

July 21, 2017

For Immediate Release

**REIT Issuer:**

Daiwa House REIT Investment Corporation  
2-4-8, Nagatacho, Chiyoda-ku, Tokyo  
Jiro Kawanishi, Executive Director  
(TSE Code: 8984)

**Asset Manager:**

Daiwa House Asset Management Co., Ltd.  
Koichi Tsuchida, President and CEO  
Inquiries:  
Haruto Tsukamoto, Director and CFO  
TEL. +81-3-3595-1265

## Notice Concerning Acquisition and Disposition of Assets

Daiwa House REIT Investment Corporation (“DHR”) hereby announces the decision made today by Daiwa House Asset Management Co., Ltd. (the “Asset Manager”), the asset manager to which DHR entrusts the management of its assets, to acquire an asset (the “Asset Scheduled for Acquisition”) and dispose of seven assets (the “Assets Scheduled for Disposition”, respectively the “Acquisition” and the “Disposition”, and collectively the “Transactions”) as described below.

The decision related to transactions with interested parties, etc. as defined in the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951, as amended, the “Investment Trust Act”) has been approved by the board of directors of DHR based on the Asset Manager’s voluntary rules concerning conflicts of interest.

### 1. Acquisition overview

Property number	Property name	Asset class	Location	Anticipated date of the sale and purchase agreement	Anticipated date of acquisition	Seller	Anticipated acquisition price (million yen) (Note 1)	Appraisal value (million yen) (Note 2)
RM-007	ASOBOX (Land)	Retail	Kitakyushu City, Fukuoka	July 31, 2017	August 29, 2017	Daiwa Information Service Co., Ltd.	1,600	1,830

(Note 1) Excluding such amounts as expenses related to acquisition, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 2) Description is based on appraisal value as of June 30, 2017.

(Note 3) The Asset Scheduled for Acquisition is in the form of trust beneficiary interest in real estate.

### 2. Disposition overview

Property number	Property name	Asset class	Anticipated date of the sale and purchase agreement	Anticipated date of disposition	Buyer	Anticipated sale price (million yen) (Note 1)	Anticipated book value (million yen) (Note 2)	Difference between anticipated sale price and anticipated book value (million yen)	Appraisal value (million yen) (Note 3)
RE-100	Castalia Maihama	Residential	July 25, 2017	July 25, 2017	Not disclosed (Note 4)	650	614	35	645
RE-101	Castalia Ichikawamyoden	Residential	July 31, 2017	July 31, 2017	Not disclosed (Note 4)	765	625	139	715
RE-102	Castalia Urayasu	Residential	July 27, 2017	July 27, 2017	Nihon Jyutaku Ryutu Co., Ltd.	578	571	7	623
RE-103	Castalia Minamigyotoku	Residential	July 27, 2017	July 27, 2017	Nihon Jyutaku Ryutu Co., Ltd.	527	507	20	503
RE-113	Castalia Shinsakae	Residential	July 24, 2017	August 1, 2017	Not disclosed (Note 4)	1,720	1,664	55	1,580
RE-114	Aprile Tarumi	Residential	July 28, 2017	August 4, 2017	Not disclosed (Note 4)	1,502	1,199	303	1,570

Property number	Property name	Asset class	Anticipated date of the sale and purchase agreement	Anticipated date of disposition	Buyer	Anticipated sale price (million yen) (Note 1)	Anticipated book value (million yen) (Note 2)	Difference between anticipated sale price and anticipated book value (million yen)	Appraisal value (million yen) (Note 3)
RE-120	Castalia Nipponbashi Kouzu	Residential	July 28, 2017	July 28, 2017	Not disclosed (Note 4)	4,450	3,154	1,295	3,890
Total						10,193	8,336	1,857	9,526

(Note 1) Excluding such amounts as expenses related to sale, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 2) Description is based on anticipated book value as of the anticipated date of disposition of each asset.

(Note 3) Description is based on appraisal value as of February 28, 2017.

(Note 4) Not disclosed as consent for disclosure has not been obtained from the buyers.

(Note 5) Castalia Maihama, Castalia Ichikawamyoden, Castalia Urayasu, Castalia Minamigyotoku, Castalia Shinsakae and Aprile Tarumi are in the form of trust beneficiary interest in real estate and Castalia Nipponbashi Kouzu is held as real estate.

### 3. Rationale for the Transactions

Based on the targets and policies prescribed in DHR's Articles of Incorporation, the Asset Manager decided the Acquisition having deemed that the Asset Scheduled for Acquisition would generate stable revenue with a planned long-term lease agreement and further increase the stability of cash flow and secure stable revenues in the long term.

Furthermore, based on the examination in terms of the medium- to long-term management efficiency of DHR's portfolio and the characteristics of the respective properties, the Asset Manager decided the Disposition considering factors such as the competitiveness of the Assets Scheduled for Disposition and market conditions.

### 4. Details of the Asset Scheduled for Acquisition

Overview of leasing is based on information as of June 30, 2017.

Property number	ASOBX (Land)	Asset class	Retail
RM-007		Type	Mall type
Anticipated date of acquisition	August 29, 2017	Anticipated acquisition price	1,600 million yen
Overview of specified asset			
Type of specified asset		Trust beneficiary interest in real estate	
Trustee		Sumitomo Mitsui Trust Bank, Limited	
Trust maturity date		August 31, 2037	
Location	Lot number	2-76-1, Nakatsuguchi, Kokura Kita Ward, Kitakyushu City, Fukuoka	
	Residence indication	2-2-16, Nakatsuguchi, Kokura Kita Ward, Kitakyushu City, Fukuoka	
Land	Type of ownership	Ownership	
	Land area	11,207.90 m² (Note 1)	
	Area classification	Commercial district	
	Building coverage ratio	80%	
	FAR	400%	
Building	Type of ownership	-	
	Gross floor area	-	
	Use	-	
	Structure	-	
	Number of floors	-	
	Date of construction	-	
Collateral		None	
Overview of leasing			

Leasable area	11,207.90 m <sup>2</sup>	Number of tenants	1	
Leased area	11,207.90 m <sup>2</sup>	Annual rent	94,152 thousand yen	
Occupancy rate	100.0%	Tenant leasehold and security deposit	94,152 thousand yen	
Lease term	20.0 years	Remaining lease term	20.0 years (Note 2)	
Master lease company		-		
Master lease type		-		
Property management company		-		
Lessee	Sumitomo Mitsui Trust Bank, Limited (Note 3)			
Contract form	Fixed-term land leasehold agreement for business			
Contract period	From August 29, 2017 to August 31, 2037			
Rent revision	During the leasehold period, the lessor and the lessee shall revise the rent on September 1 of each year, with September 1, 2018 set as the first such revision date.			
Contract renewal	If the lessor or the lessee wishes to renew the agreement, a notification shall be sent to the other party before six months from the date of expiry. In such a case, the lessor and the lessee shall discuss in good faith the renewal of the agreement and the conditions. The renewed agreement shall be concluded after agreement has been reached through such discussions.			
Early cancellation	The lessor or the lessee may not terminate the lease agreement for personal reasons before the expiry of the leasehold period, with the exception of situations prescribed in the lease agreement.			
Special items				
None				
Property characteristics				
<div>■ Location</div> <p>Located approximately 1km south-southeast of JR Kokura Station and facing the Nakatsuguchi intersection on National Route 3, the property enjoys high visibility and good accessibility by car. Being also close to the Adachi Entrance/Exit of No.4 Kitakyushu Urban Expressway, the location has high potential for drawing customers visiting by car from across a wide area. Furthermore, apartments are being developed in the surrounding area partly due to convenience in being close to the center of Kokura.</p>				
<div>■ Tenant composition</div> <p>The property is a retail complex with Don Quijote, the core tenant, on the first and second floors, GEO (CD/DVD rental store), Yoshinoya (beef bowl restaurant) and Onyasai (shabu shabu restaurant) on the first floor, Kaikatsu Club (Internet café and karaoke), etc. on the second floor, and a bowling alley on the third floor.</p>				
<div>■ Trade area characteristics</div> <p>Population by trade area of the property is 29,000 for 1km, 148,000 for 3km and 299,000 for 5km, all remaining almost unchanged from the previous year. Family composition indicates a high ratio of single household, accounting for nearly 60% within 1km radius, and thus shows a strong feature of the urban market.</p>				
Trade area population	Distance from the property	1km trade area	3km trade area	5km trade area
2016	The population	28,554	148,256	299,280
	The number of households	18,287	82,903	156,997
2015	The population	28,515	148,546	300,091
	The number of households	18,053	82,355	156,262
Source: Basic resident register				

(Note 1) There is a private road burden (area: approximately 222m<sup>2</sup>) on the northwest side of the property. The road on the southwest side of the property is a road as stipulated in Article 42, Paragraph 2 of the Building Standards Act. Therefore, there is a setback upon construction of the property's building (area: approximately 47m<sup>2</sup>).

(Note 2) The remaining lease term as of the anticipated date of acquisition on August 29, 2017 is indicated.

(Note 3) The beneficiary of the building located on the property is Daiwa Information Service Co., Ltd.

## 5. Details of the Assets Scheduled for Disposition

Overview of leasing is based on information as of June 30, 2017.

## (1) Castalia Maihama

Property number		Castalia Maihama		Asset class		Residential	
RE-100				Acquisition price		670 million yen	
Type of specified asset				Trust beneficiary interest in real estate			
Trustee				Mitsubishi UFJ Trust and Banking Corporation			
Trust maturity date				January 31, 2020			
Location	Lot number		5-2405-1, Fujimi, Urayasu City, Chiba				
	Address		5-14-17, Fujimi, Urayasu City, Chiba				
Land	Type of ownership		Ownership				
	Land area		696.88 m <sup>2</sup>				
	Area classification		Category 1 medium-to-high-rise exclusive residential district				
	Building coverage ratio		60%				
	FAR		200%				
Building	Type of ownership		Ownership				
	Gross floor area		1,422.75 m <sup>2</sup>				
	Use		Apartment complex				
	Structure		Reinforced concrete building				
	Number of floors		6F				
	Date of construction		March 28, 2003				
Collateral				None			
Overview of leasing							
Leasable area		1,287.72 m <sup>2</sup>		Number of leasable units		61	
Leased area		1,203.72 m <sup>2</sup>		Annual rent		43 million yen	
Occupancy rate		93.5%		Tenant leasehold and security deposit		3 million yen	
Historical occupancy rate	February 2015	August 2015	February 2016		August 2016	February 2017	
	95.1%	98.4%	91.8%		93.5%	100.0%	
Master lease company				Daiwa Living Management Co., Ltd.			
Master lease type				Pass-through type			
Property management company				Daiwa Living Co., Ltd.			

## (2) Castalia Ichikawamyoden

27) Castalia Ichikawamyoden		Castalia Ichikawamyoden	Asset class	Residential
Property number			Acquisition price	671 million yen
RE-101				
Type of specified asset		Trust beneficiary interest in real estate		
Trustee		Mitsubishi UFJ Trust and Banking Corporation		
Trust maturity date		January 31, 2020		
Location	Lot number	2-17-28, Shioyaki, Ichikawa City, Chiba		
	Address	2-14-20, Shioyaki, Ichikawa City, Chiba		
Land	Type of ownership	Ownership		
	Land area	635.21 m <sup>2</sup>		
	Area classification	Category 1 residential district		
	Building coverage ratio	60%		
	FAR	200%		
Building	Type of ownership	Ownership		
	Gross floor area	1,284.11 m <sup>2</sup>		
	Use	Apartment complex		
	Structure	Reinforced concrete building		
	Number of floors	5F		

	Date of construction		March 15, 2003			
Collateral			None			
Overview of leasing						
Leasable area		1,218.00 m <sup>2</sup>		Number of leasable units		58
Leased area		1,218.00 m <sup>2</sup>		Annual rent		53 million yen
Occupancy rate		100.0%		Tenant leasehold and security deposit		8 million yen
Historical occupancy rate	February 2015	August 2015		February 2016	August 2016	February 2017
	100.0%	100.0%		100.0%	100.0%	100.0%
Master lease company				Daiwa Living Management Co., Ltd.		
Master lease type				Pass-through type		
Property management company				Daiwa Living Co., Ltd.		

### (3) Castalia Urayasu

3) Castalia Urayasu							
Property number		Castalia Urayasu		Asset class		Residential	
RE-102				Acquisition price		592 million yen	
Type of specified asset			Trust beneficiary interest in real estate				
Trustee			Mitsubishi UFJ Trust and Banking Corporation				
Trust maturity date			January 31, 2020				
Location	Lot number		3-30-3, Arai, Ichikawa City, Chiba				
	Address		3-30-4, Arai, Ichikawa City, Chiba				
Land	Type of ownership		Ownership				
	Land area		553.00 m <sup>2</sup>				
	Area classification		Category 1 residential district				
	Building coverage ratio		60%				
	FAR		200%				
Building	Type of ownership		Ownership				
	Gross floor area		1,137.97 m <sup>2</sup>				
	Use		Apartment complex				
	Structure		Reinforced concrete building				
	Number of floors		5F				
	Date of construction		February 14, 2003				
Collateral			None				
Overview of leasing							
Leasable area		1,074.53 m <sup>2</sup>		Number of leasable units		51	
Leased area		1,074.53 m <sup>2</sup>		Annual rent		42 million yen	
Occupancy rate		100.0%		Tenant leasehold and security deposit		7 million yen	
Historical occupancy rate	February 2015	August 2015	February 2016		August 2016	February 2017	
	100.0%	100.0%	100.0%		100.0%	100.0%	
Master lease company				Daiwa Living Management Co., Ltd.			
Master lease type				Pass-through type			
Property management company				Daiwa Living Co., Ltd.			

### (4) Castalia Minamigyotoku

4) Castalia Minamigyotoku				
Property number		Castalia Minamigyotoku	Asset class	Residential
RE-103			Acquisition price	543 million yen
Type of specified asset		Trust beneficiary interest in real estate		
Trustee		Mitsubishi UFJ Trust and Banking Corporation		

Trust maturity date		January 31, 2020			
Location	Lot number		4-1-6, Minami Gyotoku, Ichikawa City, Chiba		
	Address		4-1-26, Minami Gyotoku, Ichikawa City, Chiba		
Land	Type of ownership		Ownership		
	Land area		530.49 m <sup>2</sup>		
	Area classification		Category 2 residential district		
	Building coverage ratio		60%		
	FAR		200%		
Building	Type of ownership		Ownership		
	Gross floor area		1,091.40 m <sup>2</sup>		
	Use		Apartment complex		
	Structure		Reinforced concrete building		
	Number of floors		5F		
	Date of construction		March 14, 2003		
Collateral		None			
Overview of leasing					
Leasable area		1,031.81 m <sup>2</sup>	Number of leasable units		49
Leased area		1,010.78 m <sup>2</sup>	Annual rent		36 million yen
Occupancy rate		98.0%	Tenant leasehold and security deposit		4 million yen
Historical occupancy rate	February 2015	August 2015	February 2016	August 2016	February 2017
	91.8%	100.0%	93.9%	98.0%	89.8%
Master lease company			Daiwa Living Management Co., Ltd.		
Master lease type			Pass-through type		
Property management company			Daiwa Living Co., Ltd.		

(5) Castalia Shinsakae

Property number		Castalia Shinsakae	Asset class	Residential
RE-113			Acquisition price	1,920 million yen
Type of specified asset		Trust beneficiary interest in real estate		
Trustee		Sumitomo Mitsui Trust Bank, Limited		
Trust maturity date		December 31, 2025		
Location	Lot number	1-1122, Shinsakae, Naka Ward, Nagoya City, Aichi		
	Address	1-11-29, Shinsakae, Naka Ward, Nagoya City, Aichi		
Land	Type of ownership	Ownership		
	Land area	879.85 m <sup>2</sup>		
	Area classification	Commercial district		
	Building coverage ratio	80%		
	FAR	500%		
Building	Type of ownership	Ownership		
	Gross floor area	4,634.98 m <sup>2</sup>		
	Use	Apartment complex, retail, parking lot		
	Structure	Steel-frame building		
	Number of floors	14F		
	Date of construction	May 25, 2004		
Collateral		None		
Overview of leasing				
Leasable area	3,548.48 m <sup>2</sup>	Number of leasable units	131	
Leased area	3,331.56 m <sup>2</sup>	Annual rent	104 million yen	

Occupancy rate	93.9%		Tenant leasehold and security deposit	13 million yen	
Historical occupancy rate	February 2015	August 2015	February 2016	August 2016	February 2017
	93.6%	96.0%	95.0%	92.3%	98.0%
Master lease company			Daiwa Living Management Co., Ltd.		
Master lease type			Pass-through type		
Property management company			Daiwa Living Co., Ltd.		

(6) Aprile Tarumi

Property number		Aprile Tarumi		Asset class		Residential	
RE-114				Acquisition price		1,340 million yen	
Type of specified asset			Trust beneficiary interest in real estate				
Trustee			Mitsubishi UFJ Trust and Banking Corporation				
Trust maturity date			November 30, 2020				
Location	Lot number		7-2246-70, Takamaru, Tarumi Ward, Kobe City, Hyogo				
	Address		7-3-1, Takamaru, Tarumi Ward, Kobe City, Hyogo				
Land	Type of ownership		Ownership				
	Land area		5,489.92 m <sup>2</sup>				
	Area classification		Category 1 medium-to-high-rise exclusive residential district				
	Building coverage ratio		60%				
	FAR		200%				
Building	Type of ownership		Ownership				
	Gross floor area		6,981.53 m <sup>2</sup>				
	Use		Apartment complex				
	Structure		Reinforced concrete building				
	Number of floors		12F				
	Date of construction		January 22, 2003				
Collateral			None				
Overview of leasing							
Leasable area		6,545.25 m <sup>2</sup>		Number of leasable units		99	
Leased area		6,545.25 m <sup>2</sup>		Annual rent		111 million yen	
Occupancy rate		100.0%		Tenant leasehold and security deposit		27 million yen	
Historical occupancy rate	February 2015	August 2015	February 2016		August 2016	February 2017	
	100.0%	100.0%	100.0%		100.0%	100.0%	
Master lease company				-			
Master lease type							
Property management company				Kobe Steel, Ltd.			

(7) Castalia Nipponbashi Kouzu

Property number		Castalia Nipponbashi Kouzu	Asset class	Residential
RE-120			Acquisition price	3,570 million yen
Type of specified asset		Real estate		
Trustee		-		
Trust maturity date		-		
Location	Lot number	2-19-8, Kouzu, Chuo Ward, Osaka City, Osaka		
	Address	2-4-6, Kouzu, Chuo Ward, Osaka City, Osaka		
Land	Type of ownership	Ownership		
	Land area	1,413.07 m <sup>2</sup>		
	Area classification	Commercial district		



	Building coverage ratio	80%			
	FAR	800%			
Building	Type of ownership	Ownership			
	Gross floor area	13,340.10 m <sup>2</sup>			
	Use	Apartment complex			
	Structure	Reinforced concrete building			
	Number of floors	B1F/14F			
	Date of construction	January 31, 2006			
Collateral		None			
Overview of leasing					
Leasable area		9,334.47 m <sup>2</sup>	Number of leasable units		262
Leased area		9,104.37 m <sup>2</sup>	Annual rent		301 million yen
Occupancy rate		97.5%	Tenant leasehold and security deposit		10 million yen
Historical occupancy rate	February 2015	August 2015	February 2016	August 2016	February 2017
	97.7%	97.6%	98.3%	97.8%	95.8%
Master lease company			Daiwa Living Management Co., Ltd.		
Master lease type			Pass-through type		
Property management company			Daiwa Living Co., Ltd.		

#### 6. Seller profile

(1)	Name	Daiwa Information Service Co., Ltd.
(2)	Location	2-18-2, Iidabashi, Chiyoda Ward, Tokyo
(3)	Representative	Katsuyuki Fujita, President
(4)	Business activities	Land utilization / Development and operation of commercial facilities
(5)	Capital	200 million yen (as of March 31, 2017)
(6)	Foundation date	January 8, 1986
(7)	Net assets	21,788 million yen (as of March 31, 2017)
(8)	Total assets	133,968 million yen (as of March 31, 2017)
(9)	Major shareholder and shareholding ratio	Daiwa House Industry Co., Ltd. 100.0% (as of March 31, 2017)
(10)	Relationship with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship requiring disclosure between DHR/the Asset Manager and the seller. The seller is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, and thus falls under the category of an interested party, etc. as defined in the Investment Trust Act.
	Personnel relationship	There is no personal relationship requiring disclosure between DHR/the Asset Manager and the seller.
	Business relationship	DHR has entrusted property management and master lease company duties to the seller. The seller has executed a basic agreement regarding pipeline support and other matters with DHR and the Asset Manager.
	Status of classification as affiliated party	The seller is not an affiliated party of DHR. The seller is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, and thus falls under the category of an affiliated party of the Asset Manager.

#### 7. Status of the seller

Property acquisition from parties with particular interests is as follows. The table below notes (1) the name of the party; (2) the relationship with the party that has a particular interest; and (3) the backgrounds and reason for the acquisition.



Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date
RM-007 ASOBX (Land) (2-2-16, Nakatsuguchi, Kokura Kita Ward, Kitakyushu City, Fukuoka)	(1) Daiwa Information Service Co., Ltd. (2) Subsidiary of the parent company of the Asset Manager (3) Acquisition for investment management purposes	A party which does not have any particular interests
	Omitted as the previous owner/trust beneficiary has owned the land for over one year	-
	March 2016	-

## 8. Buyer profile

### (1) Castalia Urayasu and Castalia Minamigyotoku

i)	Name	Nihon Jyutaku Ryutu Co., Ltd.
ii)	Location	1-1-3-800, Umeda, Kita Ward, Osaka City, Osaka
iii)	Representative	Minoru Fujita, President
iv)	Business activities	Real estate agency and property management services / Appraisals / Renovation work
v)	Capital	729 million yen (as of March 31, 2017)
vi)	Foundation date	February 15, 1978
vii)	Net assets	5,807 million yen (as of March 31, 2017)
viii)	Total assets	17,362 million yen (as of March 31, 2017)
ix)	Major shareholder and shareholding ratio	Daiwa House Industry Co., Ltd. 100.0% (as of March 31, 2017)
x)	Relationship with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship requiring disclosure between DHR/the Asset Manager and the buyer. The buyer is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, and thus falls under the category of an interested party, etc. as defined in the Investment Trust Act.
	Personnel relationship	There is no personal relationship requiring disclosure between DHR/the Asset Manager and the buyer.
	Business relationship	There is no business relationship requiring disclosure between DHR/the Asset Manager and the buyer.
	Status of classification as affiliated party	The buyer is not an affiliated party of DHR. The buyer is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, and thus falls under the category of an affiliated party of the Asset Manager.

### (2) Castalia Maihama, Castalia Ichikawamyoden, Castalia Shinsakae, Aprile Tarumi and Castalia Nipponbashi Kouzu

Each of the buyers of the above five properties is a separate domestic corporation. However, names, etc. are not disclosed as consent for disclosure has not been obtained from the buyers. None of the buyers is an interested party of DHR and the Asset Manager, or is an affiliated party of DHR and the Asset Manager.

## 9. Brokerage

### (1) ASOBX (Land), Castalia Urayasu and Castalia Minamigyotoku

None

### (2) Aprile Tarumi

- i) Broker profile: Nihon Jyutaku Ryutu Co., Ltd. (Please refer to 8. Buyer profile above.)
- ii) Broker's commission: 45,132 thousand yen (excluding consumption tax, etc.)

(3) Castalia Maihama, Castalia Ichikawamyoden, Castalia Shinsakae and Castalia Nipponbashi Kouzu

- i) Broker profile: Brokers of each of the above properties are the domestic corporations. However, names, etc. are not disclosed as consent for disclosure has not been obtained from the buyers. None of the buyers is an interested party of DHR and the Asset Manager, or is an affiliated party of DHR and the Asset Manager. There is no capital or personnel relationship requiring disclosure between DHR/the Asset Manager and the buyers. Meanwhile, the brokers are trustees and lenders of DHR, and one of the brokers is a custodian, a general administrator, a transfer agent, a special accounts administrator and an administrator of investment corporation bonds.
- ii) Broker's commission: The figures are not disclosed as consent for disclosure has not been obtained from the brokers.

10. Interested party transactions

The following companies are defined as interested parties, etc. in the Investment Trust Act: Daiwa Information Service Co., Ltd. as the seller of the Asset Scheduled for Acquisition; Nihon Jyutaku Ryutu Co., Ltd., as the buyer of Castalia Urayasu and Castalia Minamigyotoku and the broker for Aprile Tarumi. The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its voluntary rules concerning conflicts of interest.

Moreover, even though the anticipated sale price of Castalia Urayasu is below the appraisal value, the Asset Manager decided that it would be preferable to avoid future risks by disposing of the property at the current point in a booming real estate market, in consideration of such factors as the difference between the current rent level and the market rent level as well as the type of the current lease agreement, etc.

11. Method of settlement

- (1) Acquisition settlement: Lump-sum settlement upon delivery
- (2) Disposition settlement: Lump-sum settlement upon delivery
- (3) Acquisition funds and disposition funds: Proceeds from the Disposition will be used to fund acquisition of the Asset Scheduled for Acquisition and related expenses, and remaining funds will be reserved as cash to fund part of acquisition of assets or part of repayment of loans in the future.

12. Acquisition and disposition schedule

Please refer to 1. Acquisition overview and 2. Disposition overview above.

13. Outlook

DHR expects to post gain on sale of properties of 1,538 million yen in the fiscal period ending August 2017 (from March 1, 2017 to August 31, 2017) as a result of the Disposition. DHR plans to accumulate such gain as internal reserves by applying tax loss carryforwards with an aim to stabilize future distributions. The impact of the Transactions on the forecast of operating results for the fiscal periods ending August 2017 and February 2018 (from September 1, 2017 to February 28, 2018) will be minimal, and there are no revisions to the forecast.

14. Summary of property appraisal of the Asset Scheduled for Acquisition

ASOBOX (Land)		
Appraisal value	1,830 million yen	
Appraiser	Japan Real Estate Institute	
Appraisal date	June 30, 2017	

  

Item	Content	Basis
Value based on income method	1,830 million yen	Used discounted cash flow method. Direct capitalization method is not used since the method does not fit with this contract which requires restoring the land to raw land upon the end of the contract period.
Value based on direct	-	

capitalization method		
Operating revenue	-	
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	-	
Investment income of lump sum	-	
Capital expenditure	-	
Net cash flow (NCF)	-	
Cap rate	-	
Value based on Discounted Cash Flow method	1,830 million yen	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Discount rate	5.0%	
Terminal cap rate	-	
Value based on land and leasehold ratio method	1,800 million yen	
Items applied to adjustments in valuation approach and the determination of the appraisal value		The appraisal value was decided by employing the value based on income method and using the value based on land and leasehold ratio method only as reference.

## 15. Summary of property appraisal of the Assets Scheduled for Disposition

### (1) Castalia Maihama

Castalia Maihama	
Appraisal value	645 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	645 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	652 million yen	
Operating revenue	48 million yen	
Effective gross revenue	51 million yen	Assessed the average market rent level of the property through comparison with rent levels of leasing cases, etc.
Loss from vacancy	3 million yen	Assessed considering the average turnover period, period without revenue during tenant solicitation, etc.
Operating expense	10 million yen	
Maintenance	2 million yen	Recorded based on past results of the property, etc.
Utility cost	0 million yen	Recorded based on past results of the property, etc.
Repair	2 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
Property management fee	1 million yen	Based on the property management contract.
Advertisement and other leasing cost	1 million yen	Assumed 25% annual tenant replacement.

	Tax	2 million yen	Recorded based on the actual results for 2016.
	Insurance	0 million yen	Recorded based on past results of the property, etc.
	Other cost	0 million yen	Recorded based on past results of the property, etc.
	Net operating income (NOI)	37 million yen	
	Investment income of lump sum	0 million yen	Assessed with the investment yield set at 1.0%
	Capital expenditure	2 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
	Net cash flow (NCF)	34 million yen	
	Cap rate	5.3%	Assessed by comparing multiple transaction yields in the neighboring areas or similar areas with the same supply and demand.
	Value based on Discounted Cash Flow method	642 million yen	
	Discount rate	5.3%	Assessed by reflecting specific risks related to the property in the base yield.
	Terminal cap rate	5.5%	Assessed on the basis of capitalization rate taking into consideration of future prediction uncertainty.
	Value based on cost method	393 million yen	
	Proportion of land	53.5%	
	Proportion of building	46.5%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(2) Castalia Ichikawamyoden

Castalia Ichikawamyoden	
Appraisal value	715 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	715 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	621 million yen	
Operating revenue	45 million yen	
Effective gross revenue	47 million yen	Assessed considering the building age as well as gross market quotation and the facility environment such as the building grade and distance from the station.
Loss from vacancy	2 million yen	Assessed considering the average turnover period, period without revenue during tenant solicitation, etc.
Operating expense	9 million yen	
Maintenance	1 million yen	Based on the building management contract, etc.
Utility cost	0 million yen	Based on the material presented by the requestor.
Repair	2 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
Property management fee	1 million yen	Assessed by reference to the fee rates of similar properties, assuming a case of multiple leasing.
Advertisement and other leasing cost	1 million yen	Assumed 25% annual tenant replacement.
Tax	2 million yen	Recorded based on the actual results for 2016.
Insurance	0 million yen	Recorded based on past results of the property, etc.
Other cost	0 million yen	Recorded based on past results of the property, etc.
Net operating income (NOI)	35 million yen	
Investment income of lump sum	0 million yen	Assessed with the investment yield set at 1.0%
Capital expenditure	2 million yen	Assessed by splitting the figure based on the engineering

		report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
	Net cash flow (NCF)	32 million yen
	Cap rate	5.2%
	Value based on Discounted Cash Flow method	755 million yen
	Discount rate	5.4%
	Terminal cap rate	5.5%
	Value based on cost method	375 million yen
	Proportion of land	58.1%
	Proportion of building	41.9%
	Items applied to adjustments in valuation approach and the determination of the appraisal value	None

### (3) Castalia Urayasu

Castalia Urayasu	
Appraisal value	623 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	623 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	568 million yen	
Operating revenue	40 million yen	
Effective gross revenue	42 million yen	Assessed considering the building age as well as gross market quotation and the facility environment such as the building grade and distance from the station.
Loss from vacancy	2 million yen	Assessed considering the average turnover period, period without revenue during tenant solicitation, etc.
Operating expense	8 million yen	
Maintenance	1 million yen	Based on the building management contract, etc.
Utility cost	0 million yen	Based on the material presented by the requestor, etc.
Repair	1 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
Property management fee	1 million yen	Assessed by reference to the fee rates of similar properties, assuming a case of multiple leasing.
Advertisement and other leasing cost	1 million yen	Assumed 25% annual tenant replacement.
Tax	1 million yen	Recorded based on the actual results for 2016.
Insurance	0 million yen	Recorded based on past results of the property, etc.
Other cost	0 million yen	Based on the material presented by the requestor, etc.
Net operating income (NOI)	31 million yen	
Investment income of lump sum	0 million yen	Assessed with the investment yield set at 1.0%
Capital expenditure	1 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
Net cash flow (NCF)	29 million yen	
Cap rate	5.2%	Assessed by comparing multiple transaction yields in the neighboring areas or similar areas with the same supply and demand.
Value based on Discounted Cash Flow method	647 million yen	

	Discount rate	5.2%	Assessed by reflecting specific risks related to the property in the base yield.
	Terminal cap rate	5.5%	Assessed on the basis of capitalization rate taking into consideration of future prediction uncertainty.
	Value based on cost method	325 million yen	
	Proportion of land	56.1%	
	Proportion of building	43.9%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value	None	

(4) Castalia Minamigyotoku

Castalia Minamigyotoku	
Appraisal value	503 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	503 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	505 million yen	
Operating revenue	36 million yen	
Effective gross revenue	38 million yen	Assessed considering gross market quotation and the facility environment such as the building grade and distance from the station.
Loss from vacancy	1 million yen	Assessed considering the average turnover period, period without revenue during tenant solicitation, etc.
Operating expense	8 million yen	
Maintenance	1 million yen	Based on the building management contract and the property management report.
Utility cost	0 million yen	Based on the property management report.
Repair	1 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
Property management fee	1 million yen	Based on the property management contract, memorandum, etc.
Advertisement and other leasing cost	1 million yen	Assumed 25% annual tenant replacement.
Tax	1 million yen	Recorded based on the actual results for 2016.
Insurance	0 million yen	Recorded based on past results of the property, etc.
Other cost	0 million yen	Based on the property management report.
Net operating income (NOI)	27 million yen	
Investment income of lump sum	0 million yen	Assessed with the investment yield set at 1.0%
Capital expenditure	2 million yen	Assessed by splitting the figure based on the engineering report, material presented by the requestor and similar cases in 3 (repair):7 (capex) ratio.
Net cash flow (NCF)	25 million yen	
Cap rate	5.1%	Assessed by comparing multiple transaction yields in the neighboring areas or similar areas with the same supply and demand.
Value based on Discounted Cash Flow method	502 million yen	
Discount rate	5.1%	Assessed by reflecting specific risks related to the property in the base yield.
Terminal cap rate	5.3%	Assessed on the basis of capitalization rate taking into consideration of future prediction uncertainty.
Value based on cost method	315 million yen	
Proportion of land	53.6%	
Proportion of building	46.4%	



Items applied to adjustments in valuation approach and the determination of the appraisal value	None
---	------

(5) Castalia Shinsakae

Castalia Shinsakae	
Appraisal value	1,580 million yen
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	1,580 million yen	Judging that value based on discounted cash flow method is more convincing, decided value based on income method using value based on discounted cash flow method.
Value based on direct capitalization method	1,580 million yen	
Operating revenue	110 million yen	
Effective gross revenue	119 million yen	Employed revenue and expenditure based on comparison with market standards, etc.
Loss from vacancy	8 million yen	
Operating expense	27 million yen	
Maintenance	5 million yen	Assessed based on the engineering report.
Utility cost	1 million yen	
Repair	5 million yen	
Property management fee	4 million yen	
Advertisement and other leasing cost	1 million yen	
Tax	7 million yen	
Insurance	0 million yen	
Other cost	0 million yen	
Net operating income (NOI)	83 million yen	
Investment income of lump sum	0 million yen	
Capital expenditure	4 million yen	Assessed based on the engineering report.
Net cash flow (NCF)	78 million yen	
Cap rate	5.0%	Assessed taking into account factors specific to the property, etc. as well as the standard yield in the area.
Value based on Discounted Cash Flow method	1,580 million yen	
Discount rate	4.8%	Assessed as cap rate > discount rate, taking into account the projections of economic growth and market trends as of present, etc.
Terminal cap rate	5.2%	Assessed taking into account risk premiums such as the risk of price drops due to aging of the property and the market fluctuation risk, as well as the cap rate.
Value based on cost method	1,340 million yen	
Proportion of land	54.9%	
Proportion of building	45.1%	
Items applied to adjustments in valuation approach and the determination of the appraisal value	None	

(6) Aprile Tarumi

Aprile Tarumi	
Appraisal value	1,570 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	1,570 million yen	Calculated by associating value based on the direct capitalization method and that based on the discounted



		cash flow method, both of which are considered to have the same level of canonicity.
Value based on direct capitalization method	1,580 million yen	
Operating revenue	111 million yen	
Effective gross revenue	111 million yen	Based on the current leasing contract terms.
Loss from vacancy	0 million yen	Since a fixed-term building lease agreement for blanket leasing has been concluded, loss from vacancy is not recorded.
Operating expense	11 million yen	
Maintenance	0 million yen	Recorded fire-prevention management expense, firefighting equipment inspection expense, etc.
Utility cost	0 million yen	Not recorded as borne by the lessee.
Repair	1 million yen	Recorded taking into account the actual amounts of the past years, the level of expense for similar properties, the annual average amount of repairs in the engineering report, etc.
Property management fee	0 million yen	Judged that recording is unnecessary as no agreement has been concluded.
Advertisement and other leasing cost	0 million yen	Judged to be unnecessary.
Tax	10 million yen	Recorded in accordance with documents related to taxes and other public charges.
Insurance	0 million yen	Recorded considering the premium based on the insurance contract, premium rates for the building and similar buildings, etc.
Other cost	0 million yen	No costs to record in particular.
Net operating income (NOI)	99 million yen	
Investment income of lump sum	0 million yen	Assessed with the investment yield set at 1.0%
Capital expenditure	11 million yen	Assessed taking into account the level of capital expenditure for similar properties, the building age, the annual average amount of repair and renewal costs in the engineering report, etc.
Net cash flow (NCF)	88 million yen	
Cap rate	5.6%	Assessed based on a real-estate investment yield set for each area, by adjusting it with the spreads arising from conditions of the location, building and such of the property while taking into account transaction yields of similar properties, etc.
Value based on Discounted Cash Flow method	1,560 million yen	
Discount rate	5.4%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Terminal cap rate	5.8%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent trends and all other applicable factor, by reference to investment returns of similar properties, etc.
Value based on cost method	1,520 million yen	
Proportion of land	43.0%	
Proportion of building	57.0%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(7) Castalia Nipponbashi Kouzu

Castalia Nipponbashi Kouzu	
Appraisal value	3,890 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	February 28, 2017

Item	Content	Basis
Value based on income method	3,890 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	3,890 million yen	
Operating revenue	290 million yen	
Effective gross revenue	311 million yen	Assessed the market rent of the property through comparison with rent levels of leasing cases, etc.
Loss from vacancy	21 million yen	Assessed considering the average turnover period, period without revenue during tenant solicitation, etc.
Operating expense	74 million yen	
Maintenance	14 million yen	Assessed based on the building management contract and the during-period budget control table.
Utility cost	3 million yen	Based on the during-period budget control table.
Repair	16 million yen	Assessed by splitting the figure based on the engineering report and similar cases in 3 (repair):7 (capex) ratio.
Property management fee	8 million yen	Based on the property management contract.
Advertisement and other leasing cost	8 million yen	Assumed 25% annual tenant replacement.
Tax	20 million yen	Recorded based on the actual results for 2016.
Insurance	0 million yen	Recorded based on past results of the property, etc.
Other cost	1 million yen	Recorded based on past results of the property, etc.
Net operating income (NOI)	216 million yen	
Investment income of lump sum	0 million yen	Assessed with the investment yield set at 1.0%
Capital expenditure	21 million yen	Assessed by splitting the figure based on the engineering report and similar cases in 3 (repair):7 (capex) ratio.
Net cash flow (NCF)	194 million yen	
Cap rate	5.0%	Assessed by comparing multiple transaction yields in the neighboring areas or similar areas with the same supply and demand.
Value based on Discounted Cash Flow method	3,890 million yen	
Discount rate	5.1%	Assessed by reflecting specific risks related to the property in the base yield.
Terminal cap rate	5.2%	Assessed on the basis of capitalization rate taking into consideration of future prediction uncertainty.
Value based on cost method	2,840 million yen	
Proportion of land	30.6%	
Proportion of building	69.4%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

\* Distribution of this material: This material is distributed to “Kabuto Club” (a media correspondents’ club at the Tokyo Stock Exchange), the press club at the Ministry of Land, Infrastructure, Transport and Tourism and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

\* DHR’s website: <http://www.daiwahouse-reit.co.jp/en/>

<Attachments>

1. Photograph and location map of the Asset Scheduled for Acquisition
2. Property portfolio after the Transactions

<Attachments>

1. Photograph and location map of the Asset Scheduled for Acquisition

(Property number) RM-007 ASOBOX (Land)



2. Property portfolio after the Transactions

Property number	Property name	Location	(Anticipated) acquisition price (million yen)	Investment ratio (Note)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.6%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	2.7%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.6%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	1.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.6%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	4.5%
LB-007	D Project Akanehana	Narashino City, Chiba	2,950	0.5%
LB-008	D Project Noda	Noda City, Chiba	6,210	1.1%
LB-009	D Project Inuyama	Inuyama City, Aichi	8,690	1.5%
LB-010	D Project Gifu	Anpachi District, Gifu	1,100	0.2%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	1.0%
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	818	0.1%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.2%
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	1,530	0.3%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.6%
LB-016	D Project Gotenba	Gotenba City, Shizuoka	1,140	0.2%
LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	1,210	0.2%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.7%
LB-019	D Project Tosu	Tosu City, Saga	5,740	1.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.7%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.4%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.6%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.8%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.7%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.8%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.3%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	1.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.4%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.9%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	1.1%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.8%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.3%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.4%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.2%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	1.3%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.6%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	1.5%

Property number	Property name	Location	(Anticipated) acquisition price (million yen)	Investment ratio (Note)
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.9%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.6%
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	1,510	0.3%
LB-041	D Project Oyama	Oyama City, Tochigi	2,000	0.3%
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.3%
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.5%
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	1.0%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.7%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.3%
LM-001	DPL Misato	Misato City, Saitama	16,831	2.9%
Total of 47 Logistics Properties			260,119	45.3%
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.3%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.8%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.5%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.4%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.4%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.4%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.5%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.5%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.3%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.3%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.4%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.3%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.2%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.2%
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.2%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.2%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.2%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.2%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.2%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.2%
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	675	0.1%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.5%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.1%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.1%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.2%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.5%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.5%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.3%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.6%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.5%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.2%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.3%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.4%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.3%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.8%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.2%

Property number	Property name	Location	(Anticipated) acquisition price (million yen)	Investment ratio (Note)
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.3%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.3%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.1%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.1%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.2%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.2%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.2%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.4%
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.2%
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	1.3%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.3%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.2%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	503	0.1%
RE-065	Castalia Kamiikeda	Ota Ward, Tokyo	198	0.0%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.1%
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.1%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.5%
RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.2%
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	533	0.1%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.2%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.2%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.2%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.4%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.2%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.2%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.3%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.3%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.3%
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,181	0.2%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.3%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.3%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.3%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.4%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.7%
RE-089	Castalia Meguro Choijamaru	Shinagawa Ward, Tokyo	2,030	0.4%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.3%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.3%
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,020	0.2%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.8%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.3%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.3%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%
RE-105	Castalia Nozeyama	Yokohama City, Kanagawa	325	0.1%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.9%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.3%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.8%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.6%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.3%
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	1,060	0.2%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.5%
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.3%



Property number	Property name	Location	(Anticipated) acquisition price (million yen)	Investment ratio (Note)
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.8%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.2%
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.3%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.2%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.6%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.2%
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%
RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.1%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.4%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.5%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.4%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.2%
RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.2%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.5%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.5%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.2%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.3%
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.4%
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	1,800	0.3%
Total of 135 Residential Properties			250,448	43.6%
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.4%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.8%
RM-003	QiZ GATE URAWA	Saitama City, Saitama	4,270	0.7%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.5%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.7%
RM-006	DREAM TOWN ALi	Aomori City, Aomori	8,100	1.4%
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	1,600	0.3%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.3%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.2%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.4%
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.4%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	1.0%
Total of 12 Retail Properties			51,930	9.0%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.2%
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	1,100	0.2%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	1.3%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.3%
Total of 4 Other Assets			11,480	2.0%
Portfolio Total of 198 Properties			573,977	100.0%

(Note) Investment ratio indicates the ratio of the (anticipated) acquisition price for each asset to the total (anticipated) acquisition price, rounded to the nearest tenth.