Daiwa House REIT Investment Corporation

(TSE code: 8984)

Investor Presentation

The **24th** Period Ended **Feb. 2018**

April 20, 2018

Daiwa Asset Mgt.

Daiwa House Asset Management Co.,Ltd.

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Executive Summary

1. Financial Results	◆ Feb. 2018 DPU **5,194** yen (+144 yen vs forecast, +230 yen vs Aug. 2017)
2. Equity Offering	◆ Raised **55.0** Bn yen from the second equity offering after the merger ◆ Acquired **16** properties for **96.9** Bn yen from Daiwa House Group pipeline
3. Initiatives to Pursue Growth	◆ Acquired **40** properties for **193.1** Bn yen in total in roughly one and half years since the merger and expanded asset size to **674.7** Bn yen ◆ Aim **800** Bn yen in asset size by continuing to leverage the pipeline
4. Operation and Financial Status	◆ Feb. 2018 occupancy remained stable at a high level of **99.3** % (**+0.1** p.p.) ◆ Five regional banks joined as new lenders in Nov. 2017
5. Financial Forecasts	◆ Aug. 2018 Forecast DPU **4,950** yen (forecast as of Oct. 2017: 4,900 yen) ◆ Feb. 2019 Forecast DPU **5,250** yen

1. Financial Results

Financial Highlights for February 2018 Period

DPU

5,194 yen

+144 yen vs Forecast

+230 yen vs Aug. 2017

Operation Status

- NOI yield **5.4** % (+0.2 p.p. vs Aug. 2017)

* Property taxes for 2017 acquisitions will be expensed starting from the period ending Aug. 2018

- Occupancy rate **99.3** % (+0.1 p.p. vs Aug. 2017)

- Favorable occupancy and margin improvement at residential properties
- Improvement in occupancy for retail properties

Financial Status

- Five regional banks joined as new lenders
- NAV per unit **248,003** yen (+2,314 yen vs Aug. 2017)
- LTV (including goodwill) **41.4** % (+0.0 p.p. vs Aug. 2017)
- LTV (excluding goodwill) **46.4** % (-0.1 p.p. vs Aug. 2017)

NOI yield

Asset class	NOI (mil yen)	Acquisition price (mil yen)	NOI yield
Logistics	6,757	260,119	5.2 %
Residential	6,921	250,448	5.6 %
Retail	1,455	55,730	5.3 %
Other	369	11,480	6.5 %
Portfolio	15,503	577,777	5.4 %

Period end occupancy

Asset class	Aug. 2017	Feb. 2018	Change
Logistics	100.0 %	100.0 %	–
Residential	97.3 %	97.5 %	0.2 p.p.
Retail	98.9 %	99.3 %	0.4 p.p.
Other	100.0 %	100.0 %	–
Portfolio	99.2 %	99.3 %	0.1 p.p.

Statement of Income for February 2018 Period

Daiwa House REIT Investment Corporation

- **Increase in rental revenue for 10 consecutive periods led to 5,194 yen of DPU**
- **Retained refunded consumption taxes as reserve for distribution**

(mil yen)

	Period ended Aug. 2017	Period ended Feb. 2018		Period ended Feb. 2018	
	Result	Result	Period-on-period change	Forecast as of 2017/10/18	Result vs Forecast
Operating Revenue	21,015	19,700	-1,315	19,540	159
Rental revenue	19,479	19,700	220	19,540	159
Gain on sale of properties	1,536	—	-1,536	—	—
Operating Expenses	11,623	11,687	64	11,748	-60
Property operating expenses	7,906	7,947	41	7,959	-12
Property operating expenses (excluding depreciation)	4,193	4,196	3	4,222	-25
Depreciation	3,713	3,750	37	3,737	13
Other operating expenses	3,716	3,740	23	3,788	-47
Amortization of goodwill	1,982	1,982	—	1,982	—
Operating Income	9,392	8,012	-1,379	7,792	220
Non-operating income	29	357	327	4	352
Non-operating expenses	1,448	1,223	-224	1,240	-16
Interest and borrowing related expenses	1,216	1,221	5	1,238	-17
Ordinary Income	7,974	7,146	-827	6,556	590
Extraordinary losses	5	3	-2	3	—
Net Income	7,968	7,142	-825	6,552	590
Reversal of reserve for temporary difference adjustments	1,980	1,982	1	1,982	-0
Reversal (accumulation) of reserve for distribution	-1,559	-346	1,213	—	-346
Total distribution	8,389	8,777	388	8,534	243
DPU	4,964 yen	5,194 yen	230 yen	5,050 yen	144 yen

Major Variation Factors (vs Forecast)

[Contribution to income]

- Increase in operating revenue 159 mil yen
  - ・Favorable occupancy at residential properties
- Decrease in property operating expenses 12 mil yen
  - ・Decrease in management fees
  - ・Decrease in repairs and maintenance expenses and restoration costs
- Decrease in other operating expenses 47 mil yen
  - ・Decrease in non-deductible consumption taxes
- Increase in non-operating income 352 mil yen
  - ・Recording of refunded consumption taxes
- Decrease in non-operating expenses 16 mil yen
  - ・Decrease in interest and borrowing related expenses
- Accumulation of reserve for distribution 346 mil yen
  - ・Refunded consumption taxes as reserve for distribution

Capex, repairs, and restoration costs

(mil yen)

	Aug. 2017	Feb. 2018
Capex	865	1,109
Repairs and maintenance expenses	473	608
Restoration costs	305	241
Total	1,644	1,960

Balance Sheet for February 2018 Period

- **LTV (excluding goodwill) 46.4% (-0.1 p.p. vs Aug. 2017)**
- **Increase in appraisal value from the compression of the cap rate (+3.9 Bn yen vs Aug. 2017)**

(mil yen)

	Period ended Aug. 2017	Period ended Feb. 2018	Period-on-period change
Total Assets	682,359	681,192	-1,166
Current assets	38,119	41,739	3,620
Non-current assets	644,154	639,374	-4,779
Investment properties	557,708	554,956	-2,751
Intangible assets	80,788	78,765	-2,022
Goodwill	75,324	73,342	-1,982
Total Liabilities	305,038	304,891	-146
Current liabilities	21,274	5,516	-15,758
Interest-bearing debt	16,000	—	-16,000
Non-current liabilities	283,763	299,375	15,612
Interest-bearing debt	266,268	282,268	16,000
Net Assets	377,321	376,300	-1,020
Reserve for temporary difference adjustments (Note 1)	14,748	12,767	-1,980
Reserve for distribution (Note 2)	57	1,617	1,559
LTV (including goodwill)	41.4 %	41.4 %	0.0 p.p.
LTV (excluding goodwill)	46.5 %	46.4 %	-0.1 p.p.
Number of investment units issued	1,690,000 units	1,690,000 units	—
Net Assets per unit	223,267 yen	222,663 yen	-604 yen
NAV per unit (Note 3)	245,689 yen	248,003 yen	2,314 yen

(Note 1) Reserve for temporary difference adjustments for the period ended Feb. 2018 represents the amount before reversal and the amount after reversal is 10,785 mil yen.
(Note 2) Reserve for distribution for the period ended Feb. 2018 represents the amount before accumulation and the amount after accumulation is 1,964 mil yen.
(Note 3) NAV per unit: (Unitholders' capital + capital surplus + unrealized gain or loss) / number of investment units issued

Major Variation Factors (period-on-period)

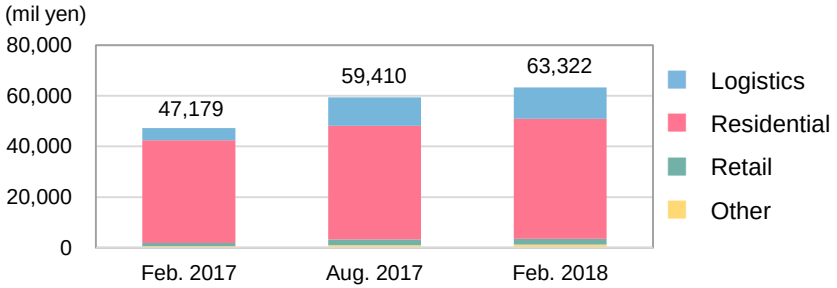
- Decrease in total assets -1,166 mil yen
  - ・Increase in cash and deposits
  - ・Depreciation of buildings
  - ・Amortization of goodwill
- Decrease in net assets -1,020 mil yen
  - ・Decrease in reserve for temporary difference adjustments

Unrealized Gain by Asset Class

(mil yen)

Asset class	Book value	Appraisal value	Unrealized gain
Logistics	258,055	270,528	12,472
Residential	235,400	282,738	47,297
Retail	55,574	57,920	2,345
Other	11,293	12,500	1,206
Total	560,363	623,686	63,322

Trend of Unrealized Gain



2. Equity Offering

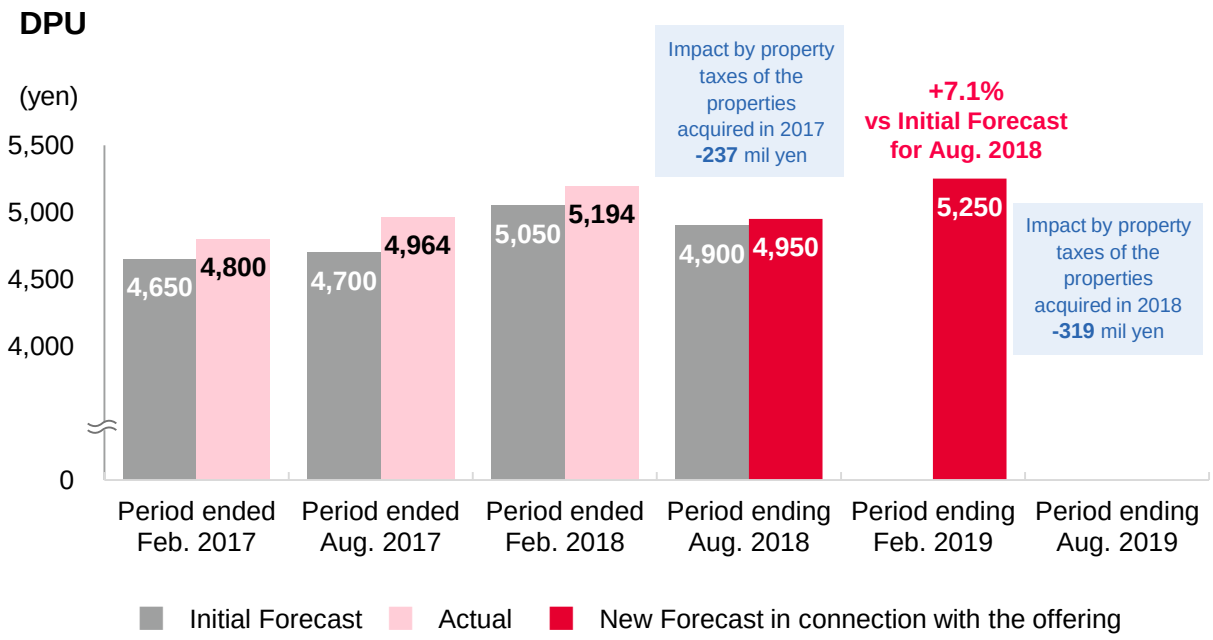
Overview of Equity Offering

- **Raised 55.0 Bn yen of equity from the second global equity offering after the merger**
- **Acquired 96.9 Bn yen, 16 properties (5.3% appraisal NOI yield) from Daiwa House Group pipeline in March and April**

Overview of Equity Offering

Offering structure	Global offering (Regulation S +144A)
Launch date	February 28, 2018
Pricing date	March 12, 2018
Issue price	239,806 yen
Amount paid-in	232,465 yen
Net proceeds	55,094 million yen
Number of units newly issued Japanese tranche Greenshoe option International tranche	237,000 units 150,900 units 15,000 units 71,100 units
Number of units outstanding post offering	1,927,000 units

Impact of Equity Offering



	Period ended Feb. 2018	Post offering (as of Apr. 13, 2018)	Change
NAV per unit	248,003 yen	247,638 yen	-365 yen
LTV (incl. goodwill)	41.4 %	40.9 %	-0.5 p.p.
LTV (excl. goodwill)	46.4 %	45.2 %	-1.2 p.p.

Overview of Acquisitions in March and April 2018

Daiwa House REIT Investment Corporation

Asset class	Property name	Location	Acquisition price (mil yen)	Appraisal value (mil yen)	Appraisal NOI yield	Occupancy rate	Property age	Lessee	(Average) lease period	(Average) remaining lease period	Acquisition date
Logistics	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	13,300	13,300	4.8 %	100.0 %	4.0 years	Uniqlo, Nest Logistics, etc.	5.4 years	1.9 years	Apr. 10, 2018
	D Project Kawagoe IV	Kawagoe City, Saitama	5,600	5,730	5.1 %	100.0 %	7.2 years	Daiwa Logistics	15.0 years	7.8 years	Apr. 10, 2018
	D Project Kuki VII	Kuki City, Saitama	1,040	1,100	5.3 %	100.0 %	8.3 years	Nichirei Logistics Group	Not disclosed	Not disclosed	Apr. 10, 2018
	D Project Chibakita	Chiba City, Chiba	7,640	7,650	4.7 %	100.0 %	1.8 years	Hitachi Transport System Metropolitan	10.0 years	8.2 years	Apr. 10, 2018
	D Project Matsudo II	Matsudo City, Chiba	8,200	8,310	4.6 %	100.0 %	7.5 years	Mitsubishi Shokuhin	Not disclosed	Not disclosed	Apr. 10, 2018
	D Project Tomisato II	Tomisato City, Chiba	6,900	6,990	5.1 %	100.0 %	1.9 years	Tokyo Nohin Daiko	10.9 years	8.9 years	Apr. 10, 2018
	D Project Inuyama (Additional acquisition)	Inuyama City, Aichi	2,100	2,190	5.2 %	100.0 %	6.2 years	Takihyo	20.0 years	13.9 years	Apr. 10, 2018
	D Project Osaka Hirabayashi	Osaka City, Osaka	3,600	4,320	6.3 %	100.0 %	2.8 years	Itochu Shokuhin	15.0 years	12.2 years	Apr. 10, 2018
	D Project Sendai Izumi II	Sendai City, Miyagi	7,300	7,370	5.4 %	100.0 %	2.5 years	Kokubu Group	Not disclosed	Not disclosed	Apr. 10, 2018
	D Project Kaminokawa	Kawachi District, Tochigi	7,900	7,940	5.8 %	100.0 %	7.3 years	Hitachi Transport System Kanto	Not disclosed	Not disclosed	Apr. 10, 2018
	D Project Fuji	Fuji City, Shizuoka	3,600	3,650	6.0 %	100.0 %	4.5 years	Hitachi Transport System Central	20.0 years	15.5 years	Apr. 10, 2018
	D Project Tosu III	Tosu City, Saga	9,200	9,380	5.4 %	100.0 %	6.1 years	Not disclosed	Not disclosed	Not disclosed	Apr. 10, 2018
	Logistics Subtotal / Average		**76,380**	**77,930**	**5.2 %**	**100.0 %**	**4.7 years**	**–**	**13.8 years**	**9.1 years**	**–**
Retail	FOLEO Otsu Ichiriyama	Otsu City, Shiga	8,100	8,400	6.2 %	100.0 %	9.5 years	Daiwa Information Service	20.1 years	20.1 years	Apr. 3, 2018
	FOLEO Hakata	Fukuoka City, Fukuoka	3,200	3,530	6.1 %	100.0 %	10.3 years	Daiwa Information Service	20.1 years	20.1 years	Apr. 3, 2018
	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	4,500	5,170	4.2 %	100.0 %	–	Royal Home Center	30.0 years	30.0 years	Mar. 27, 2018
	Retail Subtotal / Average		**15,800**	**17,100**	**5.6 %**	**100.0 %**	**9.7 years**	**–**	**21.9 years**	**21.9 years**	**–**
Hotel	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	4,800	4,930	4.9 %	100.0 %	8.7 years	Daiwa Royal, etc.	18.9 years	11.5 years	Apr. 3, 2018
Total / Average			**96,980**	**99,960**	**5.3 %**	**100.0 %**	**5.5 years**	**–**	**15.5 years**	**11.6 years**	**–**

As of April 10, 2018

DPL Fukuoka Kasuya

D Project Kawagoe IV

D Project Kuki VII

D Project Chibakita

D Project Matsudo II

D Project Tomisato II

D Project Inuyama (Additional acquisition)

D Project Osaka Hirabayashi

D Project Sendai Izumi II

D Project Kaminokawa

D Project Fuji

D Project Tosu III

FOLEO Otsu Ichiriyama

FOLEO Hakata

Royal Home Center Morinomiya (Land)

Daiwa Roynet Hotel Yokohama Kannnai

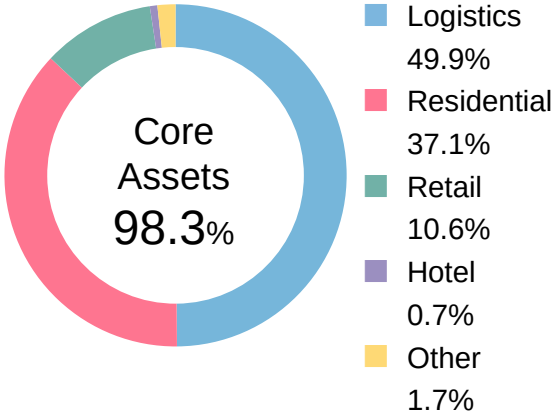
Portfolio Summary (as of April 10, 2018)

Daiwa House REIT Investment Corporation

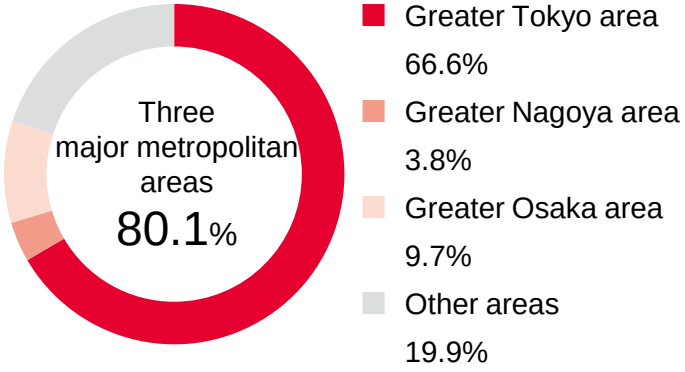
	Portfolio	Logistics	Residential	Retail	Hotel	Other
Acquisition price	674,757 mil yen	336,499 mil yen	250,448 mil yen	71,530 mil yen	4,800 mil yen	11,480 mil yen
Number of properties	214 properties	58 properties	135 properties	16 properties	1 property	4 properties
NOI yield (Note 1)	5.4 %	5.2 %	5.6 %	5.3 %	4.9 %	6.5 %
Average property age	9.2 years	7.1 years	12.2 years	9.6 years	8.7 years	6.5 years
Occupancy rate (Note 2)	99.4 %	100.0 %	97.5 %	99.5 %	100.0 %	100.0 %
Area breakdown	Greater Tokyo 66.6 % Greater Nagoya 3.8 % Greater Osaka 9.7 % Other 19.9 %	Greater Tokyo 62.1 % Greater Nagoya 4.7 % Greater Osaka 7.0 % Other 26.2 %	Greater Tokyo 82.4 % Greater Nagoya 3.0 % Greater Osaka 9.9 % Other 4.7 %	Greater Tokyo 37.6 % Greater Nagoya 3.3 % Greater Osaka 24.0 % Other 35.1 %	Greater Tokyo 100.0 %	Greater Tokyo 17.7% Other 82.3%

(Note 1) NOI yield is based on actual NOI for the period ended Feb. 2018 and appraisal NOI for the properties acquired in March and April 2018.
(Note 2) Occupancy rate is as of February 28, 2018.

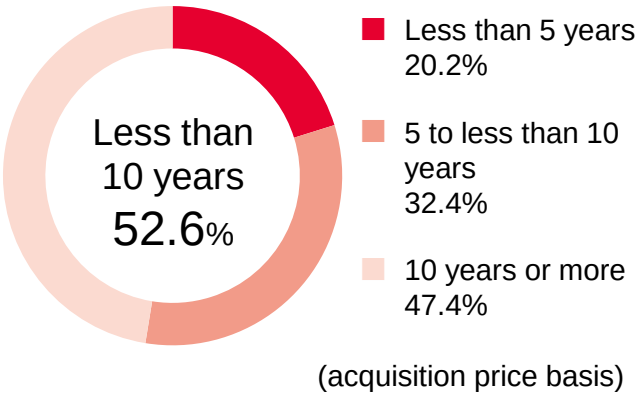
Portfolio by Asset Class



Portfolio by Area



Portfolio by Property Age



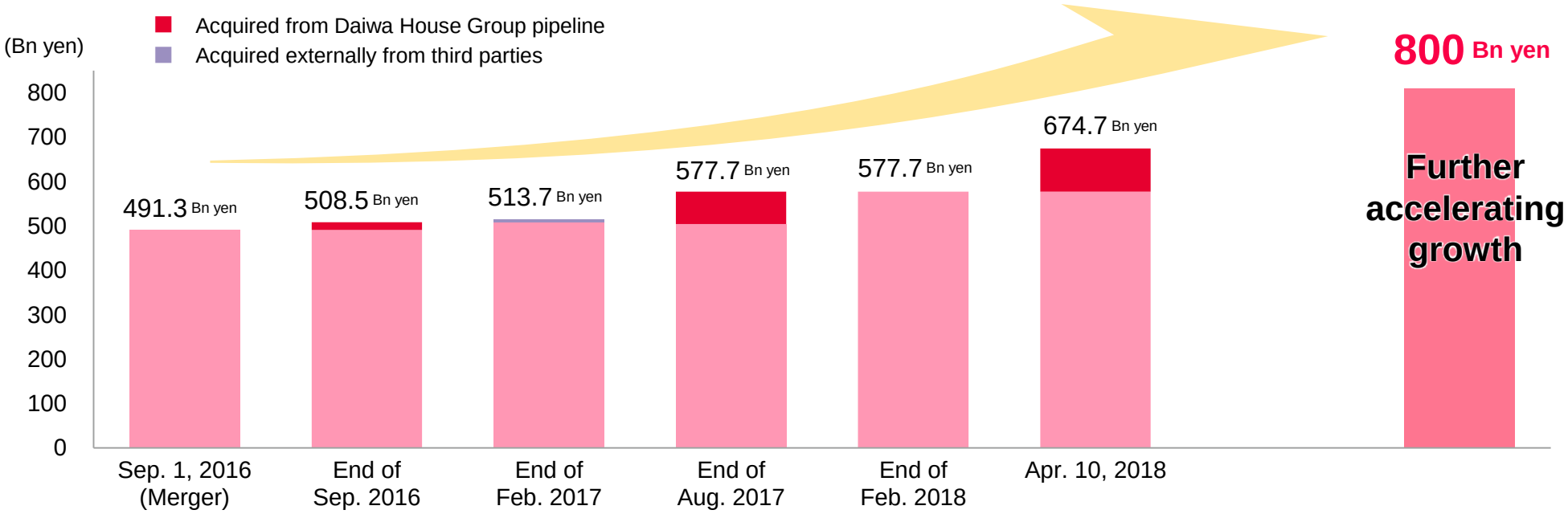
(acquisition price basis)

3. Initiatives to Pursue Growth

Growth Track Record and Asset Size Target

- **Acquired 193.1 Bn yen, 40 properties since the transition to a diversified REIT upon the merger**
- **Aim 800 Bn in asset size by leveraging Daiwa House Group pipeline**

Asset Size (acquisition price)



Total of Acquisition Price since the Merger	Growth Rate of Asset Size since the Merger	Ratio of Acquisition from Pipeline of Daiwa House Group since the Merger	Ratio of Acquisition Developed by Daiwa House Group since the Merger
193.1 Bn yen	37.3%	97.1%	96.3%
	Increase in asset size after the merger: 183.4 Bn yen (Based on acquisition price)	(Based on acquisition price)	(Based on acquisition price)

Pipeline of Daiwa House Group (1)

Logistics Properties

Property Name	Type	Location	Completion (Planned)	No. of Floors	Gross Floor Area
D Project Kita Hachioji A	BTS	Hachioji City, Tokyo	Feb. 2011	5	15,352 m^2
D Project Kita Hachioji B	BTS	Hachioji City, Tokyo	Nov. 2011	4	18,762 m^2
D Project Kita Hachioji C	BTS	Hachioji City, Tokyo	Jun. 2014	4	26,310 m^2
D Project Jonanjima	BTS	Ota Ward, Tokyo	May 2014	8	49,739 m^2
D Project Itabashi Shingashi	BTS	Itabashi Ward, Tokyo	Dec. 2014	7	31,094 m^2
D Project Sagamihara II	BTS	Sagamihara City, Kanagawa	Apr. 2015	2	17,576 m^2
D Project Kuki III K	BTS	Kuki City, Saitama	Sep. 2016	5	29,090 m^2
D Project Wako A	BTS	Wako City, Saitama	Apr. 2015	6	57,198 m^2
D Project Yokkaichi A	BTS	Yokkaichi City, Mie	Dec. 2016	2	5,602 m^2
D Project Ibaraki A	BTS	Ibaraki City, Osaka	Sep. 2017	6	90,486 m^2
D Project Ibaraki B	BTS	Ibaraki City, Osaka	Apr. 2018	4	65,341 m^2
D Project Ibaraki Ishioka	BTS	Ishioka City, Ibaraki	Jul. 2015	2	24,524 m^2
D Project Shikoku Sakaide A	BTS	Sakaide City, Kagawa	Aug. 2015	1	27,995 m^2
DPL Sagamihara	Multi-tenant	Sagamihara City, Kanagawa	Dec. 2013	5	82,685 m^2
DPL Yokohama Daikoku	Multi-tenant	Yokohama City, Kanagawa	Feb. 2014	6	121,818 m^2
DPL Kawasaki Yakou	Multi-tenant	Kawasaki City, Kanagawa	Mar. 2017	5	92,924 m^2
DPL Ichikawa	Multi-tenant	Ichikawa City, Chiba	Jun. 2016	5	88,050 m^2
DPL Iwate Kitakami	Multi-tenant	Kitakami City, Iwate	Sep. 2017	1	28,043 m^2
DPL Sendai Port	Multi-tenant	Sendai City, Miyagi	Mar. 2017	2	63,098 m^2
DPL Sendai Nagamachi	Multi-tenant	Sendai City, Miyagi	May 2018	3	33,448 m^2

(Source) Daiwa House Industry Co., Ltd.
(Note) As of the date of this document, there are no planned acquisitions.

D Project Kitahachioji A, B and C

D Project Jonanjima

D Project Itabashi Shingashi

D Project Wako A

D Project Ibaraki A

DPL Sagamihara

DPL Yokohama Daikoku

DPL Ichikawa

Pipeline of Daiwa House Group (2)

Residential Properties

Property Name	Type	Location	Completion (Planned)	No. of Residential Units
Roygent Higashi Kanda	Compact	Chiyoda Ward, Tokyo	May 2018	Condominium: 134 units
Roygent Chiba Chuo	Compact	Chiba City, Chiba	Mar. 2019	Condominium: 188 units, retail: 1 section
Royal Parks ER Sasashima	Compact/family/ shared house/ pay nursing homes/ nursery school/ retail	Nagoya City, Aichi	Mar. 2015	Condominium: 430 units, shared house: 136 units, pay nursing homes: 66 units (including senior day service), nursery school, retail : 2 sections
Royal Parks ER Bandai	Compact/family/ shared house/ medical mall	Niigata City, Niigata	Aug. 2018	Condominium: 326 units, shared house: 111 units, medical mall

Retail Properties

Property Name	Type	Location	Completion	No. of Floors	Gross Floor Area
iias Takao	Mall	Hachioji City, Tokyo	Jun. 2017	4	80,758 m^2
iias Tsukuba	Mall	Tsukuba City, Ibaraki	Sep. 2008	5	112,509 m^2
COMBOX Mito	Mall/hotel	Mito City, Ibaraki	Apr. 2006	13	18,497 m^2
FOLEO Shoubu	Roadside	Kuki City, Saitama	Mar. 2010	1	19,089 m^2

Hotel Properties

Property Name	Type	Location	Completion (Planned)	No. of Floors	Gross Floor Area
Daiwa Royal Ariake Project	Hotel/retail/convention	Koto Ward, Tokyo	Sep. 2018	17 + 1 basement	22,500 m^2
Daiwa Roynet Hotel Nagoya-Shinkansenguchi	Hotel	Nagoya City, Aichi	Jul. 2001	12 + 2 basements	7,605 m^2

Other Assets

Property Name	Type	Location	Completion (Planned)	Gross Floor Area/ No. of Floors
D Tower Nishi Shinjuku	Office/service apartment/retail	Shinjuku Ward, Tokyo	Mar. 2020	39,460 m^2
Hiroshima Futaba no Sato Project	Office/hotel/retail	Hiroshima City, Hiroshima	Mar. 2019	47,123 m^2
Nerima Takamatsu Project	Assisted-living pay nursing homes	Nerima Ward, Tokyo	Feb. 2015 Jan. 2017	100 units 40 units
Shibuya Honmachi Project	Assisted-living pay nursing homes	Shibuya Ward, Tokyo	Oct. 2015	57 units

Roygent Higashi Kanda

Royal Parks ER Sasashima

iias Takao

iias Tsukuba

Daiwa Royal Ariake Project

D Tower Nishi Shinjuku

Hiroshima Futaba no Sato Project

Nerima Takamatsu Project

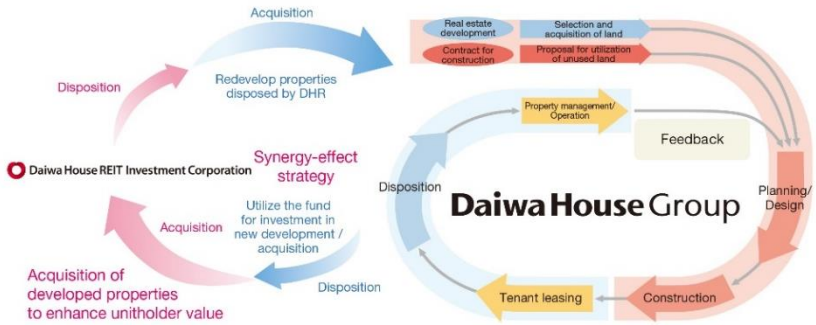
(Source) Daiwa House Industry Co., Ltd.
(Note) As of the date of this document, there are no planned acquisitions.

Future Growth Strategy

- **Accelerate growth by leveraging Daiwa House Group's comprehensive and integrated capabilities**
- **Acquire properties developed by Daiwa House Group based on the group's pipeline support**

Value Chain of Daiwa House Group

- Comprehensive and integrated capabilities from acquisition of land, design and construction, to management and operation



Same Boat Investment by Daiwa House

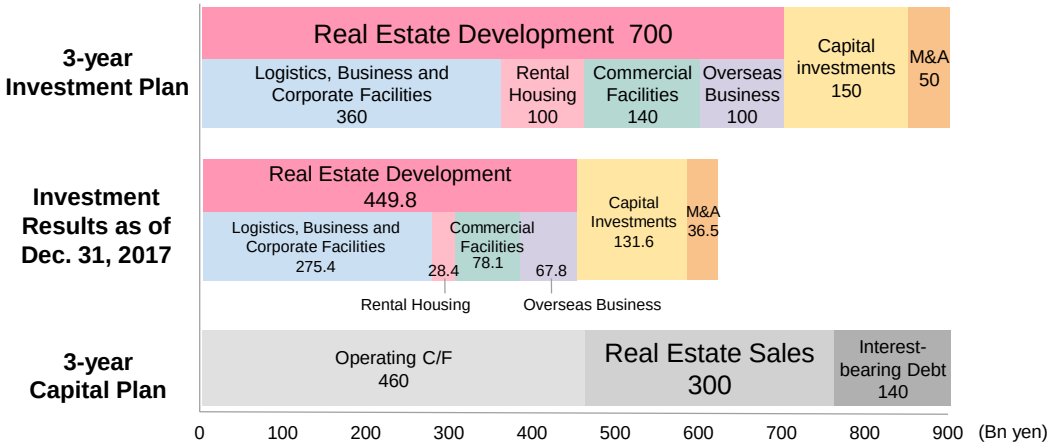
- In order to align interests between our unitholders and Daiwa House, Daiwa House intends to continue holding our units

Daiwa House's investment in Daiwa House REIT (% of ownership)
185,200 units (9.6%)

As of April 13, 2018

5th Medium-Term Management Plan of Daiwa House Group

- Daiwa House Group intends to invest 700 Bn yen in aggregate in the property development business according to its 5th Medium-Term Plan covering the fiscal year ended March 2017 through the fiscal year ending March 2019



(Source) Daiwa House Industry Co., Ltd.

Real Estate Available for Sale of Daiwa House Group

(Bn yen)

As of December 31, 2017	Being rented	Not being rented	Total
Logistics, business & corporate facilities	111.2	400.7	512.0
Rental housing	10.5	8.8	19.3
Commercial facilities	73.3	16.9	90.2

(Source) Daiwa House Industry Co., Ltd.

4. Operation and Financial Status

Operation Status of Logistics Properties

Operation Status

- 100% occupancy since the acquisitions
- < D Project Aikawa-Machi > Installed freezing and refrigeration facility in part of the second floor → Increased rent
- < D Project Sapporo Minami, D Project Yashio and D Project Kakegawa > Installed LED light
  < D Project Machida >
  Installed standby power supply system as BCP measures
  → Increased rental revenue

Rent Revision / Lease Contract Renewal

- Rent revision: D Project Urayasu II, D Project Akanehama, D Project Noda, D Project Sapporo Minami and D Project Kawagoe
  → Revised rent on equal terms
- < D Project Shin-Misato > In ongoing litigation and appealed to the Supreme Court in April. Taking into account the appeal court judgement (confirming rent reduction of 6%) and the current status, assumed provision for loss on litigation of 4 mil yen each for the periods ending Aug. 2018 and Feb. 2019

Initiatives for Internal Growth

- Achieved internal growth through rent increase at rent revision, installation of LED light and solar power generation, etc.

Monthly rental revenue as of end of Feb. 2018 (compared to the time of acquisitions)	Rent	+5,809 thousand yen
	Other rental revenue	+3,260 thousand yen
	Total rental revenue	+9,070 thousand yen

- Scheduled construction work

D Project Kuki VI D Project Urayasu III	Installation of LED light → Increase rental revenue

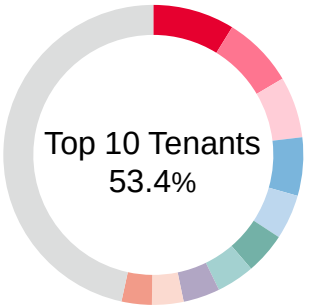
Remaining Lease Term (annual rent basis)

- 15 years or more 9.5%
- 10 to less than 15 years 32.3%
- 5 to less than 10 years 43.1%
- Less than 5 years 15.0%

Lease Term (annual rent basis)

- 10 years or more 80.2%
- Less than 10 years 19.8%

% of Top 10 Tenants (leased area basis)



Mitsubishi Shokuhin	8.8%
Hitachi Capital	7.7%
Hitachi Transport System Kanto	6.6%
Daiwa Logistics	6.3%
Tokyo Nohin Daiko	4.8%
Nakano Shokai	4.5%
Major EC company	4.1%
Hitachi Transport System Central	4.0%
Takihyo	3.4%
Kokubu Group	3.3%
Others	46.6%

As of April 10, 2018

Operation Status of Residential Properties

Operation Status

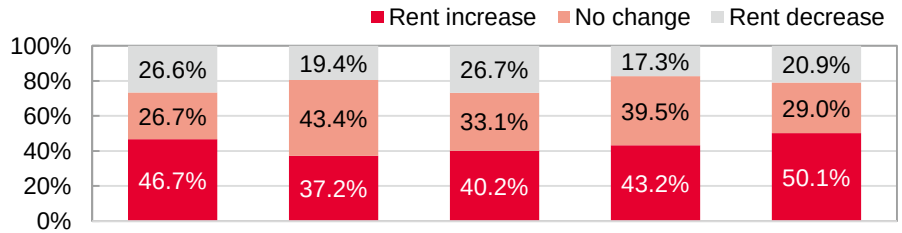
- Period average occupancy at 97.4%, above forecast of 96.0%
- Performed major renovations for 8 properties

Rents

- Monthly rent at tenant replacement increased for 6 consecutive periods
  → Monthly rent +1,689 thousand yen, or +1.6% vs before replacement
- Performed upgrade work for 20 units of 13 properties
  → Contracts were signed for 17 units at the end of period with 7.6% increase in rents

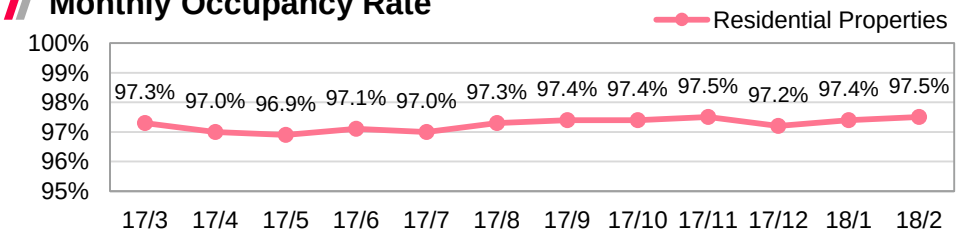
Monthly Rent at Tenant Replacement

(Ratio of the number of tenant replacement)



	Period ended Feb. 2016	Period ended Aug. 2016	Period ended Feb. 2017	Period ended Aug. 2017	Period ended Feb. 2018
Net amount (thousand yen)	+764	+1,421	+856	+1,667	+1,689

Monthly Occupancy Rate



Performing Upgrade Work

- Performed upgrade work considering the characteristics of each property in order to maintain competitiveness

Before

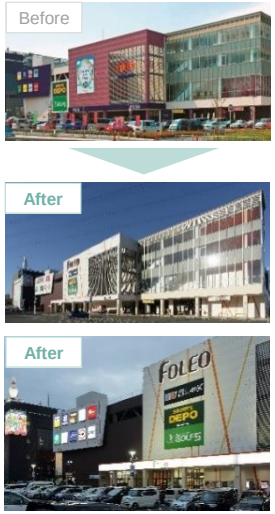
After

Operation Status of Retail Properties

Operation Status

- Occupancy remained at a high level of 99.3%
  - ・Move-ins: 9 units, Move-outs: 5 units
- Monthly rent as of end of Feb. 2018
  +1,019 thousand yen, or +0.3% vs as of end of Aug. 2017
  - < FOLEO Hirakata >
    - ・Completed renewal construction work including exterior wall refurbishing and layout change
      → A discount supermarket opened in Nov. 2017
  - < QiZ GATE URAWA >
    - ・A sushi-go-round restaurant and a babies and children's shop opened in Apr. 2018

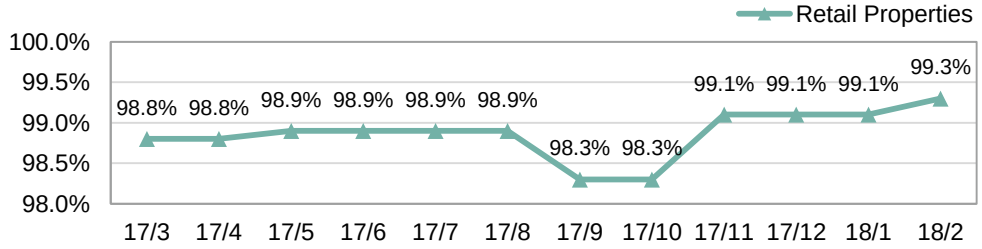
Renewal of FOLEO Hirakata



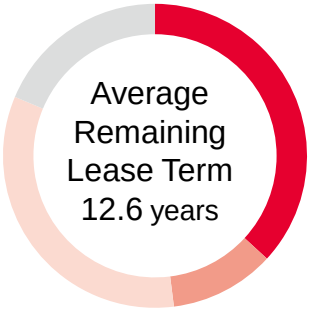
Rent Revision / Lease Contract Renewal of Major Tenants

- Lease contract renewal:
  ACROSSMALL Shinkamagaya → Extended contract by 10 years on equal terms
  DREAM TOWN ALi (Core tenant B) → Renewed a 10- year contract on equal terms
- Rent revision:
  UNICUS Takasaki and ACROSSPLAZA Miyoshi (Land)
  → Revised rent on equal terms

Monthly Occupancy Rate



Remaining Lease Term (annual rent basis)

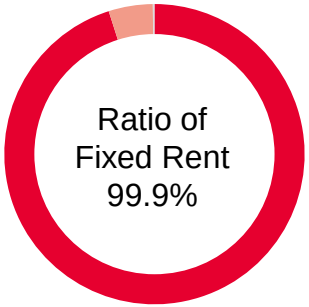


- 15 years or more 36.8%
- 10 to less than 15 years 11.2%
- 5 to less than 10 years 33.3%
- Less than 5 years 18.7%

Lease Term (annual rent basis)

- 10 years or more 79.9%
- Less than 10 years 20.1%

Rent Type (leased area basis)



- Fixed rent 96.6%
- Fixed rent + variable rent 3.2%
- Variable rent 0.1%

As of April 10, 2018

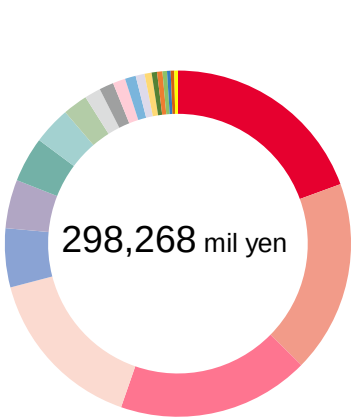
Financial Status (1)

- **Five regional banks joined as new lenders in Nov. 2017**
- **DHR currently has 66 Bn yen of debt capacity for acquisition of up to 50% of LTV (excluding goodwill)**

Financial Status

	Period ended Feb. 2018	As of Apr. 13, 2018	Change
Interest-bearing debt	282,268 mil yen	314,268 mil yen	32,000 mil yen
Loans	266,268 mil yen	298,268 mil yen	32,000 mil yen
Bonds	16,000 mil yen	16,000 mil yen	—
LTV (including goodwill)	41.4 %	40.9 %	-0.5 p.p.
LTV (excluding goodwill)	46.4 %	45.2 %	-1.2 p.p.
Long-term interest-bearing debt ratio	100.0 %	96.3 %	-3.7 p.p.
Fixed interest ratio	93.8 %	94.4 %	+0.6 p.p.
Average interest rate	0.77 %	0.75 %	-0.02 p.p.
Average remaining maturity	5.7 years	5.7 years	—
Commitment line	20,000 mil yen	20,000 mil yen	—

Lender Formation



- MUFG Bank
- Sumitomo Mitsui Trust Bank
- Sumitomo Mitsui Banking Corporation
- Mizuho Bank
- Development Bank of Japan
- Aozora Bank
- Norinchukin Bank
- Resona Bank
- Mizuho Trust & Banking
- Nippon Life Insurance
- Shinsei Bank
- Shinkin Central Bank
- Mitsui Sumitomo Insurance
- Bank of Fukuoka
- Chiba Bank
- 77 Bank (New)
- Nishi-Nippon City Bank (New)
- Shizuoka Bank
- Iyo Bank (New)
- Bank of Kyoto (New)
- Chugoku Bank (New)

As of April 16, 2018

Credit Rating

JCR	R&I
AA (Stable)	**A+ (Stable)**

Financial Status (2)

- **LTV within 40% to 50% range and maintain stable financial operation**
- **Further lengthening and diversifying debt maturities and fixing interest rates**

Debt Financing

Refinancing for the period ended Feb. 2018

Repayment (as of repayment date)	
Repayment amount	16,000 mil yen
Average interest rate	0.96 %
Maturity	5.0 years

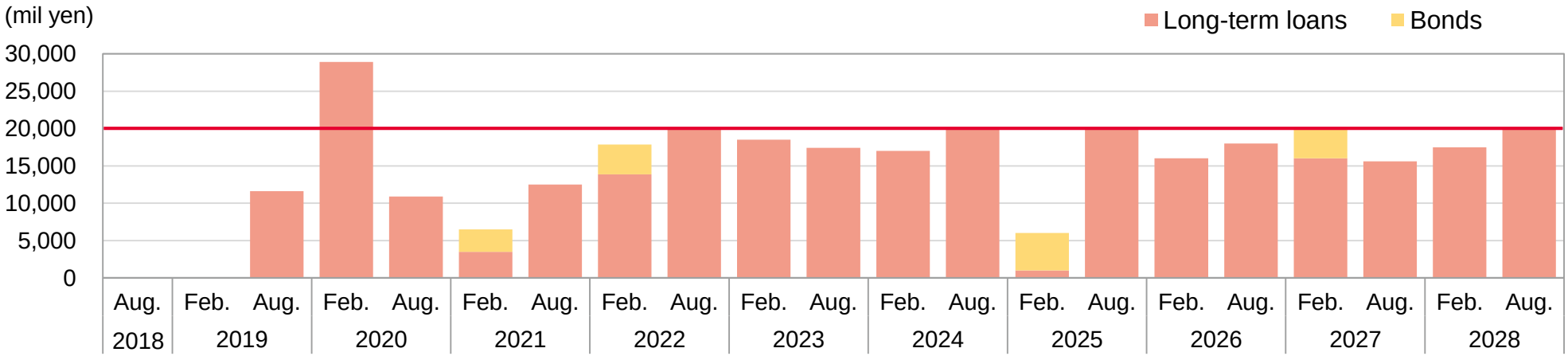
Refinancing

Refinancing (as of procurement date)	
Financing amount	16,000 mil yen
Average interest rate	0.90 %
Maturity	10.0 years

Financing in March and April 2018

New Financing (as of procurement date)	
Financing amount	32,000 mil yen
Average interest rate	0.64 %
Average maturity	7.3 years

Diversified Maturity Ladder



5. Financial Forecasts

Financial Forecasts for August 2018 & February 2019 Periods

Daiwa House REIT Investment Corporation

- **Aug. 2018 DPU Forecast 4,950 yen (incurrence of property taxes for 2017 acquisitions)**
- **Feb. 2019 DPU Forecast 5,250 yen due to contribution of new acquisitions for the full fiscal period**

(mil yen)

	Period ended Feb. 2018	Period ending Aug. 2018		Period ending Feb. 2019	
	Result	Forecast	Period-on-period change	Forecast	Period-on-period change
Operating revenue	19,700	22,073	2,373	22,683	609
Operating expenses	11,687	12,898	1,211	13,133	234
Amortization of goodwill	1,982	1,982	—	1,982	—
Property taxes	1,201	1,466	264	1,465	-0
Depreciation	3,750	4,312	561	4,430	118
Operating income	8,012	9,174	1,161	9,550	375
Interest and borrowing related expenses	1,221	1,400	179	1,412	12
Investment unit issuance expenses	—	215	215	—	-215
Ordinary income	7,146	7,561	414	8,139	578
Extraordinary losses	3	4	0	4	0
Net income	7,142	7,556	414	8,134	578
Reversal of reserve for temporary difference adjustments	1,982	1,982	0	1,982	—
Reversal (accumulation) of reserve for distribution	-346	—	346	—	—
Total distribution	8,777	9,538	760	10,116	578
<Per unit information>					
Net income	4,226 yen	3,921 yen	-305 yen	4,221 yen	300 yen
DPU	5,194 yen	4,950 yen	-244 yen	5,250 yen	300 yen
[Forecast as of Oct. 18, 2017]	[5,050 yen]	[4,900 yen]			

Major Variation Factors for Aug. 2018 Forecast vs Feb. 2018 Result

[Contribution to income]

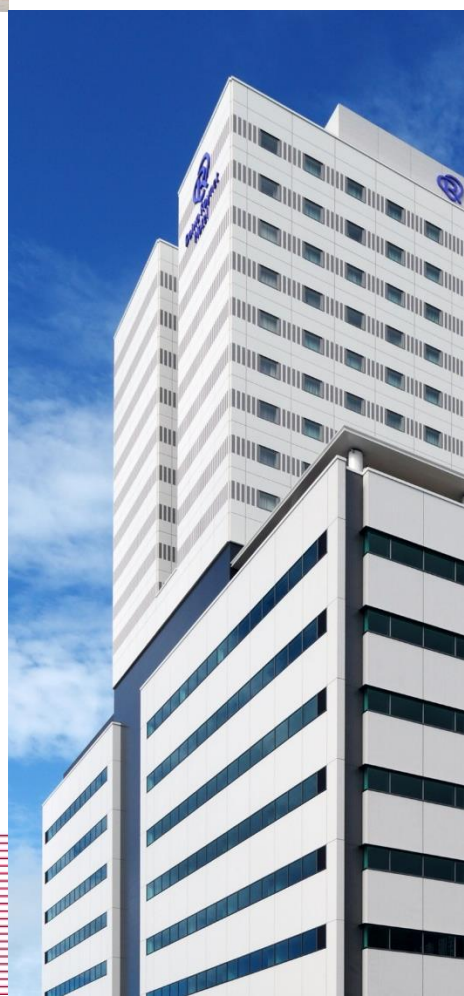
- Increase in operating revenue 2,373 mil yen
  - ・Contribution of 16 properties acquired in March and April 2018
  - ・Increase in reimbursements for utility charges due to seasonal factors
- Increase in operating expenses -1,211 mil yen
  - ・Expenses for 16 properties acquired in March and April 2018
  - ・Property taxes for 17 properties acquired in 2017
- Increase in non-operating expenses -393 mil yen
  - ・Investment unit issuance expenses
  - ・Increase in interest expenses

Major Variation Factors for Feb. 2019 Forecast vs Aug. 2018 Forecast

[Contribution to income]

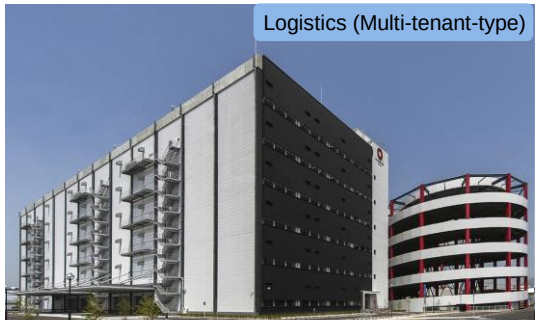
- Increase in operating revenue 609 mil yen
  - ・Full period contribution of 16 properties acquired in March and April 2018
- Increase in operating expenses -234 mil yen
  - ・Full period expenses for 16 properties acquired in March and April 2018
  - ・Increase in repairs and maintenance expenses
- Decrease in non-operating expenses 202 mil yen
  - ・Absence of investment unit issuance expenses
  - ・Increase in interest expenses

Appendix



Acquisitions in March and April 2018 (1)

LM-002 DPL Fukuoka Kasuya



- Located adjacent to the Fukuoka central consumer area, approx. 1.5km from Tanotsu IC on the Fukuoka Expressway Route 4 Kasuya Line and approx. 2.8km from Fukuoka IC on the Kyushu Expressway and the Fukuoka Expressway Route 4 Kasuya Line
- It also has good traffic access to logistics infrastructure facilities due to location approx. 4km from the port area and approx. 5km from the cargo terminal gate of Fukuoka Airport
- 6-story large multi-tenant logistics facility with GFA of approx. 26,524 *tsubo*

Location	Kasuya, Fukuoka
Construction date	Apr. 24, 2014
Acquisition price	13,300 million yen
Appraisal value	13,300 million yen
Appraisal NOI yield	4.8 %
Average lease term	5.4 years
Average remaining lease term	1.9 years
Leasable area	73,739.04 m^2
Main tenants	Uniqlo, Nest Logistics

LB-048 D Project Kuki VII

- Situated in close proximity to Kuki IC on the Tohoku Expressway, Shiraoka-Shobu IC on the Ken-O Expressway and National Route 122.
- This good traffic access to arterial roads enables freight collection and delivery within Saitama Prefecture and over the entire Tokyo Metropolitan area, while the property can also function as a relay point from the Tohoku region
- One-story facility with GFA of approx. 890 *tsubo*, occupied by a logistics company that handles food products

Location	Kuki, Saitama
Construction date	Jan. 5, 2010
Acquisition price	1,040 million yen
Appraisal value	1,100 million yen
Appraisal NOI yield	5.3 %
Leasable area	3,225.46 m^2
Tenant	Nichirei Logistics Group

LB-047 D Project Kawagoe IV

- Location which allows the tenant to cover the Tokyo Metropolitan area broadly, with good access to National Route 16, a main belt line in that area, and Kawagoe IC on the Kanetsu Expressway and Kawashima IC on the Ken-O Expressway
- 3-story (2F for office only) facility with GFA of approx. 7,467 *tsubo*, occupied by a logistics company
- Solar panels on the roof

Location	Kawagoe, Saitama
Construction date	Jan. 31, 2011
Acquisition price	5,600 million yen
Appraisal value	5,730 million yen
Appraisal NOI yield	5.1 %
Lease term	15.0 years
Remaining lease term	7.8 years
Leasable area	24,684.47 m^2
Tenant	Daiwa Logistics

LB-049 D Project Chibakita

- Location with good traffic access to the waterfront area and inland consumer areas in Chiba, as well as Chiba City. Approx. 1.4km to Chiba Kita IC on the Higashi-Kanto Expressway, and close to National Route 16, a loop line passing through the Tokyo Metropolitan area
- 2-story facility with GFA of approx. 7,497 *tsubo*, occupied by a logistics company
- Solar panels on the roof

Location	Chiba, Chiba
Construction date	Jul. 1, 2016
Acquisition price	7,640 million yen
Appraisal value	7,650 million yen
Appraisal NOI yield	4.7 %
Lease term	10.0 years
Remaining lease term	8.2 years
Leasable area	24,368.86 m^2
Tenant	Hitachi Transport System Metropolitan

Acquisitions in March and April 2018 (2)

LB-050 D Project Matsudo II

Location	Matsudo, Chiba
Construction date	Sep. 30, 2010
Acquisition price	8,200 million yen
Appraisal value	8,310 million yen
Appraisal NOI yield	4.6 %
Leasable area	25,305.82 m^2
Tenant	Mitsubishi Shokuhin

- Rare location with ability to cover the overall Tokyo Metropolitan area with an access to the Joban Expressway, Tokyo Gaikan Expressway and Metropolitan Expressway through Misato Minami IC located approx. 4km from the property and Misato IC/JCT, as well as advantages for hiring employees due to the location within 3 minutes walking distance to Kita-Matsudo Station on the JR Line
- 4-story facility with GFA of approx. 8,285 *tsubo*, occupied by a food wholesaler

LB-009 D Project Inuyama (additional acquisition)

Location	Inuyama, Aichi
Construction date	Jan. 17, 2012
Acquisition price	2,100 million yen
Appraisal value	2,190 million yen
Appraisal NOI yield	5.2 %
Lease term	20.0 years
Remaining lease term	13.9 years
Leasable area	10,474.10 m^2
Tenant	Takihyo

- Location as a logistics hub for broader area distribution in Chubu region, approx. 10km from Komaki IC on the Tomei/ Meishin Expressway and approx. 7km from Komaki Higashi IC on the Chuo Expressway
- 3-story facility with GFA of approx. 3,175 *tsubo*, occupied by an apparel wholesaler
- Accessible from the adjacent large-sized logistics facility occupied by the same tenant

LB-051 D Project Tomisato II

Location	Tomisato, Chiba
Construction date	Apr. 28, 2016
Acquisition price	6,900 million yen
Appraisal value	6,990 million yen
Appraisal NOI yield	5.1 %
Lease term	10.9 years
Remaining lease term	8.9 years
Leasable area	40,870.56 m^2
Tenant	Tokyo Nohin Daiko

- Location functioning as a relay point for air cargo for the adjacent Narita Airport, covering the broader Tokyo Metropolitan area through Tomisato IC on the Higashi-Kanto Expressway
- Location within Tomisato Second Industrial Area where 24-hour operations are allowed
- 4-story facility with GFA of approx. 12,432 *tsubo*, occupied by an apparel-focused logistics company
- Solar panels on the roof

LB-052 D Project Osaka Hirabayashi

Location	Osaka, Osaka
Construction date	Jun. 30, 2015
Acquisition price	3,600 million yen
Appraisal value	4,320 million yen
Appraisal NOI yield	6.3 %
Lease term	15.0 years
Remaining lease term	12.2 years
Leasable area	22,485.08 m^2
Tenant	Itochu Shokuhin

- Favorable location as a hub for broad-area distribution and freight collection and delivery in neighboring areas, backed by good access to surrounding cities through Nanko-Naka IC and Nanko-Minami IC on the Hanshin Expressway Bayshore Line, and proximity to central Osaka and surrounding large-scale consumer areas
- 4-story facility functioning as a 3-layered normal- and low-temperature warehouse with GFA of approx. 6,328 *tsubo*, occupied by a food wholesaler that handles food and beverage products, etc.
- Solar panels on the roof

Acquisitions in March and April 2018 (3)

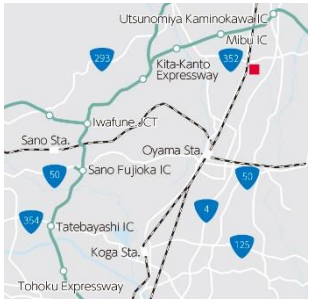
LB-053 D Project Sendai Izumi II

Location	Sendai, Miyagi
Construction date	Sep. 30, 2015
Acquisition price	7,300 million yen
Appraisal value	7,370 million yen
Appraisal NOI yield	5.4 %
Leasable area	39,580.46 m^2
Tenant	Kokubu Group

- Located approx. 16km from central Sendai City and approx. 2.6km from Izumi IC on the Tohoku Expressway, offering good access to central Sendai and enabling extensive coverage of the Tohoku area, primarily of southern Tohoku
- 2-story facility with GFA of approx. 11,664 *tsubo*, occupied by a food wholesaler

LB-054 D Project Kaminokawa

Location	Kawachi, Tochigi
Construction date	Dec. 24, 2010
Acquisition price	7,900 million yen
Appraisal value	7,940 million yen
Appraisal NOI yield	5.8 %
Leasable area	52,239.75 m^2
Tenant	Hitachi Transport System Kanto



- Location at southern Tochigi, within approx. 90km from central Tokyo, enabling coverage of Utsunomiya, Maebashi and other major cities in the northern Kanto area and central Saitama, through National Routes 4 and 352, as well as the Kita-Kanto Expressway
- 6-story facility with GFA of approx. 14,530 *tsubo* (2F and 4F for office only), occupied by a logistics company that handles delivery for drug stores

LB-055 D Project Fuji

Location	Fuji, Shizuoka
Construction date	Oct. 1, 2013
Acquisition price	3,600 million yen
Appraisal value	3,650 million yen
Appraisal NOI yield	6.0 %
Lease term	20.0 years
Remaining lease term	15.5 years
Leasable area	23,795.40 m^2
Tenant	Hitachi Transport System Central

- Located at Fuji City, at the east of Shizuoka Prefecture, offering access to the Tokyo Metropolitan area and even Kansai region via Tokai region, through Shin-Fuji IC on the Shin-Tomei Expressway and Fuji IC on the Tomei Expressway, in addition to central Shizuoka and Hamamatsu
- 2-story facility with GFA of approx. 7,313 *tsubo*, occupied by a logistics company
- Solar panels on the roof

LB-056 D Project Tosu III

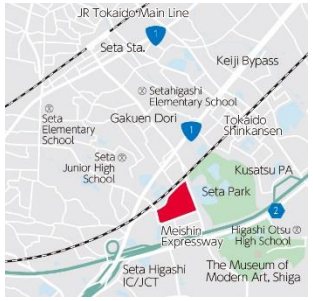
Location	Tosu, Saga
Construction date	Mar. 21, 2012
Acquisition price	9,200 million yen
Appraisal value	9,380 million yen
Appraisal NOI yield	5.4 %
Leasable area	65,215.07 m^2

- Located approx. 3km from Tosu IC/JCT, an inland traffic hub where the Kyushu Expressway running north and south intersects with the Nagasaki and Oita Expressways running east and west. This favorable location enables freight collection and delivery operations throughout Kyushu, as well as providing easy access to National Routes 3 and 34, and Saga Prefectural Road 17
- 5-story facility with GFA of approx. 19,728 *tsubo*, occupied by an internet-based mail order company

Acquisitions in March and April 2018 (4)

RM-009 FOLEO Otsu Ichiriyama

Location	Otsu, Shiga
Construction date	Oct. 2, 2008
Acquisition price	8,100 million yen
Appraisal value	8,400 million yen
Appraisal NOI yield	6.2 %
Lease term	20.1 years
Remaining lease term	20.1 years
Leasable area	62,917.73 m^2
Tenant	Daiwa Information Service



- Situated at Otsu City, on the southwestern tip of Shiga Prefecture adjacent to Kyoto. Location between National Route 1 (Keiji Bypass) and Shiga Prefectural Road 2, along with the Gakuen Dori running southward from Seta Station on the JR Tokaido Main Line
- Mall-type retail facility occupied by core tenants such as a supermarket Piago and a bookstore Ogaki Shoten on 1F and a home appliance store Edion on 2F, as well as a sports club NAS on B1F and others

RR-006 Royal Home Center Morinomiya (Land)

Location	Osaka, Osaka
Acquisition price	4,500 million yen
Appraisal value	5,170 million yen
Appraisal NOI yield	4.2 %
Lease term	30.0 years
Remaining lease term	30.0 years
Leasable area	6,669.74 m^2
Tenant	Royal Home Center

- Large-sized do-it-yourself store located in the residential area in the middle of Morinomiya Station and Tamatsukuri Station on the JR Osaka Loop Line
- Location in the densely-populated area
- Store with a strong presence in an area with few large DIY stores as it is adjacent to an urban central district
- Occupied by Royal Home Center, a Daiwa House Group company

RM-010 FOLEO Hakata

Location	Fukuoka, Fukuoka
Construction date	Jan. 7, 2008
Acquisition price	3,200 million yen
Appraisal value	3,530 million yen
Appraisal NOI yield	6.1 %
Lease term	20.1 years
Remaining lease term	20.1 years
Leasable area	23,230.77 m^2
Tenant	Daiwa Information Service

- Situated in an area where many roadside stores locate with convenient transit access
- A mall-type retail facility occupied by shops, service stores and café and restaurants, including core tenants such as a supermarket Lumiere on 1F, a fashion store Sanki on 2F, and a sports club NAS on 3F

HO-001 Daiwa Roynet Hotel Yokohama Kannai

Location	Yokohama, Kanagawa
Construction date	Aug. 6, 2009
Acquisition price	4,800 million yen
Appraisal value	4,930 million yen
Appraisal NOI yield	4.9 %
Average lease term	18.9 years
Average remaining lease term	11.5 years
Leasable area	7,932.37 m^2
Number of guest rooms	212 rooms
Tenant (Hotel)	Daiwa Royal

- Easily-accessible stay-only hotel, within a walking distance of 3 minutes from Kannai Station on the JR Line. Strong potential as a retail facility, with high visibility due to the location at the corner along arterial roads
- Occupied by a wide variety of tenants including Daiwa Roynet Hotel Yokohama Kannai (3F to 10F), a photo studio (B1F), a convenience store and a family restaurant, etc. (1F), and café and restaurants and medical clinics (2F)

Historical Financial Data

	Feb. 2016	Aug. 2016	Feb. 2017	Aug. 2017 (A)	Feb. 2018 (B)	Change (B-A)
Operating days	182 days	184 days	181 days	184 days	181 days	-3 days
Operating Revenue	9,662 mil yen	9,691 mil yen	17,531 mil yen	21,015 mil yen	19,700 mil yen	-1,315 mil yen
Operating Income	3,947 mil yen	3,959 mil yen	5,567 mil yen	9,392 mil yen	8,012 mil yen	-1,379 mil yen
Gain (loss) on sale of properties	—	—	-4 mil yen	1,536 mil yen	—	-1,536 mil yen
Ordinary Income	3,177 mil yen	3,214 mil yen	4,474 mil yen	7,974 mil yen	7,146 mil yen	-827 mil yen
Net Income	3,177 mil yen	3,213 mil yen	4,393 mil yen	7,968 mil yen	7,142 mil yen	-825 mil yen
DPU	4,501 yen	4,537 yen	4,800 yen	4,964 yen	5,194 Yen	230 yen
Number of investment units issued	747,740 units	747,740 units	1,519,280 units	1,690,000 units	1,690,000 units	—
Payout ratio	106.0 %	105.6 %	166.0 %	104.0 %	122.9 %	18.9 p.p.
Total Assets	258,590 mil yen	258,266 mil yen	604,142 mil yen	682,359 mil yen	681,192 mil yen	-1,166 mil yen
Net Assets	111,194 mil yen	111,042 mil yen	330,304 mil yen	377,321 mil yen	376,300 mil yen	-1,020 mil yen
Unitholders' Capital	61,703 mil yen	61,703 mil yen	61,703 mil yen	108,136 mil yen	108,136 mil yen	—
Capital Surplus	28,241 mil yen	28,241 mil yen	247,667 mil yen	247,667 mil yen	247,667 mil yen	—
Interest-bearing debt	141,663 mil yen	141,663 mil yen	253,163 mil yen	282,268 mil yen	282,268 mil yen	—
LTV (Including goodwill)	54.8 %	54.9 %	41.9 %	41.4 %	41.4 %	0.0 p.p.
LTV (Excluding goodwill)	—	—	48.1 %	46.5 %	46.4 %	-0.1 p.p.
Net Assets per unit	148,707 yen	148,504 yen	217,408 yen	223,267 yen	222,663 yen	-604 yen
NAV per unit (Note 1)	163,036 yen	167,161 yen	234,684 yen	245,689 yen	248,003 yen	2,314 yen
FFO per unit (Note 2)	6,948 yen	7,024 yen	6,469 yen	7,184 yen	7,625 yen	441 yen

(Note 1) NAV per unit: (Unitholders' capital + capital surplus + appraisal value of properties – book value of properties) / number of investment units issued
(Note 2) FFO per unit: (Net income + depreciation + amortization + amortization of investment corporation bond issuance costs + amortization of trademark rights + amortization of software +/- loss or gain on sale of properties +/- extraordinary loss or gain) / number of investment units issued

Historical Portfolio Data

	Feb. 2016	Aug. 2016	Feb. 2017	Aug. 2017 (A)	Feb. 2018 (B)	Change (B-A)
Number of properties	142 properties	142 properties	189 properties	199 properties	199 properties	—
Total acquisition price	256,349 mil yen	256,349 mil yen	513,772 mil yen	577,777 mil yen	577,777 mil yen	—
Ratio of logistics properties	—	—	38.1 %	45.0 %	45.0 %	—
Ratio of residential properties	99.2 %	99.2 %	50.2 %	43.3 %	43.3 %	—
Ratio of retail properties	—	—	9.8 %	9.6 %	9.6 %	—
Ratio of hotel properties	—	—	—	—	—	—
Ratio of other assets	0.8 %	0.8 %	1.9 %	2.0 %	2.0 %	—
Properties acquired during the period	1 property 973 mil yen	—	7 properties 22,830 mil yen	17 properties 73,311 mil yen	—	—
Properties sold during the period	—	—	1 property 370 mil yen	7 properties 10,193 mil yen	—	—
Unrealized gain (loss)	31,963 mil yen	35,048 mil yen	47,179 mil yen	59,410 mil yen	63,322 mil yen	3,911 mil yen
Leasable area	505,935.16 m^2	505,935.16 m^2	1,605,625.31 m^2	1,934,669.61 m^2	1,934,679.13 m^2	9.52 m^2
Occupancy rate	96.0 %	96.1 %	99.0 %	99.2 %	99.3 %	0.1 p.p.
Real estate rental revenue	9,662 mil yen	9,691 mil yen	17,531 mil yen	19,479 mil yen	19,700 mil yen	220 mil yen
Real estate rental expenses	4,688 mil yen	4,746 mil yen	7,493 mil yen	7,906 mil yen	7,947 mil yen	41 mil yen
Real estate rental income	4,974 mil yen	4,944 mil yen	10,037 mil yen	11,573 mil yen	11,753 mil yen	179 mil yen
Depreciation	2,012 mil yen	2,033 mil yen	3,361 mil yen	3,713 mil yen	3,750 mil yen	37 mil yen
NOI (Note 1)	6,986 mil yen	6,977 mil yen	13,398 mil yen	15,286 mil yen	15,503 mil yen	217 mil yen
NOI yield (Note 2)	5.5 %	5.4 %	5.3 %	5.2 %	5.4 %	0.2 p.p.

(Note 1) NOI: Real estate rental business revenue – real estate rental business expenses + depreciation
(Note 2) NOI yield is excluding the properties sold during the period.

Balance Sheets

(thousand yen)

	Period ended Aug. 2017	Period ended Feb. 2018
Assets		
Current assets		
Cash and deposits	25,621,149	31,806,605
Cash and deposits in trust	9,736,167	9,215,026
Operating accounts receivable	179,814	148,429
Prepaid expenses	544,374	571,664
Consumption taxes receivable	2,040,334	—
Other	129	23
Allowance for doubtful accounts	(2,576)	(2,067)
Total current assets	38,119,394	41,739,681
Non-current assets		
Investment properties		
Buildings, net	22,682,208	22,431,013
Structures, net	206,073	206,681
Machinery and equipment, net	337,646	328,412
Tools, furniture and fixtures, net	328,195	320,773
Land	21,637,530	21,637,530
Buildings in trust, net	245,617,874	243,354,349
Structures in trust, net	4,763,769	4,702,432
Machinery and equipment in trust, net	1,511,315	1,450,948
Tools, furniture and fixtures in trust, net	392,100	435,571
Land in trust	260,076,467	260,076,467
Construction in progress in trust	155,088	12,636
Total investment properties	557,708,269	554,956,816
Intangible assets		
Goodwill	75,324,610	73,342,383
Leasehold rights in trust	5,459,918	5,419,785
Software	1,155	862
Trademark rights	2,894	2,616
Total intangible assets	80,788,578	78,765,647
Investments and other assets		
Investment securities	9,308	9,325
Long-term prepaid expenses	2,214,945	2,209,689
Guarantee deposits	261	261
Lease and guarantee deposits in trust	3,414,720	3,414,720
Other	42,488	42,488
Allowance for doubtful accounts	(24,058)	(24,058)
Total investments and other assets	5,657,664	5,652,426
Total non-current assets	644,154,512	639,374,890
Deferred assets		
Investment corporation bond issuance costs	85,446	78,062
Total deferred assets	85,446	78,062
Total assets	682,359,354	681,192,633

	Period ended Aug. 2017	Period ended Feb. 2018
Liabilities		
Current liabilities		
Operating accounts payable	1,127,768	1,086,497
Current portion of long-term loans	16,000,00	—
Accounts payable – other	128,535	73,294
Accrued expenses	1,205,841	1,215,522
Income taxes payable	605	605
Accrued consumption taxes	—	234,231
Advances received	2,171,045	2,250,789
Unearned revenue	221,735	221,735
Deposits received	360,372	374,500
Other	58,852	58,852
Total current liabilities	21,274,756	5,516,029
Non-current liabilities		
Investment corporation bonds	16,000,000	16,000,000
Long-term loans	250,268,000	266,268,000
Long-term unearned revenue	1,150,578	1,040,622
Tenant leasehold and security deposits	274,822	265,204
Tenant leasehold and security deposits in trust	14,293,230	14,243,031
Provision for loss in litigation	85,849	89,514
Asset retirement obligations	434,255	439,186
Derivatives liabilities	1,256,574	1,030,085
Total non-current liabilities	283,763,311	299,375,644
Total liabilities	305,038,068	304,891,673
Net assets		
Unitholders' equity		
Unitholders' capital	108,136,162	108,136,162
Surplus		
Capital surplus	247,667,563	247,667,563
Voluntary reserve		
Reserve for temporary difference adjustments	14,748,347	12,767,357
Reserve for distribution	57,717	1,617,617
Total voluntary reserve	14,806,064	14,384,974
Unappropriated retained earnings	7,968,070	7,142,344
Total surplus	270,441,698	269,194,883
Total unitholders' equity	378,577,860	377,331,045
Deferred gains or losses on hedges	(1,256,574)	(1,030,085)
Total net assets	377,321,286	376,300,960
Total liabilities and net assets	682,359,354	681,192,633

Statements of Income

(thousand yen)

	Period ended Aug. 2017	Period ended Feb. 2018
Operating revenue		
Rental revenue	18,344,657	18,776,564
Other rental revenue	1,134,983	924,010
Gain on sale of real estate properties	1,536,256	—
Total operating revenue	21,015,897	19,700,575
Operating expenses		
Rental expenses	7,906,409	7,947,534
Asset management fees	1,254,120	1,300,091
Asset custody fees	29,053	29,357
Administrative service fees	74,188	80,903
Directors' remuneration	6,600	6,600
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	1,309	—
Other operating expenses	369,257	340,866
Total operating expenses	11,623,165	11,687,580
Operating Income	9,392,731	8,012,994
Non-operating income		
Interest income	146	154
Gain on forfeiture of unclaimed distributions	4,441	4,552
Reversal of allowance for doubtful accounts	—	115
Refunded consumption taxes	23,643	346,623
Other	1,531	6,019
Total non-recurring income	29,762	357,464
Non-operating expenses		
Interest expenses	909,040	923,699
Interest expenses on investment corporation bonds	41,157	39,240
Amortization of investment corporation bond issuance costs	7,384	7,384
Investment unit issuance expenses	229,991	—
Borrowing related expenses	258,437	250,747
Other	2,105	2,771
Total non-recurring expenses	1,448,116	1,223,844
Ordinary Income	7,974,377	7,146,614
Extraordinary losses	5,702	3,665
Income before income taxes	7,968,675	7,142,949
Total income taxes	605	605
Net income	7,968,070	7,142,344
Unappropriated retained earnings	7,968,070	7,142,344

Statements of Cash Distributions

(yen)

		Period ended Aug. 2017	Period ended Feb. 2018
I	Unappropriated retained earnings	7,968,070,160	7,142,344,597
II	Reversal of voluntary reserve		
	Reversal of reserve for temporary difference adjustments	1,980,989,899	1,982,138,926
III	Distributions	8,389,160,000	8,777,860,000
	[Distributions per unit]	[4,964]	[5,194]
IV	Accumulation of voluntary reserve		
	Accumulation of reserve for distribution	1,559,900,059	346,623,523
V	Retained earnings carried forward	—	—

Rental Revenue and Expenses

(thousand yen)

		Period ended Aug. 2017	Period ended Feb. 2018
A.	Real estate rental revenue		
	Rental revenue		
	Rent	17,907,732	18,344,128
	Common area charges	436,924	432,436
	Total rental revenue	18,344,657	18,776,564
	Other rental revenue		
	Facility charges	353,388	352,880
	Incidental revenue	276,697	267,725
	Other	504,897	303,404
	Total other rental revenue	1,134,983	924,010
	Total real estate rental revenue	19,479,640	19,700,575
B.	Real estate rental expenses		
	Rental expenses		
	Management fees	1,272,800	1,203,176
	Utilities	299,764	315,070
	Taxes and public dues	1,228,362	1,201,943
	Repairs and maintenance expenses	473,270	608,962
	Restoration costs	305,785	241,904
	Insurance expenses	25,479	22,983
	Custodian fees	67,476	59,402
	Depreciation	3,713,302	3,750,860
	Other operating expenses	520,167	543,230
	Total real estate rental expenses	7,906,409	7,947,534
C.	Income from real estate rental business (A-B)	11,573,231	11,753,040

Distribution Policy

Treatment of Goodwill

Goodwill recognized from the merger	73,342 mil yen (as of Feb. 28, 2018)

- Goodwill is recorded as intangible non-current assets on B/S
- Amortized over 20 years using the straight-line method (1,982 mil yen per 6-month fiscal period)

Use of Retained Earnings

Voluntary reserve	12,749 mil yen (after distribution payment for the period ended Feb. 2018)

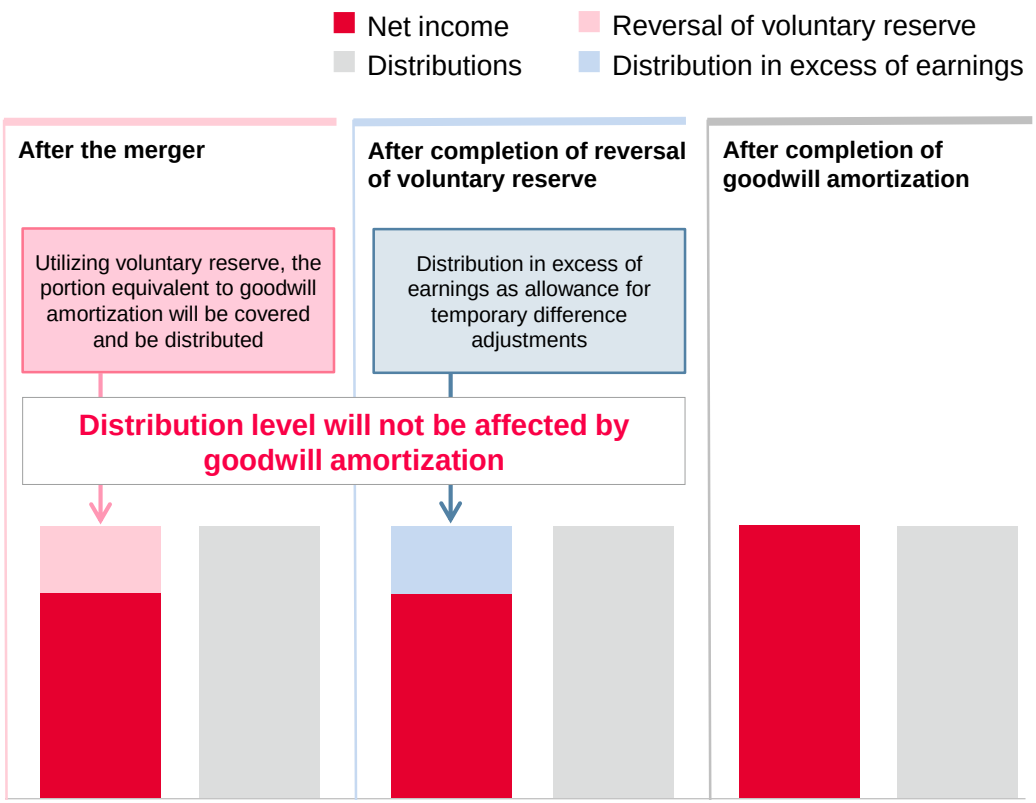
To pay distribution equivalent to goodwill amortization	**Reversal of voluntary reserve**
To cover loss on sale of property, etc.	**Reversal of voluntary reserve**
To address dilution as a result of issuance of units	

Tax loss carry-forwards	35,062 mil yen (Note)

(Note) 34,555 mil yen can be applied to offset taxable income through the period ending Aug. 2018 and 507 mil yen can be applied to offset taxable income through the period ending Feb. 2021.

When recording gain on sale of property, etc. or other items is realized	**Accumulation of voluntary reserve**

Distribution policy



Goodwill is amortized over 20 years

Realize stable distributions

Sustainability Initiatives

DBJ Green Building Certification

DBJ Green Building 2017

DPL Misato (Logistics)

D Project Kakegawa (Logistics)

DBJ Green Building 2017 / 2016

D Project Hachioji (Logistics)

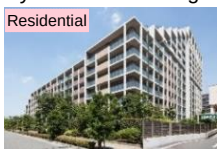
D Project Machida (Logistics)

D Project Kuki II (Logistics)

D Project Kuki V (Logistics)

D Project Kawagoe III (Logistics)

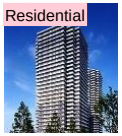
Royal Parks Hanakoganei (Residential)



DBJ Green Building 2017 / 2016

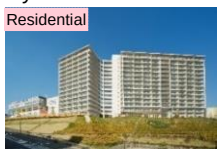
D Project Urayasu III (Logistics)

Pacific Royal Court Minatomirai Urban Tower (Residential)



Royal Parks Toyosu (Residential)

Royal Parks Wakabadai (Residential)



DBJ Green Building 2016

ACROSSMALL Shinkamagaya (Retail)

As of April 20, 2018

Participation in GRESB Real Estate Assessment

- The Global Real Estate Benchmark (GRESB) holds an annual benchmark survey for evaluating environmental, social and governance (ESG) considerations in the real estate sector
- DHR participated in the 2017 survey

Environmental Consideration

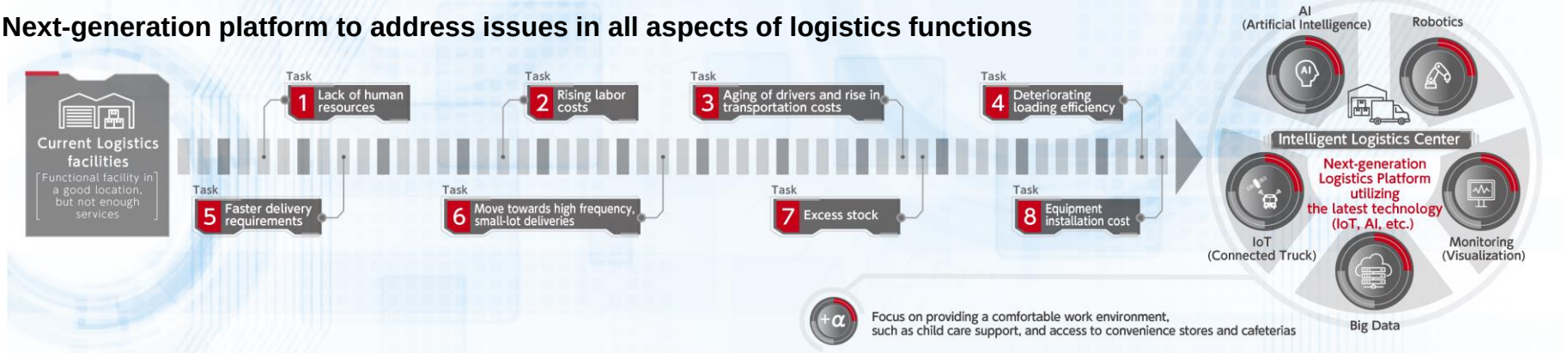
- LED lighting

- Solar panels

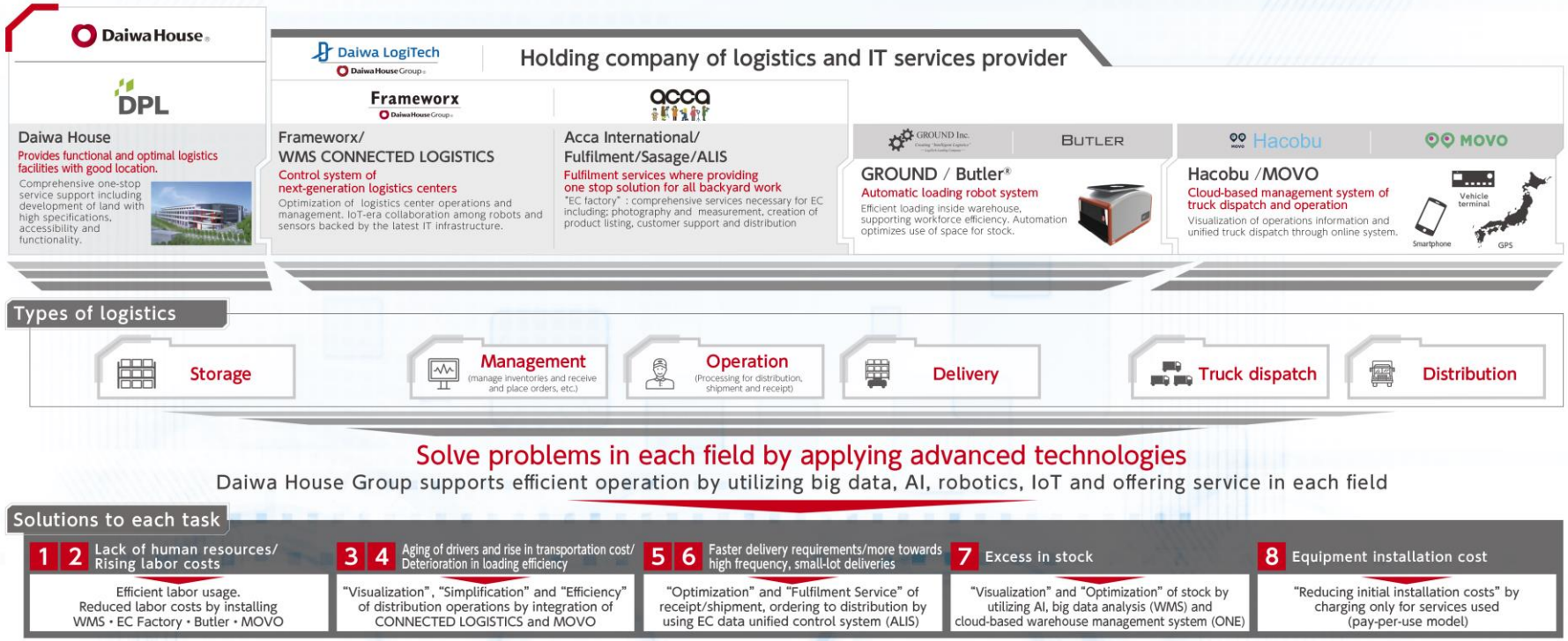
- Solar panels and rooftop greenery

Logistics Business of Daiwa House Group

A Next-generation platform to address issues in all aspects of logistics functions



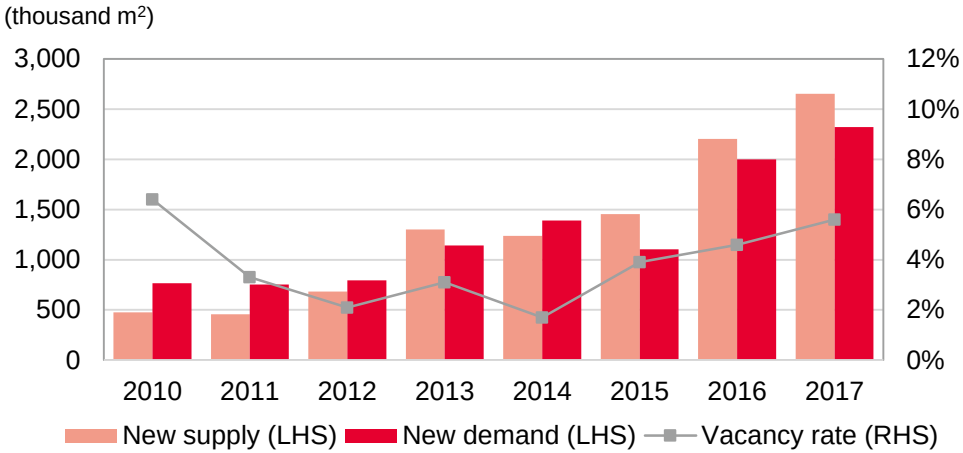
Developing comprehensive solutions is a strength of Daiwa House Group



(Source) Daiwa House

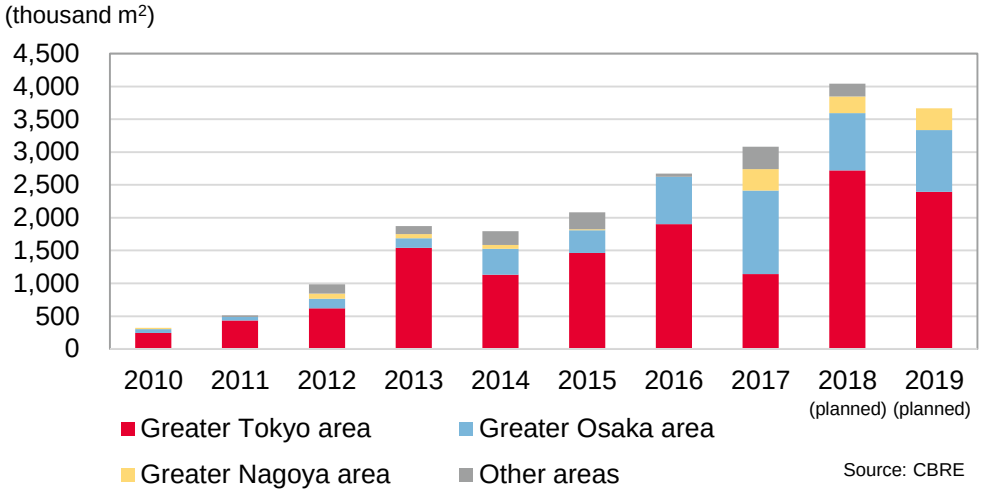
Market Environment for Logistics Properties

Supply and Demand of Logistics Properties for Lease in the Three Major Metropolitan Areas



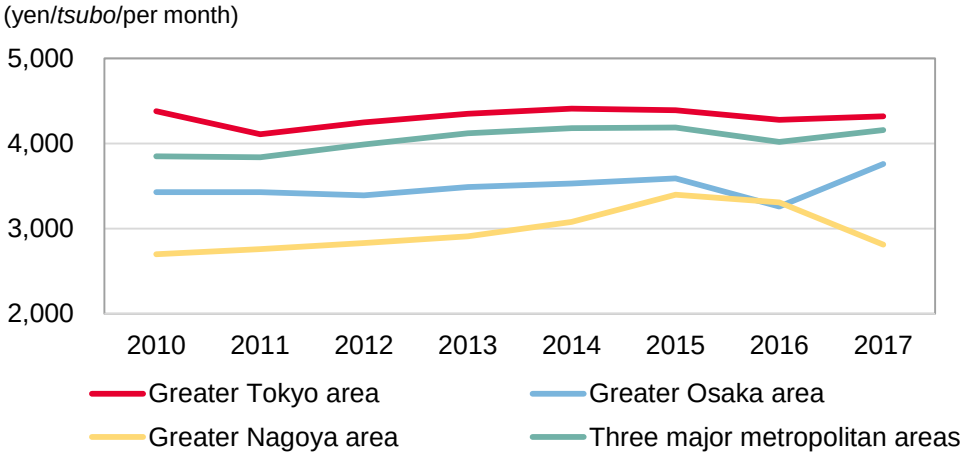
Source: CBRE

Development of Medium-to-Large Scale Logistics Properties



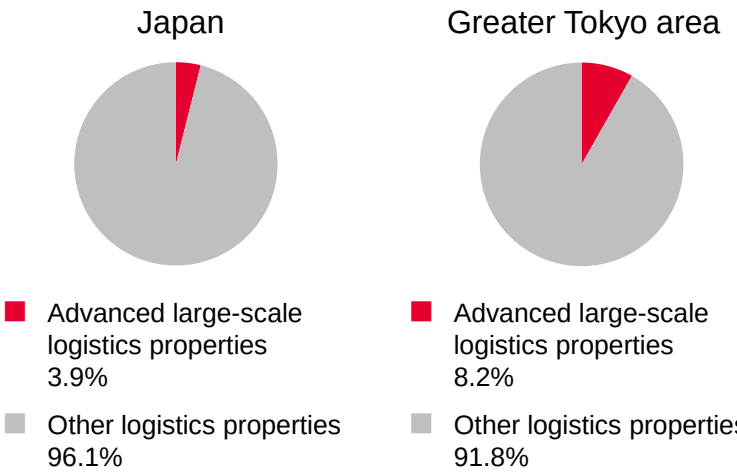
Source: CBRE

Average Offered Rent for Logistics Properties for Lease in the Three Major Metropolitan Areas



Source: CBRE

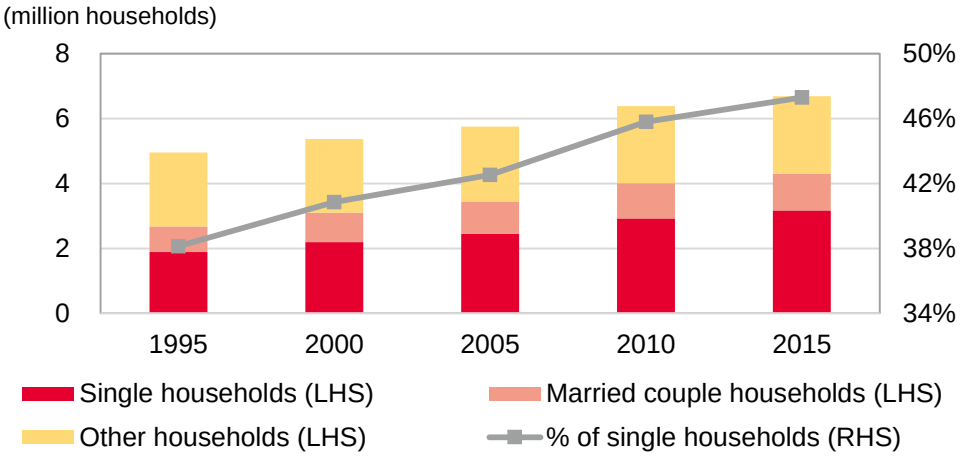
Proportion of Advanced Large-scale Logistics Properties



Source: CBRE

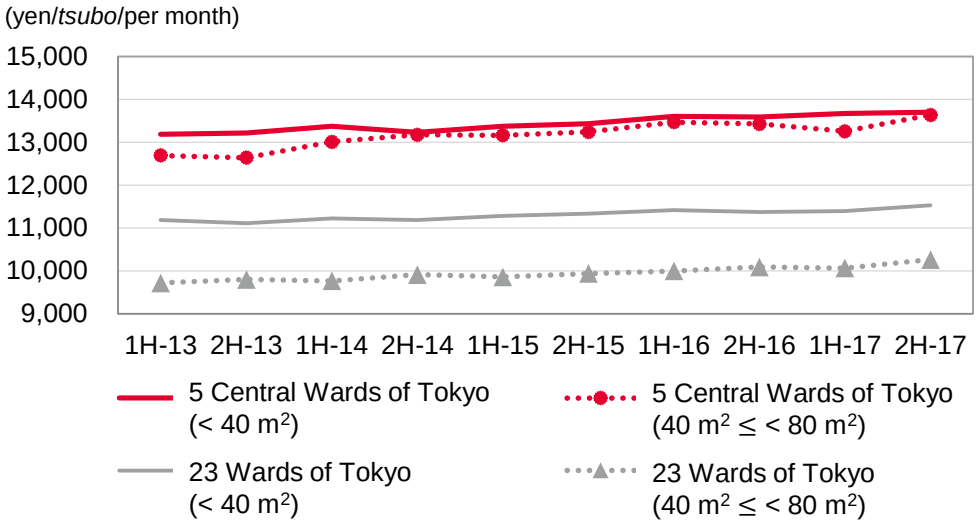
Market Environment for Residential Properties

Number of Households in Tokyo



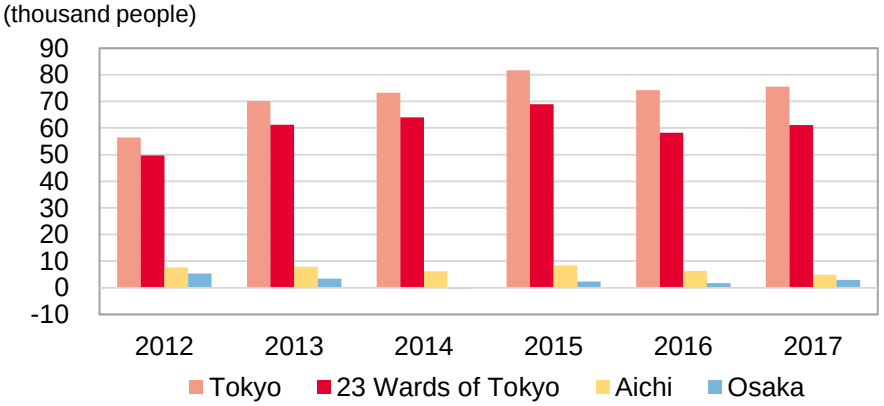
Source: "Population Census", Statistics Bureau, Ministry of Internal Affairs and Communications

Rent Per Tsubo for Apartments in 23 Wards of Tokyo



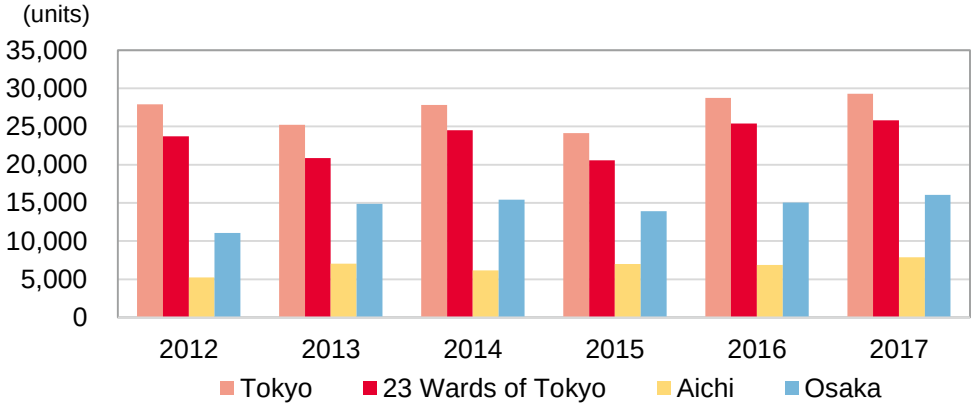
Source: Compiled by the Asset Manager from data published by Japan Real Estate Institute in "Housing Market Index".

Number of Net Migration



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

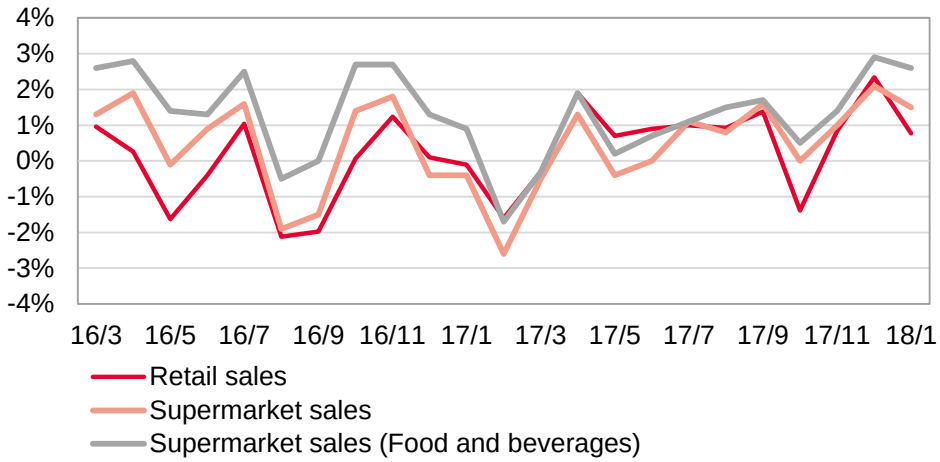
Starts of Rental Apartments



Note: Based on the aggregate of rental apartments with steel-reinforced concrete and reinforced concrete structure.
Source: "Housing Stars", Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism

Market Environment for Retail and Hotel Properties

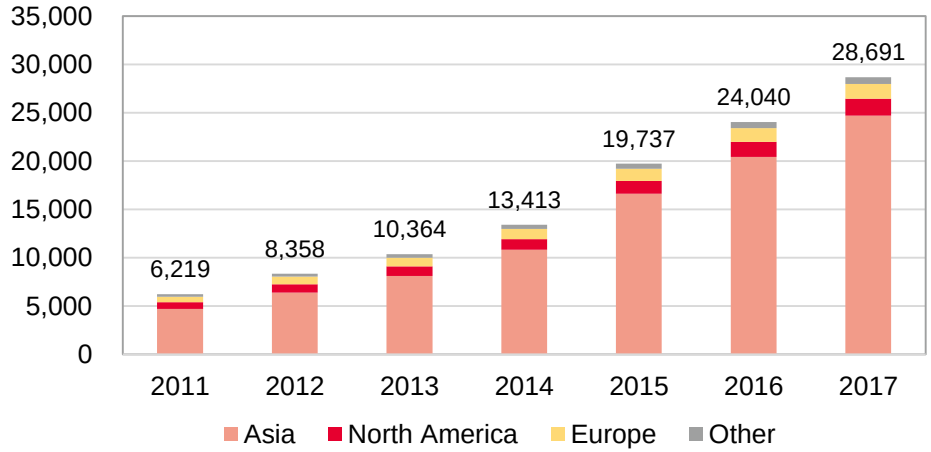
Retail Sales (YoY Change)



Note: Retail sales exclude sales of cars and fuel.
Source: "Monthly Report on the Current Survey of Commerce", Ministry of Economy, Trade and Industry, or METI

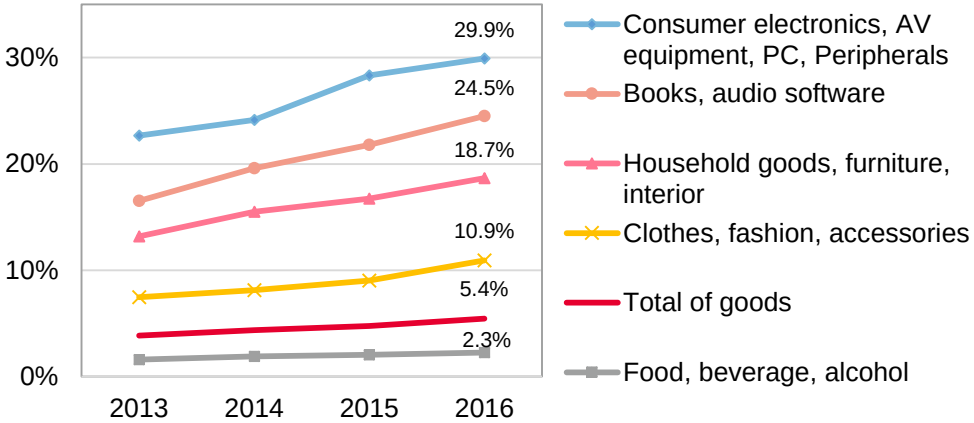
Number of Overseas Visitors to Japan

(thousand visitors)



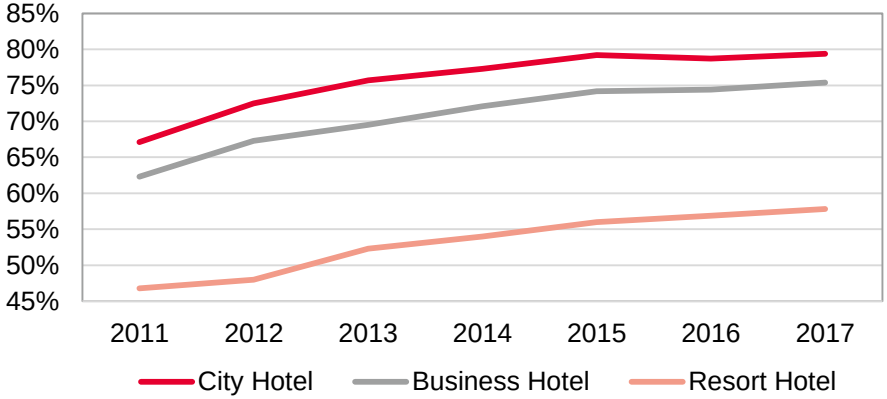
Source: Japan National Tourism Organization (JNTO)

BtoC E-Commerce Ratio by Category of Goods



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

Guest Room Occupancy Ratio of Accommodation Facilities



Source: "Accommodation Survey", Japan Tourism Agency

Portfolio List (1)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.4%	50,490.39	100.0%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	2.3%	62,394.17	100.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.5%	14,240.84	100.0%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	0.8%	11,289.91	100.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.4%	36,515.81	100.0%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	3.9%	72,320.01	100.0%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.4%	11,663.39	100.0%
LB-008	D Project Noda	Noda City, Chiba	6,210	0.9%	29,232.53	100.0%
LB-009	D Project Inuyama	Inuyama City, Aichi	10,790	1.6%	54,197.80	100.0%
LB-010	D Project Gifu	Anpachi District, Gifu	1,100	0.2%	7,669.91	100.0%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	0.9%	11,151.51	100.0%
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	818	0.1%	6,749.10	100.0%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.2%	9,558.32	100.0%
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	1,530	0.2%	11,052.27	100.0%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.5%	17,448.86	100.0%
LB-016	D Project Gotenba	Gotenba City, Shizuoka	1,140	0.2%	6,737.53	100.0%
LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	1,210	0.2%	5,093.51	100.0%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.6%	24,729.56	100.0%
LB-019	D Project Tosu	Tosu City, Saga	5,740	0.9%	17,858.01	100.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.6%	22,708.72	100.0%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.2%	50,490.00	100.0%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.5%	16,150.88	100.0%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.7%	19,872.00	100.0%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.6%	21,628.50	100.0%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.6%	34,710.80	100.0%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.1%	26,937.41	100.0%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.8%	26,460.00	100.0%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.2%	47,320.89	100.0%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.8%	29,244.66	100.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	0.9%	21,965.04	100.0%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.5%	39,584.80	100.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.1%	26,776.67	100.0%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.3%	23,933.75	100.0%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.2%	4,481.00	100.0%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	1.1%	39,572.32	100.0%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.5%	18,371.10	100.0%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	1.3%	39,441.32	100.0%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.7%	36,113.25	100.0%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.5%	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	0.3%	14,106.91	100.0%
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.3%	15,668.44	100.0%
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.5%	13,521.56	100.0%
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	0.9%	39,341.44	100.0%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.6%	19,004.72	100.0%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.3%	13,012.50	100.0%
LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	5,600	0.8%	24,684.47	100.0%
LB-048	D Project Kuki VII	Kuki City, Saitama	1,040	0.2%	3,225.46	100.0%
LB-049	D Project Chibakita	Chiba City, Chiba	7,640	1.1%	24,368.86	100.0%
LB-050	D Project Matsudo II	Matsudo City, Chiba	8,200	1.2%	25,305.82	100.0%
LB-051	D Project Tomisato II	Tomisato City, Chiba	6,900	1.0%	40,870.56	100.0%
LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	3,600	0.5%	22,485.08	100.0%
LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	7,300	1.1%	39,580.46	100.0%
LB-054	D Project Kaminokawa	Kawachi District, Tochigi	7,900	1.2%	52,239.75	100.0%
LB-055	D Project Fuji	Fuji City, Shizuoka	3,600	0.5%	23,795.40	100.0%
LB-056	D Project Tosu III	Tosu City, Saga	9,200	1.4%	65,215.07	100.0%
LM-001	DPL Misato	Misato City, Saitama	16,831	2.5%	55,864.47	100.0%
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	13,300	2.0%	73,739.04	100.0%

Portfolio List (2)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.1%	5,230.39	97.6%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.7%	3,492.93	97.0%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.4%	2,707.51	97.6%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.4%	2,226.42	98.2%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.3%	1,621.59	100.0%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%	1,458.73	100.0%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.3%	2,969.57	92.8%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.4%	2,400.00	98.4%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.4%	2,094.58	98.6%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.3%	1,917.62	97.2%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.3%	1,817.56	96.9%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%	1,123.80	97.3%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.3%	2,779.77	100.0%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.3%	2,559.21	100.0%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%	1,898.47	84.6%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.2%	1,940.94	97.9%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.2%	1,858.34	98.3%
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.1%	1,444.52	97.6%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%	1,244.54	100.0%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.1%	1,225.26	95.1%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%	811.95	100.0%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%	803.03	100.0%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%	957.60	100.0%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.1%	1,747.90	100.0%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.2%	1,826.80	100.0%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.1%	1,308.38	100.0%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%	2,117.46	100.0%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.2%	1,628.80	98.4%
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	675	0.1%	972.51	100.0%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.4%	3,594.16	100.0%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.1%	1,147.44	100.0%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%	1,105.20	100.0%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%	668.79	100.0%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.1%	681.00	100.0%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.2%	1,567.84	94.7%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%	882.67	100.0%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.4%	3,494.42	97.0%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.4%	4,602.95	99.0%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.1%	10,408.26	98.0%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.5%	6,442.28	98.0%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.4%	3,150.80	100.0%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.1%	1,546.34	100.0%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.1%	16,849.50	98.3%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.3%	3,077.05	99.1%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.3%	2,339.42	97.5%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%	1,659.71	100.0%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.7%	4,967.97	95.9%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%	863.70	100.0%
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.2%	1,542.30	100.0%
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.2%	1,380.35	100.0%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.2%	1,871.70	93.0%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.1%	1,168.18	97.0%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.1%	1,414.73	95.8%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.2%	1,784.50	100.0%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.2%	1,472.47	97.6%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.1%	1,658.90	96.7%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.4%	3,644.35	98.5%
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.2%	1,624.06	97.3%
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	1.1%	12,732.35	100.0%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%	1,276.91	100.0%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.2%	2,014.12	100.0%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.1%	2,255.88	100.0%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%	1,220.16	93.8%
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	503	0.1%	887.94	100.0%
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	198	0.0%	414.45	100.0%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.1%	1,383.90	100.0%
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.1%	1,425.43	95.7%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%	1,537.84	98.0%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%	1,415.15	100.0%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.4%	4,197.66	99.1%
RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%	1,275.60	95.0%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.2%	2,406.41	99.0%

Portfolio List (3)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	533	0.1%	857.32	92.1%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.2%	1,613.86	95.0%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.1%	1,472.38	98.3%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.1%	1,362.60	100.0%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.3%	3,038.98	100.0%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.2%	1,785.24	100.0%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.2%	1,994.93	100.0%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.3%	2,421.82	98.9%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.1%	18,112.03	100.0%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.3%	2,629.59	98.3%
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,181	0.2%	1,413.75	72.3%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.2%	2,046.36	100.0%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.3%	2,640.86	94.5%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.2%	3,797.92	100.0%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.4%	2,818.70	98.5%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.6%	3,166.71	99.2%
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,030	0.3%	2,123.77	92.0%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.3%	1,961.52	95.2%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.2%	2,004.80	95.8%
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,020	0.2%	1,668.24	92.5%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%	1,278.52	100.0%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.6%	17,269.74	100.0%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.2%	2,224.41	98.3%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.2%	4,208.83	100.0%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%	1,452.09	100.0%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%	1,552.01	98.9%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%	1,597.32	100.0%
RE-105	Castalia Nogeyama	Yokohama City, Kanagawa	325	0.0%	744.90	96.7%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%	876.89	100.0%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.8%	18,153.57	100.0%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.2%	2,179.80	100.0%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.6%	21,367.93	100.0%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.3%	26,294.49	100.0%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.3%	3,009.74	100.0%
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	1,060	0.2%	3,808.97	100.0%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.4%	13,452.80	94.6%

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.2%	3,471.39	96.5%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%	3,279.90	98.4%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.6%	10,920.75	100.0%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.1%	2,836.00	97.2%
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%	1,522.89	84.8%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.3%	6,100.31	96.1%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.1%	3,061.60	100.0%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.5%	8,747.40	94.5%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.2%	3,071.60	100.0%
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%	1,684.10	100.0%
RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.1%	2,800.32	96.8%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%	2,149.08	97.2%
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.3%	5,415.39	100.0%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.4%	6,230.20	98.7%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%	8,661.19	98.8%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.3%	7,022.69	95.7%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%	1,822.10	95.6%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.1%	2,784.83	97.5%
RE-135	Castalia Mibu	Koyto City, Kyoto	1,193	0.2%	2,828.39	100.0%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%	4,471.11	94.9%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.4%	11,089.75	56.9%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.4%	10,354.15	100.0%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%	5,086.69	96.4%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.1%	2,035.37	100.0%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.3%	2,897.06	100.0%
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.3%	6,828.78	100.0%
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	1,800	0.3%	4,425.46	100.0%

Portfolio List (4)

Property number	Property name	Location	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.2%	41,742.84	100.0%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.7%	16,390.96	95.9%
RM-003	QiZ GATE URAWA	Saitama City, Saitama	4,270	0.6%	9,705.29	92.1%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.4%	9,277.08	100.0%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.6%	24,018.00	100.0%
RM-006	DREAM TOWN ALi	Aomori City, Aomori	8,100	1.2%	22,196.81	99.2%
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	1,600	0.2%	11,207.90	100.0%
RM-008	FOLEO Ome Imai	Ome City, Tokyo	3,800	0.6%	8,637.91	100.0%
RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	8,100	1.2%	62,917.73	100.0%
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	3,200	0.5%	23,230.77	100.0%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.2%	2,973.44	100.0%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.0%	19,845.72	100.0%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.4%	31,981.70	100.0%
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.3%	8,899.89	100.0%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	0.8%	28,002.92	100.0%
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	4,500	0.7%	6,669.74	100.0%
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	4,800	0.7%	7,932.37	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	0.2%	3,901.14	100.0%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	1.1%	13,480.00	100.0%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.3%	3,064.89	100.0%

Asset class	Number of properties	Acquisition price (mil yen)	Investment ratio	Leasable area (m^2)	Occupancy rate (Note)
Logistics Properties	58 properties	336,499	49.9%	1,593,916.28	100.0%
Residential Properties	135 properties	250,448	37.1%	487,242.91	97.5%
Retail Properties	16 properties	71,530	10.6%	327,698.70	99.5%
Hotel Properties	1 property	4,800	0.7%	7,932.37	100.0%
Other Assets	4 properties	11,480	1.7%	24,623.55	100.0%
Portfolio Total	214 properties	674,757	100.0%	2,441,413.81	99.4%

As of April 10, 2018

(Note) Occupancy rate as of February 28, 2018 is indicated.

Rent Revision Schedule of Logistics Properties (1)

Daiwa House REIT Investment Corporation

Property number	Property name	Tenant	2018 Aug.	2019 Feb.	2019 Aug.	2020 Feb.	2020 Aug.	2021 Feb.	2021 Aug.	2022 Feb.	2022 Aug.	2023 Feb.	Rent revision	Expiry
Logistics Properties														
LB-001	D Project Machida	Hitachi Capital Corporation											No revision	2027/2/28
LB-002	D Project Hachioji	Mitsubishi Shokuhin Co., Ltd.											2019/2/27	Not disclosed
LB-002	D Project Hachioji	Tokyo Logistics Factory CO. LTD											2019/2/27	2029/2/28
LB-003	D Project Aikawa-Machi	Toward Co., Ltd.											Not disclosed	2032/7/31
LB-004	D Project Shin-Misato	Asahi Security Co., Ltd.	* In ongoing litigation										2019/5/1	2029/4/30
LB-005	D Project Urayasu I	Nakano Shokai Co., Ltd.											No revision	2026/2/28
LB-006	D Project Urayasu II	Hitachi Capital Corporation											Not disclosed	2027/5/31
LB-007	D Project Akanehama	Oisix.daichi Inc.											2020/10/11	2025/10/10
LB-008	D Project Noda	Mitsubishi Shokuhin Co., Ltd.											2022/10/1	Not disclosed
LB-009	D Project Inuyama	Takihyo Co., Ltd.											2020/1/1	2029/12/31
LB-009	D Project Inuyama (Additional acquisition)	Takihyo Co., Ltd.											2022/4/1	2032/3/31
LB-010	D Project Gifu	GOTSU Co., Ltd.											2019/3/23	2024/3/22
LB-011	D Project Neyagawa	NH Foods, Ltd.											2018/8/1	Not disclosed
LB-012	D Project Sapporo Minami	Mitsubishi Shokuhin Co., Ltd.											—	Not disclosed
LB-013	D Project Morioka	Mitsubishi Shokuhin Co., Ltd.											No revision	Not disclosed
LB-014	D Project Sendai Minami	Mitsubishi Shokuhin Co., Ltd.											2021/4/1	Not disclosed
LB-015	D Project Tsuchiura	Yamato Logistics Co., Ltd.											2018/4/1	2029/4/14
LB-016	D Project Gotenba	HOKKOH Transportation, Inc.											2019/1/15	2029/1/14
LB-017	D Project Nishi-Hiroshima A	UCC FOODS CO., LTD.											2019/12/25	2023/1/31
LB-017	D Project Nishi-Hiroshima B	HOKKOH Transportation, Inc.											2018/11/1	2028/10/31
LB-018	D Project Fukuoka Umi A	Nippon Express Co., Ltd						Expiry					No revision	2021/1/20
LB-018	D Project Fukuoka Umi B	CREATE CORPORATION								Expiry			No revision	2022/4/15
LB-018	D Project Fukuoka Umi C	Fuji Logitech Co., Ltd.						Expiry					—	2021/5/31
LB-018	D Project Fukuoka Umi D	Japan Beverage Holdings Inc.											2019/4/1	2026/8/31
LB-019	D Project Tosu (Existing building)	NH Foods, Ltd.											2018/4/1	Not disclosed
LB-019	D Project Tosu (Extended building)	NH Foods, Ltd.											No revision	Not disclosed
LB-020	D Project Kuki I	TRANCOM Co., Ltd.											2021/10/5	2031/10/4
LB-021	D Project Kuki II	Seven & i Holdings Co., Ltd.											2018/6/21	2023/6/30
LB-022	D Project Kawagoe I	Daiwa Logistics Co., Ltd.											2021/5/1	2026/4/30
LB-023	D Project Kawagoe II	Daiwa Logistics Co., Ltd.											2022/9/3	2027/9/2
LB-024	DPL Inuyama	Sagawa Global Logistics Co., Ltd.											2018/10/1	2028/9/30

Rent Revision Schedule of Logistics Properties (2)

Daiwa House REIT Investment Corporation

Property number	Property name	Tenant	2018	2019		2020		2021		2022		2023	Rent revision	Expiry
			Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.		
Logistics Properties														
LB-025	D Project Fukuoka Hakozaki	Nakano Shokai Co., Ltd.											No revision	2032/9/30
LB-026	D Project Kuki III	S.D.Logi CO., LTD.											2018/6/28	2033/6/30
LB-027	D Project Kuki IV	Chuo Bussan Corporation											No revision	2029/6/30
LB-028	D Project Kuki V	Hitachi Transport System, Ltd.									Expiry		–	2022/6/30
LB-029	D Project Kuki VI	Sagawa Global Logistics Co., Ltd.											2018/8/9	2024/2/9
LB-030	D Project Yashio	Tohto CO-OP											2022/8/1	2031/7/31
LB-030	D Project Yashio	Ryutsu Service Co., Ltd.											2022/8/1	2031/7/31
LB-031	D Project Nishiyodogawa	VANTEC CORPORATION											2021/4/15	2026/8/15
LB-032	D Project Matsudo	Asahi Logistics Corp.											2020/4/9	2031/4/30
LB-033	D Project Hibiki Nada	Nippon Express Co., Ltd							Expiry				No revision	2021/9/30
LB-034	D Project Morioka II	Nichirei Logistics Group Inc.											–	2035/10/31
LB-035	D Project Kawagoe III	Hitachi Transport System Kanto Co., Ltd.											2019/4/1	2024/6/30
LB-036	D Project Kazo	Itochu Logistics Corp.											2020/3/1	2025/2/28
LB-037	D Project Urayasu III	Daiwa Logistics Co., Ltd.											2022/6/1	2025/8/31
LB-038	D Project Tomisato	Tokyo Nohin Daiko Co., Ltd.											No revision	2026/1/31
LB-039	D Project Kyotanabe	Hutech norin Co., Ltd.											2022/9/28	2032/10/31
LB-040	D Project Sendai Izumi	Mitsubishi Shokuhin Co., Ltd.											2019/4/1	Not disclosed
LB-041	D Project Oyama	Mitsubishi Shokuhin Co., Ltd.											2020/3/1	Not disclosed
LB-042	D Project Sano	Toryusha Co., Ltd.											No revision	2029/6/30
LB-043	D Project Tatebayashi	Hitachi Transport System Kanto Co., Ltd.											2020/9/1	2030/8/31
LB-044	D Project Kakegawa	Hitachi Transport System Central Japan Co., Ltd.											2019/8/1	2034/7/31
LB-045	D Project Hiroshima Seifu	MITSUI FOODS Co., Ltd.											Not disclosed	Not disclosed
LB-046	D Project Tosu II	Marukyo Transportation Co., Ltd.											–	2024/1/2
LB-047	D Project Kawagoe IV	Daiwa Logistics Co., Ltd.											2021/2/1	2026/1/31
LB-048	D Project Kuki VII	Nichirei Logistics Group Inc.											Not disclosed	Not disclosed
LB-049	D Project Chibakita	Hitachi Transport System Metropolitan Co., Ltd.											No revision	2026/6/30
LB-050	D Project Matsudo II	Mitsubishi Shokuhin Co., Ltd.											Not disclosed	Not disclosed
LB-051	D Project Tomisato II	Tokyo Nohin Daiko Co., Ltd.											No revision	2027/2/28
LB-052	D Project Osaka Hirabayashi	Itochu-Shokuhin Co., Ltd.											Not disclosed	2030/6/29

Rent Revision Schedule of Logistics Properties (3)

Daiwa House REIT Investment Corporation

Property number	Property name	Tenant	2018	2019		2020		2021		2022		2023	Rent revision	Expiry
			Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.	Aug.	Feb.		
Logistics Properties														
LB-053	D Project Sendai Izumi III	Kokubu Group Corp.											Not disclosed	Not disclosed
LB-054	D Project Kaminokawa	Hitachi Transport System Kanto Co., Ltd.											Not disclosed	Not disclosed
LB-055	D Project Fuji	Hitachi Transport Central Japan Co., Ltd.											2018/10/1	2033/9/30
LB-056	D Project Tosu III	Not disclosed											Not disclosed	Not disclosed
LM-001	DPL Misato	Kokubu Group Corp.											2018/10/15	2033/11/14
LM-001	DPL Misato	ARATA CORPORATION					Expiry						No revision	2020/12/31
LM-001	DPL Misato	Kato Sangyo Co., Ltd.											Not disclosed	Not disclosed
LM-001	DPL Misato	Nitori Co., Ltd.	Expiry										No revision	2018/10/31
LM-002	DPL Fukuoka Kasuya	UNIQLO CO., LTD.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	Muroo Co., Ltd.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	Nest Logistics											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	Mitsui & Co. Global Logistics, Ltd.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	MK LOGI Co., Ltd.											Not disclosed	Not disclosed
LM-002	DPL Fukuoka Kasuya	NOK Corporation											Not disclosed	Not disclosed

Rent Revision / Lease Contract Renewal of Logistics Properties

Period ending Aug. 2018	Period ending Feb. 2019
Rent revision - 6 tenants → 2 tenants revised rent on equal terms	Rent revision - 7 tenants Contract expiry - 1 tenant

As of April 20, 2018

Rent Revision Schedule of Retail Properties

Daiwa House REIT Investment Corporation

Property number	Property name	Tenant	Rent type	2018 Aug.	2019 Feb.	2019 Aug.	2020 Feb.	2020 Aug.	2021 Feb.	2021 Aug.	2022 Feb.	2022 Aug.	2023 Feb.	Rent revision	Expiry
Retail Properties															
RM-001	ACROSSMALL Shinkamagaya	Daiwa Information Service Co., Ltd.	Fixed											2019/12/12	2017/12/11
RM-002	FOLEO Hirakata	Core tenant A	Fixed											2019/1/1	2026/12/8
RM-002	FOLEO Hirakata	Core tenant B	Fixed											2019/1/1	2026/12/14
RM-003	QiZ GATE URAWA	Core tenant A	Fixed											No revision	2027/5/31
RM-003	QiZ GATE URAWA	Core tenant B	Fixed											2020/3/27	2028/3/26
RM-004	UNICUS Takasaki	P&D Consulting Co., Ltd.	Fixed											2020/12/9	2028/11/19
RM-005	ACROSSPLAZA Miyoshi (Land)	Daiwa Information Service Co., Ltd.	Fixed											2018/10/1	2034/9/29
RM-006	DREAM TOWN ALi	Core tenant A	Fixed + Variable											No revision	2027/12/21
RM-006	DREAM TOWN ALi	Core tenant B	Fixed											No revision	2027/11/30
RM-006	DREAM TOWN ALi	Core tenant C	Fixed + Variable							Expiry				No revision	2021/6/30
RM-007	ASOBOX (Land)	Daiwa Information Service Co., Ltd.	Fixed											2018/9/1	2037/8/31
RM-008	FOLEO Ome Imai	Belc CO., LTD.	Fixed											Not disclosed	Not disclosed
RM-008	FOLEO Ome Imai	Yamada Denki Co., Ltd.	Fixed											Not disclosed	2037/6/8
RM-009	FOLEO Otsu Ichiriyam	Daiwa Information Service Co., Ltd.	Fixed											2028/4/2	2038/4/30
RM-010	FOLEO Hakata	Daiwa Information Service Co., Ltd.	Fixed											2028/4/2	2038/4/30
RR-001	LIFE Sagamihara Wakamatsu	LIFE CORPORATION	Fixed											2019/5/22	2027/5/21
RR-002	FOLEO Sendai Miyanomori	Daiwa House Industry Co., Ltd.	Fixed									Expiry		No revision	2022/11/30
RR-003	ACROSSPLAZA Inazawa (Land)	Daiwa Information Service Co., Ltd.	Fixed											No revision	2034/2/24
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Alpen Co., Ltd.	Fixed											Not disclosed	2027/11/28
RR-005	Hiratsuka Retail Property (Land)	Not disclosed	Not disclosed											Not disclosed	Not disclosed
RR-006	Royal Home Center Morinomiya (Land)	Royal Home Center Co., Ltd.	Fixed											2018/9/1	2048/3/31

Rent Revision / Lease Contract Renewal of Retail Properties

Period ending Aug. 2018	Period ending Feb. 2019
Rent revision - None	Rent revision - 5 tenants
Contract expiry - None	Contract expiry - None

As of April 20, 2018

Appraisal Value Changes Comparison (1)

Daiwa House REIT Investment Corporation

(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
LB-001	D Project Machida	9,200	9,184	235	9,420	9,420	0	4.5	4.4/4.5	4.7	4.5	4.4/4.5	4.7	0.0	0.0	0.0	Tanizawa
LB-002	D Project Hachioji	15,400	15,402	797	15,800	16,200	400	4.4	4.3/4.4	4.6	4.4	4.3/4.4	4.6	0.0	0.0	0.0	Tanizawa
LB-003	D Project Aikawa-Machi	3,390	3,835	574	4,260	4,410	150	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa
LB-004	D Project Shin-Misato	5,710	5,647	102	5,760	5,750	-10	5.2	5.2	5.4	5.2	5.2	5.4	0.0	0.0	0.0	Tanizawa
LB-005	D Project Urayasu I	9,280	9,197	292	9,510	9,490	-20	4.1	4.2	4.3	4.1	4.2	4.3	0.0	0.0	0.0	Tanizawa
LB-006	D Project Urayasu II	26,000	25,758	841	26,700	26,600	-100	4.0	4.0/4.1	4.2	4.0	4.0/4.1	4.2	0.0	0.0	0.0	Tanizawa
LB-007	D Project Akanehama	2,950	2,914	95	3,030	3,010	-20	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa
LB-008	D Project Noda	6,210	6,143	296	6,450	6,440	-10	4.7	4.6/4.7	4.9	4.7	4.6/4.7	4.9	0.0	0.0	0.0	Tanizawa
LB-009	D Project Inuyama	8,690	8,530	479	9,000	9,010	10	4.9	4.8/4.9	5.1	4.9	4.8/4.9	5.1	0.0	0.0	0.0	Tanizawa
LB-010	D Project Gifu	1,100	1,091	28	1,130	1,120	-10	5.5	5.4/5.5	5.7	5.5	5.4/5.5	5.7	0.0	0.0	0.0	Tanizawa
LB-011	D Project Neyagawa	5,980	5,907	292	6,200	6,200	0	4.6	4.6	4.8	4.6	4.6	4.8	0.0	0.0	0.0	Tanizawa
LB-012	D Project Sapporo Minami	818	804	43	846	848	2	6.0	5.9	6.2	6.0	5.9	6.2	0.0	0.0	0.0	Tanizawa
LB-013	D Project Morioka	1,200	1,172	37	1,210	1,210	0	6.0	5.9	6.2	6.0	5.9	6.2	0.0	0.0	0.0	Tanizawa
LB-014	D Project Sendai Minami	1,530	1,511	38	1,550	1,550	0	5.3	5.1/5.2	5.5	5.3	5.1/5.2	5.5	0.0	0.0	0.0	Tanizawa
LB-015	D Project Tsuchiura	3,390	3,316	123	3,450	3,440	-10	5.3	5.2	5.5	5.3	5.2	5.5	0.0	0.0	0.0	Tanizawa
LB-016	D Project Gotenba	1,140	1,119	30	1,150	1,150	0	5.4	5.3	5.6	5.4	5.3	5.6	0.0	0.0	0.0	Tanizawa
LB-017	D Project Nishi-Hiroshima	1,210	1,192	17	1,200	1,210	10	5.5	5.5/5.6	5.7	5.5	5.5/5.6	5.7	0.0	0.0	0.0	Tanizawa
LB-018	D Project Fukuoka Umi	4,240	4,163	126	4,290	4,290	0	5.1	4.8/4.9 /5.0	5.3	5.1	4.8/4.9 /5.0	5.3	0.0	0.0	0.0	Tanizawa
LB-019	D Project Tosu	5,740	5,603	296	5,910	5,900	-10	5.1	5.1/5.2	5.3	5.1	5.1/5.2	5.3	0.0	0.0	0.0	Tanizawa
LB-020	D Project Kuki I	3,900	3,838	251	4,110	4,090	-20	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-021	D Project Kuki II	8,120	7,951	608	8,580	8,560	-20	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-022	D Project Kawagoe I	3,530	3,483	226	3,710	3,710	0	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-023	D Project Kawagoe II	4,850	4,781	358	5,150	5,140	-10	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-024	DPL Inuyama	3,940	3,874	205	4,060	4,080	20	4.9	4.8	5.1	4.9	4.8	5.1	0.0	0.0	0.0	Tanizawa
LB-025	D Project Fukuoka Hakozaki	4,340	4,269	250	4,520	4,520	0	4.8	4.7	5.0	4.8	4.7	5.0	0.0	0.0	0.0	Tanizawa
LB-026	D Project Kuki III	7,630	7,495	614	8,130	8,110	-20	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-027	D Project Kuki IV	5,520	5,442	357	5,810	5,800	-10	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-028	D Project Kuki V	8,280	8,189	570	8,790	8,760	-30	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-029	D Project Kuki VI	5,140	5,035	384	5,420	5,420	0	4.8	4.8/4.9	5.0	4.8	4.8/4.9	5.0	0.0	0.0	0.0	Tanizawa
LB-030	D Project Yashio	6,400	6,327	312	6,600	6,640	40	4.6	4.1	4.9	4.6	4.1	4.9	0.0	0.0	0.0	JREI
LB-031	D Project Nishiyodogawa	10,300	10,117	482	10,700	10,600	-100	4.8	4.5	5.0	4.8	4.5	5.0	0.0	0.0	0.0	JREI
LB-032	D Project Matsudo	7,370	7,278	331	7,620	7,610	-10	4.6	4.3	4.7	4.6	4.3	4.7	0.0	0.0	0.0	JREI
LB-033	D Project Hibiki Nada	2,080	2,043	76	2,130	2,120	-10	5.8	5.7/5.9	6.0	5.8	5.7/5.9	6.0	0.0	0.0	0.0	Tanizawa

Appraisal Value Changes Comparison (2)

Daiwa House REIT Investment Corporation

(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
LB-034	D Project Morioka II	1,280	1,266	53	1,330	1,320	-10	6.0	5.7/5.8	6.2	6.0	5.7/5.8 /5.9	6.2	0.0	0.0	0.0	Tanizawa
LB-035	D Project Kawagoe III	7,200	7,181	278	7,460	7,460	0	4.7	4.7/4.8	4.9	4.7	4.7/4.8	4.9	0.0	0.0	0.0	Tanizawa
LB-036	D Project Kazo	3,300	3,292	127	3,430	3,420	-10	4.9	4.9/5.0	5.1	4.9	4.9/5.0	5.1	0.0	0.0	0.0	Tanizawa
LB-037	D Project Urayasu III	8,500	8,500	819	9,340	9,320	-20	4.1	4.0/4.1 /4.2	4.3	4.1	4.0/4.1 /4.2	4.3	0.0	0.0	0.0	Tanizawa
LB-038	D Project Tomisato	5,000	4,977	102	5,040	5,080	40	5.0	5.0/5.1	5.2	5.0	5.0/5.1	5.2	0.0	0.0	0.0	Tanizawa
LB-039	D Project Kyotanabe	3,520	3,514	105	3,620	3,620	0	5.6	5.2	5.9	5.6	5.2	5.9	0.0	0.0	0.0	JREI
LB-040	D Project Sendai Izumi	1,510	1,509	70	1,590	1,580	-10	5.4	5.1	5.6	5.4	5.1	5.6	0.0	0.0	0.0	JREI
LB-041	D Project Oyama	2,000	1,994	25	2,020	2,020	0	5.6	5.7	5.8	5.6	5.7	5.8	0.0	0.0	0.0	Tanizawa
LB-042	D Project Sano	1,780	1,775	14	1,790	1,790	0	5.6	5.6	5.8	5.6	5.6	5.8	0.0	0.0	0.0	Tanizawa
LB-043	D Project Tatebayashi	3,100	3,088	51	3,150	3,140	-10	5.6	5.6	5.8	5.6	5.6	5.8	0.0	0.0	0.0	Tanizawa
LB-044	D Project Kakegawa	6,000	6,020	119	6,140	6,140	0	5.7	5.5	5.9	5.7	5.5	5.9	0.0	0.0	0.0	JREI
LB-045	D Project Hiroshima Seifu	3,820	3,812	177	3,930	3,990	60	5.6	5.1	6.0	5.5	5.0	5.9	-0.1	-0.1	-0.1	JREI
LB-046	D Project Tosu II	1,700	1,695	144	1,840	1,840	0	5.2	5.2/5.3	5.4	5.2	5.2/5.3	5.4	0.0	0.0	0.0	Tanizawa
LM-001	DPL Misato	16,831	16,802	597	17,400	17,400	0	4.2	4.2/4.3	4.4	4.2	4.2/4.3	4.4	0.0	0.0	0.0	Tanizawa
Logistics Properties Total		**260,119**	**258,055**	**12,472**	**270,276**	**270,528**	**252**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
RE-001	Qiz Ebisu	7,650	7,215	1,304	8,520	8,520	0	3.9	4.1	4.1	3.9	4.1	4.1	0.0	0.0	0.0	Tanizawa
RE-002	Castalia Azabujuban Shichimenzaka	4,500	4,150	69	4,220	4,220	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Chuo
RE-003	Castalia Shibakoen	2,630	2,442	-222	2,190	2,220	30	4.3	4.4	4.5	4.3	4.4	4.5	0.0	0.0	0.0	Tanizawa
RE-004	Castalia Ginza	2,520	2,340	-120	2,220	2,220	0	4.2	4.3	4.4	4.2	4.3	4.4	0.0	0.0	0.0	Tanizawa
RE-005	Castalia Hiroo	2,220	2,080	-250	1,830	1,830	0	4.1	4.2	4.3	4.1	4.2	4.3	0.0	0.0	0.0	Tanizawa
RE-006	Castalia Nihonbashi	1,200	1,065	104	1,170	1,170	0	4.3	4.4	4.5	4.3	4.4	4.5	0.0	0.0	0.0	Tanizawa
RE-007	Castalia Hacchobori	2,300	2,102	157	2,250	2,260	10	4.3	4.4	4.5	4.3	4.4	4.5	0.0	0.0	0.0	Tanizawa
RE-008	Castalia Azabujuban	2,910	2,782	-102	2,660	2,680	20	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Chuo
RE-009	Castalia Azabujuban II	2,690	2,517	-7	2,500	2,510	10	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	Chuo
RE-010	Castalia Shinjuku Natsumezaka	1,865	1,763	-153	1,610	1,610	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	Chuo
RE-011	Castalia Ginza II	1,800	1,656	73	1,730	1,730	0	4.2	4.3	4.4	4.2	4.3	4.4	0.0	0.0	0.0	Tanizawa
RE-012	Castalia Shibuya Sakuragaoka	1,400	1,335	-225	1,100	1,110	10	4.1	4.3	4.3	4.1	4.3	4.3	0.0	0.0	0.0	Tanizawa
RE-013	Castalia Nishi Azabu Kasumicho	2,143	2,321	18	2,260	2,340	80	4.2	4.3	4.4	4.2	4.3	4.4	0.0	0.0	0.0	Tanizawa
RE-014	Castalia Ochanomizu	1,770	1,702	447	2,120	2,150	30	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-015	Castalia Sangubashi	1,393	1,464	5	1,520	1,470	-50	4.2	4.4	4.4	4.2	4.4	4.4	0.0	0.0	0.0	Tanizawa
RE-016	Castalia Suitengu	1,279	1,229	170	1,390	1,400	10	4.4	4.4	4.6	4.4	4.4	4.6	0.0	0.0	0.0	Tanizawa
RE-017	Castalia Suitengu II	1,138	1,096	163	1,260	1,260	0	4.3	4.4	4.5	4.3	4.4	4.5	0.0	0.0	0.0	Tanizawa

Appraisal Value Changes Comparison (3)

Daiwa House REIT Investment Corporation

(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-018	Castalia Shintomicho	932	912	117	1,030	1,030	0	4.4	4.4	4.6	4.4	4.4	4.6	0.0	0.0	0.0	Tanizawa
RE-019	Castalia Shintomicho II	825	811	103	914	915	1	4.4	4.4	4.6	4.4	4.4	4.6	0.0	0.0	0.0	Tanizawa
RE-020	Castalia Harajuku	887	857	53	940	911	-29	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	JREI
RE-021	Castalia Yoyogi Uehara	608	646	69	713	716	3	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-022	Castalia Sendagaya	555	556	73	612	630	18	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-023	Castalia Shinjuku 7 chome	464	440	92	529	533	4	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	JREI
RE-024	Castalia Ningyocho	947	896	333	1,230	1,230	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-025	Castalia Ningyocho II	1,070	995	364	1,360	1,360	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-026	Castalia Shin-Ochanomizu	914	854	235	1,090	1,090	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-027	Castalia Higashi Nihonbashi II	1,370	1,258	421	1,680	1,680	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-028	Castalia Jinbocho	1,160	1,080	369	1,450	1,450	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-029	Castalia Shintomicho III	675	614	144	759	759	0	4.3	4.0	4.6	4.3	4.0	4.6	0.0	0.0	0.0	JREI
RE-030	Castalia Shinjuku Gyoen	2,720	2,611	488	3,100	3,100	0	4.3	4.5	4.5	4.3	4.5	4.5	0.0	0.0	0.0	Tanizawa
RE-031	Castalia Takanawadai	860	815	214	1,030	1,030	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	JREI
RE-032	Castalia Higashi Nihonbashi III	666	608	200	807	809	2	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Daiwa
RE-033	Castalia Shinjuku Gyoen II	486	472	38	511	511	0	4.3	4.5	4.5	4.3	4.5	4.5	0.0	0.0	0.0	Tanizawa
RE-034	Castalia Shintomicho IV	400	395	75	471	471	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Daiwa
RE-035	Castalia Takanawadai II	1,190	1,156	203	1,350	1,360	10	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	JREI
RE-036	Castalia Minami Azabu	642	609	87	697	697	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	JREI
RE-037	Castalia Ginza III	2,880	2,724	245	2,970	2,970	0	4.2	4.3	4.4	4.2	4.3	4.4	0.0	0.0	0.0	Tanizawa
RE-038	Castalia Kayabacho	2,707	2,519	580	3,100	3,100	0	4.4	4.4	4.6	4.4	4.4	4.6	0.0	0.0	0.0	Tanizawa
RE-039	Castalia Takanawa	7,430	7,128	681	7,800	7,810	10	4.3	4.6	4.5	4.3	4.6	4.5	0.0	0.0	0.0	Tanizawa
RE-040	Castalia Higashi Nihonbashi	3,520	3,248	761	4,000	4,010	10	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	Chuo
RE-041	Castalia Shinjuku	2,950	2,841	528	3,370	3,370	0	4.3	4.5	4.5	4.3	4.5	4.5	0.0	0.0	0.0	Tanizawa
RE-042	Castalia Ichigaya	940	873	466	1,330	1,340	10	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Chuo
RE-043	Shibaura Island Bloom Tower	7,580	6,823	2,106	8,780	8,930	150	–	4.0	6.1	–	4.0	6.1	–	0.0	0.0	JREI
RE-044	Castalia Hatsudai	2,030	1,975	374	2,350	2,350	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Daiwa
RE-045	Castalia Hatsudai II	1,900	1,874	235	2,040	2,110	70	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	Morii
RE-046	Castalia Ebisu	1,420	1,411	178	1,550	1,590	40	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Morii
RE-047	Castalia Meguro Kamurozaka	4,500	4,041	308	4,350	4,350	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	Daiwa
RE-048	Castalia Toritsudaigaku	648	592	-62	559	530	-29	5.1	4.9	5.4	5.1	4.9	5.4	0.0	0.0	0.0	Chuo
RE-049	Castalia Yukigaya	1,110	999	110	1,110	1,110	0	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa
RE-050	Castalia Yutenji	1,450	1,341	-41	1,280	1,300	20	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Chuo

Appraisal Value Changes Comparison (4)

Daiwa House REIT Investment Corporation

(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-051	Castalia Otsuka	1,480	1,326	313	1,620	1,640	20	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	Chuo
RE-052	Castalia Kikukawa	817	725	53	778	779	1	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa
RE-053	Castalia Meguro	844	856	163	992	1,020	28	4.4	4.1	4.6	4.4	4.1	4.6	0.0	0.0	0.0	JREI
RE-054	Castalia Otsuka II	1,040	984	265	1,250	1,250	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-055	Castalia Jiyugaoka	1,200	1,163	226	1,390	1,390	0	4.1	3.9	4.3	4.1	3.9	4.3	0.0	0.0	0.0	JREI
RE-056	Castalia Mejiro	988	933	146	1,070	1,080	10	4.6	4.4	4.8	4.6	4.4	4.8	0.0	0.0	0.0	Chuo
RE-057	Castalia Ikebukuro	2,570	2,450	359	2,810	2,810	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Daiwa
RE-058	Castalia Kaname-cho	1,140	1,060	169	1,230	1,230	0	4.4	4.6	4.6	4.4	4.6	4.6	0.0	0.0	0.0	Tanizawa
RE-059	Castalia Tower Shinagawa Seaside	7,380	6,793	1,946	8,740	8,740	0	4.4	4.4	4.6	4.4	4.4	4.6	0.0	0.0	0.0	Tanizawa
RE-060	Castalia Yakumo	857	831	-55	773	776	3	4.3	4.5	4.5	4.3	4.5	4.5	0.0	0.0	0.0	Tanizawa
RE-061	Castalia Togoshiekimae	1,560	1,466	463	1,930	1,930	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	JREI
RE-062	Castalia Honjo Azumabashi	996	992	127	1,120	1,120	0	4.6	4.7	4.8	4.6	4.7	4.8	0.0	0.0	0.0	Tanizawa
RE-063	Castalia Kitazawa	742	759	57	812	817	5	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-064	Castalia Monzennakacho	503	479	68	547	548	1	4.6	4.7	4.8	4.6	4.7	4.8	0.0	0.0	0.0	Tanizawa
RE-065	Castalia Kamiikedai	198	181	31	215	213	-2	5.0	4.6	5.2	5.0	4.6	5.2	0.0	0.0	0.0	JREI
RE-066	Castalia Morishita	832	801	218	1,020	1,020	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-067	Castalia Wakabayashikoen	776	746	102	847	849	2	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	Daiwa
RE-068	Castalia Asakusabashi	792	735	209	944	945	1	4.5	4.3	4.7	4.5	4.3	4.7	0.0	0.0	0.0	Chuo
RE-069	Castalia Iriya	546	502	153	656	656	0	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0	Chuo
RE-070	Castalia Kita Ueno	2,641	2,404	315	2,720	2,720	0	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa
RE-071	Castalia Morishita II	686	619	171	788	791	3	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa
RE-072	Castalia Minowa	1,430	1,299	250	1,550	1,550	0	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa
RE-073	Castalia Oyamadai	533	500	97	602	598	-4	4.4	4.5	4.6	4.4	4.5	4.6	0.0	0.0	0.0	Tanizawa
RE-074	Castalia Nakano	1,060	976	253	1,230	1,230	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-075	Castalia Yoga	923	870	269	1,140	1,140	0	4.3	4.5	4.5	4.3	4.5	4.5	0.0	0.0	0.0	Tanizawa
RE-076	Castalia Sumiyoshi	948	850	159	1,010	1,010	0	4.5	4.6	4.7	4.5	4.6	4.7	0.0	0.0	0.0	Tanizawa
RE-077	Castalia Monzennakacho II	2,160	1,995	674	2,670	2,670	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	JREI
RE-078	Castalia Oshiage	1,100	989	130	1,120	1,120	0	4.6	4.9/4.7	4.8	4.6	4.9/4.7	4.8	0.0	0.0	0.0	Tanizawa
RE-079	Castalia Kuramae	1,260	1,144	325	1,460	1,470	10	4.5	4.7/4.6	4.7	4.5	4.7/4.6	4.7	0.0	0.0	0.0	Tanizawa
RE-080	Castalia Nakanobu	1,790	1,661	918	2,580	2,580	0	4.3	4.1	4.5	4.3	4.1	4.5	0.0	0.0	0.0	Chuo
RE-081	Royal Parks Toyosu	7,360	6,307	3,412	9,720	9,720	0	4.7	4.4	5.0	4.7	4.4	5.0	0.0	0.0	0.0	Chuo
RE-082	Castalia Togoshi	1,770	1,604	905	2,510	2,510	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Chuo
RE-083	Castalia Ooimachi	1,181	1,163	286	1,480	1,450	-30	4.1	4.0	4.3	4.0	3.8	4.2	-0.1	-0.2	-0.1	Morii

Appraisal Value Changes Comparison (5)

Daiwa House REIT Investment Corporation

(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-084	Castalia Omori	1,500	1,437	342	1,780	1,780	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Chuo
RE-085	Castalia Mishuku	1,900	1,850	439	2,290	2,290	0	4.4	4.2	4.6	4.4	4.2	4.6	0.0	0.0	0.0	Chuo
RE-086	Castalia Arakawa	1,660	1,559	590	2,140	2,150	10	4.6	4.4	4.8	4.6	4.4	4.8	0.0	0.0	0.0	Chuo
RE-087	Castalia Omori II	2,370	2,279	620	2,830	2,900	70	4.2	4.0	4.4	4.1	3.9	4.3	-0.1	-0.1	-0.1	Morii
RE-088	Castalia Nakameguro	3,800	3,776	603	4,270	4,380	110	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Morii
RE-089	Castalia Meguro Chojyamaru	2,030	2,011	298	2,250	2,310	60	4.1	3.9	4.3	4.0	3.8	4.2	-0.1	-0.1	-0.1	Morii
RE-090	Castalia Meguro Takaban	1,750	1,754	85	1,820	1,840	20	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Morii
RE-091	Castalia Omori III	1,520	1,486	203	1,650	1,690	40	4.3	4.1	4.5	4.2	4.0	4.4	-0.1	-0.1	-0.1	Morii
RE-092	Morino Tonari	1,020	1,051	98	1,170	1,150	-20	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-093	Castalia Meguro Tairamachi	1,165	1,210	49	1,270	1,260	-10	4.0	3.8	4.2	3.9	3.7	4.1	-0.1	-0.1	-0.1	Morii
RE-094	Royal Parks SEASIR	4,350	4,236	763	4,940	5,000	60	5.5	5.3/5.7	—	5.4	5.2/5.6	—	-0.1	-0.1	—	Morii
RE-095	Castalia Honkomagome	1,520	1,532	217	1,710	1,750	40	4.4	4.2	4.6	4.3	4.1	4.5	-0.1	-0.1	-0.1	Morii
RE-096	Cosmo Heim Musashikosugi	1,674	1,619	310	1,970	1,930	-40	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0	Chuo
RE-097	Castalia Tsurumi	666	596	137	731	734	3	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	Chuo
RE-098	Castalia Funabashi	704	705	82	783	788	5	5.0	5.0/4.8	5.2	4.9	4.9/4.7	5.1	-0.1	-0.1	-0.1	Tanizawa
RE-099	Castalia Nishi Funabashi	783	749	180	908	930	22	5.3	5.1	5.5	5.3	5.1	5.5	0.0	0.0	0.0	JREI
RE-105	Castalia Nogeyama	325	300	27	328	328	0	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	JREI
RE-106	Castalia Ichikawa	461	409	123	530	533	3	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	JREI
RE-107	Royal Parks Hanakoganei	5,300	4,832	1,357	6,190	6,190	0	5.1	4.9/5.3	—	5.1	4.9/5.3	—	0.0	0.0	—	Daiwa
RE-108	Castalia Musashikosugi	1,680	1,653	186	1,840	1,840	0	4.6	4.4	4.8	4.5	4.3	4.7	-0.1	-0.1	-0.1	Morii
RE-109	Royal Parks Wakabadai	4,360	4,038	741	4,960	4,780	-180	5.2	5.0/5.4	—	5.2	5.0/5.4	—	0.0	0.0	—	Daiwa
RE-110	Pacific Royal Court Minatomirai Urban Tower	9,100	8,793	2,206	10,900	11,000	100	5.0	4.8/5.2	—	4.9	4.7/5.1	—	-0.1	-0.1	—	Morii
RE-111	L-Place Shinkoyasu	1,720	1,734	275	2,010	2,010	0	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	JREI
RE-112	Royal Parks Musashikosugi	1,060	1,028	271	1,280	1,300	20	5.0	4.8/5.2	—	4.9	4.7/5.1	—	-0.1	-0.1	—	Morii
RE-115	Crest Kusatsu	3,004	2,841	-881	1,960	1,960	0	6.8	6.9	7.0	6.6	6.7	6.8	-0.2	-0.2	-0.2	Tanizawa
RE-116	Castalia Sakaisuji Honmachi	1,490	1,328	401	1,700	1,730	30	4.8	4.9	5.0	4.7	4.8	4.9	-0.1	-0.1	-0.1	Tanizawa
RE-117	Castalia Shin-Umeda	1,376	1,225	324	1,520	1,550	30	4.9	5.0	5.1	4.8	4.9	5.0	-0.1	-0.1	-0.1	Tanizawa
RE-118	Castalia Abeno	4,368	4,034	1,015	4,940	5,050	110	4.8	4.9	5.0	4.7	4.8	4.9	-0.1	-0.1	-0.1	Tanizawa
RE-119	Castalia Sakae	1,010	919	290	1,210	1,210	0	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0	Chuo
RE-121	Castalia Maruyama Urasando	411	367	147	509	515	6	5.1	5.1	5.3	5.0	5.0	5.2	-0.1	-0.1	-0.1	Tanizawa
RE-122	Castalia Maruyama Omotesando	1,740	1,559	490	2,020	2,050	30	5.1	5.1	5.3	5.0	5.0	5.2	-0.1	-0.1	-0.1	Tanizawa
RE-123	Castalia Higashi Hie	960	850	169	1,000	1,020	20	5.1	5.3	5.3	5.0	5.2	5.2	-0.1	-0.1	-0.1	Tanizawa
RE-124	Castalia Tower Nagahoribashi	3,400	2,987	1,472	4,460	4,460	0	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0	Chuo

Appraisal Value Changes Comparison (6)

Daiwa House REIT Investment Corporation

(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RE-125	Castalia Sannomiya	1,230	1,083	406	1,520	1,490	-30	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	Daiwa
RE-126	Castalia Kotodaikoen	481	422	134	556	557	1	5.3	5.3	5.5	5.3	5.3	5.5	0.0	0.0	0.0	Daiwa
RE-127	Castalia Ichibancho	783	701	247	948	949	1	5.3	5.3	5.5	5.3	5.3	5.5	0.0	0.0	0.0	Daiwa
RE-128	Castalia Omachi	656	613	150	763	764	1	5.3	5.3	5.5	5.3	5.3	5.5	0.0	0.0	0.0	Daiwa
RE-129	Castalia Uemachidai	2,190	1,975	734	2,680	2,710	30	4.7	4.5	4.9	4.7	4.5	4.9	0.0	0.0	0.0	Daiwa
RE-130	Castalia Tower Higobashi	2,670	2,404	1,135	3,540	3,540	0	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0	Chuo
RE-131	Big Tower Minami Sanjo	1,740	1,354	1,275	2,630	2,630	0	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	Daiwa
RE-132	Castalia Fushimi	2,260	2,007	1,032	3,040	3,040	0	4.8	4.6	5.0	4.8	4.6	5.0	0.0	0.0	0.0	JREI
RE-133	Castalia Meieki Minami	720	670	265	916	936	20	4.6	4.4	4.8	4.5	4.3	4.7	-0.1	-0.1	-0.1	Morii
RE-134	Castalia Yakuin	930	889	270	1,140	1,160	20	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Morii
RE-135	Castalia Mibu	1,193	1,122	337	1,450	1,460	10	4.9	4.7	5.1	4.9	4.7	5.1	0.0	0.0	0.0	JREI
RE-136	Castalia Tsutsujigaoka	1,208	1,160	569	1,700	1,730	30	5.0	4.8	5.2	4.9	4.7	5.1	-0.1	-0.1	-0.1	Morii
RE-137	Castalia Ohori Bay Tower	2,910	2,674	905	3,810	3,580	-230	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	Morii
RE-138	Royal Parks Namba	2,830	2,589	370	2,970	2,960	-10	5.5	5.4/5.8	–	5.5	5.4/5.8	–	0.0	0.0	–	Daiwa
RE-139	Castalia Shigahondori	1,730	1,627	452	2,080	2,080	0	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	JREI
RE-140	Castalia Kyoto Nishioji	973	1,022	47	1,060	1,070	10	4.7	4.5	4.9	4.6	4.4	4.8	-0.1	-0.1	-0.1	Morii
RE-141	Castalia Ningyocho III	2,000	2,019	280	2,300	2,300	0	4.2	4.0	4.4	4.2	4.0	4.4	0.0	0.0	0.0	JREI
RE-142	Royal Parks Umejima	2,020	2,032	177	2,180	2,210	30	5.5	5.3/5.7	–	5.4	5.2/5.6	–	-0.1	-0.1	–	Morii
RE-143	Castalia Shinsakae II	1,800	1,867	72	1,940	1,940	0	5.0	4.8	5.2	5.0	4.8	5.2	0.0	0.0	0.0	Daiwa
Residential Properties Total		**250,448**	**235,440**	**47,297**	**281,828**	**282,738**	**910**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
RM-001	ACROSSMALL Shinkamagaya	7,770	7,614	295	7,950	7,910	-40	5.8	5.5	6.0	5.7	5.4	5.9	-0.1	-0.1	-0.1	JREI
RM-002	FOLEO Hirakata	4,580	4,553	86	4,580	4,640	60	6.2	5.7	6.3	6.2	5.7	6.3	0.0	0.0	0.0	JREI
RM-003	QiZ GATE URAWA	4,270	4,274	-144	4,350	4,130	-220	5.4	5.0	5.5	5.5	5.1	5.6	0.1	0.1	0.1	JREI
RM-004	UNICUS Takasaki	3,000	2,966	43	3,020	3,010	-10	6.4	6.1	6.6	6.3	6.0	6.5	-0.1	-0.1	-0.1	JREI
RM-005	ACROSSPLAZA Miyoshi (Land)	3,740	3,740	170	3,840	3,910	70	–	4.4	–	–	4.3	–	–	-0.1	–	Tanizawa
RM-006	DREAM TOWN ALi	8,100	7,989	190	8,270	8,180	-90	5.8	5.6	6.1	5.8	5.6	6.1	0.0	0.0	0.0	JREI
RM-007	ASOBOX (Land)	1,600	1,617	222	1,830	1,840	10	–	5.0	–	–	5.0	–	–	0.0	–	JREI
RM-008	FOLEO Ome Imai	3,800	3,805	114	3,850	3,920	70	5.2	4.7	5.5	5.1	4.6	5.4	-0.1	-0.1	-0.1	JREI
RR-001	LIFE Sagamihara Wakamatsu	1,670	1,661	68	1,720	1,730	10	5.0	4.6	5.1	4.9	4.5	5.0	-0.1	-0.1	-0.1	JREI
RR-002	FOLEO Sendai Miyanomori	6,960	6,896	343	7,160	7,240	80	5.8	5.5	6.0	5.7	5.4	5.9	-0.1	-0.1	-0.1	JREI
RR-003	ACROSSPLAZA Inazawa (Land)	2,390	2,390	60	2,440	2,450	10	–	5.3	–	–	5.3	–	–	0.0	–	JREI
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	2,230	2,207	122	2,340	2,330	-10	6.2	6.3	6.4	6.2	6.3	6.4	0.0	0.0	0.0	Tanizawa

Appraisal Value Changes Comparison (7)

Daiwa House REIT Investment Corporation

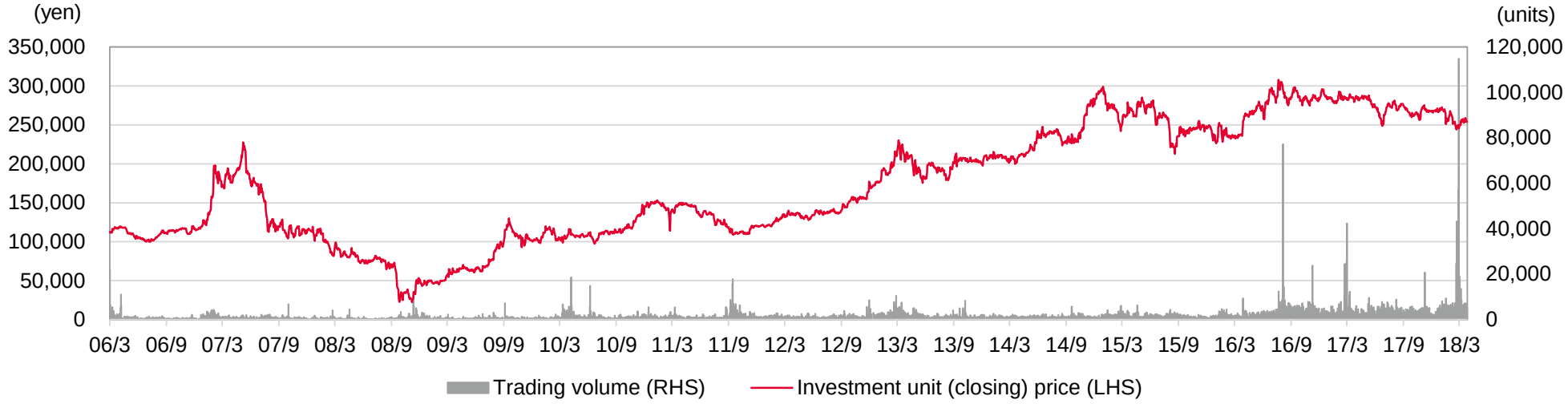
(mil yen) (%)

Property number	Property name	Acquisition price	Book value Feb. 2018	Unrealized gain (loss)	Appraisal value (Note 1)			Aug. 2017			Feb. 2018			Change			Appraiser (Note 2)
					Aug. 2017	Feb. 2018	Change	Direct cap	DCF		Direct cap	DCF		Direct cap	DCF		
								CR	DR	TCR	CR	DR	TCR	CR	DR	TCR	
RR-005	Hiratsuka Retail Property (Land)	5,620	5,857	772	6,630	6,630	0	–	4.0	–	–	4.0	–	–	0.0	–	Tanizawa
Retail Properties Total		**55,730**	**55,574**	**2,345**	**57,980**	**57,920**	**-60**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
OT-001	Urban Living Inage	930	872	427	1,300	1,300	0	5.2	5.0	5.4	5.2	5.0	5.4	0.0	0.0	0.0	Daiwa
OT-002	Aburatsubo Marina HILLS	1,100	1,088	201	1,290	1,290	0	6.0	5.8	6.2	6.0	5.8	6.2	0.0	0.0	0.0	JREI
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	7,600	7,479	490	7,840	7,970	130	5.6	5.4	5.8	5.5	5.3	5.7	-0.1	-0.1	-0.1	Daiwa
OT-004	Sharp Hiroshima Building	1,850	1,853	86	1,910	1,940	30	5.4	5.2	5.6	5.3	5.1	5.5	-0.1	-0.1	-0.1	JREI
Other Assets Total		**11,480**	**11,293**	**1,206**	**12,340**	**12,500**	**160**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Portfolio Total		**577,777**	**560,363**	**63,322**	**622,424**	**623,686**	**1,262**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisitions in March and April 2018																	
LB-009	D Project Inuyama (Additional acquisition)	2,100	–	–	–	2,190	–	–	–	–	4.9	4.8/4.9	5.1	–	–	–	Tanizawa
LB-047	D Project Kawagoe IV	5,600	–	–	–	5,730	–	–	–	–	4.8	4.8/4.9	5.0	–	–	–	Tanizawa
LB-048	D Project Kuki VII	1,040	–	–	–	1,100	–	–	–	–	4.8	4.8	5.0	–	–	–	Tanizawa
LB-049	D Project Chibakita	7,640	–	–	–	7,650	–	–	–	–	4.6	4.4	4.8	–	–	–	Daiwa
LB-050	D Project Matsudo II	8,200	–	–	–	8,310	–	–	–	–	4.5	4.3	4.7	–	–	–	JREI
LB-051	D Project Tomisato II	6,900	–	–	–	6,990	–	–	–	–	4.9	4.9/5.0	5.1	–	–	–	Tanizawa
LB-052	D Project Osaka Hirabayashi	3,600	–	–	–	4,320	–	–	–	–	4.8	4.7/5.0	–	–	–	–	Tanizawa
LB-053	D Project Sendai Izumi II	7,300	–	–	–	7,370	–	–	–	–	5.3	5.1	5.5	–	–	–	JREI
LB-054	D Project Kaminokawa	7,900	–	–	–	7,940	–	–	–	–	5.6	5.6/5.7	5.8	–	–	–	Tanizawa
LB-055	D Project Fuji	3,600	–	–	–	3,650	–	–	–	–	5.7	5.5	6.0	–	–	–	JREI
LB-056	D Project Tosu III	9,200	–	–	–	9,380	–	–	–	–	5.1	5.0/5.2	5.3	–	–	–	Tanizawa
LM-002	DPL Fukuoka Kasuya	13,300	–	–	–	13,300	–	–	–	–	4.6	4.4	4.8	–	–	–	JREI
RM-009	FOLEO Otsu Ichiriyama	8,100	–	–	–	8,400	–	–	–	–	5.5	5.3	5.8	–	–	–	JREI
RM-010	FOLEO Hakata	3,200	–	–	–	3,530	–	–	–	–	5.0	4.8	5.3	–	–	–	JREI
RR-006	Royal Home Center Morinomiya (Land)	4,500	–	–	–	5,170	–	–	–	–	–	4.0	–	–	–	–	Tanizawa
HO-001	Daiwa Roynet Hotel Yokohama Kannnai	4,800	–	–	–	4,930	–	–	–	–	4.7	4.5	4.9	–	–	–	Daiwa
Total of Acquisitions in March and April 2018		**96,980**	**–**	**–**	**–**	**99,960**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Portfolio Grand Total		**674,757**	**–**	**–**	**–**	**723,646**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

(Note 1) For the properties acquired in March and April 2018, "Appraisal value" is based on the appraisal value at the time of acquisition.
(Note 2) "Tanizawa": The Tanizawa Sogo Appraisal Co., Ltd., "Chuo": Chuo Real Estate Appraisal Co., Ltd., "JREI": Japan Real Estate Institute, "Daiwa": Daiwa Real Estate Appraisal Co., Ltd., "Morii": JLL Morii Valuation & Advisory K.K.

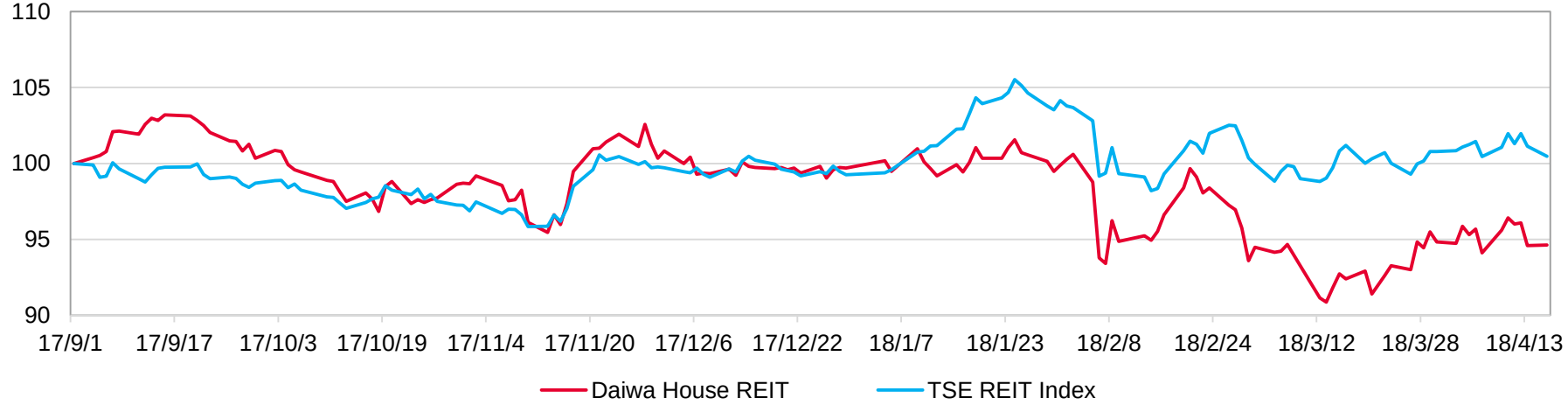
Unit Price Performance

Unit Price and Trading Volume



(Note) Adjusted to take into account two-for-one unit splits effective as of March 1, 2013 and March 1, 2015.

Relative Unit Price Performance



(Note) Indexed with the September 1, 2017 (start of the period ended Feb. 2018) closing prices of DHR's unit and TSE REIT Index.

Unitholder Status

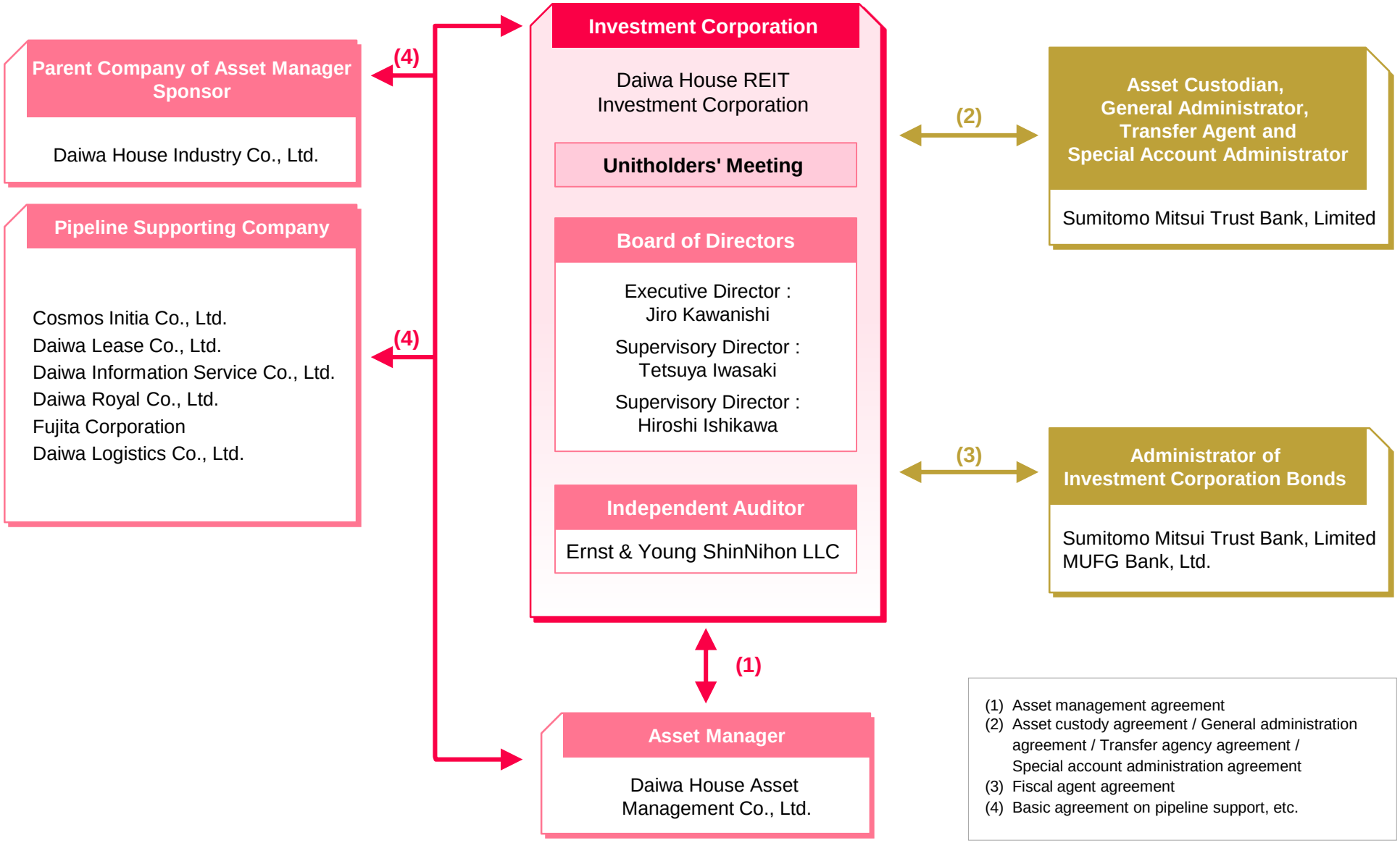
Number of Unitholders and Units by Unitholder Type

Unitholder type	Period ended Aug. 2017				Period ended Feb. 2018			
	Number of unitholders		Number of units		Number of unitholders		Number of units	
	Unitholders	(%)	Units	(%)	Unitholders	(%)	Units	(%)
Individuals and others	12,901	93.6	87,612	5.2	12,577	93.4	84,462	5.0
Financial institutions	172	1.2	968,209	57.3	172	1.3	951,227	56.3
Banks / trust banks	63	0.5	861,496	51.0	64	0.5	861,496	51.0
City banks	—	—	—	—	—	—	—	—
Regional banks	48	0.3	138,250	8.2	49	0.4	140,733	8.3
Trust banks	15	0.1	723,246	42.8	15	0.1	720,763	42.6
Life insurance companies	9	0.1	36,465	2.2	9	0.1	28,032	1.7
Non-life insurance companies	2	0.0	23,180	1.4	1	0.0	14,780	0.9
Other financial institutions	98	0.7	47,068	2.8	98	0.7	46,919	2.8
Shinkin banks	55	0.4	24,398	1.4	55	0.4	25,184	1.5
Others	43	0.3	22,670	1.3	43	0.3	21,735	1.3
Other domestic corporations	278	2.0	216,993	12.8	267	2.0	216,027	12.8
Foreign corporations and individuals	410	3.0	386,135	22.8	427	3.2	401,332	23.7
Securities firms	18	0.1	31,051	1.8	18	0.1	36,952	2.2
Total	**13,779**	**100.0**	**1,690,000**	**100.0**	**13,461**	**100.0**	**1,690,000**	**100.0**

Major Unitholders

Name	Period ended Feb. 2018	
	Number of units owned	Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	337,676	20.0
The Master Trust Bank of Japan, Ltd. (Trust Account)	209,664	12.4
Daiwa House Industry Co., Ltd.	185,200	11.0
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	65,159	3.9
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	55,165	3.3
State Street Bank West Client - Treaty 505234	42,793	2.5
State Street Bank - West Pension Fund Clients - Exempt 505233	31,517	1.9
State Street Bank and Trust Company 505012	22,843	1.4
Nomura Bank (Luxembourg) S.A.	21,872	1.3
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	21,041	1.2
Total	**992,930**	**58.8**

REIT Structure



(1) Asset management agreement
(2) Asset custody agreement / General administration agreement / Transfer agency agreement / Special account administration agreement
(3) Fiscal agent agreement
(4) Basic agreement on pipeline support, etc.

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