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

September 30, 2024

To All Concerned Parties

REIT Issuer: Daiwa Securities Living Investment Corporation
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Tetsuo Akuzawa, Executive Director
(Securities Code: 8986)
Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.
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Notice Concerning Disposition of Domestic Real Estate (willDo Higashibetsuin)

Daiwa Securities Living Investment Corporation. (hereinafter referred to as the "Investment Corporation") hereby announces that Daiwa Real Estate Asset Management Co. Ltd. (hereinafter referred to as the "Asset Manager"), the asset manager of the Investment Corporation, has resolved to dispose the following asset (hereinafter referred to as the "Transaction"). Details are provided below.

I. General Outline of the Transaction

A general outline of the asset to be disposed is detailed in the table below. On September 30, 2024, the Investment Corporation has concluded a sale agreement with the transferee for the disposition of asset to be disposed of, and the disposition is scheduled to take place on October 31, 2024.

Name of property (Location)	Book value (as of the end of March 2024) (A) (JPY thousand)	Appraisal value (as of the end of March 2024) (B) (JPY thousand)	Difference between book value and appraisal value (B) - (A) (JPY thousand)	Anticipated disposition Price (JPY thousand) (Note1)	Profit or Loss on Transfer (JPY thousand) (Note2)	Transferee
willDo Higashibetsuin (Nagoya, Aichi)	529,008	744,000	214,991	744,000	185,951	realize.co, ltd

(Note 1) The anticipated disposition price excludes disposition-related costs, fixed asset tax and city planning tax adjustments and national and local consumption taxes; the same shall apply hereinafter.
(Note 2) The profit or loss on transfer is a reference figure calculated as the difference between the anticipated disposition price, book value(as of the end of March 2024) and disposition-related expenses at the time, and may differ from the actual profit or loss on transfer.
(Note 3) The intermediary of the Disposition does not correspond to the interested party.

II. Reason of the Transaction

Based on the asset management objectives and policies set forth in the Investment Corporations Agreement, the Transaction was decided in order to ensure steady growth of assets under management and stable earnings over the medium to long term.

Regarding the Disposition, we decided on the properties subject to disposition after comprehensively considering the prospects for future profitability, the size and location of the properties, and current trends in the real estate sales market, among other factors. The transferee has offered a total price for the assets to be disposed which exceeds the most recent book value and real estate appraisal value, so we decided to dispose the properties.

III. Details of the Transaction

Unless otherwise noted, information on the date of appraisal regarding the appraisal value, lease and guarantee deposits and total leased area is as of March 31, 2024, and information on total rental revenue indicates that for the fiscal period ended March 31, 2024.

Name of Property (Property No.)		willDo Higashibetsuin (O-5-066)				
Type of Asset		Real estate				
Type of Ownership		Proprietary ownership				
Location		17-17, Fujimicho, Naka-ku, Nagoya, Aichi				
Use		Condominium				
Constructed		June 20, 2007				
Appraisal Value		744,000 thousand yen				
Appraiser		Japan Real Estate Institute				
Details of Lease						
	Number of Tenants	1				
	Total Rental Revenue	23,744 thousand yen				
	Lease Deposits and Guarantee Deposits	1,557 thousand yen				
	Total Leasable Area	1,640.76 m^2				
	Total Leased Area	1,615.90 m^2				
Changes in Occupancy Rate		Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
		89.4%	95.5%	98.5%	98.5%	98.5%

IV. Profile of the Counterparty

(1)	Company name	realize.co,ltd
(2)	Location	3-2-2, Umeda, Kita-ku, Osaka, Osaka
(3)	Title and name of representative	Representative Director Yasuyuki Asakura
(4)	Description of business	Real Estate Business
(5)	Amount of capital	JPY 100 million
(6)	Sales amount	Not disclosed because the transferee's consent has not been obtained.
(7)	Date of incorporation	January 18, 2007
(8)	Net assets	Not disclosed because the transferee's consent has not been obtained.
(9)	Total assets	Not disclosed because the transferee's consent has not been obtained.
(10)	Major shareholders	Not disclosed because the transferee's consent has not been obtained.
(11)	Relationship between the seller and the Investment Corporation/Asset Manager	
	Capital relationship	There is no capital relationship required to be disclosed between the Investment Corporation/Asset Manager and the transferee. In addition, there is no capital relationship required to be disclosed between the affiliated parties and the affiliated companies of the Investment Corporation/Asset Manager and the affiliated parties and the affiliated companies of the transferee.
	Personnel relationship	There is no personnel relationship required to be disclosed between the Investment Corporation/Asset Manager and the transferee. In addition, there is no personnel relationship required to be disclosed between the affiliated parties and the affiliated companies of the Investment Corporation/Asset Manager and the affiliated parties and the affiliated companies of the transferee.
	Business relationship	There is no business relationship required to be disclosed between the Investment Corporation/Asset Manager and the transferee. In addition, there is no business relationship required to be disclosed between the affiliated parties and the affiliated companies of the Investment Corporation/Asset Manager and the affiliated parties and the affiliated companies of the transferee.
	Status of classification as related party	The transferee is not classified as related party with Investment Corporation/Asset Manager.

V. Schedule of the Transaction

- Decision of disposition and Conclusion of disposition agreement: September 30, 2024
- Receipt and delivery: October 31, 2024

VI. Settlement Method

A lump-sum settlement shall be made at the time of the Disposition.

VII. Forecasts

This transaction will have no impact on the operating forecast for the fiscal period ending September, 2024 (37th fiscal period), as the scheduled disposition date is October 31, 2024.

Also, in the fiscal period ending March, 2025 (38th fiscal period), we expect to post a gain on the Disposition of real estate properties of JPY 193 million, but as the operating forecast and distribution forecast for the fiscal period ending March, 2025 (38th fiscal period) are currently under scrutiny, we plan to announce the forecast once the assumptions, including the above events, have been determined.

VIII. Summary of Appraisal Report

Property Name	willDo Higashibetsuin
Appraisal Value	JPY 744,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	March 31, 2024

Item			Details	Overview, etc.
Value indicated by income approach		JPY thousand	744,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	749,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	48,634	-
(a)	Rental revenues including common service fees	JPY thousand	49,142	Appraised based on the unit price level of rent, etc. that can be stably received over the medium to long term.
	Parking fees	JPY thousand	1,879	Appraised based on the unit price level of royalty fees that can be stably received over the medium to long term.
	Other revenues	JPY thousand	20	Electricity revenues from common areas are recorded as other revenues.
(b)	Losses from vacancies	JPY thousand	2,407	Appraised based on the assumption of a stable mid- to long-term occupancy rate level.
	Bad debt losses	JPY thousand	-	Judged not to need to be recorded in consideration of the lessee's situation and other factors.
(2) Total Operating Expenses		JPY thousand	14,564	-
Operation costs		JPY thousand	1,684	Recorded with reference to the actual amounts in past fiscal years and maintenance costs of similar properties, and taking into consideration the individual characteristics of the subject property.
Utilities		JPY thousand	600	Recorded with reference to actual amounts from previous years and taking into account utilities costs of similar properties, individual characteristics of the subject property, etc.
Repairs and maintenance expense		JPY thousand	3,507	The amount was recorded by taking into account the actual amount in past fiscal years, the level of similar properties, and the annual average amount of repair and renewal expenses in the engineering report, etc.
Property management fees		JPY thousand	1,361	The fee is recorded with reference to the fee rate based on the contract conditions, etc., and taking into consideration the fee rate at similar properties, the individual characteristics of the subject property, etc.
Tenant promotion fees, etc.		JPY thousand	2,981	Appraisal based on contract terms, leasing terms of similar properties, etc.
Taxes and public dues		JPY thousand	3,405	(Land) Allocation is based on tax and public dues data, burden adjustment measures, etc. (Buildings, etc.) Recorded based on data related to taxes and public dues. (Depreciable assets) Recorded based on data related to taxes and public dues.
Nonlife insurance		JPY thousand	179	Recorded in consideration of premiums based on insurance policies and premium rates for buildings similar to the subject building.
Other expenses		JPY thousand	847	Internet usage fees, etc. are recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	34,070	-
(4) Lump-sum Investment Return		JPY thousand	15	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure		JPY thousand	4,106	Appraised, taking into account the level of capital expenditure of similar properties, the property age, and the average annual amount of repair and renewal expenses in the engineering report, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	29,979	-
(7) Capitalization Rate		(%)	4.0	Appraised after adding/subtracting the spread resulting from the subject property's location, building conditions, and other conditions, as well as taking into account future uncertainties and transaction yields on similar properties, etc.
Value Indicated by DCF Method		JPY thousand	739,000	-
Discount Rate		(%)	3.8	Appraised by comprehensively taking into account the individual characteristics of the subject property, etc., with reference to the investment cap rate, etc. of similar properties.
Terminal Capitalization Rate		(%)	4.1	Appraised by comprehensively considering future trends of investment yields, riskiness of the subject property as an investment, general forecasts of future economic growth rates, and trends of real estate prices and rents, etc., with reference to the transaction yields of similar properties.
Value indicated by cost approach		JPY thousand	727,000	-
Land Ratio		(%)	43.5	-
Property Ratio		(%)	56.5	-

Other items of note by appraiser	None

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

End

(Additional Material) Overview of the Portfolio accompanying the Transaction

<Number of properties, etc.>

	Properties owned as of today (a)	Assets to be disposed (b)	Other Assets to be acquired (c)	Other Assets to be disposed (d)	(a) - (b) + (c) - (d)
Total number of properties	252 properties	1 property	2 property	4 property	249 properties
Total number of leasable units	18,818 units	66 units	61 units	181 units	18,632 units
Total leasable area	770,559.85 m^2	1,640.76 m^2	1,592.12 m^2	4,527.84m^2	765,983.37 m^2

(Note) This means the assets to be acquired and the assets to be transferred in the "Notice Concerning Acquisition of Domestic Trust Beneficiary Interests (Rental Housing 2 Properties) and Disposition of Domestic Real Estate (Rental Housing 4 Properties)" released on September 18, 2024. (The same applies hereinafter.)

<Asset size, etc.>

	Properties owned as of today (a)	Assets to be disposed (b)	Other Assets to be acquired (c)	Other Assets to be disposed (d)	(a) - (b) + (c) - (d)
Total (anticipated) acquisition price	JPY 400.1 billion	JPY 0.7 billion	JPY 1.8 billion	JPY 1.9 billion	JPY 399.3 billion
Appraisal value	JPY 492.2 billion	JPY 0.7 billion	JPY 2.0 billion	JPY 2.0 billion	JPY 489.5 billion

(Note 1) "Total (anticipated) acquisition price is calculated based on the (anticipated) acquisition price.
(Note 2) The appraisal values of the "Properties owned as of today", "Assets to be disposed" and "Other Assets to be disposed" are as of March 31, 2024. The appraisal value of the "Other Assets to be acquired" is as of September 1, 2024.

<Amount and rate of investment by type (based on (anticipated) acquisition price>

	Properties owned as of today (a)	Assets to be disposed (b)	Other Assets to be acquired (c)	Other Assets to be disposed (d)	(a) - (b) + (c) - (d)
Studio	JPY 208.5 billion (52.1%)	JPY 0.7 billion	JPY 1.8 billion	JPY 1.9 billion	JPY 207.7 billion (52.0%)
Family	JPY 81.5 billion (20 .4%)	-	-	-	JPY 81.5 billion (20.4%)
Healthcare	JPY 110.1 billion (27.5%)	-	-	-	JPY 110.1 billion (27.6%)

End