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.

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To All Concerned Parties

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Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2025 (38th 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 March 2025 (38th Fiscal Period: October 1, 2024 to March 31, 2025) announced in "37th Fiscal Period Financial Report (REIT)" dated November 20, 2024, as follows.

1. Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2025 (38th Fiscal Period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit
Previously announced forecast (A)	JPY13,281 million	JPY6,660 million	JPY5,631 million	JPY5,631 million	JPY2,339	JPY2,400
Revised forecast（B）	JPY14,720 million	JPY7,795 million	JPY6,768 million	JPY6,768 million	JPY2,812	JPY2,600
Difference (B-A)	JPY1,439 million	JPY1,135 million	JPY1,137 million	JPY1,137 million	JPY473	JPY200
Difference	10.8%	17.0%	20.2%	20.2%	20.2%	8.3%

(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 March 2025 includes the expected reversal of reserve for temporary difference adjustments of JPY79 million and it is expected to record retained earnings of JPY589 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 disposition of assets announced today and the transaction completed in October 2024, a gain on sale of JPY2,117 million is expected to be recorded in the fiscal period ending March 2025 (38th Fiscal Period). This change reflects changes in the assumptions of the previous forecast.

There is no revision to the forecast for the operational status and dividends for the fiscal year ending September 2025 (39th Fiscal Period), as the impact on the operational status from the Transaction is minor.

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 March 2025 (38th Fiscal Period: October 1, 2024 to March 31, 2025)>

Item	Assumptions
Accounting period	・ Fiscal Period Ending March 2025 (38th Fiscal Period) (October 1, 2024 - March 31, 2025) (182 days)
Assets under management	・ It is assumed that changes in the following assets under management will occur to the 252 real estate and real estate trust beneficiary interests owned by the Investment Corporation as of September 30, 2024. [Acquired assets] (Acquisition date: November 1, 2024) (1) Gran Casa Higashinakano (2) Gran Case Ayase [Disposed assets] (Disposition date: October 31, 2024) (1) willDo Kanayama (2) willDo Kanayama sawashita (3) willDo Matsubara (4) willDo Daikancho (5) willDo Higashibetsuin [Assets to be disposed] (Planned date of disposition: January 30, 2025) (1) willDo Takasago (Planned date of disposition: January 31, 2025) (2) willDo Kamisugi 3chome (3) West Park Hasekura ・ In light of the above assumptions, the assets under management will be 246 properties at the end of the fiscal period ending March 2025. 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 JPY2,117 million of real estate properties is expected to be recorded for the fiscal period ending March 2025.
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 March 2025. ・ 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 JPY528 million. ・ We estimate the amount required to repair the building and assume JPY554 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 JPY765 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. ・ Depreciation is calculated using the straight-line method, including incidental expenses and additional capital expenditures in the future, and is assumed to be JPY2,697 million.
Non-operating expenses	・ Non-operating expenses are assumed to be JPY1,037 million. The breakdown is as follows. (1) Interest expense and interest on investment corporation bonds JPY838 million (2) Loan-related expenses JPY183 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
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 March 2025.

	・ The interest-bearing debt ratio is expected to be 51.2% as of the fiscal period ending March 2025. ・ 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 March 2025.
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 JPY6,257 million will be distributed (distribution of JPY2,600 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 JPY589 million (JPY245 per unit) from net income of JPY6,768 million (JPY2,812 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 disposition assets, please refer to the "Notice Concerning Disposition of Domestic Real Estate (Rental Housing 3 Properties)" announced today by the Investment Corporation.