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For Immediate Release

Investment Corporation:
Daiwa House REIT Investment Corporation
2-4-8, Nagatacho, Chiyoda-ku, Tokyo
Jiro Kawanishi, Executive Director
(TSE Code: 8984)

Asset Manager:
Daiwa House Asset Management Co., Ltd.
Koichi Tsuchida, President and CEO
Inquiries:
Haruto Tsukamoto, Director and CFO
TEL. +81-3-3595-1265

Notice Concerning Acquisition and Leasing of Trust Beneficiary Interests 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 to which DHR entrusts the management of its assets, to acquire and lease the following assets (the “Anticipated Acquisitions”) as described below.

The decision to acquire the Anticipated Acquisitions has been approved by the board of directors of DHR based on the Act on Investment Trust and Investment Corporations (Act No. 198 of 1951, as amended, the “Investment Trust Act”) and the Asset Manager’s voluntary rules concerning conflict of interest.

1. Acquisition and leasing overview

(1) Anticipated Acquisitions

Property number	Real estate in trust (Property name)	Asset class	Location	Anticipated date of acquisition	Anticipated acquisition price (million yen) (Note)	Appraisal value (million yen)	Seller
LM-002	DPL Fukuoka Kasuya	Logistics	Kasuya District, Fukuoka	April 10, 2018	13,300	13,300	Daiwa House Industry Co., Ltd.
LB-009	D Project Inuyama (Additional acquisition)	Logistics	Inuyama City, Aichi	April 10, 2018	2,100	2,190	DH Fund Five Godo Kaisha
LB-047	D Project Kawagoe IV	Logistics	Kawagoe City, Saitama	April 10, 2018	5,600	5,730	DH Fund Five Godo Kaisha
LB-048	D Project Kuki VII	Logistics	Kuki City, Saitama	April 10, 2018	1,040	1,100	DH Fund Five Godo Kaisha
LB-049	D Project Chibakita	Logistics	Chiba City, Chiba	April 10, 2018	7,640	7,650	Daiwa House Industry Co., Ltd.
LB-050	D Project Matsudo II	Logistics	Matsudo City, Chiba	April 10, 2018	8,200	8,310	Daiwa House Industry Co., Ltd.
LB-051	D Project Tomisato II	Logistics	Tomisato City, Chiba	April 10, 2018	6,900	6,990	Daiwa House Industry Co., Ltd.

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Property number	Real estate in trust (Property name)	Asset class	Location	Anticipated date of acquisition	Anticipated acquisition price (million yen) (Note)	Appraisal value (million yen)	Seller
LB-052	D Project Osaka Hirabayashi	Logistics	Osaka City, Osaka	April 10, 2018	3,600	4,320	Daiwa House Industry Co., Ltd.
LB-053	D Project Sendai Izumi II	Logistics	Sendai City, Miyagi	April 10, 2018	7,300	7,370	Daiwa House Industry Co., Ltd.
LB-054	D Project Kaminokawa	Logistics	Kawachi District, Tochigi	April 10, 2018	7,900	7,940	DH Fund Five Godo Kaisha
LB-055	D Project Fuji	Logistics	Fuji City, Shizuoka	April 10, 2018	3,600	3,650	Daiwa House Industry Co., Ltd.
LB-056	D Project Tosu III	Logistics	Tosu City, Saga	April 10, 2018	9,200	9,380	DH Fund Five Godo Kaisha
RM-009	FOLEO Otsu Ichiriyama	Retail	Otsu City, Shiga	April 3, 2018	8,100	8,400	Daiwa House Industry Co., Ltd.
RM-010	FOLEO Hakata	Retail	Fukuoka City, Fukuoka	April 3, 2018	3,200	3,530	Daiwa House Industry Co., Ltd.
RR-006	Royal Home Center Morinomiya (Land)	Retail	Osaka City, Osaka	March 27, 2018	4,500	5,170	Royal Home Center Co., Ltd.
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Hotel	Yokohama City, Kanagawa	April 3, 2018	4,800	4,930	Fujita Corporation
Total					96,980	99,960	—

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

- (2) Execution date of the purchase agreements : February 28, 2018
- (3) Planned date of acquisition : Please refer to above table (1) “Anticipated date of acquisition”
- (4) Seller : Please refer to 4. Seller profile below.
- (5) Acquisition funds : Proceeds from issuance of new investment units, debt financing and cash reserves (Note 1)
- (6) Method of settlement : Payment of entire amount upon transfer
- (7) Sum total for annual rent (Note 2) : 5,965 million yen
- (8) Sum total for tenant leasehold and security deposits (Note 3) : 3,255 million yen

(Note 1) Please refer to the press releases “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and “Notice Concerning Debt Financing” dated today.

(Note 2) “Annual rent” means the amount calculated by multiplying the monthly rent of the building as indicated in respective lease agreement or lease reservation agreement in relation to each property in trust as of December 31, 2017 by 12 on an annual basis (as to properties in trust for which multiple lease agreements or lease reservation agreements are entered into, the total amount indicated in such lease agreements or lease reservation agreements). If a pass-through type master lease agreement is or is scheduled to be entered into, the annual rent is the amount calculated by multiplying the monthly rent as indicated in each sublease agreement in relation to each property in trust as of December 31, 2017 by 12 on an annual basis (as to properties in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). Regarding sales commission rent, it refers to the monthly sales commission rent linked to the sales of December 2017. Under the “pass-through type master lease agreement” rent and other fees are collected directly from end tenants in principle and rents are received only when subleasing actually takes place. Meanwhile, under the “sublease type master lease agreement”, a certain guaranteed amount of rent is received regardless of any fluctuation in received rents.

(Note 3) “Tenant leasehold and security deposits” means the amount calculated based on the leasehold and security deposits indicated in respective lease agreement or lease reservation agreement in relation to each property in trust as of December 31, 2017 (as to properties in trust for which multiple lease agreements or lease reservation agreements are entered into, the total amount indicated in such lease agreements or lease reservation

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agreements). If a pass-through type master lease agreement is or is scheduled to be entered into, leasehold and security deposits are those indicated in the sublease agreements of end-tenants as of December 31, 2017 (as to properties in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). Meanwhile, leasehold and security deposits that do not need to be returned to the tenant pursuant to the lease agreements or lease reservation agreements are excluded from this calculation.

2. Rationale for acquisition and leasing

Based on the targets and policies prescribed in DHR's Articles of Incorporation, the Asset Manager decided to acquire and lease the Anticipated Acquisitions having deemed that the acquisition would expand the asset size, further increase the stability of cash flow through increased portfolio diversification and secure stable revenues in the long term. All of the Anticipated Acquisitions will be through the pipeline of Daiwa House Group.

For the details of the Anticipated Acquisitions, please see "3. Details of the Anticipated Acquisitions".

Furthermore, the tenants of the Anticipated Acquisitions are deemed to comply with the tenant selection standards stipulated in the "Report on Operating Systems, etc. of Issuers of Real Estate Investment Trust Securities, etc." (in Japanese only) submitted on November 21, 2017 for DHR.

3. Details of the Anticipated Acquisitions

The following tables provide an overview of the trust beneficiary interests in real estate that are the Anticipated Acquisitions. Furthermore, unless otherwise stated, descriptions in each column in the "Property number", "Asset class", "Type," "Anticipated date of acquisition", "Anticipated acquisition price", "Overview of specified asset", "Overview of building condition evaluation", "Designer, structural designer, contractor and inspection agency", "Overview of leasing", "Special items" and "Property characteristics" for each property indicated below are prepared in accordance with the following definitions, and are based on the information available as of December 31, 2017.

- "Property number" is numbered to each property owned under each asset class. "L" means logistics properties, "RE" means residential properties, "R" means retail properties, "HO" means hotel properties and "OT" means other assets. "LB" means built-to-suit type logistics properties, "LM" means multi-tenant type logistics properties, "RR" means roadside type retail properties and "RM" means mall type retail properties.
- "Asset class" shows the asset class categories under our portfolio composition, either a logistic property, residential property, retail property, hotel property or other asset. For other assets, specific use is indicated in brackets.
- "Type" shows the type of respective uses as follows for respective Anticipated Acquisitions in accordance with types of investment destination based on the DHR's investment policy.

< Logistics properties >

Type	BTS (Build-to-suit) type	Multi-tenant type
Description	Logistics properties customized to tenant needs, while maintaining general versatility to accommodate successor tenants in the future	Logistics properties located on sites suitable to the logistics needs of various businesses with optimal scale, grade and facilities for their respective site

< Residential properties >

Type	Compact	Family
Description	Residences with dedicated area of 60 m ² or less	Residences with dedicated area of more than 60 m ²

(Note) A ratio described in parentheses shows "a ratio of units" which is the ratio of the units leased by type to the total number of units for lease (excluding for retail and other non residential uses) and rounded to the nearest tenth. Therefore, the sum may not add up to 100%.

< Retail properties >

Type	Mall type	Roadside type	Urban type
Description	Enclosed or open malls located along a main highway or residential road	Single retail properties or retail complexes consisting of independent stores located along a main highway or residential road	Retail properties located near terminal stations or in popular urban districts

- "Anticipated date of acquisition" shows the planned date of acquisition of the respective Anticipated Acquisitions indicated in the purchase agreements regarding the relevant acquisition, but such a date may be changed by mutual consent between DHR and the seller.

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- “Anticipated acquisition price” shows the transaction price (excluding such amounts as expenses related to acquisition, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes) of the respective Anticipated Acquisitions indicated in the purchase agreements regarding the relevant acquisition.
- “Trustee” is the trustee or the party that is scheduled to become the trustee of the respective Anticipated Acquisitions.
- “Trust maturity date” shows the trust maturity date for respective Anticipated Acquisitions defined in the trust agreement which is scheduled to have teeth when DHR acquires.
- “Lot number” for location is the lot number as indicated in the register (only one location is indicated for properties that have several location), and “Residence indication” for location is the residence indication of the each property in trust as indicated in the register (for each property in trust without residence indication, the location of the building is as indicated in the register (only one location is indicated for properties that have several location)).
- “Type of ownership” for the land and building indicates, for each of the Anticipated Acquisitions, the kind of rights held by the trustee or to be held by a party that is scheduled to become a trustee subject to a trust agreement which is scheduled to have teeth when DHR acquires.
- “Land area” is based on the descriptions in the registry, and may not match the present status.
- “Area classification” for the land indicates the type of zoning district depicted in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended) or the type of urban district classification depicted in Article 7 of the City Planning Act.
- “Building coverage ratio” for the land is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act (Act No.201 of 1950, as amended) and is the maximum figure of the building coverage ratio determined by city planning in accordance with the zoning, etc. (designated building coverage ratio). Designated building coverage ratios may be relaxed / increased, or decreased, since the building is a fireproof building in a fire prevention district, or for other reasons. Therefore it may differ from the actual building coverage ratio to be applied.
- “Floor area ratio (FAR)” for the land is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act and is maximum figure of the floor area ratio determined by city planning in accordance with the zoning, etc. (designated floor area ratio). Designated floor area ratios may be relaxed / increased, or decreased, since the width of the road adjacent to the site, or for other reasons. Therefore it may differ from actual floor area ratio to be applied.
- “Gross floor area” for the building is the sum total of the floor area recorded in the registry, excluding the areas of annex buildings, and may not match the present status.
- “Use” for the building shows the primary category described in the registry, and may not match the present status.
- “Structure” and “Number of floors” for the building are based on the descriptions in the registry, and excludes annex buildings.
- “Date of construction” for the building is the date when construction was completed as recorded in the register.
- “Collateral” indicates the outline of the collateral for the respective Anticipated Acquisitions, if there is set collateral or there is collateral scheduled to be borne by DHR after the acquisition.
- “Overview of building condition evaluation” is based on the descriptions in the engineering report prepared for the respective Anticipated Acquisitions.
- “Evaluation date” shows the date when the building condition evaluation report surveyed and prepared by the evaluation companies was prepared.
- “PML” represents the probable maximum loss from an earthquake as being the amount of probable loss of damage that may result from an earthquake having 0.21% annual exceedance probability (475-year return period) expressed as a percentage (%) of the replacement cost. (Note)
(Note) Replacement cost: Expenses that will be incurred if the existing building is to be newly constructed at the time investigation.
- “Designer, structural designer, contractor and inspection agency” is based on the descriptions in the applications for building verification and applications for approval to change etc. for the Anticipated Acquisitions, and is described as the names of the companies at the time.
- “Overview of leasing” shows the content of respective lease agreements or lease reservation agreements as of December 31, 2017 for respective property in trust regarding the respective Anticipated Acquisitions. The items “Contract form”, “Contract period”, “Rent revision”, “Contract renewal” and “Early cancellation” are filled with the information about key tenants (of which leased area exceeds 50% of the leasable area of the whole building) for the portfolio assets. In the event that a pass-through type master lease agreement has been executed for each property in trust, the terms of a sublease agreement executed between a master lease company and a key end tenant. “Leased area (ratio to total leasable area)” is indicated only when there is more than one tenant (end tenant)."
- “Leasable area” is the leasable area of the building (of the land, for land with leasehold interest properties) for each property in trust, and indicates the area which DHR recognizes to be leasable based on the lease agreements or lease reservation agreements or building drawings or other documents for the respective property in trust as of December 31, 2017.
- “Leased area” shows the leased area indicated in respective lease agreements or lease reservation agreements as of December 31, 2017 for respective property in trust regarding the respective Anticipated Acquisitions.

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However, if there is a master lease agreement or a planned master lease agreement concluded with the sublessee, it shows the leased area of end-tenants indicated in respective sublease agreements as of December 31, 2017 for respective property in trust regarding the respective Anticipated Acquisitions. Furthermore, as the respective lease agreements or lease reservation agreements 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, if eaves are included in the leased area for logistics facilities, the leased area may significantly surpass the gross floor area.

- “Occupancy rate” is the ratio of leased floor area to leasable floor area.
- “Number of leasable units” is the number of units of residential property that is leasable as of December 31, 2017.
- “Number of tenants” indicates the number of tenants for each property of the Anticipated Acquisitions based on the lease agreements or lease reservation agreements, etc. as of December 31, 2017. However, “Number of tenants” enters the number of tenants as 1 if there is a master lease agreement or a planned master lease agreement concluded with the sublessee.
- “Annual rent” means the amount calculated by multiplying the monthly rent of the building as indicated in respective lease agreement or lease reservation agreement in relation to each property in trust as of December 31, 2017 by 12 on an annual basis (as to properties in trust for which multiple lease agreements or lease reservation agreements are entered into, the total amount indicated in such lease agreements or lease reservation agreements). If a pass-through type master lease agreement is or is scheduled to be entered into, the annual rent is the amount calculated by multiplying the monthly rent as indicated in each sublease agreement in relation to each property in trust as of December 31, 2017 by 12 on an annual basis (as to properties in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). Regarding sales commission rent, it uses the monthly sales commission rent linked to the sales of December 2017.
- “Tenant leasehold and security deposits” means the amount calculated based on the leasehold and security deposits indicated in respective lease agreement or lease reservation agreement in relation to each property in trust as of December 31, 2017 (as to properties in trust for which multiple lease agreements or lease reservation agreements are entered into, the total amount indicated in such lease agreements or lease reservation agreements). If a pass-through type master lease agreement is or is scheduled to be entered into, leasehold and security deposits are those indicated in the sublease agreements of end-tenants as of December 31, 2017 (as to properties in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). Meanwhile, leasehold and security deposits that do not need to be returned to the tenant pursuant to the lease agreements or lease reservation agreements are excluded from this calculation.
- “Lease term” indicates what is specified in the respective lease agreements or lease reservation agreements as of December 31, 2017 for each property in trust (or, the respective sublease agreements as of December 31, 2017, for each property in trust, in the event that a pass-through type master lease agreement has been executed or is to be executed with a master lease company). “Average lease term” indicates a weighted average of the lease term under the respective lease agreements or lease reservation agreements with the annual rent specified in the relevant agreements, respectively.
- “Remaining lease term” indicates the period from April 10, 2018 to the expiration of the lease term specified in the respective lease agreements or lease reservation agreements as of December 31, 2017 for each property in trust (or the respective sublease agreements as of December 31, 2017 for each property in trust, in the event that a pass-through type master lease agreement has been executed or is to be executed with a master lease company). “Average remaining lease term” indicates a weighted average of the remaining lease term under the respective lease agreements or lease reservation agreements with the annual rent specified in the relevant agreements, respectively.
- “Master lease company” is the lessee that has a blanket lease agreement concluded or scheduled to be concluded with the trustee for the purpose of re-letting to third parties.
- “Master lease type” shows either a “pass-through type” for those master lease agreements that DHR receives rents as-is, and “sublease type” for those master lease agreements that DHR receives a fixed amount of rent irrespective of the actual rent paid by the end-tenants. For a “pass-through type” DHR is entitled to receive rents when it is actually leased to an end-tenant.
- “Property management company” indicates the property management company consigned or scheduled to be consigned with property management services for respective property in trust.
- “Contract period” shows the contract period indicated in respective lease agreements or lease reservation agreements as of December 31, 2017 for respective property in trust.
- “Other leases” shows the content of respective contract concerning installation of solar power generation system for the purpose of leasing the roof top, etc. on each property in trust entered into or scheduled to be entered into when acquired by DHR.
- “Special items” presents matters recognized to be of importance in terms of the rights, use, etc. of respective Anticipated Acquisitions, as well as matters recognized to be of importance in consideration of the degree of impact on the appraised value, profitability and appropriation of assets, including the following matters:
 - (i) significant limitations or restrictions by laws, ordinances, rules and regulations,

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- (ii) significant burdens or limitations pertaining to rights, etc.,
 - (iii) significant cases where there are building, etc. crossing the boundaries of respective Anticipated Acquisitions without arrangements and cases where there are issues with boundary confirmation, etc.; and
 - (iv) significant agreements, arrangements, etc. made with co-owners or condominium unit owners.
- “Property characteristics” of logistic properties, retail properties, hotel properties and other assets shows the major items, including the fundamental nature, characteristics, and special features of the area where the location exists, of the respective Anticipated Acquisitions stated in the respective evaluation reports for the respective Anticipated Acquisitions prepared by CBRE K.K., BAC Urban Projects Co., Ltd., or Japan Hotel Appraisal Co., Ltd. consignment from DHR of their evaluation. The evaluation of the respective Anticipated Acquisitions represents the judgment and opinion of the evaluation company, and does not guarantee the appropriateness and correctness of the statements.

(1) DPL Fukuoka Kasuya

Property number		DPL Fukuoka Kasuya		Asset class		Logistics			
LM-002				Type		Multi-tenant type			
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		13,300 million yen			
Overview of specified asset									
Type of specified asset		Trust beneficiary interest in real estate (Note 1)							
Trustee		Sumitomo Mitsui Trust Bank, Limited		Trust maturity date		April 30, 2038			
Location	Lot number		642-1, Aza-Sanjyuroku, Oaza-Uchihashi, Kasuyamachi, Kasuya District, Fukuoka						
	Residence indication		642-1, Aza-Sanjyuroku, Oaza-Uchihashi, Kasuyamachi, Kasuya District, Fukuoka						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		31,343.87m ²			Gross floor area		87,682.74m ²	
	Area classification		Quasi-industrial district			Use		Warehouse, Office	
	Building coverage ratio		60% (Note 2)			Structure		Reinforced concrete and steel-frame building	
	FAR		300%			Number of floors		7F	
Collateral			None			Date of construction		April 24, 2014	
Overview of building condition evaluation									
Evaluation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.						
Urgent repair costs			0 thousand yen		Evaluation date		February 2018		
Short-term repair costs			0 thousand yen		PML		0.9%		
Long-term repair costs			516,216 thousand yen / 12 years						
Designer, structural designer, contractor, inspection agency									
Designer			Taisei Corporation						
Structural designer			Taisei Corporation						
Contractor			Taisei Corporation						
Inspection agency			Japan ERI Co.,Ltd.						
Structural calculation evaluation agency			-						
Overview of leasing									
Leasable area			73,738.59m ²		Number of tenants		1		
Leased area			73,738.59m ²		Annual rent		Not disclosed (Note 3)		
Occupancy rate			100.0%		Tenant leasehold and security deposit		Not disclosed (Note 3)		
Average lease term			5.4 years		Average remaining lease term		1.9 years		
Master lease company					Daiwa House Property Management Co., Ltd.				

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Master lease type		Pass-through type	
Property management company		Daiwa House Property Management Co., Ltd.	
Lessee	UNIQLO CO., LTD., Muroo Co., Ltd, Nest Logistics, Mitsui & Co.Global Logistics, Ltd., MK LOGI Co., Ltd., NOK Corporation, etc.		
Special items			
1. The easement is established for a part of the land of this property (covering approximately 1,090.56m²), with the land the lot number of which is 268-2, Aza-Noboriagari, Oaza-Uchihashi, Kasuyamachi, Kasuya District, Fukuoka set as the dominant land, for the purpose of installing and maintaining electric lines, except installation of a supporter of electric lines. 2. The surface rights are established for a part of the land of this property (covering 132.55m²), for the purpose of installing and maintaining the supporter of special high-voltage cables and electric wires. 3. Some findings are pointed out in the report on building condition evaluation, etc., and DHR has agreed with the seller that such findings shall be rectified at the responsibility and expense of the seller before the acquisition by DHR.			
Property characteristics			
■ Location The property is located adjacent to the Fukuoka central consumption area, approximately 1.5km from Tanotsu IC and approximately 2.8km from Matsushima IC on the Fukuoka Expressway Route 4 Kasuya Line and approximately 2.8km from Fukuoka IC on the Kyushu Expressway and the Fukuoka Expressway Route 4 Kasuya Line. It is approximately 500m distance from distributions center road which is east-west arterial road and approximately 1.8km from National Route 3 Hakata bypass which is a north-south arterial road. Other than local base for central area, it functions as a large-scale delivery base which offers extensive coverage in northern Kyushu using Kyushu Expressway. It also has good traffic access to logistics infrastructure facilities due to location approximately 4km from the port area and approximately 5km from the cargo terminal gate of Fukuoka Airport. ■ Specification The property is a six-story logistics facility with ramp way with gross floor area of approximately 26,524 tsubo. It is leased to multi-tenants such as logistics company. There are two doorways and a ramp way that allows large-sized vehicles to directly access each floor. It has an area per floor of nearly 4,400 tsubo, including berths, offices and common spaces. As basic specifications, the warehouse has the ceiling height of 6.0m (1F) and 5.5m (2F to 6F), floor weight capacity of 1.5t/ m², pillar interval spacing of 10.0m by 11.5m which offers tenants from a wide variety of sectors. Also there is well equipped office space with good working environment.			

(Note 1) DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, the seller will entrust the property to the above trustee and the seller will transfer the trust beneficiary interest to DHR as of the same date.

(Note 2) While the building coverage ratio of the property is essentially 60%, due to application of corner lot mitigation, it is set at 70%.

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

(2) D Project Inuyama (Additional acquisition)

Property number		D Project Inuyama		Asset class		Logistics			
LB-009		(Additional acquisition) (Note1)		Type		BTS (Build-to-suit) type			
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		2,100 million yen			
Overview of specified asset									
Type of specified asset			Trust beneficiary interest in real estate						
Trustee			Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		April 30, 2038		
Location	Lot number		5-45, Takanebora, Inuyama City, Aichi						
	Residence indication		5-45, Takanebora, Inuyama City, Aichi						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		10,497.00m ²			Gross floor area		9,900.00m ²	
	Area classification		Exclusive industrial district			Use		Working space, Office	
	Building coverage ratio		60%			Structure		Steel-frame building	
	FAR		200%			Number of floors		3F	

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Collateral	None		Date of construction	January 17, 2012
Overview of building condition evaluation				
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs	0 thousand yen	Evaluation date	February 2018	
Short-term repair costs	0 thousand yen	PML	1.7%	
Long-term repair costs	34,243 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency				
Designer	Daiwa House Industry Co., Ltd.			
Structural designer	Daiwa House Industry Co., Ltd.			
Contractor	Dai Nippon Construction			
Inspection agency	Bureau Veritas Japan			
Structural calculation evaluation agency	-			
Overview of leasing				
Leasable area	10,474.10m ²	Number of tenants	1	
Leased area	10,474.10m ²	Annual rent	Not disclosed (Note 2)	
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 2)	
Lease term	20.0 years	Remaining lease term	13.9 years	
Master lease company		-		
Master lease type		-		
Property management company		Daiwa House Property Management Co., Ltd.		
Lessee	Takihyo Co., Ltd.			
Contract form	Fixed-term building lease agreement			
Contract period	From April 1, 2012 to March 31, 2032			
Rent revision	Rent may be revised for every five years from the commencement date of the lease agreement, upon consultation between the lessor and the lessee.			
Contract renewal	No renewal; the contract will end upon expiration of the lease period.			
Early cancellation	The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement if it notifies the lessor in writing by at least eight months prior to the date of cancellation and obtains the lessor's written consent. If the lessee cancels the lease agreement based on above and such cancellation occurs before fifteen years passed since the initial date of computing the rent, the lessor shall pay a prescribed amount of penalty fees to the lessor by the end of the month containing the date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee in comparable terms with the previous agreement.			
Special items				
1. The previous owner of the land of this property agreed with Aichi Prefecture, the seller, for ten years since the execution date of the sale and purchase agreement (August 29, 2008), that it should obtain prior written consent from Aichi Prefecture if the ownership over the property, in whole or in part, would be transferred in relation to any sale and purchase, disposition, exchange and investment, etc., or any pledge, mortgage, superficies, loan for use, or right of lease or other rights created for the purpose of use and revenues would be set against the property, in whole or in part, etc. The trustee, the current owner, has succeeded such obligations.				
2. The trustee gives consent to Takihyo Co., Ltd., the tenant of the building of this property and the tenant of D Project Inuyama (the existing building) adjacent to this property, which allows vehicles, etc. held by Takihyo Co., Ltd. to pass through the land of this property and the adjacent land.				
3. The part of the boundary on the west side of this property with the publicly-held land, that on the south-eastern side of the land of this property with the privately-held land, and that on the north-eastern side of the land of this property with the privately-held land are not established.				
Property characteristics				

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■ Location

Inuyama City is located in the northern Owari district (north-west Aichi) which is approximately 20km from Nagoya City, and in proximity to consumption and production area. Inuyama City has Inuyama City industrial complex and Inuyama Takanebora industrial complex where factories and facilities of industrial machinery, plastic products and foods locate. The property is located approximately 10km from Komaki IC of the Tomei Expressway and the Meishin Expressway, approximately 7km from Komaki Higashi IC of the Chuo Expressway and approximately 4km from National Route 41, which enables the property function as a base for distribution for the Chubu region. As it is located within Takanebora industrial complex, which has low-potential claims from residents, it can operate 24 hours a day over the long-term. Good environment for a logistics base as large-sized vehicles do not have difficulty passing the roads nearby.

■ Specification

It is a three-story property with a gross floor area of approximately 3,175 tsubo, and leased to an apparel wholesale company. The land is flag-shaped and it has an entrance for cars and it is also accessible from the adjacent large-scale logistics facility. The property ensures operational efficiency with truck berths installed on both sides of the 1F. As basic specifications, the property has a 1F area of approximately 1,000 tsubo pillar interval spacing of 10.0m by 11.0m, the ceiling height of 7.5m (1F) and 4.2m (2F) and 3.8m (3F), floor weight capacity of 1.5t/m² (1F) and 0.5t/m² (2F and 3F), one vertical carrier machine and one cargo elevator. The specifications are suitable for tenants of apparel and distribution and processing sectors. Good working environment is secured with air-conditioned in distribution and processing spaces.

(Note 1) Additional acquisition of land and building adjacent to D project Inuyama which we currently own. For the location of both of the existing property and the building we intend to acquire, see "Attachments, Photograph and location map of the Anticipated Acquisitions"

(Note 2) Not disclosed as consent for disclosure has not been obtained from the lessee.

(3) D Project Kawagoe IV

Property number		D Project Kawagoe IV	Asset class		Logistics				
LB-047			Type		BTS (Build-to-suit) type				
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		5,600 million yen			
Overview of specified asset									
Type of specified asset		Trust beneficiary interest in real estate							
Trustee		Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		April 30, 2038			
Location	Lot number		3-2-1, Yoshinodai, Kawagoe City, Saitama						
	Residence indication		3-2-1, Yoshinodai, Kawagoe City, Saitama						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		28,757.65m ²			Gross floor area		24,684.47m ²	
	Area classification		Urbanization restricted area			Use		Warehouse	
	Building coverage ratio		60%			Structure		Reinforced concrete and steel-frame building	
	FAR		200%			Number of floors		3F	
Collateral			None			Date of construction		January 31, 2011	
Overview of building condition evaluation									
Evaluation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.						
Urgent repair costs			0 thousand yen		Evaluation date		February 2018		
Short-term repair costs			0 thousand yen		PML		3.5%		
Long-term repair costs			134,126 thousand yen / 12 years						
Designer, structural designer, contractor, inspection agency									
Designer			Daiwa House Industry Co., Ltd.						
Structural designer			Daiwa House Industry Co., Ltd.						
Contractor			Daiwa House Industry Co., Ltd.						
Inspection agency			Saitama Housing Inspection Center						

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Structural calculation evaluation agency	-		
Overview of leasing			
Leasable area	24,684.47m ²	Number of tenants	1
Leased area	24,684.47m ²	Annual rent	320,760 thousand yen
Occupancy rate	100.0%	Tenant leasehold and security deposit	108,000 thousand yen
Lease term	15.0 years	Remaining lease term	7.8 years
Master lease company		-	
Master lease type		-	
Property management company		Daiwa House Property Management Co., Ltd.	
Lessee	Daiwa Logistics Co., Ltd.		
Contract form	Building lease agreement		
Contract period	From February 1, 2011 to January 31, 2026		
Rent revision	Rent shall be revised every five years since the commencement date of the lease agreement upon consultation, comprehensively taking into account the public dues imposed on the land and building of this property, fire insurance premiums and increase and decrease in long-term prime rates during the five years.		
Contract renewal	If the lessee wishes to renew the lease agreement on the building of this property even after the expiry thereof, it shall ask the lessor to renew the agreement in writing at least six months before the expiry thereof.		
Early cancellation	The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement upon consultation between the lessor and the lessee if it notifies the lessor in writing by at least twelve months prior to the date of cancellation. If such cancellation occurs before ten years passed since the commencement date of the lease agreement, the lessee shall make a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing such date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee in comparable terms with the previous agreement, or subject to terms agreed by the lessor.		
Other leases	The following contract for the lease of the rooftop, etc. of this property for the purpose of installing a solar power system was executed: Counterparty: Daiwa Energy Co., Ltd. Contract date: July 26, 2013 Contract period: from November 20, 2013 to January 31, 2026 Annual rental fees: 1,287,600 yen		
Special items			
Some findings are pointed out in the report on building condition evaluation, etc., and DHR has agreed with the seller that such findings shall be rectified at the responsibility and expense of the seller before the acquisition by DHR.			
Property characteristics			
■ Location			
Kawagoe City is located approximately 30km from central Tokyo and this property has excellent accessibility to National Route 16 as well as Kawagoe IC of Kanetsu Expressway and Kawajima IC of Ken-O Expressway, which allows tenants to broadly cover the surrounding area. The property is located in an industrial park and can operate 24 hours a day. Employees of the tenants can commute either by cars or by using the bus stop within walking distance from the property.			
■ Specification			
The property is a three-story facility (2F is for office use only) with gross floor area of approximately 7,467 tsubo leased to a logistics company. As basic specifications, the property has the ceiling height of 8.4m (1F) and 8.0m (3F), floor weight capacities of 1.5t/m ² on each floor, pillar interval spacing of 10.5m by 9.2m. There are two cargo elevators, four vertical carrier machines, which offer versatility for tenants with various business needs. Also, there is a set of car berths with dock leveler on both sides of the 1F, which enhances operational efficiency. There are 100 parking spaces for standard cars and one parking space for the disabled. To reduce environmental load, it is equipped with solar panels on the roof.			

(4) D Project Kuki VII

Property number	D Project Kuki VII	Asset class	Logistics
LB-048		Type	BTS (Build-to-suit) type

Disclaimer: This announcement is prepared for the public disclosure of acquisition and leasing of trust beneficiary interests in domestic real estate by DHR and has not been prepared for the purpose of soliciting investment.

Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		1,040 million yen			
Overview of specified asset									
Type of specified asset		Trust beneficiary interest in real estate							
Trustee		Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		April 30, 2038			
Location	Lot number		6004-3, Aza-Taikoda, Shobu, Shobumachi, Kuki City, Saitama						
	Residence indication		6004-3, Aza-Taikoda, Shobu, Shobumachi, Kuki City, Saitama						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		8,846.76m ²			Gross floor area		2,940.76m ²	
	Area classification		Exclusive industrial district			Use		Warehouse	
	Building coverage ratio		50%			Structure		Steel-frame building	
	FAR		200%			Number of floors		1F	
Collateral			None			Date of construction		January 5, 2010	
Overview of building condition evaluation									
Evaluation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.						
Urgent repair costs			0 thousand yen		Evaluation date		February 2018		
Short-term repair costs			0 thousand yen		PML		1.5 %		
Long-term repair costs			42,274 thousand yen / 12 years						
Designer, structural designer, contractor, inspection agency									
Designer			Daiwa House Industry Co., Ltd.						
Structural designer			Daiwa House Industry Co., Ltd.						
Contractor			Daiwa House Industry Co., Ltd.						
Inspection agency			Saitama Housing Inspection Center						
Structural calculation evaluation agency			-						
Overview of leasing									
Leasable area			3,225.46m ²		Number of tenants		1		
Leased area			3,225.46m ²		Annual rent		Not disclosed (Note)		
Occupancy rate			100.0%		Tenant leasehold and security deposit		Not disclosed (Note)		
Lease term			Not disclosed (Note)		Remaining lease term		Not disclosed (Note)		
Master lease company					-				
Master lease type					-				
Property management company					Daiwa House Property Management Co., Ltd.				
Lessee			Nichirei Logistics Group Inc.						
Contract form			Not disclosed (Note)						
Contract period									
Rent revision									
Contract renewal									
Early cancellation									
Special items									
None									
Property characteristics									
■ Location									

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This property is located in Kuki City, which is located in northeastern Saitama, approximately 50km from central Tokyo. Situated in close proximity to Kuki IC (approximately 5.4km) on the Tohoku Expressway, Shiraoka-Shobu IC (approximately 5.1km) on the Ken-O Expressway and National Route 122. This good traffic access to arterial roads enables freight collection and delivery within Saitama and over the entire Tokyo Metropolitan area, while the property can also function as a relay point from the Tohoku region. It is expected to be an extensive delivery base as Saitama and Ibaraki section of Ken-O Expressway opened in February 2017.

■ Specification

It is a single-story facility with gross floor area of approximately 890 tsubo, and leased to a logistics company which provides food logistics services. Most of the building is equipped with refrigerators (+5 degrees Celsius) and freezer (-23 degrees Celsius), and has dock shelters on one side. It is a low level facility offering convenience in delivery. As basic specifications, it has a ceiling height of 4.7m to 5.5m, floor weight capacity of 0.5t/m² (refrigerators) and 1.0t/m² (freezers), and pillar interval spacing of 11.8m by 11.8m to 12.0m. There are 52 parking spaces for cars sufficiently provided in the premises.

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

(5) D Project Chibakita

Property number		D Project Chibakita		Asset class		Logistics			
LB-049				Type		BTS (Build-to-suit) type			
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		7,640 million yen			
Overview of specified asset									
Type of specified asset		Trust beneficiary interest in real estate (Note 1)							
Trustee		Sumitomo Mitsui Trust Bank, Limited		Trust maturity date		April 30, 2038			
Location	Lot number		461-1, Naganumacho, Inage Ward, Chiba City, Chiba						
	Residence indication		461-1, Naganumacho, Inage Ward, Chiba City, Chiba						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		23,908.49m ²			Gross floor area		24,784.63m ²	
	Area classification		Industrial district			Use		Warehouse	
	Building coverage ratio		60%			Structure		Steel-frame and reinforced concrete building	
	FAR		200%			Number of floors		2F	
Collateral			None			Date of construction		July 1, 2016	
Overview of building condition evaluation									
Evaluation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.						
Urgent repair costs			0 thousand yen		Evaluation date		February 2018		
Short-term repair costs			0 thousand yen		PML		2.4%		
Long-term repair costs			58,386 thousand yen / 12 years						
Designer, structural designer, contractor, inspection agency									
Designer			Daiwa House Industry Co., Ltd.						
Structural designer			Daiwa House Industry Co., Ltd.						
Contractor			Daiwa House Industry Co., Ltd.						
Inspection agency			Saitama Housing Inspection Center						
Structural calculation evaluation agency			-						
Overview of leasing									
Leasable area			24,368.86m ²		Number of tenants		1		
Leased area			24,368.86m ²		Annual rent		Not disclosed (Note 2)		

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Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 2)
Lease term	10.0 years	Remaining lease term	8.2 years
Master lease company		-	
Master lease type		-	
Property management company		Daiwa House Property Management Co., Ltd.	
Lessee	Hitachi Transport System Metropolitan Co., Ltd.		
Contract form	Fixed-term building lease agreement		
Contract period	From July 1, 2016 to June 30, 2026		
Rent revision	No rent revision		
Contract renewal	No renewal; the contract will end upon expiration of the lease period.		
Early cancellation	The lease agreement may not be cancelled before the expiry thereof, unless the counterparty gives written consent. However, the lessee may cancel the lease agreement before the expiry thereof if it notifies the lessor in writing by at least twelve months prior to the date of cancellation and makes a lump-sum payment of a prescribed amount of penalty fees; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee in comparable terms with the previous agreement.		
Other leases	The following contract for the lease of the rooftop, etc. of this property for the purpose of installing a solar power system will be executed: Counterparty: Daiwa Energy Co., Ltd. Contract date: April 10, 2018 Contract period: from April 10, 2018 to May 17, 2036 Annual rental fees: 1,692,000 yen (consumption tax excluded)		
Special items			
None			
Property characteristics			
■ Location Location with good traffic access to the waterfront area and inland consumer areas in Chiba, as well as Chiba City. Approximately 1.4km to Chiba Kita IC on the Higashi-Kanto Expressway, and close to National Route 16, a loop line passing through the Tokyo Metropolitan area. It is a location which can offer extensive distribution that covers the metropolitan area in addition to Chiba prefecture by using the expressway.			
■ Specification The property is a two-story facility with gross floor area of approximately 7,497 tsubo leased to a logistics company. There is a refrigerator and freezer sections on the 1F, equipped with dock shelter on one side of the warehouse. As basic specifications, it has a ceiling height of 7.6m (1F) and 6.3m (2F), floor weight capacity of 1.5t/m ² , pillar interval spacing of 10.5m by 10.0m, which offers versatility for tenants with various business needs. It also has four cargo elevators and two vertical carrier machines which offer operational convenience. There is a set of truck berths on both sides which enhances operational efficiency. Parking space accommodates 33 parking spaces for standard cars and five parking spaces for trucks. To reduce environmental load, it is equipped with solar panels on the roof.			

(Note 1) As of today, the land and the building of this property are owned by the seller and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Hitachi Capital Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Not disclosed as consent for disclosure has not been obtained from the lessee.

(6) D Project Matsudo II

Property number	D Project Matsudo II	Asset class	Logistics
LB-050		Type	BTS (Build-to-suit) type
Anticipated date of acquisition	April 10, 2018	Anticipated acquisition price	8,200 million yen
Overview of specified asset			
Type of specified asset	Trust beneficiary interest in real estate (Note 1)		

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Trustee		Sumitomo Mitsui Trust Bank, Limited	Trust maturity date		April 30, 2038
Location	Lot number	700-1, Aza-Nishinooda, Kamihongo, Matsudo City, Chiba			
	Residence indication	700-1, Aza-Nishinooda, Kamihongo, Matsudo City, Chiba			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	20,218.12m ²		Gross floor area	27,387.69m ²
	Area classification	Exclusive industrial district		Use	Warehouse, working space
	Building coverage ratio	60% (Note 2)		Structure	Reinforced concrete and steel-frame building
	FAR	200%		Number of floors	4F
Collateral		None		Date of construction	September 30, 2010
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		50 thousand yen	Evaluation date		February 2018
Short-term repair costs		0 thousand yen	PML		3.5 %
Long-term repair costs		77,496 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					
Designer		Daiwa House Industry Co., Ltd.			
Structural designer		Daiwa House Industry Co., Ltd.			
Contractor		Daiwa House Industry Co., Ltd.			
Inspection agency		Tokyo Bldg-Tech Center Co., Ltd			
Structural calculation evaluation agency		-			
Overview of leasing					
Leasable area		25,305.82m ²	Number of tenants		1
Leased area		25,305.82m ²	Annual rent		Not disclosed (Note 3)
Occupancy rate		100.0%	Tenant leasehold and security deposit		Not disclosed (Note 3)
Lease term		Not disclosed (Note 3)	Remaining lease term		Not disclosed (Note 3)
Master lease company			-		
Master lease type			-		
Property management company			Daiwa House Property Management Co., Ltd.		
Lessee		Mitsubishi Shokuhin Co., Ltd.			
Contract form		Building lease agreement			
Contract period		Not disclosed (Note 3)			
Rent revision		Rent shall be revised every five years from the initial date of computing the rent.			
Contract renewal		There is no agreement on any renewal of the lease agreement.			
Early cancellation		The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement if it notifies the lessor in writing by at least six months prior to the date of cancellation and makes a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee under the same terms with the previous agreement.			
Special items					
Some findings are pointed out in the report on building condition evaluation, etc., and DHR has agreed with the seller that such findings shall be rectified at the responsibility and expense of the seller before the acquisition by DHR.					

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Property characteristics					
■ Location					
This property is located in Matsudo City, which is located 20km from central Tokyo, in North-west area of Chiba across Edogawa adjacent to Katsushika Ward in Tokyo and Misato City in Saitama. It acts as a delivery base for Kashiwa, Saitama, Chiba and focusing on Matudo. With ability to cover the overall Tokyo Metropolitan area with an access to the National Route 6 (Mito Kaido) as major highway in addition to the Joban Expressway, Tokyo Gaikan Expressway and Metropolitan Expressway through Misato Minami IC located approximately 4km from the property and Misato IC/JCT. The property is located within North Matsudo industrial complex with low-potential claims from residents, and can operate 24 hours a day over the long-term. It can be described as a rare location with advantages for hiring employees due to the location within 3 minutes walking distance to Kita-Matsudo Station on the JR Line.					
■ Specification					
It is a four-story property with gross floor area of approximately 8,285 tsubo, and leased to a food production wholesaler. The 1F is a refrigerated storage. As basic specifications, it has a ceiling height of 7.5m (1F) , 8.2m (2F), 7.6m (4F), floor weight capacity of 1.0t/m ² (1F) and 1.5t/m ² (2F and 4F, 2t/m ² for automated warehousing sections) and pillar interval spacing of 10.3m by 9.0m, which offers versatility for tenants with various business needs. It also has one cargo elevator and four vertical carrier machines which offers strong internal carriage capacity. There is an L-shaped truck berths at both 1F and 2F which is connected with the slope, which offers highly-efficient delivery operation. It offers efficient truck operation with three entrances. There are 46 car parking spaces for employees.					
(Note 1) As of today, the land and the building of this property are owned by the seller and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Hitachi Capital Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.					
(Note 2) While the building coverage ratio of the property is essentially 60%, due to application of corner lot mitigation, it is set at 70%.					
(Note 3) Not disclosed as consent for disclosure has not been obtained from the lessee.					
(7) D Project Tomisato II					
Property number		D Project Tomisato II	Asset class		Logistics
LB-051			Type		BTS (Build-to-suit) type
Anticipated date of acquisition		April 10, 2018	Anticipated acquisition price		6,900 million yen
Overview of specified asset					
Type of specified asset		Trust beneficiary interest in real estate (Note 1)			
Trustee		Sumitomo Mitsui Trust Bank, Limited	Trust maturity date		April 30, 2038
Location	Lot number	1-4, Misawa, Tomisato City, Chiba			
	Residence indication	1-6, Misawa, Tomisato City, Chiba			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	21,061.77m ²		Gross floor area	41,098.08m ²
	Area classification	Exclusive industrial district		Use	Warehouse
	Building coverage ratio	60% (Note 2)		Structure	Steel-frame and reinforced concrete building
	FAR	200%		Number of floors	4F
Collateral		None		Date of construction	April 28, 2016
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2018
Short-term repair costs		0 thousand yen	PML		2.1%
Long-term repair costs		57,787 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					

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Designer	Daiwa House Industry Co., Ltd.		
Structural designer	Daiwa House Industry Co., Ltd.		
Contractor	Daiwa House Industry Co., Ltd.		
Inspection agency	Japan ERI Co.,Ltd.		
Structural calculation evaluation agency	-		
Overview of leasing			
Leasable area	40,870.56m ²	Number of tenants	1
Leased area	40,870.56m ²	Annual rent	Not disclosed (Note 3)
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 3)
Lease term	11.0 years	Remaining lease term	8.9 years
Master lease company		-	
Master lease type		-	
Property management company		Daiwa House Property Management Co., Ltd.	
Lessee	Tokyo Nohin Daiko Co., Ltd.		
Contract form	Fixed-term building lease agreement		
Contract period	From March 31, 2016 to February 28, 2027		
Rent revision	No rent revision		
Contract renewal	No renewal; the contract will end upon expiration of the lease period.		
Early cancellation	The lessee may cancel the lease agreement before the expiry thereof by notifying the lessor in writing by at least twelve months prior to the date of cancellation, and by making a lump sum payment of a prescribed amount of penalty fees by the end of the month containing the date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee under the same terms with the previous agreement.		
Other leases	The following contract for the lease of the rooftop, etc. of this property for the purpose of installing a solar power system will be executed: Counterparty: Daiwa Energy Co., Ltd. Contract date: April 10, 2018 Contract period: from April 10, 2018 to April 11, 2036 Annual rental fees: 1,760,400 yen (consumption tax excluded)		
Special items			
None			
Property characteristics			
■ Location			
This property is located in Tomisato City, which is located 50km from central Tokyo and is an area with industrial parks development progressed over the years as well as an area concentrated with production activities. Tenants can cover central Chiba and east Tokyo area by using National Route 296 and can cover central Saitama area by using National Route 16. Tenants can also broadly cover the surrounding area by using Tomisato IC of Higashi Kanto Expressway (approximately 5km from the property) and can utilize this property as a transit center for air cargo to and from the nearby Narita International Airport. The property is located in the Tomisato Second Industrial Area and can operate 24 hours a day, therefore the chances of receiving claims from nearby residents appears to be low.			
■ Specification			
It is a four-story property with gross floor area of approximately 12,432 tsubo, and leased to an apparel specific logistics company. As basic specifications for warehouse, it has ceiling height of 6.6m (1F to 3F), 4.8m (4F), floor weight capacities of 1.5t/m ² (1F to 3F), 0.5t/m ² (4F), pillar interval spacing of 10.9m (partially 10.5m) by 9.2m, three cargo elevators, one passenger elevator and one vertical carrier machine, which offers versatility for tenants with various business needs. There are 82 car parking spaces sufficient for the size for the property. To reduce environmental load, it is equipped with solar panels on the roof.			

(Note 1) As of today, the land and the building of this property are owned by the seller and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Hitachi Capital Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR.

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Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.
 (Note 2) While the building coverage ratio of the property is essentially 60%, due to application of corner lot mitigation, it is set at 70%.
 (Note 3) Not disclosed as consent for disclosure has not been obtained from the lessee.

(8) D Project Osaka Hirabayashi

Property number		D Project Osaka Hirabayashi	Asset class		Logistics	
LB-052			Type		BTS (Build-to-suit) type	
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		3,600 million yen
Overview of specified asset						
Type of specified asset		Trust beneficiary interest in real estate (Note 1)				
Trustee		Sumitomo Mitsui Trust Bank, Limited		Trust maturity date		April 30, 2038
Location	Lot number	2-6-106, Hirabayashikita, Suminoe Ward, Osaka City, Osaka				
	Residence indication	2-6-15, Hirabayashikita, Suminoe Ward, Osaka City, Osaka				
Land	Type of ownership	Fixed-term leasehold for business		Building	Type of ownership	Ownership
	Land area	14,450.12m ² (Note 2)			Gross floor area	20,917.87m ²
	Area classification	Exclusive industrial district			Use	Warehouse, Office
	Building coverage ratio	60%			Structure	Steel-frame building
	FAR	200%			Number of floors	4F
Collateral		None			Date of construction	June 30, 2015
Overview of building condition evaluation						
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Urgent repair costs		0 thousand yen		Evaluation date		February 2018
Short-term repair costs		0 thousand yen		PML		8.0 %
Long-term repair costs		35,471 thousand yen / 12 years				
Designer, structural designer, contractor, inspection agency						
Designer		Daiwa House Industry Co., Ltd.				
Structural designer		Daiwa House Industry Co., Ltd.				
Contractor		Daiwa House Industry Co., Ltd.				
Inspection agency		Japan ERI Co.,Ltd.				
Structural calculation evaluation agency		-				
Overview of leasing						
Leasable area		22,485.08m ²		Number of tenants		1
Leased area		22,485.08m ²		Annual rent		Not disclosed (Note 3)
Occupancy rate		100.0%		Tenant leasehold and security deposit		Not disclosed (Note 3)
Lease term		15.0 years		Remaining lease term		12.2 years
Master lease company				-		
Master lease type				-		
Property management company				Daiwa House Property Management Co., Ltd.		
Lessee		Itochu-Shokuhin Co., Ltd.				
Contract form		Fixed-term building lease agreement				
Contract period		From June 30, 2015 to June 29, 2030				
Rent revision		Not disclosed (Note 3)				

Disclaimer: This announcement is prepared for the public disclosure of acquisition and leasing of trust beneficiary interests in domestic real estate by DHR and has not been prepared for the purpose of soliciting investment.

Contract renewal	No renewal; the contract will end upon expiration of the lease period.
Early cancellation	The lessee may cancel the lease agreement by notifying the lessor in writing by at least twelve months prior to the date of cancellation, and by making a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and obtains approval from the land right holder, and the lease agreement is renewed to such alternative lessee under the same terms with the previous agreement.
Other leases	The following contract for the lease of the rooftop, etc. of this property for the purpose of installing a solar power system will be executed: Counterparty: Daiwa Energy Co., Ltd. Contract date: April 10, 2018 Contract period: from April 10, 2018 to July 13, 2035 Annual rental fees: 1,080,000 yen (consumption tax excluded)

Special items

Outline of the fixed-term leasehold for business is as follows:

Land right owners: CRE, INC. and Iwata Tochi Kabushiki Kaisha

Land lease period: 49 years and 11 months from November 1, 2014

Leased area: 14,450.12m²

Property characteristics

■ Location

This property is located in Suminoe Ward, which is located at the edge of southwestern Osaka City, 15km from central Osaka, developed as a concentrated major logistics area. It has good access to surrounding cities, locating approximately 3km from Nanko-Naka IC and Nanko-Minami IC on the Hanshin Expressway Bayshore Line, and proximity to central Osaka and surrounding large-scale consumer areas. It is in a favorable location as a hub for broad-area distribution and freight collection and delivery in neighboring areas.

The property is located in an industrial area where warehouse, factories concentrate and can operate 24 hours a day, therefore the chances of receiving claims from nearby residents appears to be low. Good environment for a logistics base as large-sized vehicle do not have difficulty passing the roads nearby.

■ Specification

It is a four-story property functioning as a 3-layered normal- and low-temperature warehouse with gross floor area of approximately 6,328 tsubo, and leased to a food wholesaler that deals with food and beverage products, etc. As basic specifications for warehouse, it has a ceiling height for the normal-temperature warehouse of 7.2m (1F and 2F), 6.4m (3F), 2.5m for the low-temperature warehouse section at 1F, floor weight capacity of 1.5t/m², pillar interval spacing of 10.8m by 11.0m. Part of the 1F, there is a refrigerating facility mainly used as a chilled storage/refrigerator, specifications are suitable for food storage and processing. There are one cargo elevator and two vertical carriage machines and truck berths of both sides which offers operational convenience. There are 8 parking spaces for trucks and 14 parking spaces for standard cars on the north side of the premise. To reduce environmental load, it is equipped with solar panels on the roof.

(Note 1) DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, the seller will entrust the property to the above trustee and the seller will transfer the trust beneficiary interest to DHR as of the same date.

(Note 2) The leased area based on the fixed-term leasehold for business agreement is represented.

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

(9) D Project Sendai Izumi II

Property number		D Project Sendai Izumi II	Asset class		Logistics		
LB-053			Type		BTS (Build-to-suit) type		
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		7,300 million yen	
Overview of specified asset							
Type of specified asset		Trust beneficiary interest in real estate (Note 1)					
Trustee		Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		April 30, 2038	
Location	Lot number	3-1-1, Akedori, Izumi Ward, Sendai City, Miyagi					
	Residence indication	3-1-1, Akedori, Izumi Ward, Sendai City, Miyagi					
Land	Type of ownership	Ownership		Building	Type of ownership	Ownership	

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	Land area	47,590.33m ²		Gross floor area	38,557.41m ²
	Area classification	Exclusive industrial district		Use	Warehouse
	Building coverage ratio	60% (Note 2)		Structure	Steel-frame building
	FAR	200%		Number of floors	2F
Collateral		None		Date of construction	September 30, 2015
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		50 thousand yen	Evaluation date		February 2018
Short-term repair costs		0 thousand yen	PML		6.7%
Long-term repair costs		99,230 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					
Designer		Daiwa House Industry Co., Ltd.			
Structural designer		Daiwa House Industry Co., Ltd.			
Contractor		Daiwa House Industry Co., Ltd.			
Inspection agency		Houseplus Architectural Inspection Inc.			
Structural calculation evaluation agency		-			
Overview of leasing					
Leasable area		39,580.46m ²	Number of tenants		1
Leased area		39,580.46m ²	Annual rent		Not disclosed (Note 3)
Occupancy rate		100.0%	Tenant leasehold and security deposit		Not disclosed (Note 3)
Lease term		Not disclosed (Note 3)	Remaining lease term		Not disclosed (Note 3)
Master lease company			-		
Master lease type			-		
Property management company			Daiwa House Property Management Co., Ltd.		
Lessee		KOKUBU GROUP CORP.			
Contract form		Fixed-term building lease agreement			
Contract period		Not disclosed (Note 3)			
Rent revision		Not disclosed (Note 3)			
Contract renewal		No renewal; the contract will end upon expiration of the lease period.			
Early cancellation		The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement if it notifies the lessor in writing by at least twelve months prior to the date of cancellation and makes a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee under the same terms with the previous agreement.			
Special items					
1. The easement is established for a part of the land of this property (covering 1,553.71m ²), with the land the lot number of which is 53-43, Matsumori, Izumi Ward, Sendai City set as the dominant land. In such land under the easement, the height, etc. of structures and facilities is limited and the easement holder is allowed to install power transmission lines and enter into the relevant land for the purpose of installing and maintaining such power transmission lines. Besides, the owner of the land adjacent to the land of this property (3-1-3, Akedori, Izumi Ward, Sendai City), which is surrounded by the land of this property, enters into a part of the land of this property for the purpose of inspections of facilities installed at the relevant adjacent land.					
2. Some findings are pointed out in the report on building condition evaluation, etc., and DHR has agreed with the seller that such findings shall be rectified at the responsibility and expense of the seller before the acquisition by DHR.					
Property characteristics					

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■ Location

The property is located approximately 16km from central Sendai City, providing easy access to central Sendai, which is accessible via National Route 4, the arterial road, and other general roads, as well as enabling extensive coverage of the Tohoku area primarily southern Tohoku through the Tohoku Expressway's Izumi IC (approximately 2.6km from the property). It is located in the Izumi Park Town industrial and logistics park where a number of large-scale industrial facilities are located, enabling 24-hour operation. Tenants have access to employees from Sendai City and a bus stop is within walking distance.

■ Specification

It is a two-story logistics facility with gross floor area of approximately 11,664 tsubo, and leased to a food products wholesaler. Freezing and refrigeration facility is partly installed with a dock shelter. As basic specifications, it has a ceiling height of 8.4m (1F), 7.7m (2F), floor weight capacity of 1.5t/m², pillar interval spacing of 10.5m by 9.5m which offers versatility for tenants of various business needs. It also has three cargo elevators and five vertical carrier machines for operational convenience. Convenience in operation of the trucks with double-sided truck berths on 1F. Good track operations with car parking space accommodating 212 standard cars and 95 trucks.

(Note 1) As of today, the land and the building of this property are owned by the seller and Tokyo Century Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Tokyo Century Corporation. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Tokyo Century Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) While the building coverage ratio of the property is essentially 60%, due to application of corner lot mitigation, it is set at 70%.

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

(10) D Project Kaminokawa

Property number		D Project Kaminokawa	Asset class		Logistics		
LB-054			Type		BTS (Build-to-suit) type		
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		7,900 million yen	
Overview of specified asset							
Type of specified asset		Trust beneficiary interest in real estate					
Trustee		Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		April 30, 2038	
Location	Lot number	2568-1, Aza-Minamihara, Oaza-Tako, Kaminokawamachi, Kawachi District, Tochigi					
	Residence indication	2568-1, Aza-Minamihara, Oaza-Tako, Kaminokawamachi, Kawachi District, Tochigi					
Land	Type of ownership	Ownership		Building	Type of ownership	Ownership	
	Land area	33,135.15m ²			Gross floor area	48,033.67m ²	
	Area classification	Industrial district			Use	Warehouse, Working space	
	Building coverage ratio	60% (Note 1)			Structure	Reinforced concrete and steel-frame building	
	FAR	200%			Number of floors	6F	
Collateral		None		Building	Date of construction	December 24, 2010	
Overview of building condition evaluation							
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.					
Urgent repair costs		0 thousand yen		Evaluation date		February 2018	
Short-term repair costs		0 thousand yen		PML		1.3%	
Long-term repair costs		227,367 thousand yen / 12 years					
Designer, structural designer, contractor, inspection agency							
Designer		Daiwa House Industry Co., Ltd.					
Structural designer		Daiwa House Industry Co., Ltd.					
Contractor		Daiwa House Industry Co., Ltd.					
Inspection agency		Tokyo Bldg-Tech Center Co.,Ltd					

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Structural calculation evaluation agency	-		
Overview of leasing			
Leasable area	52,239.75m ²	Number of tenants	1
Leased area	52,239.75m ²	Annual rent	Not disclosed (Note 2)
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 2)
Lease term	Not disclosed (Note 2)	Remaining lease term	Not disclosed (Note 2)
Master lease company		-	
Master lease type		-	
Property management company		Daiwa House Property Management Co., Ltd.	
Lessee	Hitachi Transport System Kanto Co., Ltd.		
Contract form	Not disclosed (Note 2)		
Contract period			
Rent revision			
Contract renewal			
Early cancellation			
Special items			
The easement is established for a part of the land of this property (covering 2,968.31m ²), with the land the lot number of which is 646-1, Aza-Mizukubo, Oaza-Inabago, Oyama City set as the dominant land. In such land under the easement, the height, etc. of structures and facilities is limited and the easement holder is allowed to enter into the relevant land for the purpose of installing and maintaining electric lines.			
Property characteristics			
■ Location			
This property is located in Kaminokawamachi, which is located approximately 90km from central Tokyo, south of Tochigi. By using National Routes 4 and 352, as well as the Kita-Kanto Expressway (approximately 10km to Mibu IC and Utsunomiya Kaminomikawa IC), the location enables coverage of Utsunomiya, Maebashi and other major cities in the northern Kanto area and central Saitama. The property is located within Techno Park Kaminokawa and is able to operate 24 hours a day, therefore the chances of receiving claims from nearby residents appears to be low. Since there are many residential areas within driving distance, tenants will be able to secure part-time employees relatively easily.			
■ Specification			
It is a six-story (2F and 4F are for office use only) property with gross floor area of approximately 14,530 tsubo, and leased to logistics company that deals with delivery for drug stores. Convenience in delivery operations with truck berths on both sides on the 1F. As basic specifications for the warehouse, it has ceiling height of 7.6m (1F), 7.7m (3F), 8.2m (5F) (partially 4.9m), and 4.2m (6F), floor weight capacity of 1.5t/m ² , pillar interval spacing of 11.0m by 10.0m which offers versatility for tenants with various business needs. There are three cargo elevators and seven vertical carriage machines (incl. four machines which can address future needs) which offer strong internal carriage capacity. There are 233 car parking spaces sufficient for the size of the property. There are two entrances, and as it is a one way, it has smooth truck operation even in the busy season.			

(Note 1) While the building coverage ratio of the property is essentially 60%, due to application of corner lot mitigation, it is set at 70%.

(Note 2) Not disclosed as consent for disclosure has not been obtained from the lessee.

(11) D Project Fuji

Property number	D Project Fuji	Asset class	Logistics
LB-055		Type	BTS (Build-to-suit) type
Anticipated date of acquisition	April 10, 2018	Anticipated acquisition price	3,600 million yen
Overview of specified asset			
Type of specified asset	Trust beneficiary interest in real estate (Note 1)		
Trustee	Sumitomo Mitsui Trust Bank, Limited	Trust maturity date	April 30, 2038
Location	Lot number	2261-6, Aza-Shiroyama, Obuchi, Fuji City, Shizuoka	
	Residence indication	2261-6, Aza-Shiroyama, Obuchi, Fuji City, Shizuoka	

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Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	32,793.24m ²		Gross floor area	24,176.10m ²
	Area classification	Urbanization restricted area		Use	Warehouse
	Building coverage ratio	60%		Structure	Steel-frame building
	FAR	200%		Number of floors	2F
Collateral		None		Date of construction	October 1, 2013
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2018
Short-term repair costs		0 thousand yen	PML		14.0%
Long-term repair costs		66,588 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					
Designer		Daiwa House Industry Co., Ltd.			
Structural designer		Daiwa House Industry Co., Ltd.			
Contractor		Daiwa House Industry Co., Ltd.			
Inspection agency		Kakunin Service Inc.			
Structural calculation evaluation agency		-			
Overview of leasing					
Leasable area		23,795.40m ²	Number of tenants		1
Leased area		23,795.40m ²	Annual rent		Not disclosed (Note 2)
Occupancy rate		100.0%	Tenant leasehold and security deposit		Not disclosed (Note 2)
Lease term		20.0 years	Remaining lease term		15.5 years
Master lease company			-		
Master lease type			-		
Property management company			Daiwa House Property Management Co., Ltd.		
Lessee		Hitachi Transport System Central Japan Co., Ltd.			
Contract form		Fixed-term building lease agreement			
Contract period		From October 1, 2013 to September 30, 2033			
Rent revision		Rent shall be revised every five years since the commencement date of the lease agreement.			
Contract renewal		No renewal; the contract will end upon expiration of the lease period.			
Early cancellation		Though the lease agreement may not be cancelled before the expiry thereof, the lessee may, if the lessor gives consent upon consultation, cancel the lease agreement by notifying the lessor in writing by at least six months prior to the date of cancellation and by making a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the date of cancellation; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee in comparable terms with the previous agreement, or subject to terms agreed by the lessor.			
Other leases		The following contract for the lease of the rooftop, etc. of this property for the purpose of installing a solar power system will be executed: Counterparty: Daiwa Energy Co., Ltd. Contract date: April 10, 2018 Contract period: from April 10, 2018 to October 28, 2033 Annual rental fees: 2,364,000 yen (consumption tax excluded)			
Special items					

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None
Property characteristics
■ Location This property is located in Fuji City, which is located east of Shizuoka prefecture, with third largest population of approximately 250,000 after Hamamatsu City and Shizuoka City. It offers access to the Tokyo Metropolitan area and even Kansai region via Tokai region, through Shin-Fuji IC (approximately 3.2km) on the Shin-Tomei Expressway and Fuji IC (approximately 5.5km) on the Tomei Expressway, in addition to central Shizuoka and Hamamatsu. Although commuting will be by car, as there is a large population cluster in the surrounding area, there are advantages from employment perspective as well. ■ Specification It is a two-story property with gross floor area of approximately 7,313 tsubo, and leased to a logistics company. As basic specifications, it has gross floor area of approximately 3,700 tsubo (1F), a ceiling height of 7.7m (1F) and 7.5m (2F), floor weight capacity of 1.5t/m², pillar interval spacing of 11.0m by 9.5m, which offers versatility for tenants with various business needs. There are three cargo elevators and four vertical carriage machines. It is a low layer facility with truck berth on one side on the 1F. Good truck operation with 181 car parking spaces. To reduce environmental load, it is equipped with solar panels on the roof.

(Note 1) As of today, the land and the building of this property are owned by the seller and Hitachi Capital Corporation, respectively, and a fixed-term leasehold for business has been established for the land with Hitachi Capital Corporation set as the leaseholder for the purpose of owning the building of the property. DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, Hitachi Capital Corporation will entrust the building and the fixed-term leasehold for business to the above trustee, and that the seller will take over the trust beneficiary interest and, after additionally entrusting the land of the property to the trustee, will transfer such trust beneficiary interests to DHR. Furthermore, the above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Not disclosed as consent for disclosure has not been obtained from the lessee.

(12) D Project Tosu III

12) D Project Tosu III									
Property number		D Project Tosu III		Asset class		Logistics			
LB-056				Type		BTS (Build-to-suit) type			
Anticipated date of acquisition		April 10, 2018		Anticipated acquisition price		9,200 million yen			
Overview of specified asset									
Type of specified asset			Trust beneficiary interest in real estate						
Trustee			Mitsubishi UFJ Trust and Banking Corporation		Trust maturity date		April 30, 2038		
Location	Lot number		3-1-3, Yayoigaoka, Tosu City, Saga						
	Residence indication		3-1-3, Yayoigaoka, Tosu City, Saga						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		34,310.37m ²			Gross floor area		64,984.95m ²	
	Area classification		Quasi-industrial district			Use		Warehouse, Office	
	Building coverage ratio		60%			Structure		Steel-frame building	
	FAR		200%			Number of floors		5F	
Collateral			None		Building	Date of construction		March 21, 2012	
Overview of building condition evaluation									
Evaluation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.						
Urgent repair costs			0 thousand yen		Evaluation date		February 2018		
Short-term repair costs			0 thousand yen		PML		4.3%		
Long-term repair costs			93,341 thousand yen / 12 years						
Designer, structural designer, contractor, inspection agency									
Designer			Daiwa House Industry Co., Ltd.						
Structural designer			Daiwa House Industry Co., Ltd.						
Contractor			Daiwa House Industry Co., Ltd.						

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Inspection agency	Japan ERI Co.,Ltd.		
Structural calculation evaluation agency	-		
Overview of leasing			
Leasable area	65,215.07m ²	Number of tenants	1
Leased area	65,215.07m ²	Annual rent	Not disclosed (Note)
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note)
Lease term	Not disclosed (Note)	Remaining lease term	Not disclosed (Note)
Master lease company		-	
Master lease type		-	
Property management company		Daiwa House Property Management Co., Ltd.	
Lessee	Not disclosed (Note)		
Contract form			
Contract period			
Rent revision			
Contract renewal			
Early cancellation			
Special items			
None			
Property characteristics			
■ Location			
It is located 3km from the Tosu IC/JCT, which is the inland point where Kyushu Expressway runs north-south, Nagasaki Expressway runs east-west, and the Oita Expressway in the Kyushu area intersects. Having the advantage of covering all areas of Kyushu, primarily the northern area of Kyushu, the property provides easy access to local roads such as National Routes 3, 34 and Saga Prefectural Road 17 (Tosu Chikushino Road), and the property is surrounded by various logistics facilities for distribution base. It is located inside the Green Logistics Park Tosu which is the industrial park near the IC, enabling 24-hour operation and frequent deliveries, and surrounded by mainly warehouse and office, etc. It offers smooth entrance and passing routes inside the premises. There are residential areas in nearby areas, which facilitate the hiring of employees commuting by car.			
■ Specification			
It is a five-story logistics facility with gross floor area of approximately 19,728 tsubo, and leased to an E-commerce company. As basic specifications, it has a ceiling height of 7.8m (1F), 6.1m (2F and 4F), 3.6m (3F) and 3.3m (5F), floor weight capacity of 1.0t/ m ² (1F, 2F and 4F) and 0.5t/ m ² (3F and 5F), pillar interval spacing of 10.0m by 11.0m. Specifications suitable for EC and distribution tenants with four cargo elevators and four vertical carrier machines. Good working environment with air-conditioned storage and work space. It has truck berths on both sides offering efficient operation. There are 154 car parking spaces sufficient for trucks.			

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

(13) FOLEO Otsu Ichiriyama

Property number		FOLEO Otsu Ichiriyama	Asset class		Retail
RM-009			Type		Mall type
Anticipated date of acquisition		April 3, 2018	Anticipated acquisition price		8,100 million yen
Overview of specified asset					
Type of specified asset		Trust beneficiary interest in real estate			
Trustee		Sumitomo Mitsui Trust Bank, Limited	Trust maturity date		April 30, 2038
Location	Lot number	7-2105-7, Aza-Ishihiro, Ichiriyama, Otsu City, Shiga			
	Residence indication	7-1-1, Ichiriyama, Otsu City, Shiga			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership

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	Land area	56,052.04m ²		Gross floor area	62,917.73m ²
	Area classification	Neighborhood commercial zone		Use	Store, Parking lot
	Building coverage ratio	80% (Note 1)		Structure	Steel-frame and steel-frame reinforced concrete building
	FAR	200%		Number of floors	2F with B1
Collateral		None		Date of construction	October 2, 2008
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2018
Short-term repair costs		0 thousand yen	PML		14.7%
Long-term repair costs		670,853 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					
Designer		Azusa Sekkei Co., Ltd.			
Structural designer		Azusa Sekkei Co., Ltd., Altes Corporation			
Contractor		Asanuma Corporation			
Inspection agency		Otsu City			
Structural calculation evaluation agency		-			
Overview of leasing (Note 2)					
Leasable area		62,917.73m ²	Number of tenants		1
Leased area		62,917.73m ²	Annual rent		643,800 thousand yen
Occupancy rate		100.0%	Tenant leasehold and security deposit		315,000 thousand yen
Lease term		20.1 years	Remaining lease term		20.1 years
Master lease company			Daiwa Information Service Co., Ltd.		
Master lease type			Sublease type		
Property management company			Daiwa Information Service Co., Ltd.		
Lessee		Daiwa Information Service Co., Ltd.			
Contract form		Building lease agreement			
Contract period		From April 3, 2018 to April 30, 2038			
Rent revision		Rent shall remain unchanged for ten years from the commencement date of the lease agreement, and shall be reviewed upon consultation every three years after that. Rent may be revised upon consultation in cases when the amount of rent becomes inadequate due to an increase or decrease in public dues and changes in a level of rent of properties in the neighborhood and other economic circumstances.			
Contract renewal		The lease agreement shall be renewed automatically every three years, unless either of the parties notifies the counterparty of its rejection of renewal in writing, etc., by at least six months prior to the expiry thereof.			
Early cancellation		The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement if it notifies the lessor in writing by at least twelve months prior to such date of cancellation and pay a prescribed amount of penalty fees to the lessor.			
Special items					
None					
Property characteristics					
■ Location					
The property is located at Otsu City, on the southwestern tip of Shiga Prefecture adjacent to Kyoto. It is between National Route 1 (Keiji Bypass) and Shiga Prefectural Road 2, along with the Gakuen Dori street running southward from Seta Station on the JR Tokaido Main Line. There are approximately 1,400 large space parking spaces on the ground floor, roof					

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and basement. There are two gateways on the north and south side of the road.

■ Tenant

Mall-type retail facility occupied by shops, service shops and restaurants including core tenants such as a supermarket Piago and a bookstore Ogaki Shoten on 1F and a home appliance store Edion on 2F, as well as Sports Club NAS which is operated by a Daiwa House Group company on B1F. NSC especially a grocery store enjoys a favorable condition in the recent retail market.

■ Characteristics

The surrounding area has a population of approximately 12,000 within a 1km radius, approximately 88,000 within a 3km radius and approximately 204,000 within a 5km radius. For 1 km radius, the ratio of men in their 20's and women in their 30's are relatively high and on the other hand elder population above 70 are less compared to the average of Shiga Prefecture, making it an attractive location for retail stores.

Population	Distance from property	Within 1km radius	Within 3km radius	Within 5km radius
2015	Population	11,824	87,128	203,537
	Number of household	4,694	36,578	84,868
2016	Population	12,001	88,016	204,510
	Number of household	4,832	37,194	86,010

Source: Basic Resident Register

(Note 1) While the building coverage ratio of the property is essentially 80%, due to application of corner lot mitigation, it is set at 90%.

(Note 2) As it is scheduled that the sublease type master lease agreement would be executed by the time DHR acquires the property, the descriptions are based on the assumption that such changed agreement was executed as of December 31, 2017.

(14) FOLEO Hakata

Property number		FOLEO Hakata		Asset class		Retail			
RM-010				Type		Mall type			
Anticipated date of acquisition		April 3, 2018		Anticipated acquisition price		3,200 million yen			
Overview of specified asset									
Type of specified asset			Trust beneficiary interest in real estate						
Trustee			Sumitomo Mitsui Trust Bank, Limited		Trust maturity date		April 30, 2038		
Location	Lot number		1-395-1, Higashinaka, Hakata Ward, Fukuoka City, Fukuoka						
	Residence indication		1-14-46, Higashinaka, Hakata Ward, Fukuoka City, Fukuoka						
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership	
	Land area		19,874.73m ²			Gross floor area		23,230.77m ²	
	Area classification		Industrial district			Use		Store, Amusement center, Parking lot	
	Building coverage ratio		60% (Note 1)			Structure		Steel-frame building	
	FAR		200%			Number of floors		3F	
Collateral			None		Building	Date of construction		January 7, 2008	
Overview of building condition evaluation									
Evaluation company			Tokio Marine & Nichido Risk Consulting Co., Ltd.						
Urgent repair costs			0 thousand yen		Evaluation date		February 2018		
Short-term repair costs			0 thousand yen		PML		1.2%		
Long-term repair costs			275,039 thousand yen / 12 years						
Designer, structural designer, contractor, inspection agency									
Designer			Daiwa House Industry Co., Ltd.						

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Structural designer	Daiwa House Industry Co., Ltd.			
Contractor	Daiwa House Industry Co., Ltd.			
Inspection agency	Center for International Architectural Standard (when newly built) Japan ERI Co., Ltd. (when extended)			
Structural calculation evaluation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Overview of leasing (Note 2)				
Leasable area	23,230.77 m ² (Note 3)	Number of tenants	1	
Leased area	23,230.77 m ² (Note 3)	Annual rent	252,432 thousand yen	
Occupancy rate	100.0%	Tenant leasehold and security deposit	124,538 thousand yen	
Lease term	20.1 years	Remaining lease term	20.1 years	
Master lease company		Daiwa Information Service Co., Ltd.		
Master lease type		Sublease type		
Property management company		Daiwa Information Service Co., Ltd.		
Lessee	Daiwa Information Service Co., Ltd.			
Contract form	Building lease agreement (Note 3)			
Contract period	From April 3, 2018 to April 30, 2038			
Rent revision	Rent shall remain unchanged for ten years from the commencement date of the lease agreement, and shall be reviewed upon consultation every three years after that. Rent may be revised upon consultation in cases when the amount of rent becomes inadequate due to an increase or decrease in public dues and changes in a level of rent of properties in the neighborhood and other economic circumstances.			
Contract renewal	The lease agreement shall be renewed automatically every three years, unless either of the parties notifies the counterparty of its rejection of renewal in writing, etc., by at least six months prior to the expiry thereof.			
Early cancellation	The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement if it notifies the lessor in writing by at least twelve months prior to such date of cancellation and pay a prescribed amount of penalty fees to the lessor.			
Special items				
None				
Property characteristics				
■ Location National Route 3 and Fukuoka Prefectural Road 112 cross the north and Municipal Road Fukuoka Station Kasugahara 2 (Chikushi Dori) cross the south of the property. It is situated in front of Municipal Road Takeshita, where these roads and Takeshita Station on the JR Kagoshima Line crosses offering a convenient transit access. Various kinds of stores such as car dealers, DIY stores, supermarkets, CVS, etc. reside along Fukuoka Prefectural Road 112. ■ Tenant A mall-type retail facility occupied by shops, service stores and café and restaurants, including core tenants such as a supermarket Lumiere on 1F, fashion store Sanki on 2F, and Sports Club NAS operated by a Daiwa House Group company on 3F. ■ Characteristics As a rise in population in urban districts continues, the population of Hakata Ward is estimated to increase until 2030. Location in the densely-populated trade area, with a population of approximately 23,000 within a 1km radius, approximately 231,000 within a 3km radius and approximately 654,000 within a 5km radius. The percentage of young households of 20's to 30's is high and single household ratio exceeds the average of the prefecture. Also popular among young family households which has a high percentage of household with children below 6 and teenagers within 1km radius.				
Population	Distance from property	Within 1km radius	Within 3km radius	Within 5km radius
2015	Population	22,967	226,557	645,670
	Number of household	11,124	128,302	344,405

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2016	Population	23,285	231,126	654,344
	Number of household	11,346	132,169	352,191
Source: Basic Resident Register				

(Note 1) While the building coverage ratio of the property is essentially 60%, due to application of corner lot mitigation, it is set at 70%.

(Note 2) As it is scheduled that the sublease type master lease agreement would be executed by the time DHR acquires the property, the descriptions are based on the assumption that such changed agreement was executed as of December 31, 2017.

(Note 3) Separately from the building of this property, a part of the land of this property is scheduled to be leased to the lessee for the purpose of subleasing to Fukuoka Prefecture and other third parties as land for a police station, etc. The area of such leased land is not included in the leasable area and leased area.

(15) Royal Home Center Morinomiya (Land)

Property number		Royal Home Center Morinomiya		Asset class		Retail	
RR-006		(Land)		Type		Mall type	
Anticipated date of acquisition		March 27, 2018		Anticipated acquisition price		4,500 million yen	
Overview of specified asset							
Type of specified asset		Trust beneficiary interest in real estate (Note 1)					
Trustee		Sumitomo Mitsui Trust Bank, Limited		Trust maturity date		March 31, 2038	
Location	Lot number	1-540-1, Tamatsukuri, Chuo Ward, Osaka City, Osaka					
	Residence indication	—					
Land	Type of ownership	Ownership		Building	Type of ownership	—	
	Land area	6,669.74m ²			Gross floor area	—	
	Area classification	Quasi-industrial district, Retail district			Use	—	
	Building coverage ratio	60% /80%			Structure	—	
	FAR	400%			Number of floors	—	
Collateral		None			Date of construction	—	
Overview of building condition evaluation							
Evaluation company		—					
Urgent repair costs		—		Evaluation date		—	
Short-term repair costs		—		PML		—	
Long-term repair costs		—					
Designer, structural designer, contractor, inspection agency							
Designer		—					
Structural designer		—					
Contractor		—					
Inspection agency		—					
Structural calculation evaluation agency		—					
Overview of leasing (Note 2)							
Leasable area		6,669.74m ²		Number of tenants		1	
Leased area		6,669.74m ²		Annual rent		205,200 thousand yen	
Occupancy rate		100.0%		Tenant leasehold and security deposit		171,000 thousand yen	
Lease term		30.0 years		Remaining lease term		30.0 years	
Master lease company				—			
Master lease type				—			

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Property management company		—		
Lessee	Royal Home Center Co., Ltd.			
Contract form	Fixed-term leasehold agreement for business			
Contract period	From March 27, 2018 to March 31, 2048			
Rent revision	During the existence of the land leasehold, rent shall be revised on September 1, 2018 for the first time and then on September 1 every year.			
Contract renewal	No renewal; the contract will end upon expiration of the lease period. However, either the lessor or the lessee shall notify the counterparty of its intention, if any, to renew the agreement, at least six months prior to the expiry thereof. In such case, both the lessor and the lessee shall discuss whether the agreement is renewed or not and its terms and conditions in good faith, and shall enter into a renewed contract if an agreement is reached upon consultation.			
Early cancellation	Neither the lessor nor the lessee may cancel the lease agreement before the expiry of the land leasehold for its own reasons, except in cases prescribed in the lease agreement.			
Special items				
None				
Property characteristics				
■ Location The property is a large-sized do-it-yourself store located in a residential area in the middle of Morinomiya Station and Tamatsukuri Station on the JR Osaka Loop Line. It is a store with a strong presence in an area with few large do-it-yourself stores as it is adjacent to the urban central district. Good accessibility by cars, though Tamatsukuri road with wide road widths on the western side and roads with good access to the east-west on the northern side. Parking spaces total of approximately 400 are on 3F, 4F and the roof, which is sufficient for a DIY store. ■ Tenant Occupied by Royal Home Center Co., Ltd., a Daiwa House Group company as a directly operated store. It has a variety of products from daily goods to DIY. ■ Characteristics The surrounding area has a population of approximately 46,000 within a 1km radius, approximately 196,000 within a 2km radius and approximately 444,000 within a 3km radius. Location in the densely-populated area in proximity to a central urban district. Also an advantageous location since it is less competitive with a certain distance from other DIY stores.				
Population	Distance from property	Within 1km radius	Within 2km radius	Within 3km radius
2015	Population	45,614	194,243	439,693
	Number of household	24,013	103,678	241,823
2016	Population	46,391	196,455	444,534
	Number of household	24,599	105,817	246,861
Source: Basic Resident Register				

(Note 1) DHR has agreed in the purchase agreement with the seller that, as of the same date with the acquisition date of the property, the seller will entrust the property to the above trustee, and the seller will transfer the trust beneficiary interest to DHR as of the same date.

(Note 2) As it was scheduled that a fixed-term leasehold for business agreement would be entered into by the time DHR acquires this property, the descriptions are based on the assumption that such agreement was executed as of December 31, 2017.

(16) Daiwa Roynet Hotel Yokohama Kannai

Property number		Daiwa Roynet Hotel Yokohama	Asset class	Hotel
HO-001		Kannai	Type	—
Anticipated date of acquisition		April 3, 2018	Anticipated acquisition price	4,800 million yen
Overview of specified asset				
Type of specified asset		Trust beneficiary interest in real estate (Note 1)		
Trustee		Mitsubishi UFJ Trust and Banking Corporation	Trust maturity date	April 30, 2038
Location	Lot number	2-7-4, Hagoromocho, Naka Ward, Yokohama City, Kanagawa		

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	Residence indication	2-7-4, Hagoromocho, Naka Ward, Yokohama City, Kanagawa			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	1,114.86m ²		Gross floor area	8,567.98m ²
	Area classification	Retail district		Use	Hotel, Store, Parking lot
	Building coverage ratio	80% (Note 2)		Structure	Steel-frame and reinforced concrete building
	FAR	800% /600% (Note 3)		Number of floors	10F with B1
Collateral		None		Date of construction	August 6, 2009
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2018
Short-term repair costs		0 thousand yen	PML		9.7%
Long-term repair costs		100,991 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					
Designer		Daiwa House Industry Co., Ltd.			
Structural designer		Daiwa House Industry Co., Ltd.			
Contractor		Daiwa House Industry Co., Ltd.			
Inspection agency		Japan ERI Co., Ltd.			
Structural calculation evaluation agency		—			
Overview of leasing					
Leasable area		7,938.67m ²	Number of tenants		1
Leased area		7,938.67m ²	Annual rent		265,225 thousand yen
Occupancy rate		100.0%	Tenant leasehold and security deposit		222,447 thousand yen
Average lease term		18.9 years	Average remaining lease term		11.5 years
Master lease company			Daiwa Information Service Co., Ltd.		
Master lease type			Pass-through type		
Property management company			Daiwa Information Service Co., Ltd.		
Lessee (Hotel)		Daiwa Royal Co., Ltd.			
Contract form		Building lease agreement			
Contract period		From November 1, 2010 to October 31, 2030			
Rent revision		Rent will be unchanged for five years after the initial date of computing rent. Rent for the sixth year and after will be determined upon consultation, and the same shall apply every three years.			
Contract renewal		The lease agreement shall be renewed under the same terms and conditions for three years unless either the lessor or the lessee notifies the counterparty in writing of its intention not to renew the agreement by at least one year before the expiry thereof.			
Early cancellation		The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement if it notifies the lessor in writing by at least six months prior to the date of cancellation and makes a lump-sum payment of a prescribed amount of penalty fees; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee in comparable terms with the previous agreement.			
Special items					
None					
Property characteristics					

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■ Location

Easily-accessible stay-only hotel, within a walking distance of 3 minutes from Kannai Station on the JR Line. Also easy access to the Yokohama Stadium situated at the east of JR Kannai Station, and close to Isezaki Mall where a number of retail stores are located.

■ Tenants

Main tenant is Daiwa Roynet Hotel Yokohama Kannai (3F to 10F) operated by Daiwa Royal Co., Ltd. Also occupied by a wide variety of tenants including a photo studio (B1F), a convenience store and a family restaurant, etc. (1F), and café and restaurants serving breakfast to hotel guests and medical clinics (2F). A mechanical parking lot is also rented. Daiwa Roynet Hotel, a major hotel chain, is continuing planning to develop new business and is expected to stably attract customers by its brand power and members system.

■ Characteristics

The property is a compound building with hotel as a main tenant. Hotel has 212 guest rooms with a competitive advantage over other competing hotels located in surrounding areas, because of the larger guest room size of at around 20m² which is relatively spacious as an accommodation-focused hotel. Since there are no restaurants in the hotel, breakfast is served from the tenants below. It has a strong potential as a retail facility with high visibility due to the location at the corner along with arterial roads along from Kannai Station on the JR Line.

(Note 1) DHR has agreed that, in the purchase agreement executed with the seller, the seller will entrust the property to the above trustee on the date of acquisition of this property, and the seller will transfer the trust beneficiary interest to DHR as of the same date.

(Note 2) While the building coverage ratio of the property is essentially 80%, it is set at 100% due to application of a fire-resistant building located in a commercial district and fire-protection district.

(Note 3) While the FAR of this property is essentially 800% and 600%, it is set at 764.94% based on floor area weighted average.

4. Seller profile

(1) DPL Fukuoka Kasuya, D Project Chibakita, D Project Matsudo II, D Project Tomisato II, D Project Osaka Hirabayashi, D Project Sendai Izumi II, D Project Fuji, FOLEO Otsu Ichiriyama and FOLEO Hakata

(1)	Name	Daiwa House Industry Co., Ltd.
(2)	Location	3-3-5 Umeda, Kita Ward, Osaka City, Osaka
(3)	Representative	Keiichi Yoshii, President and COO
(4)	Business activities	General contractor
(5)	Capital	161,699 million yen (as of December 31, 2017)
(6)	Foundation date	March 4, 1947
(7)	Net assets	1,463,837 million yen (as of December 31, 2017)
(8)	Total assets	3,952,777 million yen (as of December 31, 2017)
(9)	Major shareholder and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust) 7.04% The Japan Trustee Services Bank, Ltd. (Trust) 5.61% (as of September 30, 2017)
(10)	Relationships with DHR and the Asset Manager	
	Capital relationship	The seller holds 11.0% of DHR's investment units outstanding as of August 31, 2017. The seller also holds 100.0% of shares issued and outstanding of the Asset Manager as of today, and thus falls under the category of a related party, etc. as defined in the Investment Trust Act.
	Personnel relationship	Of the officers and employees of the Asset Manager, 19 people have been seconded from the seller as of today.
	Business relationship	The seller is a consignee of PM and other services for DHR, and is a lessee of real estate owned by DHR. The seller has executed a new basic agreement regarding new pipeline support and other matters with DHR and the Asset Manager.
	Status of classification as affiliated party	The seller falls under the category of an affiliated party of DHR/the Asset Manager.

(2) D Project Inuyama (Additional acquisition), D Project Kawagoe IV, D Project Kuki VII, D Project Kaminokawa and D Project Tosu III

(1)	Name	DH Fund Five Godo Kaisha
(2)	Location	1-4-1 Nihonbashi, Chuo Ward, Tokyo
(3)	Representative	Representative member : Asset Holdings General Incorporated Association Enforcer : Akira Sugai
(4)	Business activities	(a) Acquisition, holding, leasing, management, operation and disposal of real estate assets

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		(b) Acquisition, holding and disposal of trust beneficiary interests (c) Additionally all businesses attendant or related to the above
(5)	Capital	400,000 yen
(6)	Foundation date	March 18, 2010
(7)	Net assets	We have not obtained permission from DH Fund Five Godo Kaisha to disclose the information.
(8)	Total assets	We have not obtained permission from DH Fund Five Godo Kaisha to disclose the information.
(9)	Major shareholder and shareholding ratio	We have not obtained permission from DH Fund Five Godo Kaisha to disclose the information.
(10)	Relationships with DHR and the Asset Manager	
	Capital relationships	There is no capital relationship requiring disclosure between DHR/the Asset Manager and DH Fund Five Godo Kaisha. Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, has an anonymous association investment in DH Fund Five Godo Kaisha.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and DH Fund Five Godo Kaisha.
	Business relationship	There is no business relationship required to be stated between DHR/the Asset Manager and DH Fund Five Godo Kaisha.
	Status of classification as affiliated party	DH Fund Five Godo Kaisha is not an affiliated party of DHR/the Asset Manager. DH Fund Five Godo Kaisha is a special purpose company in which Daiwa House Industry Co., Ltd. has an anonymous association investment.

(3) Royal Home Center Morinomiya (Land)

(1)	Name	Royal Home Center Co., Ltd.
(2)	Location	2-1-29, Dojimahama, Kita Ward, Osaka City, Osaka
(3)	Representative	Masaaki Nakayama, President
(4)	Business activities	Retail
(5)	Capital	100 million yen (as of March 31, 2017)
(6)	Foundation date	July 14, 1993
(7)	Net assets	31,400 million yen (as of March 31, 2017)
(8)	Total assets	58,897 million yen (as of March 31, 2017)
(9)	Major shareholder and shareholding ratio	Daiwa House Industry Co., Ltd. 100% (as of March 31, 2017)
(10)	Relationships with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship requiring disclosure between DHR/the Asset Manager and Royal Home Center Co., Ltd. Royal Home Center Co., Ltd. is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager and thus falls under the category of a related party, etc. as defined in the Investment Trust Act.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and Royal Home Center Co., Ltd.
	Business relationship	There is no business relationship required to be stated between DHR/the Asset Manager and Royal Home Center Co., Ltd.
	Status of classification as affiliated party	Royal Home Center Co., Ltd. is not an affiliated party of DHR. Royal Home Center Co., Ltd. is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager and thus falls under the category of an affiliated party of the Asset Manager.

(4) Daiwa Roynet Hotel Yokohama Kannai

(1)	Name	Fujita Corporation
(2)	Location	4-25-2, Sendagaya, Shibuya Ward, Tokyo
(3)	Representative	Yoji Okumura, President and CEO
(4)	Business activities	General contractor
(5)	Capital	14,002 million yen (as of March 31, 2017)
(6)	Foundation date	October 1, 2002
(7)	Net assets	69,516 million yen (as of March 31, 2017)
(8)	Total assets	296,500 million yen (as of March 31, 2017)

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(9)	Major shareholder and shareholding ratio	Daiwa House Industry Co., Ltd. 100% (as of March 31, 2017)
(10)	Relationships with DHR and the Asset Manager	
	Capital relationship	There is no capital relationship requiring disclosure between DHR/the Asset Manager and Fujita Corporation. Fujita Corporation is a subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset Manager and thus falls under the category of a related party, etc. as defined in the Investment Trust Act.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and Fujita Corporation.
	Business relationship	There is no business relationship required to be stated between DHR/the Asset Manager and Fujita Corporation.
	Status of classification as affiliated party	Fujita Corporation is not an affiliated party of DHR. Fujita Corporation is a subsidiary of Daiwa House Industry Co., Ltd. in which it falls under the category of an affiliated party of the Asset Manager.

5. Related party transactions

The following companies are defined as related parties, etc. in the Investment Trust Act : Daiwa House Industry Co., Ltd. as the seller of DPL Fukuoka Kasuya, D Project Chibakita, D Project Matsudo II, D Project Tomisato II, D Project Osaka Hirabayashi, D Project Sendai Izumi II, D Project Fuji, FOLEO Otsu Ichiriyama and FOLEO Hakata; Royal Home Center Co., Ltd. as the seller and lessee of Royal Home Center Morinomiya (Land); Fujita Corporation as the seller of Daiwa Roynet Hotel Yokohama Kannai; Daiwa House Property Management Co., Ltd. as the master lease and property management company of DPL Fukuoka Kasuya as well as the property management company of D Project Inuyama (Additional acquisition), D Project Kawagoe IV, D Project Kuki VII, D Project Chibakita, D Project Matsudo II, D Project Tomisato II, D Project Osaka Hirabayashi, D Project Sendai Izumi II, D Project Kaminokawa, D Project Fuji and D Project Tosu III; Daiwa Energy Co., Ltd. as the party scheduled to enter into the contract concerning installation of solar power generation system for the purpose of leasing the rooftop, etc. of D Project Kawagoe IV, D Project Chibakita, D Project Tomisato II, D Project Osaka Hirabayashi and D Project Fuji; Daiwa Information Service Co., Ltd. as the master lease and property management company of FOLEO Otsu Ichiriyama, FOLEO Hakata and Daiwa Roynet Hotel Yokohama Kannai; and Daiwa Logistics Co., Ltd. as the lessee of D Project Kawagoe IV.

DH Fund Five Godo Kaisha, which is the seller of D Project Inuyama (Additional acquisition), D Project Kawagoe IV, D Project Kuki VII, D Project Kaminokawa and D Project Tosu III, is a special purpose company with the aim to acquire, hold and dispose of trust beneficiaries in which Daiwa House Industry Co., Ltd. partially invests and is a related party as defined in the Asset Manager's rules regarding related-party transactions, however, is not a related party, etc., as defined in the Investment Trust Act.

The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its internal rules regarding related party transactions.

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6. Status of the seller

Property acquisitions from parties with particular interests are as follows. The table below notes (1) the name of the party; (2) the relationship with the party that has a particular interest; and (3) the backgrounds and reason for the acquisition.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LM-002 DPL Fukuoka Kasuya (642-1, Aza- Sanjyuroku, Oaza-Uchihashi, Kasuyamachi, Kasuya District, Fukuoka)	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	December 2011 (Note)	—	—	—
LB-009 D Project Inuyama (Additional acquisition) (5-45, Takanebora, Inuyama City, Aichi)	(1) DH Fund Five Godo Kaisha (2) SPC in which Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, partially invests (3) Acquisition for investment	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	May 2012	—	—	—
LB-047 D Project Kawagoe IV (3-2-1, Yoshinodai, Kawagoe City, Saitama)	(1) DH Fund Five Godo Kaisha (2) SPC in which Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, partially invests (3) Acquisition for investment	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for investment	(Land) (1) Daiwa House Logistics Co., Ltd. (2) Subsidiary of Daiwa House Industry Co., Ltd., the parent company of the Asset	(Land) A party which does not have any particular interests

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
			Manager (3) Acquisition for development purposes (Building) A party which does not have any particular interests	
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	May 2012	—	—	—
LB-048 D Project Kuki VII (6004-3, Aza-Taikoda, Shobu, Shobumachi, Kuki City, Saitama)	(1) DH Fund Five Godo Kaisha (2) SPC in which Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, partially invests (3) Acquisition for investment	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	May 2012	—	—	—
LB-049 D Project Chibakita (461-1, Naganumacho, Inage Ward, Chiba City, Chiba)	(Land) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry	A party which does not have any particular interests	—	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
	Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes			
	(Land) Omitted as the previous owner/trust beneficiary has owned the property for over one year (Building) 3,617 million yen	—	—	—
	(Land) May 2013 (Building) April 2018 (planned)	—	—	—
LB-050 D Project Matsudo II (700-1, Aza- Nishinooda, Kamihongo, Matsudo City, Chiba)	(Land) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	A party which does not have any particular interests	—	—
	(Land) Omitted as the previous owner/trust beneficiary has owned the property for over one year (Building) 2,230 million yen	—	—	—
	(Land) August 2008 (Building) April 2018 (planned)	—	—	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LB-051 D Project Tomisato II (1-6, Misawa, Tomisato City, Chiba)	(Land) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes	A party which does not have any particular interests	—	—
	(Land) Omitted as the previous owner/trust beneficiary has owned the property for over one year (Building) 5,134 million yen	—	—	—
	(Land) February 2014 (Building) April 2018 (planned)	—	—	—
LB-052 D Project Osaka Hirabayashi (2-6-15, Hirabayashikita, Suminoe Ward, Osaka City, Osaka)	(Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Development	—	—	—
	Omitted as the previous owner has developed the building	—	—	—
	(Building) June 2015	—	—	—
LB-053 D Project Sendai Izumi II	(Land) (1) Daiwa House Industry Co., Ltd.	A party which does not have any particular interests	—	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
(3-1-1, Akedori, Izumi Ward, Sendai City, Miyagi)	(2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes			
	(Land) Omitted as the previous owner/trust beneficiary has owned the property for over one year (Building) 4,850 million yen	—	—	—
	(Land) August 2013 (Building) April 2018 (planned)	—	—	—
LB-054 D Project Kaminokawa (2568-1, Aza- Minamihara, Oaza- Tako, Kaminokawamachi, Kawachi District, Tochigi)	(1) DH Fund Five Godo Kaisha (2) SPC in which Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, partially invests (3) Acquisition for investment	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	May 2012	—	—	—
LB-055 D Project Fuji (2261-6, Aza-	(Land) (1) Daiwa House Industry Co., Ltd.	A party which does not have any particular interests	—	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
Shiroyama, Obuchi, Fuji City, Shizuoka)	(2) The parent company of the Asset Manager (3) Acquisition for development purposes (Building) (1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for sales purposes			
	(Land) Omitted as the previous owner/trust beneficiary has owned the property for over one year (Building) 1,697 million yen	—	—	
	(Land) January 2013 (Building) April 2018 (planned)	—	—	
LB-056 D Project Tosu III (3-1-3, Yayoigaoka, Tosu City, Saga)	(1) DH Fund Five Godo Kaisha (2) SPC in which Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, partially invests (3) Acquisition for investment	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	May 2012	—	—	—
RM-009 FOLEO Otsu Ichiryama	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the	A party which does not have any particular interests	—	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
(7-1-1, Ichiriyama, Otsu City, Shiga)	Asset Manager (3) Acquisition for development purposes			
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	March 2005, June 2007 and November 2007 (Note)	—	—	—
RM-010 FOLEO Hakata (1-14-46, Higashinaka, Hakata Ward, Fukuoka City, Fukuoka)	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for investment	A party which does not have any particular interests	—	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	December 2008	—	—	—
RR-006 Royal Home Center Morinomiya (Land) (1-1-31, Tamatsukuri, Chuo Ward, Osaka City, Osaka)	(1) Royal Home Center Co., Ltd. (2) Subsidiary of the parent company of the Asset Manager (3) Acquisition for own use	(1) Daiwa House Industry Co., Ltd. (2) The parent company of the Asset Manager (3) Acquisition for development purposes	A party which does not have any particular interests	—
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	September 2012	—	—	—
HO-001 Daiwa Roynet Hotel Yokohama Kannai	(1) Fujita Corporation (2) Subsidiary of the parent company of the Asset	(1) Daiwa House Industry Co., Ltd. (2) The parent	A party which does not have any particular interests	—

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Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary	3 owners before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
(2-7-4, Hagoromocho, NakaWard, Yokohama City, Kanagawa)	Manager (3) Acquisition for investment	company of the Asset Manager (3) Acquisition for development purposes		
	Omitted as the previous owner/trust beneficiary has owned the property for over one year	—	—	—
	May 2011	—	—	—

(Note) No description about buildings is listed, because these are developed properties.

7. Brokerage

None

8. Acquisition schedule

Property name	Acquisition decision date and Execution date of the purchase agreements	Date of payment and Delivery date
Royal Home Center Morinomiya (Land)	February 28, 2018	March 27, 2018 (planned)
FOLEO Otsu Ichiriyama FOLEO Hakata Daiwa Roynet Hotel Yokohama Kannai		April 3, 2018 (planned)
DPL Fukuoka Kasuya D Project Inuyama (Additional acquisition) D Project Kawagoe IV D Project Kuki VII D Project Chibakita D Project Matsudo II D Project Tomisato II D Project Osaka Hirabayashi D Project Sendai Izumi II D Project Kaminokawa D Project Fuji D Project Tosu III		April 10, 2018 (planned)

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9. Impact on DHR's finance in the event of failure of fulfillment of the forward commitment, etc.

The purchase agreements of the Anticipated Acquisitions excluding Royal Home Center Morinomiya (Land) (the "Purchase Agreements") are a "forward commitment, etc." (Note) as defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." established by the Financial Services Agency.

Under the Purchase Agreements, if a party breaches the Purchase Agreement, then the non-breaching party may cancel the Purchase Agreements upon notice to the breaching party, but only if the non-breaching party is no longer able to fulfill the purpose of the Purchase Agreements due to the other party's breach. In the event the Purchase Agreements are cancelled, the non-breaching party may demand the breaching party to pay a penalty in the amount equal to approximately 20% of the price net of consumption tax and local consumption tax from purchase price (as such penalty is expected to constitute damage payment, the non-breaching party may not claim for damages in the amount exceeding such penalty amount).

DHR's payment of the purchase price, however, is subject to DHR completing the financing necessary to pay the purchase price. Hence, if DHR is unable to complete the financing necessary to pay the purchase price, the Purchase Agreements will expire without DHR assuming any obligations under the Purchase Agreement, including payment of any penalty. Thus, if DHR cannot fulfill the forward commitment, etc. for failing to complete the financing, it is unlikely that such non-fulfillment will have any material impact on DHR's finance.

(Note) Forward commitment, etc. is a purchase and sale agreement signed one month or more in advance of the actual date on which the purchase price is paid and the property is transferred to the purchaser, as well as certain other similar contracts.

10. Outlook

For the forecasts of results for the fiscal period ending August 2018 (from March 1, 2018 to August 31, 2018) and the fiscal period ending February 2019 (from September 1, 2018 to February 28, 2019) with the acquisition of Anticipated Acquisitions factored in, please refer to the press release "Notice Concerning Revision to Forecast of Results for the Fiscal Period Ending August 2018 and Announcement of Forecast of Results for the Fiscal Period Ending February 2019" separately announced today.

11. Overview of property appraisal

"Overview of Property Appraisal" is as follows.

"Overview of Property Appraisal" shows the overview of the real estate appraisal report of the Anticipated Acquisitions prepared by DAIWA REAL ESTATE APPRAISAL CO., LTD., The Tanizawa Sōgō Appraisal Co., Ltd. or Japan Real Estate Institute regarding the appraisal consigned by DHR pursuant to the important notices on real estate appraisal based on the Investment Trust Act, and real estate appraisal standards and the Act on Real Estate Appraisal (Act No. 152 of 1963, as amended). The relevant appraisal report represents the judgment and opinion of the appraiser at a certain point, and does not guarantee the appropriateness and correctness of the statements and the possibility of trading at the appraisal value, etc. Furthermore, there is no relationship of special interest between DAIWA REAL ESTATE APPRAISAL CO., LTD., The Tanizawa Sōgō Appraisal Co., Ltd. or Japan Real Estate Institute and DHR.

DPL Fukuoka Kasuya	
Appraisal value	13,300 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	13,300 million yen	Estimated by treating equally the value calculated using the direct capitalization method and the value calculated using the discounted cash flow method
Value based on direct capitalization method	13,400 million yen	Not disclosed (Note)
Operating revenue	-	
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	

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	Repair	-	
	Property management Fee	-	
	Advertisement and other leasing cost	-	
	Tax	-	
	Insurance	-	
	Other cost	-	
	Net operating income (NOI)	642 million yen	
	Investment income of lump sum	-	Not disclosed (Note)
	Capital expenditure	-	
	Net cash flow (NCF)	615 million yen	
	Cap rate	4.6%	Assessed by adjusting basic yields in the area with spreads attributable to the property's location, the characteristics of the building, the contract terms and conditions and other characteristics, in consideration of prediction uncertainties and transaction yields for similar properties
	Value based on Discounted Cash Flow method	13,100 million yen	
	Discount rate	4.4%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
	Terminal cap rate	4.8%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent rates and all other applicable factors, by reference to investment returns of similar properties, etc.
	Value based on cost method	12,800 million yen	
	Proportion of land	39.6%	
	Proportion of building	60.4%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Inuyama (Additional acquisition)	
Appraisal value	2,190 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	2,190 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	2,200 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	

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Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	109 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	107 million yen	
Cap rate	4.9%	Compared the multiple transaction yields in the neighboring areas and the similar areas of the same supply and demand, and also assess by taking into account the change prediction of net cash flow in the future, considering the relationship with the discount rate
Value based on Discounted Cash Flow method	2,190 million yen	
Discount rate	(from first to ninth year) 4.8% (from tenth year) 4.9%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property
Terminal cap rate	5.1%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
Value based on cost method	1,920 million yen	
Proportion of land	51.3%	
Proportion of building	48.7%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Kawagoe IV	
Appraisal value	5,730 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	5,730 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	5,810 million yen	
Operating revenue	321 million yen	
Effective gross revenue	321	Assessed by taking into consideration of the level of rent

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		million yen	under the existing agreement and that of similar buildings as well as market trends thereof
	Loss from vacancy	-	Not recorded as tenant replacement is not assumed
	Operating expense	35 million yen	
	Maintenance	-	Not recorded as borne by the lessee
	Utility cost	-	Not recorded as borne by the lessee
	Repair	4 million yen	ER, Assessed based on similar cases
	Property management Fee	3 million yen	Recorded based on the property management consignment contract
	Advertisement and other leasing cost	-	Not recorded as tenant replacement is not assumed
	Tax	27 million yen	Recorded based on materials about taxes and public dues, and examples in similar cases
	Insurance	0 million yen	Recorded based on materials about insurance
	Other cost	0 million yen	Assessed based on similar cases
	Net operating income (NOI)	286 million yen	
	Investment income of lump sum	1 million yen	Recorded the income based on the assumption that an investment yield is 1.0%
	Capital expenditure	8 million yen	ER, Assessed based on similar cases
	Net cash flow (NCF)	279 million yen	
	Cap rate	4.8%	Compared the multiple transaction yields in the neighboring areas and the similar areas of the same supply and demand, and also assess by taking into account the change prediction of net cash flow in the future, considering the relationship with the discount rate
	Value based on Discounted Cash Flow method	5,690 million yen	
	Discount rate	(from first to third year) 4.8% (from forth year) 4.9%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by adding specific risks related to the property
	Terminal cap rate	5.0%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
	Value based on cost method	5,570 million yen	
	Proportion of land	57.4%	
	Proportion of building	42.6%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

D Project Kuki VII	
Appraisal value	1,100 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	1,100 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	1,100 million yen	
Operating revenue	-	Not disclosed (Note)

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	Effective gross revenue	-	
	Loss from vacancy	-	
	Operating expense	-	
	Maintenance	-	
	Utility cost	-	
	Repair	-	
	Property management Fee	-	
	Advertisement and other leasing cost	-	
	Tax	-	
	Insurance	-	
	Other cost	-	
	Net operating income (NOI)	54 million yen	
	Investment income of lump sum	-	Not disclosed (Note)
	Capital expenditure	-	
	Net cash flow (NCF)	52 million yen	
	Cap rate	4.8%	Compared the multiple transaction yields in the neighboring areas and the similar areas of the same supply and demand, and also assess by taking into account the change prediction of net cash flow in the future, considering the relationship with the discount rate
	Value based on Discounted Cash Flow method	1,100 million yen	
	Discount rate	4.8%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property
	Terminal cap rate	5.0%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
	Value based on cost method	958 million yen	
	Proportion of land	65.4%	
	Proportion of building	34.6%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Chibakita	
Appraisal value	7,650 million yen
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	7,650 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	7,710 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	

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Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	361 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	354 million yen	
Cap rate	4.6%	Assessed by adjusting yields in similar types with spreads attributable to the property's location, the characteristics of the building and conditions, additionally in consideration of cap rate of appraisal value for J-REIT properties in similar areas of the same supply and demand
Value based on Discounted Cash Flow method	7,630 million yen	
Discount rate	4.4%	Appraised by comparing with cases of similar real estate transactions and adding individuality of real estate to yield of financial assets
Terminal cap rate	4.8%	Giving consideration to future uncertainty such as possibility of increased capital expenditure due to aging of the property, change of market trend and loss of liquidity because of passage of time
Value based on cost method	6,300 million yen	
Proportion of land	56.6%	
Proportion of building	43.4%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Matsudo II	
Appraisal value	8,310 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	8,310 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference.
Value based on direct capitalization method	8,420 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	

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Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	380 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	379 million yen	
Cap rate	4.5 %	Assessed by adjusting basic yields in the area with spreads attributable to the property's location, the characteristics of the building, the contract terms and conditions and other characteristics, in consideration of transaction yields based on published materials by J-REITs and other transaction yields for similar properties
Value based on Discounted Cash Flow method	8,190 million yen	
Discount rate	4.3%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Terminal cap rate	4.7%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent rates and all other applicable factors, by reference to investment returns of similar properties, etc.
Value based on cost method	7,910 million yen	
Proportion of land	61.6%	
Proportion of building	38.4%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Tomisato II	
Appraisal value	6,990 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	6,990 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference
Value based on direct	7,000	

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capitalization method	million yen	
Operating revenue	-	
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	349 million yen	
Investment income of lump sum	-	
Capital expenditure	-	
Net cash flow (NCF)	342 million yen	
Cap rate	4.9%	Compared the multiple transaction yields in the neighboring areas and the similar areas of the same supply and demand, and also assess by taking into account the change prediction of net cash flow in the future, considering the relationship with the discount rate
Value based on Discounted Cash Flow method	6,990 million yen	
Discount rate	(from first to ninth year) 4.9% (from 10th year) 5.0%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property
Terminal cap rate	5.1%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
Value based on cost method	6,220 million yen	
Proportion of land	30.7%	
Proportion of building	69.3%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Osaka Hirabayashi	
Appraisal value	4,320 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	4,320 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method (adjusted Inwood method) used

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		as a reference
Value based on direct capitalization method	4,400 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	226 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	224 million yen	
Cap rate	4.8%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property, and besides comparison with transactions and prediction uncertainty within the operating period
Value based on Discounted Cash Flow method	4,290 million yen	
Discount rate	4.7%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property
Terminal cap rate	5.0%	Estimated on the basis of period earning discount rate in consideration of the prediction uncertainty
Value based on cost method	3,720 million yen	
Proportion of land	18.3%	
Proportion of building	81.7%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Sendai Izumi II	
Appraisal value	7,370 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	7,370 million yen	Estimated by treating equally the value calculated using the direct capitalization method and the value calculated using the discounted cash flow method
Value based on direct	7,440	

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capitalization method	million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	395 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	394 million yen	
Cap rate	5.3%	Assessed by adjusting basic yields in the area with spreads attributable to the property's location, the characteristics of the building, the contract terms and conditions and other characteristics, in consideration of prediction uncertainties and transaction yields for similar properties
Value based on Discounted Cash Flow method	7,300 million yen	
Discount rate	5.1%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Terminal cap rate	5.5%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent rates and all other applicable factors, by reference to investment returns of similar properties, etc.
Value based on cost method	7,020 million yen	
Proportion of land	28.0%	
Proportion of building	72.0%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Kaminokawa	
Appraisal value	7,940 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	7,940 million yen	Estimated value based on income method by using value

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		based on discount cash flow method, with value based on direct capitalization method used as a reference
Value based on direct capitalization method	7,950 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	458 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	445 million yen	
Cap rate	5.6%	Compared the multiple transaction yields in the neighboring areas and the similar areas of the same supply and demand, and also assess by taking into account the change prediction of net cash flow in the future, considering the relationship with the discount rate
Value based on Discounted Cash Flow method	7,930 million yen	
Discount rate	(from first to third year) 5.6% (from forth year) 5.7%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property
Terminal cap rate	5.8%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
Value based on cost method	7,670 million yen	
Proportion of land	36.6%	
Proportion of building	63.4%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Fuji	
Appraisal value	3,650 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2018

Item	Content	Basis
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Value based on income method	3,650 million yen	Estimated by treating equally the value calculated using the direct capitalization method and the value calculated using the discounted cash flow method
Value based on direct capitalization method	3,700 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	214 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	210 million yen	
Cap rate	5.7%	Assessed by adjusting basic yields in the area with spreads attributable to the property's location, the characteristics of the building, the contract terms and conditions and other characteristics, in consideration of prediction uncertainties and transaction yields for similar properties
Value based on Discounted Cash Flow method	3,600 million yen	
Discount rate	5.5%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Terminal cap rate	6.0%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent rates and all other applicable factors, by reference to investment returns of similar properties, etc.
Value based on cost method	3,480 million yen	
Proportion of land	32.8%	
Proportion of building	67.2%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

D Project Tosu III	
Appraisal value	9,380 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.

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Appraisal date	January 31, 2018
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Item	Content	Basis
Value based on income method	9,380 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference
Value based on direct capitalization method	9,440 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	492 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	481 million yen	
Cap rate	5.1%	Compared the multiple transaction yields in the neighboring areas and the similar areas of the same supply and demand, and also assess by taking into account the change prediction of net cash flow in the future, considering the relationship with the discount rate
Value based on Discounted Cash Flow method	9,360 million yen	
Discount rate	(from first to forth year) 5.0% (from fifth year) 5.2%	Estimated the base yield of the warehouse by build-up approach based on yields of financial products, and assess by taking into account specific risks related to the property
Terminal cap rate	5.3%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
Value based on cost method	9,420 million yen	
Proportion of land	28.6%	
Proportion of building	71.4%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

(Note) Consent has not been obtained from the lessee for disclosure of certain figures in relation to the direct capitalization method, including information that could be used to deduce these amounts. Disclosure of this information could damage the relationship with the lessee, potentially resulting in claims being brought against DHR for breach of confidentiality and/or termination and endangering the long-term contractual relationship. Therefore, DHR believes that disclosure of this information could be detrimental to unitholder value, and, except in certain instances where it was deemed that no harm would result from disclosure, these items are not disclosed.

FOLEO Otsu Ichiriyama	
Appraisal value	8,400 million yen
Appraiser	Japan Real Estate Institute

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Appraisal date	January 31, 2018	
Item	Content	Basis
Value based on income method	8,400 million yen	Estimated by treating equally the value calculated using the direct capitalization method and the value calculated using the discounted cash flow method
Value based on direct capitalization method	8,490 million yen	
Operating revenue	643 million yen	
Effective gross revenue	643 million yen	Recorded rent revenue based on the current leasing contract terms, in consideration of the leasing contract terms and the capacity of the tenants to pay rent, etc.
Loss from vacancy	-	Judged that recording is unnecessary, in consideration of the conditions of the lessees, competitiveness as a retail property, the leasing contract terms and other factors
Operating expense	139 million yen	
Maintenance	-	Not recorded as maintenance costs since the property is leased in a lump as a retail facility and management and operation are been handled by the lessee themselves
Utility cost	-	Not recorded as borne by the lessee
Repair	16 million yen	Recorded based on management and operation plan and the level of repair cost of similar properties, and average annual repair and renewal costs as noted in the engineering report
Property management Fee	19 million yen	Recorded based on the rate of compensation of similar properties and taking into consideration compensation based on existing agreement conditions
Advertisement and other leasing cost	-	Commission fee and advertising fee when looking for a new tenant are not recorded as leased in bulk as a retail property over a long contract period
Tax	101 million yen	Recorded based on materials about taxes and public dues
Insurance	1 million yen	Recorded based on the amount of insurance contract and insurance rates of similar buildings, etc.
Other cost	-	No costs to record in particular
Net operating income (NOI)	504 million yen	
Investment income of lump sum	3 million yen	Assessed with the investment yield set at 1.0%.
Capital expenditure	40 million yen	Recorded based on the level of capital expenditure of similar properties, the building age, and average annual repair and renewal costs as noted in the engineering report
Net cash flow (NCF)	467 million yen	
Cap rate	5.5%	Assessed by using the yield of properties considered to have the smallest investment risks as a standard, adjusting with spreads attributable to the property's location, competitiveness as a retail property including the characteristics of the building, the contract terms and conditions and other characteristics, in consideration of prediction uncertainties, transaction yields for similar properties and results of interviews with investors, etc.
Value based on Discounted Cash Flow method	8,300 million yen	
Discount rate	5.3%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.

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	Terminal cap rate	5.8%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent rates and all other applicable factors, by reference to investment returns of similar properties, etc.
	Value based on cost method	8,550 million yen	
	Proportion of land	40.6%	
	Proportion of building	59.4%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

FOLEO Hakata	
Appraisal value	3,530 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	3,530 million yen	Estimated by treating equally the value calculated using the direct capitalization method and the value calculated using the discounted cash flow method
Value based on direct capitalization method	3,580 million yen	
Operating revenue	252 million yen	
Effective gross revenue	252 million yen	Recorded rent revenue based on the current leasing contract terms, in consideration of the leasing contract terms and the capacity of the tenants to pay rent, etc.
Loss from vacancy	-	Judged that recording is unnecessary, in consideration of the conditions of the lessees, competitiveness as a retail property, the leasing contract terms and other factors
Operating expense	58 million yen	
Maintenance	-	Not recorded as maintenance costs since the property is leased in a lump as a retail facility and management and operation are been handled by the lessee themselves
Utility cost	-	Not recorded as borne by the lessee
Repair	6 million yen	Recorded based on management and operating plan and the level of repair cost of similar properties, and average annual repair and renewal costs as noted in the engineering report
Property management Fee	7 million yen	Recorded based on the rate of compensation of similar properties and taking into consideration compensation based on existing agreement conditions
Advertisement and other leasing cost	-	Commission fee and advertising fee when looking for a new tenant are not recorded as leased in bulk as a retail property over a long contract period
Tax	43 million yen	Recorded based on materials about taxes and public dues
Insurance	0 million yen	Recorded based on the amount of insurance contract and insurance rates of similar buildings, etc.
Other cost	-	No costs to record in particular
Net operating income (NOI)	194 million yen	
Investment income of lump sum	1 million yen	Assessed with the investment yield set at 1.0%
Capital expenditure	16 million yen	Recorded based on the level of capital expenditure of similar properties, the building age, and average annual repair and

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			renewal costs as noted in the engineering report
	Net cash flow (NCF)	178 million yen	
	Cap rate	5.0%	Assessed by using the yield of properties considered to have the smallest investment risks as a standard, adjusting with spreads attributable to the property's location, competitiveness as a retail property including the characteristics of the building, the contract terms and conditions and other characteristics, in consideration of prediction uncertainties, transaction yields for similar properties and results of interviews with investors, etc.
	Value based on Discounted Cash Flow method	3,470 million yen	
	Discount rate	4.8%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
	Terminal cap rate	5.3%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property as an investment target, general prediction of economic growth rates, trends in real estate prices and rent rates and all other applicable factors, by reference to investment returns of similar properties, etc.
	Value based on cost method	4,080 million yen	
	Proportion of land	60.4%	
	Proportion of building	39.6%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

	Royal Home Center Morinomiya (Land)
Appraisal value	5,170 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	5,170 million yen	Used discounted cash flow method. Direct capitalization method is not used since the method does not fit with this contract which requires restoring the land to raw land upon the end of the contract period.
Value based on direct capitalization method	-	
Operating revenue	-	
Effective gross revenue	-	
Loss from vacancy	-	
Operating expense	-	
Maintenance	-	
Utility cost	-	
Repair	-	
Property management Fee	-	
Advertisement and other leasing cost	-	
Tax	-	
Insurance	-	
Other cost	-	
Net operating income (NOI)	-	

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	Investment income of lump sum	-	
	Capital expenditure	-	
	Net cash flow (NCF)	-	
	Cap rate	-	
	Value based on Discounted Cash Flow method	5,170 million yen	
	Discount rate	4.0%	Based on the method to compare with the yield of similar land transactions, assessed by taking into account the current lease agreement, levels of land rent, period of lease agreement, business risks, etc.
	Cap rate for the price to be returned as vacant land	4.1%	Based on the above discount rate and estimated sales price as a land
	Value based on cost method	-	
	Proportion of land	-	
	Proportion of building	-	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		Appraisal value assessed based on the characteristic as a land, and taking into account pricing method weighed on income approach and transaction rationale of the potential market participants (buyers demands) in the event of the sale of this property

Daiwa Roynet Hotel Yokohama Kannai	
Appraisal value	4,930 million yen
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal date	January 31, 2018

Item	Content	Basis
Value based on income method	4,930 million yen	Estimated value based on income method by using value based on discount cash flow method, with value based on direct capitalization method used as a reference
Value based on direct capitalization method	4,960 million yen	
Operating revenue	326 million yen	
Effective gross revenue	331 million yen	Assessed based on the stabilized assumed rental income and common area charges income of the subject property based on leasing case examples and the level of new rent of similar buildings in the market area and the trends thereof, and by taking into consideration such factors as the medium- to long-term competitiveness of the subject property
Loss from vacancy	5 million yen	Estimated using historical vacancy rate of the subject property and standard vacancy rate of comparable property but adjusted for specific characteristics of the property
Operating expense	91 million yen	
Maintenance	12 million yen	Determined that current building management is at a relatively standard level and estimated using historical maintenance fee based on the current contract, by referring to the cost of comparable property and current cost (excluding hotel)
Utility cost	40 million yen	Estimated by referring to the cost of comparable property and current cost
Repair	4 million yen	Recorded based on engineering report and assessed repair costs of similar property
Property management Fee	7 million yen	Determined estimated price is appropriate and recorded JPY650,000 monthly

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	Advertisement and other leasing cost	0 million yen	Estimated by referring to the replacement cost of comparable property, assuming vacancy rate and current cost
	Tax	23 million yen	Recorded in consideration of burden levels, land price trends, etc.
	Insurance	0 million yen	Recorded based on estimated insurance price
	Other cost	1 million yen	Recorded fixed amount based on operating revenue
	Net operating income (NOI)	234 million yen	
	Investment income of lump sum	2 million yen	Assessed based on assuming investment yield of 1.0%, by conducting a comprehensive assessment from the perspective of both the operational and procurement aspects regarding the actual management condition, etc. of one-time investment gains
	Capital expenditure	4 million yen	Assesed renewal costs of similar property and by referring to capital expenditure noted in the engineering report
	Net cash flow (NCF)	233 million yen	
	Cap rate	4.7%	Assessed by adjusting yields in similar types with spreads attributable to the property's location, the characteristics of the building and conditions, additionally in consideration of cap rate of appraisal value for J-REIT properties in similar areas of the same supply and demand
	Value based on Discounted Cash Flow method	4,920 million yen	
	Discount rate	4.5%	Appraised by comparing with cases of similar real estate transactions and adding individuality of real estate to yield of financial assets
	Terminal cap rate	4.9%	Giving consideration to future uncertainty such as possibility of increased capital expenditure due to aging of the property, change of market trend and loss of liquidity because of passage of time
	Value based on cost method	3,660 million yen	
	Proportion of land	58.3%	
	Proportion of building	41.7%	
	Items applied to adjustments in valuation approach and the determination of the appraisal value		None

<Attachments>

1. Photograph and location map of the Anticipated Acquisitions
2. Property portfolio after the acquisition of the Anticipated Acquisitions

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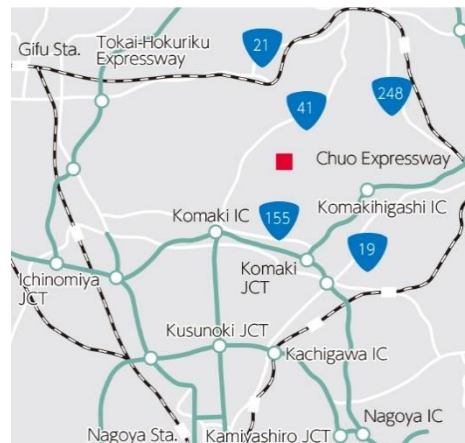
<Attachments>

1. Photograph and location map of the Anticipated Acquisitions

(Property Number) LM-002 DPL Fukuoka Kasuya



(Property Number) LB-009 D Project Inuyama (Additional acquisition)

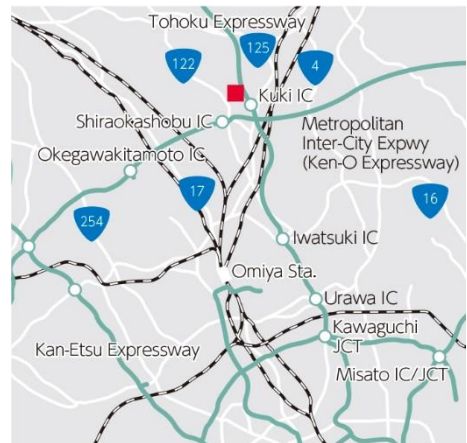


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(Property Number) LB-047 D Project Kawagoe IV



(Property Number) LB-048 D Project Kuki VII

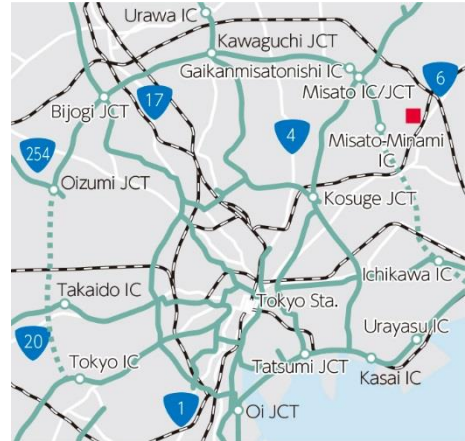


(Property Number) LB-049 D Project Chibakita



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(Property Number) LB-050 D Project Matsudo II



(Property Number) LB-051 D Project Tomisato II

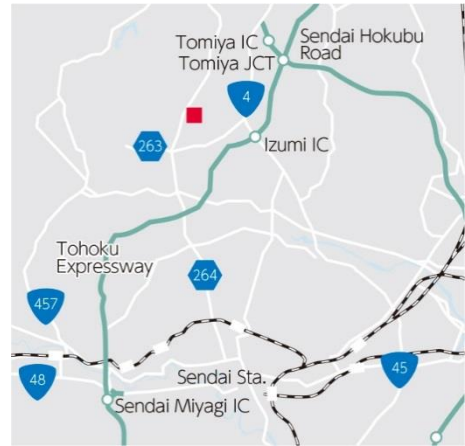


(Property Number) LB-052 D Project Osaka Hirabayashi

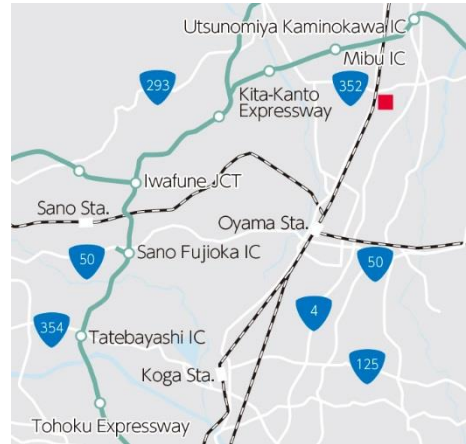


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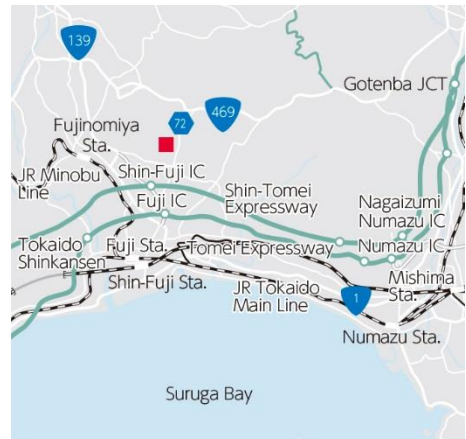
(Property Number) LB-053 D Project Sendai Izumi II



(Property Number) LB-054 D Project Kaminokawa



(Property Number) LB-055 D Project Fuji

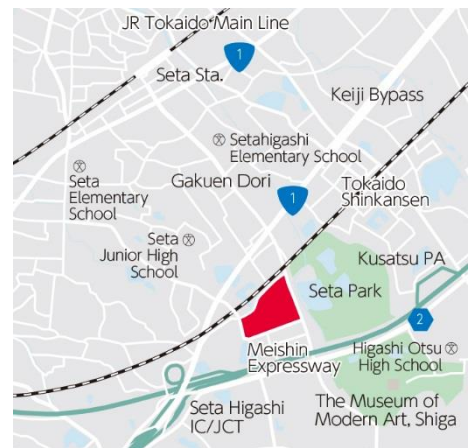


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(Property Number) LB-056 D Project Tosu III



(Property Number) RM-009 FOLEO Otsu Ichiriyama

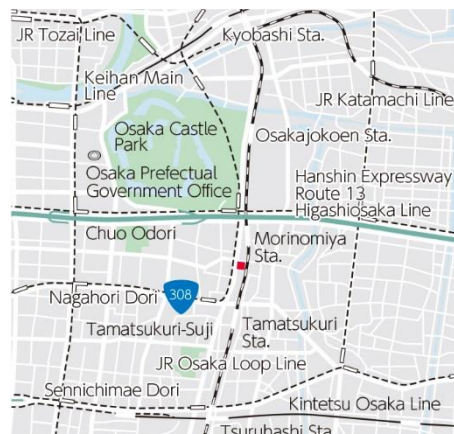


(Property Number) RM-010 FOLEO Hakata

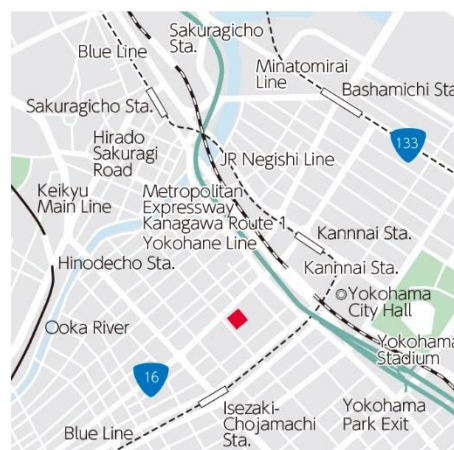


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(Property Number) RR-006 Royal Home Center Morinomiya (Land)



(Property Number) HO-001 Daiwa Roynet Hotel Yokohama Kannai



2. Property portfolio after the acquisition of the Anticipated Acquisitions

Property number	Property name	Location	(Anticipated) acquisition price (million yen)	(Anticipated) investment ratio (Note)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.4%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	2.3%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.5%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	0.8%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.4%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	3.9%
LB-007	D Project Akanehana	Narashino City, Chiba	2,950	0.4%
LB-008	D Project Noda	Noda City, Chiba	6,210	0.9%
LB-009	D Project Inuyama	Inuyama City, Aichi	8,690	1.3%
			(Additional acquisition) 2,100	0.3%
LB-010	D Project Gifu	Anpachi District, Gifu	1,100	0.2%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	0.9%
LB-012	D Project Sapporo Minami	Kitahiroshima City, Hokkaido	818	0.1%
LB-013	D Project Morioka	Takizawa City, Iwate	1,200	0.2%
LB-014	D Project Sendai Minami	Iwanuma City, Miyagi	1,530	0.2%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.5%

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Property number	Property name	Location	(Anticipated) acquisition price (million yen)	(Anticipated) investment ratio (Note)
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	0.6%
LB-019	D Project Tosu	Tosu City, Saga	5,740	0.9%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.6%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.2%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.5%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.7%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.6%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.6%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.1%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.8%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.2%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.8%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	0.9%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.5%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.1%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.3%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.2%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	1.1%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.5%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	1.3%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.7%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.5%
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	1,510	0.2%
LB-041	D Project Oyama	Oyama City, Tochigi	2,000	0.3%
LB-042	D Project Sano	Sano City, Tochigi	1,780	0.3%
LB-043	D Project Tatebayashi	Tatebayashi City, Gunma	3,100	0.5%
LB-044	D Project Kakegawa	Kakegawa City, Shizuoka	6,000	0.9%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.6%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.3%
LB-047	D Project Kawagoe IV	Kawagoe City, Saitama	5,600	0.8%
LB-048	D Project Kuki VII	Kuki City, Saitama	1,040	0.2%
LB-049	D Project Chibakita	Chiba City, Chiba	7,640	1.1%
LB-050	D Project Matsudo II	Matsudo City, Chiba	8,200	1.2%
LB-051	D Project Tomisato II	Tomisato City, Chiba	6,900	1.0%
LB-052	D Project Osaka Hirabayashi	Osaka City, Osaka	3,600	0.5%
LB-053	D Project Sendai Izumi II	Sendai City, Miyagi	7,300	1.1%
LB-054	D Project Kaminokawa	Kawachi District, Tochigi	7,900	1.2%
LB-055	D Project Fuji	Fuji City, Shizuoka	3,600	0.5%
LB-056	D Project Tosu III	Tosu City, Saga	9,200	1.4%
LM-001	DPL Misato	Misato City, Saitama	16,831	2.5%
LM-002	DPL Fukuoka Kasuya	Kasuya District, Fukuoka	13,300	2.0%
Total of 58 Logistics Properties			336,499	49.9%
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.1%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.7%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.4%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.4%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.3%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.3%
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.4%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.4%
RE-010	Castalia Shinjuku Natsumezaka	Shinjuku Ward, Tokyo	1,865	0.3%
RE-011	Castalia Ginza II	Chuo Ward, Tokyo	1,800	0.3%
RE-012	Castalia Shibuya Sakuragaoka	Shibuya Ward, Tokyo	1,400	0.2%
RE-013	Castalia Nishi Azabu Kasumicho	Minato Ward, Tokyo	2,143	0.3%

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RE-014	Castalia Ochanomizu	Chiyoda Ward, Tokyo	1,770	0.3%
RE-015	Castalia Sangubashi	Shibuya Ward, Tokyo	1,393	0.2%
RE-016	Castalia Suitengu	Chuo Ward, Tokyo	1,279	0.2%
RE-017	Castalia Suitengu II	Chuo Ward, Tokyo	1,138	0.2%
RE-018	Castalia Shintomicho	Chuo Ward, Tokyo	932	0.1%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.1%
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	0.1%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.2%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.1%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%
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	0.4%
RE-031	Castalia Takanawadai	Minato Ward, Tokyo	860	0.1%
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	0.4%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.4%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.1%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.5%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.4%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.1%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.1%
RE-044	Castalia Hatsudai	Shibuya Ward, Tokyo	2,030	0.3%
RE-045	Castalia Hatsudai II	Shibuya Ward, Tokyo	1,900	0.3%
RE-046	Castalia Ebisu	Shibuya Ward, Tokyo	1,420	0.2%
RE-047	Castalia Meguro Kamurozaka	Shinagawa Ward, Tokyo	4,500	0.7%
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	0.2%
RE-051	Castalia Otsuka	Toshima Ward, Tokyo	1,480	0.2%
RE-052	Castalia Kikukawa	Sumida Ward, Tokyo	817	0.1%
RE-053	Castalia Meguro	Meguro Ward, Tokyo	844	0.1%
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	0.1%
RE-057	Castalia Ikebukuro	Toshima Ward, Tokyo	2,570	0.4%
RE-058	Castalia Kaname-cho	Toshima Ward, Tokyo	1,140	0.2%
RE-059	Castalia Tower Shinagawa Seaside	Shinagawa Ward, Tokyo	7,380	1.1%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.2%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.1%
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	0.1%
RE-067	Castalia Wakabayashikoen	Setagaya Ward, Tokyo	776	0.1%
RE-068	Castalia Asakusabashi	Taito Ward, Tokyo	792	0.1%
RE-069	Castalia Iriya	Taito Ward, Tokyo	546	0.1%
RE-070	Castalia Kita Ueno	Taito Ward, Tokyo	2,641	0.4%

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RE-071	Castalia Morishita II	Koto Ward, Tokyo	686	0.1%
RE-072	Castalia Minowa	Taito Ward, Tokyo	1,430	0.2%
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	0.1%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.1%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.3%
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	1.1%
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	0.2%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.3%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.2%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.4%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.6%
RE-089	Castalia Meguro Chojamaru	Shinagawa Ward, Tokyo	2,030	0.3%
RE-090	Castalia Meguro Takaban	Meguro Ward, Tokyo	1,750	0.3%
RE-091	Castalia Omori III	Shinagawa Ward, Tokyo	1,520	0.2%
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	0.6%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.2%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.2%
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	0.1%
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	325	0.0%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.8%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.2%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.6%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.3%
RE-111	L-Place Shinkoyasu	Yokohama City, Kanagawa	1,720	0.3%
RE-112	Royal Parks Musashikosugi	Kawasaki City, Kanagawa	1,060	0.2%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.4%
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.2%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.6%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.1%
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	0.1%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.5%
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	0.1%
RE-128	Castalia Omachi	Sendai City, Miyagi	656	0.1%
RE-129	Castalia Uemachidai	Osaka City, Osaka	2,190	0.3%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.4%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.3%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.1%
RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.2%

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RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.4%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.4%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.1%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.3%
RE-142	Royal Parks Umejima	Adachi Ward, Tokyo	2,020	0.3%
RE-143	Castalia Shinsakae II	Nagoya City, Aichi	1,800	0.3%
Total of 135 Residential Properties			250,448	37.1%
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.2%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.7%
RM-003	QiZ GATE URAWA	Saitama City, Saitama	4,270	0.6%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.4%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.6%
RM-006	DREAM TOWN ALi	Aomori City, Aomori	8,100	1.2%
RM-007	ASOBOX (Land)	Kitakyushu City, Fukuoka	1,600	0.2%
RM-008	FOLEO Ome Imai	Ome City, Tokyo	3,800	0.6%
RM-009	FOLEO Otsu Ichiriyama	Otsu City, Shiga	8,100	1.2%
RM-010	FOLEO Hakata	Fukuoka City, Fukuoka	3,200	0.5%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.2%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.0%
RR-003	ACROSSPLAZA Inazawa (Land)	Inazawa City, Aichi	2,390	0.4%
RR-004	Sports Depo and GOLF5 Kokurahigashi IC Store	Kitakyushu City, Fukuoka	2,230	0.3%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	0.8%
RR-006	Royal Home Center Morinomiya (Land)	Osaka City, Osaka	4,500	0.7%
Total of 16 Retail Properties			71,530	10.6%
HO-001	Daiwa Roynet Hotel Yokohama Kannai	Yokohama City, Kanagawa	4,800	0.7%
Total of 1 Hotel Property			4,800	0.7%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.1%
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	1.1%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.3%
Total of 4 Other Assets			11,480	1.7%
Portfolio Total of 214 Properties			674,757	100.0%

(Note) (Anticipated) investment ratio indicates the ratio of the (anticipated) acquisition price for each asset to the total (anticipated) acquisition price, rounded to the nearest tenth.

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