

April 7, 2020

To All Concerned Parties

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Notice Concerning Handling of Fractional Investment Units Resulting from the Merger

In connection with the merger between Daiwa Securities Living Investment Corporation ("DLI"), whose trade name changed from Japan Rental Housing Investments Inc. on April 1, 2020, and Nippon Healthcare Investment Corporation ("NHI") which came into effect on April 1, 2020 (the "Merger"), the unitholders recorded on the final unitholders register of the NHI as of March 31, 2020 (the "Allotted unitholders") were allotted investment units of DLI. As a result, some Allotted unitholders are now entitled to receive fractional investment units of less than 1 unit (the "Fractional investment units") according to the number of investment units allotted.

Pursuant to the relevant laws, DLI plans to sell such Fractional investment units through market transactions and distribute the proceeds thereof to the Allotted unitholders entitled to receive the Fractional investment units in proportion to their total number of fractional units.

DLI will notify the Allotted unitholders concerned of information on the relevant amounts to be distributed, the distribution method and other related matters by postal mail, and plans to commence payment of the proceeds by around June 19, 2020.

1. Allotment of investment units

The unitholders recorded on the final unitholders register of the NHI as of March 31, 2020, the record date for the allotment of investment units of NHI (that is, the unitholders who held investment units of NHI on March 27, 2020, the last date of cum-rights trading), are entitled to receive the allotment of investment units of DLI.

	DLI	NHI
Allotment in connection with the Merger	1	2.05

(Note) The number of newly issued investment units of DLI upon the Merger is 152,995 units. This does not include new investment units through third-party allotment.

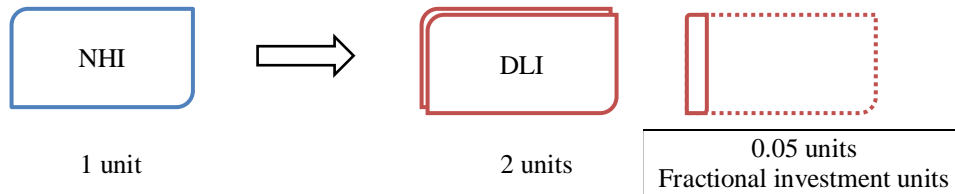
2. Calculation method of allotted investment units

Formula: Number of investment units of NHI held \times 2.05 = Number of investment units of DLI allotted

- (1) An Allotted unitholder who held 1 investment unit of NHI as of the record date

The Number of investment units of DLI allotted upon the Merger to the Allotted unitholder is 2.05 units.

(Reference diagram)

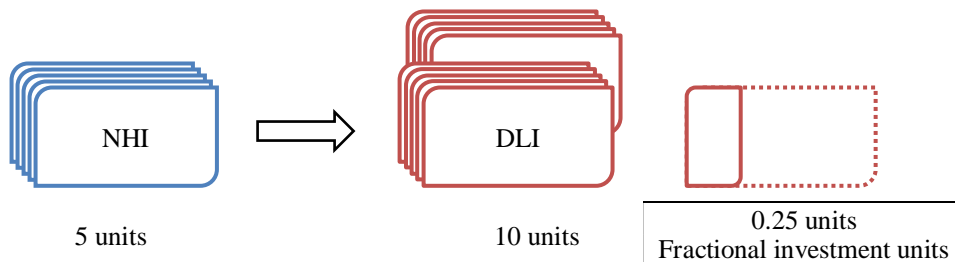


The sales proceeds equivalent to 0.05 units, which are less than 1 investment unit will be paid to the Allotted unitholder.

- (2) An Allotted unitholder who held 10 investment units of NHI as of the record date

The Number of investment units of DLI allotted upon the Merger to the Allotted unitholder is 10.25 units.

(Reference diagram)

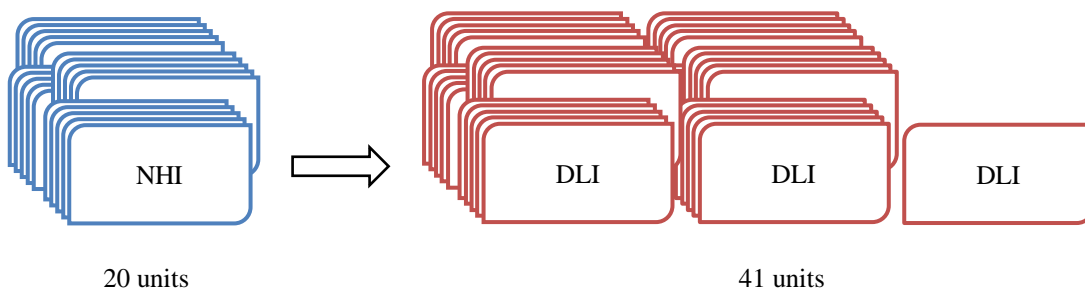


The sales proceeds equivalent to 0.25 units, which are less than 1 investment unit will be paid to the Allotted unitholder.

- (3) An Allotted unitholder who held 20 investment units of NHI as of the record date

The Number of investment units of DLI allotted upon the Merger to the Allotted unitholder is 41 units.

(Reference diagram)



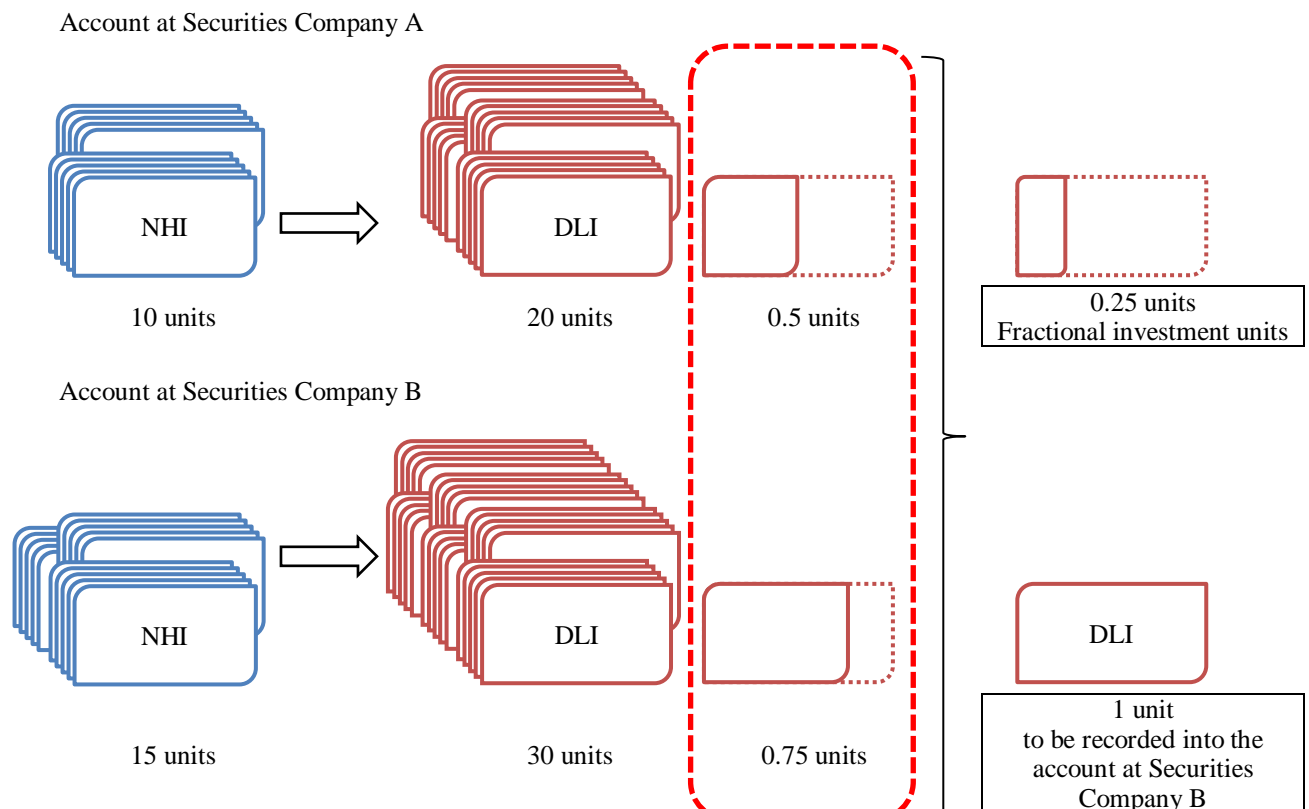
As there are no Fractional investment units, no cash payment equivalent to the sales proceeds of fractional units will be made.

(4) An Allotted unitholder who held investment units of NHI in accounts at multiple securities companies

If a unitholder held investment units of NHI in accounts at multiple securities companies as of the record date, the Fractional investment units will be processed based on name-based aggregation and calculation of the total number of the units. If the number of units held by a unitholder, which is calculated by adding up the Fractional investment units in each account at the respective securities companies, is one unit or more, the integral number of the units will be recorded in the securities company account holding the largest number of units of the NHI, and the Fractional investment units through such an aggregation process will be treated as shown in the above.

(Reference diagram)

(Example) An Allotted unitholder who held 10 investment units of NHI in an account at Securities Company A and 15 of the same investment units at Securities Company B as of the record date



The total number of the Fractional investment units in each account at the respective securities companies is 1.25 units. Of the said units, 1 unit will be recorded in the securities company account holding the largest number of investment units of NHI (in the above case, the account at Securities Company B). In addition, with respect to the remaining fractional 0.25 units following the aggregation, which are less than 1 unit, the unitholder will be paid an amount equivalent to the sales proceeds of the Fractional investment units.

3. Schedule (planned)

May 12, 2020 Dispatch of notice letters of allotted number of investment units (Note 1)

June 19, 2020 Commencement of payments of sales proceeds of the Fractional investment units and delivered money due to the Merger. (Note 2)

(Note 1) Letters will be dispatched to the unitholders recorded on the final unitholders register of NHI as of March 31, 2020, the record date.

(Note 2) In lieu of cash distribution for NHI's final fiscal period (November 1, 2019 to March 31, 2020), DLI plans to make payment of delivered money due to the Merger equivalent to the cash distribution for the final fiscal period to the unitholders recorded on the final unitholders register of NHI as of March 31, 2020. Please refer to the "Notice Concerning Forecasts for Management Status for the Fiscal Period Ending March 2020 (Final Fiscal Period) and Payment on the Merger" dated November 19, 2019, and "REIT Financial Report for the 11th Fiscal Period" dated December 19, 2019 prepared by NHI for detailed information on the delivered money due to the Merger by NHI.

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