			
HO-006	MIMARU Tokyo Akasaka (Note 1)	3,116	3,142	187	3,330	3,330	0	3.5	3.5/3.6	3.7	3.5	3.5/3.6	3.7	0.0	0.0	0.0			
<b>Hotel Properties Total</b>		<b>22,226</b>	<b>22,447</b>	<b>-17</b>	<b>22,420</b>	<b>22,430</b>	<b>10</b>	-	-	-	-	-	-	-	-	-			
OT-001	Urban Living Inage	930	768	551	1,320	1,320	0	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0			
OT-002	Aburatsubo Marina HILLS	1,100	989	330	1,320	1,320	0	5.8	5.6	5.9	5.8	5.6	5.9	0.0	0.0	0.0			
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	7,600	6,944	1,235	8,140	8,180	40	5.3	5.1	5.5	5.3	5.1	5.5	0.0	0.0	0.0			
OT-004	Sharp Hiroshima Building Nursery Room Berry Bear	1,850	1,767	232	1,970	2,000	30	5.2	5.0	5.4	5.1	4.9	5.3	-0.1	-0.1	-0.1			
OT-005	Omori Nishi Welcia Ota Omori Nishi Store	1,380	1,375	4	1,380	1,380	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0			
OT-006	GRANODE Hiroshima	28,800	27,932	4,467	32,400	32,400	0	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1			
<b>Other Assets Total</b>		<b>41,660</b>	<b>39,778</b>	<b>6,821</b>	<b>46,530</b>	<b>46,600</b>	<b>70</b>	-	-	-	-	-	-	-	-	-			
<b>Portfolio Total</b>		<b>897,549</b>	<b>844,920</b>	<b>240,908</b>	<b>1,067,900</b>	<b>1,085,829</b>	<b>17,929</b>	-	-	-	-	-	-	-	-	-			

## Acquisitions in Sep. and Oct. 2023

LB-067	D Project Kadoma I (Note 2)	3,120	-	-	-	3,450	-	-	-	-	5.0	4.8/5.2	-	-	-	-
HO-006	MIMARU Tokyo Hatchobori (Note 2)	5,114	-	-	-	5,480	-	-	-	-	3.6	3.6/3.7	3.8	-	-	-

(Note 1) As for MIMARU Tokyo Akasaka acquired in Mar. 2023, appraisal value for the period ended Feb. 2023 is based on the appraisal value at the time of the acquisition.

(Note 2) As for MIMARU Tokyo Hatchobori acquired in Sep. 2023 and D Project Kadoma I acquired in Oct. 2023, appraisal value for the period ended Aug. 2023 is based on the appraisal value at the time of the acquisition.

# Unitholder Status

## Number of Unitholders and Units by Unitholder Type

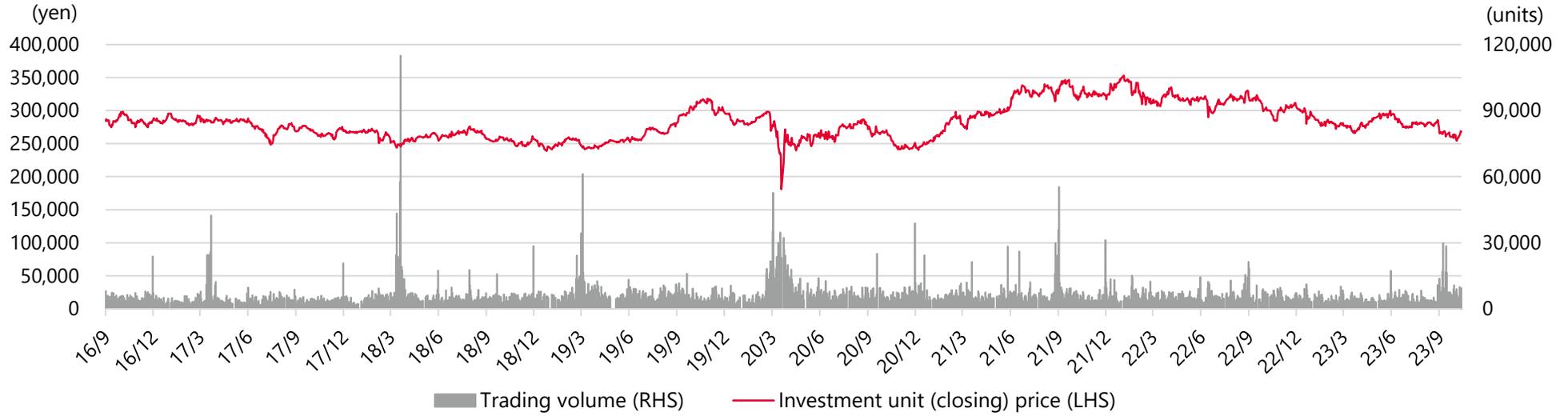
Unitholder type	Period ended Feb. 2023				Period ended Aug. 2023			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Units	(%)	Unitholders	(%)	Units	(%)
Individuals and others	16,429	93.4	97,324	4.2	16,176	93.4	99,077	4.3
Financial institutions	203	1.2	1,267,362	54.6	207	1.2	1,282,339	55.3
Banks / trust banks	62	0.4	1,119,258	48.2	67	0.4	1,130,365	48.7
City banks	-	-	-	-	-	-	-	-
Regional banks	51	0.3	100,315	4.3	56	0.3	111,001	4.8
Trust banks	11	0.1	1,018,943	43.9	11	0.1	1,019,364	43.9
Life insurance companies	9	0.1	42,647	1.8	9	0.1	45,949	2.0
Non-life insurance companies	-	-	-	-	-	-	-	-
Other financial institutions	132	0.8	105,457	4.5	131	0.8	106,025	4.6
Shinkin banks	70	0.4	32,434	1.4	69	0.4	32,539	1.4
Others	62	0.4	73,023	3.1	62	0.4	73,486	3.2
Other domestic corporations	371	2.1	233,247	10.1	357	2.1	234,446	10.1
Foreign corporations and individuals	565	3.2	588,376	25.4	563	3.2	555,437	23.9
Securities firms	23	0.1	133,691	5.8	23	0.1	148,701	6.4
<b>Total</b>	<b>17,591</b>	<b>100.0</b>	<b>2,320,000</b>	<b>100.0</b>	<b>17,326</b>	<b>100.0</b>	<b>2,320,000</b>	<b>100.0</b>

## Major Unitholders

Name	Period ended Aug. 2023	
	Number of units owned	Ownership (%)
Custody Bank of Japan, Ltd. (Trust Account)	533,606	23.0%
The Master Trust Bank of Japan, Ltd. (Trust Account)	350,786	15.1%
Daiwa House Industry Co., Ltd.	191,200	8.2%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	102,303	4.4%
SMBC Nikko Securities Inc.	66,518	2.9%
STATE STREET BANK WEST CLIENT - TREATY 505234	48,154	2.1%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	30,482	1.3%
JAPAN SECURITIES FINANCE CO., LTD.	30,309	1.3%
STATE STREET BANK AND TRUST COMPANY 505103	27,419	1.2%
SSBTC CLIENT OMNIBUS ACCOUNT	26,744	1.2%
<b>Total</b>	<b>1,407,521</b>	<b>60.7%</b>

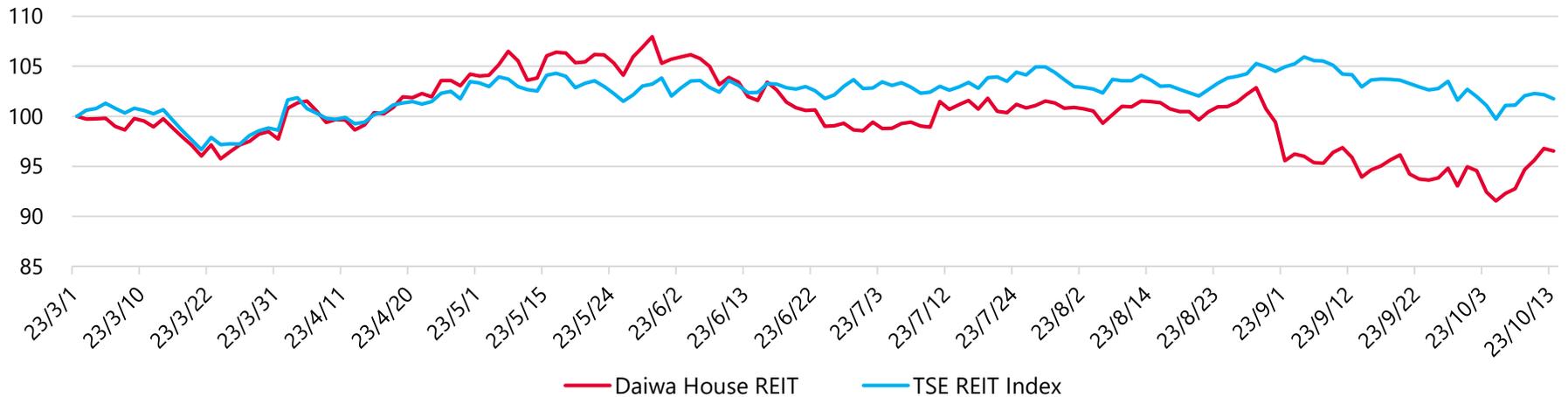
# Unit Price Performance

## Unit Price and Trading Volume



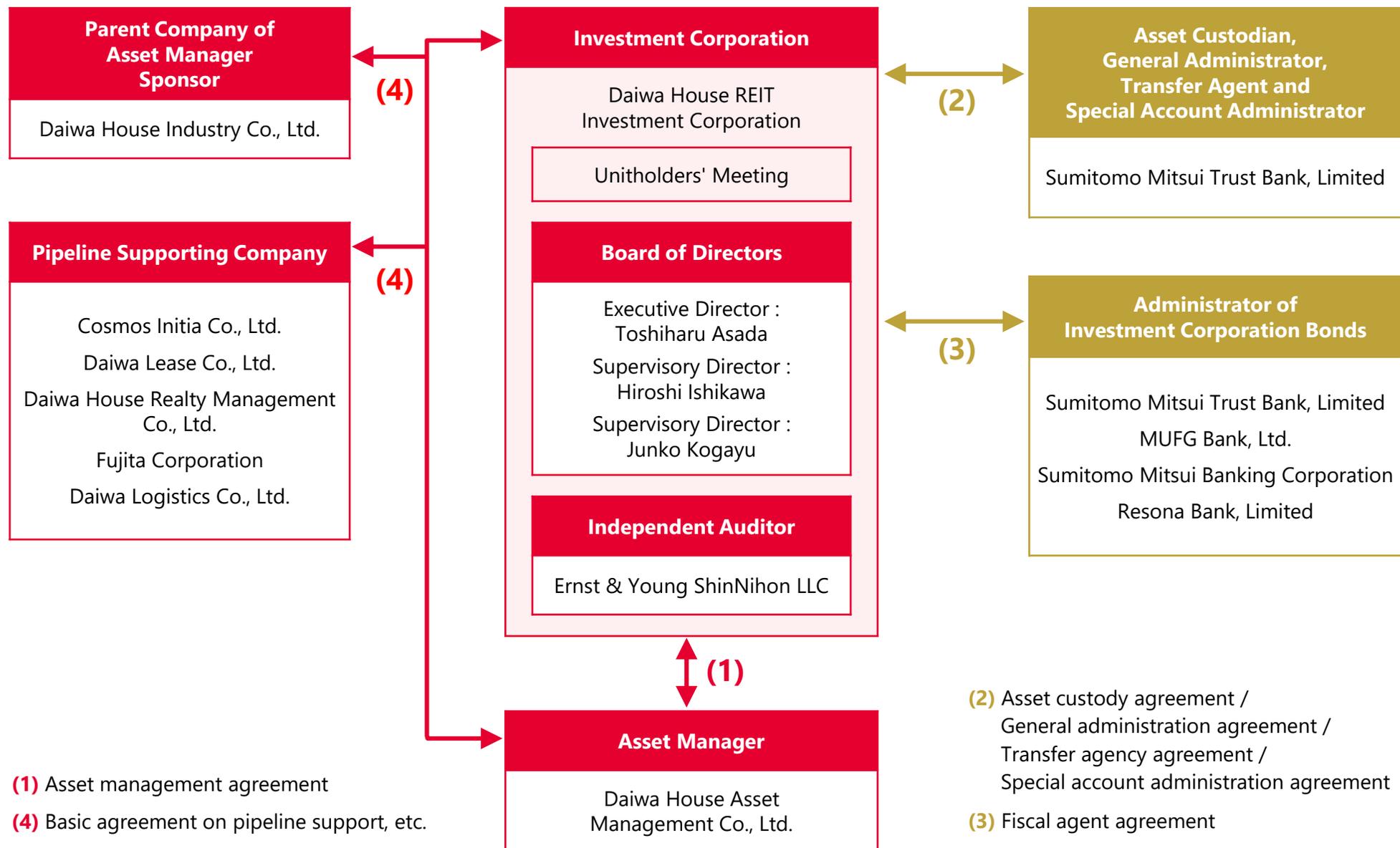
(Note) Investment unit price since Sep. 1, 2016 (effective date of the merger) is shown.

## Relative Unit Price Performance



(Note) Indexed with the Mar. 1, 2023 (start of the period ended Aug. 2023) closing prices of DHR's unit and TSE REIT Index.

# REIT Structure



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