大和証券リビング投資法人
Daiwa Securities Living Investment Corporation

English Translation
The following is an English translation of the Japanese original press release and is being provided for information purposes only.

June 21, 2024

To All Concerned Parties

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Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2024 (37th Fiscal Period)

Daiwa Securities Living Investment Corporation (hereinafter referred to as the "Investment Corporation") hereby announces that it has revised the forecasts of operating results and distribution for the fiscal period ending September 2024 (37th fiscal period: April 1, 2024 to September 30, 2024) announced in "36th Fiscal Period Financial Report (REIT)" dated May 22, 2024, as follows.

1. Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2024 (37th Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit
Previously announced forecast (A)	JPY12,637 million	JPY5,934 million	JPY5,031 million	JPY5,030 million	JPY2,090	JPY2,300
Revised forecast (B)	JPY14,142 million	JPY7,231 million	JPY6,333 million	JPY6,332 million	JPY2,631	JPY2,400
Difference (B-A)	JPY1,504 million	JPY1,296 million	JPY1,302 million	JPY1,302 million	JPY541	JPY100
Difference	11.9%	21.8%	25.9%	25.9%	25.9%	4.3%

(Note 1) Expected number of investment units issued at the end of the period: 2,406,890 units.
(Note 2) The fiscal period of the Investment Corporation is from April 1 to September 30 every year and from October 1 to March 31 of the following year. The same will apply hereinafter.
(Note 3) The above figures are current forecasts based on the conditions set forth in the assumptions in the exhibit and actual operating revenue, operating income, ordinary income, net income, net income per unit and distributions per unit may change. In addition, these forecasts do not guarantee the distribution amounts.
(Note 4) The payment resource of the distribution for the fiscal period ending September 2024 includes the expected reversal of reserve for temporary difference adjustments of JPY79 million and it is expected to record retained earnings of JPY635 million, so it differs from the amount of net income. In addition, there are no plans at this time to make distribution in excess of earnings.
(Note 5) When a certain degree of discrepancy from the above forecasts is expected, the forecasts may be revised.
(Note 6) Amounts are rounded to the nearest unit and percentages are rounded to the first decimal place. The same applies hereinafter.

2. Reasons for Revisions and Announcement of Operating Results, Etc.

As a result of the acquisition and disposition of assets (hereinafter referred to as the "Transaction" collectively) announced today, a gain on sale of JPY1,499 million is expected to be recorded in the fiscal period ending September 2024 (37th fiscal period). This change reflects changes in the assumptions of the previous forecast.

Regarding the operating results and distribution forecast for the fiscal period ending March 2025 (38th fiscal period), the Transaction is expected to cause some fluctuations in the operating results slightly. In addition, there will be no change to the dividend forecast from the initial projection due to the withdrawal of the temporary difference adjustment reserve.

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

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[Exhibit]

<Assumptions for Forecasts of Operating Results and Distributions for the Fiscal Period Ending September 2024 (37th Fiscal Period: April 1, 2024 - September 30, 2024)>

Item	Assumptions
Accounting period	・ Fiscal period ending September 2024 (37th fiscal period) (April 1, 2024 - September 30, 2024) (183 days)
Assets under management	・ It is assumed that changes in the following assets under management will occur to the 253 real estate and real estate trust beneficiary interests owned by the Investment Corporation as of today. [Assets to be acquired] (Planned date of acquisition: August 2, 2024) (1) N-stage Gyotoku II (2) N-stage Yamato (3) N-stage Ichikawakonodai (Note) The property names are scheduled to change from "N-stage Gyotoku II" to "Gran Casa Gyotoku", from "N-stage Yamato" to "Gran Casa Yamato", and from "N-stage Ichikawakonodai" to "Gran Casa Ichikawa Konodai" as of August 2, 2024. [Assets to be disposed] (Planned date of disposition: August 1, 2024) (1) willDo Todoroki (2) SK Residence (3) Angel Heim NishiRokugo No.2 (4) willDo Chiyoda ・ In light of the above assumptions, the assets under management will be 252 properties at the end of the fiscal period ending September 2024. However, assets under management could fluctuate due to the acquisition or disposition of other properties.
Operating revenue	・ Operating revenue is calculated on the premise of “Assets under management” above. ・ Due to the disposition of the above properties, gain on sale of JPY1,499 million of real estate properties is expected to be recorded for the fiscal period ending September 2024.
Operating expenses	・ Operating expenses is calculated on the premise of the "Assets under management" above. ・ No loss on sale of real estate property is expected to be recorded for the fiscal period ending September 2024. ・ Of expenses related to leasing business, which is a major item of operating expenses, expenses other than depreciation are calculated by reflecting the variable factors of expenses based on the past results and information provided by the former owners of the assets to be acquired and others. ・ Management fee is assumed to be JPY519 million. ・ We estimate the amount required to repair the building and assume JPY577 million. However, actual expenses could differ significantly from the expected amount for reasons such as the occurrence of unpredictable repair expenses. ・ Taxes and dues are assumed to be JPY788 million. While property taxes and city planning taxes are settled at the time of acquisition by calculating the amount by dividing proportionally according to the period with the current owners in the general sale and purchase of real estate, property taxes and city planning taxes for the acquisition year paid by the Investment Corporation are not posted in expenses since they are included in the acquisition price. Taxes and dues of the assets to be acquired described in the "Investment Assets" above are expected to begin in the fiscal period ending September 2025, and taxes and dues are expected to be JPY9 million. ・ Depreciation is calculated using the straight-line method, including incidental expenses and additional capital expenditures in the future, and is assumed to be JPY2,700 million.
Non-operating expenses	・ Non-operating expenses are assumed to be JPY908 million. The breakdown is as follows. (1) Interest expense and interest on investment corporation bonds JPY714 million (2) Loan-related expenses JPY177 million (3) No investment unit issuance cost is expected to be recorded. (4) Amortization of issuance costs of investment corporation bonds JPY12 million (5) Other expenses JPY3 million

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Interest-bearing debt	・ As of today, there are outstanding borrowings of JPY182,637 million and investment corporation bonds of JPY22,100 million, which are assumed to remain unchanged until the end of the fiscal period ending September 2024. ・ The interest-bearing debt ratio is expected to be 51.3% as of the fiscal period ending September 2024. ・ For the calculation of the ratio of interest-bearing debt in this forecast, the following calculation formula is used. Ratio of interest-bearing debt = (Total amount of interest-bearing debt / Total assets) x 100
Total number of investment units issued	・ The number of units issued and outstanding is assumed to be 2,406,890 units as of today. ・ Thereafter, it is assumed that there will be no change in the total number of investment units issued and outstanding until the end of the fiscal period ending September 2024.
Distribution per unit	・ Distribution per unit is calculated on the premise of the cash distribution policy set out in the Articles of Incorporation. ・ It is assumed that a total of JPY5,776 million will be distributed (distribution of JPY2,400 per unit) by adding JPY79 million (JPY32 per unit) of planned reversal of reserve for temporary difference adjustment to the amount obtained and by deducting JPY635 million (JPY264 per unit) from net income of JPY6,332 million (JPY2,631 per unit) as retained earnings with respect to a portion of gain on sale of real estate, etc. ・ Distribution per unit could fluctuate due to various factors including fluctuations in rent income associated with changes in assets under management and changes in tenants and the occurrence of unpredictable repairs. ・ Net income per unit and distribution per unit for each fiscal period are calculated using the expected total number of investment units issued at the end of each period based on the total number of investment units issued above.
Distribution in excess of earnings per unit	・ There is no plan to make distributions in excess of earnings at present.
Other	・ It is assumed that no revisions impacting the forecast figures above will be made to laws, regulations, tax systems, accounting standards, listing regulations or rules of the Investment Trusts Association, Japan, etc. ・ It is assumed that no unforeseen significant change will take place in general economic trends or the real estate market conditions, etc.

(Note) For details of the acquisition and disposition assets, please refer to the "Notice Concerning Acquisition of Domestic Trust Beneficiary Interests (Rental Housing 3 Properties) and Disposition of Domestic Real Estate (Rental Housing 4 Properties)" announced today by the Investment Corporation.