

February 17, 2017

For Immediate Release

Investment Corporation:

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Notice Concerning Disposition of Trust Beneficiary Interest in Domestic Real Estate

Daiwa House REIT Investment Corporation (“DHR”) hereby announces the decision made today by Daiwa House Asset Management Co., Ltd. (the “Asset Manager”), the asset manager of DHR, to dispose an asset (the “Disposition”) as described below.

1. Disposition overview

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|--|---|--|
| (1) Property name | : | Castalia Minamigyotoku II |
| (2) Asset type | : | Trust beneficiary interest in real estate |
| (3) Sale price (planned) (Note 1) | : | 370 million yen |
| (4) Anticipated book value (Note 2) | : | 362 million yen |
| (5) Appraisal value | : | 338 million yen (as of August 31, 2016) |
| (6) Difference between sale price (planned) and anticipated book value | : | 7 million yen (difference between (3) and (4) above) |
| (7) Execution date of the trust beneficiary interest sale and purchase agreement | : | February 17, 2017 |
| (8) Delivery date (planned) | : | February 23, 2017 |
| (9) Buyer | : | Not disclosed (Note 3) |
| (10) Sale method | : | Sale in the form of lump-sum settlement of trust beneficiary interest in real estate to the proposed buyer |

(Note 1) Excluding such amounts as expenses related to sale, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 2) Description is based on anticipated book value as of planned delivery date on February 23, 2017.

(Note 3) Not disclosed as consent for disclosure has not been obtained from the buyer.

2. Disposition rationale

Based on the examination in terms of the medium- to long-term management efficiency of DHR’s portfolio and the characteristics of the respective properties, the Asset Manager decided to dispose of the asset listed above considering factors such as the competitiveness of the asset scheduled for disposition and market conditions.

3. Details of the asset scheduled for disposition

Property number		Castalia Minamigyotoku II		Use		Residential property					
RE-104				Acquisition price		385 million yen					
Type of specified asset			Trust beneficiary interest in real estate								
Trustee			Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		January 31, 2020				
Location	Lot number		4-1-46, Minamigyotoku, Ichikawa City, Chiba								
	Address		4-1-5, Minamigyotoku, Ichikawa City, Chiba								
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership			
	Land area		377.96 m ²			Gross floor area		810.22 m ²			
	Area classification		Class 2 residential zone			Use		Apartment complex			
	Building coverage ratio		60%			Structure		Reinforced concrete structure			
	FAR		200%			Number of floors		6F			
Collateral			None			Date of construction		March 14, 2003			
Overview of leasing (Note)											
Leasable area			724.63 m ²		Number of leasable units		35				
Leased area			703.91 m ²		Annual rent		25 million yen				
Occupancy rate			97.1 %		Tenant leasehold and security deposit		2 million yen				
Historical occupancy rate		August 2014		February 2015		August 2015		February 2016		August 2016	
		96.7%		97.2%		97.1%		100.0%		100.0%	
Master lease company					Daiwa Living Management Co., Ltd.						
Master lease type					Pass-through type						
Property management company					Daiwa Living Co., Ltd.						

(Note) Descriptions are based on the information available as of December 31, 2016. "Annual rent" indicates the annualized amount obtained by multiplying the monthly rent (including common area charges) as of December 31, 2016 by 12.

4. Buyer profile

The buyer is an individual in Japan. No name or other information is disclosed as the buyer has not consented to such disclosure. Please note that the buyer does not constitute an interested-party of DHR or the Asset Manager.

5. Brokerage

(1) Broker profile

a.	Name	Sumitomo Mitsui Trust Bank, Limited
b.	Location	1-4-1, Marunouchi, Chiyoda-ku, Tokyo
c.	Representative	Hitoshi Tsunekage, President & CEO
d.	Business activities	Trust banking business
e.	Capital	342,037 million yen (as of September 30, 2016)
f.	Foundation date	July 28, 1925
g.	Relationships with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship requiring disclosure between DHR/the Asset Manager and the broker.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and the broker.
	Business relationship	The broker is a custodian, a general administrator, a transfer agent, a special accounts administrator, an administrator for investment corporation bonds, a trustee and a lender of DHR.

Status of classification as affiliated party	The broker is not an affiliated party of DHR/the Asset Manager. Parties related to the broker and the broker's affiliates are not affiliated parties of DHR/the Asset Manager.
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(2) Broker's commission

The figures are not disclosed as consent for disclosure has not been obtained from the broker.

6. Disposition schedule

(1) Disposition decision date	: February 17, 2017
(2) Execution date of the sale and purchase agreement	: February 17, 2017
(3) Payment date (planned)	: February 23, 2017
(4) Delivery date (planned)	: February 23, 2017

7. Outlook

Loss on sale of property of 4 million yen is expected to be incurred for the fiscal period ending February 2017 (from September 1, 2016 to February 28, 2017) as a result of the Disposition. However, the impact of the Disposition on the forecast of operating results for the fiscal periods ending February 28, 2017 and August 31, 2017 (from March 1, 2017 to August 31, 2017) will be minimal, and there are no revisions to the forecast.

8. Summary of real estate appraisal

Property Name	Castalia Minamigyotoku II
Appraisal value	338 million yen
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal date	August 31, 2016

Item	Content	Basis
Value based on income method	338 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method.
Value based on direct capitalization method	338 million yen	
Operating revenue	26 million yen	
Effective gross revenue	27 million yen	Assessed the stabilized rent income based on the level of current rent and market rent and by taking into consideration such factors as the mid- to long-term competitiveness of the subject property.
Loss from vacancy	1 million yen	Assessed based on competitiveness of the subject property, current leasing conditions and market environment.
Operating expense	6 million yen	
Maintenance	1 million yen	Estimated based on the current contract.
Utility cost	0 million yen	Estimated based on the actual amount of the past.
Repair	1 million yen	Based on the repair expenses described in engineering report and verifying the levels assessed of the comparable real estate, split by 3:7 ratio proportionately between expenses and capex.
Property management Fee	0 million yen	Estimated based on the current property management contract.
Advertisement and other leasing cost	1 million yen	Estimated based on current contract, actual cost from the past, and comparable real estate.
Tax	1 million yen	Recorded in accordance with documents related to taxes and other public charges.
Insurance	0 million yen	Recorded based on actual amount of the past.
Other cost	0 million yen	Recorded based on actual amount of the past.
Net operating income (NOI)	19 million yen	
Investment income of lump sum	0 million yen	Assessed the investment income on the assumption of the appropriate investment yield of 2.0%.
Capital expenditure	1 million yen	Based on the medium-to long-term repair expenses described in engineering report and verifying the levels assessed of the comparable real estate, split by 3:7 ratio proportionately between expenses and capex.

	Net cash flow (NCF)	17 million yen	
	Cap rate	5.2%	Compared multiple transaction yields in the neighboring areas and similar areas with the same supply and demand; also, assessed by taking into account the predicted changes in net cash flow in the future and considering the relationship with the discount rate.
	Value based on Discounted Cash Flow method	338 million yen	
	Discount rate	5.2%	Estimated base yields of rental apartment by build-up approach based on yields of financial products, and assessed taking into account specific risks related to the property.
	Terminal cap rate	5.4%	Assessed on the basis of capitalization rate taking into consideration of the uncertainty of future estimates.
	Value based on cost method	241 million yen	
	Proportion of land	51.4%	
	Proportion of building	48.6%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None.

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* DHR’s website: <http://www.daiwahouse-reit.co.jp/en/>

<Attachments>

Property portfolio after the Disposition

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Property portfolio after the Disposition

Property number	Property name	Location	Acquisition price (million yen) (Note 1)	Investment ratio (Note 2)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.8%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	3.0%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.7%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	1.1%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.8%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	5.1%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.6%
LB-008	D Project Noda	Noda City, Chiba	6,210	1.2%
LB-009	D Project Inuyama	Inuyama City, Aichi	8,690	1.7%
LB-010	D Project Gifu	Anpachi District, Gifu	1,100	0.2%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	1.2%
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	818	0.2%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.2%
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	1,530	0.3%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.7%
LB-016	D Project Gotenba	Gotenba City, Shizuoka	1,140	0.2%
LB-017	D Project Nishi-Hiroshima	Hiroshima City, Hiroshima	1,210	0.2%
LB-018	D Project Fukuoka Umi	Kasuya District, Fukuoka	4,240	0.8%
LB-019	D Project Tosu	Tosu City, Saga	5,740	1.1%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.8%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.6%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.7%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.9%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.8%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.8%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.5%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	1.1%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.6%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	1.0%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	1.2%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	2.0%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.4%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.4%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.2%
Total of 34 Logistics Properties			195,858	38.1%
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.5%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.9%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.5%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.5%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.4%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.4%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.6%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.5%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.4%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.4%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.3%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.4%
RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.3%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.3%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.2%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.2%

Property number	Property name	Location	Acquisition price (million yen) (Note 1)	Investment ratio (Note 2)
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.2%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.2%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.2%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.2%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.2%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.2%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.3%
RE-028	Castalia Jinbocho	Chiyoda Ward, Tokyo	1,160	0.2%
RE-029	Castalia Shintomicho III	Chuo Ward, Tokyo	675	0.1%
RE-030	Castalia Shinjuku Gyoen	Shinjuku Ward, Tokyo	2,720	0.5%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.2%
RE-032	Castalia Higashi Nihonbashi III	Chuo Ward, Tokyo	666	0.1%
RE-033	Castalia Shinjuku Gyoen II	Shinjuku Ward, Tokyo	486	0.1%
RE-034	Castalia Shintomicho IV	Chuo Ward, Tokyo	400	0.1%
RE-035	Castalia Takanawadai II	Minato Ward, Tokyo	1,190	0.2%
RE-036	Castalia Minami Azabu	Minato Ward, Tokyo	642	0.1%
RE-037	Castalia Ginza III	Chuo Ward, Tokyo	2,880	0.6%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.5%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.4%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.7%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.6%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.2%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.5%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.4%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.4%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.3%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.9%
RE-048	Castalia Toritsudaigaku	Meguro Ward, Tokyo	648	0.1%
RE-049	Castalia Yukigaya	Ota Ward, Tokyo	1,110	0.2%
RE-050	Castalia Yutenji	Meguro Ward, Tokyo	1,450	0.3%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.3%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.2%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.2%
RE-054	Castalia Otsuka II	Toshima Ward, Tokyo	1,040	0.2%
RE-055	Castalia Jiyugaoka	Meguro Ward, Tokyo	1,200	0.2%
RE-056	Castalia Mejiro	Toshima Ward, Tokyo	988	0.2%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.5%
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.2%
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	1.4%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.2%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.3%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.2%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%
RE-064	Castalia Monzennakacho	Koto Ward, Tokyo	503	0.1%
RE-065	Castalia Kamiikedai	Ota Ward, Tokyo	198	0.0%
RE-066	Castalia Morishita	Koto Ward, Tokyo	832	0.2%
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.2%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.2%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.5%
RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.3%

Property number	Property name	Location	Acquisition price (million yen) (Note 1)	Investment ratio (Note 2)
RE-073	Castalia Oyamadai	Setagaya Ward, Tokyo	533	0.1%
RE-074	Castalia Nakano	Nakano Ward, Tokyo	1,060	0.2%
RE-075	Castalia Yoga	Setagaya Ward, Tokyo	923	0.2%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.2%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.4%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.2%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.2%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.3%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.4%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.3%
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,181	0.2%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.3%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.4%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.3%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.5%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.7%
RE-089	Castalia Meguro Choijamaru	Shinagawa Ward, Tokyo	2,030	0.4%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.3%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.3%
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,020	0.2%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.8%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.3%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.3%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.2%
RE-100	Castalia Maihama	Urayasu City, Chiba	670	0.1%
RE-101	Castalia Ichikawamyoden	Ichikawa City, Chiba	671	0.1%
RE-102	Castalia Urayasu	Ichikawa City, Chiba	592	0.1%
RE-103	Castalia Minamigyotoku	Ichikawa City, Chiba	543	0.1%
RE-105	Castalia Nogeyama	Yokohama City, Kanagawa	325	0.1%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	1.0%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.3%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.8%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.8%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.3%
RE-112	Royal Parks Musasikosugi	Kawasaki City, Kanagawa	1,060	0.2%
RE-113	Castalia Shinsakae	Nagoya City, Aichi	1,920	0.4%
RE-114	Aprile Tarumi	Kobe City, Hyogo	1,340	0.3%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.6%
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.3%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.3%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.9%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.2%
RE-120	Castalia Nipponbashi Kouzu	Osaka City, Osaka	3,570	0.7%
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.3%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.2%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.7%
RE-125	Castalia Sannomiya	Kobe City, Hyogo	1,230	0.2%
RE-126	Castalia Kotodaikoen	Sendai City, Miyagi	481	0.1%
RE-127	Castalia Ichibancho	Sendai City, Miyagi	783	0.2%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%

Property number	Property name	Location	Acquisition price (million yen) (Note 1)	Investment ratio (Note 2)
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.4%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.5%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.4%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.2%
RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.2%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.6%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.6%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.2%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.4%
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.4%
Total of 141 Residential Properties			257,954	50.2%
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.5%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.9%
RM-003	QiZ GATE URAWA	Saitama City, Saitama	4,270	0.8%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.6%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.7%
RM-006	DREAM TOWN ALi	Aomori City, Aomori	8,100	1.6%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.3%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.4%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.5%
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.4%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	1.1%
Total of 11 Retail Properties			50,330	9.8%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.2%
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	1,100	0.2%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	1.5%
Total of 3 Other Properties			9,630	1.9%
Portfolio Total of 189 Properties			513,772	100.0%

(Note 1) Acquisition price of the properties previously held by the former Daiwa House REIT Investment Corporation, the absorbed corporation of the merger with DHR on September 1, 2016 (logistics properties LB-001 through LB-032, retail properties RM-001 through RM-006 and RR-001 through RR-003) is based on the appraisal value of such properties as of August 31, 2016.

(Note 2) Investment ratio indicates the ratio of the acquisition price for each asset to the total acquisition price, rounded to the nearest tenth.