

Financial Results for the Fiscal Period Ended August 31, 2022 (March 1, 2022 - August 31, 2022)

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/>

Representative: Toshiharu Asada, Executive Director

Asset manager: Daiwa House Asset Management Co., Ltd.

Representative: Koichi Tsuchida, President and CEO

Inquiries: Koyu Asahina, General Manager, Fund Management Department, Daiwa House REIT Division

TEL: +81-3-3595-1265

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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 August 31, 2022 (March 1, 2022 - August 31, 2022)

(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 August 31, 2022	29,368	(3.0)	12,661	(5.6)	11,050	(5.4)	11,049	(5.4)
Fiscal period ended February 28, 2022	30,264	2.3	13,409	2.2	11,685	0.6	11,685	0.6

	Basic earnings per unit	Return on equity (ROE)	Ordinary profit to total assets ratio	Ordinary profit to operating revenues ratio
	Yen	%	%	%
Fiscal period ended August 31, 2022	4,762	2.1	1.1	37.6
Fiscal period ended February 28, 2022	5,039	2.3	1.3	38.6

(Note) Please refer to “Per Unit Information” on page 25 for the number of investment units used as the basis for calculating basic earnings per unit.

(2) Distributions

	Distributions per unit (including distributions in excess of earnings per unit)	Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit	Total distributions (including distributions in excess of earnings)	Total distributions (excluding distributions in excess of earnings)	Total distributions in excess of earnings	Payout ratio	Distributions to net assets ratio
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen		
Fiscal period ended August 31, 2022	5,617	4,805	812	13,031	11,147	1,883	100.9	2.1
Fiscal period ended February 28, 2022	5,822	5,116	706	13,507	11,869	1,637	101.5	2.3

(Note) Total distributions in excess of earnings of ¥1,883 million for the fiscal period ended August 31, 2022 include allowance for temporary difference adjustments of ¥1,839 million and other distributions in excess of earnings (return of capital that falls under capital refunds for tax purposes) of ¥44 million. In addition, the ratio of decrease in surplus, etc. is 0.001 due to making distributions in excess of earnings (return of capital that falls under capital refunds for tax purposes) for the fiscal period ended August 31, 2022.

The full amount of total distributions in excess of earnings for the fiscal period ended February 28, 2022 is related to allowance for temporary difference adjustments.

(3) Financial position

	Total assets	Net assets	Equity ratio	Net assets per unit
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2022	963,566	521,820	54.2	224,922
As of February 28, 2022	964,669	524,178	54.3	225,938

(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 August 31, 2022	23,431	(1,788)	(13,525)	50,030
Fiscal period ended February 28, 2022	18,182	(75,201)	51,608	41,912

2. Forecasts of operating results for the fiscal period from September 1, 2022 to February 28, 2023 and for the fiscal period from March 1, 2023 to August 31, 2023

(Percentage figures represent period-on-period changes)

	Operating revenues		Operating profit		Ordinary profit		Profit		Distributions per unit (including distributions in excess of earnings per unit)	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	Yen
Fiscal period ending February 28, 2023	29,253	(0.4)	12,634	(0.2)	11,010	(0.4)	11,010	(0.4)	5,600	4,747	853
Fiscal period ending August 31, 2023	29,222	(0.1)	12,725	0.7	11,011	0.0	11,010	0.0	5,600	4,755	845

(Reference) Forecasted basic earnings per unit

For the fiscal period ending February 28, 2023: ¥4,745

For the fiscal period ending August 31, 2023: ¥4,745

* **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 August 31, 2022 2,320,000 units
 - As of February 28, 2022 2,320,000 units
- b. Number of treasury investment units at the end of the period
 - As of August 31, 2022 0 units
 - As of February 28, 2022 0 units

(Note) Please refer to “Per Unit Information” on page 25 for the number of investment units used as the basis for calculating basic earnings per unit.

* **Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.**

* **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 Periods Ending February 28, 2023 and August 31, 2023” on pages 7 to 8 for information on assumptions for the forecasts of operating results.

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 October 18, 2022.

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1. Operating Results

(1) 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 portfolio strategy 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

In terms of performance of assets held in the current fiscal period, the period-end occupancy rate was 99.7%, as we continued to maintain stable rental revenues. As a result, operating revenues totaled ¥29,368 million, exceeding our forecasts of operating results disclosed in our financial results for the fiscal period ended February 28, 2022 (referred to below as “Forecasts of operating results” in “B. Performance for the current fiscal period”) by ¥243 million.

In terms of rental expenses, although utilities expenses increased with surging fuel costs, because a large part of our portfolio consists of BTS-type logistics properties with direct contracts between tenants and power companies, the direct impact of surging fuel costs was limited. As a result, operating profit totaled ¥12,661 million, exceeding our forecasts of operating results by ¥30 million, and profit totaled ¥11,049 million, exceeding our forecasts of operating results by ¥38 million.

C. Overview of financing

DHR 1) arranged refinancing of ¥3,500 million to provide for the repayment of ¥3,500 million in existing loans due on April 1, 2022; 2) arranged refinancing of ¥16,500 million to provide for the repayment of ¥16,500 million in existing loans due on April 28, 2022; 3) issued its 18th Unsecured Investment Corporation Bonds (Sustainability-Linked Bonds) totaling ¥4,000 million on May 25, 2022 to provide for part of the early repayment of ¥4,000 million in existing loans.

As a result, the balance of interest-bearing debt outstanding as of the end of the current fiscal period amounted to ¥407,550 million (loan balance: ¥365,550 million, investment corporation bond balance:

¥42,000 million), the same amount as in the previous fiscal period. As of the end of the current fiscal period, its LTV (including goodwill)^(Note 1) was 42.3%, and its LTV (excluding goodwill)^(Note 2) was 44.9%.

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

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

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

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

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	AA- Stable
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 ¥1,046,376 million, and the amount of unrealized gain^(Note) on the portfolio, which is the difference compared to the book value was ¥195,760 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 investment management activities mentioned above, in the current fiscal period, DHR posted operating revenues of ¥29,368 million, operating profit of ¥12,661 million, ordinary profit of ¥11,050 million, and profit of ¥11,049 million. Based on its distribution policy, ¥1,982 million in amortization of goodwill was added to profit, resulting in ¥13,032 million. From this amount, the total amount of distributions was ¥13,031 million (¥5,617 per investment unit) after the fractional parts of amounts less than ¥1 per investment unit for each type of distribution listed in the breakdown of distributions below were adjusted.

Furthermore, the breakdown of distributions includes profit of ¥11,147 million (¥4,805 per investment unit) as earnings distributions as provided for in Article 136, paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended. Hereinafter referred to as the “Investment Trusts Act”) and an allowance for temporary difference adjustments of ¥1,839 million (¥793 per investment unit) and other distributions in excess of earnings (return of capital) of ¥44 million (¥19 per investment unit) as distributions in excess of earnings.

F. Cancellation of issuance of new investment units and secondary offering of investment units, debt financing and anticipated acquisitions of trust beneficiary interests in domestic real estate

On August 18, 2022, DHR issued three press releases: “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units,” “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate,” and “Notice Concerning Debt Financing (Green Loan and Sustainability-Linked Syndicated Loan) and Debt Refinancing.” On August 24, DHR issued an additional press release, “Notice Concerning Determination of Prices and Other Conditions with Regard to Issuance of New Investment Units and Secondary Offering of Investment Units.” In these press releases, DHR announced its decision on the prices, etc. associated with the issuance of new investment units and the secondary offering of investment units, and that it had prepared to acquire four logistics properties on September 5, 2022 (total cost of ¥37,950 million) with a combination of funds raised through the issuance of new investment units and the secondary offering of investment units and through debt financing, and cash reserves as the acquisition funds.

However, DHR has ascertained that Nippon Logistech Corporation, which is the lessee of DPL Tsukuba Yatabe, DPL Hiroshima Kanon, and DPL Okinawa Tomigusuku I among four of the anticipated acquisitions has filed for the application of the Civil Rehabilitation Law to the Tokyo District Court as of August 30, 2022. Considering that the impact thereof was undetermined, DHR decided to cancel the issuance of new investment units and the secondary offering of investment units, the debt financing, and the anticipated acquisitions of trust beneficiary interests in domestic real estate on August 31, 2022.

ii) Outlook for next fiscal period

A. Investment environment

During the current fiscal period, amid expectations for an economic recovery following the COVID-19 pandemic, the real GDP growth rate (the 2nd preliminary) showed an increase of 0.9% from April to June 2022 compared with the previous quarter (3.5% annualized), representing three consecutive quarters of positive growth. However, we must be aware of the future impact on economic activities of factors including the renewed spread of COVID-19 from new variants, heightened geopolitical uncertainty in the global economy with the situation in Ukraine, and surging resource prices.

In the J-REIT market, the Tokyo Stock Exchange REIT Index was 2,033 points at the end of August 2022. Moreover, while the overall Japanese financial market has settled, given globally rising interest rates and forex trends such as progressing yen depreciation, we must be aware of the impact of fluctuations in the financial and capital markets.

In the real estate trading market, the effects of COVID-19 differed by asset type. There continued to be a preference for asset types little affected by COVID-19, such as logistics properties and residential properties. Even in asset types directly affected by the COVID-19 pandemic, such as urban commercial properties and hotels, we are seeing a trend anticipating an end to the COVID-19 pandemic and the normalization of the real estate trading market. Against the backdrop of the BOJ maintaining its monetary easing policy, the desire to acquire properties is robust overall among domestic and foreign real-estate investors, and expected yields on top properties are trending at low levels.

B. Future operating policies and issues to be addressed

(a) Growth strategy

Due to its shift to a diversified portfolio strategy 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.

With a diversified portfolio strategy, DHR's portfolio 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. 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 cash flows that are more consistent.

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) ESG initiatives

The Daiwa House Group's basic approach is "Creating Dreams, Building Hearts." As a group that co-creates value for individuals, communities and people's lifestyles, the group aims to build trust relationships with stakeholders and contribute to society through its businesses, and to realize a sustainable society by meeting the challenge of achieving "zero environmental impacts."

The Asset Manager shares the Daiwa House Group's basic approach as DHR's asset manager, and considers that including environmental, social, and governance considerations in its real estate investment management operations contributes to DHR's basic policy of ensuring stable revenue and steady asset growth over the long term. Therefore, we have established the "Sustainability Policy" to guide our real estate investment management.

The Asset Manager considers efforts such as energy conservation and reducing greenhouse gas emissions in relation to asset management to be of paramount importance. It establishes individual policies for the matter and strives to reduce the burden it puts on the environment.

DHR set targets for reducing greenhouse gas (GHG) emissions by FY2030 and FY2050 and, in February and August 2022, became the first J-REIT to acquire certification for its emission targets from the Science Based Targets initiative (SBTi), which certified that the targets are science-based targets consistent with the standards required by the Paris Agreement.

(c) Distribution policy

DHR changed part of its distribution policy in the fiscal period ended February 28, 2017 and made it a policy to distribute the amount equivalent to amortization of goodwill to top up profit, and distributions in excess of earnings in the amount equivalent to amortization of goodwill are paid (distribution accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings).

Furthermore, in the case of the occurrence of excess taxable income over accounting profit associated with sale of properties that causes a need for DHR to take action to maintain its favorable tax status, DHR plans to conduct additional distributions in excess of earnings (distribution accounted as an allowance for temporary difference adjustments) to reduce the occurrence of corporate taxes.

However, where there is an occurrence of special gains such as gain on sale of real estate properties, other distributions in excess of earnings, which is a part of the above-mentioned distributions in excess of earnings in the amount equivalent to amortization of goodwill, can be reduced by an amount equivalent to part of the gain on sale of real estate properties.

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

(Note) 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 February 28, 2023 and August 31, 2023

	Operating revenues	Operating profit	Ordinary profit	Profit	Distributions per unit (including distributions in excess of earnings per unit)	Distributions per unit (excluding distributions in excess of earnings per unit)	Distributions in excess of earnings per unit
Fiscal period ending February 28, 2023	Millions of yen 29,253	Millions of yen 12,634	Millions of yen 11,010	Millions of yen 11,010	Yen 5,600	Yen 4,747	Yen 853
Fiscal period ending August 31, 2023	Millions of yen 29,222	Millions of yen 12,725	Millions of yen 11,011	Millions of yen 11,010	Yen 5,600	Yen 4,755	Yen 845

For the assumptions for the forecasts above, please refer to “Assumptions for Forecasts of Operating Results for the Fiscal Periods Ending February 28, 2023 and August 31, 2023” on pages 7 to 8. 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

Debt financing

DHR conducted debt financing for the funds for the repayments of ¥1,000 million in long-term loans due on September 9, 2022, ¥4,000 million in long-term loans due on September 28, 2022, and ¥3,000 million in long-term loans due on October 3, 2022, as follows:

Lender	Borrowing amount (Millions of yen)	Interest rate	Borrowing date	Repayment date	Method of repayment	Collateral
Nippon Life Insurance Company	1,000	0.50848% (Fixed interest rate)	September 9, 2022	January 29, 2027	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Trust Bank, Limited; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Mizuho Bank, Ltd.	4,000	0.9639% (Fixed interest rate)	September 28, 2022	September 30, 2031	Bullet repayment	Unsecured and non-guaranteed
Sumitomo Mitsui Banking Corporation; Mizuho Bank, Ltd.; The Norinchukin Bank	3,000	0.8733% (Fixed interest rate)	October 3, 2022	September 30, 2030	Bullet repayment	Unsecured and non-guaranteed

(2) Investment Risk

As there have been no significant changes in the “Investment Risk” as described in the Securities Report submitted on May 27, 2022 (prepared in Japanese only), the disclosure has been omitted.

Assumptions for Forecasts of Operating Results for the Fiscal Periods Ending February 28, 2023 and August 31, 2023

Item	Assumptions
Accounting period	<ul style="list-style-type: none"> Fiscal period ending February 28, 2023: (181 days from September 1, 2022 to February 28, 2023) Fiscal period ending August 31, 2023: (184 days from March 1, 2023 to August 31, 2023)
Portfolio	<ul style="list-style-type: none"> DHR has assumed that there would be no changes (acquisition of new properties or disposition of the acquired assets) in the composition of DHR's portfolio of 230 properties of real estate and real-estate trust beneficiary interests that DHR currently owns as of the date of this document until the end of the fiscal period ending August 31, 2023. However, the composition of the portfolio may change.
Operating revenues	<ul style="list-style-type: none"> Operating revenues include revenues from rent, common area charges, parking lot usage fees, incidental revenues, utilities expenses reimbursements and key money, etc. Each of these items is calculated based on past records and future estimates. DHR has assumed that no delinquencies or non-payment of rent by tenants.
Operating expenses (excluding amortization of goodwill)	<ul style="list-style-type: none"> Operating expenses mainly comprise expenses related to rental business. Such expenses, excluding depreciation, are calculated based on past records, making certain adjustments as appropriate considering factors that may cause changes in expenses. DHR has assumed that DHR would incur depreciation expenses of ¥5,611 million for the fiscal period ending February 28, 2023 and ¥5,561 million for the fiscal period ending August 31, 2023. These figures are calculated based on the straight-line method with incidental expenses added to purchase prices of non-current assets. DHR has estimated property tax, city planning tax and depreciation asset tax of ¥2,395 million for the fiscal period ending February 28, 2023 and ¥2,400 million for the fiscal period ending August 31, 2023. Property tax and city planning tax that would be paid by DHR and the seller (the former beneficiary) on a pro rata basis in accordance with the holding period and settled at the time of acquisition, and such taxes are deemed as acquisition costs of the property and not included in expenses. Accordingly, property tax and city planning tax for one property acquired in February 2022 would be expensed starting from the fiscal period ending August 31, 2023, and that amount is assumed to be ¥2 million. Based on the medium- to long-term repair and maintenance plan prepared by the Asset Manager, DHR expects to incur repairs and maintenance expenses of ¥816 million for the fiscal period ending February 28, 2023 and ¥713 million for the fiscal period ending August 31, 2023. However, actual repairs and maintenance expenses in each fiscal period may change 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.
Amortization of goodwill	<ul style="list-style-type: none"> Amortization of goodwill is estimated at ¥1,982 million for the fiscal period ending February 28, 2023 and ¥1,982 million for the fiscal period ending August 31, 2023.
Non-operating expenses	<ul style="list-style-type: none"> DHR has assumed interest expenses and other borrowing-related expenses, etc. of ¥1,633 million for the fiscal period ending February 28, 2023 and ¥1,724 million for the fiscal period ending August 31, 2023.
Interest-bearing debt	<ul style="list-style-type: none"> As of the date of this document, the balance of interest-bearing debt is ¥407,550 million. DHR has assumed that long-term loans of ¥27,900 million that become due by the end of the fiscal period ending August 31, 2023 would be fully refinanced. Other than the above, DHR has assumed the balance of interest-bearing debt would be unchanged until the end of the fiscal period ending August 31, 2023.

Item	Assumptions
Investment units	<ul style="list-style-type: none"> The total number of investment units is based on DHR's assumption of 2,320,000 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 August 31, 2023.
Distributions per unit	<ul style="list-style-type: none"> DHR has assumed that changes in fair value of interest-rate swaps will not affect the amount of distributions per unit for the fiscal periods ending February 28, 2023 and August 31, 2023. 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 assumed that distributions in excess of earnings in the amount equivalent to amortization of goodwill are paid (distributions accounted as an allowance for temporary difference adjustments and other distributions in excess of earning (return of capital)). However, DHR has assumed that in the case of an occurrence of special gains such as gain on sale of real estate properties, other distributions in excess of earnings, which is a part of the abovementioned distributions in excess of earnings in the amount equivalent to amortization of goodwill, can be reduced by an amount equivalent to part of the gain on sale of real estate properties. DHR has assumed that in the case of the occurrence of excess taxable income over accounting profit associated with sale of properties that causes a need for DHR to take action to maintain its favorable tax status, DHR will conduct additional distributions in excess of earnings (distribution accounted as an allowance for temporary difference adjustments). It is assumed that total of distributions in excess of earnings for the fiscal period ending February 28, 2023 would be ¥1,978 million (¥853 per unit), consisting of the allowance for temporary difference adjustments and other distributions in excess of earnings (return of capital) of ¥1,849 million (¥797 per unit) and ¥129 million (¥56 per unit), respectively, and for the fiscal period ending August 31, 2023, total of distributions in excess of earnings would be ¥1,960 million (¥845 per unit), consisting of the allowance for temporary difference adjustments and other distributions in excess of earnings (return of capital) of ¥1,860 million (¥802 per unit) and ¥99 million (¥43 per unit), respectively. DHR has assumed that changes in fair value of interest-rate swaps will not affect the amount of distributions in excess of earnings per unit for the fiscal periods ending February 28, 2023 and August 31, 2023.
Others	<ul style="list-style-type: none"> DHR has assumed that 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.

2. Financial Statements

(1) Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal period (As of February 28, 2022)	Current fiscal period (As of August 31, 2022)
Assets		
Current assets		
Cash and deposits	22,560,614	30,043,112
Cash and deposits in trust	19,351,482	19,987,061
Operating accounts receivable	330,122	314,491
Prepaid expenses	638,140	731,649
Consumption taxes receivable	3,370,380	–
Other	10,163	4,087
Allowance for doubtful accounts	(2,080)	(2,035)
Total current assets	46,258,824	51,078,366
Non-current assets		
Property, plant and equipment		
Buildings	25,743,766	25,872,104
Accumulated depreciation	(5,937,029)	(6,201,445)
Buildings, net	19,806,736	19,670,659
Structures	241,007	246,523
Accumulated depreciation	(57,297)	(59,111)
Structures, net	183,709	187,412
Machinery and equipment	473,958	478,657
Accumulated depreciation	(193,442)	(203,957)
Machinery and equipment, net	280,516	274,700
Tools, furniture and fixtures	800,285	844,097
Accumulated depreciation	(512,828)	(543,827)
Tools, furniture and fixtures, net	287,456	300,269
Land	21,711,324	21,711,324
Buildings in trust	*1 430,758,494	*1 431,538,606
Accumulated depreciation	(56,356,204)	(61,256,572)
Buildings in trust, net	374,402,289	370,282,033
Structures in trust	10,101,572	10,127,725
Accumulated depreciation	(1,718,537)	(1,914,446)
Structures in trust, net	8,383,035	8,213,278
Machinery and equipment in trust	2,653,869	2,665,397
Accumulated depreciation	(1,337,238)	(1,417,998)
Machinery and equipment in trust, net	1,316,630	1,247,399
Tools, furniture and fixtures in trust	1,848,352	1,968,095
Accumulated depreciation	(902,018)	(1,012,727)
Tools, furniture and fixtures in trust, net	946,334	955,367
Land in trust	421,989,027	421,990,449
Construction in progress in trust	–	199,950
Total property, plant and equipment	849,307,062	845,032,844
Intangible assets		
Goodwill	57,484,571	55,502,344
Leasehold rights in trust	5,830,223	5,782,810
Trademark rights	388	161
Total intangible assets	63,315,182	61,285,315

(Unit: Thousands of yen)

	Previous fiscal period (As of February 28, 2022)	Current fiscal period (As of August 31, 2022)
Investments and other assets		
Investment securities	*2 9,463	*2 9,480
Long-term prepaid expenses	2,031,814	2,403,601
Guarantee deposits	99	99
Lease and guarantee deposits in trust	3,547,353	3,547,353
Total investments and other assets	5,588,730	5,960,534
Total non-current assets	918,210,976	912,278,695
Deferred assets		
Investment corporation bond issuance costs	200,100	209,212
Total deferred assets	200,100	209,212
Total assets	964,669,900	963,566,274
Liabilities		
Current liabilities		
Operating accounts payable	1,777,779	1,693,807
Current portion of long-term loans	42,500,000	35,900,000
Accounts payable - other	98,921	137,152
Accrued expenses	1,784,954	1,818,619
Income taxes payable	605	605
Accrued consumption taxes	-	1,549,216
Advances received	3,603,785	3,628,679
Unearned revenue	157,957	132,825
Deposits received	177,977	173,587
Derivatives liabilities	11,882	23,350
Other	67,520	67,520
Total current liabilities	50,181,383	45,125,362
Non-current liabilities		
Investment corporation bonds	38,000,000	42,000,000
Long-term loans	327,050,000	329,650,000
Long-term unearned revenue	236,320	175,991
Tenant leasehold and security deposits	330,755	330,939
Tenant leasehold and security deposits in trust	23,664,971	23,539,868
Asset retirement obligations	670,889	677,259
Derivatives liabilities	357,567	246,460
Total non-current liabilities	390,310,503	396,620,519
Total liabilities	440,491,887	441,745,882
Net assets		
Unitholders' equity		
Unitholders' capital	268,042,601	268,042,601
Surplus		
Capital surplus	247,667,563	247,667,563
Deduction from capital surplus		
Allowance for temporary difference adjustments	*3 (3,401,604)	*3 (5,039,524)
Total deduction from capital surplus	(3,401,604)	(5,039,524)
Capital surplus, net	244,265,959	242,628,039
Unappropriated retained earnings (undisposed loss)	12,238,902	11,419,562
Total surplus	256,504,861	254,047,602
Total unitholders' equity	524,547,463	522,090,203

(Unit: Thousands of yen)

	Previous fiscal period (As of February 28, 2022)		Current fiscal period (As of August 31, 2022)	
Valuation and translation adjustments				
Deferred gains or losses on hedges		(369,449)		(269,810)
Total valuation and translation adjustments		(369,449)		(269,810)
Total net assets	*4	524,178,013	*4	521,820,392
Total liabilities and net assets		964,669,900		963,566,274

(2) Statements of Income

(Unit: Thousands of yen)

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Operating revenues		
Rental revenues	*1 27,756,601	*1 28,085,530
Other rental revenues	*1 1,171,703	*1 1,283,457
Gain on sale of real estate properties	*2 1,335,737	-
Total operating revenues	30,264,042	29,368,987
Operating expenses		
Rental expenses	*1 12,431,148	*1 12,183,764
Asset management fees	1,864,782	1,921,674
Asset custody fees	37,932	38,338
Administrative service fees	95,300	94,587
Directors' remuneration	6,600	6,660
Amortization of goodwill	1,982,226	1,982,226
Provision of allowance for doubtful accounts	2,056	1,577
Other operating expenses	434,808	478,750
Total operating expenses	16,854,856	16,707,579
Operating profit	13,409,185	12,661,408
Non-operating income		
Interest income	189	185
Gain on forfeiture of unclaimed distributions	4,830	5,249
Gain on adjustment of liabilities	6,404	7,473
Property tax adjustment at settlement	58	-
Interest on tax refund	-	2,920
Subsidy income	10,225	-
Other	92	23
Total non-operating income	21,800	15,852
Non-operating expenses		
Interest expenses	1,136,690	1,169,396
Interest expenses on investment corporation bonds	99,679	112,622
Amortization of investment corporation bond issuance costs	13,997	15,394
Investment unit issuance expenses	173,618	-
Borrowing related expenses	319,251	325,546
Other	2,025	3,913
Total non-operating expenses	1,745,263	1,626,875
Ordinary profit	11,685,723	11,050,385
Profit before income taxes	11,685,723	11,050,385
Income taxes - current	605	605
Total income taxes	605	605
Profit	11,685,118	11,049,780
Retained earnings brought forward	553,783	369,782
Unappropriated retained earnings (undisposed loss)	12,238,902	11,419,562

(3) Statements of Unitholders' Equity

Previous fiscal period (From September 1, 2021 to February 28, 2022)

(Unit: Thousands of yen)

	Unitholders' equity								
	Unitholders' capital	Surplus						Total surplus	Total unitholders' equity
		Capital surplus				Capital surplus, net	Unappropriated retained earnings (undisposed loss)		
		Capital surplus	Deduction from capital surplus						
	Allowance for temporary difference adjustments		Total deduction from capital surplus						
Balance at beginning of period	231,766,153	247,667,563	(1,708,488)	(1,708,488)	245,959,075	12,295,795	258,254,871	490,021,024	
Changes of items during period									
Issuance of new investment units	36,276,448							36,276,448	
Distributions in excess of earnings from allowance for temporary difference adjustments			(1,693,116)	(1,693,116)	(1,693,116)		(1,693,116)	(1,693,116)	
Distributions from surplus						(11,742,012)	(11,742,012)	(11,742,012)	
Profit						11,685,118	11,685,118	11,685,118	
Net changes of items other than unitholders' equity									
Total changes of items during period	36,276,448	–	(1,693,116)	(1,693,116)	(1,693,116)	(56,893)	(1,750,009)	34,526,438	
Balance at end of period	* 268,042,601	247,667,563	(3,401,604)	(3,401,604)	244,265,959	12,238,902	256,504,861	524,547,463	

(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	(553,713)	(553,713)	489,467,310
Changes of items during period			
Issuance of new investment units			36,276,448
Distributions in excess of earnings from allowance for temporary difference adjustments			(1,693,116)
Distributions from surplus			(11,742,012)
Profit			11,685,118
Net changes of items other than unitholders' equity	184,264	184,264	184,264
Total changes of items during period	184,264	184,264	34,710,702
Balance at end of period	(369,449)	(369,449)	524,178,013

Current fiscal period (From March 1, 2022 to August 31, 2022)

(Unit: Thousands of yen)

	Unitholders' equity								
	Unitholders' capital	Surplus						Total surplus	Total unitholders' equity
		Capital surplus				Unappropriated retained earnings (undisposed loss)			
		Capital surplus	Deduction from capital surplus		Capital surplus, net				
Allowance for temporary difference adjustments	Total deduction from capital surplus								
Balance at beginning of period	268,042,601	247,667,563	(3,401,604)	(3,401,604)	244,265,959	12,238,902	256,504,861	524,547,463	
Changes of items during period									
Distributions in excess of earnings from allowance for temporary difference adjustments			(1,637,920)	(1,637,920)	(1,637,920)		(1,637,920)	(1,637,920)	
Distributions from surplus						(11,869,120)	(11,869,120)	(11,869,120)	
Profit						11,049,780	11,049,780	11,049,780	
Net changes of items other than unitholders' equity									
Total changes of items during period	-	-	(1,637,920)	(1,637,920)	(1,637,920)	(819,339)	(2,457,259)	(2,457,259)	
Balance at end of period	* 268,042,601	247,667,563	(5,039,524)	(5,039,524)	242,628,039	11,419,562	254,047,602	522,090,203	

(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	(369,449)	(369,449)	524,178,013
Changes of items during period			
Distributions in excess of earnings from allowance for temporary difference adjustments			(1,637,920)
Distributions from surplus			(11,869,120)
Profit			11,049,780
Net changes of items other than unitholders' equity	99,638	99,638	99,638
Total changes of items during period	99,638	99,638	(2,357,620)
Balance at end of period	(269,810)	(269,810)	521,820,392

(4) Statements of Cash Distributions

Item	Fiscal period ended February 28, 2022	Fiscal period ended August 31, 2022
	Amount (Yen)	Amount (Yen)
I Unappropriated retained earnings	12,238,902,254	11,419,562,690
II Amount added to distributions in excess of earnings		
Allowance for temporary difference adjustments	1,637,920,000	1,839,760,000
Other deductions from capital surplus	-	44,080,000
III Distributions	13,507,040,000	13,031,440,000
[Distributions per investment unit]	[5,822]	[5,617]
Of the above, earnings distributions [of the above, earnings distributions per unit]	11,869,120,000 [5,116]	11,147,600,000 [4,805]
Of the above, allowance for temporary difference adjustments [of the above, distributions in excess of earnings per unit associated with the allowance for temporary difference adjustments]	1,637,920,000 [706]	1,839,760,000 [793]
Of the above, other distributions in excess of earnings [of the above, distributions in excess of earnings per unit associated with the other distributions in excess of earnings]	- [-]	44,080,000 [19]
IV Retained earnings carried forward	369,782,254	271,962,690

Calculation method for distributions	<p>Based on the cash distribution policy set forth in Article 37, paragraph 1 and paragraph 2 of the Articles of Incorporation of DHR, an amount equivalent to the amortization of goodwill is distributed together with profit, and distributions in excess of earnings in the amount equivalent to amortization of goodwill are paid (distributions accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings).</p> <p>Based on the above policy, for the relevant period, of the total amount of ¥13,507,372,447 when combining profit of ¥11,685,118,501 and amortization of goodwill of ¥1,982,226,586 and excluding ¥159,972,640 corresponding to a portion of gain on sale of real estate properties, etc., DHR decided to pay a total of ¥13,507,040,000 in distributions (¥5,822 per unit) after adjusting the fractional parts of amounts less than ¥1 per investment unit for each type of distribution listed in the breakdown of distributions below.</p> <p>The breakdown of distributions was ¥11,869,120,000 as earnings distributions (¥5,116 per unit) and ¥1,637,920,000 in allowance for temporary difference adjustments as distributions in excess of earnings (¥706 per unit).</p>	<p>Based on the cash distribution policy set forth in Article 37, paragraph 1 and paragraph 2 of the Articles of Incorporation of DHR, an amount equivalent to the amortization of goodwill is distributed together with profit, and distributions in excess of earnings in the amount equivalent to amortization of goodwill are paid (distributions accounted as an allowance for temporary difference adjustments and other distributions in excess of earnings).</p> <p>Based on the above policy, for the relevant period, of the total amount of ¥13,032,007,022 when combining profit of ¥11,049,780,436 and amortization of goodwill of ¥1,982,226,586, DHR decided to pay a total of ¥13,031,440,000 in distributions (¥5,617 per unit) after adjusting the fractional parts of amounts less than ¥1 per investment unit for each type of distribution listed in the breakdown of distributions below.</p> <p>The breakdown of distributions was ¥11,147,600,000 as earnings distributions (¥4,805 per unit), and of distributions in excess of earnings, ¥1,839,760,000 as temporary difference adjustments (¥793 per unit) and ¥44,080,000 as other distributions in excess of earnings (¥19 per unit).</p>
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(5) Statements of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Cash flows from operating activities		
Profit before income taxes	11,685,723	11,050,385
Depreciation	5,625,565	5,654,048
Amortization of goodwill	1,982,226	1,982,226
Amortization of investment corporation bond issuance costs	13,997	15,394
Amortization of trademark rights	278	227
Loss on retirement of non-current assets	18,379	7,538
Investment unit issuance expenses	173,618	-
Interest income	(189)	(185)
Interest expenses	1,236,369	1,282,019
Decrease (increase) in operating accounts receivable	1,370	15,630
Decrease (increase) in consumption taxes receivable	(3,370,380)	3,370,380
Decrease (increase) in prepaid expenses	(990)	(93,508)
Increase (decrease) in operating accounts payable	(216,749)	173,106
Increase (decrease) in accounts payable - other	5,473	39,176
Increase (decrease) in accrued consumption taxes payable	(325,919)	1,549,216
Increase (decrease) in accrued expenses	103,869	25,704
Increase (decrease) in deposits received	(68,853)	(4,390)
Increase (decrease) in advances received	310,196	24,893
Decrease (increase) in long-term prepaid expenses	(157,561)	(371,786)
Increase (decrease) in allowance for doubtful accounts	1,805	(44)
Decrease in property, plant and equipment due to sales	(7,096)	-
Decrease in property, plant and equipment in trust due to sales	2,384,762	-
Other, net	117,126	71,717
Subtotal	19,513,024	24,791,751
Interest income received	189	185
Interest expenses paid	(1,329,765)	(1,359,520)
Income taxes paid	(606)	(604)
Net cash provided by (used in) operating activities	18,182,841	23,431,812
Cash flows from investing activities		
Purchase of property, plant and equipment	(301,739)	(116,590)
Purchase of property, plant and equipment in trust	(76,619,671)	(1,487,724)
Proceeds from tenant leasehold and security deposits	27,725	28,570
Repayments of tenant leasehold and security deposits	(36,125)	(44,178)
Proceeds from tenant leasehold and security deposits in trust	3,118,287	271,107
Repayments of tenant leasehold and security deposits in trust	(1,389,797)	(439,706)
Net cash provided by (used in) investing activities	(75,201,320)	(1,788,522)
Cash flows from financing activities		
Proceeds from short-term loans	4,000,000	-
Repayment of short-term loans	(4,000,000)	-
Proceeds from long-term loans	38,850,000	20,000,000
Repayments of long-term loans	(13,858,000)	(24,000,000)
Proceeds from issuance of investment corporation bonds	7,945,782	3,975,492
Redemption of investment corporation bonds	(4,000,000)	-
Proceeds from issuance of investment units	36,102,829	-
Distributions paid	(13,432,146)	(13,500,704)
Net cash provided by (used in) financing activities	51,608,465	(13,525,212)

(Unit: Thousands of yen)

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Net increase (decrease) in cash and cash equivalents	(5,410,013)	8,118,077
Cash and cash equivalents at beginning of period	47,322,110	41,912,097
Cash and cash equivalents at end of period	* 41,912,097	* 50,030,174

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Important Accounting Policies

1. Valuation basis and accounting methods for assets	<p>Securities</p> <p>Held-to-maturity bonds</p> <p>The amortized cost method (straight-line method) is used.</p>										
2. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including assets in trust)</p> <p>The straight-line method is used.</p> <p>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)</p> <p>The straight-line method is used.</p> <p>The useful lives of major intangible assets are listed below.</p> <table border="0" data-bbox="603 837 1139 869"> <tr> <td>Goodwill</td> <td>20 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
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										
3. Accounting method for deferred assets	<p>Investment corporation bond issuance costs</p> <p>Costs are amortized by the straight-line method over the redemption period.</p>										
4. Recognition of allowance	<p>Allowance for doubtful accounts</p> <p>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.</p>										
5. Recognition of revenues and expenses	<p>(1) Recognition of revenues</p> <p>The details of the main performance obligations related to revenue from contracts with DHR's customers and the usual timing for satisfying the performance obligations (the usual timing for recognition of revenue) are as follows.</p> <p>i) Sale of real estate properties</p> <p>For proceeds from sale of real estate properties, revenue is recognized at the time when the buyer, who is the customer, acquires control of the real estate property by the performance of the delivery obligation set out in the real estate sales contract.</p> <p>ii) Utilities expenses reimbursements (incidental revenues)</p> <p>Utilities expenses reimbursements are recognized according to the supply of electricity, water, and so forth to the lessee, who is the customer, in accordance with the details of the lease contract and attached agreements for a real estate property, etc.</p> <p>For utilities expenses reimbursements in which DHR is deemed to correspond to an agent, revenue is recognized as the net amount after deducting the payment amount to another service provider from the amount received as charges for electricity and water, etc. supplied by that other service provider.</p> <p>(2) Property-related taxes</p> <p>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.</p> <p>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.</p>										

<p>6. Method of hedge accounting</p>	<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>
<p>7. Scope of cash in the statements of cash flows (cash and cash equivalents)</p>	<p>Cash in the statements of cash flows (cash and cash equivalents) includes 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.</p>
<p>8. Other matters forming the basis of preparing the financial statements</p>	<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 non-deductible consumption taxes 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. Amount of reduction entries for property, plant and equipment acquired through government subsidies

(Unit: Thousands of yen)		
	Previous fiscal period (As of February 28, 2022)	Current fiscal period (As of August 31, 2022)
Buildings in trust	17,328	17,328

- *2. 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 February 28, 2022)	Current fiscal period (As of August 31, 2022)
Investment securities	9,463	9,480

- *3. Matters regarding provision and reversal of allowances for temporary difference adjustments

Previous fiscal period (From September 1, 2021 to February 28, 2022)

1. Reason for provision, reversal, related assets, etc., and amount of provision

(Unit: Thousands of yen)							
Related assets, etc.	Reason	Initial amount	Balance at beginning of period	Amount of provision during period	Amount of reversal during period	Balance at end of period	Reason for reversal
Goodwill	Amortization of goodwill	50,508	1,708,488	1,693,116	-	3,401,604	-

2. Specific method of reversal

Amortization of goodwill

In principle, no reversals are made.

Current fiscal period (From March 1, 2022 to August 31, 2022)

1. Reason for provision, reversal, related assets, etc., and amount of provision

(Unit: Thousands of yen)							
Related assets, etc.	Reason	Initial amount	Balance at beginning of period	Amount of provision during period	Amount of reversal during period	Balance at end of period	Reason for reversal
Goodwill	Amortization of goodwill	50,508	3,401,604	1,637,920	-	5,039,524	-

2. Specific method of reversal

Amortization of goodwill

In principle, no reversals are made.

- *4. 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 February 28, 2022)	Current fiscal period (As of August 31, 2022)
50,000	50,000

5. 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 February 28, 2022)	Current fiscal period (As of August 31, 2022)
Total amount specified in commitment line contracts	25,000,000	25,000,000
Loans executed and outstanding	—	—
Unused credit lines	25,000,000	25,000,000

Notes to Statements of Income

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

	(Unit: Thousands of yen)			
	Previous fiscal period (From September 1, 2021 to February 28, 2022)		Current fiscal period (From March 1, 2022 to August 31, 2022)	
A. Real estate rental revenues				
Rental revenues				
Rent	27,199,040		27,524,798	
Common area charges	557,560	27,756,601	560,731	28,085,530
Other rental revenues				
Facility charges	482,672		483,228	
Incidental revenues	433,495		530,924	
Other	255,535	1,171,703	269,304	1,283,457
Total real estate rental revenues		28,928,305		29,368,987
B. Real estate rental expenses				
Rental expenses				
Management fees	1,560,618		1,614,583	
Utilities	479,766		581,659	
Taxes and public dues	2,158,531		2,396,533	
Repairs and maintenance expenses	1,575,809		892,040	
Restoration costs	290,664		268,558	
Insurance	34,685		51,584	
Custodian fees	59,021		58,006	
Depreciation	5,625,565		5,654,048	
Other operating expenses	646,485	12,431,148	666,750	12,183,764
Total real estate rental expenses		12,431,148		12,183,764
C. Income (loss) from real estate rental business (A – B)		16,497,156		17,185,223

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

Previous fiscal period (From September 1, 2021 to February 28, 2022)

	(Unit: Thousands of yen)
Castalia Ohori Bay Tower	
Proceeds from sale of real estate properties	3,740,000
Cost of real estate properties sold	2,384,762
Other sales expenses	19,500
Gain (loss) on sale of real estate properties	1,335,737

Current fiscal period (From March 1, 2022 to August 31, 2022)

Not applicable.

Notes to Statements of Unitholders' Equity

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

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Total number of authorized investment units	8,000,000 units	8,000,000 units
Total number of investment units issued	2,320,000 units	2,320,000 units

Notes to Statements of Cash Flows

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

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Cash and deposits	22,560,614	30,043,112
Cash and deposits in trust	19,351,482	19,987,061
Cash and cash equivalents	41,912,097	50,030,174

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:

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Balance sheet carrying amount		
Balance at beginning of period	786,925,272	855,137,285
Changes during period	68,212,013	(4,321,630)
Balance at end of period	855,137,285	850,815,655
Fair value at end of period	1,029,777,000	1,046,376,000

(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 acquisition of five properties including DPL Nagareyama III (¥74,252,397 thousand), while the decrease is mainly due to the sale of Castalia Ohori Bay Tower (¥2,384,762 thousand) and depreciation. The decrease in the current fiscal period is mainly due to 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.”

Notes on Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

Previous fiscal period (From September 1, 2021 to February 28, 2022)

	Revenue from contracts with customers ^(Note 1)	Sales to external customers
Proceeds from sale of real estate properties	3,740,000	^(Note 2) 1,335,737
Utilities expenses reimbursements	416,316	416,316
Other	-	28,511,988
Total	4,156,316	30,264,042

(Note 1) The above amounts do not include rental revenues, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” and transfer of real estate properties, etc. subject to the Japan Institute of Certified Public Accountants Accounting Practice Committee Statement No. 15 “Practical Guidelines on Accounting by Transferors for Securitization of Real Property by Using Special Purpose Companies” since these are not within the scope of application of the Accounting Standard for Revenue Recognition. Moreover, the main revenues from contracts with customers are proceeds from sale of real estate properties and utilities expenses reimbursements.

(Note 2) Proceeds from sale of real estate properties are recorded in the statements of income as gain (loss) on sale of real estate properties (the net amount after deducting cost of real estate properties sold and other sales expenses from proceeds from sale of real estate properties). At DHR, gain on sale of real estate properties is recorded under operating revenues, while loss on sale of real estate properties is recorded under operating expenses. Therefore, in the above table, only the amount of gain on sale of real estate properties is presented.

Current fiscal period (From March 1, 2022 to August 31, 2022)

	(Unit: Thousands of yen)	
	Revenue from contracts with customers ^(Note)	Sales to external customers
Utilities expenses reimbursements	512,387	512,387
Other	-	28,856,600
Total	512,387	29,368,987

(Note) The above amounts do not include rental revenues, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” and transfer of real estate properties, etc. subject to the Japan Institute of Certified Public Accountants Accounting Practice Committee Statement No. 15 “Practical Guidelines on Accounting by Transferors for Securitization of Real Property by Using Special Purpose Companies” since these are not within the scope of application of the Accounting Standard for Revenue Recognition. Moreover, the main revenues from contracts with customers are proceeds from sale of real estate properties and utilities expenses reimbursements.

2. Information on basis for understanding revenue from contracts with customers

Previous fiscal period (From September 1, 2021 to February 28, 2022)

As indicated under “Notes on Important Accounting Policies.”

Current fiscal period (From March 1, 2022 to August 31, 2022)

As indicated under “Notes on Important Accounting Policies.”

3. Information regarding relationship between fulfillment of performance obligation in accordance with contracts with customers and cash flow arising from the contracts, as well as amounts and timing of revenue expected to be recognized in the following fiscal period onward from contracts with customers existing at the end of the current fiscal period

(1) Balances of contract assets and contract liabilities

	(Unit: Thousands of yen)	
	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Receivables arising from contracts with customers (Balance at beginning of period)	171,092	161,837
Receivables arising from contracts with customers (Balance at end of period)	161,837	242,637
Contract assets (Balance at beginning of period)	-	-
Contract assets (Balance at end of period)	-	-
Contract liabilities (Balance at beginning of period)	-	-
Contract liabilities (Balance at end of period)	-	-

(2) Transaction price allocated to remaining performance obligations

Not applicable.

For utilities expenses reimbursements, DHR has the right to receive from customers the amount of consideration directly corresponding to the value to the lessee, who is the customer, for the portion for which performance is completed by the fiscal period end. Therefore, in accordance with paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized in the amount for which DHR has the right to request payment. Accordingly, DHR has applied the provision of paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition and does not include utilities expenses reimbursements in this note of the transaction price allocated to remaining performance obligations.

Per Unit Information

	Previous fiscal period (From September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Net assets per unit	¥225,938	¥224,922
Basic earnings per unit	¥5,039	¥4,762

(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 September 1, 2021 to February 28, 2022)	Current fiscal period (From March 1, 2022 to August 31, 2022)
Profit (Thousands of yen)	11,685,118	11,049,780
Amount not attributable to common unitholders (Thousands of yen)	-	-
Profit attributable to common investment units (Thousands of yen)	11,685,118	11,049,780
Average number of investment units for the period (Units)	2,318,657	2,320,000

Major Subsequent Events

Not applicable.

Additional Information

Notes on provision and reversal of allowances for temporary difference adjustments

Previous fiscal period (From September 1, 2021 to February 28, 2022)

1. Reason for provision, related assets, etc., and amount of provision

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Allowance for temporary difference adjustments
Goodwill	Amortization of goodwill	1,637,920

2. Specific method of reversal

Amortization of goodwill
In principle, no reversals are made.

Current fiscal period (From March 1, 2022 to August 31, 2022)

1. Reason for provision, related assets, etc., and amount of provision

(Unit: Thousands of yen)

Related assets, etc.	Reason for provision	Allowance for temporary difference adjustments
Goodwill	Amortization of goodwill	1,839,760

2. Specific method of reversal

Amortization of goodwill
In principle, no reversals are made.

Omission of Disclosure

Disclosure is omitted for items for notes including lease transactions, financial instruments, securities, derivative transactions, related party transactions, tax effect accounting, retirement benefits, asset retirement obligations, segment information, equity in earnings or losses of equity-method investments, since necessity for their disclosure in the financial results report is not deemed significant.

(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 August 31, 2022 are as follows:

Date	Event	Total number of investment units issued (Units)		Unitholders' capital (Millions of yen)		Remark
		Change	Balance	Change	Balance	
March 19, 2018	Capital increase through public offering	222,000	1,912,000	51,607	159,743	(Note 1)
April 13, 2018	Capital increase through third-party allotment	15,000	1,927,000	3,486	163,230	(Note 2)
March 1, 2019	Capital increase through public offering	138,000	2,065,000	32,879	196,110	(Note 3)
March 26, 2019	Capital increase through third-party allotment	10,000	2,075,000	2,382	198,492	(Note 4)
March 2, 2020	Capital increase through public offering	121,000	2,196,000	33,273	231,766	(Note 5)
September 1, 2021	Capital increase through public offering	115,000	2,311,000	33,643	265,409	(Note 6)
September 28, 2021	Capital increase through third-party allotment	9,000	2,320,000	2,632	268,042	(Note 7)

(Note 1) Investment units were issued by public offering with an issue price of ¥239,806 per unit (paid-in amount: ¥232,465) in order to raise funds for the acquisition of new properties, etc.

(Note 2) Additional investment units were issued with a paid-in amount of ¥232,465 per unit in order to raise funds for the acquisition of new properties, etc.

(Note 3) Investment units were issued by public offering with an issue price of ¥245,784 per unit (paid-in amount: ¥238,260) in order to raise funds for the acquisition of new properties, etc.

(Note 4) Additional investment units were issued with a paid-in amount of ¥238,260 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 ¥283,670 per unit (paid-in amount: ¥274,986) in order to raise funds for the acquisition of new properties, etc.

(Note 6) Investment units were issued by public offering with an issue price of ¥301,791 per unit (paid-in amount: ¥292,552) in order to raise funds for the acquisition of new properties, etc.

(Note 7) Additional investment units were issued with a paid-in amount of ¥292,552 per unit in order to raise funds for the acquisition of new properties, etc.

(Note 8) There are no investment units that do not have voting rights in accordance with the provisions of Article 308, paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 94 of the Act on Investment Trusts and Investment Corporations (treasury investment units), or investment units that do not have voting rights in accordance with the provisions of Article 160 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations (Order of the Prime Minister's Office No. 129 of 2000, as amended; hereinafter referred to as the "Regulation for Enforcement of Investment Trusts Act") (cross-held investment units).

3. Reference Information

Status of DHR's Investment

(1) Portfolio List

i) Status of investment

The status of DHR's investment as of August 31, 2022 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	23,412	2.4	
			Greater Nagoya area	886	0.1	
			Greater Osaka area	13,077	1.4	
		Other	3,296	0.3		
	Retail properties	Other	1,471	0.2		
Subtotal				42,144	4.4	
Trust beneficiary interest in real estate	Logistics properties	Three major metropolitan areas of Japan	Greater Tokyo area	330,108	34.3	
			Greater Nagoya area	15,283	1.6	
			Greater Osaka area	22,097	2.3	
		Other	85,626	8.9		
	Residential properties	Three major metropolitan areas of Japan	Greater Tokyo area	163,696	17.0	
			Greater Nagoya area	5,684	0.6	
			Greater Osaka area	5,910	0.6	
		Other	1,094	0.1		
	Retail properties	Three major metropolitan areas of Japan	Greater Tokyo area	31,838	3.3	
			Greater Nagoya area	2,390	0.2	
			Greater Osaka area	22,817	2.4	
		Other	62,275	6.5		
	Hotel properties	Three major metropolitan areas of Japan	Greater Tokyo area	4,646	0.5	
			Greater Nagoya area	5,381	0.6	
			Greater Osaka area	1,415	0.1	
		Other	8,104	0.8		
	Other assets	Three major metropolitan areas of Japan	Greater Tokyo area	3,165	0.3	
			Other	37,134	3.9	
	Subtotal				808,671	83.9
	Deposits and other assets				112,750	11.7
Total assets				963,566	100.0	

	Amount (Millions of yen)	Percentage to total assets (%) (Note 3)
Total liabilities	441,745	45.8
Total net assets	521,820	54.2

(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 August 31, 2022, 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 August 31, 2022 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	9,480	—	September 20, 2037	—	—	9,035	(445)	0.0%	Deposited as business security deposit
Total		10,000	9,480	—	—	—	—	9,035	(445)	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 August 31, 2022 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	1.0	9,144	10,800
	LB-002	D Project Hachioji	Hachioji City, Tokyo	September 1, 2016	15,400	1.7	14,711	18,000
	LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	September 1, 2016	3,390	0.4	3,634	4,680
	LB-005	D Project Urayasu I	Urayasu City, Chiba	September 1, 2016	9,280	1.0	9,124	10,400
	LB-006	D Project Urayasu II	Urayasu City, Chiba	September 1, 2016	26,000	2.9	25,259	29,000
	LB-007	D Project Akanehama	Narashino City, Chiba	September 1, 2016	2,950	0.3	2,914	3,240
	LB-008	D Project Noda	Noda City, Chiba	September 1, 2016	6,210	0.7	6,050	7,070
	LB-009	D Project Inuyama (Note 7)	Inuyama City, Aichi	September 1, 2016	10,790	1.2	10,157	12,790
	LB-011	D Project Neyagawa	Neyagawa City, Osaka	September 1, 2016	5,980	0.7	5,688	6,900
	LB-013	D Project Morioka	Takizawa City, Iwate	September 1, 2016	1,200	0.1	1,176	1,210
	LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	September 1, 2016	3,390	0.4	3,107	3,760
	LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	September 1, 2016	4,240	0.5	4,012	5,330
	LB-019	D Project Tosu	Tosu City, Saga	September 1, 2016	5,740	0.6	5,210	6,620
	LB-020	D Project Kuki I	Kuki City, Saitama	September 1, 2016	3,900	0.4	3,661	4,780
	LB-021	D Project Kuki II	Kuki City, Saitama	September 1, 2016	8,120	0.9	7,483	9,680
	LB-022	D Project Kawagoe I	Kawagoe City, Saitama	September 1, 2016	3,530	0.4	3,335	4,230
	LB-023	D Project Kawagoe II	Kawagoe City, Saitama	September 1, 2016	4,850	0.5	4,593	5,880
	LB-024	DPL Inuyama	Inuyama City, Aichi	September 1, 2016	3,940	0.4	3,677	4,610
	LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	September 1, 2016	4,340	0.5	4,095	5,000
	LB-026	D Project Kuki III	Kuki City, Saitama	September 1, 2016	7,630	0.9	7,091	9,230
	LB-027	D Project Kuki IV	Kuki City, Saitama	September 1, 2016	5,520	0.6	5,128	6,600
	LB-028	D Project Kuki V	Kuki City, Saitama	September 1, 2016	8,280	0.9	7,735	11,500
	LB-029	D Project Kuki VI	Kuki City, Saitama	September 1, 2016	5,140	0.6	4,750	6,100
	LB-030	D Project Yashio	Yashio City, Saitama	September 1, 2016	6,400	0.7	6,210	7,210
	LB-031	D Project Nishiyodogawa	Osaka City, Osaka	September 1, 2016	10,300	1.2	9,569	12,400
	LB-032	D Project Matsudo	Matsudo City, Chiba	September 1, 2016	7,370	0.8	7,004	8,480
	LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	September 28, 2016	2,080	0.2	1,915	2,230
	LB-034	D Project Morioka II	Takizawa City, Iwate	September 28, 2016	1,280	0.1	1,189	1,320
	LB-035	D Project Kawagoe III	Kawagoe City, Saitama	April 11, 2017	7,200	0.8	6,766	8,570
	LB-036	D Project Kazo	Kazo City, Saitama	April 11, 2017	3,300	0.4	3,150	3,920
	LB-037	D Project Urayasu III	Urayasu City, Chiba	April 11, 2017	8,500	0.9	8,390	10,100
	LB-038	D Project Tomisato	Tomisato City, Chiba	April 11, 2017	5,000	0.6	4,632	5,720
	LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	April 11, 2017	3,520	0.4	3,353	4,070
	LB-040	D Project Sendai Izumi	Sendai City, Miyagi	April 11, 2017	1,510	0.2	1,402	1,690
	LB-041	D Project Oyama	Oyama City, Tochigi	April 11, 2017	2,000	0.2	1,866	2,120
	LB-042	D Project Sano	Sano City, Tochigi	April 11, 2017	1,780	0.2	1,636	1,920
	LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	April 11, 2017	3,100	0.3	2,878	3,400
	LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	April 11, 2017	6,000	0.7	5,640	6,370
	LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	April 11, 2017	3,820	0.4	3,591	4,340
	LB-046	D Project Tosu II	Tosu City, Saga	April 11, 2017	1,700	0.2	1,568	2,050
	LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	April 10, 2018	5,600	0.6	5,402	6,290

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-048	D Project Kuki VII	Kuki City, Saitama	April 10, 2018	1,040	0.1	1,016	1,250
	LB-049	D Project Chibakita	Chiba City, Chiba	April 10, 2018	7,640	0.9	7,398	8,890
	LB-050	D Project Matsudo II	Matsudo City, Chiba	April 10, 2018	8,200	0.9	7,884	9,320
	LB-051	D Project Tomisato II	Tomisato City, Chiba	April 10, 2018	6,900	0.8	6,527	7,710
	LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	April 10, 2018	3,600	0.4	3,486	4,290
	LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	April 10, 2018	7,300	0.8	6,834	8,010
	LB-054	D Project Kaminokawa	Kawachi District, Tochigi	April 10, 2018	7,900	0.9	7,487	6,570
	LB-055	D Project Fuji	Fuji City, Shizuoka	April 10, 2018	3,600	0.4	3,388	3,780
	LB-056	D Project Tosu III	Tosu City, Saga	April 10, 2018	9,200	1.0	8,671	10,200
	LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	April 5, 2019	4,300	0.5	4,211	4,790
	LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	April 5, 2019	5,700	0.6	5,594	6,440
	LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	April 5, 2019	7,300	0.8	7,161	8,320
	LB-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	April 10, 2019	12,300	1.4	12,314	14,000
	LB-061	D Project Sagamihara	Sagamihara City, Kanagawa	April 10, 2019	3,900	0.4	3,782	4,390
	LB-062	D Project Kuki VIII	Kuki City, Saitama	April 10, 2019	6,100	0.7	5,900	6,800
	LB-063	D Project Yokkaichi	Yokkaichi City, Mie	April 10, 2019	1,490	0.2	1,449	1,590
	LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	April 10, 2019	4,050	0.5	3,906	4,380
	LB-065	D Project Wako A	Wako City, Saitama	September 3, 2021	10,750	1.2	10,723	11,800
	LB-066	D Project Hiratsuka	Hiratsuka City, Kanagawa	October 1, 2021	15,200	1.7	15,130	15,800
	LM-001	DPL Misato	Misato City, Saitama	April 11, 2017	16,831	1.9	16,225	19,700
	LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	April 10, 2018	13,300	1.5	12,754	16,300
	LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	September 27, 2018	3,510	0.4	3,289	3,830
	LM-004	DPL Nagareyama I	Nagareyama City, Chiba	April 3, 2020	32,600	3.6	32,089	35,900
	LM-005	DPL Shin-Narashino	Narashino City, Chiba	April 1, 2021	5,930	0.7	5,893	6,570
	LM-006	DPL Nagareyama III	Nagareyama City, Chiba	October 1, 2021	32,000	3.6	31,877	34,800
	Total of 66 Logistics properties					470,121	52.5	452,916
Residential properties	RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	March 22, 2006	7,650	0.9	7,342	10,400
	RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	March 22, 2006	4,500	0.5	4,088	4,930
	RE-003	Castalia Shibakoen	Minato Ward, Tokyo	March 22, 2006	2,630	0.3	2,370	2,740
	RE-004	Castalia Ginza	Chuo Ward, Tokyo	March 22, 2006	2,520	0.3	2,259	2,660
	RE-005	Castalia Hiroo	Minato Ward, Tokyo	March 22, 2006	2,220	0.2	2,018	2,260
	RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	March 22, 2006	1,200	0.1	1,059	1,350
	RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	March 7, 2007	2,300	0.3	2,057	2,660
	RE-008	Castalia Azabujuban	Minato Ward, Tokyo	June 21, 2007	2,910	0.3	2,757	3,080
	RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	June 21, 2007	2,690	0.3	2,492	2,820
	RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	June 21, 2007	1,865	0.2	1,758	1,790
	RE-011	Castalia Ginza II	Chuo Ward, Tokyo	June 21, 2007	1,800	0.2	1,609	2,040
	RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	June 21, 2007	1,400	0.2	1,339	1,400
	RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	April 1, 2010	2,143	0.2	2,291	2,810
	RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	1,770	0.2	1,649	2,580
	RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	April 1, 2010	1,393	0.2	1,446	1,910
	RE-016	Castalia Suitengu	Chuo Ward, Tokyo	April 1, 2010	1,279	0.1	1,163	1,720
	RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	April 1, 2010	1,138	0.1	1,047	1,530
	RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	April 1, 2010	932	0.1	869	1,230
	RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	April 1, 2010	825	0.1	785	1,090
	RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	April 1, 2010	887	0.1	858	1,200
	RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	April 1, 2010	608	0.1	636	863
	RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	April 1, 2010	555	0.1	552	763
	RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	April 1, 2010	464	0.1	429	625
	RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	April 1, 2010	947	0.1	855	1,610
	RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	April 1, 2010	1,070	0.1	949	1,730
	RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	April 1, 2010	914	0.1	825	1,290
	RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	April 1, 2010	1,370	0.2	1,233	2,010
	RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	April 1, 2010	1,160	0.1	1,076	1,720
	RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	April 1, 2010	675	0.1	589	909
	RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	April 1, 2010	2,720	0.3	2,519	3,640

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-031	Castalia Takanawadai	Minato Ward, Tokyo	April 1, 2010	860	0.1	818	1,270
	RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	April 1, 2010	666	0.1	604	914
	RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	April 1, 2010	486	0.1	451	614
	RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	April 1, 2010	400	0.0	386	567
	RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	April 1, 2010	1,190	0.1	1,128	1,680
	RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	April 1, 2010	642	0.1	616	899
	RE-037	Castalia Ginza III	Chuo Ward, Tokyo	April 1, 2010	2,880	0.3	2,706	3,530
	RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	April 1, 2010	2,707	0.3	2,498	3,840
	RE-039	Castalia Takanawa	Minato Ward, Tokyo	April 1, 2010	7,430	0.8	7,279	10,200
	RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	April 1, 2010	3,520	0.4	3,200	4,610
	RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	April 1, 2010	2,950	0.3	2,764	3,900
	RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	June 29, 2010	940	0.1	843	1,510
	RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	October 18, 2011	7,580	0.8	6,082	9,880
	RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	December 19, 2011	2,030	0.2	1,934	2,630
	RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	September 27, 2013	1,900	0.2	1,818	2,430
	RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	September 27, 2013	1,420	0.2	1,363	1,840
	RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	December 20, 2005	4,500	0.5	3,950	5,100
	RE-048	Castalia Torisudaigaku	Meguro Ward, Tokyo	March 22, 2006	648	0.1	560	553
	RE-049	Castalia Yukigaya	Ota Ward, Tokyo	March 7, 2007	1,110	0.1	966	1,290
	RE-050	Castalia Yutenji	Meguro Ward, Tokyo	June 21, 2007	1,450	0.2	1,300	1,480
	RE-051	Castalia Otsuka	Toshima Ward, Tokyo	June 21, 2007	1,480	0.2	1,323	1,780
	RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	June 21, 2007	817	0.1	714	963
	RE-053	Castalia Meguro	Meguro Ward, Tokyo	April 1, 2010	844	0.1	858	1,340
	RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	April 1, 2010	1,040	0.1	941	1,550
	RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	April 1, 2010	1,200	0.1	1,162	1,680
	RE-056	Castalia Mejiro	Toshima Ward, Tokyo	April 1, 2010	988	0.1	923	1,240
	RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	April 1, 2010	2,570	0.3	2,365	3,240
	RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	April 1, 2010	1,140	0.1	1,065	1,450
	RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	April 1, 2010	7,380	0.8	6,664	10,200
	RE-060	Castalia Yakumo	Meguro Ward, Tokyo	April 1, 2010	857	0.1	811	943
	RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	April 1, 2010	1,560	0.2	1,417	2,400
	RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	April 1, 2010	996	0.1	938	1,370
	RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	April 1, 2010	742	0.1	728	960
	RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	April 1, 2010	503	0.1	452	695
	RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	April 1, 2010	198	0.0	173	245
	RE-066	Castalia Morishita	Koto Ward, Tokyo	April 1, 2010	832	0.1	760	1,220
	RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	April 1, 2010	776	0.1	756	977
	RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	April 1, 2010	792	0.1	712	1,080
	RE-069	Castalia Iriya	Taito Ward, Tokyo	April 1, 2010	546	0.1	498	737
	RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	April 1, 2010	2,641	0.3	2,367	3,440
	RE-071	Castalia Morishita II	Koto Ward, Tokyo	April 1, 2010	686	0.1	582	961
	RE-072	Castalia Minowa	Taito Ward, Tokyo	April 1, 2010	1,430	0.2	1,277	1,800
	RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	April 1, 2010	533	0.1	504	674
	RE-074	Castalia Nakano	Nakano Ward, Tokyo	April 1, 2010	1,060	0.1	964	1,450
	RE-075	Castalia Yoga	Setagaya Ward, Tokyo	April 1, 2010	923	0.1	849	1,280
	RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	April 1, 2010	948	0.1	829	1,160
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	April 1, 2010	2,160	0.2	1,896	3,130	
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	April 1, 2010	1,100	0.1	932	1,320	
RE-079	Castalia Kuramae	Taito Ward, Tokyo	April 1, 2010	1,260	0.1	1,084	1,700	
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	June 29, 2010	1,790	0.2	1,610	2,640	
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	November 1, 2010	7,360	0.8	5,429	11,200	
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	November 1, 2010	1,770	0.2	1,496	2,620	
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	June 30, 2011	1,181	0.1	1,092	1,750	
RE-084	Castalia Omori	Ota Ward, Tokyo	August 2, 2011	1,500	0.2	1,374	1,970	
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	October 7, 2011	1,900	0.2	1,744	2,590	
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	March 28, 2012	1,660	0.2	1,487	2,450	

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-087	Castalia Omori II	Ota Ward, Tokyo	March 29, 2012	2,370	0.3	2,238	3,260
	RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	November 29, 2012	3,800	0.4	3,707	5,150
	RE-089	Castalia Meguro Chojyamaru	Shinagawa Ward, Tokyo	September 27, 2013	2,030	0.2	1,970	2,750
	RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	September 27, 2013	1,750	0.2	1,711	2,180
	RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	September 27, 2013	1,520	0.2	1,422	1,950
	RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	September 26, 2014	1,165	0.1	1,167	1,470
	RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	May 1, 2015	4,350	0.5	3,722	5,220
	RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	May 1, 2015	1,520	0.2	1,456	2,010
	RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	March 22, 2006	1,674	0.2	1,641	2,320
	RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	June 21, 2007	666	0.1	587	837
	RE-098	Castalia Funabashi	Funabashi City, Chiba	April 1, 2010	704	0.1	654	876
	RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	April 1, 2010	783	0.1	710	1,050
	RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	April 1, 2010	325	0.0	300	397
	RE-106	Castalia Ichikawa	Ichikawa City, Chiba	April 1, 2010	461	0.1	401	645
	RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	October 7, 2011	5,300	0.6	4,452	6,820
	RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	September 27, 2013	1,680	0.2	1,588	2,070
	RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	March 28, 2014	4,360	0.5	3,402	4,830
	RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	May 1, 2015	9,100	1.0	7,263	11,800
	RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	May 1, 2015	1,720	0.2	1,577	2,350
	RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	May 1, 2015	1,060	0.1	885	1,380
	RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	April 1, 2010	1,490	0.2	1,290	2,050
	RE-117	Castalia Shin-Umeda	Osaka City, Osaka	April 1, 2010	1,376	0.2	1,208	1,880
	RE-118	Castalia Abeno	Osaka City, Osaka	April 1, 2010	4,368	0.5	4,019	6,420
	RE-119	Castalia Sakae	Nagoya City, Aichi	April 1, 2010	1,010	0.1	886	1,340
	RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	April 1, 2010	960	0.1	837	1,180
	RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	April 1, 2010	3,400	0.4	2,798	5,030
	RE-125	Castalia Sannomiya	Kobe City, Hyogo	April 1, 2010	1,230	0.1	1,052	1,630
	RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	April 1, 2010	481	0.1	385	595
	RE-127	Castalia Ichibancho	Sendai City, Miyagi	April 1, 2010	783	0.1	658	985
	RE-128	Castalia Omachi	Sendai City, Miyagi	April 1, 2010	656	0.1	570	860
	RE-129	Castalia Uemachidai	Osaka City, Osaka	April 1, 2010	2,190	0.2	1,971	3,000
	RE-130	Castalia Tower Higobashi	Osaka City, Osaka	April 1, 2010	2,670	0.3	2,282	3,870
	RE-132	Castalia Fushimi	Nagoya City, Aichi	January 14, 2011	2,260	0.3	1,839	3,250
	RE-133	Castalia Meieki Minami	Nagoya City, Aichi	August 1, 2011	720	0.1	621	1,010
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	September 26, 2011	930	0.1	845	1,300	
RE-135	Castalia Mibu	Kyoto City, Kyoto	December 22, 2011	1,193	0.1	1,020	1,660	
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	September 3, 2012	1,208	0.1	1,094	1,920	
RE-138	Royal Parks Namba	Osaka City, Osaka	March 29, 2013	2,830	0.3	2,391	2,980	
RE-139	Castalia Shigahondori	Nagoya City, Aichi	June 26, 2013	1,730	0.2	1,473	2,370	
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	November 2, 2015	973	0.1	951	1,130	
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	September 28, 2016	2,000	0.2	1,918	3,020	
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	September 28, 2016	2,020	0.2	1,806	2,470	
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	April 11, 2017	1,800	0.2	1,750	2,060	
RE-144	Castalia Sumiyoshi II	Koto Ward, Tokyo	February 21, 2022	1,420	0.2	1,511	1,500	
Total of 130 Residential properties					241,043	26.9	217,058	315,177
Retail properties	RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	September 1, 2016	7,770	0.9	7,230	8,680
	RM-002	FOLEO Hirakata	Hirakata City, Osaka	September 1, 2016	4,580	0.5	4,297	4,670
	RM-003	QiZ GATE URAWA	Saitama City, Saitama	September 1, 2016	4,270	0.5	4,064	4,550
	RM-004	UNICUS Takasaki	Takasaki City, Gunma	September 1, 2016	3,000	0.3	2,881	3,220
	RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	September 1, 2016	3,740	0.4	3,740	3,940
	RM-006	DREAM TOWN ALi	Aomori City, Aomori	September 1, 2016	8,100	0.9	7,745	8,130
	RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	August 29, 2017	1,600	0.2	1,617	2,010
	RM-008	FOLEO Ome Imai	Ome City, Tokyo	August 29, 2017	3,800	0.4	3,650	3,910
	RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	April 3, 2018	8,100	0.9	7,921	8,740
	RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	April 3, 2018	3,200	0.4	3,076	3,740

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)		
Retail properties	RM-011	ACROSSMALL Semboku (Land)	Sakai City, Osaka	December 7, 2018	3,250	0.4	3,383	3,890
	RM-012	iiias Tsukuba (Note 7)	Tsukuba City, Ibaraki	April 5, 2019	34,120	3.8	33,787	34,300
	RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	September 1, 2016	1,670	0.2	1,634	1,890
	RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	September 1, 2016	6,960	0.8	6,869	7,530
	RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	September 1, 2016	2,390	0.3	2,390	2,610
	RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	September 28, 2016	2,230	0.2	2,092	2,460
	RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	January 31, 2017	5,620	0.6	5,857	6,700
	RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	March 27, 2018	4,500	0.5	4,541	5,290
	RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	April 5, 2019	750	0.1	763	779
	RR-008	FOLEO Shobu	Kuki City, Saitama	April 5, 2019	5,000	0.6	4,896	5,140
	RR-009	Hapias Kaita (Land)	Aki District, Hiroshima	December 13, 2019	1,400	0.2	1,471	1,530
	RU-001	COMBOX310	Mito City, Ibaraki	December 7, 2018	4,480	0.5	4,205	4,720
RU-002	Sports Plaza Ibaraki	Ibaraki City, Osaka	August 31, 2020	2,689	0.3	2,673	2,770	
Total of 23 Retail properties					123,219	13.8	120,792	131,199
Hotel properties	HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	April 3, 2018	4,800	0.5	4,646	5,020
	HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	December 6, 2018	1,470	0.2	1,415	1,480
	HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	April 5, 2019	4,500	0.5	5,381	4,380
	HO-004	AMANEK Kanazawa (Note 8)	Kanazawa City, Ishikawa	November 29, 2019	5,200	0.6	5,035	4,900
	HO-005	Candeo Hotels Nagasaki Shinchi Chinatown	Nagasaki City, Nagasaki	September 30, 2020	3,140	0.4	3,068	3,340
Total of 5 Hotel properties					19,110	2.1	19,547	19,120
Other assets	OT-001	Urban Living Inage	Chiba City, Chiba	June 24, 2013	930	0.1	777	1,290
	OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	September 1, 2014	1,100	0.1	1,008	1,300
	OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	September 28, 2016	7,600	0.8	7,029	8,100
	OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	April 11, 2017	1,850	0.2	1,783	1,970
	OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	March 12, 2019	1,380	0.2	1,379	1,380
	OT-006	GRANODE Hiroshima (Note 7)	Hiroshima City, Hiroshima	April 3, 2020	28,800	3.2	28,321	31,800
Total of 6 Other assets					41,660	4.7	40,300	45,840
Portfolio Total of 230 Properties					895,153	100.0	850,615	1,046,376

(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 assets, 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.

(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 August 31, 2022, which is rounded down to the nearest million yen. Construction in progress and construction in progress in trust are excluded.

(Note 6) “Assessed value at the end of period” is the appraisal value as of August 31, 2022 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. Furthermore, regarding “Iias Tsukuba,” because we acquired 30% quasi co-ownership on April 5, 2019 and made an additional acquisition of 70% quasi co-ownership on April 1, 2020 (acquisition price ¥23,800 million), we have listed the total of each acquisition price for the “acquisition price” and the acquisition date of the initially acquired 30% quasi co-ownership as the “acquisition date.” Also, regarding “GRANODE Hiroshima,” because we acquired 50% quasi co-ownership on April 3, 2020 and made an additional acquisition of 50% quasi co-ownership on September 3, 2021 (acquisition price ¥14,400 million), we have listed the total of each acquisition price for the “acquisition price” and the acquisition date of the initially acquired 50% quasi co-ownership as the “acquisition date.”
- (Note 8) The name of “AGORA Kanazawa” was changed to “AMANEK Kanazawa” on July 1, 2022. 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 August 31, 2022 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-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	2	(Note 6)
LB-011	D Project Neyagawa	Neyagawa City, Osaka	11,151.51	11,151.51	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-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	17,448.86	17,448.86	100.0	1	(Note 6)
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	24,729.56	24,729.56	100.0	4	272
LB-019	D Project Tosu	Tosu City, Saga	17,858.01	17,858.01	100.0	2	(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	285
LB-024	DPL Inuyama	Inuyama City, Aichi	21,628.50	21,628.50	100.0	1	(Note 6)
LB-025	D Project Fukuoka Hakozaki	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	18,437.60	18,437.60	100.0	2	(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)
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)
LB-057	D Project Kitahachioji I	Hachioji City, Tokyo	16,523.82	16,523.82	100.0	1	(Note 6)
LB-058	D Project Kitahachioji II	Hachioji City, Tokyo	21,402.20	21,402.20	100.0	1	(Note 6)
LB-059	D Project Kitahachioji III	Hachioji City, Tokyo	26,275.05	26,275.05	100.0	2	(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-060	D Project Itabashi Shingashi	Itabashi Ward, Tokyo	33,763.46	33,763.46	100.0	1	(Note 6)
LB-061	D Project Sagamihara	Sagamihara City, Kanagawa	16,599.30	16,599.30	100.0	1	205
LB-062	D Project Kuki VIII	Kuki City, Saitama	29,410.54	29,410.54	100.0	1	(Note 6)
LB-063	D Project Yokkaichi	Yokkaichi City, Mie	6,185.46	6,185.46	100.0	1	(Note 6)
LB-064	D Project Ibaraki Ishioka	Ishioka City, Ibaraki	24,493.54	24,493.54	100.0	1	(Note 6)
LB-065	D Project Wako A	Wako City, Saitama	39,258.06	39,258.06	100.0	1	(Note 6)
LB-066	D Project Hiratsuka	Hiratsuka City, Kanagawa	65,272.52	65,272.52	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	73,754.20	73,754.20	100.0	1	(Note 6)
LM-003	DPL Kitakyushu	Kitakyushu City, Fukuoka	26,672.98	26,672.98	100.0	1	(Note 6)
LM-004	DPL Nagareyama I	Nagareyama City, Chiba	124,489.93	124,489.93	100.0	1	(Note 6)
LM-005	DPL Shin-Narashino	Narashino City, Chiba	12,686.32	12,686.32	100.0	1	(Note 6)
LM-006	DPL Nagareyama III	Nagareyama City, Chiba	106,859.16	106,859.16	100.0	1	(Note 6)
Total of 66 Logistics properties			2,095,298.05	2,095,298.05	100.0	75	26,712
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	5,230.39	5,170.04	98.8	1	460
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	3,492.93	3,246.93	93.0	1	209
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,707.51	2,643.22	97.6	1	141
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,226.42	2,167.28	97.3	1	130
RE-005	Castalia Hiroo	Minato Ward, Tokyo	1,621.59	1,621.59	100.0	1	103
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,458.73	1,358.80	93.1	1	73
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,969.57	2,682.21	90.3	1	124
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,400.00	2,319.70	96.7	1	142
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,094.58	2,004.47	95.7	1	129
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,917.62	1,736.35	90.5	1	88
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,817.56	1,765.35	97.1	1	100
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,123.80	996.24	88.6	1	69
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,779.77	2,779.77	100.0	1	149
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	2,559.21	2,485.53	97.1	1	116
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,898.47	1,811.25	95.4	1	81
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,940.94	1,910.58	98.4	1	92
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,858.34	1,825.97	98.3	1	85
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	1,444.52	1,411.32	97.7	1	67
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	1,244.54	1,210.35	97.3	1	57
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	1,225.26	1,225.26	100.0	1	54
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	811.95	780.92	96.2	1	43
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	803.03	736.26	91.7	1	37
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	957.60	907.38	94.8	1	36
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	1,747.90	1,747.90	100.0	1	77
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,826.80	1,826.80	100.0	1	82
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	1,308.38	1,200.84	91.8	1	66
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	2,117.46	2,117.46	100.0	1	102
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,628.80	1,575.44	96.7	1	83
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	972.51	904.41	93.0	1	46
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	1,072.72	93.5	1	56
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	681.00	100.0	1	33
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,567.84	1,567.84	100.0	1	78
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	882.67	882.67	100.0	1	43
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	3,494.42	3,334.08	95.4	1	170
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	4,602.95	4,547.39	98.8	1	198
RE-039	Castalia Takanawa	Minato Ward, Tokyo	10,408.26	10,247.88	98.5	1	490
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	6,442.28	6,371.78	98.9	1	279
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	1,442.85	93.3	1	78

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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-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	16,849.50	16,404.21	97.4	2	765
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	3,077.05	2,965.67	96.4	1	137
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	2,339.42	2,266.53	96.9	1	118
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,659.71	1,577.90	95.1	1	84
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,967.97	4,820.86	97.0	1	257
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	863.70	814.25	94.3	1	36
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,542.30	1,487.27	96.4	1	67
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,380.35	1,276.47	92.5	1	69
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,871.70	1,794.04	95.9	1	89
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	1,168.18	1,119.69	95.8	1	53
RE-053	Castalia Meguro	Meguro Ward, Tokyo	1,414.73	1,355.18	95.8	1	66
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,784.50	1,687.04	94.5	1	75
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,472.47	1,442.22	97.9	1	77
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	1,658.90	1,532.19	92.4	1	65
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	3,644.35	3,548.56	97.4	1	168
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,624.06	1,579.46	97.3	1	77
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	12,732.35	12,294.65	96.6	1	542
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	1,276.91	1,276.91	100.0	1	48
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	2,014.12	2,014.12	100.0	1	106
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	2,255.88	2,177.34	96.5	1	76
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	1,220.16	1,220.16	100.0	1	51
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	887.94	887.94	100.0	1	34
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	414.45	340.49	82.2	1	12
RE-066	Castalia Morishita	Koto Ward, Tokyo	1,383.90	1,383.90	100.0	1	64
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	1,425.43	1,425.43	100.0	1	54
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	1,537.84	1,537.84	100.0	1	66
RE-069	Castalia Iriya	Taito Ward, Tokyo	1,415.15	1,415.15	100.0	1	48
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	4,197.66	4,106.30	97.8	1	175
RE-071	Castalia Morishita II	Koto Ward, Tokyo	1,275.60	1,245.07	97.6	1	55
RE-072	Castalia Minowa	Taito Ward, Tokyo	2,406.41	2,381.63	99.0	1	102
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	857.32	857.32	100.0	1	34
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,613.86	1,613.86	100.0	1	72
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	1,472.38	1,387.76	94.3	1	63
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	1,362.60	1,320.08	96.9	1	64
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	3,038.98	3,038.98	100.0	1	135
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,785.24	1,678.37	94.0	1	73
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	2,329.55	96.2	1	133
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	18,112.03	18,112.03	100.0	1	658
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	2,629.59	2,542.39	96.7	1	144
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,413.75	1,370.25	96.9	1	79
RE-084	Castalia Omori	Ota Ward, Tokyo	2,046.36	2,014.94	98.5	1	99
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	2,640.86	2,474.43	93.7	1	131
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	3,797.92	3,736.69	98.4	1	131
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,818.70	2,719.62	96.5	1	151
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,166.71	3,086.45	97.5	1	229
RE-089	Castalia Meguro Chojuamaru	Shinagawa Ward, Tokyo	2,123.77	2,094.04	98.6	1	126
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,961.52	1,930.71	98.4	1	101
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	2,004.80	1,842.49	91.9	1	90
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,278.52	1,253.04	98.0	1	64
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	17,269.74	17,269.74	100.0	1	458
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	2,224.41	2,133.02	95.9	1	97
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	4,208.83	4,208.83	100.0	1	113
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	1,452.09	1,452.09	100.0	1	53
RE-098	Castalia Funabashi	Funabashi City, Chiba	1,552.01	1,534.61	98.9	1	60
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	1,597.32	1,557.88	97.5	1	65
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	744.90	695.24	93.3	1	25

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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-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	2,155.73	98.9	1	110
RE-109	Royal Parks Wakabadaï	Inagi City, Tokyo	21,367.93	21,367.93	100.0	2	494
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	26,294.49	26,294.49	100.0	1	1,004
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	133
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	3,471.39	3,329.52	95.9	1	116
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	3,279.90	3,249.30	99.1	1	108
RE-118	Castalia Abeno	Osaka City, Osaka	10,920.75	10,920.75	100.0	1	341
RE-119	Castalia Sakae	Nagoya City, Aichi	2,836.00	2,730.13	96.3	1	85
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	3,061.60	2,999.90	98.0	1	86
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	8,747.40	8,622.78	98.6	1	315
RE-125	Castalia Sannomiya	Kobe City, Hyogo	3,071.60	2,911.34	94.8	1	100
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	1,684.10	1,684.10	100.0	1	46
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	2,029.46	94.4	1	59
RE-129	Castalia Uemachidai	Osaka City, Osaka	5,415.39	5,415.39	100.0	1	172
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	6,230.20	5,954.57	95.6	1	250
RE-132	Castalia Fushimi	Nagoya City, Aichi	7,022.69	6,523.84	92.9	1	197
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	1,822.10	1,741.25	95.6	1	58
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	2,784.83	2,784.83	100.0	1	83
RE-135	Castalia Mibu	Kyoto City, Kyoto	2,828.39	2,604.33	92.1	1	83
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	4,471.11	4,361.96	97.6	1	108
RE-138	Royal Parks Namba	Osaka City, Osaka	10,354.15	10,354.15	100.0	1	260
RE-139	Castalia Shigahondori	Nagoya City, Aichi	5,086.69	5,086.69	100.0	1	145
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	2,035.37	1,959.71	96.3	1	62
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,897.06	2,841.20	98.1	1	136
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
RE-144	Castalia Sumiyoshi II	Koto Ward, Tokyo	1,687.89	1,582.76	93.8	1	67
Total of 130 Residential properties			446,435.62	437,874.43	98.1	132	17,724
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	41,742.84	41,742.84	100.0	1	561
RM-002	FOLEO Hirakata	Hirakata City, Osaka	16,385.56 (Note 7)	15,459.06 (Note 7)	94.3	1	343
RM-003	QiZ GATE URAWA	Saitama City, Saitama	9,720.49	9,720.49	100.0	11	335
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	22,136.78	99.7	1	585
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	645
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	23,230.77 (Note 8)	23,230.77 (Note 8)	100.0	1	253
RM-011	ACROSSMALL Semboku (Land)	Sakai City, Osaka	30,824.72	30,824.72	100.0	1	181
RM-012	iiias Tsukuba	Tsukuba City, Ibaraki	138,900.39	138,900.39	100.0	1	2,150
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	478
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	208
RR-007	Aoyama Tailor Bunkyo Sengoku Ekimae Store	Bunkyo Ward, Tokyo	1,066.95	1,066.95	100.0	1	(Note 6)
RR-008	FOLEO Shobu	Kuki City, Saitama	19,104.17	19,104.17	100.0	1	315
RR-009	Hapias Kaita (Land)	Aki District, Hiroshima	13,415.52	13,415.52	100.0	1	76

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)
RU-001	COMBOX310	Mito City, Ibaraki	30,517.69	30,517.69	100.0	1	297
RU-002	Sports Plaza Ibaraki	Ibaraki City, Osaka	9,470.27	9,470.27	100.0	1	165
Total of 23 Retail properties			571,008.21	570,021.68	99.8	33	8,113
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	7,932.37	7,932.37	100.0	1	261
HO-002	Super Hotel JR Nara Station Sanjo Street	Nara City, Nara	2,637.18	2,637.18	100.0	1	73
HO-003	Daiwa Roynet Hotel Nagoya Shinkansenguchi	Nagoya City, Aichi	7,605.41	7,605.41	100.0	1	252
HO-004	AMANEK Kanazawa	Kanazawa City, Ishikawa	7,011.58	7,011.58	100.0	1	(Note 6)
HO-005	Candeo Hotels Nagasaki Shinchi Chinatown	Nagasaki City, Nagasaki	6,770.65	6,770.65	100.0	1	208
Total of 5 Hotel properties			31,957.19	31,957.19	100.0	5	(Note 6)
OT-001	Urban Living Inage	Chiba City, Chiba	4,177.52	4,177.52	100.0	1	78
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	3,901.14	3,901.14	100.0	1	87
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	13,480.00	13,480.00	100.0	1	557
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	3,064.89	3,064.89	100.0	1	(Note 6)
OT-005	Nursery Room Berry Bear Omori Nishi Welcia Ota Omori Nishi Store	Ota Ward, Tokyo	1,345.60	1,345.60	100.0	1	(Note 6)
OT-006	GRANODE Hiroshima	Hiroshima City, Hiroshima	29,924.46	29,781.85	99.5	1	1,725
Total of 6 Other assets			55,893.61	55,751.00	99.7	6	(Note 6)
Portfolio Total of 230 Properties			3,200,592.68	3,190,902.35	99.7	251	56,017

(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 and the figures stated refer to the area DHR believes is leasable as indicated in the relevant lease agreement or drawing of the building, etc. in relation to each real estate or each real estate in trust as of August 31, 2022. 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 August 31, 2022. 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 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 August 31, 2022 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 occupancy rate (the percentage of leased area to the leasable area) of each property as of August 31, 2022, 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, etc. in relation to each real estate or each real estate in trust as of August 31, 2022. 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 (not including consumption taxes, etc.) as indicated in the lease agreement in relation to each real estate or each real estate in trust as of August 31, 2022 by 12 (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). 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 (not including consumption taxes, etc.) 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 August 31, 2022 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 August 2022 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. In addition, certain subtotals (annual rent for “Total of 5 Hotel properties” and “Total of 6 Other assets”), disclosure of which would reveal items for which the consent for disclosure has not been obtained from the lessee, are undisclosed.

- (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 other third parties as land for a lottery stand. Therefore, the area of such leased land is not included in the leasable area and leased area.
- (Note 8) 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. Therefore, the area of such leased land is not included in the leasable area and leased area.

(2) Summary of Major Tenants

i) Major tenants list

The following table shows, for each major tenant, the property name, leased area and the percentage of leased area of the tenant to the entire leased area for real estate or real estate in trust. “A major tenant” is a tenant whose percentage of leased area of the tenant to the entire leased area in the entire portfolio is 10% or more.

(As of August 31, 2022)

Name of tenant	Business	Property name	Annual rent (Thousands of yen) (Note 1)	Tenant leasehold and security deposits, etc. (Thousands of yen) (Note 2)	Leased area (m ²) (Note 3)	Percentage of leased area of the tenant to the entire leased area (%) (Note 4)
Daiwa Living Co., Ltd.	Real estate rental and management	Castalia Ginza II and other properties (96 in total)	12,863,736	1,343,019	342,463.95	10.7%
Total amount in the entire portfolio			56,017,467	24,076,744	3,190,902.35	100.0%

(Note 1) “Annual rent” represents the total amount of the annualized (multiplied by 12) monthly rents listed in each lease agreement as of August 31, 2022 with the tenant (monthly rent includes common area charges but excludes usage fees for attached facilities such as monthly parking lots and warehouses, and consumption taxes) and is rounded down to the nearest one thousand yen. However, if the tenant referred to is a master lease company, and the master lease is a pass-through type of agreement, then it represents the total amount of the annualized (multiplied by 12) monthly rents listed in the lease agreements between the master lease company and each end-tenant (monthly rent includes common area charges but excludes usage fees for attached facilities such as monthly parking lots and warehouses, and consumption taxes) and is rounded down to the nearest one thousand yen.

(Note 2) “Tenant leasehold and security deposits, etc.” represents the total balance of tenant leasehold and security deposits as indicated in each lease agreement as of August 31, 2022 with the tenant (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 balance of tenant leasehold and security deposits, as 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 August 31, 2022 (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 in each lease agreement concerning non-refundable deposits or written-off deposits, those amounts are excluded.

(Note 3) “Leased area” represents the total areas as indicated in the lease agreements between each end-tenant as of August 31, 2022.

(Note 4) “Percentage of leased area of the tenant to the entire leased area” is rounded to the nearest tenth.

ii) Lease terms for major tenants

Lease terms including expiration date and method for renewal of contract for major tenants by each real estate or each real estate in trust are as follows:

(As of August 31, 2022)

Property number	Property name	Expiration date	Method for renewal of contract
RE-011	Castalia Ginza II	March 31, 2024	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-013	Castalia Nishi Azabu Kasumicho	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-014	Castalia Ochanomizu	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-016	Castalia Suitengu	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-017	Castalia Suitengu II	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-018	Castalia Shintomicho	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-019	Castalia Shintomicho II	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-020	Castalia Harajuku	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-022	Castalia Sendagaya	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-023	Castalia Shinjuku 7 chome	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-024	Castalia Ningyocho	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-025	Castalia Ningyocho II	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-026	Castalia Shin-Ochanomizu	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-027	Castalia Higashi Nihonbashi II	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-028	Castalia Jinbocho	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-029	Castalia Shintomicho III	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-030	Castalia Shinjuku Gyoen	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.

Property number	Property name	Expiration date	Method for renewal of contract
RE-063	Castalia Kitazawa	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-064	Castalia Monzennakacho	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-065	Castalia Kamiikedai	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-066	Castalia Morishita	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-067	Castalia Wakabayashikoen	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-068	Castalia Asakusabashi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-069	Castalia Iriya	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-070	Castalia Kita Ueno	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-071	Castalia Morishita II	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-072	Castalia Minowa	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-074	Castalia Nakano	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-075	Castalia Yoga	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-076	Castalia Sumiyoshi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-077	Castalia Monzennakacho II	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-078	Castalia Oshiage	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-079	Castalia Kuramae	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-081	Royal Parks Toyosu	February 28, 2043	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-083	Castalia Ooimachi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-084	Castalia Omori	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.

Property number	Property name	Expiration date	Method for renewal of contract
RE-085	Castalia Mishuku	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-086	Castalia Arakawa	March 31, 2023	The contract shall be automatically renewed for an additional one year under the same terms unless the lessor or the lessee provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-089	Castalia Meguro Chojyamaru	September 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-090	Castalia Meguro Takaban	September 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-091	Castalia Omori III	September 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-093	Castalia Meguro Tairamachi	September 25, 2022	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-094	Royal Parks SEASIR	December 31, 2031	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-095	Castalia Honkomagome	April 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-096	Cosmo Heim Musashikosugi	January 31, 2023	The contract shall be automatically renewed for an additional one year under the same terms unless the lessor or the lessee provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-098	Castalia Funabashi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-099	Castalia Nishi Funabashi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-105	Castalia Nogeeyama	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-106	Castalia Ichikawa	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-107	Royal Parks Hanakoganei	March 31, 2031	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-108	Castalia Musashikosugi	September 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-109	Royal Parks Wakabadaï (Note)	March 31, 2032	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-110	Pacific Royal Court Minatomirai Urban Tower	June 30, 2028	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-111	L-Place Shinkoyasu	April 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-112	Royal Parks Musashikosugi	December 31, 2031	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-116	Castalia Sakaisuji Honmachi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.

Property number	Property name	Expiration date	Method for renewal of contract
RE-117	Castalia Shin-Umeda	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-118	Castalia Abeno	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-119	Castalia Sakae	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-124	Castalia Tower Nagahoribashi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-125	Castalia Sannomiya	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-126	Castalia Kotodaikoen	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-127	Castalia Ichibancho	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-128	Castalia Omachi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-129	Castalia Uemachidai	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-130	Castalia Tower Higobashi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-132	Castalia Fushimi	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-133	Castalia Meieki Minami	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-135	Castalia Mibu	March 31, 2024	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-136	Castalia Tsutsujigaoka	March 31, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-138	Royal Parks Namba	March 31, 2031	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.
RE-139	Castalia Shigahondori	June 30, 2023	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-140	Castalia Kyoto Nishi-joji	March 31, 2024	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-141	Castalia Ningyocho III	September 30, 2022	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-142	Royal Parks Umejima	December 31, 2031	The contract shall end at the expiration of the contract with no renewal. However, a new contract may be entered into through negotiations with the day after the expiration date as the inception date of the contract.

Property number	Property name	Expiration date	Method for renewal of contract
RE-143	Castalia Shinsakae II	April 30, 2024	The contract shall be automatically renewed for an additional two years under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.
RE-144	Castalia Sumiyoshi II	March 31, 2024	The contract shall be automatically renewed for an additional one year under the same terms unless the lessor, the lessee or the asset manager provides written notice that it will not renew the contract no later than six months before the expiration of the contract, and the same shall apply thereafter.

(Note) Daiwa Living Co., Ltd. is the tenant of only the residential portions, excluding the store portions, of Royal Parks Wakabadai (residential building).

(3) Status of Portfolio Diversification

(As of August 31, 2022)

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	159	587,076	65.6	76.8
	Greater Nagoya area	10	30,630	3.4	
	Greater Osaka area	20	69,709	7.8	
Other		41	207,738	23.2	
Total		230	895,153	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	66	470,121	52.5	95.3
	Residential properties	130	241,043	26.9	
	Retail properties	23	123,219	13.8	
	Hotel properties	5	19,110	2.1	
Other assets		6	41,660	4.7	
Total		230	895,153	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	8	124,250	14.2
5 years or more but less than 10 years	40	196,126	22.5
10 years or more	175	552,277	63.3
Total	223	872,653	100.0

iv) Average age of property by asset class

Asset class	Average age (year)
Logistics properties	9.4
Residential properties	16.5
Retail properties	14.5
Hotel properties	10.1
Other assets	5.5
Total	11.8

(Note) “Average age” is the weighted average age of owned properties as of August 31, 2022 based on the acquisition price, rounded to the nearest tenth.

(4) 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 August 31, 2022. 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 Akanehama (Narashino City, Chiba)	Septic tank replacement	From September 2022 to December 2022	53,340	–	–
D Project Urayasu III (Urayasu City, Chiba)	Shutter part replacement	From December 2022 to February 2023	56,100	–	–
D Project Kawagoe IV (Kawagoe City, Saitama)	Large-scale renovations	From May 2022 to October 2022	298,465	198,000	198,000
Castalia Shin-Ochanomizu (Chiyoda Ward, Tokyo)	Large-scale renovations	From October 2022 to March 2023	46,640	–	–
Castalia Shintomicho III (Chuo Ward, Tokyo)	Large-scale renovations	From September 2022 to March 2023	70,840	–	–
Castalia Asakusabashi (Taito Ward, Tokyo)	Large-scale renovations	From September 2022 to March 2023	45,650	–	–
Castalia Yoga (Setagaya Ward, Tokyo)	Large-scale renovations	From March 2023 to August 2023	44,550	–	–
Castalia Monzennakacho II (Koto Ward, Tokyo)	Large-scale renovations	From October 2022 to February 2023	78,430	–	–
Castalia Meguro Chojoyamaru (Shinagawa Ward, Tokyo)	Large-scale renovations	From March 2023 to August 2023	48,620	–	–
Castalia Nishi Funabashi (Funabashi City, Chiba)	Intercom renewal	From September 2022 to February 2023	10,021	–	–
Castalia Sakaisuji Honmachi (Osaka City, Osaka)	Renewal of residence information infrastructure	From January 2023 to February 2023	24,073	–	–
Castalia Tower Higobashi (Osaka City, Osaka)	Large-scale renovations	From August 2022 to February 2023	162,250	–	–
Castalia Kyoto Nishioji (Kyoto City, Kyoto)	Intercom renewal	From January 2023 to February 2023	12,320	–	–
UNICUS Takasaki (Takasaki City, Gunma)	Repair work of exterior walls	From September 2022 to March 2023	76,560	–	–
FOLEO Hakata (Fukuoka City, Fukuoka)	Large-scale renovations (first phase)	From November 2022 to March 2023	67,606	–	–
iias Tsukuba (Tsukuba City, Ibaraki)	HVAC planned renewal (first phase)	From November 2022 to February 2023	85,756	–	–

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 ¥1,136,229 thousand together with ¥892,040 thousand in repairs and maintenance expenses and ¥268,558 thousand in restoration costs classified as expenses for the current fiscal period, making a total of ¥2,296,827 thousand in construction work.

Property name (Location)	Purpose	Period	Construction cost (Thousands of yen)
Castalia Hacchobori (Chuo Ward, Tokyo)	Large-scale renovations	From April 2022 to August 2022	45,106
Castalia Takanawadai (Minato Ward, Tokyo)	Large-scale renovations	From November 2021 to March 2022	18,744
Castalia Minami Azabu (Minato Ward, Tokyo)	Large-scale renovations	From March 2022 to August 2022	16,855
Castalia Kayabacho (Chuo Ward, Tokyo)	Large-scale renovations	From March 2022 to August 2022	46,086
Castalia Tsurumi (Yokohama City, Kanagawa)	Large-scale renovations	From May 2022 to August 2022	23,451
Castalia Nogeyama (Yokohama City, Kanagawa)	Intercom renewal	From July 2022 to July 2022	3,606
Castalia Sakaisuji Honmachi (Osaka City, Osaka)	Large-scale renovations	From March 2022 to August 2022	44,294