

Financial Results for the Fiscal Period Ended February 28, 2019 (September 1, 2018 - February 28, 2019)

Real estate investment trust unit issuer: **Daiwa House REIT Investment Corporation** (“DHR”)

Listing: Tokyo Stock Exchange
 Securities code: 8984
 URL: <https://www.daiwahouse-reit.co.jp/en/>
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 Scheduled date of starting distribution payments: May 13, 2019
 Supplementary materials for the financial results provided: Yes
 Results briefing for the period: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Financial results for the fiscal period ended February 28, 2019 (September 1, 2018 - February 28, 2019)

(1) Operating results

(Percentage figures represent period-on-period changes)

	Operating revenues		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal period ended February 28, 2019	23,127	4.1	9,960	7.5	8,597	10.6	8,597	10.7
Fiscal period ended August 31, 2018	22,211	12.7	9,269	15.7	7,770	8.7	7,765	8.7

	Basic earnings per unit	Return on equity (ROE)	Ordinary profit to total assets ratio	Ordinary profit to operating revenues ratio
	Yen	%	%	%
Fiscal period ended February 28, 2019	4,461	2.0	1.1	37.2
Fiscal period ended August 31, 2018	4,083	1.9	1.1	35.0

(Note) Please refer to “Per Unit Information” on page 35 for the number of investment units used as the basis for calculating basic earnings per unit.

(2) Distributions

	Distributions per unit (excluding distributions in excess of earnings per unit)	Total distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Total distributions in excess of earnings	Payout ratio	Distributions to net assets ratio
	Yen	Millions of yen	Yen	Millions of yen	%	%
Fiscal period ended February 28, 2019	5,427	10,457	0	0	121.7	2.4
Fiscal period ended August 31, 2018	5,046	9,723	0	0	123.6	2.3

(Note 1) For the fiscal period ended February 28, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,980 million and the accumulation of reserve for distribution of ¥120 million, and differ from “profit.”

(Note 2) For the fiscal period ended August 31, 2018, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,980 million and the accumulation of reserve for distribution of ¥22 million, and differ from “profit.”

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2019	777,727	429,223	55.2	222,741
As of August 31, 2018	771,281	430,596	55.8	223,454

(4) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended February 28, 2019	20,030	(13,520)	(2,719)	41,250
Fiscal period ended August 31, 2018	13,879	(95,543)	78,102	37,460

2. Forecasts of operating results for the fiscal period from March 1, 2019 to August 31, 2019 and for the fiscal period from September 1, 2019 to February 29, 2020

(Percentage figures represent period-on-period changes)

	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending August 31, 2019	24,585	6.3	10,438	4.8	8,747	1.7	8,747	1.7	5,170	0
Fiscal period ending February 29, 2020	24,911	1.3	10,668	2.2	9,161	4.7	9,161	4.7	5,370	0

(Reference) Forecasted basic earnings per unit

For the fiscal period ending August 31, 2019: ¥4,215

For the fiscal period ending February 29, 2020: ¥4,414

(Note 1) For the fiscal period ending August 31, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

(Note 2) For the fiscal period ending February 29, 2020, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

* **Other**

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- a. Changes in accounting policies due to amendment of accounting standards and other regulations: None
- b. Changes in accounting policies due to reasons other than a. above: None
- c. Changes in accounting estimates: None
- d. Retrospective restatement: None

(2) Total number of investment units issued

- a. Total number of investment units issued at the end of the period (including treasury investment units)
 - As of February 28, 2019 1,927,000 units
 - As of August 31, 2018 1,927,000 units
- b. Number of treasury investment units at the end of the period
 - As of February 28, 2019 0 units
 - As of August 31, 2018 0 units

(Note) Please refer to “Per Unit Information” on page 35 for the number of investment units used as the basis for calculating basic earnings per unit.

* **Status of auditing procedures**

This financial results report is not subject to auditing procedures pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the “FIE Act”).

Accordingly, as of the time of disclosure of this financial results report, DHR had not completed auditing procedures pursuant to the FIE Act.

* **Remarks on appropriate use of forecasts of operating results and other special notes**

The forward-looking statements, including operating results forecasts, contained in these materials are based on information currently available to DHR and on certain assumptions deemed reasonable by DHR. The actual operating and other results may differ significantly from those presented herein as a consequence of numerous factors. These forecasts also do not guarantee the amount of distributions. Please refer to “Assumptions for Forecasts of Operating Results for the Fiscal Period Ending August 31, 2019 and February 29, 2020” on pages 11 and 12 for information on assumptions for the forecasts of operating results.

At the board of directors meetings held on February 8, 2019 and February 20, 2019, it was decided to issue new investment units through public offering and through third-party allotment. The payment for the issuance of new investment units through public offering was completed on March 1, 2019, while the payment for the issuance of new investment units through third-party allotment was completed on March 26, 2019.

The above figures in “2. Forecasts of operating results for the fiscal period from March 1, 2019 to August 31, 2019 and for the fiscal period from September 1, 2019 to February 29, 2020,” are based on DHR’s assumption of the number of investment units issued of 2,075,000 units, which is the total of 1,927,000 investment units issued as of February 28, 2019 and 148,000 new investment units issued as described above (public offering: 138,000 units, third-party allotment: 10,000 units).

Disclaimer:

This English translation has been prepared for general reference purposes only. DHR shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released on April 18, 2019.

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1. The Investment Corporation and Related Corporations

As there have been no significant changes with respect to the “Scheme of Investment Corporation” from such content provided in the latest Securities Report (submitted on November 21, 2018; prepared in Japanese only), such disclosure has been omitted.

2. Operating Policies and Results

(1) Operating Policies

As there have been no significant changes with respect to the “Investment Policy,” “Investment Targets,” and “Distribution Policy” from such content provided in the latest Securities Report (submitted on November 21, 2018; prepared in Japanese only), such disclosure has been omitted.

(2) Operating Results

i) Summary of results for the current fiscal period

A. Transition of the Investment Corporation

DHR is a real estate investment trust (J-REIT) whose sponsor is Daiwa House Industry Co., Ltd. (hereinafter referred to as “Daiwa House”) and whose asset manager is Daiwa House Asset Management Co., Ltd. (hereinafter referred to as the “Asset Manager”), a wholly owned subsidiary of Daiwa House.

DHR was listed on the Real Estate Investment Trust (REIT) Market of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “Tokyo Stock Exchange”) on March 22, 2006, and then later merged with New City Residence Investment Corporation (hereinafter referred to as “NCR”) on April 1, 2010 (hereinafter referred to as “the merger with NCR”). Subsequently on December 1, 2011, the corporate name was changed to Daiwa House Residential Investment Corporation (the corporation prior to change of corporate name to “Daiwa House REIT Investment Corporation” is hereinafter referred to as the “former DHI”), and accordingly changed its investment targets to residential properties.

The former Daiwa House REIT Investment Corporation (the Daiwa House REIT Investment Corporation, which was dissolved upon having merged with DHR as of September 1, 2016, is hereinafter referred to as the “former DHR”) was established on September 14, 2007, whose asset manager was Daiwa House REIT Management Co., Ltd., a wholly owned subsidiary of Daiwa House. The former DHR was listed on the Tokyo Stock Exchange Real Estate Investment Trust (REIT) Market on November 28, 2012, as a REIT that targets investment in logistics and retail properties.

On September 1, 2016, the former DHI and the former DHR (hereinafter collectively referred to as the “Investment Corporations”) conducted an absorption-type merger (hereinafter referred to as the “Merger”) whereby the former DHI was the surviving corporation and the former DHR was the absorbed corporation, shifted to a diversified REIT portfolio that targets investment in new asset classes such as hotel and office properties, in addition to those that the Investment Corporations had targeted for investment in the past, and changed its corporate name from Daiwa House Residential Investment Corporation to Daiwa House REIT Investment Corporation.

B. Performance for the current fiscal period

DHR acquired four properties for a total acquisition price^(Note 1) of ¥12.7 billion through the Daiwa House Group^(Note 2)'s pipeline, etc. in September and December 2018 by a combination of funds in hand and loans. Furthermore, in December 2018, DHR sold one residential property for a sales price of ¥1.2 billion. As a result, DHR's portfolio as of the end of the current fiscal period consists of 216 properties with an asset value of ¥683.4 billion^(Note 3).

(Note 1) "Acquisition price" is the purchase price stipulated in the respective purchase agreements of assets owned by DHR (not including expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, or leasehold guarantee deposits, etc.), except as otherwise noted. However, the acquisition prices of properties previously owned by NCR have been presented as the appraisal values as of February 28, 2010, which were the prices received at the time of the merger with NCR, and the acquisition prices of properties previously owned by the former DHR have been presented as the appraisal values as of August 31, 2016, which were the prices received at the time of the merger with the former DHR. The "total acquisition price" has been rounded down to the nearest unit. The same shall apply hereinafter.

(Note 2) The Daiwa House Group comprises Daiwa House, which is the parent company, 332 consolidated subsidiaries, 1 non-consolidated subsidiary, 39 equity-method affiliates and 3 non-equity-method affiliates as of December 31, 2018. The Asset Manager is a member of the group. The same shall apply hereinafter.

(Note 3) "Asset value" is the aggregate total of the acquisition prices of respective assets owned by DHR at respective points in time, except as otherwise noted. The same shall apply hereinafter.

C. Overview of financing

DHR conducted debt financing of ¥7,000 million on September 27, 2018 and December 7, 2018, to provide for some of the acquisition costs and the related expenses for the acquisition of properties through the Daiwa House Group's pipeline, etc.

As a result, the balance of interest-bearing debt outstanding as of the end of the current fiscal period amounted to ¥321,268 million (loan balance: ¥302,268 million, investment corporation bond balance: ¥19,000 million), which is an increase of ¥7,000 million in comparison with the previous fiscal period. As of the end of the current fiscal period, its LTV (including goodwill)^(Note 1) was 41.3%, and its LTV (excluding goodwill)^(Note 2) was 45.4%.

(Note 1) "LTV (including goodwill)" is obtained using the following formula. The same shall apply hereinafter.

$$\text{LTV (including goodwill)} = \frac{\text{total amount of interest-bearing debt (borrowings + investment corporation bonds)}}{\text{total assets (including goodwill)}} \times 100$$

(Note 2) "LTV (excluding goodwill)" is obtained using the following formula. The same shall apply hereinafter.

$$\text{LTV (excluding goodwill)} = \frac{\text{total amount of interest-bearing debt (borrowings + investment corporation bonds)}}{\text{total assets (excluding goodwill)}} \times 100$$

The credit ratings of DHR as of the date of this financial results report are as follows:

Rating agency	Type	Rating/Outlook
Rating and Investment Information, Inc. (R&I)	Issuer rating	A+ Positive
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA Stable

D. Difference between real estate appraisal value and book value

The total appraisal value of assets held at the end of the current fiscal period was ¥753,721 million, and the amount of unrealized gain^(Note) on the portfolio, which is the difference compared to the book value was ¥93,224 million.

(Note) "Unrealized gain" is the positive valuation difference when the appraisal value exceeds the book value of real estate properties (excluding construction in progress and construction in progress in trust). (Negative valuation difference is referred to as unrealized loss.) The same shall apply hereinafter. Please note that unrealized gain is not guaranteed to be realized as a result of the sale of real estate.

E. Overview of financial results

As a result of the abovementioned investment management activities, in the current fiscal period, DHR posted operating revenues of ¥23,127 million, operating profit of ¥9,960 million, ordinary profit of ¥8,597 million, and profit of ¥8,597 million (¥4,461 per investment unit).

Furthermore, based on its distribution policy, DHR reversed ¥1,980 million (¥1,028 per investment unit) as the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments to top up profit, while at the same time, ¥120 million (¥62 per investment unit) recorded as gain on sale of real estate properties and refunded consumption taxes relating to properties that DHR acquired in prior years was accumulated as reserve for distribution. As a result, total distributions amounted to ¥10,457 million (¥5,427 per investment unit).

ii) Outlook for next fiscal period

A. Investment environment

During the current fiscal period, despite sluggish exports, the Japanese economy continued on a gradual recovery trend. The GDP growth rate (the 2nd preliminary) turned negative temporarily for July to September 2018 against the previous quarter due to factors including natural disasters and high crude oil prices, but shifted to positive for October to December with a real GDP growth rate of 0.5% (1.9% annualized), as the Japanese economy remained firm. According to the quarterly Financial Statements Statistics of Corporations by Industry, conditions including corporate earnings showed quarterly sales maintaining consecutive increases year on year. Despite remaining at a high level, ordinary profit has stalled, having fallen for two consecutive quarters (July to December). Capital expenditure for October to December showed a positive percent change of 3.3% compared with the corresponding quarter of the previous year in contrast for July to September, which had a negative percent change. As for consumer spending, against the backdrop of tightening labor supply and demand and improvement in the employment environment, consumption is expected to grow gradually in the future. In terms of the outlook going forward, amid an increasing sense of uncertainty including a slowdown in the Chinese economy, items such as trends in economic policy and policy rates in major foreign countries, concern over trade friction between the US and China, and the UK's departure from the EU could affect the Japanese economy going forward, and these trends require sufficient attention.

In Japan's real estate market, according to the Land Value LOOK Report for the fourth quarter of 2018 released by the Ministry of Land, Infrastructure, Transport and Tourism in February 2019, among the 100 intensively used districts of major cities, land value rose in 97 districts (compared with 96 districts in the third quarter of 2018), stayed flat in 3 districts (compared with 4 districts in the third quarter of 2018), and dropped in 0 districts (compared with 0 districts in the third quarter of 2018). The main reason that the percentage of districts with rising prices maintained such a high level was a continuing strong investment sentiment for offices, stores, and condominiums, etc. owing to persistently favorable office market conditions such as lower vacancy rates and higher rents, particularly in the three major metropolitan areas, cities becoming more vibrant due to ongoing redevelopment projects, robust construction demand for stores and hotels in response to the increasing number of visitors to Japan, and robust condominium demand in highly convenient regions.

In Japan's stock market in 2018, the TOPIX experienced weak performance for the full year, falling 17.8% annually. However, the J-REIT market enjoyed strong performance due to capital inflows from foreign investors, and the Tokyo Stock Exchange REIT Index rose 6.7% from 1,662.92 points at the end of 2017 to 1,774.06 points at the end of 2018. Since entering 2019, the index remained firm, reaching 1,850.03 points at the end of the current fiscal period.

Under the aforementioned environment, the investment environment is expected to continue to be tough due to lowering capitalization rates used in real estate appraisals, rising land prices, soaring construction costs, and other factors. Nevertheless, DHR will continue to ensure sustainable profits while making use of the Daiwa House Group's integrated capabilities, and real estate development knowhow.

B. Future operating policies and issues to be addressed

(a) Growth strategy

Due to its shift to a diversified REIT portfolio as a result of the Merger, taking advantage of the expanded opportunities to acquire properties from an extensive range of asset classes, DHR aims to steadily grow its asset size while maximizing unitholder value by securing stable income over the long term.

Due to its shift to a diversified REIT portfolio, DHR's portfolio now includes a range of assets with varying risk-return profiles, and as of the date of this financial results report, maintains high occupancy rates for assets held across all asset classes. By investing in various types of assets, DHR deems that it will be able to diversify its portfolio and mitigate the risk of excessive reliance on a limited number of tenants in order to boost portfolio income and generate more consistent cash flows.

DHR carefully selects and acquires assets that contribute to increasing unitholder value mainly through the Daiwa House Group's pipeline and plans to maintain its policy of selective investment going forward.

Furthermore, through continuous property replacement, DHR aims to increase the quality of its portfolio and realize increased unitholder value.

(b) Distribution policy

As of the end of the current fiscal period, DHR had a total of ¥507 million in tax loss carryforwards^(Note 1), ¥8,804 million in reserve for temporary difference adjustments (before reversal for the current fiscal period; the amount after reversal is ¥6,823 million), and ¥1,986 million in reserve for distribution (before accumulation for the current fiscal period; the amount after accumulation is ¥2,106 million).

DHR changed part of its distribution policy in the fiscal period ended February 28, 2017 and makes it a policy to reverse the amount equivalent to amortization of goodwill from the reserve for temporary difference adjustments and to use this to top up profit.

In case profit falls below the initially expected amount due to losses incurred in special cases such as loss on sale of real estate properties, in case of the dilution of distribution due to capital increase, in case sufficient revenues could not be secured due to short operation periods of properties acquired during a fiscal period along with a capital increase, or in the case of extraordinary expenses such as issuance expenses arising, DHR plans to reverse the reserve for temporary difference adjustments^(Note 2).

Goodwill recognized from the Merger is amortized over 20 years using the straight-line method. As described above, although DHR plans to reverse the amount equivalent to amortization of goodwill from the reserve for temporary difference adjustments and distribute it, after the reversal of the reserve for temporary difference adjustments is complete, DHR plans to pay distributions in excess of earnings of the amount equivalent to amortization of goodwill (distribution of reserve for temporary difference adjustments).

DHR's policy is to flexibly utilize voluntary reserve and subsequently pay distributions in excess of earnings (distribution of reserve for temporary difference adjustments) to realize stabilization of distributions on a medium- to long-term basis^(Note 3) while ensuring the level of distributions not impacted by the amortization of goodwill that accompanied the Merger.

(Note 1) The loss carryforwards inherited from the former DHR as a result of the Merger is ¥507 million and the carryforward period for such loss carryforwards will be until the end of the fiscal period ending February 28, 2021.

(Note 2) DHR's reversals of reserve for temporary difference adjustments do not fall under distributions in excess of earnings (return of unitholders' capital).

(Note 3) Under the above distribution policy, DHR has the policy to stabilize distributions. However, it is not intended as a guarantee or promise of the payment of distribution and amounts thereof.

C. Financial strategy

DHR seeks as its basic policy to execute a well-planned and flexible financial strategy with the aim of ensuring sustainable profits on a medium- to long-term basis, contributing to the steady growth and efficient management of its properties and creating management stability.

DHR is also working to improve the stability of its financial base by maintaining and expanding its strong lender formation through initiatives geared toward diversifying methods of raising capital through issuance of investment corporation bonds, and by promoting use of long-term fixed rates on interest-bearing debt and staggering repayment dates.

D. Forecasts of operating results for the fiscal periods ending August 31, 2019 and February 29, 2020

	Operating revenues	Operating profit	Ordinary profit	Profit	Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Fiscal period ending August 31, 2019	24,585	10,438	8,747	8,747	5,170	0
Fiscal period ending February 29, 2020	24,911	10,668	9,161	9,161	5,370	0

(Note 1) For the fiscal period ending August 31, 2019, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

(Note 2) For the fiscal period ending February 29, 2020, the funds from which distributions are paid out are the amount including the reversal of reserve for temporary difference adjustments of ¥1,982 million, and differ from “profit.”

For the assumptions for the forecasts above, please refer to “Assumptions for Forecasts of Operating Results for the Fiscal Period Ending August 31, 2019 and February 29, 2020” on pages 11 and 12. Due to changes in the circumstances surrounding DHR, actual operating revenues, operating profit, ordinary profit, profit, distributions per unit and distributions in excess of earnings per unit may change. Furthermore, these forecasts do not guarantee the amount of distributions.

iii) Significant events after balance sheet date

A. Issuance of new investment units

At the board of directors meetings held on February 8, 2019, and on February 20, 2019, it was resolved to issue new investment units, as follows. The payment for the new investment units issued through public offering was completed on March 1, 2019, while the payment for the new investment units issued through third-party allotment was completed on March 26, 2019.

As a result, unitholders’ capital amounts to ¥198,492 million, and the total number of investment units issued is 2,075,000 units.

(a) Issuance of new investment units (public offering)

Number of new investment units issued:	138,000 units (Japan: 86,900 units; Overseas: 51,100 units)
Issue price:	¥245,784 per unit
Total issue price:	¥33,918,192,000
Amount paid in (issue value):	¥238,260 per unit
Total amount paid in (issue value):	¥32,879,880,000
Payment date:	March 1, 2019

(b) Issuance of new investment units through third-party allotment

Number of new investment units issued:	10,000 units
Amount paid in (issue value):	¥238,260 per unit

Total amount paid in (issue value): ¥2,382,600,000
 Payment date: March 26, 2019
 Allottee: Nomura Securities Co., Ltd.

B. Acquisition of assets

DHR acquired the following properties.

Asset name	D Project Kitahachioji I
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥4,300,000 thousand
Seller (Note 2)	DH Development II Godo Kaisha
Date of acquisition	April 5, 2019
Asset name	D Project Kitahachioji II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥5,700,000 thousand
Seller (Note 2)	DH Development II Godo Kaisha
Date of acquisition	April 5, 2019
Asset name	D Project Kitahachioji III
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,300,000 thousand
Seller (Note 2)	DH Development II Godo Kaisha
Date of acquisition	April 5, 2019
Asset name	D Project Itabashi Shingashi
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥12,300,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Sagamihara
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥3,900,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Kuki VIII
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥6,100,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Yokkaichi
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥1,490,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019

Asset name	D Project Ibaraki Ishioka
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥4,050,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	iias Tsukuba (30% quasi co-ownership)
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥10,320,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	Aoyama Tailor Bunkyo Sengoku Ekimae Store
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥750,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	FOLEO Shobu
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥5,000,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	Daiwa Roynet Hotel Nagoya Shinkansenguchi
Asset type	Trust beneficiary interest in real estate
Asset class	Hotel properties
Acquisition price (Note 1)	¥4,500,000 thousand
Seller (Note 2)	Nihon Jyutaku Ryutu Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store
Asset type	Trust beneficiary interest in real estate
Asset class	Other assets
Acquisition price (Note 1)	¥1,380,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	March 12, 2019

(Note 1) This figure does not include expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, etc.

(Note 2) The following companies are defined as interested parties, etc. in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the "Investment Trusts Act"): Daiwa House, which is the seller of D Project Itabashi Shingashi, D Project Sagamihara, D Project Kuki VIII, D Project Yokkaichi, D Project Ibaraki Ishioka, iias Tsukuba, Aoyama Tailor Bunkyo Sengoku Ekimae Store, FOLEO Shobu and Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store and Nihon Jyutaku Ryutu Co., Ltd., which is the seller of Daiwa Roynet Hotel Nagoya Shinkansenguchi. DH Development II Godo Kaisha, which is the seller of D Project Kitahachioji I, D Project Kitahachioji II and D Project Kitahachioji III, is a special purpose company (Tokutei Mokuteki Kaisha) on which Daiwa House, a parent company of the Asset Manager, may have a significant influence and is an interested party as defined in the Asset Manager's regulations on transactions with interested parties; however, is not an interested party, etc., as defined in the Investment Trusts Act. The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

C. Debt financing

- (a) DHR conducted debt financing for the fund to refinance long-term loans of ¥4,000 million due on March 27, 2019 and ¥7,600 million due on March 29, 2019, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Trust Bank Limited; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Mizuho Bank, Ltd.	4,000	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.18%	March 27, 2019	August 31, 2022	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Aozora Bank, Ltd.; The Norinchukin Bank; Sumitomo Mitsui Banking Corporation; The Chiba Bank, Ltd.; Mizuho Bank, Ltd.; The Bank of Fukuoka, Ltd.; The Shizuoka Bank, Ltd.	7,600	0.42882% (Fixed interest rate)	March 29, 2019	September 30, 2025	Bullet repayment	Unsecured and non-guaranteed

- (b) DHR conducted debt financing for acquiring the properties mentioned in “B. Acquisition of assets” above, on April 5, 2019 and April 10, 2019, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Mitsui Sumitomo Insurance Company, Ltd.	1,000	0.45000% (Fixed interest rate)	April 5, 2019	April 30, 2026	Bullet repayment	Unsecured and non-guaranteed
Nippon Life Insurance Company	500	0.49677% (Fixed interest rate)	April 5, 2019	April 30, 2027	Bullet repayment	Unsecured and non-guaranteed
Development Bank of Japan Inc.	1,500	0.58880% (Fixed interest rate)	April 5, 2019	April 28, 2028	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; MUFG Bank, Ltd.; Mizuho Bank, Ltd.	6,000	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.23%	April 10, 2019	October 31, 2022	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation; The Norinchukin Bank; Sumitomo Mitsui Trust Bank, Limited; Shinsei Bank, Limited; Shinkin Central Bank; The Bank of Fukuoka, Ltd.; The Chiba Bank, Ltd.; The 77 Bank, Ltd.; The Nishi-Nippon City Bank, Ltd.; The Iyo Bank, Ltd.; The Chugoku Bank, Ltd.	8,100	0.39138% (Fixed interest rate)	April 10, 2019	October 31, 2024	Bullet repayment	Unsecured and non-guaranteed

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Resona Bank, Limited; Mizuho Trust & Banking Co., Ltd.; MUFG Bank, Ltd.	10,400	0.74800% (Note)	April 10, 2019	April 27, 2029	Bullet repayment	Unsecured and non-guaranteed

(Note) DHR entered into an interest rate swap transaction to hedge its exposure to interest rate fluctuation risk. The stated interest rate includes the effect of the interest rate swap.

(3) Investment Risk

As there have been no significant changes in the “Investment Risk” as described in the Securities Registration Statement submitted on February 8, 2019 (prepared in Japanese only), the disclosure has been omitted.

Assumptions for Forecasts of Operating Results for the Fiscal Period Ending August 31, 2019 and February 29, 2020

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> • Fiscal period ending August 31, 2019: (184 days from March 1, 2019 to August 31, 2019) • Fiscal period ending February 29, 2020: (182 days from September 1, 2019 to February 29, 2020)
Portfolio	<ul style="list-style-type: none"> • DHR has assumed that there will be no changes (meaning acquisition of new properties or sale of acquired properties) until February 29, 2020 in 229 properties (hereinafter referred to as the “composition of the portfolio”), which are real estate and trust beneficiary interests in real estate held by DHR as of the date of this financial results report. • Changes in the composition of the portfolio may, however, occur.
Operating revenues	<ul style="list-style-type: none"> • Operating revenues include revenues from rent, common area charges, parking lot usage fees, incidental revenues, utilities charge reimbursements and key money, etc. Each of these items is calculated based on past records and future estimate. • DHR has assumed no delinquencies or non-payment of rents by tenants.
Operating expenses (excluding amortization of goodwill)	<ul style="list-style-type: none"> • Operating expenses mainly comprise rental expenses. Those expenses, excluding depreciation of the current properties, are calculated based on past performance, making certain adjustments as appropriate considering factors causing changes in expenses. • DHR has assumed that DHR will incur depreciation expenses of ¥4,767 million for the fiscal period ending August 31, 2019 and ¥4,832 million for the fiscal period ending February 29, 2020. These figures are calculated using the straight-line method with incidental expenses added to purchase prices of non-current assets. • DHR has estimated property tax, city planning tax and depreciable asset tax at ¥1,784 million for the fiscal period ending August 31, 2019 and ¥1,784 million for the fiscal period ending February 29, 2020. Property tax and city planning tax that will be paid by DHR and the former owner (former beneficiary) on a pro rata basis according to the number of days of ownership due to the acquisition of real estate, etc. are included in the acquisition cost of the real estate, etc., and are not booked under expenses. Therefore, DHR expects to record the property tax and city planning tax related to the 13 properties acquired on March 12, 2019, April 5, 2019, and April 10, 2019 as expenses from the fiscal period ending August 31, 2020, and assumes that figure will be ¥206 million. • DHR has assumed that DHR will incur certain repairs and maintenance expenses in each fiscal period based on the medium- to long-term repair and maintenance plan prepared by the Asset Manager. However, actual repairs and maintenance expenses in each fiscal period may differ substantially from DHR’s forecasts, as (i) DHR may incur expenses for urgent repairs to properties due to damage caused by unforeseeable factors, (ii) generally, there is a substantial difference in expenses incurred between each fiscal period, and (iii) expenses are not incurred based on a regular schedule. • Selling, general and administrative expenses are estimated based on the actual values or rates, etc., of each item individually.
Amortization of goodwill	<ul style="list-style-type: none"> • Amortization of goodwill is estimated at ¥1,982 million for the fiscal period ending August 31, 2019 and ¥1,982 million for the fiscal period ending February 29, 2020.
Non-operating expenses	<ul style="list-style-type: none"> • DHR has assumed interest expenses and other borrowing-related expenses, etc. of ¥1,492 million for the fiscal period ending August 31, 2019 and ¥1,507 million for the fiscal period ending February 29, 2020. • DHR has assumed one-time costs of ¥200 million for the fiscal period ending August 31, 2019 as expenses related to issuance of new investment units and related matters.

Item	Assumptions
Interest-bearing debt	<ul style="list-style-type: none"> • As of the date of this financial results report, the balance of interest-bearing debt was ¥348,768 million. • DHR has assumed the long-term loans of ¥28,910 million that become due by the end of the fiscal period ending February 29, 2020 will be fully refinanced. • DHR has assumed the balance of outstanding interest-bearing debt will be unchanged until February 29, 2020.
Investment units	<ul style="list-style-type: none"> • The total number of investment units is based on DHR's assumption of 2,075,000 units, which is the number of investment units issued as of the date of this financial results report. DHR has assumed there will be no change in the number of units outstanding resulting from the issuance of additional investment units, etc. until February 29, 2020.
Distributions per unit	<ul style="list-style-type: none"> • For distributions (distributions per unit), DHR has assumed that a distribution is made with limits of the amount of earnings or less in accordance with the distribution policy prescribed in DHR's Articles of Incorporation. In addition, DHR has assumed that for the amount equivalent to amortization of goodwill described in "Amortization of goodwill" above, reserve for temporary difference adjustments, apart from profit, is partially reversed and used as funds for payment, and that reserve for temporary difference adjustments of ¥1,982 million (¥955 per investment unit) and ¥1,982 million (¥955 per investment unit) is reversed and used as funds for payment in the fiscal period ending August 31, 2019 and the fiscal period ending February 29, 2020, respectively. • Changes in DHR's portfolio, fluctuations in rent income due to changes in tenants and other factors, unforeseen repairs and maintenance expenses and other factors may lead to changes in the amount of distributions per unit.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • DHR has no plans to pay distributions in excess of earnings (distributions in excess of earnings per unit) as of the date of this financial results report.
Others	<ul style="list-style-type: none"> • DHR has assumed no enforcement of such revisions to laws and regulations, tax systems, accounting standards, securities listing regulations and rules of The Investment Trusts Association, Japan, etc. that may affect the above forecasts. • DHR's forecasts assume no unforeseen significant changes in general economic trends or conditions in the real estate market.

3. Financial Statements

(1) Balance Sheets

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Assets		
Current assets		
Cash and deposits	26,954,525	31,274,515
Cash and deposits in trust	10,505,983	9,976,462
Operating accounts receivable	176,748	275,683
Prepaid expenses	618,449	609,658
Consumption taxes receivable	3,551,655	-
Other	227	25
Allowance for doubtful accounts	(2,137)	(1,225)
Total current assets	41,805,452	42,135,120
Non-current assets		
Property, plant and equipment		
Buildings	26,566,010	26,298,220
Accumulated depreciation	(4,374,887)	(4,602,743)
Buildings, net	22,191,122	21,695,476
Structures	249,493	245,467
Accumulated depreciation	(43,759)	(45,395)
Structures, net	205,733	200,072
Machinery and equipment	454,987	472,105
Accumulated depreciation	(129,260)	(138,790)
Machinery and equipment, net	325,726	333,314
Tools, furniture and fixtures	669,144	676,056
Accumulated depreciation	(354,201)	(377,657)
Tools, furniture and fixtures, net	314,943	298,398
Land	21,637,530	20,879,124
Buildings in trust	317,552,921	323,844,247
Accumulated depreciation	(27,516,054)	(31,322,569)
Buildings in trust, net	290,036,867	292,521,677
Structures in trust	7,054,268	7,302,031
Accumulated depreciation	(547,644)	(688,505)
Structures in trust, net	6,506,624	6,613,525
Machinery and equipment in trust	2,361,439	2,417,497
Accumulated depreciation	(932,610)	(1,017,666)
Machinery and equipment in trust, net	1,428,829	1,399,830
Tools, furniture and fixtures in trust	867,589	967,046
Accumulated depreciation	(348,059)	(401,423)
Tools, furniture and fixtures in trust, net	519,530	565,623
Land in trust	302,954,257	310,001,420
Construction in progress in trust	73,774	15,228
Total property, plant and equipment	646,194,941	654,523,691
Intangible assets		
Goodwill	71,360,157	69,377,930
Leasehold rights in trust	6,035,339	5,987,926
Software	569	276
Trademark rights	2,337	2,059
Total intangible assets	77,398,403	75,368,193

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Investments and other assets		
Investment securities	*3 9,342	*3 9,360
Long-term prepaid expenses	2,284,919	2,110,873
Guarantee deposits	261	261
Lease and guarantee deposits in trust	3,489,293	3,489,293
Total investments and other assets	5,783,816	5,609,787
Total non-current assets	729,377,161	735,501,672
Deferred assets		
Investment corporation bond issuance costs	99,182	90,823
Total deferred assets	99,182	90,823
Total assets	771,281,796	777,727,616
Liabilities		
Current liabilities		
Operating accounts payable	1,336,266	1,297,062
Current portion of long-term loans	11,600,000	40,510,000
Accounts payable - other	306,108	66,683
Accrued expenses	1,390,790	1,418,415
Income taxes payable	605	605
Accrued consumption taxes	-	398,538
Advances received	2,675,485	2,757,226
Unearned revenue	221,735	222,342
Deposits received	327,234	345,273
Other	90,429	91,929
Total current liabilities	17,948,655	47,108,077
Non-current liabilities		
Investment corporation bonds	19,000,000	19,000,000
Long-term loans	283,668,000	261,758,000
Long-term unearned revenue	928,843	818,279
Tenant leasehold and security deposits	280,916	276,389
Tenant leasehold and security deposits in trust	17,422,350	17,854,492
Asset retirement obligations	620,349	626,251
Derivatives liabilities	816,561	1,063,056
Total non-current liabilities	322,737,022	301,396,469
Total liabilities	340,685,677	348,504,547
Net assets		
Unitholders' equity		
Unitholders' capital	163,230,367	163,230,367
Surplus		
Capital surplus	247,667,563	247,667,563
Voluntary reserve		
Reserve for temporary difference adjustments	*4 10,785,218	*4 8,804,571
Reserve for distribution	1,964,241	1,986,536
Total voluntary reserve	12,749,459	10,791,107
Unappropriated retained earnings (undisposed loss)	7,765,290	8,597,087
Total surplus	268,182,313	267,055,758
Total unitholders' equity	431,412,680	430,286,126

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2018)		Current fiscal period (As of February 28, 2019)	
Valuation and translation adjustments				
Deferred gains or losses on hedges		(816,561)		(1,063,056)
Total valuation and translation adjustments		(816,561)		(1,063,056)
Total net assets	*2	430,596,119	*2	429,223,069
Total liabilities and net assets		771,281,796		777,727,616

(2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Operating revenues		
Rental revenues	*1 21,160,720	*1 21,984,957
Other rental revenues	*1 1,050,855	*1 1,028,600
Gain on sale of real estate properties	–	*2 113,532
Total operating revenues	22,211,576	23,127,090
Operating expenses		
Rental expenses	*1 8,944,104	*1 9,184,698
Loss on sale of real estate properties	*2 99,380	–
Asset management fees	1,452,834	1,519,464
Asset custody fees	32,882	33,727
Administrative service fees	83,859	89,196
Directors' remuneration	6,600	6,600
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	561	–
Other operating expenses	339,658	351,000
Total operating expenses	12,942,107	13,166,914
Operating profit	9,269,468	9,960,176
Non-operating income		
Interest income	178	166
Gain on forfeiture of unclaimed distributions	4,168	4,436
Settlement received	10,070	–
Reversal of allowance for doubtful accounts	–	266
Settlement money for property tax, etc.	–	1,564
Refunded consumption taxes	22,295	6,720
Interest on tax refund	–	1,518
Other	2,573	1
Total non-operating income	39,287	14,674
Non-operating expenses		
Interest expenses	1,019,240	1,036,887
Interest expenses on investment corporation bonds	42,392	51,092
Amortization of investment corporation bond issuance costs	7,709	8,358
Investment unit issuance expenses	191,068	–
Borrowing related expenses	275,881	278,819
Other	2,056	2,000
Total non-operating expenses	1,538,348	1,377,157
Ordinary profit	7,770,407	8,597,692
Extraordinary losses		
Loss on litigation	4,512	–
Total extraordinary losses	4,512	–
Profit before income taxes	7,765,895	8,597,692
Income taxes - current	605	605
Total income taxes	605	605
Profit	7,765,290	8,597,087
Unappropriated retained earnings (undisposed loss)	7,765,290	8,597,087

(3) Statements of Unitholders' Equity

Previous fiscal period (From March 1, 2018 to August 31, 2018)

(Unit: Thousands of yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary reserve			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustments	Reserve for distribution	Total voluntary reserve			
Balance at beginning of period	108,136,162	247,667,563	12,767,357	1,617,617	14,384,974	7,142,344	269,194,883	377,331,045
Changes of items during period								
Issuance of new investment units	55,094,205							55,094,205
Reversal of reserve for temporary difference adjustments			(1,982,138)		(1,982,138)	1,982,138	-	-
Accumulation of reserve for distribution				346,623	346,623	(346,623)	-	-
Distributions from retained earnings						(8,777,860)	(8,777,860)	(8,777,860)
Profit						7,765,290	7,765,290	7,765,290
Net changes of items other than unitholders' equity								
Total changes of items during period	55,094,205	-	(1,982,138)	346,623	(1,635,515)	622,945	(1,012,569)	54,081,635
Balance at end of period	* 163,230,367	247,667,563	10,785,218	1,964,241	12,749,459	7,765,290	268,182,313	431,412,680

(Unit: Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,030,085)	(1,030,085)	376,300,960
Changes of items during period			
Issuance of new investment units			55,094,205
Reversal of reserve for temporary difference adjustments			-
Accumulation of reserve for distribution			-
Distributions from retained earnings			(8,777,860)
Profit			7,765,290
Net changes of items other than unitholders' equity	213,523	213,523	213,523
Total changes of items during period	213,523	213,523	54,295,158
Balance at end of period	(816,561)	(816,561)	430,596,119

Current fiscal period (From September 1, 2018 to February 28, 2019)

(Unit: Thousands of yen)

	Unitholders' equity							
	Unitholders' capital	Surplus						Total unitholders' equity
		Capital surplus	Voluntary reserve			Unappropriated retained earnings (undisposed loss)	Total surplus	
			Reserve for temporary difference adjustments	Reserve for distribution	Total voluntary reserve			
Balance at beginning of period	163,230,367	247,667,563	10,785,218	1,964,241	12,749,459	7,765,290	268,182,313	431,412,680
Changes of items during period								
Reversal of reserve for temporary difference adjustments			(1,980,646)		(1,980,646)	1,980,646	-	-
Accumulation of reserve for distribution				22,295	22,295	(22,295)	-	-
Distributions from retained earnings						(9,723,642)	(9,723,642)	(9,723,642)
Profit						8,597,087	8,597,087	8,597,087
Net changes of items other than unitholders' equity								
Total changes of items during period	-	-	(1,980,646)	22,295	(1,958,351)	831,797	(1,126,554)	(1,126,554)
Balance at end of period	* 163,230,367	247,667,563	8,804,571	1,986,536	10,791,107	8,597,087	267,055,758	430,286,126

(Unit: Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(816,561)	(816,561)	430,596,119
Changes of items during period			
Reversal of reserve for temporary difference adjustments			-
Accumulation of reserve for distribution			-
Distributions from retained earnings			(9,723,642)
Profit			8,597,087
Net changes of items other than unitholders' equity	(246,495)	(246,495)	(246,495)
Total changes of items during period	(246,495)	(246,495)	(1,373,049)
Balance at end of period	(1,063,056)	(1,063,056)	429,223,069

(4) Statements of Cash Distributions

Item	Fiscal period ended August 31, 2018	Fiscal period ended February 28, 2019
	Amount (Yen)	Amount (Yen)
I Unappropriated retained earnings	7,765,290,290	8,597,087,441
II Reversal of voluntary reserve Reversal of reserve for temporary difference adjustments	* 1,980,646,890	* 1,980,994,520
III Distributions [Distributions per investment unit]	9,723,642,000 [5,046]	10,457,829,000 [5,427]
IV Voluntary reserve Accumulation of reserve for distribution	22,295,180	120,252,961
V Retained earnings carried forward	-	-

Calculation method for distributions	<p>Based on the cash distribution policy set forth in Article 37, paragraph 1, item 1 of the Articles of Incorporation of DHR, distributions shall be limited to the amount of earnings in excess of an amount equivalent to ninety-hundredths (90/100) of distributable earnings, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Furthermore, in accordance with the cash distribution policy set forth in the Articles of Incorporation, DHR will make a distribution by reversing the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments and by adding this to unappropriated retained earnings.</p> <p>Based on the above policy, for the current fiscal period, DHR will reverse the amount equivalent to amortization of goodwill of ¥1,980,646,890 from reserve for temporary difference adjustments, add the reversal to unappropriated retained earnings of ¥7,765,290,290 and subtract an accumulation of reserve for distribution of ¥22,295,180 to distribute ¥9,723,642,000 as cash distributions (¥5,046 per unit); provided, however, that DHR will not pay the portion of amount that exceeds the earnings defined in Article 37, paragraph 2 of the Articles of Incorporation of DHR.</p>	<p>Based on the cash distribution policy set forth in Article 37, paragraph 1, item 1 of the Articles of Incorporation of DHR, distributions shall be limited to the amount of earnings in excess of an amount equivalent to ninety-hundredths (90/100) of distributable earnings, as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.</p> <p>Furthermore, in accordance with the cash distribution policy set forth in the Articles of Incorporation, DHR will make a distribution by reversing the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments and by adding this to unappropriated retained earnings.</p> <p>Based on the above policy, for the current fiscal period, DHR will reverse the amount equivalent to amortization of goodwill of ¥1,980,994,520 from reserve for temporary difference adjustments, add the reversal to unappropriated retained earnings of ¥8,597,087,441 and subtract an accumulation of reserve for distribution of ¥120,252,961 to distribute ¥10,457,829,000 as cash distributions (¥5,427 per unit); provided, however, that DHR will not pay the portion of amount that exceeds the earnings defined in Article 37, paragraph 2 of the Articles of Incorporation of DHR.</p>
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(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Cash flows from operating activities		
Profit before income taxes	7,765,895	8,597,692
Depreciation	4,296,514	4,454,820
Amortization of goodwill	1,982,226	1,982,226
Amortization of investment corporation bond issuance costs	7,709	8,358
Amortization of trademark rights	278	278
Amortization of software	292	292
Loss on retirement of non-current assets	16,012	17,768
Investment unit issuance expenses	191,068	-
Interest income	(178)	(166)
Interest expenses	1,061,632	1,087,979
Decrease (increase) in operating accounts receivable	(28,319)	(98,934)
Decrease (increase) in accounts receivable	(127)	127
Decrease (increase) in consumption taxes receivable	(3,785,886)	3,950,194
Decrease (increase) in prepaid expenses	(46,785)	8,790
Increase (decrease) in operating accounts payable	188,809	(27,917)
Increase (decrease) in accounts payable - other	86,602	(201,982)
Increase (decrease) in accrued expenses	170,806	29,267
Increase (decrease) in deposits received	(47,265)	18,038
Increase (decrease) in advances received	424,696	81,741
Decrease (increase) in long-term prepaid expenses	(75,229)	174,045
Increase (decrease) in allowance for doubtful accounts	(23,989)	(911)
Increase (decrease) in provision for loss on litigation	(89,514)	-
Decrease in property, plant and equipment due to sales	-	1,044,407
Decrease in property, plant and equipment in trust due to sales	2,814,320	-
Decrease (increase) in lease and guarantee deposits in trust	(74,572)	-
Other, net	214,356	104,553
Subtotal	15,049,353	21,230,670
Interest income received	178	166
Interest expenses paid	(1,168,950)	(1,199,579)
Income taxes paid	(608)	(603)
Net cash provided by (used in) operating activities	13,879,972	20,030,654
Cash flows from investing activities		
Purchase of property, plant and equipment	(54,600)	(60,640)
Purchase of property, plant and equipment in trust	(97,886,478)	(13,790,149)
Purchase of intangible assets in trust	(661,753)	-
Proceeds from tenant leasehold and security deposits	43,535	26,682
Repayments of tenant leasehold and security deposits	(19,069)	(82,788)
Proceeds from tenant leasehold and security deposits in trust	3,801,302	844,486
Repayments of tenant leasehold and security deposits in trust	(766,840)	(457,861)
Net cash provided by (used in) investing activities	(95,543,905)	(13,520,271)

(Unit: Thousands of yen)

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Cash flows from financing activities		
Proceeds from long-term loans	32,000,000	7,000,000
Repayments of long-term loans	(3,000,000)	-
Proceeds from issuance of investment corporation bonds	2,971,170	-
Proceeds from issuance of investment units	54,903,136	-
Distributions paid	(8,771,497)	(9,719,912)
Net cash provided by (used in) financing activities	78,102,808	(2,719,912)
Net increase (decrease) in cash and cash equivalents	(3,561,123)	3,790,470
Cash and cash equivalents at beginning of period	41,021,631	37,460,508
Cash and cash equivalents at end of period	* 37,460,508	* 41,250,978

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Important Accounting Policies

1. Valuation basis and accounting methods for assets	Securities Held-to-maturity bonds The amortized cost method (straight-line method) is used.												
2. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including assets in trust) The straight-line method is used. The useful lives of major property, plant and equipment are listed below.</p> <table border="0" data-bbox="603 584 1139 712"> <tr> <td>Buildings</td> <td>2 to 69 years</td> </tr> <tr> <td>Structures</td> <td>3 to 63 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>7 to 28 years</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td>2 to 28 years</td> </tr> </table> <p>(2) Intangible assets (including assets in trust) The straight-line method is used. The useful lives of major intangible assets are listed below.</p> <table border="0" data-bbox="603 837 1139 898"> <tr> <td>Goodwill</td> <td>20 years</td> </tr> <tr> <td>Software</td> <td>5 years</td> </tr> </table> <p>Leasehold rights (fixed-term land lease rights in general) are amortized on a straight-line basis over the life of each contract.</p>	Buildings	2 to 69 years	Structures	3 to 63 years	Machinery and equipment	7 to 28 years	Tools, furniture and fixtures	2 to 28 years	Goodwill	20 years	Software	5 years
Buildings	2 to 69 years												
Structures	3 to 63 years												
Machinery and equipment	7 to 28 years												
Tools, furniture and fixtures	2 to 28 years												
Goodwill	20 years												
Software	5 years												
3. Accounting method for deferred assets	Investment corporation bond issuance costs Costs are amortized by the straight-line method over the redemption period.												
4. Recognition of allowance	Allowance for doubtful accounts The allowance for doubtful accounts consists of the individually estimated uncollectible amounts with respect to certain identified doubtful receivables and the amounts calculated using the rate of actual collection losses with respect to the other receivables.												
5. Recognition of revenues and expenses	Property-related taxes For property tax, city planning tax, depreciable asset tax and other tax for real properties held, etc., the amount of tax levied corresponding to the fiscal period is recorded as real estate rental expenses. The settlement money for property-related taxes for the year including the acquisition date that is paid to the transferor for acquisition of real estate, etc. is not recorded as real estate rental expenses but included in the acquisition costs for the related properties.												
6. Method of hedge accounting	<p>(1) Method of hedge accounting The deferral hedge accounting is used; provided, however, that special treatment is applied for interest rate swaps when the swaps satisfy the requirements for special treatment.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: Interest rate swaps Hedged items: Interest on borrowings</p> <p>(3) Hedging policy DHR conducts derivative transactions for the purpose of hedging risks provided for in the Articles of Incorporation of DHR pursuant to the basic policy of risk management.</p> <p>(4) Method of assessing hedge effectiveness Assessment of hedging effectiveness is omitted when the material conditions for the notional principal of hedging instruments and those for hedged items are the same, and changes in cash flows of hedged items can be expected to be offset in full at the commencement of a hedge and continuously thereafter. In addition, the assessment of hedging effectiveness is omitted for interest rate swaps to which special treatment is applied.</p>												

7. Scope of cash in the statements of cash flows (cash and cash equivalents)	Cash in the statements of cash flows (cash and cash equivalents) include cash on hand, cash in trust, demand deposits, deposits in trust, and highly liquid short-term investments that are readily convertible, carry little risk in price fluctuations, and mature within three months of the date of acquisition.
8. Other significant matters forming the basis of preparing the financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate With regard to trust beneficiary interests in real estate, all assets and liabilities as well as all revenues and expense items associated with all trust assets are accounted for under the respective account items of the balance sheets and statements of income. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the balance sheets.</p> <ul style="list-style-type: none"> i) Cash and deposits in trust ii) Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust iii) Leasehold rights in trust iv) Lease and guarantee deposits in trust v) Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for by the tax-exclusion method. Non-deductible consumption taxes for acquisition of assets are added on to the acquisition cost of each asset.</p>

(8) Notes to Financial Statements

Notes to Balance Sheets

1. Commitment line contracts

DHR has commitment line contracts with four banks with which it has transaction.

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Total amount specified in commitment line contracts	20,000,000	25,000,000
Loans executed and outstanding	-	-
Unused credit lines	20,000,000	25,000,000

*2. Minimum net assets stipulated in Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: Thousands of yen)	
Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
50,000	50,000

*3. Government bonds have been deposited with the Tokyo Legal Affairs Bureau as business security deposits in accordance with the Building Lots and Building Transaction Business Act.

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Investment securities	9,342	9,360

*4. Matters regarding accumulation and reversal of reserve for temporary difference adjustments

	(Unit: Thousands of yen)				
	Previous fiscal period (As of August 31, 2018)		Current fiscal period (As of February 28, 2019)		
Reserves recognized by transfer	14,748,347		Reserves recognized by transfer	14,748,347	
Balance at beginning of period	12,767,357		Balance at beginning of period	10,785,218	
Amount of accumulation during period	-		Amount of accumulation during period	-	
Amount of reversal during period	1,982,138		Amount of reversal during period	1,980,646	
Balance at end of period	10,785,218		Balance at end of period	8,804,571	
Reasons for accumulation and reversal			Reasons for accumulation and reversal		
Allocation for distributions			Allocation for distributions		
(Note) The balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount, shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution.			(Note) The balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount, shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution.		

Notes to Statements of Income

*1. Breakdown of income (loss) from real estate rental business

	(Unit: Thousands of yen)			
	Previous fiscal period (From March 1, 2018 to August 31, 2018)		Current fiscal period (From September 1, 2018 to February 28, 2019)	
A. Real estate rental revenues				
Rental revenues				
Rent	20,695,802		21,511,590	
Common area charges	464,918	21,160,720	473,366	21,984,957
Other rental revenues				
Facility charges	365,832		382,753	
Incidental revenues	295,306		283,633	
Other	389,716	1,050,855	362,213	1,028,600
Total real estate rental revenues		22,211,576		23,013,558
B. Real estate rental expenses				
Rental expenses				
Management fees	1,303,367		1,283,640	
Utilities	342,082		349,856	
Taxes and public dues	1,440,930		1,432,107	
Repairs and maintenance expenses	568,311		746,985	
Restoration costs	311,974		230,219	
Insurance	26,911		27,558	
Custodian fees	68,447		58,202	
Depreciation	4,296,514		4,454,820	
Other operating expenses	585,563	8,944,104	601,307	9,184,698
Total real estate rental expenses		8,944,104		9,184,698
C. Income (loss) from real estate rental business (A – B)		13,267,472		13,828,859

*2. Breakdown of gain (loss) on sale of real estate properties

Previous fiscal period (From March 1, 2018 to August 31, 2018)

	(Unit: Thousands of yen)
Crest Kusatsu	
Proceeds from sale of real estate properties	2,800,000
Cost of real estate properties sold	2,814,320
Other sales expenses	85,060
Gain (loss) on sale of real estate properties	(99,380)

Current fiscal period (From September 1, 2018 to February 28, 2019)

	(Unit: Thousands of yen)
Morino Tonari	
Proceeds from sale of real estate properties	1,200,000
Cost of real estate properties sold	1,044,407
Other sales expenses	42,060
Gain (loss) on sale of real estate properties	113,532

Notes to Statements of Unitholders' Equity

- * Total number of authorized investment units and total number of investment units issued

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued	1,927,000 units	1,927,000 units

Notes to Statements of Cash Distributions

- * Reserve for temporary difference adjustments

Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
DHR has applied the transitional measures of Supplementary Provision, paragraph 3 of the "Regulations on Accounting of Investment Corporations" (Cabinet Office Order No. 27 of 2015) and accumulated ¥14,748,347,148, which is the balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years, in reserve for temporary difference adjustments in the statements of cash distributions for the fiscal period ended February 28, 2017. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount (¥147,483,472 or more) shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution. DHR conducted reversal of ¥1,980,646,890 in the fiscal period ended August 31, 2018.	DHR has applied the transitional measures of Supplementary Provision, paragraph 3 of the "Regulations on Accounting of Investment Corporations" (Cabinet Office Order No. 27 of 2015) and accumulated ¥14,748,347,148, which is the balance of the portion of the amount corresponding to gain on negative goodwill recorded in prior years, in reserve for temporary difference adjustments in the statements of cash distributions for the fiscal period ended February 28, 2017. Reversal of this reserve at not less than the amount equivalent to 1%, which equals the fifty-year-uniform amount (¥147,483,472 or more) shall be performed beginning from the fiscal period ended August 31, 2017. However, DHR intends to reverse the amount equivalent to amortization of goodwill from reserve for temporary difference adjustments for distribution. DHR conducted reversal of ¥1,980,994,520 in the fiscal period ended February 28, 2019.

Notes to Statements of Cash Flows

- * Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheets

	(Unit: Thousands of yen)	
	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Cash and deposits	26,954,525	31,274,515
Cash and deposits in trust	10,505,983	9,976,462
Cash and cash equivalents	37,460,508	41,250,978

Lease Transactions

Operating lease transactions (Lessor)

Future lease payments

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Due within one year	21,249,137	21,668,874
Due after one year	142,337,743	142,417,289
Total	163,586,881	164,086,163

Financial Instruments

1. Matters regarding financial instruments

(1) Policy for financial instruments

As a policy, when acquiring real estate and other properties, as well as when repaying its obligations, DHR raises necessary funds through loans from banks, issuance of investment corporation bonds and issuance of investment units, etc. As for financing efforts, DHR carefully pays attention to the long-term, cost effectiveness and soundness of the financial instruments, while considering the diversification of financial methods and repayment deadlines.

DHR may use derivative financial instruments for such purposes as hedging interest rate fluctuation risk, but does not engage in speculative transactions using these instruments. DHR currently uses interest-rate swaps to hedge interest rate fluctuation risk.

Surplus funds can be invested in securities or monetary claims; however, as a current policy of DHR, they are deposited in interest-bearing accounts.

(2) Content and risks of financial instruments and risk management system therefor

The Asset Manager stipulates basic provisions of risk management in its risk management rules.

Investment corporation bonds and loans are used to finance such efforts as acquisition of real estate and repayment of loans. These financial instruments are exposed to liquidity risk, though DHR controls such risks by maintaining the ratio of interest-bearing debt to total assets under a certain percentage, diversifying repayment deadlines, and retaining a certain amount of highly liquid cash and deposits.

For floating rate loans exposed to the risk of interest rate fluctuations, DHR, in order to reduce the impact caused by rising interest rates, closely watches the movement of interest rates, and intends to increase the ratio of fixed rate loans, etc.

Deposits are exposed to credit risks, including collapse of the financial institutions where deposits are made, and, thus, are managed through the use of liquid deposits.

(3) Supplementary remarks on fair value, etc. of financial instruments

The fair value of financial instruments is based on market prices or reasonably calculated value if there is no market price available. As certain assumptions are used in calculating these values, if different assumptions are used, these values could vary.

2. Matters regarding fair value, etc. of financial instruments

Balance sheet carrying amounts, fair values, and the difference between the two values are as shown below.

Previous fiscal period (As of August 31, 2018)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	26,954,525	26,954,525	–
(2) Cash and deposits in trust	10,505,983	10,505,983	–
(3) Investment securities Held-to-maturity bonds	9,342	8,921	(421)
Total assets	37,469,850	37,469,429	(421)
(4) Current portion of long-term loans	11,600,000	11,613,463	13,463
(5) Investment corporation bonds	19,000,000	19,028,099	28,099
(6) Long-term loans	283,668,000	286,291,112	2,623,112
(7) Tenant leasehold and security deposits in trust	624,821	609,723	(15,098)
Total liabilities	314,892,821	317,542,398	2,649,577
(8) Derivative transactions	[816,561]	[816,561]	–
Total derivative transactions	[816,561]	[816,561]	–

Current fiscal period (As of February 28, 2019)

(Unit: Thousands of yen)

	Balance sheet carrying amount	Fair value	Difference
(1) Cash and deposits	31,274,515	31,274,515	–
(2) Cash and deposits in trust	9,976,462	9,976,462	–
(3) Investment securities Held-to-maturity bonds	9,360	9,228	(132)
Total assets	41,260,338	41,260,206	(132)
(4) Current portion of long-term loans	40,510,000	40,614,396	104,396
(5) Investment corporation bonds	19,000,000	19,129,020	129,020
(6) Long-term loans	261,758,000	265,438,709	3,680,709
(7) Tenant leasehold and security deposits in trust	603,606	596,174	(7,432)
Total liabilities	321,871,606	325,778,301	3,906,694
(8) Derivative transactions	[1,063,056]	[1,063,056]	–
Total derivative transactions	[1,063,056]	[1,063,056]	–

* Amounts shown for derivative transactions are the net amount of credit and liability arising from derivatives. Values inside square parentheses [] indicate a net liability.

(Note 1) Measurement methods for fair values of financial instruments and matters regarding derivative transactions

(1) Cash and deposits, (2) Cash and deposits in trust

These instruments are settled in the short term and their fair values are approximately equal to their book values, thus, the measurement is based on their book values.

(3) Investment securities

The fair value is based on reference bond trading statistics.

For the balance sheet carrying amount and fair value of held-to-maturity bonds and the difference between the two values, please refer to “Securities” described later.

(4) Current portion of long-term loans, (6) Long-term loans

The fair value of long-term loans carrying floating interest rates is approximately equal to their book value, thus, the measurement is based on their book value. However, for long-term loans carrying floating interest rates to which special treatment for interest rate swaps is applied, DHR employs a method to calculate the fair value by discounting the sum of principal and interest, which are treated in combination with the said interest rate swap, at the reasonable rate estimated for similar types of loans.

The fair value of long-term loans carrying fixed interest rates is calculated by discounting the sum of principal and interest at the reasonable rate estimated for a similar loan.

(5) Investment corporation bonds

The fair value of these bonds is measured as the present value, which is calculated by discounting the sum of principal and interest at the interest rate determined taking into account the current maturity and corresponding credit risk.

(7) Tenant leasehold and security deposits in trust

The fair value is measured based on the discounted cash flows, using rates reflecting the period up to payment.

(8) Derivative transactions

Please refer to “Derivative Transactions” described later.

(Note 2) Balance sheet carrying amount of financial instruments whose fair value is considered extremely difficult to determine

(Unit: Thousands of yen)

	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Tenant leasehold and security deposits	280,916	276,389
Tenant leasehold and security deposits in trust	16,797,529	17,250,886

* These are not subject to fair value disclosure because there are no market prices for them, and the actual deposit period is not estimable as leases may be cancelled, renewed or re-signed even if a lease term is set in the lease agreement, which in turn makes it difficult to reasonably estimate cash flow.

(Note 3) Redemption schedule for monetary claims after balance sheet date

Previous fiscal period (As of August 31, 2018)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and deposits	26,954,525	–	–	–	–	–
Cash and deposits in trust	10,505,983	–	–	–	–	–
Investment securities	–	–	–	–	–	10,000
Total	37,460,508	–	–	–	–	10,000

Current fiscal period (As of February 28, 2019)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Cash and deposits	31,274,515	–	–	–	–	–
Cash and deposits in trust	9,976,462	–	–	–	–	–
Investment securities	–	–	–	–	–	10,000
Total	41,250,978	–	–	–	–	10,000

(Note 4) Expected amount of repayments of investment corporation bonds and long-term loans after balance sheet date

Previous fiscal period (As of August 31, 2018)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Investment corporation bonds	–	–	3,000,000	4,000,000	–	12,000,000
Long-term loans (*)	11,600,000	36,810,000	16,000,000	33,858,000	35,900,000	161,100,000
Total	11,600,000	36,810,000	19,000,000	37,858,000	35,900,000	173,100,000

(*) Includes the current portion of long-term loans.

Current fiscal period (As of February 28, 2019)

(Unit: Thousands of yen)

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years	Due after 5 years
Investment corporation bonds	–	3,000,000	4,000,000	–	–	12,000,000
Long-term loans (*)	40,510,000	11,400,000	26,358,000	38,500,000	35,400,000	150,100,000
Total	40,510,000	14,400,000	30,358,000	38,500,000	35,400,000	162,100,000

(*) Includes the current portion of long-term loans.

Securities

Previous fiscal period (As of August 31, 2018)

Held-to-maturity bonds

(Unit: Thousands of yen)

		Balance sheet carrying amount	Fair value	Difference
Bonds with fair value exceeding the balance sheet carrying amount	–	–	–	–
Bonds with fair value not exceeding the balance sheet carrying amount	Government bonds	9,342	8,921	(421)
Total		9,342	8,921	(421)

Current fiscal period (As of February 28, 2019)

Held-to-maturity bonds

(Unit: Thousands of yen)

		Balance sheet carrying amount	Fair value	Difference
Bonds with fair value exceeding the balance sheet carrying amount	–	–	–	–
Bonds with fair value not exceeding the balance sheet carrying amount	Government bonds	9,360	9,228	(132)
Total		9,360	9,228	(132)

Derivative Transactions

1. Derivative transactions not applying hedge accounting

Not applicable for the previous fiscal period (as of August 31, 2018) and current fiscal period (as of February 28, 2019).

2. Derivative transactions applying hedge accounting

The following table shows contracted amount or principal amount equivalent or the like set forth in the contract as of the balance sheet date for each hedge accounting method.

Previous fiscal period (As of August 31, 2018)

(Unit: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Calculation method for fair value
				Portion due after one year		
Principle method	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	47,500,000	47,500,000	(816,561)	(Note 1)
Special treatment for interest rate swap	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	48,268,000	48,268,000	(Note 2)	–
Total			95,768,000	95,768,000	(816,561)	–

Current fiscal period (As of February 28, 2019)

(Unit: Thousands of yen)

Hedge accounting method	Type of derivative transaction	Major hedged item	Contracted amount		Fair value	Calculation method for fair value
				Portion due after one year		
Principle method	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	47,500,000	47,500,000	(1,063,056)	(Note 1)
Special treatment for interest rate swap	Interest rate swap transaction Receipt: floating interest rate Payment: fixed interest rate	Long-term loans	48,268,000	30,858,000	(Note 2)	–
Total			95,768,000	78,358,000	(1,063,056)	–

(Note 1) Fair value is quoted by counterparties based on the prevailing market interest rate.

(Note 2) Fair value of interest rate swap with the special treatment is included in fair value of hedged long-term loans as such interest rate swap and the hedged long-term loans are processed as a single unit. (Please refer to “Financial Instruments” above.)

Related Party Transactions

1. Parent company and major corporate unitholders

Not applicable for the previous fiscal period (from March 1, 2018 to August 31, 2018) and current fiscal period (from September 1, 2018 to February 28, 2019).

2. Associates, etc.

Not applicable for the previous fiscal period (from March 1, 2018 to August 31, 2018) and current fiscal period (from September 1, 2018 to February 28, 2019).

3. Sister companies, etc.

Not applicable for the previous fiscal period (from March 1, 2018 to August 31, 2018) and current fiscal period (from September 1, 2018 to February 28, 2019).

4. Directors and principal individual unitholders

Not applicable for the previous fiscal period (from March 1, 2018 to August 31, 2018) and current fiscal period (from September 1, 2018 to February 28, 2019).

Tax Effect Accounting

1. Significant components of deferred tax assets and liabilities

	(Unit: Thousands of yen)	
	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Deferred tax assets		
Allowance for doubtful accounts	652	386
Deferred interest income	360,001	328,554
Valuation difference from the time of merger (Long-term prepaid expenses, etc.)	134	90
Valuation difference from the time of merger (Land, Buildings)	2,748,571	2,677,223
Loss carryforwards assumed at the time of merger	160,307	160,288
Asset retirement obligations	195,991	197,832
Deferred gains or losses on hedges	257,982	335,819
Depreciation of fixed-term land lease rights	107,406	122,371
Accounts payable - other (Loss on litigation)	28,713	-
Other	2,210	9,589
Subtotal	3,861,972	3,832,157
Valuation allowance	(3,861,972)	(3,832,157)
Total	-	-
Deferred tax liabilities		
Valuation difference from the time of merger (Investment securities)	(758)	(740)
Valuation difference from the time of merger (Land, Buildings)	(14,555,319)	(14,519,107)
Asset retirement costs associated with asset retirement obligations	(174,361)	(174,340)
Subtotal	(14,730,439)	(14,694,188)
Valuation allowance	14,730,439	14,694,188
Total	-	-
Net deferred tax assets	-	-

(Note) Based on the cash distribution policy set forth in Article 37 of the Articles of Incorporation of DHR, DHR can distribute an amount of cash that exceeds profit in order to suppress the incurrence of income taxes. Accordingly, as payment of corporate taxes in future accounting periods is not expected, deferred tax liabilities are not recorded.

2. Reconciliation of significant difference between the statutory effective tax rate and the actual effective tax rate after application of tax effect accounting

	(Unit: %)	
	Previous fiscal period (As of August 31, 2018)	Current fiscal period (As of February 28, 2019)
Statutory effective tax rate	31.74	31.51
(Adjustments)		
Distributions paid included in deductibles	(38.84)	(37.87)
Amortization of goodwill	8.10	7.26
Change in valuation allowance	(1.01)	(0.92)
Other	0.02	0.01
Effective tax rate after application of tax effect accounting	0.01	0.01

Retirement Benefits

Not applicable for the previous fiscal period (as of August 31, 2018) and current fiscal period (as of February 28, 2019), since DHR does not have a retirement benefit plan.

Asset Retirement Obligations

1. Details of applicable asset retirement obligations

DHR has entered into agreements involving fixed-term land lease rights with the landowners for part of DHR's assets, and recognizes asset retirement obligations associated with restoration obligations upon expiration of the lease agreements.

2. Methods of calculating the amounts of applicable asset retirement obligations

DHR estimates the useful life of applicable assets as the remaining agreement period of the applicable fixed-term land lease rights (46-60 years), and uses a 1.0%-2.4% discount rate for the calculation of applicable asset retirement obligations.

3. Changes in applicable asset retirement obligations

	(Unit: Thousands of yen)	
	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Balance at beginning of period	439,186	620,349
Increase due to acquisitions of property, plant and equipment	175,465	-
Accretion expense	5,698	5,901
Balance at end of period	620,349	626,251

Investment and Rental Properties

DHR holds rental logistics, residential, retail, and other properties in the greater Tokyo area and other areas for rental revenues. The balance sheet carrying amounts, changes during the fiscal period, and fair values of these properties are as follows:

	(Unit: Thousands of yen)	
	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Balance sheet carrying amount		
Balance at beginning of period	560,376,601	652,230,280
Changes during period	91,853,678	8,281,337
Balance at end of period	652,230,280	660,511,618
Fair value at end of period	731,042,000	753,721,000

(Note 1) The balance sheet carrying amount is the acquisition cost less accumulated depreciation.

(Note 2) In changes during period, the increase in the previous fiscal period is mainly due to the acquisitions of 16 properties including DPL Fukuoka Kasuya (¥97,823,050 thousand), while the decrease is principally due to the sale of Crest Kusatsu (¥2,814,320 thousand) and depreciation. The increase in the current fiscal period is mainly due to the acquisitions of four properties including COMBOX310 (¥12,912,161 thousand), while the decrease is principally due to the sale of Morino Tonari (¥1,044,407 thousand) and depreciation.

(Note 3) The fair value at end of period is the appraisal value provided by external real estate appraisers.

The profit or loss concerning investment and rental properties is indicated under "Notes to Statements of Income."

Segment Information

1. Segment information

Segment information is omitted since DHR is engaged in a single business of real estate leasing and there is no reportable segment subject to disclosure.

2. Related information

Previous fiscal period (From March 1, 2018 to August 31, 2018)

(1) Information about product and service

This information is omitted since operating revenues from external customers in the single product and service category exceeded 90% of operating revenues on the statements of income.

(2) Information about geographical area

i) Operating revenues

This information is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statements of income.

ii) Property, plant and equipment

This information is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

(3) Information about major customers

This information is omitted as there are no cases where operating revenues attributable to a single external customer accounts for 10% or more of the operating revenues recorded in the statements of income.

Current fiscal period (From September 1, 2018 to February 28, 2019)

(1) Information about product and service

This information is omitted since operating revenues from external customers in the single product and service category exceeded 90% of operating revenues on the statements of income.

(2) Information about geographical area

i) Operating revenues

This information is omitted since operating revenues from external customers in Japan exceeded 90% of operating revenues on the statements of income.

ii) Property, plant and equipment

This information is omitted since the amount of property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the balance sheet.

(3) Information about major customers

This information is omitted as there are no cases where operating revenues attributable to a single external customer accounts for 10% or more of the operating revenues recorded in the statements of income.

Equity in Earnings or Losses of Equity-method Investments

Not applicable for the previous fiscal period (as of August 31, 2018) and current fiscal period (as of February 28, 2019), since there is no associate.

Per Unit Information

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Net assets per unit	¥223,454	¥222,741
Basic earnings per unit	¥4,083	¥4,461

(Note 1) Basic earnings per unit is calculated by dividing profit by the day-weighted average number of investment units for the period. Fully diluted earnings per investment unit is not stated, as there is no potential investment unit.

(Note 2) The basis for calculating basic earnings per unit is as follows:

	Previous fiscal period (From March 1, 2018 to August 31, 2018)	Current fiscal period (From September 1, 2018 to February 28, 2019)
Profit (Thousands of yen)	7,765,290	8,597,087
Amount not attributable to common unitholders (Thousands of yen)	-	-
Profit attributable to common investment units (Thousands of yen)	7,765,290	8,597,087
Average number of investment units for the period (Units)	1,901,777	1,927,000

Major Subsequent Events

1. Issuance of new investment units

At the board of directors meetings held on February 8, 2019, and on February 20, 2019, it was resolved to issue new investment units, as follows. The payment for the new investment units issued through public offering was completed on March 1, 2019, while the payment for the new investment units issued through third-party allotment was completed on March 26, 2019.

As a result, unitholders' capital amounts to ¥198,492 million, and the total number of investment units issued is 2,075,000 units.

(1) Issuance of new investment units (public offering)

Number of new investment units issued:	138,000 units (Japan: 86,900 units; Overseas: 51,100 units)
Issue price:	¥245,784 per unit
Total issue price:	¥33,918,192,000
Amount paid in (issue value):	¥238,260 per unit
Total amount paid in (issue value):	¥32,879,880,000
Payment date:	March 1, 2019

(2) Issuance of new investment units through third-party allotment

Number of new investment units issued:	10,000 units
Amount paid in (issue value):	¥238,260 per unit
Total amount paid in (issue value):	¥2,382,600,000
Payment date:	March 26, 2019
Allottee:	Nomura Securities Co., Ltd.

2. Acquisition of assets

DHR acquired the following properties.

Asset name	D Project Kitahachioji I
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥4,300,000 thousand
Seller (Note 2)	DH Development II Godo Kaisha
Date of acquisition	April 5, 2019
Asset name	D Project Kitahachioji II
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥5,700,000 thousand
Seller (Note 2)	DH Development II Godo Kaisha
Date of acquisition	April 5, 2019
Asset name	D Project Kitahachioji III
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥7,300,000 thousand
Seller (Note 2)	DH Development II Godo Kaisha
Date of acquisition	April 5, 2019
Asset name	D Project Itabashi Shingashi
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥12,300,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Sagamihara
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥3,900,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Kuki VIII
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥6,100,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Yokkaichi
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥1,490,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019
Asset name	D Project Ibaraki Ishioka
Asset type	Trust beneficiary interest in real estate
Asset class	Logistics properties
Acquisition price (Note 1)	¥4,050,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 10, 2019

Asset name	iias Tsukuba (30% quasi co-ownership)
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥10,320,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	Aoyama Tailor Bunkyo Sengoku Ekimae Store
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥750,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	FOLEO Shobu
Asset type	Trust beneficiary interest in real estate
Asset class	Retail properties
Acquisition price (Note 1)	¥5,000,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	Daiwa Roynet Hotel Nagoya Shinkansenguchi
Asset type	Trust beneficiary interest in real estate
Asset class	Hotel properties
Acquisition price (Note 1)	¥4,500,000 thousand
Seller (Note 2)	Nihon Jyutaku Ryutu Co., Ltd.
Date of acquisition	April 5, 2019
Asset name	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store
Asset type	Trust beneficiary interest in real estate
Asset class	Other assets
Acquisition price (Note 1)	¥1,380,000 thousand
Seller (Note 2)	Daiwa House Industry Co., Ltd.
Date of acquisition	March 12, 2019

(Note 1) This figure does not include expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes, etc.

(Note 2) The following companies are defined as interested parties, etc. in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; hereinafter referred to as the "Investment Trusts Act"): Daiwa House, which is the seller of D Project Itabashi Shingashi, D Project Sagamihara, D Project Kuki VIII, D Project Yokkaichi, D Project Ibaraki Ishioka, iias Tsukuba, Aoyama Tailor Bunkyo Sengoku Ekimae Store, FOLEO Shobu and Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store and Nihon Jyutaku Ryutu Co., Ltd., which is the seller of Daiwa Roynet Hotel Nagoya Shinkansenguchi. DH Development II Godo Kaisha, which is the seller of D Project Kitahachioji I, D Project Kitahachioji II and D Project Kitahachioji III, is a special purpose company (Tokutei Mokuteki Kaisha) on which Daiwa House, a parent company of the Asset Manager, may have a significant influence and is an interested party as defined in the Asset Manager's regulations on transactions with interested parties; however, is not an interested party, etc., as defined in the Investment Trusts Act. The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its regulations on transactions with interested parties.

3. Debt financing

DHR conducted debt financing for acquiring the properties mentioned in “2. Acquisition of assets” above, on April 5, 2019 and April 10, 2019, as follows.

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Mitsui Sumitomo Insurance Company, Limited	1,000	0.45000% (Fixed interest rate)	April 5, 2019	April 30, 2026	Bullet repayment	Unsecured and non-guaranteed
Nippon Life Insurance Company	500	0.49677% (Fixed interest rate)	April 5, 2019	April 30, 2027	Bullet repayment	Unsecured and non-guaranteed
Development Bank of Japan Inc.	1,500	0.58880% (Fixed interest rate)	April 5, 2019	April 28, 2028	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; MUFG Bank, Ltd.; Mizuho Bank, Ltd.	6,000	Base interest rate (Japanese Bankers Association 1-month yen TIBOR) +0.23%	April 10, 2019	October 31, 2022	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation; The Norinchukin Bank; Sumitomo Mitsui Trust Bank, Limited; Shinsei Bank, Limited; Shinkin Central Bank; The Bank of Fukuoka, Ltd.; The Chiba Bank, Ltd.; The 77 Bank, Ltd.; The Nishi-Nippon City Bank, Ltd.; The Iyo Bank, Ltd.; The Chugoku Bank, Ltd.	8,100	0.39138% (Fixed interest rate)	April 10, 2019	October 31, 2024	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Resona Bank, Limited; Mizuho Trust & Banking Co., Ltd.; MUFG Bank, Ltd.	10,400	0.74800% (Note)	April 10, 2019	April 27, 2029	Bullet repayment	Unsecured and non-guaranteed

(Note) DHR entered into an interest-rate swap contract to hedge its exposure to interest rate fluctuation risk. The stated interest rate includes the effect of the interest-rate swap.

(9) Changes in Number of Investment Units Issued

DHR's total number of investment units issued and changes in unitholders' capital for the most recent five years until February 28, 2019 are as follows:

Date	Event	Total number of investment units issued (Units)		Unitholders' capital (Millions of yen)		Remark
		Change	Balance	Change	Balance	
March 1, 2015	Split of investment units	373,870	747,740	–	61,703	(Note 1)
September 1, 2016	Delivery by allotment due to merger	771,540	1,519,280	–	61,703	(Note 2)
March 21, 2017	Capital increase through public offering	156,720	1,676,000	42,625	104,328	(Note 3)
April 14, 2017	Capital increase through third-party allotment	14,000	1,690,000	3,807	108,136	(Note 4)
March 19, 2018	Capital increase through public offering	222,000	1,912,000	51,607	159,743	(Note 5)
April 13, 2018	Capital increase through third-party allotment	15,000	1,927,000	3,486	163,230	(Note 6)

(Note 1) A 2-for-1 split of investment units was implemented with an effective date of March 1, 2015.

(Note 2) At the time of the Merger, which became effective as of September 1, 2016, DHR allotted 2.2 units of DHR per unit of the former DHR, and as a result, 771,540 new investment units were issued.

(Note 3) Investment units were issued by public offering with an issue price of ¥280,868 per unit (issue value: ¥271,983) in order to raise funds for the acquisition of new properties, etc.

(Note 4) Additional investment units were issued with an issue value of ¥271,983 per unit in order to raise funds for the acquisition of new properties, etc.

(Note 5) Investment units were issued by public offering with an issue price of ¥239,806 per unit (issue value: ¥232,465) in order to raise funds for the acquisition of new properties, etc.

(Note 6) Additional investment units were issued with an issue value of ¥232,465 per unit in order to raise funds for the acquisition of new properties, etc.

4. Changes in Officers

(1) Changes in DHR's Directors

The following table shows about the DHR's Directors as of the date of this financial results report.

Title and post	Name	Major career summary		Number of investment units held (Units)
Executive Director	<i>Jiro Kawanishi</i>	Apr. 1974	Joined The Mitsui Trust and Banking Company, Limited	0
		Jun. 2001	Executive Officer and General Manager, Nihonbashi Business Dept. IV, The Chuo Mitsui Trust and Banking Company, Limited	
		Mar. 2003	Managing Director, Chuo Mitsui Card Co., Ltd.	
		May 2008	President and CEO, Chuo Mitsui Card Co., Ltd.	
		Jun. 2009	Corporate Auditor, GS Yuasa Corporation	
		Mar. 2014	Corporate Auditor (part-time), Fujita Kanko Inc.	
		Dec. 2015	Executive Director, DHR (current position)	
Supervisory Director	<i>Tetsuya Iwasaki</i>	Apr. 1990	Joined Deloitte Touche Tohmatsu	0
		Mar. 1994	Registered as a certified public accountant	
		Feb. 1997	Joined NED Kabushiki Kaisha	
		Feb. 1997	Opened Tetsuya Iwasaki Certified Public Accountant Firm	
		May 2002	Registered as a certified public tax accountant	
		Aug. 2004	Joined Citia Certified Public Accountant Firm (current position)	
		Jan. 2006	Supervisory Director, DHR (current position)	
		Jun. 2015	Outside Director, Uoriki Co., Ltd. (current position)	
Supervisory Director	<i>Hiroshi Ishikawa</i>	Apr. 1997	Legal apprentice	0
		Apr. 1999	Tokyo Bar Association Joined Ohhara Law Office (current position)	
		Jun. 2013	Outside Director, Japan Medical Dynamic Marketing, INC. (current position)	
		Dec. 2013	Supervisory Director, DHR (current position)	

(2) Changes in Officers of Asset Manager

The following table shows about the Officers of the Asset Manager as of the date of this financial results report.

Title and post	Name	Major career summary		Number of shares held (Shares)
President and CEO	<i>Koichi Tsuchida</i>	Apr. 1983 Oct. 1997 Apr. 2002 Oct. 2003 Apr. 2005 Apr. 2006 Jun. 2006 Dec. 2006 Apr. 2007 Apr. 2008 Apr. 2014	Joined Daiwa House Industry Co., Ltd. Manager, Administration and Accounting Section, Kumamoto Branch, Daiwa House Industry Co., Ltd. Manager, Administration and Support Group, Accounting Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. Manager, Finance and Fund Group, Finance Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. Deputy Department Manager, Finance and Fund Group, Finance Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. General Manager, Finance Department, Administrative Headquarters, Daiwa House Industry Co., Ltd. Corporate Auditor (part-time), Daiwa Service Co., Ltd. Outside Director, Daiwa House Insurance Co., Ltd. General Manager, Finance Department, Management Administration Headquarters, Daiwa House Industry Co., Ltd. (Concurrent) General Manager, IR Department, Management Administration Headquarters, Daiwa House Industry Co., Ltd. President and CEO, Daiwa House Asset Management Co., Ltd. (employment transfer) (current position)	0

Title and post	Name	Major career summary		Number of shares held (Shares)
Senior Managing Director	<i>Kenjiro Matsutake</i>	Apr. 1983 Jan. 1994 Oct. 1999 Apr. 2004 Jan. 2005 Nov. 2005 Oct. 2006 May 2009 Aug. 2012 Apr. 2015 Sep. 2016 Apr. 2019	Joined Daiwa House Industry Co., Ltd. Manager, Commercial Facilities Marketing Headquarters, Osaka Head Office, Daiwa House Industry Co., Ltd. Sales Office Manager, Commercial Facilities Sales Office, Shiga Branch, Daiwa House Industry Co., Ltd. Manager, LOC Promotion Office, Commercial Facilities Business Promotion Department, Marketing Headquarters, Daiwa House Industry Co., Ltd. Director and General Manager, Planning Department, Morimoto Asset Management Co., Ltd. (currently, Daiwa House Asset Management Co., Ltd.) (seconded) Senior Managing Director, Morimoto Asset Management Co., Ltd. Director and Executive Manager, Investment Management Department, Daiwa House REIT Management Co., Ltd. (seconded) President and CEO, Daiwa House REIT Management Co., Ltd. Executive Director, Daiwa House REIT Investment Corporation Director and Executive Manager, Investment Management Department, Daiwa House REIT Management Co., Ltd. Managing Director and Executive Manager, Investment Management Department, Daiwa House REIT Management Co., Ltd. Senior Managing Director and Head of Investment Management Division, Daiwa House Asset Management Co., Ltd. (seconded) Daiwa House Asset Management Co., Ltd. (employment transfer) (current position)	0
Managing Director	<i>Masahiko Arima</i>	Apr. 1986 Apr. 2002 Apr. 2006 Apr. 2011 Apr. 2012 Aug. 2016 Sep. 2016 Apr. 2019	Joined Daiwa House Industry Co., Ltd. Manager, Accounting and Administration Division, Ryomo Branch, Daiwa House Industry Co., Ltd. Manager, Accounting Division and Administration Division, Fukushima Branch, Daiwa House Industry Co., Ltd. Deputy General Manager, Accounting Division and Administration Division, Fukushima Branch, Daiwa House Industry Co., Ltd. Managing Director and General Manager, Administration & Accounting Department, Daiwa House Asset Management Co., Ltd. (seconded) Managing Director and General Manager, Administration & Accounting Department and Finance and Corporate Planning Department, Daiwa House Asset Management Co., Ltd. Managing Director and General Manager, Administration & Accounting Department, Daiwa House Asset Management Co., Ltd. Daiwa House Asset Management Co., Ltd. (employment transfer) (current position)	0

Title and post	Name	Major career summary		Number of shares held (Shares)
Director	<i>Haruto Tsukamoto</i>	Apr. 1983	Joined The Mitsui Trust and Banking Company, Limited	0
		Aug. 2003	Branch Manager, Yachiyo Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Nov. 2004	General Manager, Sales Department I, Nagoya Branch, and Satellite Office Manager, Kanayamabashi Satellite Office, The Chuo Mitsui Trust and Banking Company, Limited	
		Jul. 2006	General Manager, Sales Department II, Nagoya Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Jan. 2008	Branch Manager, Urawa Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Jul. 2009	Chief Operational Auditor, Operational Audit Group, Internal Audit Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Mar. 2011	Mitsui Memorial Hospital (seconded)	
		Apr. 2013	Deputy Director General, Internal Audit Department, Sumitomo Mitsui Trust Bank, Limited	
		Nov. 2014	Director and Executive Manager, Finance Department, Daiwa House REIT Management Co., Ltd. (seconded)	
		Apr. 2016	Daiwa House REIT Management Co., Ltd. (employment transfer)	
		Sep. 2016	Director and General Manager, Finance and Corporate Planning Department (CFO), Daiwa House Asset Management Co., Ltd. (current position)	
Corporate Auditor (Part-time)	<i>Hiroshi Tobita</i>	Apr. 1995	Legal apprentice	0
		Apr. 1997	Tokyo Bar Association	
			Joined Saotome Goro Law Office	
		Apr. 2000	Joined Nishimura & Partners	
		Aug. 2010	Opened Tobita Hiroshi Law Office	
		Nov. 2010	Partner, Wisdom Law Office	
		Jun. 2015	Opened Tobita & Partners Law Offices (current position)	
		Jun. 2015	Corporate Auditor (part-time), Daiwa House Asset Management Co., Ltd. (current position)	
		Jun. 2015	Outside Director and Audit and Supervisory Committee Member, Mutoh Holdings Co., Ltd. (current position)	
		Jun. 2018	External Corporate Auditor, Tokyo International Air Terminal Corporation (current position)	

The following table shows about the Compliance Officer as of the date of this financial results report.

Title and post	Name	Major career summary		Number of shares held (Shares)
Compliance Officer	<i>Hirofumi Wakui</i>	Apr. 1982	Joined The Chuo Trust and Banking Co., Ltd.	0
		Jun. 2001	Deputy General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Feb. 2002	Deputy General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited and Deputy General Manager, Corporate Planning Department, Mitsui Trust Holdings, Inc.	
		Jul. 2002	Branch Manager, Gifu Branch, The Chuo Mitsui Trust and Banking Company, Limited	
		Apr. 2005	General Manager, Operations Administration Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Oct. 2007	General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Jul. 2009	Managing Executive Officer and General Manager, General Planning Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Jun. 2010	Managing Executive Officer and General Manager, Internal Audit Department, The Chuo Mitsui Trust and Banking Company, Limited	
		Apr. 2012	Executive Vice-president, Sumitomo Mitsui Trust Card Co., Ltd.	
		Jul. 2013	Compliance Officer, Daiwa House Asset Management Co., Ltd. (employment transfer) (current position)	

5. Reference Information

Status of DHR's investment

(1) Portfolio List

i) Status of Investment

The status of DHR's investment as of February 28, 2019 is shown below.

Type of assets	Asset class	Area (Note 1)		Total amount held (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	23,854	3.1
			Greater Nagoya area	909	0.1
			Greater Osaka area	13,315	1.7
		Other	5,329	0.7	
	Subtotal			43,408	5.6
Trust beneficiary interest in real estate	Logistics properties	Three major metropolitan areas of Japan	Greater Tokyo area	206,536	26.6
			Greater Nagoya area	15,426	2.0
			Greater Osaka area	23,077	3.0
		Other	90,356	11.6	
	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	168,091	21.6
			Greater Nagoya area	6,048	0.8
			Greater Osaka area	6,132	0.8
		Other	5,082	0.7	
	Retail properties	Three major metropolitan areas of Japan	Greater Tokyo area	26,780	3.4
			Greater Nagoya area	2,390	0.3
			Greater Osaka area	20,534	2.6
		Other	29,229	3.8	
	Hotel properties	Three major metropolitan areas of Japan	Greater Tokyo area	4,803	0.6
			Greater Osaka area	1,476	0.2
	Other	Three major metropolitan areas of Japan	Greater Tokyo area	1,919	0.2
			Other	9,217	1.2
	Subtotal			617,103	79.3
Deposits and other assets				117,215	15.1
Total assets				777,727	100.0

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	348,504	44.8
Total net assets	429,223	55.2

(Note 1) Three major metropolitan areas of Japan in "Area" are the Greater Tokyo area (Tokyo, Kanagawa, Saitama and Chiba), the Greater Nagoya area (Aichi, Gifu and Mie) and the Greater Osaka area (Osaka, Kyoto, Hyogo, Nara and Shiga). The same shall apply hereinafter.

(Note 2) "Total amount held" represents the amount recorded on the balance sheets as of February 28, 2019, which is rounded down to the nearest million yen. For real estate and trust beneficiary interest in real estate, the amounts are their acquisition prices (including expenses associated with the acquisition) less accumulated depreciation.

(Note 3) "Percentage to total assets" is rounded to the nearest tenth.

ii) Major investment securities

The status of investment securities held by DHR as of February 28, 2019 is shown below.

(Unit: Thousands of yen)

Type	Issue name	Total face value	Book value	Interest rate	Maturity	Accrued interest	Prepaid accrued interest	Fair value	Valuation gain or loss	Investment ratio	Remark
Government bonds	30-year principal-stripped government bonds (Series 27)	10,000	9,360	—	September 20, 2037	—	—	9,228	(132)	0.0%	Deposited as business security deposit
Total		10,000	9,360	—	—	—	—	9,228	(132)	0.0%	

iii) Summary of assets held

A. The summary of real estate or trust beneficiary interest in real estate (or referred as “real estate in trust”) held by DHR as of February 28, 2019 is shown below.

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Logistics properties	LB-001	D Project Machida	Machida City, Tokyo	September 1, 2016	9,200	1.3	9,251	9,840
	LB-002	D Project Hachioji	Hachioji City, Tokyo	September 1, 2016	15,400	2.3	15,243	17,000
	LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	September 1, 2016	3,390	0.5	3,790	4,410
	LB-004	D Project Shin-Misato	Misato City, Saitama	September 1, 2016	5,710	0.8	5,605	5,750
	LB-005	D Project Urayasu I	Urayasu City, Chiba	September 1, 2016	9,280	1.4	9,145	9,960
	LB-006	D Project Urayasu II	Urayasu City, Chiba	September 1, 2016	26,000	3.8	25,594	28,100
	LB-007	D Project Akanehama	Narashino City, Chiba	September 1, 2016	2,950	0.4	2,888	3,070
	LB-008	D Project Noda	Noda City, Chiba	September 1, 2016	6,210	0.9	6,074	6,550
	LB-009	D Project Inuyama (Note 7)	Inuyama City, Aichi	September 1, 2016	10,790	1.6	10,521	11,780
	LB-010	D Project Gifu	Anpachi District, Gifu	September 1, 2016	1,100	0.2	1,075	1,170
	LB-011	D Project Neyagawa	Neyagawa City, Osaka	September 1, 2016	5,980	0.9	5,858	6,320
	LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	September 1, 2016	818	0.1	790	862
	LB-013	D Project Morioka	Takizawa City, Iwate	September 1, 2016	1,200	0.2	1,154	1,210
	LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	September 1, 2016	1,530	0.2	1,525	1,580
	LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	September 1, 2016	3,390	0.5	3,266	3,540
	LB-016	D Project Gotenba	Gotenba City, Shizuoka	September 1, 2016	1,140	0.2	1,115	1,140
	LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	September 1, 2016	1,210	0.2	1,180	1,210
	LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	September 1, 2016	4,240	0.6	4,128	4,510
	LB-019	D Project Tosu	Tosu City, Saga	September 1, 2016	5,740	0.8	5,512	6,150
	LB-020	D Project Kuki I	Kuki City, Saitama	September 1, 2016	3,900	0.6	3,802	4,150
	LB-021	D Project Kuki II	Kuki City, Saitama	September 1, 2016	8,120	1.2	7,838	8,650
	LB-022	D Project Kawagoe I	Kawagoe City, Saitama	September 1, 2016	3,530	0.5	3,450	3,850
	LB-023	D Project Kawagoe II	Kawagoe City, Saitama	September 1, 2016	4,850	0.7	4,758	5,390
	LB-024	DPL Inuyama	Inuyama City, Aichi	September 1, 2016	3,940	0.6	3,830	4,220
	LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	September 1, 2016	4,340	0.6	4,222	4,630
	LB-026	D Project Kuki III	Kuki City, Saitama	September 1, 2016	7,630	1.1	7,405	8,250
	LB-027	D Project Kuki IV	Kuki City, Saitama	September 1, 2016	5,520	0.8	5,372	5,910
	LB-028	D Project Kuki V	Kuki City, Saitama	September 1, 2016	8,280	1.2	8,088	8,910
	LB-029	D Project Kuki VI	Kuki City, Saitama	September 1, 2016	5,140	0.8	5,002	5,510
	LB-030	D Project Yashio	Yashio City, Saitama	September 1, 2016	6,400	0.9	6,258	6,790
	LB-031	D Project Nishiyodogawa	Osaka City, Osaka	September 1, 2016	10,300	1.5	9,996	10,900
	LB-032	D Project Matsudo	Matsudo City, Chiba	September 1, 2016	7,370	1.1	7,217	7,760
	LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	September 28, 2016	2,080	0.3	2,004	2,170
	LB-034	D Project Morioka II	Takizawa City, Iwate	September 28, 2016	1,280	0.2	1,249	1,330
	LB-035	D Project Kawagoe III	Kawagoe City, Saitama	April 11, 2017	7,200	1.1	7,089	7,830
	LB-036	D Project Kazo	Kazo City, Saitama	April 11, 2017	3,300	0.5	3,249	3,460
	LB-037	D Project Urayasu III	Urayasu City, Chiba	April 11, 2017	8,500	1.2	8,512	9,760
	LB-038	D Project Tomisato	Tomisato City, Chiba	April 11, 2017	5,000	0.7	4,900	5,280
	LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	April 11, 2017	3,520	0.5	3,494	3,710
	LB-040	D Project Sendai Izumi	Sendai City, Miyagi	April 11, 2017	1,510	0.2	1,485	1,610

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Logistics properties	LB-041	D Project Oyama	Oyama City, Tochigi	April 11, 2017	2,000	0.3	1,965	2,040
	LB-042	D Project Sano	Sano City, Tochigi	April 11, 2017	1,780	0.3	1,744	1,800
	LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	April 11, 2017	3,100	0.5	3,041	3,210
	LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	April 11, 2017	6,000	0.9	5,936	6,130
	LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	April 11, 2017	3,820	0.6	3,763	4,050
	LB-046	D Project Tosu II	Tosu City, Saga	April 11, 2017	1,700	0.2	1,667	1,890
	LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	April 10, 2018	5,600	0.8	5,589	5,930
	LB-048	D Project Kuki VII	Kuki City, Saitama	April 10, 2018	1,040	0.2	1,042	1,110
	LB-049	D Project Chibakita	Chiba City, Chiba	April 10, 2018	7,640	1.1	7,624	8,020
	LB-050	D Project Matsudo II	Matsudo City, Chiba	April 10, 2018	8,200	1.2	8,181	8,370
	LB-051	D Project Tomisato II	Tomisato City, Chiba	April 10, 2018	6,900	1.0	6,866	7,150
	LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	April 10, 2018	3,600	0.5	3,728	4,350
	LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	April 10, 2018	7,300	1.1	7,249	7,540
	LB-054	D Project Kaminokawa	Kawachi District, Tochigi	April 10, 2018	7,900	1.2	7,859	8,050
	LB-055	D Project Fuji	Fuji City, Shizuoka	April 10, 2018	3,600	0.5	3,582	3,680
	LB-056	D Project Tosu III	Tosu City, Saga	April 10, 2018	9,200	1.3	9,141	9,380
	LM-001	DPL Misato	Misato City, Saitama	April 11, 2017	16,831	2.5	16,691	17,800
	LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	April 10, 2018	13,300	1.9	13,261	13,300
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	September 27, 2018	3,510	0.5	3,506	3,580	
Total of 59 Logistics properties					340,009	49.7	335,395	361,602
Residential properties	RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	March 22, 2006	7,650	1.1	7,165	8,810
	RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	March 22, 2006	4,500	0.7	4,176	4,350
	RE-003	Castalia Shibakoen	Minato Ward, Tokyo	March 22, 2006	2,630	0.4	2,424	2,310
	RE-004	Castalia Ginza	Chuo Ward, Tokyo	March 22, 2006	2,520	0.4	2,320	2,260
	RE-005	Castalia Hiroo	Minato Ward, Tokyo	March 22, 2006	2,220	0.3	2,060	1,930
	RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	March 22, 2006	1,200	0.2	1,052	1,190
	RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	March 7, 2007	2,300	0.3	2,074	2,330
	RE-008	Castalia Azabujuban	Minato Ward, Tokyo	June 21, 2007	2,910	0.4	2,760	2,730
	RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	June 21, 2007	2,690	0.4	2,528	2,560
	RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	June 21, 2007	1,865	0.3	1,753	1,630
	RE-011	Castalia Ginza II	Chuo Ward, Tokyo	June 21, 2007	1,800	0.3	1,656	1,760
	RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	June 21, 2007	1,400	0.2	1,327	1,180
	RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	April 1, 2010	2,143	0.3	2,331	2,480
	RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	1,770	0.3	1,689	2,250
	RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	April 1, 2010	1,393	0.2	1,479	1,530
	RE-016	Castalia Suitengu	Chuo Ward, Tokyo	April 1, 2010	1,279	0.2	1,217	1,540
	RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	April 1, 2010	1,138	0.2	1,088	1,390
	RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	April 1, 2010	932	0.1	901	1,120
	RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	April 1, 2010	825	0.1	807	988
	RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	April 1, 2010	887	0.1	854	970
	RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	April 1, 2010	608	0.1	653	740
	RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	April 1, 2010	555	0.1	553	654
	RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	April 1, 2010	464	0.1	437	541
	RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	April 1, 2010	947	0.1	885	1,290
	RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	April 1, 2010	1,070	0.2	987	1,420
	RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	914	0.1	848	1,090
	RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	April 1, 2010	1,370	0.2	1,245	1,710
	RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	April 1, 2010	1,160	0.2	1,074	1,460
	RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	April 1, 2010	675	0.1	608	771
	RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	April 1, 2010	2,720	0.4	2,590	3,320
	RE-031	Castalia Takanawadai	Minato Ward, Tokyo	April 1, 2010	860	0.1	811	1,050
	RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	April 1, 2010	666	0.1	603	830
	RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	April 1, 2010	486	0.1	469	550
	RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	April 1, 2010	400	0.1	392	505
	RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	April 1, 2010	1,190	0.2	1,147	1,380
	RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	April 1, 2010	642	0.1	605	710

Asset class	Property number (Note 1)	Property name	Location (city or county, prefecture)	Acquisition date (Note 2)	Acquisition price (Note 3)		Book value (Millions of yen) (Note 5)	Assessed value at the end of period (Millions of yen) (Note 6)
					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Residential properties	RE-037	Castalia Ginza III	Chuo Ward, Tokyo	April 1, 2010	2,880	0.4	2,712	3,070
	RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	April 1, 2010	2,707	0.4	2,506	3,240
	RE-039	Castalia Takanawa	Minato Ward, Tokyo	April 1, 2010	7,430	1.1	7,111	8,240
	RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	April 1, 2010	3,520	0.5	3,217	4,080
	RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	April 1, 2010	2,950	0.4	2,823	3,500
	RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	June 29, 2010	940	0.1	863	1,350
	RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	October 18, 2011	7,580	1.1	6,656	9,350
	RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	December 19, 2011	2,030	0.3	1,953	2,390
	RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	September 27, 2013	1,900	0.3	1,861	2,180
	RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	September 27, 2013	1,420	0.2	1,401	1,640
	RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	December 20, 2005	4,500	0.7	4,016	4,470
	RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	March 22, 2006	648	0.1	583	536
	RE-049	Castalia Yukigaya	Ota Ward, Tokyo	March 7, 2007	1,110	0.2	983	1,150
	RE-050	Castalia Yutenji	Meguro Ward, Tokyo	June 21, 2007	1,450	0.2	1,328	1,320
	RE-051	Castalia Otsuka	Toshima Ward, Tokyo	June 21, 2007	1,480	0.2	1,303	1,650
	RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	June 21, 2007	817	0.1	713	809
	RE-053	Castalia Meguro	Meguro Ward, Tokyo	April 1, 2010	844	0.1	862	1,070
	RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	April 1, 2010	1,040	0.2	972	1,290
	RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	April 1, 2010	1,200	0.2	1,157	1,400
	RE-056	Castalia Mejiro	Toshima Ward, Tokyo	April 1, 2010	988	0.1	924	1,100
	RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	April 1, 2010	2,570	0.4	2,426	2,950
	RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	April 1, 2010	1,140	0.2	1,049	1,280
	RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	April 1, 2010	7,380	1.1	6,725	9,130
	RE-060	Castalia Yakumo	Meguro Ward, Tokyo	April 1, 2010	857	0.1	824	819
	RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	April 1, 2010	1,560	0.2	1,454	2,050
	RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	April 1, 2010	996	0.1	982	1,230
	RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	April 1, 2010	742	0.1	757	849
	RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	April 1, 2010	503	0.1	473	603
	RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	April 1, 2010	198	0.0	179	222
	RE-066	Castalia Morishita	Koto Ward, Tokyo	April 1, 2010	832	0.1	792	1,050
	RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	April 1, 2010	776	0.1	740	864
	RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	April 1, 2010	792	0.1	728	984
	RE-069	Castalia Iriya	Taito Ward, Tokyo	April 1, 2010	546	0.1	517	671
	RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	April 1, 2010	2,641	0.4	2,379	2,880
	RE-071	Castalia Morishita II	Koto Ward, Tokyo	April 1, 2010	686	0.1	611	833
	RE-072	Castalia Minowa	Taito Ward, Tokyo	April 1, 2010	1,430	0.2	1,288	1,580
	RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	April 1, 2010	533	0.1	515	613
	RE-074	Castalia Nakano	Nakano Ward, Tokyo	April 1, 2010	1,060	0.2	965	1,280
	RE-075	Castalia Yoga	Setagaya Ward, Tokyo	April 1, 2010	923	0.1	864	1,170
	RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	April 1, 2010	948	0.1	840	1,060
	RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	April 1, 2010	2,160	0.3	1,974	2,760
	RE-078	Castalia Oshiage	Sumida Ward, Tokyo	April 1, 2010	1,100	0.2	977	1,150
	RE-079	Castalia Kuramae	Taito Ward, Tokyo	April 1, 2010	1,260	0.2	1,131	1,500
	RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	June 29, 2010	1,790	0.3	1,640	2,590
	RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	November 1, 2010	7,360	1.1	6,143	9,950
	RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	November 1, 2010	1,770	0.3	1,580	2,520
	RE-083	Castalia Oomachi	Shinagawa Ward, Tokyo	June 30, 2011	1,181	0.2	1,147	1,540
	RE-084	Castalia Omori	Ota Ward, Tokyo	August 2, 2011	1,500	0.2	1,412	1,810
	RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	October 7, 2011	1,900	0.3	1,830	2,320
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	March 28, 2012	1,660	0.2	1,583	2,190	
RE-087	Castalia Omori II	Ota Ward, Tokyo	March 29, 2012	2,370	0.3	2,257	3,010	
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	November 29, 2012	3,800	0.6	3,778	4,530	
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	September 27, 2013	2,030	0.3	1,996	2,400	
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	September 27, 2013	1,750	0.3	1,744	1,900	
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	September 27, 2013	1,520	0.2	1,469	1,740	
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	September 26, 2014	1,165	0.2	1,201	1,320	
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	May 1, 2015	4,350	0.6	4,085	4,980	

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					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Residential properties	RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	May 1, 2015	1,520	0.2	1,515	1,830
	RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	March 22, 2006	1,674	0.2	1,654	2,020
	RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	June 21, 2007	666	0.1	586	754
	RE-098	Castalia Funabashi	Funabashi City, Chiba	April 1, 2010	704	0.1	694	794
	RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	April 1, 2010	783	0.1	741	954
	RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	April 1, 2010	325	0.0	296	328
	RE-106	Castalia Ichikawa	Ichikawa City, Chiba	April 1, 2010	461	0.1	404	549
	RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	October 7, 2011	5,300	0.8	4,791	6,280
	RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	September 27, 2013	1,680	0.2	1,641	1,890
	RE-109	Royal Parks Wakabadaï	Inagi City, Tokyo	March 28, 2014	4,360	0.6	3,895	4,790
	RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	May 1, 2015	9,100	1.3	8,444	10,900
	RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	May 1, 2015	1,720	0.3	1,699	2,110
	RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	May 1, 2015	1,060	0.2	991	1,310
	RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	April 1, 2010	1,490	0.2	1,307	1,820
	RE-117	Castalia Shin-Umeda	Osaka City, Osaka	April 1, 2010	1,376	0.2	1,211	1,590
	RE-118	Castalia Abeno	Osaka City, Osaka	April 1, 2010	4,368	0.6	3,986	5,310
	RE-119	Castalia Sakae	Nagoya City, Aichi	April 1, 2010	1,010	0.1	909	1,220
	RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	April 1, 2010	411	0.1	361	508
	RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	April 1, 2010	1,740	0.3	1,535	2,010
	RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	April 1, 2010	960	0.1	837	1,050
	RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	April 1, 2010	3,400	0.5	2,933	4,620
	RE-125	Castalia Sannomiya	Kobe City, Hyogo	April 1, 2010	1,230	0.2	1,066	1,500
	RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	April 1, 2010	481	0.1	413	558
	RE-127	Castalia Ichibancho	Sendai City, Miyagi	April 1, 2010	783	0.1	690	938
	RE-128	Castalia Omachi	Sendai City, Miyagi	April 1, 2010	656	0.1	603	820
	RE-129	Castalia Uemachidai	Osaka City, Osaka	April 1, 2010	2,190	0.3	1,950	2,770
	RE-130	Castalia Tower Higobashi	Osaka City, Osaka	April 1, 2010	2,670	0.4	2,369	3,590
	RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	November 1, 2010	1,740	0.3	1,313	2,650
	RE-132	Castalia Fushimi	Nagoya City, Aichi	January 14, 2011	2,260	0.3	1,958	3,110
	RE-133	Castalia Meieki Minami	Nagoya City, Aichi	August 1, 2011	720	0.1	657	964
	RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	September 26, 2011	930	0.1	886	1,180
	RE-135	Castalia Mibu	Kyoto City, Kyoto	December 22, 2011	1,193	0.2	1,100	1,490
	RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	September 3, 2012	1,208	0.2	1,179	1,750
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	March 25, 2013	2,910	0.4	2,589	3,670	
RE-138	Royal Parks Namba	Osaka City, Osaka	March 29, 2013	2,830	0.4	2,512	2,970	
RE-139	Castalia Shigahondori	Nagoya City, Aichi	June 26, 2013	1,730	0.3	1,590	2,090	
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	November 2, 2015	973	0.1	1,006	1,080	
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	September 28, 2016	2,000	0.3	1,997	2,440	
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	September 28, 2016	2,020	0.3	1,980	2,200	
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	April 11, 2017	1,800	0.3	1,841	1,960	
Total of 133 Residential properties					246,424	36.1	228,762	287,859
Retail properties	RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	September 1, 2016	7,770	1.1	7,511	8,340
	RM-002	FOLEO Hirakata	Hirakata City, Osaka	September 1, 2016	4,580	0.7	4,503	4,670
	RM-003	QiZ GATE URAWA	Saitama City, Saitama	September 1, 2016	4,270	0.6	4,233	4,330
	RM-004	UNICUS Takasaki	Takasaki City, Gunma	September 1, 2016	3,000	0.4	2,947	3,110
	RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	September 1, 2016	3,740	0.5	3,740	3,950
	RM-006	DREAM TOWN ALi	Aomori City, Aomori	September 1, 2016	8,100	1.2	7,931	8,510
	RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	August 29, 2017	1,600	0.2	1,617	1,900
	RM-008	FOLEO Ome Imai	Ome City, Tokyo	August 29, 2017	3,800	0.6	3,770	3,950
	RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	April 3, 2018	8,100	1.2	8,105	8,450
	RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	April 3, 2018	3,200	0.5	3,203	3,680
	RM-011	ACROSSMALL Semboku (Land) (Note 8)	Sakai City, Osaka	December 7, 2018	3,250	0.5	3,383	3,880
	RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	September 1, 2016	1,670	0.2	1,655	1,800
	RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	September 1, 2016	6,960	1.0	6,858	7,380

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					Price (Millions of yen)	Investment ratio (%) (Note 4)		
Retail properties	RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	September 1, 2016	2,390	0.3	2,390	2,520
	RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	September 28, 2016	2,230	0.3	2,182	2,400
	RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	January 31, 2017	5,620	0.8	5,857	6,640
	RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	March 27, 2018	4,500	0.7	4,541	5,220
	RU-001	COMBOX310	Mito City, Ibaraki	December 7, 2018	4,480	0.7	4,489	4,600
Total of 18 Retail properties					79,260	11.6	78,921	85,330
Hotel properties	HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	April 3, 2018	4,800	0.7	4,803	4,940
	HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	December 6, 2018	1,470	0.2	1,476	1,490
Total of 2 Hotel properties					6,270	0.9	6,279	6,430
Other assets	OT-001	Urban Living Inage	Chiba City, Chiba	June 24, 2013	930	0.1	848	1,280
	OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	September 1, 2014	1,100	0.2	1,070	1,260
	OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	September 28, 2016	7,600	1.1	7,379	8,010
	OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	April 11, 2017	1,850	0.3	1,838	1,950
Total of 4 Other assets					11,480	1.7	11,136	12,500
Portfolio Total of 216 Properties					683,443	100.0	660,496	753,721

(Note 1) “Property number” is assigned for each property according to the use categories; L represents logistics properties, RE represents residential properties, R represents retail properties, HO represents hotel properties and OT represents other properties, which are further classified into LB (Built-to-Suit (BTS) type), LM (multi-tenant type), RR (roadside type), RM (mall type) and RU (urban type). The same shall apply hereinafter.

(Note 2) With regard to the properties acquired through past mergers, “Acquisition date” represents the effective date of the merger.

(Note 3) “Acquisition price” represents the purchase price stipulated in the respective purchase agreements of assets held by DHR (excluding expenses pertaining to acquisitions, settlement money such as taxes and public dues, consumption taxes etc., or guarantee deposits on leased land, etc.). However, the acquisition prices of properties previously owned by NCR have been presented as the appraisal values as of February 28, 2010, which were the prices received at the time of the merger with NCR, and the acquisition prices of properties previously owned by the former DHR have been presented as the appraisal values as of August 31, 2016, the prices received at the time of the merger with the former DHR. “Total acquisition price” is rounded to the nearest million yen.

(Note 4) “Investment ratio” represents the percentage of the acquisition price for each property to the total acquisition price of assets held, which is rounded to the nearest tenth.

(Note 5) “Book value” represents the amount recorded on the balance sheets as of February 28, 2019, which is rounded down to the nearest million yen.

(Note 6) “Assessed value at the end of period” is the appraisal value as of February 28, 2019 provided by real estate appraisers (Daiwa Real Estate Appraisal Co., Ltd., Chuo Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Real Estate Institute and JLL Morii Valuation & Advisory K.K.) in accordance with the Articles of Incorporation of DHR as well as “Regulations on Accounting of Investment Corporations” (Cabinet Office Order No. 47 of 2006, as amended). The amounts are rounded down to the nearest million yen.

(Note 7) Regarding “D Project Inuyama,” DHR made an additional acquisition on April 10, 2018 (acquisition price ¥2,100 million). The “acquisition price” represents the total price for the existing building and additionally acquired building, and the “acquisition date” represents the acquisition date for the existing building.

(Note 8) On April 1, 2019, CROSS MALL (Land) has changed its name to ACROSSMALL Semboku (Land). The same shall apply hereinafter.

B. The leasable area, leased area, occupancy rate, number of tenants and annual rent of real estate or real estate in trust held by DHR as of February 28, 2019 are as follows:

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
LB-001	D Project Machida	Machida City, Tokyo	50,490.39	50,490.39	100.0	1	(Note 6)
LB-002	D Project Hachioji	Hachioji City, Tokyo	62,394.17	62,394.17	100.0	2	(Note 6)
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	14,240.84	14,240.84	100.0	1	(Note 6)
LB-004	D Project Shin-Misato	Misato City, Saitama	11,289.91	11,289.91	100.0	1	(Note 6)
LB-005	D Project Urayasu I	Urayasu City, Chiba	36,515.81	36,515.81	100.0	1	(Note 6)
LB-006	D Project Urayasu II	Urayasu City, Chiba	72,320.01	72,320.01	100.0	1	(Note 6)
LB-007	D Project Akanehama	Narashino City, Chiba	11,663.39	11,663.39	100.0	1	(Note 6)
LB-008	D Project Noda	Noda City, Chiba	29,232.53	29,232.53	100.0	1	(Note 6)
LB-009	D Project Inuyama	Inuyama City, Aichi	54,197.80	54,197.80	100.0	1	(Note 6)
LB-010	D Project Gifu	Anpachi District, Gifu	7,669.91	7,669.91	100.0	1	(Note 6)
LB-011	D Project Neyagawa	Neyagawa City, Osaka	11,151.51	11,151.51	100.0	1	(Note 6)
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	6,749.10	6,749.10	100.0	1	(Note 6)
LB-013	D Project Morioka	Takizawa City, Iwate	9,558.32	9,558.32	100.0	1	(Note 6)
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	11,052.27	11,052.27	100.0	1	(Note 6)
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	17,448.86	17,448.86	100.0	1	(Note 6)
LB-016	D Project Gotenba	Gotenba City, Shizuoka	6,737.53	6,737.53	100.0	1	(Note 6)
LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	5,093.51	5,093.51	100.0	2	(Note 6)
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	24,729.56	24,729.56	100.0	4	253
LB-019	D Project Tosu	Tosu City, Saga	17,858.01	17,858.01	100.0	1	(Note 6)
LB-020	D Project Kuki I	Kuki City, Saitama	22,708.72	22,708.72	100.0	1	(Note 6)
LB-021	D Project Kuki II	Kuki City, Saitama	50,490.00	50,490.00	100.0	1	(Note 6)
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	16,150.88	16,150.88	100.0	1	205
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	19,872.00	19,872.00	100.0	1	281
LB-024	DPL Inuyama	Inuyama City, Aichi	21,628.50	21,628.50	100.0	1	(Note 6)
LB-025	D Project Fukuoka Hakozaiki	Fukuoka City, Fukuoka	34,710.80	34,710.80	100.0	1	(Note 6)
LB-026	D Project Kuki III	Kuki City, Saitama	26,937.41	26,937.41	100.0	1	(Note 6)
LB-027	D Project Kuki IV	Kuki City, Saitama	26,460.00	26,460.00	100.0	1	(Note 6)
LB-028	D Project Kuki V	Kuki City, Saitama	47,320.89	47,320.89	100.0	1	(Note 6)
LB-029	D Project Kuki VI	Kuki City, Saitama	29,244.66	29,244.66	100.0	1	(Note 6)
LB-030	D Project Yashio	Yashio City, Saitama	21,965.04	21,965.04	100.0	2	(Note 6)
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	39,584.80	39,584.80	100.0	1	(Note 6)
LB-032	D Project Matsudo	Matsudo City, Chiba	26,776.67	26,776.67	100.0	1	(Note 6)
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	23,933.75	23,933.75	100.0	1	(Note 6)
LB-034	D Project Morioka II	Takizawa City, Iwate	4,481.00	4,481.00	100.0	1	(Note 6)
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	39,572.32	39,572.32	100.0	1	(Note 6)
LB-036	D Project Kazo	Kazo City, Saitama	18,371.10	18,371.10	100.0	1	(Note 6)
LB-037	D Project Urayasu III	Urayasu City, Chiba	39,441.32	39,441.32	100.0	1	(Note 6)
LB-038	D Project Tomisato	Tomisato City, Chiba	36,113.25	36,113.25	100.0	1	(Note 6)
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	10,965.68	10,965.68	100.0	1	(Note 6)
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	10,764.05	10,764.05	100.0	1	(Note 6)
LB-041	D Project Oyama	Oyama City, Tochigi	14,106.91	14,106.91	100.0	1	(Note 6)
LB-042	D Project Sano	Sano City, Tochigi	15,668.44	15,668.44	100.0	1	(Note 6)
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	13,521.56	13,521.56	100.0	1	(Note 6)
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	39,341.44	39,341.44	100.0	1	(Note 6)
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	19,004.72	19,004.72	100.0	1	(Note 6)
LB-046	D Project Tosu II	Tosu City, Saga	13,012.50	13,012.50	100.0	1	(Note 6)
LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	24,684.47	24,684.47	100.0	1	320
LB-048	D Project Kuki VII	Kuki City, Saitama	3,225.46	3,225.46	100.0	1	(Note 6)
LB-049	D Project Chibakita	Chiba City, Chiba	24,368.86	24,368.86	100.0	1	(Note 6)
LB-050	D Project Matsudo II	Matsudo City, Chiba	25,305.82	25,305.82	100.0	1	(Note 6)
LB-051	D Project Tomisato II	Tomisato City, Chiba	40,870.56	40,870.56	100.0	1	(Note 6)
LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	22,485.08	22,485.08	100.0	1	(Note 6)
LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	39,580.46	39,580.46	100.0	1	(Note 6)

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
LB-054	D Project Kaminokawa	Kawachi District, Tochigi	52,239.75	52,239.75	100.0	1	(Note 6)
LB-055	D Project Fuji	Fuji City, Shizuoka	23,795.40	23,795.40	100.0	1	(Note 6)
LB-056	D Project Tosu III	Tosu City, Saga	65,215.07	65,215.07	100.0	1	(Note 6)
LM-001	DPL Misato	Misato City, Saitama	55,864.47	55,864.47	100.0	1	(Note 6)
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	73,739.04	73,739.04	100.0	1	(Note 6)
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	26,672.98	26,672.98	100.0	1	(Note 6)
Total of 59 Logistics properties			1,620,589.26	1,620,589.26	100.0	65	19,756
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	5,230.39	5,199.79	99.4	1	430
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	3,492.93	3,336.03	95.5	1	219
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,707.51	2,676.97	98.9	1	135
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,226.42	2,129.02	95.6	1	122
RE-005	Castalia Hiroo	Minato Ward, Tokyo	1,621.59	1,621.59	100.0	1	99
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,458.73	1,409.16	96.6	1	72
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,969.57	2,827.66	95.2	1	125
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,400.00	2,400.00	100.0	1	144
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,094.58	1,993.89	95.2	1	126
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,917.62	1,917.62	100.0	1	93
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,817.56	1,698.92	93.5	1	94
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,123.80	1,123.80	100.0	1	68
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,779.77	2,779.77	100.0	1	141
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	2,559.21	2,559.21	100.0	1	116
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,898.47	1,898.47	100.0	1	81
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,940.94	1,940.94	100.0	1	89
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,858.34	1,858.34	100.0	1	80
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	1,444.52	1,396.45	96.7	1	63
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	1,244.54	1,244.54	100.0	1	56
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	1,225.26	1,225.26	100.0	1	52
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	811.95	811.95	100.0	1	44
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	803.03	803.03	100.0	1	39
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	957.60	957.60	100.0	1	37
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	1,747.90	1,706.95	97.7	1	70
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,826.80	1,826.80	100.0	1	79
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	1,308.38	1,308.38	100.0	1	64
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	2,117.46	2,117.46	100.0	1	98
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,628.80	1,628.80	100.0	1	83
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	972.51	950.05	97.7	1	47
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	3,594.16	3,594.16	100.0	1	163
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	1,147.44	1,147.44	100.0	1	58
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	1,105.20	1,105.20	100.0	1	48
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	668.79	668.79	100.0	1	32
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	681.00	647.00	95.0	1	30
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,567.84	1,567.84	100.0	1	77
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	882.67	882.67	100.0	1	42
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	3,494.42	3,448.47	98.7	1	167
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	4,602.95	4,550.25	98.9	1	185
RE-039	Castalia Takanawa	Minato Ward, Tokyo	10,408.26	10,153.84	97.6	1	463
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	6,442.28	6,442.28	100.0	1	268
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	3,150.80	3,150.80	100.0	1	179
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	1,546.34	1,546.34	100.0	1	81
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	16,849.50	16,577.64	98.4	2	740
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	3,077.05	2,992.16	97.2	1	134
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	2,339.42	2,339.42	100.0	1	117
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,659.71	1,659.71	100.0	1	86
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,967.97	4,693.24	94.5	1	239
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	863.70	837.26	96.9	1	38
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,542.30	1,516.99	98.4	1	68
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,380.35	1,380.35	100.0	1	73

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Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,871.70	1,788.00	95.5	1	88
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	1,168.18	1,168.18	100.0	1	53
RE-053	Castalia Meguro	Meguro Ward, Tokyo	1,414.73	1,355.18	95.8	1	59
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,784.50	1,743.99	97.7	1	72
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,472.47	1,399.11	95.0	1	73
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	1,658.90	1,658.90	100.0	1	66
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	3,644.35	3,644.35	100.0	1	168
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,624.06	1,601.76	98.6	1	76
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	12,732.35	12,416.53	97.5	1	519
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	1,276.91	1,276.91	100.0	1	50
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	2,014.12	2,014.12	100.0	1	100
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	2,255.88	2,127.80	94.3	1	69
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	1,220.16	1,137.94	93.3	1	47
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	887.94	887.94	100.0	1	34
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	414.45	414.45	100.0	1	15
RE-066	Castalia Morishita	Koto Ward, Tokyo	1,383.90	1,383.90	100.0	1	63
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	1,425.43	1,425.43	100.0	1	53
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	1,537.84	1,456.69	94.7	1	60
RE-069	Castalia Iriya	Taito Ward, Tokyo	1,415.15	1,415.15	100.0	1	46
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	4,197.66	4,130.63	98.4	1	169
RE-071	Castalia Morishita II	Koto Ward, Tokyo	1,275.60	1,275.60	100.0	1	55
RE-072	Castalia Minowa	Taito Ward, Tokyo	2,406.41	2,356.17	97.9	1	97
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	857.32	807.30	94.2	1	34
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,613.86	1,613.86	100.0	1	71
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	1,472.38	1,430.60	97.2	1	63
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	1,362.60	1,336.99	98.1	1	63
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	3,038.98	3,038.98	100.0	1	136
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,785.24	1,785.24	100.0	1	71
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,994.93	1,994.93	100.0	1	86
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	2,421.82	2,231.37	92.1	1	126
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	18,112.03	18,112.03	100.0	1	636
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	2,629.59	2,606.44	99.1	1	148
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,413.75	1,413.75	100.0	1	78
RE-084	Castalia Omori	Ota Ward, Tokyo	2,046.36	1,979.92	96.8	1	98
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	2,640.86	2,502.40	94.8	1	128
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	3,797.92	3,674.68	96.8	1	125
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,818.70	2,756.64	97.8	1	152
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,166.71	3,117.30	98.4	1	222
RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	2,123.77	2,098.94	98.8	1	125
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,961.52	1,898.54	96.8	1	99
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	2,004.80	1,979.52	98.7	1	95
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,278.52	1,217.62	95.2	1	62
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	17,269.74	17,269.74	100.0	1	454
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	2,224.41	2,224.41	100.0	1	101
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	4,208.83	4,208.83	100.0	1	111
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	1,452.09	1,408.95	97.0	1	50
RE-098	Castalia Funabashi	Funabashi City, Chiba	1,552.01	1,482.41	95.5	1	56
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	1,597.32	1,597.32	100.0	1	65
RE-105	Castalia Nogeyama	Yokohama City, Kanagawa	744.90	744.90	100.0	1	27
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	876.89	876.89	100.0	1	39
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	18,153.57	18,153.57	100.0	1	458
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	2,179.80	2,179.80	100.0	1	110
RE-109	Royal Parks Wakabada	Inagi City, Tokyo	21,367.93	21,367.93	100.0	2	488
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	26,294.49	26,294.49	100.0	1	983
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	3,009.74	3,009.74	100.0	1	111
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	3,808.97	3,808.97	100.0	1	129
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	3,471.39	3,361.03	96.8	1	117

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	3,279.90	3,141.93	95.8	1	104
RE-118	Castalia Abeno	Osaka City, Osaka	10,920.75	10,920.75	100.0	1	336
RE-119	Castalia Sakae	Nagoya City, Aichi	2,836.00	2,734.08	96.4	1	84
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	1,522.89	1,452.09	95.4	1	37
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	6,100.31	5,530.19	90.7	1	132
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	3,061.60	2,962.40	96.8	1	81
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	8,747.40	8,587.79	98.2	1	309
RE-125	Castalia Sannomiya	Kobe City, Hyogo	3,071.60	3,044.89	99.1	1	104
RE-126	Castalia Kotodaiko	Sendai City, Miyagi	1,684.10	1,644.08	97.6	1	45
RE-127	Castalia Ichibancho	Sendai City, Miyagi	2,800.32	2,800.32	100.0	1	73
RE-128	Castalia Omachi	Sendai City, Miyagi	2,149.08	2,089.61	97.2	1	62
RE-129	Castalia Uemachidai	Osaka City, Osaka	5,415.39	5,340.82	98.6	1	165
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	6,230.20	5,953.53	95.6	1	244
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	8,661.19	8,196.44	94.6	1	195
RE-132	Castalia Fushimi	Nagoya City, Aichi	7,022.69	6,779.41	96.5	1	199
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	1,822.10	1,748.15	95.9	1	59
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	2,784.83	2,761.59	99.2	1	80
RE-135	Castalia Mibu	Kyoto City, Kyoto	2,828.39	2,724.71	96.3	1	87
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	4,471.11	4,426.51	99.0	1	109
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	11,089.75	5,742.29	51.8	1	151
RE-138	Royal Parks Namba	Osaka City, Osaka	10,354.15	10,354.15	100.0	1	256
RE-139	Castalia Shigahondori	Nagoya City, Aichi	5,086.69	4,943.68	97.2	1	140
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	2,035.37	2,035.37	100.0	1	64
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,897.06	2,897.06	100.0	1	134
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	6,828.78	6,828.78	100.0	1	191
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	4,425.46	4,425.46	100.0	1	114
Total of 133 Residential properties			472,121.87	459,981.14	97.4	135	17,820
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	41,742.84	41,742.84	100.0	1	551
RM-002	FOLEO Hirakata	Hirakata City, Osaka	16,390.96	15,207.55	92.8	1	346
RM-003	QiZ GATE URAWA	Saitama City, Saitama	9,720.49	9,720.49	100.0	11	334
RM-004	UNICUS Takasaki	Takasaki City, Gunma	9,277.08	9,277.08	100.0	1	259
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	24,018.00	24,018.00	100.0	1	188
RM-006	DREAM TOWN ALi	Aomori City, Aomori	22,196.81	22,196.81	100.0	1	590
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	11,207.90	11,207.90	100.0	1	94
RM-008	FOLEO Ome Imai	Ome City, Tokyo	8,637.91	8,637.91	100.0	1	257
RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	62,917.73	62,917.73	100.0	1	643
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	23,230.77 (Note 7)	23,230.77 (Note 7)	100.0	1	252
RM-011	ACROSSMALL Semboku (Land)	Sakai City, Osaka	30,824.72	30,824.72	100.0	1	181
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	2,973.44	2,973.44	100.0	1	(Note 6)
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	19,845.72	19,845.72	100.0	1	477
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	31,981.70	31,981.70	100.0	1	139
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	8,899.89	8,899.89	100.0	1	(Note 6)
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	28,002.92	28,002.92	100.0	1	(Note 6)
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	6,669.74	6,669.74	100.0	1	206
RU-001	COMBOX310	Mito City, Ibaraki	30,517.69	30,517.69	100.0	1	297
Total of 18 Retail properties			389,056.31	387,872.90	99.7	28	5,349
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	7,932.37	7,932.37	100.0	1	262
HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	2,637.18	2,637.18	100.0	1	75
Total of 2 Hotel properties			10,569.55	10,569.55	100.0	2	337
OT-001	Urban Living Inage	Chiba City, Chiba	4,177.52	4,177.52	100.0	1	87
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	3,901.14	3,901.14	100.0	1	78
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha- Omorumachi)	Naha City, Okinawa	13,480.00	13,480.00	100.0	1	543

Property number	Property name	Location (city or county, prefecture)	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (excluding consumption tax) (Millions of yen) (Note 5)
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	3,064.89	3,064.89	100.0	1	(Note 6)
Total of 4 Other assets			24,623.55	24,623.55	100.0	4	825
Portfolio Total of 216 Properties			2,516,960.54	2,503,636.40	99.5	234	44,089

(Note 1) “Leasable area” means the leasable area of the building (or land in the case of land properties) in relation to each real estate or each real estate in trust which DHR believes is leasable as indicated in the relevant lease agreement or drawing of the building in relation to each real estate or each real estate in trust as of February 28, 2019. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leasable area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.

(Note 2) “Leased area” represents the leased area in the leasable area as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2019. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the leased area to end-tenants, as indicated in the sublease agreement for each real estate or each real estate in trust as of February 28, 2019, is provided. As some lease agreements for each real estate or each real estate in trust may indicate leased area that includes portions not included in the gross floor area, the leased area may exceed the gross floor area. In particular at logistics properties, when eaves are included in the leased area, the leased area may significantly exceed the gross floor area. In the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the leased area of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.

(Note 3) “Occupancy rate” represents the percentage of leased area to the leasable area of each real estate or each real estate in trust as of February 28, 2019, which is rounded to the nearest tenth.

(Note 4) “Number of tenants” is equal to the number of tenants per property based upon the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2019. However, the number of tenants is indicated as 1 (one) in the case of a property subject to a master lease agreement with the master lease company.

(Note 5) “Annual rent” represents the amount calculated by multiplying the monthly rent as indicated in the lease agreement in relation to each real estate or each real estate in trust as of February 28, 2019 by 12 (as to real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements). Annual rent for residential properties includes common area charges. However, in the case of a pass-through type master lease agreement entered into with the master lease company, the annual rent represents the amount calculated by multiplying the monthly rent indicated in each sublease agreement entered into between the master lease company and end-tenants for each real estate or each real estate in trust as of February 28, 2019 by 12 (as to real estate or each real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). For revenue-based rent, a monthly amount linked to sales in February 2019 is used. Therefore, the sums of the “Annual rent” of each property may not add up to the total for the portfolio. Furthermore, in the cases of each co-owned real estate or quasi co-owned trust beneficiary interests, the annual rent of the entire real estate multiplied by the ratio of co-ownership of the real estate or quasi co-ownership of the trust beneficiary interests in real estate held by DHR is provided.

(Note 6) Undisclosed as consent for disclosure has not been obtained from the lessee.

(Note 7) Separately from the building of this property, a part of the land of this property is leased to the lessee for the purpose of subleasing to Fukuoka Prefecture and other third parties as land for a police station, etc. The area of such leased land is not included in the leasable area and leased area.

iv) Status of revenues from real estate and real estate in trust

The status of revenues from each real estate and each real estate in trust including rental revenues is as follows.

Figures related to revenues are calculated in accordance with the following:

- Amounts are presented in thousands of yen and rounded down to the nearest thousand yen. Therefore, the sum of figures shown in the tables may not necessarily be equal to the total amount.
- Rental revenues include rent and common area charges.
- Other rental revenues include revenues from parking lot usage fees, signboard usage fees, utilities expenses, vending machines, key money, renewal commissions, restoration and early termination penalty.
- In principle, property taxes and city planning taxes, which are included in taxes and public dues, are imposed on the owner as of January 1 of each year. The amount of adjustment equivalent to prepaid property taxes and city planning taxes with the former owner (prior beneficiary) at the acquisition are

included in the acquisition cost of real estate, etc. as part of incidental expenses, and are not recorded in rental expenses.

- Outsourcing expenses include management outsourcing expenses, PM fee, leasing fee and renewal commissions.
- Repairs and maintenance expenses include repairs and restoration costs.
- Since repairs and maintenance expenses, and capital expenditures significantly fluctuate from year to year and do not arise regularly, the repairs and maintenance expenses and capital expenditures in the fiscal period may differ substantially from the amount of such expenses and capital expenditures incurred when DHR continues to hold the acquired asset for a long term.
- Insurance represents the amount calculated based on premiums paid in relation to the relevant term.
- Other rental expenses include custodian fees and parking lot usage fees.
- Depreciation represents the amount in relation to the number of months in the disclosure period.
- Leasehold and security deposits, etc. represents the total amount of outstanding leasehold and security deposit as indicated in the lease agreement in relation to each real estate or each real estate in trust (as to real estate or real estate in trust for which multiple lease agreements are entered into, the total amount indicated in such lease agreements). However, in the case of a pass-through type master lease agreement entered into with the master lease company, the total scheduled outstanding amount of leasehold and security deposit, as indicated in each sublease agreement entered into between the master lease company and end-tenants in relation to each real estate or each real estate in trust as of February 28, 2019 (as to real estate or real estate in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements), is provided. When there are portions that do not need to be repaid due to special agreements concerning non-refundable deposits or written-off deposits, the amount represents the amount after subtracting these deductions.

Status of revenues from real estate and real estate in trust

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-001	LB-002	LB-003	LB-004
Property name	D Project Machida	D Project Hachioji	D Project Aikawa-Machi	D Project Shin-Misato
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A – B)	208,323	366,649	105,864	141,319
(D) Depreciation	43,735	83,610	22,319	20,942
(E) Income (loss) from rental business (= C – D)	164,588	283,039	83,544	120,376
(F) Capital expenditures	162,215	7,831	–	–
(G) NCF (= C – F)	46,108	358,818	105,864	141,319
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Property number	LB-005	LB-006	LB-007	LB-008
Property name	D Project Urayasu I	D Project Urayasu II	D Project Akanehama	D Project Noda
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A – B)	176,002	554,053	70,080	156,425
(D) Depreciation	32,900	85,866	13,100	34,606
(E) Income (loss) from rental business (= C – D)	143,102	468,187	56,979	121,818
(F) Capital expenditures	6,047	–	–	–
(G) NCF (= C – F)	169,955	554,053	70,080	156,425
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-009	LB-010	LB-011	LB-012
Property name	D Project Inuyama	D Project Gifu	D Project Neyagawa	D Project Sapporo Minami
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A – B)	290,013	32,537	143,390	(25,973)
(D) Depreciation	65,243	7,979	24,382	7,273
(E) Income (loss) from rental business (= C – D)	224,770	24,558	119,007	(33,246)
(F) Capital expenditures	–	–	–	–
(G) NCF (= C – F)	290,013	32,537	143,390	(25,973)
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Property number	LB-013	LB-014	LB-015	LB-016
Property name	D Project Morioka	D Project Sendai Minami	D Project Tsuchiura	D Project Gotenba
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A – B)	36,993	42,228	100,400	23,969
(D) Depreciation	9,160	12,952	24,882	6,863
(E) Income (loss) from rental business (= C – D)	27,833	29,275	75,518	17,106
(F) Capital expenditures	–	–	–	9,938
(G) NCF (= C – F)	36,993	42,228	100,400	14,030
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-017	LB-018	LB-019	LB-020
Property name	D Project Nishi-Hiroshima	D Project Fukuoka Umi	D Project Tosu	D Project Kuki I
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	127,702	(Note 1)	(Note 1)
Rental revenues	(Note 1)	127,693	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	9	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	12,784	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	8,860	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	3,229	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	–	(Note 1)	(Note 1)
Insurance	(Note 1)	173	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	–	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	522	(Note 1)	(Note 1)
(C) NOI (= A – B)	37,308	114,918	153,595	100,089
(D) Depreciation	6,103	25,807	45,436	20,483
(E) Income (loss) from rental business (= C – D)	31,204	89,110	108,158	79,606
(F) Capital expenditures	–	–	–	4,689
(G) NCF (= C – F)	37,308	114,918	153,595	95,399
Leasehold and security deposits, etc.	(Note 1)	177,369	(Note 1)	(Note 1)

Property number	LB-021	LB-022	LB-023	LB-024
Property name	D Project Kuki II	D Project Kawagoe I	D Project Kawagoe II	DPL Inuyama
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	102,969	141,550	(Note 1)
Rental revenues	(Note 1)	102,762	141,528	(Note 1)
Other rental revenues	(Note 1)	207	22	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	11,826	19,604	(Note 1)
Taxes and public dues	(Note 1)	9,259	11,263	(Note 1)
Outsourcing expenses	(Note 1)	1,800	1,881	(Note 1)
Repairs and maintenance expenses	(Note 1)	380	5,826	(Note 1)
Insurance	(Note 1)	119	150	(Note 1)
Utilities expenses	(Note 1)	–	–	(Note 1)
Other rental expenses	(Note 1)	268	483	(Note 1)
(C) NOI (= A – B)	216,477	91,143	121,946	101,486
(D) Depreciation	56,245	16,404	23,332	21,893
(E) Income (loss) from rental business (= C – D)	160,232	74,738	98,613	79,593
(F) Capital expenditures	–	–	23,064	–
(G) NCF (= C – F)	216,477	91,143	98,881	101,486
Leasehold and security deposits, etc.	(Note 1)	173,500	140,148	(Note 1)

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-025	LB-026	LB-027	LB-028
Property name	D Project Fukuoka Hakozaiki	D Project Kuki III	D Project Kuki IV	D Project Kuki V
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A - B)	112,277	199,108	157,440	220,510
(D) Depreciation	23,597	44,913	35,045	50,472
(E) Income (loss) from rental business (= C - D)	88,680	154,194	122,395	170,037
(F) Capital expenditures	-	-	-	-
(G) NCF (= C - F)	112,277	199,108	157,440	220,510
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Property number	LB-029	LB-030	LB-031	LB-032
Property name	D Project Kuki VI	D Project Yashio	D Project Nishiyodogawa	D Project Matsudo
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A - B)	135,076	156,223	242,826	176,112
(D) Depreciation	35,954	34,549	60,936	30,492
(E) Income (loss) from rental business (= C - D)	99,122	121,674	181,889	145,619
(F) Capital expenditures	-	-	750	-
(G) NCF (= C - F)	135,076	156,223	242,076	176,112
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

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(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-033	LB-034	LB-035	LB-036
Property name	D Project Hibiki Nada	D Project Morioka II	D Project Kawagoe III	D Project Kazo
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A – B)	65,588	40,631	183,025	90,141
(D) Depreciation	19,459	8,527	46,077	21,782
(E) Income (loss) from rental business (= C – D)	46,128	32,103	136,947	68,359
(F) Capital expenditures	–	–	–	–
(G) NCF (= C – F)	65,588	40,631	183,025	90,141
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Property number	LB-037	LB-038	LB-039	LB-040
Property name	D Project Urayasu III	D Project Tomisato	D Project Kyotanabe	D Project Sendai Izumi
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A – B)	179,485	135,721	105,962	43,151
(D) Depreciation	46,341	38,296	21,896	11,822
(E) Income (loss) from rental business (= C – D)	133,144	97,424	84,066	31,328
(F) Capital expenditures	–	–	3,150	–
(G) NCF (= C – F)	179,485	135,721	102,812	43,151
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

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(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-041	LB-042	LB-043	LB-044
Property name	D Project Oyama	D Project Sano	D Project Tatebayashi	D Project Kakegawa
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A - B)	57,778	52,069	91,903	178,155
(D) Depreciation	14,176	15,432	23,304	42,247
(E) Income (loss) from rental business (= C - D)	43,601	36,636	68,599	135,908
(F) Capital expenditures	-	-	-	-
(G) NCF (= C - F)	57,778	52,069	91,903	178,155
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Property number	LB-045	LB-046	LB-047	LB-048
Property name	D Project Hiroshima Seifu	D Project Tosu II	D Project Kawagoe IV	D Project Kuki VII
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	161,065	(Note 1)
Rental revenues	(Note 1)	(Note 1)	160,380	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	685	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	2,804	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	14	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	1,800	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	-	(Note 1)
Insurance	(Note 1)	(Note 1)	201	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	-	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	787	(Note 1)
(C) NOI (= A - B)	111,068	50,559	158,261	31,037
(D) Depreciation	24,470	14,114	26,898	4,854
(E) Income (loss) from rental business (= C - D)	86,597	36,445	131,363	26,183
(F) Capital expenditures	-	-	-	-
(G) NCF (= C - F)	111,068	50,559	158,261	31,037
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	108,000	(Note 1)

(Unit: Thousands of yen, unless otherwise stated)

Property number	LB-049	LB-050	LB-051	LB-052
Property name	D Project Chibakita	D Project Matsudo II	D Project Tomisato II	D Project Osaka Hirabayashi
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A - B)	201,846	209,933	204,388	124,286
(D) Depreciation	38,258	42,652	48,460	45,012
(E) Income (loss) from rental business (= C - D)	163,588	167,280	155,928	79,274
(F) Capital expenditures	-	-	-	-
(G) NCF (= C - F)	201,846	209,933	204,388	124,286
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Property number	LB-053	LB-054	LB-055	LB-056
Property name	D Project Sendai Izumi II	D Project Kaminokawa	D Project Fuji	D Project Tosu III
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)
(C) NOI (= A - B)	221,785	258,874	117,831	278,171
(D) Depreciation	59,385	53,275	27,687	67,131
(E) Income (loss) from rental business (= C - D)	162,399	205,599	90,143	211,039
(F) Capital expenditures	-	-	-	-
(G) NCF (= C - F)	221,785	258,874	117,831	278,171
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	(Note 1)

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(Unit: Thousands of yen, unless otherwise stated)

Property number	LM-001	LM-002	LM-003	Logistics properties subtotal
Property name	DPL Misato	DPL Fukuoka Kasuya	DPL Kitakyushu	
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 27, 2018 to February 28, 2019	
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	(Note 1)	(Note 1)	(Note 1)	10,017,054
Rental revenues	(Note 1)	(Note 1)	(Note 1)	9,937,875
Other rental revenues	(Note 1)	(Note 1)	(Note 1)	79,178
(B) Real estate rental expenses subtotal	(Note 1)	(Note 1)	(Note 1)	1,196,763
Taxes and public dues	(Note 1)	(Note 1)	(Note 1)	708,333
Outsourcing expenses	(Note 1)	(Note 1)	(Note 1)	221,238
Repairs and maintenance expenses	(Note 1)	(Note 1)	(Note 1)	167,146
Insurance	(Note 1)	(Note 1)	(Note 1)	13,512
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	10,697
Other rental expenses	(Note 1)	(Note 1)	(Note 1)	75,834
(C) NOI (= A – B)	376,186	388,410	105,213	8,820,291
(D) Depreciation	74,081	91,261	31,126	1,985,525
(E) Income (loss) from rental business (= C – D)	302,104	297,148	74,086	6,834,766
(F) Capital expenditures	21,586	840	–	240,113
(G) NCF (= C – F)	354,599	387,570	105,213	8,580,177
Leasehold and security deposits, etc.	(Note 1)	(Note 1)	(Note 1)	—

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-001	RE-002	RE-003	RE-004
Property name	Qiz Ebisu	Castalia Azabujuban Shichimenzaka	Castalia Shibakoen	Castalia Ginza
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	235,449	123,071	71,482	67,234
Rental revenues	211,998	110,871	66,114	61,218
Other rental revenues	23,450	12,199	5,367	6,015
(B) Real estate rental expenses subtotal	52,419	28,384	17,350	20,895
Taxes and public dues	8,420	4,779	3,459	3,327
Outsourcing expenses	17,978	10,979	7,097	8,349
Repairs and maintenance expenses	7,562	6,370	4,252	6,213
Insurance	117	81	53	59
Utilities expenses	16,543	3,205	518	672
Other rental expenses	1,797	2,967	1,969	2,271
(C) NOI (= A - B)	183,029	94,686	54,132	46,339
(D) Depreciation	32,665	26,446	15,792	13,660
(E) Income (loss) from rental business (= C - D)	150,364	68,239	38,339	32,678
(F) Capital expenditures	6,258	4,119	5,986	5,099
(G) NCF (= C - F)	176,771	90,566	48,145	41,239
Leasehold and security deposits, etc.	182,093	27,426	12,626	11,106

Property number	RE-005	RE-006	RE-007	RE-008
Property name	Castalia Hiroo	Castalia Nihonbashi	Castalia Hacchobori	Castalia Azabujuban
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	52,197	38,793	67,732	75,954
Rental revenues	48,030	36,672	64,138	70,880
Other rental revenues	4,166	2,120	3,593	5,074
(B) Real estate rental expenses subtotal	10,789	11,683	12,415	13,633
Taxes and public dues	2,778	1,829	2,869	2,437
Outsourcing expenses	3,788	5,040	6,529	7,464
Repairs and maintenance expenses	1,505	2,827	2,055	2,216
Insurance	34	36	56	47
Utilities expenses	1,967	382	339	332
Other rental expenses	714	1,567	563	1,134
(C) NOI (= A - B)	41,407	27,109	55,317	62,321
(D) Depreciation	11,451	8,486	14,583	12,331
(E) Income (loss) from rental business (= C - D)	29,956	18,623	40,733	49,989
(F) Capital expenditures	2,246	3,870	945	694
(G) NCF (= C - F)	39,161	23,238	54,371	61,626
Leasehold and security deposits, etc.	42,060	10,668	13,175	14,754

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-009	RE-010	RE-011	RE-012
Property name	Castalia Azabujuban II	Castalia Shinjuku Natsumezaka	Castalia Ginza II	Castalia Shibuya Sakuragaoka
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	68,289	47,741	51,395	35,276
Rental revenues	65,299	45,055	47,783	33,086
Other rental revenues	2,989	2,686	3,611	2,189
(B) Real estate rental expenses subtotal	36,125	13,535	40,538	8,827
Taxes and public dues	2,871	2,166	2,223	1,812
Outsourcing expenses	6,036	5,476	8,197	4,412
Repairs and maintenance expenses	25,158	3,625	29,086	1,538
Insurance	46	38	38	27
Utilities expenses	554	1,122	321	316
Other rental expenses	1,457	1,106	669	720
(C) NOI (= A - B)	32,164	34,206	10,857	26,448
(D) Depreciation	13,977	8,271	10,977	6,180
(E) Income (loss) from rental business (= C - D)	18,186	25,934	(120)	20,267
(F) Capital expenditures	31,522	4,468	20,454	3,228
(G) NCF (= C - F)	641	29,737	(9,596)	23,219
Leasehold and security deposits, etc.	12,425	16,153	8,108	6,841

Property number	RE-013	RE-014	RE-015	RE-016
Property name	Castalia Nishi Azabu Kasumicho	Castalia Ochanomizu	Castalia Sangubashi	Castalia Suitengu
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	70,259	60,403	45,406	46,687
Rental revenues	66,922	57,647	39,102	43,848
Other rental revenues	3,337	2,756	6,303	2,839
(B) Real estate rental expenses subtotal	23,700	10,464	15,604	14,661
Taxes and public dues	4,630	2,942	2,829	2,366
Outsourcing expenses	7,869	4,858	5,271	4,191
Repairs and maintenance expenses	6,087	1,057	5,953	5,963
Insurance	59	49	37	41
Utilities expenses	2,627	376	425	1,374
Other rental expenses	2,426	1,180	1,086	723
(C) NOI (= A - B)	46,559	49,939	29,802	32,025
(D) Depreciation	12,264	8,673	6,776	8,114
(E) Income (loss) from rental business (= C - D)	34,294	41,265	23,025	23,910
(F) Capital expenditures	12,587	1,021	14,909	1,582
(G) NCF (= C - F)	33,971	48,917	14,892	30,442
Leasehold and security deposits, etc.	17,134	17,682	9,707	7,120

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-017	RE-018	RE-019	RE-020
Property name	Castalia Suitengu II	Castalia Shintomicho	Castalia Shintomicho II	Castalia Harajuku
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	42,211	33,750	29,168	28,490
Rental revenues	39,569	32,549	28,100	26,198
Other rental revenues	2,642	1,201	1,067	2,292
(B) Real estate rental expenses subtotal	13,917	7,129	5,209	5,196
Taxes and public dues	2,470	1,868	1,381	1,500
Outsourcing expenses	4,027	2,714	2,262	2,385
Repairs and maintenance expenses	5,042	986	921	453
Insurance	42	32	25	26
Utilities expenses	1,571	467	403	297
Other rental expenses	763	1,060	214	532
(C) NOI (= A - B)	28,293	26,621	23,959	23,293
(D) Depreciation	6,873	6,438	6,211	3,042
(E) Income (loss) from rental business (= C - D)	21,420	20,182	17,748	20,251
(F) Capital expenditures	2,527	465	1,060	935
(G) NCF (= C - F)	25,766	26,155	22,899	22,358
Leasehold and security deposits, etc.	6,808	7,794	5,561	5,319

Property number	RE-021	RE-022	RE-023	RE-024
Property name	Castalia Yoyogi Uehara	Castalia Sendagaya	Castalia Shinjuku 7 chome	Castalia Ningyocho
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	23,030	20,331	18,888	36,510
Rental revenues	21,471	19,489	18,494	35,091
Other rental revenues	1,558	841	393	1,418
(B) Real estate rental expenses subtotal	5,230	4,925	4,769	8,738
Taxes and public dues	1,023	1,024	968	1,959
Outsourcing expenses	2,703	2,643	2,075	3,248
Repairs and maintenance expenses	700	478	764	2,264
Insurance	17	15	21	33
Utilities expenses	174	183	328	423
Other rental expenses	610	580	612	809
(C) NOI (= A - B)	17,800	15,405	14,118	27,771
(D) Depreciation	3,459	2,552	1,884	6,579
(E) Income (loss) from rental business (= C - D)	14,340	12,853	12,233	21,192
(F) Capital expenditures	802	1,001	101	1,293
(G) NCF (= C - F)	16,997	14,404	14,016	26,478
Leasehold and security deposits, etc.	5,122	3,918	2,722	7,950

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-025	RE-026	RE-027	RE-028
Property name	Castalia Ningyocho II	Castalia Shin-Ochanomizu	Castalia Higashi Nihonbashi II	Castalia Jinbocho
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	40,954	33,542	51,020	43,506
Rental revenues	39,105	32,051	49,027	41,222
Other rental revenues	1,848	1,490	1,993	2,284
(B) Real estate rental expenses subtotal	9,480	7,183	8,377	10,269
Taxes and public dues	1,996	1,776	2,301	1,800
Outsourcing expenses	3,939	2,960	3,911	4,103
Repairs and maintenance expenses	2,026	1,357	803	3,113
Insurance	35	29	46	32
Utilities expenses	464	245	384	385
Other rental expenses	1,017	814	931	833
(C) NOI (= A - B)	31,473	26,359	42,642	33,237
(D) Depreciation	7,395	4,445	8,293	5,857
(E) Income (loss) from rental business (= C - D)	24,077	21,913	34,349	27,380
(F) Capital expenditures	233	2,204	552	3,704
(G) NCF (= C - F)	31,239	24,155	42,090	29,533
Leasehold and security deposits, etc.	9,053	7,391	10,858	7,011

Property number	RE-029	RE-030	RE-031	RE-032
Property name	Castalia Shintomicho III	Castalia Shinjuku Gyoen	Castalia Takanawadai	Castalia Higashi Nihonbashi III
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	25,633	83,844	30,491	24,336
Rental revenues	24,267	81,667	28,318	24,336
Other rental revenues	1,365	2,177	2,173	-
(B) Real estate rental expenses subtotal	5,616	15,492	8,671	3,985
Taxes and public dues	1,168	4,160	1,546	1,304
Outsourcing expenses	2,681	5,536	3,294	1,493
Repairs and maintenance expenses	656	3,812	2,585	103
Insurance	26	76	25	25
Utilities expenses	257	650	265	368
Other rental expenses	826	1,254	954	690
(C) NOI (= A - B)	20,016	68,352	21,820	20,350
(D) Depreciation	4,651	12,173	3,891	3,274
(E) Income (loss) from rental business (= C - D)	15,364	56,179	17,928	17,075
(F) Capital expenditures	1,299	1,679	2,364	1,653
(G) NCF (= C - F)	18,716	66,672	19,456	18,696
Leasehold and security deposits, etc.	4,881	19,057	4,259	6,228

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-033	RE-034	RE-035	RE-036
Property name	Castalia Shinjuku Gyoen II	Castalia Shintomicho IV	Castalia Takanawadai II	Castalia Minami Azabu
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	16,261	16,669	39,898	21,472
Rental revenues	15,911	15,905	38,160	20,924
Other rental revenues	350	764	1,737	547
(B) Real estate rental expenses subtotal	3,619	3,815	7,756	4,129
Taxes and public dues	878	814	2,064	1,148
Outsourcing expenses	1,600	1,776	3,338	1,979
Repairs and maintenance expenses	337	300	1,061	150
Insurance	14	14	32	17
Utilities expenses	185	195	323	119
Other rental expenses	601	713	936	713
(C) NOI (= A - B)	12,641	12,853	32,142	17,342
(D) Depreciation	2,818	2,637	5,491	2,789
(E) Income (loss) from rental business (= C - D)	9,823	10,216	26,651	14,553
(F) Capital expenditures	1,761	172	245	776
(G) NCF (= C - F)	10,880	12,681	31,897	16,565
Leasehold and security deposits, etc.	1,137	3,125	7,146	4,102

Property number	RE-037	RE-038	RE-039	RE-040
Property name	Castalia Ginza III	Castalia Kayabacho	Castalia Takanawa	Castalia Higashi Nihonbashi
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	87,858	97,448	251,183	142,962
Rental revenues	82,264	90,882	232,534	132,143
Other rental revenues	5,593	6,566	18,649	10,819
(B) Real estate rental expenses subtotal	21,347	20,366	57,221	32,180
Taxes and public dues	4,536	4,534	14,433	7,627
Outsourcing expenses	9,118	7,990	20,764	14,306
Repairs and maintenance expenses	5,971	6,374	13,747	8,150
Insurance	75	97	261	140
Utilities expenses	813	600	2,792	1,121
Other rental expenses	831	769	5,220	835
(C) NOI (= A - B)	66,511	77,082	193,961	110,781
(D) Depreciation	14,734	15,753	30,320	20,818
(E) Income (loss) from rental business (= C - D)	51,777	61,329	163,641	89,963
(F) Capital expenditures	9,512	6,979	15,942	5,460
(G) NCF (= C - F)	56,999	70,103	178,018	105,321
Leasehold and security deposits, etc.	15,015	21,908	54,447	37,203

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-041	RE-042	RE-043	RE-044
Property name	Castalia Shinjuku	Castalia Ichigaya	Shibaura Island Bloom Tower	Castalia Hatsudai
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	92,554	40,263	393,935	69,914
Rental revenues	89,731	38,589	360,228	64,516
Other rental revenues	2,822	1,673	33,707	5,397
(B) Real estate rental expenses subtotal	10,925	14,927	141,813	23,947
Taxes and public dues	4,982	1,893	18,103	4,123
Outsourcing expenses	4,703	6,335	62,842	10,432
Repairs and maintenance expenses	188	4,906	16,427	7,944
Insurance	68	32	636	66
Utilities expenses	639	293	4,641	653
Other rental expenses	343	1,467	39,161	725
(C) NOI (= A - B)	81,628	25,335	252,121	45,967
(D) Depreciation	9,999	6,930	89,832	15,459
(E) Income (loss) from rental business (= C - D)	71,629	18,405	162,289	30,507
(F) Capital expenditures	366	1,752	7,257	5,332
(G) NCF (= C - F)	81,262	23,583	244,864	40,634
Leasehold and security deposits, etc.	-	6,500	223,014	12,334

Property number	RE-045	RE-046	RE-047	RE-048
Property name	Castalia Hatsudai II	Castalia Ebisu	Castalia Meguro Kamurozaka	Castalia Toritsudaigaku
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	60,375	42,855	126,414	20,011
Rental revenues	56,068	40,723	118,303	18,577
Other rental revenues	4,306	2,131	8,110	1,433
(B) Real estate rental expenses subtotal	20,827	13,421	36,229	6,038
Taxes and public dues	3,414	2,309	5,900	550
Outsourcing expenses	8,755	6,624	14,730	2,927
Repairs and maintenance expenses	7,344	3,262	12,100	1,388
Insurance	51	35	123	21
Utilities expenses	613	379	1,042	346
Other rental expenses	648	810	2,331	803
(C) NOI (= A - B)	39,548	29,433	90,184	13,972
(D) Depreciation	10,690	8,445	28,908	5,296
(E) Income (loss) from rental business (= C - D)	28,857	20,987	61,276	8,675
(F) Capital expenditures	6,468	3,114	18,446	1,462
(G) NCF (= C - F)	33,079	26,319	71,738	12,509
Leasehold and security deposits, etc.	10,864	8,884	22,927	3,567

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-049	RE-050	RE-051	RE-052
Property name	Castalia Yukigaya	Castalia Yutenji	Castalia Otsuka	Castalia Kikukawa
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	35,578	36,918	46,255	27,465
Rental revenues	34,353	34,826	43,184	25,806
Other rental revenues	1,224	2,091	3,070	1,659
(B) Real estate rental expenses subtotal	7,080	10,292	12,051	6,821
Taxes and public dues	1,903	1,304	2,178	1,452
Outsourcing expenses	3,454	4,473	6,128	3,183
Repairs and maintenance expenses	846	2,256	2,153	993
Insurance	34	26	44	27
Utilities expenses	343	172	758	292
Other rental expenses	499	2,059	787	872
(C) NOI (= A - B)	28,497	26,626	34,203	20,643
(D) Depreciation	8,367	9,229	11,716	6,876
(E) Income (loss) from rental business (= C - D)	20,130	17,396	22,486	13,766
(F) Capital expenditures	295	1,272	189	587
(G) NCF (= C - F)	28,201	25,353	34,014	20,056
Leasehold and security deposits, etc.	9,885	12,111	8,859	5,766

Property number	RE-053	RE-054	RE-055	RE-056
Property name	Castalia Meguro	Castalia Otsuka II	Castalia Jiyugaoka	Castalia Mejiro
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	30,982	39,288	39,425	34,529
Rental revenues	29,481	36,593	37,480	32,445
Other rental revenues	1,500	2,694	1,944	2,083
(B) Real estate rental expenses subtotal	8,460	10,028	9,325	8,300
Taxes and public dues	1,465	1,796	2,133	1,652
Outsourcing expenses	3,355	3,734	4,243	3,637
Repairs and maintenance expenses	2,702	3,209	1,857	2,183
Insurance	25	39	29	30
Utilities expenses	250	388	280	212
Other rental expenses	661	859	780	583
(C) NOI (= A - B)	22,521	29,259	30,099	26,228
(D) Depreciation	5,871	6,978	5,533	5,368
(E) Income (loss) from rental business (= C - D)	16,650	22,281	24,566	20,860
(F) Capital expenditures	8,408	1,331	2,966	1,006
(G) NCF (= C - F)	14,113	27,927	27,133	25,222
Leasehold and security deposits, etc.	6,120	8,227	8,848	7,319

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-057	RE-058	RE-059	RE-060
Property name	Castalia Ikebukuro	Castalia Kaname-cho	Castalia Tower Shinagawa Seaside	Castalia Yakumo
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	88,564	39,117	279,613	25,863
Rental revenues	82,420	38,109	261,047	24,829
Other rental revenues	6,143	1,007	18,565	1,033
(B) Real estate rental expenses subtotal	19,781	9,225	63,719	6,703
Taxes and public dues	4,154	1,600	15,179	1,718
Outsourcing expenses	8,831	3,615	26,006	3,083
Repairs and maintenance expenses	5,166	2,783	15,110	1,395
Insurance	76	34	307	25
Utilities expenses	714	313	4,342	193
Other rental expenses	837	878	2,773	287
(C) NOI (= A - B)	68,783	29,891	215,894	19,159
(D) Depreciation	13,423	5,590	46,693	3,805
(E) Income (loss) from rental business (= C - D)	55,359	24,301	169,201	15,354
(F) Capital expenditures	1,748	314	17,151	293
(G) NCF (= C - F)	67,034	29,577	198,743	18,866
Leasehold and security deposits, etc.	16,727	8,802	68,125	4,954

Property number	RE-061	RE-062	RE-063	RE-064
Property name	Castalia Togoshickimae	Castalia Honjo Azumabashi	Castalia Kitazawa	Castalia Monzennakacho
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	51,462	39,237	25,173	17,589
Rental revenues	50,466	36,132	22,454	17,181
Other rental revenues	996	3,105	2,718	408
(B) Real estate rental expenses subtotal	8,769	9,409	11,341	4,149
Taxes and public dues	2,592	2,396	1,757	919
Outsourcing expenses	2,895	3,343	4,530	1,180
Repairs and maintenance expenses	2,632	2,159	3,634	917
Insurance	46	45	24	17
Utilities expenses	350	475	451	252
Other rental expenses	252	987	941	860
(C) NOI (= A - B)	42,693	29,827	13,832	13,439
(D) Depreciation	6,309	7,515	4,657	3,496
(E) Income (loss) from rental business (= C - D)	36,384	22,312	9,174	9,942
(F) Capital expenditures	1,280	1,780	6,221	1,066
(G) NCF (= C - F)	41,413	28,047	7,610	12,373
Leasehold and security deposits, etc.	10,810	8,508	6,065	30

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-065	RE-066	RE-067	RE-068
Property name	Castalia Kamiikedai	Castalia Morishita	Castalia Wakabayashikoen	Castalia Asakusabashi
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	7,800	33,236	28,552	32,700
Rental revenues	7,709	31,477	26,667	30,222
Other rental revenues	91	1,759	1,885	2,477
(B) Real estate rental expenses subtotal	1,806	7,116	8,039	9,734
Taxes and public dues	234	1,637	1,909	1,557
Outsourcing expenses	519	3,146	2,972	3,720
Repairs and maintenance expenses	151	1,180	2,141	3,599
Insurance	7	30	31	32
Utilities expenses	27	321	318	263
Other rental expenses	865	800	666	560
(C) NOI (= A - B)	5,994	26,120	20,513	22,965
(D) Depreciation	1,045	5,395	4,376	5,163
(E) Income (loss) from rental business (= C - D)	4,948	20,724	16,136	17,801
(F) Capital expenditures	139	1,714	1,969	3,097
(G) NCF (= C - F)	5,854	24,405	18,543	19,867
Leasehold and security deposits, etc.	681	7,741	5,699	7,102

Property number	RE-069	RE-070	RE-071	RE-072
Property name	Castalia Iriya	Castalia Kita Ueno	Castalia Morishita II	Castalia Minowa
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	22,639	90,741	28,702	49,625
Rental revenues	21,081	84,997	26,947	47,945
Other rental revenues	1,557	5,744	1,755	1,680
(B) Real estate rental expenses subtotal	21,922	21,173	6,784	12,545
Taxes and public dues	1,312	5,336	1,455	2,614
Outsourcing expenses	3,734	8,444	3,348	5,498
Repairs and maintenance expenses	15,994	5,072	1,138	3,421
Insurance	27	100	29	52
Utilities expenses	273	929	282	458
Other rental expenses	579	1,289	531	500
(C) NOI (= A - B)	716	69,567	21,918	37,080
(D) Depreciation	3,820	16,676	4,677	9,510
(E) Income (loss) from rental business (= C - D)	(3,103)	52,890	17,240	27,570
(F) Capital expenditures	22,693	7,045	405	4,215
(G) NCF (= C - F)	(21,976)	62,522	21,513	32,864
Leasehold and security deposits, etc.	5,487	20,362	6,220	8,747

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-073	RE-074	RE-075	RE-076
Property name	Castalia Oyamada	Castalia Nakano	Castalia Yoga	Castalia Sumiyoshi
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	17,130	37,118	32,399	35,613
Rental revenues	16,790	34,728	30,572	32,052
Other rental revenues	339	2,390	1,827	3,560
(B) Real estate rental expenses subtotal	20,737	8,693	9,483	6,951
Taxes and public dues	1,238	1,878	1,615	1,701
Outsourcing expenses	2,473	4,958	4,885	3,354
Repairs and maintenance expenses	16,517	1,038	2,225	1,127
Insurance	21	36	29	33
Utilities expenses	171	300	298	267
Other rental expenses	315	481	430	467
(C) NOI (= A - B)	(3,607)	28,425	22,916	28,661
(D) Depreciation	2,252	6,630	3,812	6,379
(E) Income (loss) from rental business (= C - D)	(5,859)	21,794	19,104	22,281
(F) Capital expenditures	19,525	998	557	966
(G) NCF (= C - F)	(23,133)	27,426	22,358	27,694
Leasehold and security deposits, etc.	2,003	7,053	7,025	6,618

Property number	RE-077	RE-078	RE-079	RE-080
Property name	Castalia Monzennakacho II	Castalia Oshiage	Castalia Kuramae	Castalia Nakanobu
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	69,444	36,404	44,458	70,154
Rental revenues	68,032	35,292	43,416	67,575
Other rental revenues	1,412	1,112	1,042	2,579
(B) Real estate rental expenses subtotal	10,998	7,512	7,302	16,078
Taxes and public dues	3,725	2,100	2,463	3,367
Outsourcing expenses	4,844	2,949	3,649	7,873
Repairs and maintenance expenses	1,386	1,542	586	2,924
Insurance	67	43	46	53
Utilities expenses	589	278	447	604
Other rental expenses	385	598	108	1,255
(C) NOI (= A - B)	58,446	28,892	37,156	54,076
(D) Depreciation	11,254	7,337	7,597	13,761
(E) Income (loss) from rental business (= C - D)	47,191	21,555	29,558	40,314
(F) Capital expenditures	1,018	291	122	5,694
(G) NCF (= C - F)	57,427	28,600	37,033	48,381
Leasehold and security deposits, etc.	5,972	9,310	-	12,603

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-081	RE-082	RE-083	RE-084
Property name	Royal Parks Toyosu	Castalia Togoshi	Castalia Ooimachi	Castalia Omori
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	334,281	75,882	39,156	53,367
Rental revenues	317,142	71,525	38,921	50,566
Other rental revenues	17,138	4,356	235	2,800
(B) Real estate rental expenses subtotal	130,828	20,573	5,644	7,390
Taxes and public dues	17,903	4,297	1,730	2,371
Outsourcing expenses	17,163	7,619	2,740	3,360
Repairs and maintenance expenses	41,332	5,956	402	411
Insurance	437	67	30	50
Utilities expenses	-	775	252	536
Other rental expenses	53,992	1,857	488	661
(C) NOI (= A - B)	203,452	55,308	33,511	45,976
(D) Depreciation	105,750	16,788	8,020	13,210
(E) Income (loss) from rental business (= C - D)	97,702	38,520	25,491	32,765
(F) Capital expenditures	45,439	7,187	-	126
(G) NCF (= C - F)	158,012	48,121	33,511	45,850
Leasehold and security deposits, etc.	73,633	15,987	10,085	13,271

Property number	RE-085	RE-086	RE-087	RE-088
Property name	Castalia Mishuku	Castalia Arakawa	Castalia Omori II	Castalia Nakameguro
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	69,159	67,666	78,962	119,700
Rental revenues	66,134	63,717	73,983	108,748
Other rental revenues	3,024	3,948	4,979	10,952
(B) Real estate rental expenses subtotal	16,526	14,402	21,645	26,920
Taxes and public dues	3,439	3,732	3,616	4,398
Outsourcing expenses	7,948	5,409	7,429	12,391
Repairs and maintenance expenses	4,118	3,822	6,399	6,192
Insurance	60	75	67	65
Utilities expenses	578	632	1,641	2,597
Other rental expenses	380	731	2,491	1,273
(C) NOI (= A - B)	52,632	53,263	57,317	92,780
(D) Depreciation	13,675	18,025	13,857	13,346
(E) Income (loss) from rental business (= C - D)	38,957	35,238	43,459	79,433
(F) Capital expenditures	3,165	1,897	4,394	22,246
(G) NCF (= C - F)	49,467	51,366	52,922	70,533
Leasehold and security deposits, etc.	19,759	14,395	27,773	49,342

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-089	RE-090	RE-091	RE-092 (Note 2)
Property name	Castalia Meguro Chojyamaru	Castalia Meguro Takaban	Castalia Omori III	Morino Tonari
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to December 6, 2018
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	64,900	53,983	49,171	17,165
Rental revenues	62,257	49,850	46,608	15,849
Other rental revenues	2,642	4,133	2,562	1,315
(B) Real estate rental expenses subtotal	13,444	11,839	12,889	5,266
Taxes and public dues	3,820	1,850	2,507	1,409
Outsourcing expenses	5,646	6,231	5,763	1,577
Repairs and maintenance expenses	2,857	2,652	3,376	2,008
Insurance	47	39	40	27
Utilities expenses	645	375	376	122
Other rental expenses	427	690	825	120
(C) NOI (= A – B)	51,455	42,143	36,281	11,898
(D) Depreciation	9,625	6,811	10,260	3,734
(E) Income (loss) from rental business (= C – D)	41,829	35,331	26,021	8,163
(F) Capital expenditures	2,674	3,117	2,628	–
(G) NCF (= C – F)	48,781	39,026	33,652	11,898
Leasehold and security deposits, etc.	10,506	9,694	11,353	–

Property number	RE-093	RE-094	RE-095	RE-096
Property name	Castalia Meguro Tairamachi	Royal Parks SEASIR	Castalia Honkomagome	Cosmo Heim Musashikosugi
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	33,511	245,852	50,744	59,004
Rental revenues	31,627	227,217	48,914	55,764
Other rental revenues	1,883	18,635	1,829	3,240
(B) Real estate rental expenses subtotal	6,351	91,718	10,895	8,809
Taxes and public dues	1,490	14,487	2,660	3,790
Outsourcing expenses	3,519	8,253	5,497	891
Repairs and maintenance expenses	543	7,773	1,692	3,565
Insurance	26	362	48	68
Utilities expenses	186	–	339	2
Other rental expenses	585	60,841	657	491
(C) NOI (= A – B)	27,160	154,134	39,848	50,195
(D) Depreciation	4,881	76,354	8,758	6,827
(E) Income (loss) from rental business (= C – D)	22,278	77,779	31,089	43,367
(F) Capital expenditures	–	750	303	6,751
(G) NCF (= C – F)	27,160	153,384	39,544	43,443
Leasehold and security deposits, etc.	7,044	41,235	11,591	85,460

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-097	RE-098	RE-099	RE-105
Property name	Castalia Tsurumi	Castalia Funabashi	Castalia Nishi Funabashi	Castalia Nogeeyama
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	27,800	30,827	33,789	14,713
Rental revenues	24,897	29,205	31,432	13,106
Other rental revenues	2,903	1,622	2,357	1,606
(B) Real estate rental expenses subtotal	8,111	8,409	8,293	4,170
Taxes and public dues	1,400	1,493	1,446	741
Outsourcing expenses	3,288	3,260	3,899	2,190
Repairs and maintenance expenses	1,415	955	1,687	563
Insurance	29	31	32	16
Utilities expenses	199	1,651	422	229
Other rental expenses	1,778	1,015	805	428
(C) NOI (= A - B)	19,688	22,418	25,496	10,543
(D) Depreciation	5,226	6,129	4,834	1,716
(E) Income (loss) from rental business (= C - D)	14,461	16,289	20,662	8,826
(F) Capital expenditures	151	237	-	-
(G) NCF (= C - F)	19,537	22,180	25,496	10,543
Leasehold and security deposits, etc.	6,555	5,768	7,349	2,836

Property number	RE-106	RE-107	RE-108	RE-109
Property name	Castalia Ichikawa	Royal Parks Hanakoganei	Castalia Musashikosugi	Royal Parks Wakabadaï
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	19,681	246,140	58,186	266,030
Rental revenues	19,680	229,174	53,046	244,068
Other rental revenues	1	16,965	5,139	21,961
(B) Real estate rental expenses subtotal	3,259	112,033	19,439	108,001
Taxes and public dues	882	13,702	2,753	18,854
Outsourcing expenses	1,507	1,921	6,871	1,490
Repairs and maintenance expenses	73	58,252	8,673	13,469
Insurance	19	379	45	347
Utilities expenses	152	-	406	-
Other rental expenses	623	37,776	689	73,839
(C) NOI (= A - B)	16,422	134,107	38,746	158,028
(D) Depreciation	3,397	74,420	11,346	73,417
(E) Income (loss) from rental business (= C - D)	13,024	59,686	27,399	84,611
(F) Capital expenditures	1,581	106,211	10,032	2,035
(G) NCF (= C - F)	14,841	27,895	28,714	155,993
Leasehold and security deposits, etc.	7,044	41,411	12,565	124,904

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-110	RE-111	RE-112	RE-116
Property name	Pacific Royal Court Minatomirai Urban Tower	L-Place Shinkoyasu	Royal Parks Musashikosugi	Castalia Sakaisuji Honmachi
Period for asset management	From September 1, 2018 to February 28, 2019			
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	520,501	57,036	68,338	61,610
Rental revenues	491,885	55,920	64,958	58,811
Other rental revenues	28,615	1,116	3,380	2,799
(B) Real estate rental expenses subtotal	212,965	5,350	30,457	15,981
Taxes and public dues	34,881	3,593	3,273	3,332
Outsourcing expenses	42,218	1,174	2,908	5,036
Repairs and maintenance expenses	19,322	281	1,116	4,526
Insurance	772	68	77	78
Utilities expenses	–	–	–	1,986
Other rental expenses	115,770	232	23,082	1,020
(C) NOI (= A – B)	307,536	51,685	37,880	45,629
(D) Depreciation	180,845	17,724	18,337	11,199
(E) Income (loss) from rental business (= C – D)	126,691	33,960	19,543	34,429
(F) Capital expenditures	3,588	–	–	412
(G) NCF (= C – F)	303,948	51,685	37,880	45,216
Leasehold and security deposits, etc.	87,782	26,674	24,266	4,894

Property number	RE-117	RE-118	RE-119	RE-121
Property name	Castalia Shin-Umeda	Castalia Abeno	Castalia Sakae	Castalia Maruyama Urasando
Period for asset management	From September 1, 2018 to February 28, 2019			
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	56,648	179,731	44,799	19,845
Rental revenues	53,513	162,765	41,530	18,406
Other rental revenues	3,135	16,966	3,268	1,438
(B) Real estate rental expenses subtotal	14,551	52,457	13,994	4,979
Taxes and public dues	3,290	11,132	3,194	1,670
Outsourcing expenses	5,002	18,060	5,713	1,618
Repairs and maintenance expenses	3,856	18,472	3,816	678
Insurance	74	211	59	32
Utilities expenses	1,429	3,825	458	688
Other rental expenses	898	755	752	291
(C) NOI (= A – B)	42,097	127,274	30,804	14,865
(D) Depreciation	11,014	28,970	7,779	3,120
(E) Income (loss) from rental business (= C – D)	31,082	98,303	23,025	11,745
(F) Capital expenditures	5,894	4,454	3,723	226
(G) NCF (= C – F)	36,202	122,819	27,080	14,638
Leasehold and security deposits, etc.	5,436	18,596	13,715	3,293

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-122	RE-123	RE-124	RE-125
Property name	Castalia Maruyama Omotesando	Castalia Higashi Hie	Castalia Tower Nagahoribashi	Castalia Sannomiya
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	75,389	43,309	166,248	52,777
Rental revenues	69,615	41,146	155,931	49,770
Other rental revenues	5,773	2,162	10,317	3,007
(B) Real estate rental expenses subtotal	18,208	12,429	34,946	14,602
Taxes and public dues	7,103	3,232	11,087	3,076
Outsourcing expenses	6,091	4,304	14,904	6,038
Repairs and maintenance expenses	2,134	3,566	3,319	4,224
Insurance	133	63	231	67
Utilities expenses	2,013	386	4,223	682
Other rental expenses	731	876	1,180	513
(C) NOI (= A - B)	57,181	30,879	131,302	38,175
(D) Depreciation	12,270	8,179	29,044	9,938
(E) Income (loss) from rental business (= C - D)	44,910	22,699	102,257	28,236
(F) Capital expenditures	120	-	915	2,802
(G) NCF (= C - F)	57,061	30,879	130,387	35,372
Leasehold and security deposits, etc.	11,836	6,700	13,990	5,700

Property number	RE-126	RE-127	RE-128	RE-129
Property name	Castalia Kotodaikoen	Castalia Ichibancho	Castalia Omachi	Castalia Uemachidai
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	23,875	38,858	34,025	89,261
Rental revenues	23,485	36,694	31,325	83,547
Other rental revenues	389	2,163	2,700	5,713
(B) Real estate rental expenses subtotal	5,176	8,473	7,378	16,356
Taxes and public dues	1,695	2,843	2,049	5,562
Outsourcing expenses	1,705	3,191	3,495	6,375
Repairs and maintenance expenses	100	610	1,081	2,378
Insurance	41	60	51	120
Utilities expenses	512	507	272	945
Other rental expenses	1,121	1,260	428	973
(C) NOI (= A - B)	18,698	30,384	26,647	72,904
(D) Depreciation	4,323	5,956	6,390	14,463
(E) Income (loss) from rental business (= C - D)	14,374	24,427	20,257	58,441
(F) Capital expenditures	1,040	1,224	2,092	1,473
(G) NCF (= C - F)	17,657	29,159	24,555	71,430
Leasehold and security deposits, etc.	3,921	4,029	5,522	8,759

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-130	RE-131	RE-132	RE-133
Property name	Castalia Tower Higobashi	Big Tower Minami Sanjo	Castalia Fushimi	Castalia Meieki Minami
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	133,124	110,220	107,179	32,034
Rental revenues	123,660	97,359	100,311	30,213
Other rental revenues	9,464	12,861	6,868	1,821
(B) Real estate rental expenses subtotal	34,455	32,327	24,223	7,950
Taxes and public dues	7,432	9,335	6,176	1,885
Outsourcing expenses	13,996	11,376	11,692	3,356
Repairs and maintenance expenses	8,259	8,018	3,249	1,042
Insurance	144	225	133	37
Utilities expenses	3,199	2,024	1,105	303
Other rental expenses	1,424	1,345	1,865	1,325
(C) NOI (= A - B)	98,668	77,893	82,956	24,083
(D) Depreciation	19,813	34,014	25,773	6,659
(E) Income (loss) from rental business (= C - D)	78,855	43,879	57,182	17,424
(F) Capital expenditures	1,440	21,565	1,201	-
(G) NCF (= C - F)	97,228	56,328	81,754	24,083
Leasehold and security deposits, etc.	14,405	15,594	16,372	6,444

Property number	RE-134	RE-135	RE-136	RE-137
Property name	Castalia Yakuin	Castalia Mibu	Castalia Tsutsujigaoka	Castalia Ohori Bay Tower
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	42,223	51,425	60,090	147,473
Rental revenues	39,633	44,007	54,036	74,137
Other rental revenues	2,590	7,418	6,054	73,336
(B) Real estate rental expenses subtotal	10,905	14,226	17,324	35,770
Taxes and public dues	2,956	2,824	3,758	12,532
Outsourcing expenses	4,358	5,381	5,898	13,178
Repairs and maintenance expenses	2,254	4,380	6,369	1,812
Insurance	61	56	85	265
Utilities expenses	601	1,017	448	6,342
Other rental expenses	673	565	764	1,638
(C) NOI (= A - B)	31,317	37,199	42,766	111,703
(D) Depreciation	10,872	12,256	15,090	42,508
(E) Income (loss) from rental business (= C - D)	20,445	24,943	27,675	69,194
(F) Capital expenditures	18,723	2,092	202	-
(G) NCF (= C - F)	12,594	35,107	42,564	111,703
Leasehold and security deposits, etc.	9,514	6,653	19,281	13,106

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RE-138	RE-139	RE-140	RE-141
Property name	Royal Parks Namba	Castalia Shigahondori	Castalia Kyoto Nishioji	Castalia Ningyocho III
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	135,660	74,484	33,923	74,043
Rental revenues	128,364	70,184	31,634	66,611
Other rental revenues	7,296	4,299	2,289	7,431
(B) Real estate rental expenses subtotal	37,380	19,568	10,328	16,639
Taxes and public dues	9,543	4,327	1,776	3,130
Outsourcing expenses	5,019	6,195	3,760	8,623
Repairs and maintenance expenses	10,281	7,287	3,423	1,482
Insurance	196	82	44	66
Utilities expenses	164	464	934	554
Other rental expenses	12,174	1,209	390	2,782
(C) NOI (= A – B)	98,280	54,916	23,594	57,403
(D) Depreciation	42,761	20,376	8,150	11,266
(E) Income (loss) from rental business (= C – D)	55,519	34,539	15,443	46,136
(F) Capital expenditures	4,419	3,095	881	208
(G) NCF (= C – F)	93,861	51,820	22,712	57,194
Leasehold and security deposits, etc.	24,975	25,266	3,478	13,011

Property number	RE-142	RE-143	Residential properties subtotal
Property name	Royal Parks Umejima	Castalia Shinsakae II	
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	
Information on revenues and expenses			
(A) Real estate rental revenues subtotal	102,852	60,503	9,544,130
Rental revenues	95,521	57,216	8,863,066
Other rental revenues	7,330	3,287	681,064
(B) Real estate rental expenses subtotal	36,947	8,674	2,708,036
Taxes and public dues	6,203	3,687	527,032
Outsourcing expenses	8,449	2,539	851,357
Repairs and maintenance expenses	3,542	271	646,609
Insurance	148	92	10,717
Utilities expenses	1,760	761	118,087
Other rental expenses	16,843	1,322	554,231
(C) NOI (= A – B)	65,904	51,829	6,836,094
(D) Depreciation	26,224	13,168	1,998,645
(E) Income (loss) from rental business (= C – D)	39,680	38,661	4,837,449
(F) Capital expenditures	349	–	645,382
(G) NCF (= C – F)	65,554	51,829	6,190,711
Leasehold and security deposits, etc.	24,411	9,536	—

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RM-001	RM-002	RM-003	RM-004
Property name	ACROSSMALL Shinkamagaya	FOLEO HIRAKATA	QiZ GATE URAWA	UNICUS Takasaki
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	276,055	269,536	214,539	129,870
Rental revenues	275,700	217,118	181,110	129,870
Other rental revenues	355	52,418	33,428	–
(B) Real estate rental expenses subtotal	50,396	145,157	132,590	33,171
Taxes and public dues	25,208	22,942	13,750	9,792
Outsourcing expenses	9,002	42,279	35,810	20,350
Repairs and maintenance expenses	15,314	19,903	54,732	2,335
Insurance	320	229	115	82
Utilities expenses	–	50,519	27,350	–
Other rental expenses	550	9,282	832	610
(C) NOI (= A – B)	225,659	124,378	81,949	96,698
(D) Depreciation	53,833	37,643	28,349	12,024
(E) Income (loss) from rental business (= C – D)	171,825	86,735	53,599	84,673
(F) Capital expenditures	712	2,865	2,840	–
(G) NCF (= C – F)	224,946	121,513	79,108	96,698
Leasehold and security deposits, etc.	551,400	375,143	213,439	151,515

Property number	RM-005	RM-006	RM-007	RM-008
Property name	ACROSSPLAZA Miyoshi (Land)	DREAM TOWN ALi	ASOBOX (Land)	FOLEO Ome Imai
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	94,284	392,653	47,076	128,820
Rental revenues	94,284	294,567	47,076	128,820
Other rental revenues	–	98,085	–	–
(B) Real estate rental expenses subtotal	9,750	183,239	7,467	28,350
Taxes and public dues	9,534	22,605	7,251	10,387
Outsourcing expenses	–	33,914	–	9,528
Repairs and maintenance expenses	–	38,530	–	306
Insurance	–	312	–	109
Utilities expenses	–	83,070	–	–
Other rental expenses	216	4,805	216	8,019
(C) NOI (= A – B)	84,533	209,414	39,608	100,469
(D) Depreciation	–	38,608	–	17,649
(E) Income (loss) from rental business (= C – D)	84,533	170,805	39,608	82,819
(F) Capital expenditures	–	8,942	–	–
(G) NCF (= C – F)	84,533	200,472	39,608	100,469
Leasehold and security deposits, etc.	188,568	460,985	94,152	412,070

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RM-009	RM-010	RM-011	RR-001
Property name	FOLEO Otsu Ichiriyama	FOLEO Hakata	ACROSSMALL Semboku (Land)	LIFE Sagamihara Wakamatsu
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From December 7, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	322,633	126,216	42,388	(Note 1)
Rental revenues	321,900	126,216	42,381	(Note 1)
Other rental revenues	733	–	7	(Note 1)
(B) Real estate rental expenses subtotal	29,521	10,571	33	(Note 1)
Taxes and public dues	–	–	–	(Note 1)
Outsourcing expenses	10,900	3,852	–	(Note 1)
Repairs and maintenance expenses	17,297	5,903	–	(Note 1)
Insurance	717	272	–	(Note 1)
Utilities expenses	–	–	–	(Note 1)
Other rental expenses	605	543	33	(Note 1)
(C) NOI (= A – B)	293,112	115,644	42,354	44,127
(D) Depreciation	79,443	26,020	–	2,925
(E) Income (loss) from rental business (= C – D)	213,668	89,623	42,354	41,201
(F) Capital expenditures	23,072	2,858	–	–
(G) NCF (= C – F)	270,039	112,785	42,354	44,127
Leasehold and security deposits, etc.	315,000	124,538	151,010	(Note 1)

Property number	RR-002	RR-003	RR-004	RR-005
Property name	FOLEO Sendai Miyanomori	ACROSSPLAZA Inazawa (Land)	Sports Depo and GOLF5 Kokurahigashi IC Store	Hiratsuka Retail Property (Land)
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	238,500	69,660	(Note 1)	(Note 1)
Rental revenues	238,500	69,660	(Note 1)	(Note 1)
Other rental revenues	–	–	(Note 1)	(Note 1)
(B) Real estate rental expenses subtotal	26,857	7,370	(Note 1)	(Note 1)
Taxes and public dues	22,566	7,154	(Note 1)	(Note 1)
Outsourcing expenses	3,600	–	(Note 1)	(Note 1)
Repairs and maintenance expenses	–	–	(Note 1)	(Note 1)
Insurance	169	–	(Note 1)	(Note 1)
Utilities expenses	–	–	(Note 1)	(Note 1)
Other rental expenses	520	216	(Note 1)	(Note 1)
(C) NOI (= A – B)	211,642	62,289	79,460	116,797
(D) Depreciation	21,118	–	12,854	–
(E) Income (loss) from rental business (= C – D)	190,524	62,289	66,606	116,797
(F) Capital expenditures	3,600	–	–	–
(G) NCF (= C – F)	208,042	62,289	79,460	116,797
Leasehold and security deposits, etc.	238,500	139,320	(Note 1)	(Note 1)

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(Unit: Thousands of yen, unless otherwise stated)

Property number	RR-006	RU-001	Retail properties subtotal	HO-001
Property name	Royal Home Center Morinomiya (Land)	COMBOX310		Daiwa Roynet Hotel Yokohama Kannai
Period for asset management	From September 1, 2018 to February 28, 2019	From December 7, 2018 to February 28, 2019		From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	103,488	69,600	2,789,389	168,331
Rental revenues	103,488	69,600	2,604,360	142,720
Other rental revenues	—	—	185,029	25,611
(B) Real estate rental expenses subtotal	212	1,403	689,775	33,978
Taxes and public dues	—	—	169,108	—
Outsourcing expenses	—	1,122	173,960	10,180
Repairs and maintenance expenses	—	—	155,623	828
Insurance	—	150	2,586	145
Utilities expenses	—	—	160,940	22,290
Other rental expenses	212	130	27,556	534
(C) NOI (= A – B)	103,275	68,196	2,099,613	134,352
(D) Depreciation	—	20,283	350,755	22,764
(E) Income (loss) from rental business (= C – D)	103,275	47,912	1,748,857	111,587
(F) Capital expenditures	—	—	44,891	4,615
(G) NCF (= C – F)	103,275	68,196	2,054,721	129,737
Leasehold and security deposits, etc.	171,000	148,800	—	222,447

Property number	HO-002	Hotel properties subtotal	OT-001	OT-002
Property name	Super Hotel JR Nara Station Sanjo Street		Urban Living Inage	Aburatsubo Marina HILLS
Period for asset management	From December 6, 2018 to February 28, 2019		From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	24,900	193,231	39,060	43,749
Rental revenues	20,282	163,002	39,060	43,749
Other rental revenues	4,617	30,228	—	—
(B) Real estate rental expenses subtotal	4,199	38,177	4,736	3,013
Taxes and public dues	—	—	2,456	2,407
Outsourcing expenses	1,466	11,647	273	240
Repairs and maintenance expenses	—	828	1,678	84
Insurance	21	166	59	64
Utilities expenses	2,588	24,878	—	—
Other rental expenses	122	656	267	217
(C) NOI (= A – B)	20,701	155,053	34,323	40,735
(D) Depreciation	4,399	27,164	12,489	16,615
(E) Income (loss) from rental business (= C – D)	16,301	127,889	21,834	24,119
(F) Capital expenditures	—	4,615	673	—
(G) NCF (= C – F)	20,701	150,438	33,650	40,735
Leasehold and security deposits, etc.	92,000	—	41,937	53,900

(Unit: Thousands of yen, unless otherwise stated)

Property number	OT-003	OT-004	Other assets subtotal	Total
Property name	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Sharp Hiroshima Building		
Period for asset management	From September 1, 2018 to February 28, 2019	From September 1, 2018 to February 28, 2019		
Information on revenues and expenses				
(A) Real estate rental revenues subtotal	328,739	(Note 1)	469,751	23,013,558
Rental revenues	275,642	(Note 1)	416,651	21,984,957
Other rental revenues	53,096	(Note 1)	53,099	1,028,600
(B) Real estate rental expenses subtotal	83,672	(Note 1)	97,125	4,729,878
Taxes and public dues	18,754	(Note 1)	27,631	1,432,107
Outsourcing expenses	23,723	(Note 1)	25,436	1,283,640
Repairs and maintenance expenses	5,234	(Note 1)	6,997	977,205
Insurance	415	(Note 1)	575	27,558
Utilities expenses	35,252	(Note 1)	35,252	349,856
Other rental expenses	290	(Note 1)	1,230	659,510
(C) NOI (= A – B)	245,066	52,500	372,626	18,283,679
(D) Depreciation	55,782	7,841	92,729	4,454,820
(E) Income (loss) from rental business (= C – D)	189,284	44,658	279,896	13,828,859
(F) Capital expenditures	9,040	–	9,714	944,717
(G) NCF (= C – F)	236,025	52,500	362,911	17,338,961
Leasehold and security deposits, etc.	470,510	(Note 1)	—	—

(Note 1) Undisclosed as consent for disclosure has not been obtained from the lessee.

(Note 2) Sold as of December 7, 2018.

(2) Summary of Major Tenants

Not applicable.

(Note) A major tenant is a tenant for which leased area accounts for 10% or more of the leased areas in the entire portfolio.

(3) Summary on Appraisal Report

DHR obtains an appraisal report for each real estate or real estate in trust from DAIWA REAL ESTATE APPRAISAL CO., LTD., Chuo Real Estate Appraisal Co., Ltd., The Tanizawa Sōgō Appraisal Co., Ltd., Japan Real Estate Institute or JLL Morii Valuation & Advisory K.K. The following is a summary on the appraisal report obtained for each real estate or real estate in trust, which was owned by DHR as of February 28, 2019.

The appraisal value does not provide any guarantees or promises that the relevant real estate or real estate in trust may be sold at the appraisal value now or in future. DHR has no interest in the above appraisal agencies.

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LB-001	D Project Machida	T	February 28, 2019	9,840	10,100	4.3	9,730	1st to 8th year 4.2 9th year and later 4.3	4.5
LB-002	D Project Hachioji	T	February 28, 2019	17,000	16,700	4.2	17,100	4.2	4.4
LB-003	D Project Aikawa-Machi	T	February 28, 2019	4,410	4,460	4.6	4,390	4.6	4.8
LB-004	D Project Shin-Misato	T	February 28, 2019	5,750	5,900	4.8	5,680	1st to 10th year 4.8 11th year 4.9	5.0
LB-005	D Project Urayasu I	T	February 28, 2019	9,960	10,200	3.9	9,850	4.0	4.1
LB-006	D Project Urayasu II	T	February 28, 2019	28,100	28,400	3.8	28,000	1st to 8th year 3.8 9th year and later 3.9	4.0
LB-007	D Project Akanehama	T	February 28, 2019	3,070	3,130	4.4	3,050	4.5	4.6
LB-008	D Project Noda	T	February 28, 2019	6,550	6,600	4.6	6,530	1st to 8th year 4.5 9th year and later 4.6	4.8
LB-009	D Project Inuyama	T	February 28, 2019	11,780	11,770	4.7	11,780	Building A 1st to 6th year 4.6 7th year and later 4.7 Building B 1st to 8th year 4.6 9th year and later 4.7	4.9
LB-010	D Project Gifu	T	February 28, 2019	1,170	1,160	5.3	1,180	1st to 5th year 5.2 6th year and later 5.3	5.5
LB-011	D Project Neyagawa	T	February 28, 2019	6,320	6,350	4.5	6,300	1st to 10th year 4.5 11th year 4.6	4.7
LB-012	D Project Sapporo Minami	T	February 28, 2019	862	855	5.9	865	5.8	6.1

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LB-013	D Project Morioka	T	February 28, 2019	1,210	1,210	6.0	1,210	5.9	6.2
LB-014	D Project Sendai Minami	T	February 28, 2019	1,580	1,570	5.2	1,580	1st to 2nd year 5.0 3rd year and later 5.1	5.4
LB-015	D Project Tsuchiura	T	February 28, 2019	3,540	3,460	5.1	3,580	1st to 10th year 5.0 11th year 5.1	5.3
LB-016	D Project Gotenba	T	February 28, 2019	1,140	1,130	5.4	1,150	1st to 10th year 5.3 11th year 5.4	5.6
LB-017	D Project Nishi-Hiroshima	T	February 28, 2019	1,210	1,180	5.4	1,220	Building A 1st to 4th year 5.4 5th year and later 5.5 Building B 1st to 10th year 5.4 11th year 5.5	5.6
LB-018	D Project Fukuoka Umi	T	February 28, 2019	4,510	4,500	4.9	4,520	Building A 1st to 2nd year 4.7 3rd year and later 4.8 Building B 1st to 3rd year 4.6 4th year and later 4.8 Building C 4.8 Building D 1st to 2nd year 4.7 3rd year and later 4.8	5.1
LB-019	D Project Tosu	T	February 28, 2019	6,150	6,260	4.9	6,100	1st to 5th year 4.9 6th year and later 5.0	5.1
LB-020	D Project Kuki I	T	February 28, 2019	4,150	4,190	4.7	4,130	1st to 6th year 4.7 7th year and later 4.8	4.9
LB-021	D Project Kuki II	T	February 28, 2019	8,650	8,770	4.7	8,600	1st to 4th year 4.7 5th year and later 4.8	4.9
LB-022	D Project Kawagoe I	T	February 28, 2019	3,850	3,910	4.6	3,820	1st to 7th year 4.6 8th year and later 4.7	4.8
LB-023	D Project Kawagoe II	T	February 28, 2019	5,390	5,440	4.6	5,370	1st to 9th year 4.6 10th year and later 4.7	4.8

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LB-024	DPL Inuyama	T	February 28, 2019	4,220	4,230	4.7	4,210	1st to 10th year 4.6 11th year 4.7	4.9
LB-025	D Project Fukuoka Hakozaki	T	February 28, 2019	4,630	4,670	4.6	4,610	4.5	4.8
LB-026	D Project Kuki III	T	February 28, 2019	8,250	8,420	4.7	8,180	1st to 4th year 4.7 5th year and later 4.8	4.9
LB-027	D Project Kuki IV	T	February 28, 2019	5,910	5,880	4.7	5,920	1st to 5th year 4.7 6th year and later 4.8	4.9
LB-028	D Project Kuki V	T	February 28, 2019	8,910	8,990	4.7	8,880	1st to 3rd year 4.7 4th year and later 4.8	4.9
LB-029	D Project Kuki VI	T	February 28, 2019	5,510	5,580	4.7	5,480	1st to 5th year 4.7 6th year and later 4.8	4.9
LB-030	D Project Yashio	F	February 28, 2019	6,790	6,840	4.5	6,730	4.0	4.8
LB-031	D Project Nishiyodogawa	F	February 28, 2019	10,900	11,000	4.7	10,700	4.4	4.9
LB-032	D Project Matsudo	F	February 28, 2019	7,760	7,780	4.5	7,730	4.2	4.6
LB-033	D Project Hibiki Nada	T	February 28, 2019	2,170	2,180	5.7	2,170	1st to 3rd year 5.6 4th year and later 5.8	5.9
LB-034	D Project Morioka II	T	February 28, 2019	1,330	1,340	6.0	1,320	1st to 7th year 5.7 8th to 9th year 5.8 10th year and later 5.9	6.2
LB-035	D Project Kawagoe III	T	February 28, 2019	7,830	7,910	4.5	7,800	1st to 5th year 4.5 6th year and later 4.6	4.7
LB-036	D Project Kazo	T	February 28, 2019	3,460	3,450	4.8	3,460	1st to 6th year 4.8 7th year and later 4.9	5.0
LB-037	D Project Urayasu III	T	February 28, 2019	9,760	10,100	3.9	9,620	1st to 3rd year 3.8 4th to 7th year 3.9 8th year and later 4.0	4.1
LB-038	D Project Tomisato	T	February 28, 2019	5,280	5,270	4.8	5,280	1st to 7th year 4.8 8th year and later 4.9	5.0
LB-039	D Project Kyotanabe	F	February 28, 2019	3,710	3,720	5.5	3,690	5.1	5.8
LB-040	D Project Sendai Izumi	F	February 28, 2019	1,610	1,620	5.3	1,600	5.0	5.5
LB-041	D Project Oyama	T	February 28, 2019	2,040	2,070	5.5	2,020	5.6	5.7

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)					
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)	
LB-042	D Project Sano	T	February 28, 2019	1,800	1,810	5.5	1,790	1st to 10th year 11th year	5.5 5.6	5.7
LB-043	D Project Tatebayashi	T	February 28, 2019	3,210	3,220	5.5	3,210		5.5	5.7
LB-044	D Project Kakegawa	F	February 28, 2019	6,130	6,170	5.7	6,080		5.5	5.9
LB-045	D Project Hiroshima Seifu	F	February 28, 2019	4,050	4,080	5.4	4,010		4.9	5.8
LB-046	D Project Tosu II	T	February 28, 2019	1,890	1,900	5.0	1,890	1st to 5th year 6th year and later	5.0 5.1	5.2
LB-047	D Project Kawagoe IV	T	February 28, 2019	5,930	6,060	4.6	5,880	1st to 2nd year 3rd year and later	4.6 4.7	4.8
LB-048	D Project Kuki VII	T	February 28, 2019	1,110	1,100	4.8	1,110		4.8	5.0
LB-049	D Project Chibakita	D	February 28, 2019	8,020	8,090	4.4	7,990		4.2	4.6
LB-050	D Project Matsudo II	F	February 28, 2019	8,370	8,400	4.5	8,340		4.2	4.6
LB-051	D Project Tomisato II	T	February 28, 2019	7,150	7,160	4.8	7,140	1st to 8th year 9th year and later	4.8 4.9	5.0
LB-052	D Project Osaka Hirabayashi	T	February 28, 2019	4,350	4,440	4.7 (Note 4)	4,310	Period earning Terminal value	4.6 4.9	– (Note 4)
LB-053	D Project Sendai Izumi II	F	February 28, 2019	7,540	7,610	5.2	7,460		5.0	5.4
LB-054	D Project Kaminokawa	T	February 28, 2019	8,050	8,080	5.5	8,040	1st to 2nd year 3rd year and later	5.5 5.6	5.7
LB-055	D Project Fuji	F	February 28, 2019	3,680	3,730	5.6	3,630		5.4	5.9
LB-056	D Project Tosu III	T	February 28, 2019	9,380	9,440	5.1	9,360	1st to 3rd year 4th year and later	5.0 5.2	5.3
LM-001	DPL Misato	T	February 28, 2019	17,800	18,000	4.1	17,700	1st to 5th year 6th year and later	4.1 4.2	4.3
LM-002	DPL Fukuoka Kasuya	F	February 28, 2019	13,300	13,400	4.6	13,100		4.4	4.8

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Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
LM-003	DPL Kitakyushu	T	February 28, 2019	3,580	3,530	5.5	3,600	Building A 1st to 4th year 5.4 5th to 9th year 5.5 10th year and later 5.6 Building B 1st to 3rd year 5.4 4th to 8th year 5.5 9th year and later 5.6	5.7
RE-001	Qiz Ebisu	T	February 28, 2019	8,810	9,030	3.7	8,720	3.9	3.9
RE-002	Castalia Azabujuban Shichimenzaka	C	February 28, 2019	4,350	4,390	4.1	4,330	3.9	4.3
RE-003	Castalia Shibakoen	T	February 28, 2019	2,310	2,340	4.1	2,290	4.2	4.3
RE-004	Castalia Ginza	T	February 28, 2019	2,260	2,270	4.1	2,250	4.1	4.3
RE-005	Castalia Hiroo	T	February 28, 2019	1,930	1,980	3.9	1,910	4.0	4.1
RE-006	Castalia Nihonbashi	T	February 28, 2019	1,190	1,200	4.2	1,190	4.2	4.4
RE-007	Castalia Hacchobori	T	February 28, 2019	2,330	2,340	4.2	2,320	4.2	4.4
RE-008	Castalia Azabujuban	C	February 28, 2019	2,730	2,770	4.1	2,710	3.9	4.3
RE-009	Castalia Azabujuban II	C	February 28, 2019	2,560	2,620	4.0	2,540	3.8	4.2
RE-010	Castalia Shinjuku Natsumezaka	C	February 28, 2019	1,630	1,660	4.2	1,620	4.0	4.4
RE-011	Castalia Ginza II	T	February 28, 2019	1,760	1,770	4.1	1,750	4.1	4.3
RE-012	Castalia Shibuya Sakuragaoka	T	February 28, 2019	1,180	1,210	3.9	1,170	4.1	4.1
RE-013	Castalia Nishi Azabu Kasumicho	T	February 28, 2019	2,480	2,510	4.0	2,470	4.1	4.2
RE-014	Castalia Ochanomizu	F	February 28, 2019	2,250	2,290	4.1	2,210	3.9	4.3
RE-015	Castalia Sangubashi	T	February 28, 2019	1,530	1,550	4.1	1,520	4.3	4.3
RE-016	Castalia Suitengu	T	February 28, 2019	1,540	1,550	4.2	1,540	4.2	4.4
RE-017	Castalia Suitengu II	T	February 28, 2019	1,390	1,410	4.1	1,380	4.2	4.3
RE-018	Castalia Shintomicho	T	February 28, 2019	1,120	1,130	4.2	1,110	4.2	4.4
RE-019	Castalia Shintomicho II	T	February 28, 2019	988	996	4.2	984	4.2	4.4
RE-020	Castalia Harajuku	F	February 28, 2019	970	987	3.9	953	3.7	4.1
RE-021	Castalia Yoyogi Uehara	F	February 28, 2019	740	751	4.0	729	3.8	4.2
RE-022	Castalia Sendagaya	F	February 28, 2019	654	664	4.0	643	3.8	4.2
RE-023	Castalia Shinjuku 7 chome	F	February 28, 2019	541	548	4.4	533	4.2	4.6

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-024	Castalia Ningyocho	F	February 28, 2019	1,290	1,310	4.1	1,270	3.9	4.3
RE-025	Castalia Ningyocho II	F	February 28, 2019	1,420	1,440	4.1	1,390	3.9	4.3
RE-026	Castalia Shin-Ochanomizu	F	February 28, 2019	1,090	1,100	4.1	1,070	3.9	4.3
RE-027	Castalia Higashi Nihonbashi II	F	February 28, 2019	1,710	1,730	4.1	1,680	3.9	4.3
RE-028	Castalia Jinbocho	F	February 28, 2019	1,460	1,480	4.1	1,430	3.9	4.3
RE-029	Castalia Shintomicho III	F	February 28, 2019	771	785	4.2	757	3.9	4.5
RE-030	Castalia Shinjuku Gyoen	T	February 28, 2019	3,320	3,400	4.1	3,290	4.3	4.3
RE-031	Castalia Takanawadai	F	February 28, 2019	1,050	1,060	4.0	1,030	3.8	4.2
RE-032	Castalia Higashi Nihonbashi III	D	February 28, 2019	830	840	4.1	825	3.9	4.3
RE-033	Castalia Shinjuku Gyoen II	T	February 28, 2019	550	565	4.1	543	4.3	4.3
RE-034	Castalia Shintomicho IV	D	February 28, 2019	505	511	4.1	502	3.9	4.3
RE-035	Castalia Takanawadai II	F	February 28, 2019	1,380	1,400	4.0	1,360	3.8	4.2
RE-036	Castalia Minami Azabu	F	February 28, 2019	710	722	4.0	698	3.8	4.2
RE-037	Castalia Ginza III	T	February 28, 2019	3,070	3,110	4.1	3,050	4.1	4.3
RE-038	Castalia Kayabacho	T	February 28, 2019	3,240	3,250	4.2	3,230	4.2	4.4
RE-039	Castalia Takanawa	T	February 28, 2019	8,240	8,460	4.1	8,150	4.4	4.3
RE-040	Castalia Higashi Nihonbashi	C	February 28, 2019	4,080	4,070	4.4	4,080	4.2	4.6
RE-041	Castalia Shinjuku	T	February 28, 2019	3,500	3,580	4.1	3,470	4.3	4.3
RE-042	Castalia Ichigaya	C	February 28, 2019	1,350	1,360	4.3	1,340	4.1	4.5
RE-043	Shibaura Island Bloom Tower	F	February 28, 2019	9,350	– (Note 3)	– (Note 3)	9,350	3.9	5.9
RE-044	Castalia Hatsudai	D	February 28, 2019	2,390	2,430	4.1	2,370	3.9	4.3
RE-045	Castalia Hatsudai II	M	February 28, 2019	2,180	2,210	3.9	2,140	3.7	4.1
RE-046	Castalia Ebisu	M	February 28, 2019	1,640	1,670	3.8	1,600	3.6	4.0
RE-047	Castalia Meguro Kamurozaka	D	February 28, 2019	4,470	4,540	4.0	4,440	3.8	4.2
RE-048	Castalia Toritsudaigaku	C	February 28, 2019	536	547	5.0	531	4.8	5.3
RE-049	Castalia Yukigaya	T	February 28, 2019	1,150	1,160	4.2	1,140	4.3	4.4
RE-050	Castalia Yutenji	C	February 28, 2019	1,320	1,350	4.1	1,310	3.9	4.3
RE-051	Castalia Otsuka	C	February 28, 2019	1,650	1,660	4.2	1,650	4.0	4.4
RE-052	Castalia Kikukawa	T	February 28, 2019	809	817	4.3	805	4.4	4.5
RE-053	Castalia Meguro	F	February 28, 2019	1,070	1,080	4.2	1,060	3.9	4.4

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Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-054	Castalia Otsuka II	F	February 28, 2019	1,290	1,310	4.2	1,270	4.0	4.4
RE-055	Castalia Jiyugaoka	F	February 28, 2019	1,400	1,420	4.0	1,380	3.8	4.2
RE-056	Castalia Mejiro	C	February 28, 2019	1,100	1,110	4.5	1,090	4.3	4.7
RE-057	Castalia Ikebukuro	D	February 28, 2019	2,950	2,990	4.1	2,930	3.9	4.3
RE-058	Castalia Kaname-cho	T	February 28, 2019	1,280	1,310	4.2	1,270	4.4	4.4
RE-059	Castalia Tower Shinagawa Seaside	T	February 28, 2019	9,130	9,190	4.2	9,100	4.2	4.4
RE-060	Castalia Yakumo	T	February 28, 2019	819	829	4.1	814	4.3	4.3
RE-061	Castalia Togoshiekimae	F	February 28, 2019	2,050	2,080	4.2	2,020	4.0	4.4
RE-062	Castalia Honjo Azumabashi	T	February 28, 2019	1,230	1,240	4.4	1,220	4.5	4.6
RE-063	Castalia Kitazawa	F	February 28, 2019	849	862	4.1	836	3.9	4.3
RE-064	Castalia Monzennakacho	T	February 28, 2019	603	612	4.4	599	4.5	4.6
RE-065	Castalia Kamiikedai	F	February 28, 2019	222	223	4.8	220	4.4	5.0
RE-066	Castalia Morishita	F	February 28, 2019	1,050	1,060	4.2	1,030	4.0	4.4
RE-067	Castalia Wakabayashikoen	D	February 28, 2019	864	875	4.1	859	3.9	4.3
RE-068	Castalia Asakusabashi	C	February 28, 2019	984	982	4.4	985	4.2	4.6
RE-069	Castalia Iriya	C	February 28, 2019	671	674	4.8	669	4.6	5.0
RE-070	Castalia Kita Ueno	T	February 28, 2019	2,880	2,920	4.3	2,860	4.4	4.5
RE-071	Castalia Morishita II	T	February 28, 2019	833	836	4.3	831	4.4	4.5
RE-072	Castalia Minowa	T	February 28, 2019	1,580	1,600	4.3	1,570	4.4	4.5
RE-073	Castalia Oyamadai	T	February 28, 2019	613	622	4.2	609	4.3	4.4
RE-074	Castalia Nakano	F	February 28, 2019	1,280	1,300	4.1	1,260	3.9	4.3
RE-075	Castalia Yoga	T	February 28, 2019	1,170	1,200	4.1	1,160	4.3	4.3
RE-076	Castalia Sumiyoshi	T	February 28, 2019	1,060	1,070	4.3	1,050	4.4	4.5
RE-077	Castalia Monzennakacho II	F	February 28, 2019	2,760	2,800	4.1	2,710	3.9	4.3
RE-078	Castalia Oshiage	T	February 28, 2019	1,150	1,160	4.4	1,150	1st to 10th year 4.7 11th year 4.5	4.6
RE-079	Castalia Kuramac	T	February 28, 2019	1,500	1,530	4.3	1,490	1st to 10th year 4.5 11th year 4.4	4.5
RE-080	Castalia Nakanobu	C	February 28, 2019	2,590	2,630	4.2	2,570	4.0	4.4
RE-081	Royal Parks Toyosu	C	February 28, 2019	9,950	10,100	4.6	9,890	4.3	4.9

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Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-082	Castalia Togoshi	C	February 28, 2019	2,520	2,550	4.3	2,510	4.1	4.5
RE-083	Castalia Oomachi	M	February 28, 2019	1,540	1,570	3.8	1,510	3.6	4.0
RE-084	Castalia Omori	C	February 28, 2019	1,810	1,830	4.3	1,800	4.1	4.5
RE-085	Castalia Mishuku	C	February 28, 2019	2,320	2,350	4.3	2,310	4.1	4.5
RE-086	Castalia Arakawa	C	February 28, 2019	2,190	2,200	4.5	2,190	4.3	4.7
RE-087	Castalia Omori II	M	February 28, 2019	3,010	3,050	3.9	2,970	3.7	4.1
RE-088	Castalia Nakameguro	M	February 28, 2019	4,530	4,600	3.8	4,460	3.6	4.0
RE-089	Castalia Meguro Chojyamaru	M	February 28, 2019	2,400	2,440	3.8	2,350	3.6	4.0
RE-090	Castalia Meguro Takaban	M	February 28, 2019	1,900	1,930	4.0	1,860	3.8	4.2
RE-091	Castalia Omori III	M	February 28, 2019	1,740	1,770	4.0	1,710	3.8	4.2
RE-093	Castalia Meguro Tairamachi	M	February 28, 2019	1,320	1,350	3.7	1,290	3.5	3.9
RE-094	Royal Parks SEASIR	M	February 28, 2019	4,980	5,080	5.2 (Note 4)	4,980	1st to 10th year 5.0 11th year to end of land leasing period 5.4	– (Note 4)
RE-095	Castalia Honkomagome	M	February 28, 2019	1,830	1,860	4.1	1,790	3.9	4.3
RE-096	Cosmo Heim Musashikosugi	C	February 28, 2019	2,020	2,050	4.8	2,000	4.6	5.0
RE-097	Castalia Tsurumi	C	February 28, 2019	754	755	5.1	754	4.9	5.3
RE-098	Castalia Funabashi	T	February 28, 2019	794	796	4.9	793	1st to 2nd year 4.9 3rd to 11th year 4.7	5.1
RE-099	Castalia Nishi Funabashi	F	February 28, 2019	954	964	5.1	944	4.9	5.3
RE-105	Castalia Nozeyama	F	February 28, 2019	328	331	5.0	324	4.8	5.2
RE-106	Castalia Ichikawa	F	February 28, 2019	549	554	4.9	543	4.8	5.2
RE-107	Royal Parks Hanakoganei	D	February 28, 2019	6,280	6,220	5.0 (Note 4)	6,300	1st to 10th year 4.8 11th year to end of land leasing period 5.2	– (Note 4)
RE-108	Castalia Musashikosugi	M	February 28, 2019	1,890	1,920	4.3	1,850	4.1	4.5
RE-109	Royal Parks Wakabadai	D	February 28, 2019	4,790	4,690	5.1 (Note 4)	4,830	1st to 10th year 4.9 11th year to end of land leasing period 5.3	– (Note 4)
RE-110	Pacific Royal Court Minatomirai Urban Tower	M	February 28, 2019	10,900	11,100	4.8 (Note 4)	10,900	1st to 10th year 4.6 11th year to end of land leasing period 5.0	– (Note 4)

Daiwa House REIT Investment Corporation (8984)
Financial Results for the Fiscal Period Ended February 28, 2019

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-111	L-Place Shinkoyasu	F	February 28, 2019	2,110	2,130	4.8	2,080	4.6	5.0
RE-112	Royal Parks Musashikosugi	M	February 28, 2019	1,310	1,330	4.7 (Note 4)	1,310	1st to 10th year 4.5 11th year to end of land leasing period 4.9	— (Note 4)
RE-116	Castalia Sakaisuji Honmachi	T	February 28, 2019	1,820	1,830	4.5	1,810	4.6	4.7
RE-117	Castalia Shin-Umeda	T	February 28, 2019	1,590	1,600	4.6	1,580	4.7	4.8
RE-118	Castalia Abeno	T	February 28, 2019	5,310	5,350	4.5	5,290	4.6	4.7
RE-119	Castalia Sakae	C	February 28, 2019	1,220	1,220	4.8	1,220	4.6	5.0
RE-121	Castalia Maruyama Urasando	T	February 28, 2019	508	509	4.8	507	4.8	5.0
RE-122	Castalia Maruyama Omotesando	T	February 28, 2019	2,010	2,020	4.8	2,000	4.8	5.0
RE-123	Castalia Higashi Hie	T	February 28, 2019	1,050	1,060	4.8	1,040	5.0	5.0
RE-124	Castalia Tower Nagahoribashi	C	February 28, 2019	4,620	4,640	4.7	4,610	4.5	4.9
RE-125	Castalia Sannomiya	D	February 28, 2019	1,500	1,510	4.9	1,490	4.7	5.1
RE-126	Castalia Kotodaikoen	D	February 28, 2019	558	557	5.2	558	5.2	5.4
RE-127	Castalia Ichibancho	D	February 28, 2019	938	946	5.2	935	5.2	5.4
RE-128	Castalia Omachi	D	February 28, 2019	820	821	5.2	819	5.2	5.4
RE-129	Castalia Uemachidai	D	February 28, 2019	2,770	2,800	4.6	2,750	4.4	4.8
RE-130	Castalia Tower Higobashi	C	February 28, 2019	3,590	3,600	4.7	3,580	4.5	4.9
RE-131	Big Tower Minami Sanjo	D	February 28, 2019	2,650	2,660	5.1	2,650	4.9	5.3
RE-132	Castalia Fushimi	F	February 28, 2019	3,110	3,150	4.6	3,070	4.4	4.8
RE-133	Castalia Meieki Minami	M	February 28, 2019	964	981	4.3	947	4.1	4.5
RE-134	Castalia Yakuin	M	February 28, 2019	1,180	1,200	4.4	1,160	4.2	4.6
RE-135	Castalia Mibu	F	February 28, 2019	1,490	1,510	4.7	1,470	4.5	4.9
RE-136	Castalia Tsutsujigaoka	M	February 28, 2019	1,750	1,770	4.8	1,720	4.6	5.0
RE-137	Castalia Ohori Bay Tower	M	February 28, 2019	3,670	3,750	5.2	3,580	5.0	5.4
RE-138	Royal Parks Namba	D	February 28, 2019	2,970	2,960	5.4 (Note 4)	2,970	1st to 10th year 5.3 11th year to end of land leasing period 5.7	— (Note 4)
RE-139	Castalia Shigahondori	F	February 28, 2019	2,090	2,110	4.8	2,060	4.6	5.0
RE-140	Castalia Kyoto Nishioji	M	February 28, 2019	1,080	1,100	4.4	1,060	4.2	4.6
RE-141	Castalia Ningyocho III	F	February 28, 2019	2,440	2,470	4.0	2,400	3.8	4.2

Property number	Property name	Appraisal agency (Note 1)	Date of value appraised	Appraisal value (Millions of yen)	Value based on income method (Millions of yen) (Note 2)				
					Price based on direct capitalization method	Capitalization rate (%)	Price based on DCF method	Discount rate (%)	Terminal capitalization rate (%)
RE-142	Royal Parks Umejima	M	February 28, 2019	2,200	2,250	5.2 (Note 4)	2,200	1st to 10th year 5.0 11th year to end of land leasing period 5.4	– (Note 4)
RE-143	Castalia Shinsakae II	D	February 28, 2019	1,960	1,990	4.9	1,940	4.7	5.1
RM-001	ACROSSMALL Shinkamagaya	F	February 28, 2019	8,340	8,420	5.5	8,260	5.2	5.7
RM-002	FOLEO Hirakata	F	February 28, 2019	4,670	4,710	6.0	4,630	5.5	6.1
RM-003	QiZ GATE URAWA	F	February 28, 2019	4,330	4,360	5.5	4,290	5.1	5.6
RM-004	UNICUS Takasaki	F	February 28, 2019	3,110	3,120	6.1	3,090	5.8	6.3
RM-005	ACROSSPLAZA Miyoshi (Land)	T	February 28, 2019	3,950	– (Note 3)	– (Note 3)	3,950	4.2	– (Note 4)
RM-006	DREAM TOWN ALI	F	February 28, 2019	8,510	8,630	5.6	8,390	5.4	5.9
RM-007	ASOBOX (Land)	F	February 28, 2019	1,900	– (Note 3)	– (Note 3)	1,900	4.9	– (Note 4)
RM-008	FOLEO Ome Imai	F	February 28, 2019	3,950	3,980	5.1	3,920	4.6	5.4
RM-009	FOLEO Otsu Ichiryama	F	February 28, 2019	8,450	8,540	5.5	8,350	5.3	5.8
RM-010	FOLEO Hakata	F	February 28, 2019	3,680	3,740	4.8	3,620	4.6	5.1
RM-011	ACROSSMALL Semboku (Land)	T	February 28, 2019	3,880	– (Note 3)	– (Note 3)	3,880	4.3	– (Note 4)
RR-001	LIFE Sagamihara Wakamatsu	F	February 28, 2019	1,800	1,820	4.7	1,780	4.3	4.8
RR-002	FOLEO Sendai Miyanomori	F	February 28, 2019	7,380	7,420	5.6	7,330	5.3	5.8
RR-003	ACROSSPLAZA Inazawa (Land)	F	February 28, 2019	2,520	– (Note 3)	– (Note 3)	2,520	5.1	– (Note 4)
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	T	February 28, 2019	2,400	2,410	6.0	2,400	6.1	6.2
RR-005	Hiratsuka Retail Property (Land)	T	February 28, 2019	6,640	– (Note 3)	– (Note 3)	6,640	4.0	– (Note 4)
RR-006	Royal Home Center Morinomiya (Land)	T	February 28, 2019	5,220	– (Note 3)	– (Note 3)	5,220	4.0	– (Note 4)
RU-001	COMBOX310	D	February 28, 2019	4,600	4,590	5.6	4,600	5.4	5.8
HO-001	Daiwa Roynet Hotel Yokohama Kannai	D	February 28, 2019	4,940	4,970	4.7	4,930	4.5	4.9
HO-002	Super Hotel JR Nara Station Sanjo Street	D	February 28, 2019	1,490	1,500	4.8	1,480	4.6	5.0
OT-001	Urban Living Inage	D	February 28, 2019	1,280	1,290	5.3	1,270	5.1	5.5
OT-002	Aburatsubo Marina HILLS	F	February 28, 2019	1,260	1,270	6.1	1,250	5.9	6.3
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	D	February 28, 2019	8,010	8,010	5.5	8,010	5.3	5.7
OT-004	Sharp Hiroshima Building	F	February 28, 2019	1,950	1,970	5.3	1,930	5.1	5.5

(Note 1) In “Appraisal agency,” “D” represents DAIWA REAL ESTATE APPRAISAL CO., LTD., “C” represents Chuo Real Estate Appraisal Co., Ltd., “T” represents The Tanizawa Sōgō Appraisal Co., Ltd., “F” represents Japan Real Estate Institute, and “M” represents JLL Morii Valuation & Advisory K.K.

- (Note 2) “Value based on income method” represents value calculated by the direct capitalization method and value calculated by the DCF method. The direct capitalization method is a technique to estimate a value by dividing net cash flow for a period by the capitalization rate. The DCF method is a technique to estimate a value based on income calculated by discounting net cash flow and terminal value for consecutive multiple periods to the present values corresponding to the periods in which each belong and adding the respective discounted values together.
- (Note 3) In this appraisal, because the contractual terms prescribe the restoration of land to its original state at the expiry of the agreement and the direct capitalization method where net cash flow over a period of time is capitalized at the capitalization rate is not suitable, the price based on the direct capitalization method was not calculated.
- (Note 4) The capitalization rate states the discount rate used in the direct capitalization method (inwood method). Since the capitalization method was not applied in the calculation of price of selling the vacant lot, the terminal capitalization rate was not presented.

(4) Summary on Engineering Report

DHR obtains building condition evaluation reports and detailed earthquake risk analysis reports concerning building inspections, building evaluations, compliance with relevant laws and regulations, evaluations of repairs and maintenance expenses, environmental assessments, and earthquake risk analyses (collectively termed “Engineering Reports”) from Tokio Marine & Nichido Risk Consulting Co., Ltd. for each real estate or each real estate in trust owned by DHR. The summary of the Engineering Reports for each real estate or each real estate in trust as of February 28, 2019, is as follows:

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
LB-001	D Project Machida	–	–	275,315	2.7	August 2017
LB-002	D Project Hachioji	–	–	188,463	6.0	August 2017
LB-003	D Project Aikawa-Machi	–	–	27,858	5.5	August 2017
LB-004	D Project Shin-Misato	–	–	38,465	0.8	August 2017
LB-005	D Project Urayasu I	–	–	200,122	3.5	August 2017
LB-006	D Project Urayasu II	–	–	273,325	2.1	August 2017
LB-007	D Project Akanehama	–	–	18,091	1.7	August 2017
LB-008	D Project Noda	–	–	64,458	1.7	August 2017
LB-009	D Project Inuyama (Note 3)	–	–	124,865	2.7	August 2017 February 2018
LB-010	D Project Gifu	–	–	13,297	4.1	August 2017
LB-011	D Project Neyagawa	–	–	23,505	2.7	August 2017
LB-012	D Project Sapporo Minami	–	–	26,616	1.9	August 2017
LB-013	D Project Morioka	–	–	42,410	8.1	August 2017
LB-014	D Project Sendai Minami	–	–	27,070	1.5	August 2017
LB-015	D Project Tsuchiura	–	–	32,535	1.6	August 2017
LB-016	D Project Gotenba	–	–	37,810	7.0	August 2017
LB-017	D Project Nishi-Hiroshima	–	–	35,594	2.3	August 2017
LB-018	D Project Fukuoka Umi	–	–	126,738	1.3	August 2017
LB-019	D Project Tosu	–	–	11,000	5.2	August 2017
LB-020	D Project Kuki I	–	–	53,893	0.5	February 2019
LB-021	D Project Kuki II	–	–	77,660	3.4	February 2019
LB-022	D Project Kawagoe I	–	–	50,889	7.6	February 2019
LB-023	D Project Kawagoe II	–	–	5,231	3.2	February 2014
LB-024	DPL Inuyama	–	–	56,367	7.0	February 2019
LB-025	D Project Fukuoka Hakozaiki	–	–	123,696	10.9	February 2019
LB-026	D Project Kuki III	–	–	42,950	0.1	February 2015
LB-027	D Project Kuki IV	–	–	11,712	1.7	February 2015
LB-028	D Project Kuki V	–	–	59,385	2.8	February 2015
LB-029	D Project Kuki VI	–	–	41,380	2.0	February 2015
LB-030	D Project Yashio	–	–	69,618	1.6	February 2015
LB-031	D Project Nishiyodogawa	–	–	20,912	7.3	February 2015
LB-032	D Project Matsudo	–	–	20,868	3.1	February 2015
LB-033	D Project Hibiki Nada	–	–	77,619	1.3	April 2016
LB-034	D Project Morioka II	–	–	20,721	14.5	March 2016
LB-035	D Project Kawagoe III	–	–	99,129	2.2	February 2017
LB-036	D Project Kazo	–	–	44,541	1.2	February 2017
LB-037	D Project Urayasu III	–	–	236,787	3.7	February 2017
LB-038	D Project Tomisato	–	–	57,681	2.9	February 2017
LB-039	D Project Kyotanabe	–	–	47,381	5.7	February 2017
LB-040	D Project Sendai Izumi	–	–	29,414	4.4	February 2017
LB-041	D Project Oyama	–	–	31,146	1.6	February 2017
LB-042	D Project Sano	–	–	38,714	1.5	February 2017
LB-043	D Project Tatebayashi	–	–	45,056	1.8	February 2017
LB-044	D Project Kakegawa	–	–	58,493	9.1	February 2017
LB-045	D Project Hiroshima Seifu	–	–	39,347	4.7	February 2017
LB-046	D Project Tosu II	–	–	26,713	3.0	February 2017
LB-047	D Project Kawagoe IV	–	–	134,126	3.5	February 2018
LB-048	D Project Kuki VII	–	–	42,274	1.5	February 2018
LB-049	D Project Chibakita	–	–	58,386	2.4	February 2018
LB-050	D Project Matsudo II	50	–	77,496	3.5	February 2018
LB-051	D Project Tomisato II	–	–	57,787	2.1	February 2018
LB-052	D Project Osaka Hirabayashi	–	–	35,471	8.0	February 2018
LB-053	D Project Sendai Izumi II	50	–	99,230	6.7	February 2018
LB-054	D Project Kaminokawa	–	–	227,367	1.3	February 2018
LB-055	D Project Fuji	–	–	66,588	14.0	February 2018
LB-056	D Project Tosu III	–	–	93,341	4.3	February 2018

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
LM-001	DPL Misato	–	–	297,332	0.5	February 2017
LM-002	DPL Fukuoka Kasuya	–	–	516,216	0.9	February 2018
LM-003	DPL Kitakyushu	–	–	84,977	1.1	September 2018
RE-001	Qiz Ebisu	–	–	183,070	3.4	February 2019
RE-002	Castalia Azabujuban Shichimenzaka	–	–	98,288	2.3	February 2019
RE-003	Castalia Shibakoen	–	–	98,295	3.9	July 2018
RE-004	Castalia Ginza	–	–	98,619	2.8	July 2018
RE-005	Castalia Hiroo	–	–	50,386	6.0	February 2017
RE-006	Castalia Nihonbashi	–	–	57,168	2.7	February 2019
RE-007	Castalia Hacchobori	–	–	72,397	5.2	July 2015
RE-008	Castalia Azabujuban	–	–	75,318	3.8	February 2016
RE-009	Castalia Azabujuban II	–	–	87,409	3.8	February 2016
RE-010	Castalia Shinjuku Natsumezaaka	–	–	53,396	5.1	August 2016
RE-011	Castalia Ginza II	–	–	40,586	2.5	August 2016
RE-012	Castalia Shibuya Sakuragaoka	–	–	55,552	7.6	January 2017
RE-013	Castalia Nishi Azabu Kasumicho	–	–	41,824	5.0	January 2018
RE-014	Castalia Ochanomizu	–	–	31,540	6.8	January 2018
RE-015	Castalia Sangubashi	–	–	63,845	4.2	January 2018
RE-016	Castalia Suitengu	–	–	42,310	6.6	July 2018
RE-017	Castalia Suitengu II	–	–	44,755	6.9	July 2018
RE-018	Castalia Shintomicho	–	–	37,208	5.4	July 2018
RE-019	Castalia Shintomicho II	–	–	39,776	3.6	July 2018
RE-020	Castalia Harajuku	–	–	58,662	9.6	January 2018
RE-021	Castalia Yoyogi Uehara	–	–	36,712	9.1	January 2018
RE-022	Castalia Sendagaya	–	–	37,313	10.3	January 2018
RE-023	Castalia Shinjuku 7 chome	–	–	41,894	4.9	January 2018
RE-024	Castalia Ningyocho	–	–	39,495	4.9	February 2019
RE-025	Castalia Ningyocho II	–	–	42,335	5.4	February 2019
RE-026	Castalia Shin-Ochanomizu	–	–	44,699	5.7	February 2019
RE-027	Castalia Higashi Nihonbashi II	–	–	71,520	4.8	February 2019
RE-028	Castalia Jinbocho	–	–	54,406	5.6	February 2019
RE-029	Castalia Shintomicho III	–	–	43,489	3.2	February 2019
RE-030	Castalia Shinjuku Gyoen	–	–	65,142	2.9	July 2018
RE-031	Castalia Takanawadai	–	–	43,633	6.9	July 2018
RE-032	Castalia Higashi Nihonbashi III	–	–	43,554	4.6	July 2018
RE-033	Castalia Shinjuku Gyoen II	–	–	31,226	4.8	July 2018
RE-034	Castalia Shintomicho IV	–	–	17,714	5.8	July 2018
RE-035	Castalia Takanawadai II	–	–	42,885	10.0	February 2019
RE-036	Castalia Minami Azabu	–	–	27,965	5.0	February 2019
RE-037	Castalia Ginza III	–	–	95,256	2.7	July 2015
RE-038	Castalia Kayabacho	–	–	95,974	5.0	July 2015
RE-039	Castalia Takanawa	–	–	266,139	4.0	July 2015
RE-040	Castalia Higashi Nihonbashi	–	–	116,722	2.2	July 2015
RE-041	Castalia Shinjuku	–	–	32,453	4.3	July 2015
RE-042	Castalia Ichigaya	–	–	34,073	7.5	July 2015
RE-043	Shibaura Island Bloom Tower	–	–	418,923	2.0	August 2016
RE-044	Castalia Hatsudai	–	–	101,851	3.9	August 2016
RE-045	Castalia Hatsudai II	–	–	51,667	4.9	July 2017
RE-046	Castalia Ebisu	–	–	41,598	3.4	July 2017
RE-047	Castalia Meguro Kamurozaka	–	–	126,143	2.6	February 2019
RE-048	Castalia Toritsudaigaku	–	–	56,449	5.9	January 2018
RE-049	Castalia Yukigaya	–	–	69,120	2.5	February 2016
RE-050	Castalia Yutenji	–	–	43,828	8.5	February 2016
RE-051	Castalia Otsuka	–	–	57,326	4.3	August 2016
RE-052	Castalia Kikukawa	–	–	53,076	7.6	August 2016
RE-053	Castalia Meguro	–	–	28,156	4.2	January 2018
RE-054	Castalia Otsuka II	–	–	42,746	3.8	February 2019
RE-055	Castalia Jiyugaoka	–	–	62,055	9.3	February 2019
RE-056	Castalia Mejiro	–	–	45,570	5.3	July 2015
RE-057	Castalia Ikebukuro	–	–	66,490	2.8	February 2019
RE-058	Castalia Kaname-cho	–	–	51,382	2.3	July 2015
RE-059	Castalia Tower Shinagawa Seaside	–	–	274,548	3.1	July 2015
RE-060	Castalia Yakumo	–	–	43,824	9.1	July 2015
RE-061	Castalia Togoshiekimae	–	–	31,373	5.6	July 2015
RE-062	Castalia Honjo Azumabashi	–	–	36,364	4.5	July 2018
RE-063	Castalia Kitazawa	–	–	30,415	4.4	January 2018
RE-064	Castalia Monzennakacho	–	–	41,454	8.1	January 2018
RE-065	Castalia Kamiikedai	–	–	12,823	11.2	January 2018

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
RE-066	Castalia Morishita	–	–	39,361	6.7	February 2019
RE-067	Castalia Wakabayashiko	–	–	42,768	3.4	July 2018
RE-068	Castalia Asakusabashi	–	–	57,462	2.8	February 2019
RE-069	Castalia Iriya	600	–	35,393	5.4	July 2015
RE-070	Castalia Kita Ueno	–	–	141,363	3.3	July 2018
RE-071	Castalia Morishita II	–	–	36,879	6.7	February 2019
RE-072	Castalia Minowa	–	–	69,378	5.4	February 2019
RE-073	Castalia Oyamadai	–	–	14,148	8.7	July 2015
RE-074	Castalia Nakano	–	–	33,418	3.9	July 2015
RE-075	Castalia Yoga	–	–	26,900	5.6	July 2015
RE-076	Castalia Sumiyoshi	–	–	28,681	6.8	July 2015
RE-077	Castalia Monzennakacho II	–	–	64,061	7.3	February 2019
RE-078	Castalia Oshiage	–	–	64,580	6.5	February 2019
RE-079	Castalia Kuramae	–	–	64,028	4.1	February 2019
RE-080	Castalia Nakanobu	–	–	53,877	2.8	July 2015
RE-081	Royal Parks Toyosu	–	–	265,862	7.2	July 2015
RE-082	Castalia Togoshi	–	–	59,537	3.8	July 2015
RE-083	Castalia Oomachi	–	–	43,161	3.9	February 2016
RE-084	Castalia Omori	–	–	79,460	3.7	February 2016
RE-085	Castalia Mishuku	–	–	108,838	5.9	February 2016
RE-086	Castalia Arakawa	–	–	98,574	4.5	February 2016
RE-087	Castalia Omori II	–	–	42,630	4.0	August 2016
RE-088	Castalia Nakameguro	–	–	107,342	3.6	February 2017
RE-089	Castalia Meguro Chojyamaru	–	–	54,250	3.1	July 2017
RE-090	Castalia Meguro Takaban	–	–	88,717	7.0	July 2017
RE-091	Castalia Omori III	–	–	48,261	3.7	July 2017
RE-093	Castalia Meguro Tairamachi	–	–	27,167	6.2	January 2018
RE-094	Royal Parks SEASIR	–	–	250,736	3.6	February 2019
RE-095	Castalia Honkomagome	–	–	15,112	6.6	February 2015
RE-096	Cosmo Heim Musashikosugi	–	–	109,643	9.1	January 2018
RE-097	Castalia Tsurumi	–	–	32,193	9.0	August 2016
RE-098	Castalia Funabashi	–	–	71,478	3.0	January 2018
RE-099	Castalia Nishi Funabashi	–	–	42,396	3.6	January 2018
RE-105	Castalia Nogeiyama	–	–	48,467	5.3	January 2018
RE-106	Castalia Ichikawa	–	–	39,289	2.7	July 2018
RE-107	Royal Parks Hanakoganei	–	–	430,325	4.5	February 2016
RE-108	Castalia Musashikosugi	–	–	56,442	6.4	July 2017
RE-109	Royal Parks Wakabadai	–	–	349,081	5.3	March 2014
RE-110	Pacific Royal Court Minatomirai Urban Tower	–	–	438,587	3.9	February 2015
RE-111	L-Place Shinkoyasu	–	–	20,575	3.0	February 2015
RE-112	Royal Parks Musashikosugi	–	–	69,395	6.2	February 2019
RE-116	Castalia Sakaisuji Honmachi	–	–	115,236	6.1	February 2019
RE-117	Castalia Shin-Umeda	–	–	109,880	8.3	February 2019
RE-118	Castalia Abeno	–	–	301,752	10.1	July 2015
RE-119	Castalia Sakae	–	–	79,778	4.2	July 2018
RE-121	Castalia Maruyama Urasando	–	–	54,712	1.3	July 2018
RE-122	Castalia Maruyama Omotesando	–	–	187,773	1.1	July 2018
RE-123	Castalia Higashi Hie	–	–	136,557	2.6	February 2016
RE-124	Castalia Tower Nagahoribashi	–	–	219,649	4.6	February 2019
RE-125	Castalia Sannomiya	–	–	97,414	5.3	January 2018
RE-126	Castalia Kotodaiko	–	–	68,198	3.4	July 2018
RE-127	Castalia Ichibancho	–	–	95,966	2.9	July 2018
RE-128	Castalia Omachi	–	–	50,682	2.6	July 2018
RE-129	Castalia Uemachidai	–	–	67,675	5.9	July 2015
RE-130	Castalia Tower Higobashi	–	–	95,723	5.8	July 2015
RE-131	Big Tower Minami Sanjo	–	–	198,537	0.9	July 2018
RE-132	Castalia Fushimi	–	–	131,779	3.1	July 2018
RE-133	Castalia Meieki Minami	–	–	60,447	4.6	February 2016
RE-134	Castalia Yakuin	–	–	102,156	5.6	February 2016
RE-135	Castalia Mibu	–	–	54,217	9.4	August 2016
RE-136	Castalia Tsutsujigaoka	–	–	78,747	2.7	January 2017
RE-137	Castalia Oori Bay Tower	–	–	294,660	1.9	February 2019
RE-138	Royal Parks Namba	–	–	293,019	7.8	January 2017
RE-139	Castalia Shigahondori	–	–	135,510	2.3	January 2017
RE-140	Castalia Kyoto Nishioji	–	–	39,962	9.3	September 2015
RE-141	Castalia Ningyocho III	–	–	19,732	3.6	April 2016
RE-142	Royal Parks Umejima	–	–	91,236	4.1	April 2016

Property number	Property name	Repairs and maintenance expenses (Thousands of yen) (Note 1)			PML (%) (Note 2)	Preparation date of the relevant building condition evaluation report
		Emergency	Short-term	Long-term (12 years)		
RE-143	Castalia Shinsakae II	-	-	24,415	4.5	February 2017
RM-001	ACROSSMALL Shinkamagaya	-	-	414,104	2.4	November 2017
RM-002	FOLEO Hirakata	-	-	333,040	13.3	February 2018
RM-003	QiZ GATE URAWA	-	-	253,420	1.8	February 2018
RM-004	UNICUS Takasaki	-	-	119,348	1.0	February 2018
RM-005	ACROSSPLAZA Miyoshi (Land)	-	-	-	-(Note 4)	-
RM-006	DREAM TOWN ALI	-	-	219,367	1.8	September 2015
RM-007	ASOBOX (Land)	-	-	-	-(Note 4)	-
RM-008	FOLEO Ome Imai	-	-	31,736	9.3	July 2017
RM-009	FOLEO Otsu Ichiriyama	-	-	670,853	14.7	February 2018
RM-010	FOLEO Hakata	-	-	275,039	1.2	February 2018
RM-011	ACROSSMALL Semboku (Land)	-	-	-	-(Note 4)	-
RR-001	LIFE Sagami-hara Wakamatsu	-	-	49,315	11.0	February 2018
RR-002	FOLEO Sendai Miyanomori	-	-	121,705	2.8	February 2018
RR-003	ACROSSPLAZA Inazawa (Land)	-	-	-	-(Note 4)	-
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	-	-	160,912	0.5	April 2016
RR-005	Hiratsuka Retail Property (Land)	-	-	-	-(Note 4)	-
RR-006	Royal Home Center Morinomiya (Land)	-	-	-	-(Note 4)	-
RU-001	COMBOX310	-	-	-	1.6	November 2018
HO-001	Daiwa Roynet Hotel Yokohama Kannai	-	-	100,991	9.7	February 2018
HO-002	Super Hotel JR Nara Station Sanjo Street	-	-	33,420	9.4	November 2018
OT-001	Urban Living Inage	-	-	41,907	3.5	January 2017
OT-002	Aburatsubo Marina HILLS	-	-	40,302	8.8	July 2018
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha- Omoromachi)	-	-	597,524	1.2	April 2016
OT-004	Sharp Hiroshima Building	-	-	25,525	3.0	February 2017
Portfolio PML (Note 5)					1.4	-

(Note 1) "Repairs and maintenance expenses" represent the amount exclusive of tax.

(Note 2) "PML (probable maximum loss)" is the ratio (%) of anticipated loss due to earthquake to reproduction cost from an event with an annual exceedance probability of 0.21% (once in 475 years). However, PML in relation to the portfolio relates to groups of multiple buildings, and in consideration of the likelihood of damage occurring simultaneously to multiple buildings, the ratio (%) of anticipated loss affecting either single or multiple buildings in a group to reproduction cost from an event with an annual exceedance probability of 0.21% (once in 475 years) is shown. DHR is considering taking out earthquake insurance based on PML. However, there are no current plans to take out earthquake insurance for each piece of real estate or real estate in trust above.

(Note 3) Regarding "D Project Inuyama," DHR made an additional acquisition on April 10, 2018 (acquisition price ¥2,100 million), and the "preparation date of the relevant building condition evaluation report" information is listed individually for the existing building and the additionally acquired building.

(Note 4) For ACROSSPLAZA Miyoshi (Land), ASOBOX (Land), ACROSSMALL Semboku (Land), ACROSSPLAZA Inazawa (Land), Hiratsuka Retail Property (Land), and Royal Home Center Morinomiya (Land), PML figures were not presented because only the land is owned and the building was not acquired.

(Note 5) "Portfolio PML" is a numerical value obtained in the same way for the aggregate of the 210 properties as for an individual property, excluding ACROSSPLAZA Miyoshi (Land), ASOBOX (Land), ACROSSMALL Semboku (Land), ACROSSPLAZA Inazawa (Land), Hiratsuka Retail Property (Land), and Royal Home Center Morinomiya (Land), for which only the land was acquired, based on the report on earthquake risk assessment provided by Tokio Marine & Nichido Risk Consulting Co., Ltd.

(5) Status of Portfolio Diversification (As of February 28, 2019)

i) Investment ratio by area

Area (Note 1)		Number of properties	Acquisition price (Millions of yen)	Investment ratio (%) (Note 2)	
Three major metropolitan areas of Japan	Greater Tokyo area	145	448,156	65.6	79.1
	Greater Nagoya area	9	25,740	3.8	
	Greater Osaka area	19	67,020	9.8	
Other		43	142,527	20.9	
Total		216	683,443	100.0	

(Note 1) For details of “Area,” please refer to “(1) Portfolio List, i) Status of Investment (Note 1)” above.

(Note 2) “Investment ratio” is calculated based on the acquisition price, rounded to the nearest tenth. The same shall apply hereinafter.

ii) Investment ratio by asset class

Asset class		Number of properties	Acquisition price (Millions of yen)	Investment ratio (%)	
Core assets	Logistics properties	59	340,009	49.7	98.3
	Residential properties	133	246,424	36.1	
	Retail properties	18	79,260	11.6	
	Hotel properties	2	6,270	0.9	
Other assets		4	11,480	1.7	
Total		216	683,443	100.0	

iii) Diversification by age of property

Age of property	Number of properties	Acquisition price (Millions of yen)	Investment ratio (%)
Less than 5 years	24	92,265	13.9
5 years or more but less than 10 years	35	195,322	29.5
10 years or more	151	374,756	56.6
Total	210	662,343	100.0

iv) Average age of property by asset class

Asset class	Average age (year)
Logistics properties	7.9
Residential properties	13.0
Retail properties	10.1
Hotel properties	8.3
Other assets	7.4
Total	10.0

(Note) “Average age” is the weighted average age of owned properties as of February 28, 2019 based on the acquisition price, rounded to the nearest tenth.

(6) Capital Expenditures for Properties Held

i) Schedule of capital expenditures

The following table shows major scheduled capital expenditures for planned renovation work, etc. for owned properties (real estate, real estate in trust, etc.) as of February 28, 2019. The estimated construction cost includes the portion charged to expenses.

Property name (Location)	Purpose	Scheduled period	Estimated construction cost (Thousands of yen)		
			Total amount	Payment during the period	Total amount paid
D Project Gotenba (Gotenba City, Shizuoka)	Repair work of exterior walls	From April 2019 to June 2019	39,420	–	–
Qiz Ebisu (Shibuya Ward, Tokyo)	Large-scale renovations	From October 2018 to November 2019	292,680	–	–
Castalia Ichigaya (Shinjuku Ward, Tokyo)	Large-scale renovations	From March 2019 to June 2019	51,591	–	–
Royal Parks Hanakoganei (Kodaira City, Tokyo)	Large-scale renovations	From January 2019 to August 2019	158,544	–	–
Royal Parks Musashikosugi (Kawasaki City, Kanagawa)	Preventive maintenance construction in mechanical parking lots	From August 2019 to August 2019	12,734	–	–
ACROSSMALL Shinkamagaya (Kamagaya City, Chiba)	Groundwater usage facilities installation construction	From October 2018 to March 2019	86,400	12,960	73,440

ii) Capital expenditures during the period

For owned properties (real estate, real estate in trust, etc.), an overview of major construction work conducted during the current fiscal period that falls into DHR's capital expenditures is as follows. Capital expenditures during the current fiscal period were ¥944,717 thousand together with ¥746,985 thousand in repairs and maintenance expenses and ¥230,219 thousand in restoration costs classified as expenses for the current fiscal period, making a total of ¥1,921,923 thousand in construction work.

Property name (Location)	Purpose	Period	Construction cost (Thousands of yen)
D Project Machida (Machida City, Tokyo)	Repair work of exterior walls	From October 2018 to January 2019	96,351
Castalia Azabujuban II (Minato Ward, Tokyo)	Repair work of exterior walls	From October 2018 to February 2019	29,549
Castalia Iriya (Taito Ward, Tokyo)	Repair work of exterior walls	From October 2018 to February 2019	20,832
Castalia Oyamadai (Setagaya Ward, Tokyo)	Repair work of exterior walls	From November 2018 to February 2019	19,385
Royal Parks Hanakoganei (Kodaira City, Tokyo)	Repair work of exterior walls (Building A and C)	From August 2018 to February 2019	102,518
Castalia Yakuin (Fukuoka City, Fukuoka)	Preventive maintenance construction in mechanical parking lots	From February 2019 to February 2019	16,377

iii) Cash reserves for long-term repair and maintenance plans

DHR sets aside the following cash reserves for repair and maintenance in order to provide for payment of funds for future maintenance of the value of assets and the renewal of facilities and equipment.

(Unit: Thousands of yen)

Operating period	22nd period From September 1, 2016 to February 28, 2017	23rd period From March 1, 2017 to August 31, 2017	24th period From September 1, 2017 to February 28, 2018	25th period From March 1, 2018 to August 31, 2018	26th period From September 1, 2018 to February 28, 2019
Balance of reserves at beginning of period	589,520	1,298,495	1,439,455	1,470,535	1,509,615
Amount of reserves during period	708,974	140,960	39,080	39,080	39,080
Amount of reversal of reserves during period	-	-	8,000	-	-
Reserves carried forward	1,298,495	1,439,455	1,470,535	1,509,615	1,548,695