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To All Concerned Parties

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Notice Concerning Revision to Forecasts of Operating Results and Distribution
for the Fiscal Period Ending March 2022 (32nd Fiscal Period) and
Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2022 (33rd Fiscal Period)

Daiwa Securities Living Investment Corporation (hereinafter referred to as the “Investment Corporation”) hereby announces that it has revised the forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd fiscal period: October 1, 2021, to March 31, 2022) announced in “30th Fiscal Period Financial Report (REIT)” dated May 20, 2021, as follows. It also announces the forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd fiscal period: April 1, 2022, to September 30, 2022). Details are as follows.

1. Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2022 (32nd Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
Previously announced forecast (A)	JPY10,880 million	JPY5,104 million	JPY4,430 million	JPY4,429 million	JPY2,078	JPY2,160	JPY -
Revised forecast (B)	JPY11,228 million	JPY5,330 million	JPY4,602 million	JPY4,601 million	JPY2,086	JPY2,180	JPY -
Difference (B-A)	JPY348 million	JPY226 million	JPY172 million	JPY172 million	JPY8	JPY20	JPY -
Difference (%)	3.2%	4.4%	3.9%	3.9%	0.4%	0.9%	—

(Note 1) Expected number of investment units issued at the end of the period: 2,205,546 units (For details, please refer to “Total number of investment units issued” in the assumptions described in the Exhibit.)

(Note 2) The fiscal period of the Investment Corporation is from April 1 to September 30 every year and from October 1 to March 31 of the following year. The same will apply hereinafter.)

(Note 3) The figures above are forecasts as of this moment calculated based on the conditions stated in the Exhibit “Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period Ending March 2022 (32nd fiscal period: October 1, 2021 - March 31, 2022) and the Fiscal Period Ending September 2022 (33rd fiscal period: April 1, 2022 - September 30, 2022),” and actual operating revenue, operating income, ordinary income, net income, net income per unit, and distribution per unit could fluctuate. In addition, these forecasts do not guarantee the distribution amounts.

(Note 4) The distribution amount for the fiscal period ending March 2022 includes the expected reversal of reserve for temporary difference adjustments of JPY206 million, and the distribution amount is different from the amount of net income.

(Note 5) When a certain degree of discrepancy from the above forecasts is expected, the forecasts may be revised.

(Note 6) Amounts are rounded to the nearest unit and percentages are rounded to the first decimal place. The same applies hereinafter.

Note: This press release is a document for making a public announcement concerning revisions to the forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd Fiscal Period) and the forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd Fiscal Period), and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.

2. Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2022 (33rd Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit (excluding distributions in excess of earnings)	Distribution in excess of earnings per unit
Fiscal period ending September 2022 (33rd fiscal period)	JPY11,286 million	JPY5,327 million	JPY4,635 million	JPY4,635 million	JPY2,101	JPY2,180	JPY -

(Note 1) Expected number of investment units issued at the end of the period: 2,205,546 units (For details, please refer to “Total number of investment units issued” in the assumptions described in the Exhibit.)

(Note 2) The figures above are forecasts as of this moment calculated based on the conditions stated in the Exhibit “Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period Ending March 2022 (32nd fiscal period: October 1, 2021 - March 31, 2022) and the Fiscal Period Ending September 2022 (33rd fiscal period: April 1, 2022 - September 30, 2022),” and actual operating revenue, operating income, ordinary income, net income, net income per unit, and distribution per unit could fluctuate. In addition, these forecasts do not guarantee the distribution amounts.

(Note 3) The distribution amount for the fiscal period ending September 2022 includes the expected reversal of reserve for temporary difference adjustments of JPY173 million, and the distribution amount is different from the amount of net income.

(Note 4) When a certain degree of discrepancy from the above forecasts is expected, the forecasts may be revised.

3. Reasons for Revisions to and Announcement of Operating Results, Etc.

The Investment Corporation decided at a meeting of its board of directors held today on the asset acquisition announced in “Notice Concerning Acquisition and Leasing of Assets (2 Rental Apartments and 4 Healthcare Facilities)” dated today and the issuance of new investment units announced in “Notice Concerning Issuance of New Investment Units and Secondary Offering” dated today. In line with such, forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd fiscal period) announced in “30th Fiscal Period Financial Report (REIT)” dated May 20, 2021, have been revised to reflect the changes in the assumptions for forecasts, although no major discrepancy is expected. In addition, the Investment Corporation newly announces forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd fiscal period).

URL: <https://www.daiwa-securities-living.co.jp/en/>

Note: This press release is a document for making a public announcement concerning revisions to the forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd Fiscal Period) and the forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd Fiscal Period), and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.

[Exhibit]

<Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period Ending March 2022 (32nd Fiscal Period: October 1, 2021 - March 31, 2022) and the Fiscal Period Ending September 2022 (33rd Fiscal Period: April 1, 2022 - September 30, 2022)>

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending March 2022 (32nd fiscal period) (October 1, 2021 - March 31, 2022) (182 days) Fiscal period ending September 2022 (33rd fiscal period) (April 1, 2022 - September 30, 2022) (183 days)
Assets under management	<ul style="list-style-type: none"> It is assumed that changes in the following assets under management will occur to the 232 real estate and real estate trust beneficiary interests owned by the Investment Corporation as of today. <p>[Assets to be acquired (Planned date of acquisition: October 1, 2021)]</p> <ol style="list-style-type: none"> Splendide Shin-Osaka South Serenite Nippombashi Prier Charm Premier Kamakurayama As-heim Tsunashima Library Shin-Shibamata Ishinkan Kamiooka <ul style="list-style-type: none"> In light of the above assumptions, the assets under management will be 238 properties as of the end of the fiscal period ending March 2022 and as of the end of the fiscal period ending September 2022. However, assets under management could fluctuate due to the acquisition or disposition of other properties.
Operating revenue	<ul style="list-style-type: none"> Operating revenue is calculated on the premise of “Assets under management” above. For the fiscal period ending March 2022 and the fiscal period ending September 2022, no posting of gain on sale of real estate properties is expected.
Operating expenses	<ul style="list-style-type: none"> Operating expenses are calculated on the premise of “Assets under management” above. For the fiscal period ending March 2022 and the fiscal period ending September 2022, no posting of loss on sale of real estate properties is expected. Of expenses related to leasing business, which is a major item of operating expenses, expenses other than depreciation are calculated by reflecting the variable factors of expenses based on the past results and information provided by the former owners of the assets to be acquired and others. For property management fees, JPY472 million is assumed for the fiscal period ending March 2022 and JPY468 million is assumed for the fiscal period ending September 2022. For repair expenses of buildings, the amount deemed necessary in each fiscal period is estimated, and JPY408 million is assumed for the fiscal period ending March 2022 and JPY397 million is assumed for the fiscal period ending September 2022. However, actual expenses could differ significantly from the expected amount for reasons such as the occurrence of unpredictable repair expenses. For taxes, JPY694 million is assumed for the fiscal period ending March 2022 and JPY727 million is assumed for the fiscal period ending September 2022. While property taxes and city planning taxes are settled at the time of acquisition by calculating the amount by dividing proportionally according to the period with the current owners in the general sale and purchase of real estate, property taxes and city planning taxes for the acquisition year paid by the Investment Corporation are not posted in expenses because they are included in the acquisition price. Taxes for the assets to be acquired stated in “Assets under management” above will arise in the fiscal period ending September 2022. The amount of taxes will be JPY22 million. Depreciation is calculated using the straight-line method, including ancillary expenses and additional capital expenditure in the future, and JPY2,500 million is assumed for the fiscal period ending March 2022 and JPY2,512 million is assumed for the fiscal period ending September 2022.
Non-operating expenses	<ul style="list-style-type: none"> As non-operating expenses, JPY734 million is assumed for the fiscal period ending March 2022 and JPY706 million is assumed for the fiscal period ending September 2022. The details are as follows.

Note: This press release is a document for making a public announcement concerning revisions to the forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd Fiscal Period) and the forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd Fiscal Period), and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.

	<ul style="list-style-type: none"> (1) Interest expenses and interest on investment corporation bonds are JPY537 million for the fiscal period ending March 2022 and JPY543 million for the fiscal period ending September 2022. (2) Finance-related expenses are JPY150 million for the fiscal period ending March 2022 and JPY149 million for the fiscal period ending September 2022. (3) Issuance costs of new investment units is JPY32 million for the fiscal period ending March 2022. No posting of issuance costs of new investment units is expected for the fiscal period ending September 2022. (4) Amortization of investment corporation bond issuance costs is JPY11 million for the fiscal period ending March 2022 and JPY11 million for the fiscal period ending September 2022. (5) Other expenses are JPY3 million for the fiscal period ending March 2022 and JPY2 million the fiscal period ending September 2022.
Interest-bearing debt	<ul style="list-style-type: none"> • As of today, the Investment Corporation has an outstanding balance of loans payable of JPY152,617 million and an outstanding balance of investment corporation bonds of JPY20,100 million. Bank loans of JPY950 million are scheduled to be taken out to be appropriated for early repayment of JPY980 million of existing loans on September 30, 2021. It is assumed that loans payable that will come due by the end of the fiscal period ending September 2022 will be repaid with funds raised by loans. • For the fiscal period ending March 2022, in addition to the bank loans of JPY950 million described above, it is assumed that bank loans of JPY6,570 million be taken out to fund the acquisition of the assets to be acquired, etc. Of the bank loans of JPY6,570 million to be taken out in the fiscal period ending March 2022, JPY370 million is scheduled to be repaid using the proceeds from the issuance of new investment units through third-party allotment. • It is assumed that as a result of the above, the outstanding balance of loans payable and the outstanding balance of investment corporation bonds will be JPY158,787 million and JPY20,100 million, respectively, both as of the end of March 2022 and as of the end of September 2022. • The ratio of interest-bearing debt is expected to be 50.9% both at the end of the fiscal period ending March 2022 and at the end of the fiscal period ending September 2022. • For the calculation of the ratio of interest-bearing debt in this forecast, the following calculation formula is used. Ratio of interest-bearing debt = (Total amount of interest-bearing debt / Total assets) x 100
Total number of investment units issued	<ul style="list-style-type: none"> • The total number of investment units issued is assumed to be 2,205,546 units, which is the sum of the total number of investment units issued as of today (2,131,546 units) and the number of investment units to be offered (74,000 units) through the issuance of new investment units resolved at the Board of Directors meeting of the Investment Corporation held on September 10, 2021. • The number of new investment units to be issued through the issuance of new investment units above is based on the premise that all of the new investment units to be issued through public offering (70,476 units) and through third-party allotment in line with over-allotment (3,524 units) will be issued. • It is assumed that there will be no change to the total number of investment units issued through to the end of the fiscal period ending September 2022 thereafter.
Distribution per unit	<ul style="list-style-type: none"> • Distribution per unit is calculated on the premise of the cash distribution policy set out in the Articles of Incorporation. In addition, distribution per unit is calculated on the assumption that the entire amount of net income for each fiscal period will be distributed, in principle. • For distributions in the fiscal period ending March 2022, it is assumed that the total amount of JPY4,808 million (distribution per unit of JPY2,180) that is obtained by adding the scheduled amount of reversal of reserve for temporary difference adjustments of JPY206 million (JPY93 per unit) to net income of JPY4,601 million (JPY2,086 per unit) will be distributed. • For distributions in the fiscal period ending September 2022, it is assumed that the total amount of JPY4,808 million (distribution per unit of JPY2,180) that is obtained by adding the scheduled amount of reversal of reserve for temporary difference adjustments of JPY173 million (JPY78 per unit) to net income of JPY4,635 million (JPY2,101 per unit) will be distributed. • Distribution per unit could fluctuate due to various factors including fluctuations in rent income associated with changes in assets under management and changes in tenants and the occurrence of unpredictable repairs.

Note: This press release is a document for making a public announcement concerning revisions to the forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd Fiscal Period) and the forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd Fiscal Period), and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.

	<ul style="list-style-type: none">• Net income per unit and distribution per unit for each fiscal period are calculated using the expected total number of investment units issued at the end of each period based on the total number of investment units issued above.
Distribution in excess of earnings per unit	<ul style="list-style-type: none">• There is no plan to make distributions in excess of earnings at present.
Other	<ul style="list-style-type: none">• It is assumed that no revisions impacting the forecast figures above will be made to laws, regulations, tax systems, accounting standards, listing regulations, or rules of the Investment Trusts Association, Japan, etc.• It is assumed that no unforeseen significant change will take place in general economic trends or the real estate market conditions, etc.

(Note 1) For details of the asset to be acquired, please refer to “Notice Concerning Acquisition and Leasing of Assets (2 Rental Apartments and 4 Healthcare Facilities)” announced today by the Investment Corporation.

(Note 2) For details of the issuance of new investment units, please refer to “Notice Concerning Issuance of New Investment Units and Secondary Offering” announced today by the Investment Corporation.

Note: This press release is a document for making a public announcement concerning revisions to the forecasts of operating results and distribution for the fiscal period ending March 2022 (32nd Fiscal Period) and the forecasts of operating results and distribution for the fiscal period ending September 2022 (33rd Fiscal Period), and it has not been prepared for the purpose of soliciting investments. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as the amendments thereto, prepared by the Investment Corporation before they invest and that they make decisions on investment at their own discretion.