

March 1, 2017

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 Asset Management Co., Ltd. (the “Asset Manager”), the asset manager to which Daiwa House REIT Investment Corporation (“DHR”) entrusts the management of its assets, hereby announces that it has decided to acquire assets (hereinafter referred to as the “Assets Scheduled for Acquisition”) and to lease the Assets Scheduled for Acquisition as follows. The decision 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) and the Asset Manager’s voluntary rules concerning conflicts of interest.

1. Acquisition and leasing overview

(1) Assets Scheduled for Acquisition

Property number	Real estate in trust (Property name)	Asset Class	Location	Anticipated date of acquisition	Anticipated acquisition price (million yen) (Note 1)	Seller
LM-001	DPL Misato (Note 2)	Logistics	Misato City, Saitama	April 11, 2017	16,831	Daiwa House Industry Co., Ltd.
LB-035	D Project Kawagoe III	Logistics	Kawagoe City, Saitama		7,200	Daiwa House Industry Co., Ltd.
LB-036	D Project Kazo	Logistics	Kazo City, Saitama		3,300	Daiwa House Industry Co., Ltd.
LB-037	D Project Urayasu III	Logistics	Urayasu City, Chiba		8,500	DH Fund Four Godo Kaisha
LB-038	D Project Tomisato	Logistics	Tomisato City, Chiba		5,000	Daiwa House Industry Co., Ltd.
LB-039	D Project Kyotanabe	Logistics	Kyotanabe City, Kyoto		3,520	Daiwa House Industry Co., Ltd.
LB-040	D Project Sendai Izumi	Logistics	Sendai City, Miyagi		1,510	Daiwa House Industry Co., Ltd.
LB-041	D Project Oyama	Logistics	Oyama City, Tochigi		2,000	Daiwa House Industry Co., Ltd.
LB-042	D Project Sano	Logistics	Sano City, Tochigi		1,780	Daiwa House Industry Co., Ltd.
LB-043	D Project Tatebayashi	Logistics	Tatebayashi City, Gunma		3,100	Daiwa House Industry Co., Ltd.
LB-044	D Project Kakegawa	Logistics	Kakegawa City, Shizuoka		6,000	Daiwa House Industry Co., Ltd.
LB-045	D Project Hiroshima Seifu	Logistics	Hiroshima City, Hiroshima		3,820	Daiwa House Industry Co., Ltd.

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.

Property number	Real estate in trust (Property name)	Asset Class	Location	Anticipated date of acquisition	Anticipated acquisition price (million yen) (Note 1)	Seller
LB-046	D Project Tosu II	Logistics	Tosu City, Saga	April 11, 2017	1,700	Daiwa House Industry Co., Ltd.
RE-143	Castalia Shinsakae II (Note 3)	Residential	Nagoya City, Aichi		1,800	Daiwa House Industry Co., Ltd.
OT-004	Sharp Hiroshima Building	Other Property (Office) (Note 4)	Hiroshima City, Hiroshima		1,850	Daiwa House Industry Co., Ltd.
Total					67,911	—

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

(Note 2) Daiwa House Industry Co., Ltd., the seller, is planning repair work of certain facilities for the property from March 25, 2017 to May 15, 2017. As of the planned acquisition date of April 11, 2017, as such facilities will still be subject to repair work, DHR will pay to Daiwa House Industry Co., Ltd. an amount excluding the value of such facilities for the acquisition of the property. Daiwa House Industry Co., Ltd. will, on the condition that it completes the repair work within the planned period, transfer the repaired facilities to the trustee of the property on May 15, 2017 or another mutually agreed date, and DHR will pay the amount equivalent to the value of such facilities to Daiwa House Industry Co., Ltd. upon such transfer. The anticipated acquisition price for DPL Misato includes the facilities subject to repair work that will be subsequently transferred to DHR.

(Note 3) Although the current property name is “Roygent Shinsakae I”, DHR intends to amend the name to “Castalia Shinsakae II” upon the acquisition by DHR, therefore, we use the amended name. The same applies hereafter.

(Note 4) Sharp Hiroshima Building is categorized as “Other property” under DHR’s investment guidelines. We describe its specific use in parentheses.

- (2) Execution date of the purchase agreements : March 1, 2017
- (3) Planned date of acquisition : April 11, 2017 (Note 1)
- (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 2)
- (6) Method of settlement : Payment of entire amount upon transfer
- (7) Sum total for annual rent (Note 3) : 4,083 million yen
- (8) Sum total for tenant leasehold and security deposits (Note 4) : 1,568 million yen

(Note 1) Daiwa House Industry Co., Ltd., is scheduled to carry out renovation works on the facilities installed within DPL Misato (from March 25, 2017 to May 15, 2017). Thus the delivery date of such facilities is different from above date. Please refer to the “(1) Assets Scheduled for Acquisition”.

(Note 2) Please refer to the press releases “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and “Notice Concerning Debt Financing, and Repayment and Prepayment of Loans” dated today.

(Note 3) “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, 2016 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, 2016 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). However, while Castalia Shinsakae II, which is currently subject to a pass-through type master lease agreement, but is scheduled to be subject to a sublease type master lease agreement by the time DHR acquires the property, the annual rent includes the common area charges and is calculated based on the assumption that the sublease type master lease agreement is retroactively effective from December 31, 2016. 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 4) “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, 2016 (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, 2016 (as to properties in trust for which multiple sublease agreements are entered into, the total amount indicated in such sublease agreements). However, Castalia Shinsakae II, which is currently subject to a pass-through type master lease agreement but is scheduled to be subject to a sublease type master lease agreement by the time DHR acquires the property, the leasehold and security deposits are calculated based on the assumption that the sublease type master lease agreement is retroactively effective from

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.

December 31, 2016. 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 Assets Scheduled for Acquisition 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.

Furthermore, the tenants of the Assets Scheduled for Acquisition 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." submitted on November 25, 2016 for DHR.

3. Details of the Assets Scheduled for Acquisition

The following tables provide an overview of the trust beneficiary interests in real estate that are the Assets Scheduled for Acquisition. 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, 2016.

- "Property number" is numbered to each property owned under each asset class. "L" means logistics properties, "RE" means residential properties, "R" means retail properties and "OT" means other properties. "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 or other property. For other properties, specific use is indicated in brackets.
- "Type" shows the type of respective uses as follows for respective Assets Scheduled for Acquisition 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 (C)	Family (F)
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 (Note)	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

(Note) Enclosed malls are shopping malls that contain all stores in a single building around an air-conditioned mall center, while open malls are open-air shopping malls, including malls covered by a canopy top, that connect stores outside of a building.

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

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 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 Assets Scheduled for Acquisition 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 Assets Scheduled for Acquisition.
- “Trust maturity date” shows the trust maturity date for respective Assets Scheduled for Acquisition 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 Assets Scheduled for Acquisition, 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 Assets Scheduled for Acquisition, 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 Assets Scheduled for Acquisition.
- “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 Assets Scheduled for Acquisition, 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, 2016 for respective property in trust regarding the respective Assets Scheduled for Acquisition. The items “Lessee,” “Contract form,” “Contract period,” “Leased area (ratio to total leasable area),” “Rent revision,” “Contract renewal” and “Early cancellation” are filled with the information about key tenants 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 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, 2016.

<p>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.</p>

- “Leased area” shows the leased area indicated in respective lease agreements or lease reservation agreements as of December 31, 2016 for respective property in trust regarding the respective Assets Scheduled for Acquisition. 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, 2016 for respective property in trust regarding the respective Assets Scheduled for Acquisition. 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 of the respective Assets Scheduled for Acquisition.
- “Number of leasable units” is the number of units of residential property that is leasable as of December 31, 2016.
- “Number of tenants” indicates the number of tenants for each property of the Assets Scheduled for Acquisition based on the lease agreements or lease reservation agreements, etc. as of December 31, 2016. “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, 2016 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, 2016 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).
- “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, 2016 (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, 2016 (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, 2016 for each property in trust (or, the respective sublease agreements as of December 31, 2016, 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 11, 2017 to the expiration of the lease term specified in the respective lease agreements or lease reservation agreements as of December 31, 2016 for each property in trust (or the respective sublease agreements as of December 31, 2016 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, 2016 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 Assets Scheduled for Acquisition, 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:

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.

- (i) significant limitations or restrictions by laws, ordinances, rules and regulations,
 - (ii) significant burdens or limitations pertaining to rights, etc.,
 - (iii) significant cases where there are building, etc. crossing the boundaries of respective Assets Scheduled for Acquisition 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 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 Assets Scheduled for Acquisition stated in the respective evaluation reports for the respective Assets Scheduled for Acquisition prepared by CBRE K.K. on consignment from DHR of their evaluation. The evaluation of the respective Assets Scheduled for Acquisition represents the judgment and opinion of the evaluation company, and does not guarantee the appropriateness and correctness of the statements. “Property characteristics” of residential property shows the fundamental nature, characteristics, etc. based on the description of property appraisal, etc. of the Assets Scheduled for Acquisition.

(1) DPL Misato

Property number	DPL Misato		Asset class	Logistics	
LM-001			Type	Multi-tenant type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	16,831 million yen (Note 1)	
Overview of specified asset					
Type of specified asset	Trust beneficiary interest in real estate (Note 2)				
Trustee	Sumitomo Mitsui Trust Bank, Limited		Trust maturity date	April 30, 2037	
Location	Lot number	1-3-5, Inter-Minami, Misato City, Saitama			
	Residence indication	1-3-5, Inter-Minami, Misato City, Saitama			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	29,528.34 m ²		Gross floor area	49,439.82 m ²
	Area classification	Industrial district		Use	Warehouse, Office
	Building coverage ratio	60% (Note 3)		Structure	Reinforced concrete building
	FAR	200%		Number of floors	5F
Collateral	None		Date of construction	July 8, 2013	
Overview of building condition evaluation					
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Urgent repair costs	0 thousandyen	Evaluation date	February 2017		
Short-term repair costs	0 thousandyen	PML	0.5%		
Long-term repair costs	297,332 thousand yen / 12 years				
Designer, structural designer, contractor, inspection agency					
Designer	Daiwa House Industry Co., Ltd.				
Structural designer	Daiwa House Industry Co., Ltd.				
Contractor	Sato Kogyo Co., Ltd.				
Inspection agency	Saitama Housing Inspection Center				
Structural calculation evaluation agency	-				
Overview of leasing					
Leasable area	55,864.93 m ²	Number of tenants	1		
Leased area	55,864.93 m ²	Annual rent	Not disclosed (Note 4)		
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 4)		
Average lease term	8.7 years	Average remaining lease term	6.3 years		

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.

Master lease company	Daiwa House Property Management Co., Ltd.
Master lease type	Pass-through type
Property management company	Daiwa House Property Management Co., Ltd.
Lessee (1F)	Kokubu Group Corp.
Contract form	Fixed-term building lease agreement
Contract period	From October 15, 2013 to November 14, 2033
Rent revision	Rent shall be revised every five years from the starting date of the lease period.
Leasing area of tenant (portion of leasable area)	12,340.99m ² (22.1%)
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 six months prior to the date of cancellation and obtains the lessor's consent. If the lessee cancels the lease agreement based on above, the lessor shall return all the security deposit to the lessee and shall pay a prescribed amount of penalty fees to the lessor. If the lessee cancels the lease agreement based on above, the lessor may demand payment of a prescribed amount of penalty fees; however, if the lessee introduces an alternative lessee to the lessor and the lease agreement is continued with such alternative lessee, the lessor shall return all the security deposit to the lessee and shall not demand any payment of a prescribed amount of penalty fees.
Lessee (2F)	Arata Corporation
Contract form	Fixed-term building lease agreement
Contract period	From January 1, 2014 to December 31, 2020
Leasing area of tenant (portion of leasable area)	10,872.72m ² (19.5%)
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. 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 obtains the lessor's consent. If the lessee cancels the lease agreement based on above, the lessor shall return all the security deposit to the lessee and shall pay a prescribed amount of penalty fees to the lessor. If the lessee cancels the lease agreement based on above, the lessor may demand payment of a prescribed amount of penalty fees; however, if the lessee introduces an alternative lessee to the lessor and the lease agreement is continued with such alternative lessee, the lessor shall return all the security deposit to the lessee and shall not demand any payment of a prescribed amount of penalty fees.
Lessee (3F)	Katosangyo Co.Ltd.
Contract form	Fixed-term building lease agreement
Contract period	Not disclosed (Note 4)
Leasing area of tenant (portion of leasable area)	10,872.72m ² (19.5%)
Rent revision	
Contract renewal	Not disclosed (Note 4)
Early cancellation	
Lessee (4F, 5F)	Nitori Co., Ltd.
Contract form	Fixed-term building lease agreement
Contract period	From November 1, 2016 to October 31, 2018
Leasing area of tenant (portion of leasable area)	21,745.45m ² (38.9%)
Rent revision	No rent revision
Contract renewal	No renewal; the contract will end upon expiration of the lease period.

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.

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 obtains the lessor's consent. If the lessee cancels the lease agreement based on above, the lessor shall return all the security deposit to the lessee and shall pay a prescribed amount of penalty fees to the lessor. If the lessee cancels the lease agreement based on above, the lessor may demand payment of a prescribed amount of penalty fees; however, if the lessee introduces an alternative lessee to the lessor and the lease agreement is continued with such alternative lessee, the lessor shall return all the security deposit to the lessee and shall not demand any payment of a prescribed amount of penalty fees.
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 11, 2017 Contract period: from April 11, 2017 to November 17, 2033 Annual rental fees: 1,600,800 yen (consumption tax excluded)
Special items	
None	
Property characteristics	
<p>■ Location</p> <p>Misato City is located approximately 20km from central Tokyo. It is adjacent to Misato Interchange, an intersection of Metropolitan Expressway, Joban Expressway and Tokyo Gaikan Expressway, which makes it a strategic location for logistics purposes in terms of access within inland the greater Tokyo area. Also, by utilizing Metropolitan Expressway and National Route 4, this location is able to cover wide areas of the greater Tokyo area, such as both central Tokyo and Saitama. The property is located in an industrial area, which allows 24-hours operation. As there is a large population cluster in the surrounding area, there are advantages from employment perspective as well.</p> <p>■ Specification</p> <p>The property is a five-story multi-tenant type logistics facility with a gross floor area of approximately 14,955 tsubo. It is equipped with solar panels on the roof. There are car berths on both sides of the first floor and a two-lane ramp ways that allows trucks direct access on each floor, which enhances operational efficiency for logistics uses. As basic specifications, the property has the ceiling height of 5.5m on the first to fourth floors or 5.75m on the fifth floor, floor weight capacities of 1.5 t/sqm, pillar interval spacing of 11.5m by 11.5m, which offers versatility for tenants of various business needs.</p>	

(Note 1) Daiwa House Industry Co., Ltd., the seller, is planning repair work of certain facilities for the property from March 25, 2017 to May 15, 2017. As of the planned acquisition date of April 11, 2017, as such facilities will still be subject to repair work, DHR will pay to Daiwa House Industry Co., Ltd. an amount excluding the value for such facilities for the acquisition of the property. Daiwa House Industry Co., Ltd. will, on the condition that it completes the repair work within the planned period, transfer the repaired facilities to the trustee of the property on May 15, 2017 or another mutually agreed date, and DHR will pay the amount equivalent to the value for such facilities to Daiwa House Industry Co., Ltd. upon such transfer. The anticipated acquisition price, appraisal value and other information for DPL Misato include the facilities subject to repair work that will be subsequently transferred to DHR.

(Note 2) DHR has agreed that, in the purchase agreement executed with the seller, the seller will transfer the property to the above trustee on the date of acquisition of this property and the trustee will transfer the trust beneficiary right to DHR as of the same date.

(Note 3) Although the building coverage ratio applied to this property is 60%, the ratio is set at 70% as a result of the application of corner lot mitigation.

(Note 4) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

(2) D Project Kawagoe III

Property number	D Project Kawagoe III	Asset class	Logistics
LB-035		Type	BTS (Build-to-suit) type
Anticipated date of acquisition	April 11, 2017	Anticipated acquisition price	7,200 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, 2037
Location	Lot number	2-8-55, Yoshinodai, Kawagoe City, Saitama	
	Residence indication	2-8-55, Yoshinodai, Kawagoe City, Saitama	

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.

Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	23,842.44 m ²		Gross floor area	39,704.28 m 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	July 1, 2014	
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2017
Short-term repair costs		0 thousand yen	PML		2.2%
Long-term repair costs		99,129 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		39,572.32 m ²	Number of tenants		1
Leased area		39,572.32 m ²	Annual rent		Not disclosed (Note 3)
Occupancy rate		100.0%	Tenant leasehold and security deposit		Not disclosed (Note 3)
Lease term		10.0 years	Remaining lease term		7.2 years
Master lease company		-			
Master lease type		-			
Property management company		Daiwa House Property Management Co., Ltd.			
Lessee		Hitachi Transport System Kanto Co., Ltd.			
Contract form		Fixed-term building lease agreement			
Contract period		From July 1, 2014 to June 30, 2024			
Rent revision		Rent shall be revised every five years from April 1, 2019.			
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 six months prior to the date of cancellation and obtains the lessor's consent. If the lessee cancels the lease agreement based on above, the lessor shall return all the security deposit to the lessee and shall pay a prescribed amount of penalty fees to the lessor. If the lessee cancels the lease agreement based on above, the lessor may demand payment of a prescribed amount of penalty fees; however, if the lessee introduces an alternative lessee to the lessor and the lease agreement is continued with such alternative lessee, the lessor shall return all the security deposit to the lessee and shall not demand any payment of a prescribed amount of penalty fees.			
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 11, 2017 Contract period: from April 11, 2017 to March 23, 2034 Annual rental fees: 2,166,000 yen (consumption tax excluded)			

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.

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
<p>■ Location Kawagoe City is located approximately 30km from central Tokyo and this property has excellent accessibility to National Route 16 as well as Kawagoe Interchange of Kanetsu Expressway and Kawajima Interchange 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 by either cars or by the bus stop within walking distance from the property.</p> <p>■ Specification The property is a four-story facility (three-story for the warehouse) with gross floor area of approximately 12,010 tsubo leased to a logistics company. It is equipped with solar panels on the roof. There is a set of car berths on both sides of the 1st floor, which enhances operational efficiency. As basic specifications, the property has the ceiling height of 6.5m on each floor, floor weight capacities of 1.5t/spm on each floor, pillar interval spacing of 11.3m by 9.5m, four cargo elevators, seven vertical carrier machines, which offers versatility for tenants with various business needs.</p>

(Note 1) As of the date of this document, 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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Although the building coverage ratio applied to this property is 60%, the ratio is set at 70% as a result of the application of corner lot mitigation.

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

(3) D Project Kazo

Property number	D Project Kazo		Asset class	Logistics	
LB-036			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017	Anticipated acquisition price	3,300 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, 2037	
Location	Lot number	2-16-1, Okuwa, Kazo City, Saitama			
	Residence indication	2-16-1, Okuwa, Kazo City, Saitama			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	12,621.67 m ²		Gross floor area	18,304.60 m ²
	Area classification	Exclusive industrial district		Use	Warehouse
	Building coverage ratio	50% (Note 2)		Structure	Reinforced concrete and steel-frame building
	FAR	200%		Number of floors	4F
Collateral		None		Date of construction	July 14, 2014
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date	February 2017	
Short-term repair costs		0 thousand yen	PML	1.2%	
Long-term repair costs		44,541 thousand yen / 12 years			
Designer, structural designer, contractor, inspection agency					
Designer		Daiwa House Industry Co., Ltd.			

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.

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	18,371.10 m ²	Number of tenants	1
Leased area	18,371.10 m ²	Annual rent	Not disclosed (Note 3)
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 3)
Lease term	10.6 years	Remaining lease term	7.9 years
Master lease company	-		
Master lease type	-		
Property management company	Daiwa House Property Management Co., Ltd.		
Lessee	Itochu Logistics Corp.		
Contract form	Fixed-term building lease agreement		
Contract period	From July 31, 2014 to February 28, 2025		
Rent revision	Rent shall be revised every five years from March 1, 2015.		
Contract renewal	No renewal; the contract will end upon expiration of the lease period.		
Early cancellation	<p>If the lessee cancels the lease agreement before the expiry thereof, it shall notify the lessor in writing by at least six months prior to the date of cancellation and shall make a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the cancellation date; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee.</p> <p>The lessor shall not be allowed to cancel the lease agreement before the expiry thereof for whatever reason.</p>		
Special items			
None			
Property characteristics			
<p>■ Location Kazo City is located 50km from central Tokyo on the north east area of Saitama prefecture. Tenants can access to central Saitama and central Tokyo using National Route 4 or National Route 122, as well as able to broadly cover Tohoku area and surrounding areas by using Kazo Interchange of Tohoku Expressway (approximately 0.6km from the property). The property is located in the Kazo Logistics Park where a number of logistics centers are located, and can operate 24 hours a day. Since there are many residential areas within driving distance, tenants will be able to secure employees, especially part-time employees, relatively easily.</p> <p>■ Specification It is a four-story property (the second floor is for office use only) with a gross floor area of approximately 5,537 tsubo and leased to a logistics company. As basic specifications, the property has ceiling height of 6.5m on each floor, floor weight capacities of 1.5 t/sqm on each floor, pillar interval spacing of 10.6m by 11.0m, one cargo elevator and three vertical carrier machines, which offers versatility to tenants with various business needs. The property also offers relatively large parking spaces with 49 parking lots.</p>			

(Note 1) As of the date of this document, 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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Although the building coverage ratio applied to this property is 50%, the ratio is set at 60% as a result of the application of corner lot mitigation.

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

(4) D Project Urayasu III

Property number	D Project Urayasu III	Asset class	Logistics
-----------------	-----------------------	-------------	-----------

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.

LB-037		Type		BTS (Build-to-suit) type	
Anticipated date of acquisition		April 11, 2017		Anticipated acquisition price	
				8,500 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, 2037	
Location	Lot number		12-25, Chidori, Urayasu City, Chiba		
	Residence indication		12-1, Chidori, Urayasu City, Chiba		
Land	Type of ownership		Ownership		Type of ownership
	Land area		21,617.99 m ²		Gross floor area
	Area classification		Quasi-industrial district		Use
	Building coverage ratio		60%		Structure
	FAR		200%		Number of floors
Collateral		None		Date of construction	November 1, 2005
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen		Evaluation date	
				February 2017	
Short-term repair costs		0 thousand yen		PML	
				3.7%	
Long-term repair costs		236,787 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		Urban Housing Evaluation Center			
Structural calculation evaluation agency		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Overview of leasing					
Leasable area		39,441.32 m ²		Number of tenants	
				1	
Leased area		39,441.32 m ²		Annual rent	
				Not disclosed (Note)	
Occupancy rate		100.0%		Tenant leasehold and security deposit	
				Not disclosed (Note)	
Lease term		19.8 years		Remaining lease term	
				8.4 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 November 1, 2005 to August 31, 2025			
Rent revision		Rent shall be revised every six years from May 31, 2010. Next rent revision is May 31, 2022.			
Contract renewal		No agreement on renewal.			
Early cancellation		If the lessee asks the lessor the cancellation of the lease agreement before the expiry thereof in writing by at least six months prior to the date of cancellation, it may cancel the lease agreement by making a lump-sum payment 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.			

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.

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	
<p>■ Location</p> <p>The location of the property is well-suited as a major distribution base adjacent to a large-scale consumer area, with the closest interchanges being Maihama and Urayasu Interchanges and located approximately 2 to 3km from National Route 357 along the Metropolitan Expressway Wangan Route. It is located approximately 20km from the Tokyo port (Oi pier) and is well-suited for importing logistics as well as large-scale distribution base for the entire greater Tokyo area. The surrounding area is a neighborhood of major logistics centers within the prefecture with low-potential claims from residents, and can operate 24 hours a day over the long-term. Although it is not within a walking distance from the nearest station, the property is located in an environment that makes it relatively easy to secure employees commuting by car or bus.</p> <p>■ Specification</p> <p>It is a five-story property with a gross floor area of approximately 11,828 tsubo, and leased to a logistics company. The property ensures operational efficiency with truck berths installed on both sides of the first floor, and 10 cargo elevators and four vertical conveyors in the facility. Its basic specifications command high versatility, with a ceiling height of 5.0m at the first floor, 6.0m at the second floor and 5.5m at the third to fifth floors, floor load capacity of 1.5t/sqm and distance between pillars of 10.5m by 9.3m. There are 119 car parking spaces sufficient for the size of the property, while two gateways in use support smooth truck operation.</p>	

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

(5) D Project Tomisato

Property number	D Project Tomisato		Asset class	Logistics	
LB-038			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	5,000 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, 2037
Location	Lot number	7-2, Misawa, Tomisato City, Chiba			
	Residence indication	7-2, Misawa, Tomisato City, Chiba			
Land	Type of ownership	Ownership	Building (Note 3)	Type of ownership	Ownership
	Land area	18,791.02 m ²		Gross floor area	36,335.21 m 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	6F
Collateral		None		Date of construction	April 23, 2015
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2017
Short-term repair costs		0 thousand yen	PML		2.9%
Long-term repair costs		57,681 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.			

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.

Inspection agency	Japan ERI Co.,Ltd.		
Structural calculation evaluation agency	-		
Overview of leasing			
Leasable area	36,113.25 m ²	Number of tenants	1
Leased area	36,113.25 m ²	Annual rent	Not disclosed (Note 4)
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 4)
Lease term	10.8 years	Remaining lease term	8.8 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 April 30, 2015 to January 31, 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. However, if the lessee cancels the lease agreement before the expiry thereof, it shall notify the lessor in writing by at least twelve months prior to the date of cancellation and shall make a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the cancellation date; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee.		
Special items			
With respect to the part of the boundaries of the land of the property which has not yet been established as of the date of this document, DHR has agreed with the seller that the seller will promptly establish such boundaries at its responsibility and expense.			
Property characteristics			
<p>■ Location</p> <p>Tomisato City is located approximately 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 Interchange of Higashi Kanto Expressway (5km from the property) and can utilize this property as a transit center for air cargo to and from the nearby Narita Airport. The property is located in the Tomisato Daini Logistics Park and can operate 24 hours a day, therefore the chances of receiving claims from nearby residents appears to be low. There is a bus stop within a walking distance and a population concentration nearby for securing employees.</p> <p>■ Specification</p> <p>It is a six-story property (2nd floor is for office use only) with gross floor area of approximately 10,991 tsubo, and leased to an apparel specific logistics company. As basic specifications for warehouse, it has ceiling height of 5.5m (1st floor), 3.3m (3rd to 5th floors) and 4.5m (6th floor), floor weight capacities of 1.5t/sqm (1st floor), 0.7t/sqm (3rd floor), 0.5t/sqm (4th to 6th floors), pillar interval spacing of 11.0m by 9.7m, three cargo elevators, which offers certain versatility. There are 180 car parking spaces sufficient for the size of the property.</p>			

(Note 1) As of the date of this document, the land and the building of this property are owned by the seller and Fuyo General Lease Co., Ltd. respectively, and a fixed-term leasehold for business has been established for the land with Fuyo General Lease Co., Ltd. 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, Fuyo General Lease Co., Ltd. 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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Although the building coverage ratio applied to this property is 60%, the ratio is set at 70% as a result of the application of corner lot mitigation.

(Note 3) Excluding area owned by the tenant and not registered.

(Note 4) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

(6) D Project Kyotanabe

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.

Property number	D Project Kyotanabe		Asset class	Logistics	
LB-039			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	3,520 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, 2037	
Location	Lot number	3-50-1, Kannabidai, Kyotanabe City, Kyoto			
	Residence indication	3-50-1, Kannabidai, Kyotanabe City, Kyoto			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	28,393.00 m ²		Gross floor area	10,965.68 m ²
	Area classification	Industrial district		Use	Warehouse
	Building coverage ratio	60%		Structure	Steel-frame building
	FAR	200%		Number of floors	2F
Collateral	None		Date of construction	September 28, 2012	
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date	February 2017	
Short-term repair costs		0 thousand yen	PML	5.7%	
Long-term repair costs		47,381 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		10,965.68 m ²	Number of tenants	1	
Leased area		10,965.68 m ²	Annual rent	Not disclosed (Note 2)	
Occupancy rate		100.0%	Tenant leasehold and security deposit	Not disclosed (Note 2)	
Lease term		20.1 years	Remaining lease term	15.6 years	
Master lease company		-			
Master lease type		-			
Property management company			Daiwa House Property Management Co., Ltd.		
Lessee		Hutech norin Co.,Ltd.			
Contract form		Building lease agreement			
Contract period		From September 28, 2012 to October 31, 2032			
Rent revision		Rent shall be revised every five years from the starting date of the lease period.			
Contract renewal		No agreement on renewal.			

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.

Early cancellation	The lease agreement may not be cancelled before the expiry thereof. However, the lessee may cancel the lease agreement before the expiry thereof if it notifies the lessor in writing in writing by at least six months prior to the date of cancellation and making a lump-sum payment of a prescribed amount of penalty fees to the lessor by the end of the month containing the date of cancellation, it may cancel the lease agreement by making a lump-sum payment of penalty fees; however, no penalty fees shall be charged if the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee.
Special items	
DHR has agreed with the seller that the seller will promptly establish all boundaries of the land of the property at its responsibility and expense.	
Property characteristics	
<p>■ Location Kyotanabe City is located 30km from central Osaka City and 20km from central Kyoto City and functions as a hub connecting the southwestern area of Kyoto Prefecture and the three major cities of Kyoto, Osaka and Nara, enabling delivery to surrounding areas as well as longer-distance transportation by accessing the Daini Keihan Street or the Keinawa Expressway's Tanabe Nishi Interchange. Since the location has a high concentration of business facilities, the property can operate 24 hours a day. Also, there is a large residential area located nearby, which will provide tenants with access to employees commuting by cars.</p> <p>■ Specification It is a two-story property consisting of a freezing and refrigeration facility with gross floor area of approximately 3,317 tsubo, and leased to a logistics company. As basic specifications, it has ceiling height of 5.5m (1st floor) and 5.7m (2nd floor), floor weight capacity of 1.5t/sqm and pillar interval spacing of 10.0m by 10.0m, which offers versatility as well as equipped with one cargo elevator and two vertical carrier machines for excellent distribution and storage capacity.</p>	

(Note 1) As of the date of this document, 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. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

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

(7) D Project Sendai Izumi

Property number	D Project Sendai Izumi		Asset class	Logistics	
LB-040			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	1,510 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, 2037	
Location	Lot number	2-9-1, Akedori, Izumi-Ward, Sendai City, Miyagi			
	Residence indication	2-9-1, Akedori, Izumi-Ward, Sendai City, Miyagi			
Land	Type of ownership	Ownership		Type of ownership	Ownership
	Land area	18,556.80 m ²		Gross floor area	12,061.70 m ²
	Area classification	Quasi-industrial district		Use	Warehouse
	Building coverage ratio	60%		Structure	Steel-frame building
	FAR	200%		Number of floors	3F
Collateral	None		Date of construction	April 1, 2014	
Overview of building condition evaluation					
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.				

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.

Urgent repair costs	0 thousand yen	Evaluation date	February 2017
Short-term repair costs	0 thousand yen	PML	4.4%
Long-term repair costs	29,414 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	10,764.05 m ²	Number of tenants	1
Leased area	10,764.05 m 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	Mitsubishi Shokuhin Co., Ltd.		
Contract form	Fixed-term building lease agreement		
Contract period	Not disclosed (Note 2)		
Rent revision	Rent shall be revised every five years from the starting date of the lease period.		
Contract renewal	No renewal; the contract will end upon expiration of the lease period.		
Early cancellation	The lease agreement shall not be cancelled before the expiry thereof in principle. However, if the lessee wants to cancel the lease agreement before the expiry thereof, it shall notify the lessor in writing by at least twelve months prior to the date of cancellation and shall make a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the cancellation date; however, this does not apply to cases when the lessee introduces an alternative lessee to the lessor and the lease agreement is renewed to such alternative lessee.		
Special items			
None			
Property characteristics			
<p>■ 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 through the Tohoku Expressway's Izumi Interchange (approximately 4km 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 allows employees an easy commute.</p> <p>■ Specification It is a three-story logistics facility with gross floor area of approximately 3,648 tsubo, and leased to a food products wholesaler. There is one cargo elevator and one vertical carrier machine for operational convenience. As basic specifications, it has a floor weight capacity of 1.5t/sqm and approximately 0.4t/sqm (for partial working areas on 2nd and 3rd floors), ceiling height of 7.0m (1st floor), 7.0m and 4.0m (2nd floor), 4.0m (3rd floor) and pillar interval spacing of 11.0m by 8.8m for versatility, which offers versatility for tenants of various business needs. The property is well-suited for operating trucks on the premises, with a parking lot with 84 parking spaces.</p>			

(Note 1) As of the date of this document, 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

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.

beneficiary interests to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.
 (Note 2) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

(8) D Project Oyama

Property number		D Project Oyama	Asset class		Logistics
LB-041			Type		BTS (Build-to-suit) type
Anticipated date of acquisition		April 11, 2017	Anticipated acquisition price		2,000 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, 2037
Location	Lot number	2333-34, Aza-Atago, Oaza-yana, Oyama City, Tochigi			
	Residence indication	2333-34, Aza-Atago, Oaza-yana, Oyama City, Tochigi			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	24,042.00 m ²		Gross floor area	13,091.18 m 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	March 1, 2010 March 1, 2014 (Extension)	
Overview of building condition evaluation					
Evaluation company		Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs		0 thousand yen	Evaluation date		February 2017
Short-term repair costs		0 thousand yen	PML		1.6%
Long-term repair costs		31,146 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		14,106.91 m ²	Number of tenants		1
Leased area		14,106.91 m 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 starting date of the lease period.			

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 lease agreement shall not be cancelled before the expiry thereof in principle for fifteen years since the commencement date of leasing. However, the lessee may cancel the lease agreement before the expiry thereof by notifying the lessor in writing by at least six months prior to the date of cancellation and making a lump-sum payment of a prescribed amount of penalty fees. The lessee shall have no duty to pay any penalty fees after a lapse of fifteen years since the commencement date of leasing. These do not apply to cases when the lessee introduces an alternative lessee to the lessor and the lease agreement is renewed to such alternative lessee.
Special items	
None	
Property characteristics	
<p>■ Location The property is located in the southern area of Tochigi prefecture, approximately 80km from central Tokyo and tenants can cover Maebashi, the central city in Kita Kanto area, as well as central Saitama through the Kita-Kanto Expressway and National Routes 4 and 50. Also, through the Tohoku Expressway, tenants can cover an extensive area, including areas around Tokyo and the Tohoku area. It is located in an area with a number of large-scale industrial facilities in the Oyama Tobu Kogyo Industrial Complex, permitting 24-hour operation without potential claim from nearby residents and well-suited for logistics use. There are residential areas in nearby areas, which enables to facilitate the hiring of employees commuting by car, including part-time workers.</p> <p>■ Specification It is a two-story logistics facility with gross floor area of approximately 3,960 tsubo and leased to a food production wholesaler. A set of car berths is located (partly one-side) for delivery convenience. As basic specifications, it has ceiling height of either 6.2m or 8.0m and 6.0m or 7.0m for the building extension, floor weight capacity of 1.5t/sqm, pillar interval spacing of 12.5m by 19.75m and 10.7m by 9.5m for the building extension, which enhances versatility for various business needs. There are sufficient parking spaces in the premises with 74 parking spaces for cars, 6 parking spaces for 4-ton trucks and 10 parking spaces for 10-ton trucks, as well as 2 entrances and exits for smooth operation.</p>	

(Note 1) As of the date of this document, 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. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Although the building coverage ratio applied to this property is 60%, the ratio is set at 70% as a result of the application of corner lot mitigation.

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

(9) D Project Sano

Property number	D Project Sano	Asset class	Logistics		
LB-042		Type	BTS (Build-to-suit) type		
Anticipated date of acquisition	April 11, 2017	Anticipated acquisition price	1,780 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, 2037		
Location	Lot number	570-9, Nishiuracho, Sano City, Tochigi			
	Residence indication	570-9, Nishiuracho, Sano City, Tochigi			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	22,917.19 m ²		Gross floor area	15,648.98 m ²
	Area classification	Exclusive industrial district		Use	Warehouse, Office
	Building coverage ratio	60%		Structure	Steel-frame building
	FAR	200%		Number of floors	2F

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.

Collateral	None		Date of construction	May 12, 2014
Overview of building condition evaluation				
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs	0 thousand yen	Evaluation date	February 2017	
Short-term repair costs	0 thousand yen	PML	1.5%	
Long-term repair costs	38,714 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	15,668.44 m ²	Number of tenants	1	
Leased area	15,668.44 m ²	Annual rent	Not disclosed (Note 2)	
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 2)	
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	Toryusha Co., Ltd.			
Contract form	Fixed-term building lease agreement			
Contract period	From June 30, 2014 to June 30, 2029			
Rent revision	No rent revision			
Contract renewal	No renewal; the contract will end upon expiration of the lease period.			
Early cancellation	The lease agreement shall not be cancelled before the expiry thereof in principle. However, if the lessee wants to cancel the lease agreement before the expiry thereof, it shall notify the lessor in writing by at least twelve months prior to the date of cancellation and shall make a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the cancellation date; however, this does not apply to cases when the lessee introduces an alternative lessee to the lessor and the lease agreement is renewed to such alternative lessee.			
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 11, 2017 Contract period: from April 11, 2017 to June 29, 2034 Annual rental fees: 2,262,000 yen (consumption tax excluded)			
Special items				
DHR has agreed with the seller that the seller will promptly establish all boundaries of the land of the property at its responsibility and expense.				
Property characteristics				

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.

■ Location

The property is located in the southwestern area of Tochigi prefecture, approximately 80km from central Tokyo. Tenants can cover central city of Kita Kanto area, Maebashi and the surrounding areas by using the National Route 50. Also, the property enables extensive coverage of areas around Tokyo and the Tohoku area from the Tohoku Expressway's Sano Fujioka Interchange, which is only 3km away. The property is located in an area concentrated with factories and large-scale logistics facilities, enabling 24-hour operation without potential claim from residents. There are residential areas in nearby areas, which enables to facilitate the hiring of employees commuting by car, including part-time workers.

■ Specification

It is a two-story facility with gross floor area of approximately 4,733 tsubo, and leased to a logistics company. The solar panels are installed on the roof. The car berths are low-floored allowing trucks to drive directly inside the facility. As basic specifications, it has ceiling height of 6.5m (1st floor) and 5.5m (2nd floor), floor weight capacity of 1.5t/sqm, pillar interval spacing of 10.5m by 9.8m, two cargo elevators and two vertical carrier machines, which offer versatility to various business needs. There are 100 car parking spaces sufficiently provided in the premises.

(Note 1) As of the date of this document, the land and the building of this property are owned by the seller and Fuyo General Lease Co., Ltd. respectively, and a fixed-term leasehold for business has been established for the land with Fuyo General Lease Co., Ltd. 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, Fuyo General Lease Co., Ltd. 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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

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

(10) D Project Tatebayashi

Property number	D Project Tatebayashi		Asset class	Logistics	
LB-043			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	3,100 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, 2037	
Location	Lot number	110-8, Aza-uchiya, Shimosagawadacho, Tatebayashi City, Gunma			
	Residence indication	110-8, Aza-uchiya, Shimosagawadacho, Tatebayashi City, Gunma			
Land	Type of ownership	Ownership		Type of ownership	Ownership
	Land area	26,336.03 m ²		Gross floor area	13,571.71 m ²
	Area classification	Exclusive industrial district		Use	Warehouse
	Building coverage ratio	50% (Note 2)		Structure	Steel-frame building
	FAR	200%		Number of floors	2F
Collateral	None		Date of construction	September 1, 2015	
Overview of building condition evaluation					
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Urgent repair costs	0 thousand yen		Evaluation date	February 2017	
Short-term repair costs	0 thousand yen		PML	1.8%	
Long-term repair costs	45,056 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				

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.

Structural calculation evaluation agency	-		
Overview of leasing			
Leasable area	13,521.56 m ²	Number of tenants	1
Leased area	13,521.56 m 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	13.4 years
Master lease company	-		
Master lease type	-		
Property management company	Daiwa House Property Management Co., Ltd.		
Lessee	Hitachi Transport System Kanto Co., Ltd.		
Contract form	Fixed-term building lease agreement		
Contract period	From September 1, 2015 to August 31, 2030		
Rent revision	Rent shall be revised every five years from September 1, 2020.		
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 before the expiry thereof if it notifies the lessor in writing in writing by at least six months prior to the date of cancellation and making a lump-sum payment of a prescribed amount of penalty fees to the lessor by the end of the month containing the date of cancellation, it may cancel the lease agreement by making a lump-sum payment of penalty fees; however, no penalty fees shall be charged if the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee.		
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 11, 2017 Contract period: from April 11, 2017 to March 16, 2036 Annual rental fees: 2,226,000 yen (consumption tax excluded)		
Special items			
The current owner of the land has agreed with the Land Development Corporation of the city of Tatebayashi to obtain prior consent when the land owner intends to sell to a third party during the 10 years period from the date of the acquisition (on December 19, 2013) and the trustee has assumed such obligation with respect to the acquisition of this property.			
Property characteristics			
<p>■ Location</p> <p>By using the National Route 122, the property enables tenants to cover Maebashi, the central city in Kita Kanto area and central Saitama, as well as extensive areas towards the Tohoku area by accessing Tohoku Expressway's Tatebayashi Interchange and Sano Fujioka Interchange. The property is located in an area concentrated with large-scale factories, enabling 24-hour operation without potential claim from residents. There are residential areas in nearby areas, which enables to facilitate the hiring of employees commuting by car, including part-time workers.</p> <p>■ Specification</p> <p>It is a two-story facility (2nd floor is for office use only) with gross floor area of approximately 4,105 tsubo, and leased to a logistics company. Both a refrigerator and a room-temperature warehouse for storage of food and beverage are equipped in the facility, while solar panels are installed on the roof. The warehouse itself is a single-floor with car berths set on both sides, allowing efficient delivery operation. It has ceiling height of 6.7 to 7.7m (1st floor), floor weight capacity of 1.5t/sqm, pillar interval spacing of 11.2m by 9.2m, which offer versatility to various business needs. There are 77 car parking spaces sufficiently provided in the premises.</p>			

(Note 1) As of the date of this document, 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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Although the building coverage ratio applied to this property is 50%, the ratio is set at 60% as a result of the application of corner lot mitigation.

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.

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

(11) D Project Kakegawa

Property number	D Project Kakegawa		Asset class	Logistics	
LB-044			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	6,000 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, 2037	
Location	Lot number	653-14, Aza-oyabu, Sakagawa, Kakegawa City, Shizuoka			
	Residence indication	653-14, Aza-oyabu, Sakagawa, Kakegawa City, Shizuoka			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	31,508.00 m ²		Gross floor area	33,892.67 m ²
	Area classification	Non- designated Zone		Use	Warehouse
	Building coverage ratio	60%		Structure	Steel-frame and reinforced concrete building
	FAR	200%		Number of floors	5F
Collateral	None		Date of construction	August 1, 2014	
Overview of building condition evaluation					
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Urgent repair costs	0 thousand yen		Evaluation date	February 2017	
Short-term repair costs	0 thousand yen		PML	9.1%	
Long-term repair costs	58,493 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	39,341.44 m ²		Number of tenants	1	
Leased area	39,341.44 m 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	17.3 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 August 1, 2014 to July 31, 2034				
Rent revision	Rent shall be revised every five years from August 1, 2019.				
Contract renewal	No renewal; the contract will end upon expiration of the lease period.				

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.

Early cancellation	The lease agreement may not be cancelled before the expiry thereof. However, if the lessee asks the lessor to cancel the lease agreement, it may be cancelled before the expiry thereof upon consultation. If the lessee cancels the lease agreement before the expiry thereof, it shall notify the lessor in writing by at least six months prior to the date of cancellation and shall make a lump-sum payment of a prescribed amount of penalty fees by the end of the month containing the cancellation date; however, this does not apply to cases when the lessee introduces an alternative lessee and the lease agreement is renewed to such alternative lessee.
Special items	
DHR has agreed with the seller that the seller will promptly establish all boundaries of the land of the property at its responsibility and expense.	
Property characteristics	
<p>■ Location By using the National Route 1, the property enables tenants to cover Shizuoka City and central Hamamatsu, as well as the Tokyo, Chubu and Kansai areas by accessing Tomei Expressway's Kakegawa Interchange (approximately 3.5 km from the property). Since it is located in the center between the Tokyo and Chubu area, it is well-suited to serve as a transit hub for distribution operations. The property is located in an area concentrated with large-scale factories, which allows convenient logistics operation and access to main roads. There are residential areas in nearby areas, which enables to facilitate the hiring of employees commuting by car.</p> <p>■ Specification It is a five-story facility (2nd floor is for office use only) with gross floor area of approximately 10,252 tsubo, and leased to a logistics company. It is partially equipped with mechanical warehouse function. The 1st floor car berths on both sides allows convenient delivery operations. It has ceiling height of 6.5m (1st floor and 3rd floor which is partially 3.0m), 2.5m (4th floor) and 8.0m (5th floor with partially a mezzanine floor), floor weight capacity of 1.5t/sqm (3rd floor is partially 1.0t/sqm and 4th floor is 0.5t/sqm), pillar interval spacing of 11.2m by 10.5m, which offer versatility to various business needs. There are entrances and exits on two sides with one-way directions in order to avoid traffic within the premises. The one-way traffic line with two gateways supports smooth operation on a premise and provides convenience to a tenant engaging in delivery operations frequently. There are 10 parking spaces for trucks and 188 parking spaces for cars sufficiently provided in the premises.</p>	

(Note 1) As of the date of this document, 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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

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

(12) D Project Hiroshima Seifu

Property number	D Project Hiroshima Seifu		Asset class	Logistics	
LB-045			Type	BTS (Build-to-suit) type	
Anticipated date of acquisition	April 11, 2017		Anticipated acquisition price	3,820 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, 2037	
Location	Lot number	2-2-3, Tomonishi, Asaminami-Ward, Hiroshima City, Hiroshima			
	Residence indication	2-2-1, Tomonishi, Asaminami-Ward, Hiroshima City, Hiroshima			
Land	Type of ownership	Ownership	Building	Type of ownership	Ownership
	Land area	21,573.69 m ²		Gross floor area	19,057.79 m ²
	Area classification	Industrial district		Use	Warehouse
	Building coverage ratio	60% (Note 2)		Structure	Steel-frame building
	FAR	200%		Number of floors	2F

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.

Collateral	None		Date of construction	December 19, 2014
Overview of building condition evaluation				
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.			
Urgent repair costs	0 thousand yen	Evaluation date	February 2017	
Short-term repair costs	0 thousand yen	PML	4.7%	
Long-term repair costs	39,347 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	19,004.72 m ²	Number of tenants	1	
Leased area	19,004.72 m 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	Mitsuifoods Co.,Ltd.			
Contract form	Fixed-term building lease agreement			
Contract period	Not disclosed (Note 3)			
Rent revision				
Contract renewal				
Early cancellation				
Special items				
None				
Property characteristics				
<p>■ Location The property is located in northwest inland part of Hiroshima City, just over 10km away from central Hiroshima City. It is approximately 300m away from Hiroshima Seifushinto Interchange, which connects Chugoku Expressway running inland and the Sanyo Expressway running along the coast of the Chugoku area. The property enables delivery to Yamaguchi and Okayama areas, and access to central Hiroshima City via Hiroshima Expressway 4. The property is located in an area with many distribution and manufacturing facilities, enabling 24-hour operations and frequent deliveries, without potential claim from residents. Access from central Hiroshima city is relatively good, with employees commuting by car or bus.</p> <p>■ Specification It is a two-story facility with gross floor area of approximately 5,764 tsubo, and leased to a food production wholesaler. The property has scarcity value and advantage with limited supply of facilities with similar size. As basic specifications, it has ceiling height of 7.5m (1st floor), 5.5m (2nd floor and partially 2.7m of temperature maintained function), floor weight capacity of 1.5t/sqm, pillar interval spacing of 9.5m by 10.6m, which offers versatility. With a 3-sided car berths on the first floor, 21 dock shelter on the west side and a 23-meter canopy top on the east side, the property's features support a high level of convenience for package handling. The property has two cargo elevators and four vertical carrier machines. Buildings are located efficiently throughout the premises and provide sufficient spaces for office and car parks.</p>				

(Note 1) As of the date of this document, 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

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.

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 interest to DHR. The above fixed-term leasehold for business will cease to exist upon the additional entrustment of the land.

(Note 2) Although the building coverage ratio applied to this property is 60%, the ratio is set at 70% as a result of the application of corner lot mitigation.

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

(13) D Project Tosu II

Property number		D Project Tosu II		Asset class		Logistics		
LB-046				Type		BTS (Build-to-suit) type		
Anticipated date of acquisition		April 11, 2017		Anticipated acquisition price		1,700 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, 2037				
Location	Lot number		1621, Aza Hasuhara, Himekata-machi, Tosu City, Saga					
	Residence indication		1621, Aza Hasuhara, Himekata-machi, Tosu City, Saga					
Land	Type of ownership		Ownership		Building	Type of ownership		Ownership
	Land area		7,370.99 m ²			Gross floor area		12,900.00 m ²
	Area classification		Quasi-industrial district			Use		Warehouse, Office
	Building coverage ratio		60%			Structure		Steel-frame building
	FAR		200%			Number of floors		4F
Collateral				None		Date of construction		December 21, 2016
Overview of building condition evaluation								
Evaluation company				Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Urgent repair costs				0 thousand yen		Evaluation date		February 2017
Short-term repair costs				0 thousand yen		PML		3.0%
Long-term repair costs				26,713 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 (Note 1)								
Leasable area		13,012.50 m ²		Number of tenants		1		
Leased area		13,012.50 m ²		Annual rent		Not disclosed (Note 2)		
Occupancy rate		100.0%		Tenant leasehold and security deposit		Not disclosed (Note 2)		
Lease term		7.0 years		Remaining lease term		6.7 years		
Master lease company				-				
Master lease type				-				
Property management company				Daiwa House Property Management Co., Ltd.				
Lessee				Marukyo Transportation Co., Ltd.				
Contract form				Fixed-term building lease agreement				
Contract period				From January 3, 2017 to January 2, 2024				

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.

Rent revision	If, due to a large increase in taxes and public charges, changes in the rents of neighboring properties, or the significant change in economic conditions, the level of rent were to become inappropriate, the party may revise the rent determined by discussion.
Contract renewal	No renewal; the contract will end upon expiration of the lease period.
Early cancellation	The lease agreement shall not be cancelled before the expiry thereof in principle. However, this does not apply to cases when the lessee notifies the lessor in writing by at least twelve months prior to the date of cancellation and obtains the lessor's consent. If the lease agreement is cancelled before the expiry thereof, the lessor may demand payment of a prescribed amount of penalty fees; however, this does not apply to cases when the lessee introduces an alternative lessee to the lessor and the lease agreement is renewed to such alternative lessee.
Special items	
The current owner of the land has agreed with the Saga Prefecture to obtain prior consent when the land owner intends to establish or transfer rights such as the ownership right of this property during the 10 years period from the next date of the completion (on February 22, 2008) and the trustee and DHR as the trust beneficiary has agreed to assume such obligation with respect to the acquisition of this property. DHR has already obtained such approval from Saga Prefecture.	
Property characteristics	
<p>■ Location It is located 1.5km from the Tosu Junction/Interchange, 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 500, 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 enables to facilitate the hiring of employees commuting by car.</p> <p>■ Specification It is a four-story logistics facility with gross floor area of approximately 3,902 tsubo, and leased to a logistics company. As basic specifications, it has ceiling height of 5.5m or more, floor weight capacity of 1.5t/sqm and pillar interval spacing of 10.6m by 10.7m or 10.6m by 10.8m. It has one-sided car berth on the 1st floor, one cargo elevator and two vertical carrier machines. It also offer office sufficient space and allows large-sized trucks to enter as a function for distribution base.</p>	

(Note 1) Information based on the fixed-term building lease agreement entered into as of December 23, 2016, although the date of the lease commenced on January 3, 2017.

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

(14) Castalia Shinsakae II

Property number	Castalia Shinsakae II	Asset class	Residential		
RE-143		Type	Compact type (84%) Family type (16%)		
Anticipated date of acquisition	April 11, 2017	Anticipated acquisition price	1,800 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, 2027		
Location	Lot number	1-2909, Shinsakae, Naka-Ward, Nagoya City, Aichi			
	Residence indication	1-29-21, Shinsakae, Naka-Ward, Nagoya City, Aichi			
Land	Type of ownership	Ownership	Type of ownership	Ownership	
	Land area	1,001.29 m ²	Building	Gross floor area	5,633.99 m ²
	Area classification	Commercial Zone		Use	Apartment complex
	Building coverage ratio	80%	Structure	Reinforced concrete building	

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.

	FAR	500%・400%		Number of floors	12F
Collateral		None		Date of construction	January 25, 2016
Overview of building condition evaluation					
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.				
Urgent repair costs	0 thousand yen		Evaluation date	February 2017	
Short-term repair costs	0 thousand yen		PML	4.5%	
Long-term repair costs	24,415 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	4,425.46 m ²		Number of leasable units	99	
Leased area	4,425.46 m ² (Note 2)		Annual rent	114,432 thousand yen (Note 3)	
Occupancy rate	100.0% (Note 2)		Tenant leasehold and security deposit	9,536 thousand yen (Note 3)	
Master lease company	Daiwa Living Management Co., Ltd.				
Master lease type	Sublease type				
Property management company	Daiwa Living Co., Ltd.				
Special items					
None					
Property characteristics					
<p>■ Location</p> <p>The property is located approximately 9 minutes walking distance to Yabacho Station and is also accessible through Subway Higashiyama Line and Meijo Line Sakae Station and Subway Tsurumai Line and JR Chuo Line Tsurumai Station, as well as multiple train routes, making this location highly convenient for daily travel to various areas. The commercial center Sakae is also within walking distance and there are various stores such as convenience stores and restaurants located along the main road, making this property convenient for everyday life.</p> <p>■ Specification</p> <p>Most rooms are one room apartments with a kitchen area (approximately 33 square meter), one room apartments with a dining and kitchen area (42 square meter) and one room apartments with a living, dining and kitchen area (approximately 43 square meter). The property also has duplex apartments on the first and second floors (approximately 70 square meter or 90 square meter) and two bedroom apartments with a living, dining and kitchen area (approximately 77 meter square) on the eleventh and twelfth floors. The variety of apartment types enables this property to meet the various needs of tenants, including single households as well as dual income couples with no children and small households.</p>					

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

(Note 2) As an agreement will be changed from the pass-through type master lease agreement to the sublease type master lease agreement before the acquisition by DHR, the calculation of total leased area and occupancy rate is based on the assumption that all the total leasable area is leased regardless of the time.

(Note 3) As an agreement will be changed from the pass-through type master lease agreement to the sublease type master lease agreement before the acquisition by DHR, the calculation of annual rent and tenant leasehold and security deposit is based on the assumption that such sublease type master lease agreement is executed as of December 31, 2016.

(15) Sharp Hiroshima Building

Property number	Sharp Hiroshima Building	Asset class	Other (Office)
OT-004		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 11, 2017	Anticipated acquisition price	1,850 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, 2037
Location	Lot number	2-2234-1, Nishihara, Asaminami-Ward, Hiroshima City, Hiroshima	
	Residence indication	2-13-4, Nishihara, Asaminami-Ward, Hiroshima City, Hiroshima	
Land	Type of ownership	Ownership	Type of ownership Ownership
	Land area	3,120.78 m ²	Gross floor area 2,972.15 m ²
	Area classification	Neighborhood commercial zone, quasi-industrial district	Use Office, warehouse
	Building coverage ratio	80%・60% (Note 2)	Structure Steel-frame building
	FAR	300%・200%	Number of floors 3F
Collateral	None	Date of construction	January 29, 2016
Overview of building condition evaluation			
Evaluation company	Tokio Marine & Nichido Risk Consulting Co., Ltd.		
Urgent repair costs	0 thousand yen	Evaluation date	February 2017
Short-term repair costs	0 thousand yen	PML	3.0%
Long-term repair costs	25,525 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	3,064.89 m ² (Note 3)	Number of tenants	1
Leased area	3,064.89 m ² (Note3)	Annual rent	Not disclosed (Note 4)
Occupancy rate	100.0%	Tenant leasehold and security deposit	Not disclosed (Note 4)
Lease term	Not disclosed (Note 4)	Remaining lease Term	Not disclosed (Note 4)
Master lease company	-		
Master lease type	-		
Property management company	Daiwa Information Service Co.,Ltd.		
Lessee	Sharp Corporation		
Contract form	Fixed-term building lease agreement		
Contract period	Not disclosed (Note 4)		
Rent revision			
Contract renewal			
Early cancellation			
Special items			
None			
Property characteristics			

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.

■ Location

Asaminami-Ward in Hiroshima City is developed as a commuter town of Hiroshima City, and this property is located approximately 4km northwest of JR Hiroshima station and on a main street of National Route 183 which is approximately 3.5km south west from Sanyo Expressway's Hiroshima Interchange. National Route 183 is a main road that connects the north side and the central Hiroshima City, and alongside the road there are automobile dealers, restaurants, supermarkets, office/showrooms for businesses such as housing equipment manufacturers. National Route 54, which runs on the east side of the property, functions as a by-pass road and the Amstram line reduces visibility and there is a median strip that divides the road. It is thus considered that this property provides greater accessibility to roadside properties. As this property, for its location on the main artery road, is highly visible and provides traffic convenience, it is expected to be appreciated as an office or an area management center of manufacturers, etc. The location is also highly regarded because further development as a business district is expected in the surrounding areas.

■ Specification

The gross floor area is approximately 899 tsubo and the property consists of 3 floors, an office with storage, and has a parking lot with approximately 48 parking spaces. Standard floor area is approximately 300 tsubo, the office floor area from 1st to 3rd floor is approximately 800 tsubo and the warehouse on the 1st floor is approximately 100 tsubo. The property has scarcity value and advantage with limited supply of substantial lands in neighborhoods. With a ceiling height of 2.67m partially 2.50m, it has a 100mm raised floor for OA, floor weight capacity of 2,900N/sqm (storage room is 7,800N/sqm), office space on the 2nd floor of approximately 230 tsubo, meeting rooms and locker room space on the 3rd floor, one elevator, a smoking room and a community room, which meets current tenant demands. Also, the ceiling height of the warehouse is 3.0m (1st floor), floor weight capacity 2,900N/sqm, pillar interval spacing of 7.5m by 9.0m, which is used as storage space for mechanical equipments. Warehouse faces frontal road, enabling smooth installation and carry-out.

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

(Note 2) While the building coverage ratio applied to this property located within a semi-industrialized district is essentially 60%, the ratio is set at 70% as a result of the application of corner lot mitigation.

(Note 3) The area is represented by the figure of such space as revised based on the memorandum of understanding signed as of January 27, 2017.

(Note 4) The figures are not disclosed as consent for disclosure has not been obtained from the lessee.

4. Seller profile

DPL Misato, D Project Kawagoe III, D Project Kazo, D Project Tomisato, D Project Kyotanabe, D Project Sendai Izumi, D Project Oyama, D Project Sano, D Project Tatebayashi, D Project Kakegawa, D Project Hiroshima Seifu, D Project Tosu II, Castalia Shinsakae II and Sharp Hiroshima Building

(1)	Name	Daiwa House Industry Co., Ltd.
(2)	Location	3-3-5 Umeda, Kita-ku, Osaka-shi, Osaka
(3)	Representative	Naotake Ohno, President and COO
(4)	Business activities	General contractor
(5)	Capital	161,699 million yen (as of December 31, 2016)
(6)	Foundation date	March 4, 1947
(7)	Net assets	1,248,011 million yen (as of December 31, 2016)
(8)	Total assets	3,452,571 million yen (as of December 31, 2016)
(9)	Major shareholder and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust) 5.92% The Japan Trustee Services Bank, Ltd. (Trust) 5.42% (as of September 30, 2016)
(10)	Relationships with DHR and the Asset Manager	
	Capital relationship	The seller holds 11.2% of DHR's investment units outstanding as of September 1, 2016. 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, 23 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.

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.

D Project Urayasu III

(1)	Name	DH Fund Four Godo Kaisha
(2)	Location	1-4-1 Nihonbashi, Chuo-ku, Tokyo
(3)	Representative	Executive member : Asset Holdings General Incorporated Association Enforcer : Akira Sugai
(4)	Business activities	(a)Acquisition, holding, leasing, management, operation and disposal of real estate assets (b)Acquisition, holding and disposal of trust beneficiary interests (c)Additionally all businesses attendant or related to the above
(5)	Capital	100,000 yen
(6)	Foundation date	March 18, 2010
(7)	Net assets	We have not obtained permission from DH Fund Four Godo Kaisha to disclose the information.
(8)	Total assets	We have not obtained permission from DH Fund Four Godo Kaisha to disclose the information.
(9)	Major shareholder and shareholding ratio	We have not obtained permission from DH Fund Four 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 Four Godo Kaisha. Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, has an anonymous association investment in DH Fund Four Godo Kaisha.
	Personnel relationship	There is no personnel relationship requiring disclosure between DHR/the Asset Manager and DH Fund Four Godo Kaisha.
	Business relationship	There is no business relationship required to be stated between DHR/the Asset Manager and DH Fund Four Godo Kaisha.
	Status of classification as affiliated party	DH Fund Four Godo Kaisha is not an affiliated party of DHR/the Asset Manager. DH Fund Four Godo Kaisha is a special purpose company in which Daiwa House Industry Co., Ltd. has an anonymous association investment.

5. Related party transactions

The following companies are defined as related parties, etc. in the Act on Investment Trusts and Investment Corporations: Daiwa House Industry Co., Ltd. as the seller of the Assets Scheduled for Acquisition except for D Project Urayasu III; Daiwa House Property Management Co., Ltd. as the master lease and property management company of DPL Misato as well as the property management company of D Project Kawagoe III, D Project Kazo, D Project Urayasu III, D Project Tomisato, D Project Kyotanabe, D Project Sendai Izumi, D Project Oyama, D Project Sano, D Project Tatebayashi, D Project Kakegawa, D Project Hiroshima Seifu and D Project Tosu II; Daiwa Living Co., Ltd. as the property management company of Castalia Shinsakae II; Daiwa Living Management Co., Ltd. as the master lease company of Castalia Shinsakae II; Daiwa Information Service Co., Ltd. as the property management company of Sharp Hiroshima Building; Daiwa Logistics Co., Ltd. as the lessee of D Project Urayasu III and 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 DPL Misato, D Project Kawagoe III, D Project Sano and D Project Tatebayashi.

DH Fund Four Godo Kaisha, which is the seller of D Project Urayasu 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 Act on Investment Trusts and Investment Corporations.

The Asset Manager has gone through the necessary discussion and resolution procedures in accordance with its voluntary rules based on its regulations concerning conflicts of interest.

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.

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
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LM-001 DPL Misato (1-3-5, Inter- Minami, Misato City, Saitama)	(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 land for over one year	—	—
	February 2015 (Note)	—	—
LB-035 D Project Kawagoe III (2-8-55, Yoshinodai, Kawagoe City, Saitama)	(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 land for over one year (Building) 3,951million yen	—	—
	(Land) March 2013 (Building) April 2017 (planned)	—	—
LB-036 D Project Kazo (2-16-1, Okuwa, Kazo City, Saitama)	(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	—

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.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
	(Land) Omitted as the previous owner/trust beneficiary has owned the land for over one year (Building) 2,153 million yen	—	—
	(Land) June 2012 (Building) April 2017 (planned)	—	—
LB-037 D Project Urayasu III (12-1, Chidori, Urayasu City, Chiba)	(1) DH Fund Four Godo Kaisha (2) Special purpose company in which Daiwa House Industry Co., Ltd., the parent company of the Asset Manager, partially invests (3) Acquisition for investment management purposes	(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 land for over one year	—	—
	April 2011	April 2011	—
LB-038 D Project Tomisato (7-2, 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)	A party which does not have any particular interests	—
	(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 land for over one year (Building) 3,945million yen	—	—
	(Land) August 2007 (Building) April 2017 (planned)	—	—

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.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LB-039 D Project Kyotanabe (3-50-1,Kannabidai, Kyotanabe City, Kyoto)	(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 land for over one year (Building) 1,777 million yen	—	—
	(Land) December 2011 (Building) April 2017 (planned)	—	—
LB-040 D Project Sendai Izumi (2-9-1, Akedori, Izumi-Ward, Sendai City, Miyagi)	(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 land for over one year (Building) 973 million yen	—	—
	(Land) October 2012 (Building) April 2017 (planned)	—	—

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.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LB-041 D Project Oyama (2333-34, Aza- Atago, Oaza-yana, Oyama City, Tochigi)	(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 land for over one year (Building) 923 million yen	—	—
	(Land) April 2007 (Building) April 2017 (planned)	—	—
LB-042 D Project Sano (570-9, Nishiuracho, Sano City, Tochigi)	(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 land for over one year (Building) 1,302 million yen	—	—
	(Land) October 2006 (Building) April 2017 (planned)	—	—

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.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LB-043 D Project Tatebayashi (110-8, Aza-uchiya, Shimosagawadacho, Tatebayashi City, Gunma)	(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 land for over one year (Building) 2,072 million yen	—	—
	(Land) December 2013 (Building) April 2017 (planned)	—	—
LB-044 D Project Kakegawa (653-14, Aza- oyabu, Sakagawa, Kakegawa City, Shizuoka)	(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 land for over one year (Building) 3,821 million yen	—	—
	(Land) June 2013 (Building) April 2017 (planned)	—	—

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.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
LB-045 D Project Hiroshima Seifu (2-2-1, Tomonishi, Asaminami-Ward, Hiroshima City, Hiroshima)	(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 land for over one year (Building) 2,105 million yen	—	—
	(Land) January 2014 (Building) April 2017 (planned)	—	—
LB-046 D Project Tosu II (1621, Aza Hasuhara, Himekata-machi, Tosu City, Saga)	(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 land for over one year	—	—
	June 2008 (Note)	—	—
RE-143 Castalia Shinsakae II (1-29-21, Shinsakae, Naka-Ward, Nagoya City, Aichi)	(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 land for over one year	—	—
	September 2013 (Note)	—	—
OT-004 Sharp Hiroshima Building (2-13-4, Nishihara, Asaminami-Ward, Hiroshima City,	(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	—

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.

Property name (Location)	Previous owner / trust beneficiary	Owner before previous owner / trust beneficiary	Owner before owner before previous owner / trust beneficiary
Hiroshima)	(1), (2), (3)	(1), (2), (3)	(1), (2), (3)
	Acquisition (transfer) price	Acquisition (transfer) price	Acquisition (transfer) price
	Acquisition (transfer) date	Acquisition (transfer) date	Acquisition (transfer) date
	Omitted as the previous owner/trust beneficiary has owned the land for over one year	—	—
	March 2015 (Note)	—	—

(Note) No description about buildings is listed, because these are acquired for development purposes.

7. Brokerage

None

8. Acquisition schedule

- (1) Acquisition decision date : March 1, 2017
- (2) Execution date of the purchase agreements : March 1, 2017
- (3) Date of payment : April 11, 2017 (planned) (Note)
- (4) Delivery date : April 11, 2017 (planned) (Note)

(Note) Daiwa House Industry Co., Ltd., is scheduled to carry out renovation works on the facilities installed within DPL Misato (from March 25, 2017 to May 15, 2017). Thus the delivery date of these facilities is different from above date. Please refer to the “1. Acquisition and leasing overview (1) Assets Scheduled for Acquisition”.

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

The purchase agreements of the Assets Scheduled for Acquisition (the “Purchase Agreements”) is 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 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 2017 (from March 1, 2017 to August 31, 2017) and the fiscal period ending February 2018 (from September 1, 2017 to February 28, 2018) with the acquisition of Assets Scheduled for Acquisition factored in, please refer to the press release “Notice Concerning Revision to Forecast of Results for the Fiscal Period Ending August 2017 and Announcement of Forecast of Results for the Fiscal Period Ending February 2018” separately announced today.

11. Overview of property appraisal

“Overview of Property Appraisal” is as follows.

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.

“Overview of Property Appraisal” shows the overview of the real estate appraisal report of the respective Assets Scheduled for Acquisition (the “appraisal report”) prepared by DAIWA REAL ESTATE APPRAISAL CO., LTD., or 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 Act on Investment Trusts and Investment Corporations, 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., or The Tanizawa Sōgō Appraisal Co., Ltd. or Japan Real Estate Institute and DHR.

DPL Misato	
Appraisal value	16,900 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	16,900 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	17,000 million yen	Not disclosed (Note)
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)	749 million yen	
Investment income of lump sum	-	
Capital expenditure	-	
Net cash flow (NCF)	733 million yen	
Cap rate	4.3%	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	16,800 million yen	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
Discount rate	(from first to fourth year) 4.3% (from fifth year) 4.4%	
Terminal cap rate	4.5%	
Value based on cost method	16,900 million yen	
Proportion of land	59.5%	
Proportion of building	40.5%	

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.

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 III	
Appraisal value	7,260 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	7,260 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	7,320 million yen	Not disclosed (Note)
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)	358 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	351 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	7,240 million yen	
Discount rate	(from first to seventh year) 4.8% (from eighth 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	5.0%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
Value based on cost method	7,120 million yen	
Proportion of land	39.6%	
Proportion of building	60.4%	

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.

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 Kazo	
Appraisal value	3,350 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	3,350 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	3,330 million yen	Not disclosed (Note)
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)	169 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	166 million yen	
Cap rate	5.0%	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	3,360 million yen	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
Discount rate	(from first to eighth year) 5.0% (from ninth year) 5.1%	
Terminal cap rate	5.2%	
Value based on cost method	3,470 million yen	
Proportion of land	40.3%	
Proportion of building	59.7%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

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.

(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 Urayasu III	
Appraisal value	8,880 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	8,880 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	9,170 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)	406 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	394 million yen	
Cap rate	4.3%	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	8,760 million yen	
Discount rate	(from first to fifth year) 4.2% (from sixth to ninth year) 4.3% (from tenth year) 4.4%	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	4.5%	
Value based on cost method	8,910 million yen	
Proportion of land	67.2 %	
Proportion of building	32.8%	

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.

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	
Appraisal value	5,030 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	5,030 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	4,990 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)	256 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	249 million yen	
Cap rate	5.0%	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	5,040 million yen	
Discount rate	(from first to ninth year) 5.0% (from tenth year) 5.1%	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	5.2%	
Value based on cost method	5,270 million yen	
Proportion of land	26.2 %	
Proportion of building	73.8%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

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.

(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 Kyotanabe	
Appraisal value	3,550 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	3,550 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	3,570 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)	205 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	203 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	3,530 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.
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 factor, by reference to investment returns of similar properties, etc.
Value based on cost method	3,600 million yen	
Proportion of land	63.0%	
Proportion of building	37.0%	
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

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.

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	
Appraisal value	1,560 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	1,560 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	1,560 million yen	Not disclosed (Note)
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)	86 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	85 million yen	
Cap rate	5.5%	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 prediction uncertainties and transaction yields for similar properties
Value based on Discounted Cash Flow method	1,550 million yen	
Discount rate	5.2%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Terminal cap rate	5.7%	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 factor, by reference to investment returns of similar properties, etc.
Value based on cost method	1,580 million yen	
Proportion of land	32.9%	
Proportion of building	67.1%	
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

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.

deemed that no harm would result from disclosure, these items are not disclosed.

D Project Oyama	
Appraisal value	2,010 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	2,010 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	2,040 million yen	Not disclosed (Note)
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)	115 million yen	
Investment income of lump sum	-	
Capital expenditure	-	
Net cash flow (NCF)	114 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	2,000 million yen	
Discount rate	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	1,990 million yen	
Proportion of land	44.4%	
Proportion of building	55.6%	
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 Sano	
Appraisal value	1,780 million yen

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.

Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	1,780 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	1,790 million yen	Not disclosed (Note)
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)	103 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	100 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	1,770 million yen	
Discount rate	5.6%	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	1,840 million yen	
Proportion of land	21.2 %	
Proportion of building	78.8%	
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 Tatebayashi	
Appraisal value	3,120 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
------	---------	-------

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.

Value based on income method	3,120 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	3,110 million yen	Not disclosed (Note)
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)	176 million yen	Not disclosed (Note)
Investment income of lump sum	-	
Capital expenditure	-	
Net cash flow (NCF)	174 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	3,120 million yen	
Discount rate	5.6%	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	3,020 million yen	
Proportion of land	35.8%	
Proportion of building	64.2%	
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 Kakegawa	
Appraisal value	6,070 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	6,070 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	6,100 million yen	Not disclosed (Note)

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.

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)	350 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	347 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	6,030 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	5.9%	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 factor, by reference to investment returns of similar properties, etc.
Value based on cost method	5,770 million yen	
Proportion of land	32.0%	
Proportion of building	68.0%	
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 Hiroshima Seifu	
Appraisal value	3,860 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	3,860 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	3,880 million yen	
Operating revenue	-	Not disclosed (Note)

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.

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)	222 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	220 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	3,830 million yen	
Discount rate	5.2%	Assessed by comprehensively taking into account characteristics unique to the property, etc., by reference to investment returns of similar properties, etc.
Terminal cap rate	6.1%	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 factor, by reference to investment returns of similar properties, etc.
Value based on cost method	3,690 million yen	
Proportion of land	39.4%	
Proportion of building	60.6%	
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 Tosu II	
Appraisal value	1,740 million yen
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	1,740 million yen	Estimated by combining the value calculated by using direct capitalization method and the value calculated by using discounted cash flow method
Value based on direct capitalization method	1,730 million yen	
Operating revenue	-	Not disclosed (Note)
Effective gross revenue	-	

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.

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)	93 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	91 million yen	
Cap rate	5.3%	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	1,740 million yen	
Discount rate	(from first to seventh year) 5.3% (from eighth year) 5.4%	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	5.5%	Estimated on the basis of capitalization rate, in consideration of the prediction uncertainty
Value based on cost method	1,880 million yen	
Proportion of land	15.3%	
Proportion of building	84.7%	
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.

Castalia Shinsakae II	
Appraisal value	1,850 million yen
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	1,850 million yen	Estimated based on the value calculated by using the discounted cash flow method as it is determined such value is more convincing, and review such value in comparison to the value calculated by using the direct capitalization method
Value based on direct capitalization method	1,880 million yen	
Operating revenue	131 million yen	

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.

Effective gross revenue	138 million yen	Assessed based on the stabilized assumption of rental income of the subject property based on the level of rent under the existing agreement and the level of new rent of similar buildings in the same market area and trends thereof, and by taking into consideration of such factors as the medium- to long-term competitiveness of the subject property
Loss from vacancy	7 million yen	Estimated based on the historical vacancy rate of the subject property and the standard vacancy rates of similar properties, and in consideration of the competitiveness of the subject property, etc.
Operating expense	31 million yen	
Maintenance	4 million yen	Recorded the amount of cost obtained from the requestor as such amount was judged as reasonable
Utility cost	2 million yen	Estimated by reference to the cost of similar properties
Repair	2 million yen	Recorded by reference to the level of such cost incurred by similar properties and the average annual fees as the medium- to long-term repair expenses as stated in the engineering report
Property management Fee	3 million yen	Recorded based on the level of PM fees of similar properties
Advertisement and other leasing cost	3 million yen	Recorded by reference to the cost of similar properties, etc.
Tax	11 million yen	Recorded based on materials about taxes and public dues, and examples in similar cases, etc.
Insurance	0 million yen	Recorded the amount of cost obtained from the requestor as such amount was judged as reasonable
Other cost	2 million yen	Recorded the Internet usage fees, other maintenance and management fees, supplies expenses, miscellaneous expenses and other expenses
Net operating income (NOI)	99 million yen	
Investment income of lump sum	0 million yen	Recorded the income based on the assumption that an investment yield is 1.0%
Capital expenditure	3 million yen	Recorded by reference to the level of capital expenditure of similar properties and the average annual fees incurred as the medium- to long-term expenses of facilities renewal as stated in the engineering report
Net cash flow (NCF)	95 million yen	
Cap rate	5.1%	Assessed by adjusting basic yields in the area with spreads attributable to the property's location, the characteristics of the building, the level of rent under the existing agreement, terms and conditions of the agreement, additionally in consideration of transaction yields for similar properties
Value based on Discounted Cash Flow method	1,840 million yen	
Discount rate	4.9%	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 in consideration of the marketability of the subject property, etc. as of the expiry of the analysis period of the terminal cap rate
Value based on cost method	2,710 million yen	
Proportion of land	51.4%	
Proportion of building	48.6%	
Items applied to adjustments in valuation approach and the determination of the appraisal value		None

Sharp Hiroshima Building

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.

Appraisal value	1,890 million yen
Appraiser	Japan Real Estate Institute
Appraisal date	January 31, 2017

Item	Content	Basis
Value based on income method	1,890 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	1,900 million yen	Not disclosed (Note)
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)	105 million yen	
Investment income of lump sum	-	Not disclosed (Note)
Capital expenditure	-	
Net cash flow (NCF)	104 million yen	
Cap rate	5.5%	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 prediction uncertainties and transaction yields for similar properties
Value based on Discounted Cash Flow method	1,870 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.
Terminal cap rate	5.7%	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 factor, by reference to investment returns of similar properties, etc.
Value based on cost method	1,300 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.

* Distribution of this material: This material is distributed to "Kabuto Club" (a media correspondents' club at the Tokyo Stock Exchange), the press club at the Ministry of Land, Infrastructure, Transport and Tourism and the press club for

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.

construction trade newspapers at the Ministry of Land, Infrastructure, Transport and Tourism.

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

<Attachments>

1. Photograph and location map of the Assets Scheduled for Acquisition
2. Property portfolio after the acquisition of the Assets Scheduled for Acquisition

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.

<Attachments>

1. Photograph and location map of the Assets Scheduled for Acquisition

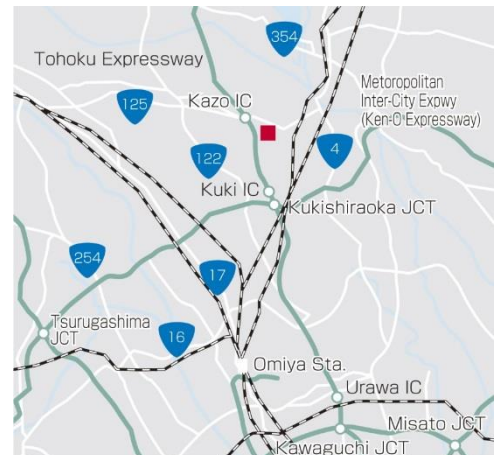
(Property number) LM-001 DPL Misato



(Property number) LB-035 D Project Kawagoe III

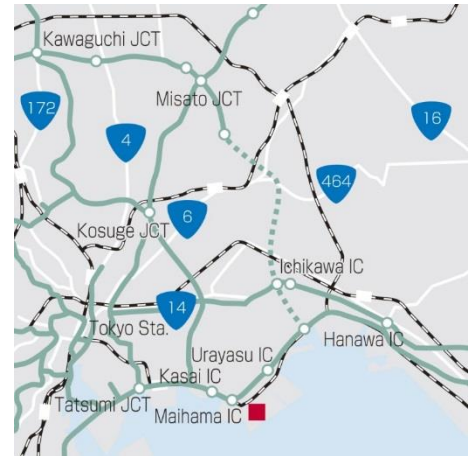


(Property number) LB-036 D Project Kazo

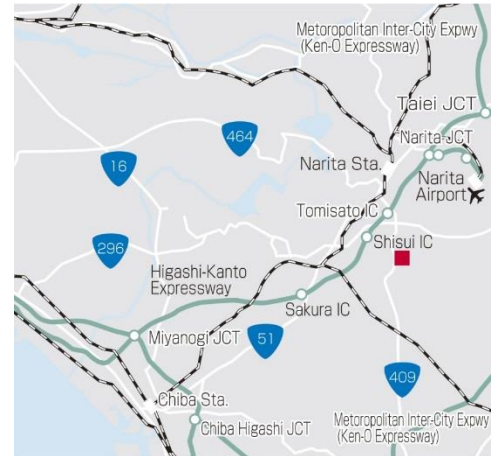


Disclaimer: This announcement is prepared for the public disclosure of acquisition and leasing of trust beneficiary interests in domestic real estate by DHR and has not been prepared for the purpose of soliciting investment.

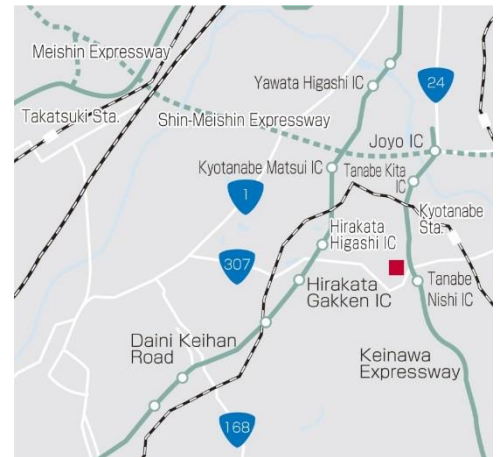
(Property number) LB-037 D Project Urayasu III



(Property number) LB-038 D Project Tomisato

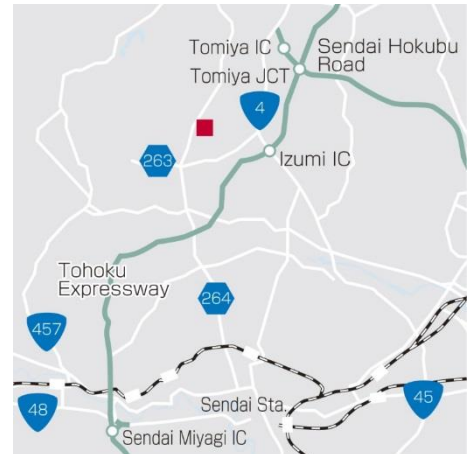


(Property number) LB-039 D Project Kyotanabe

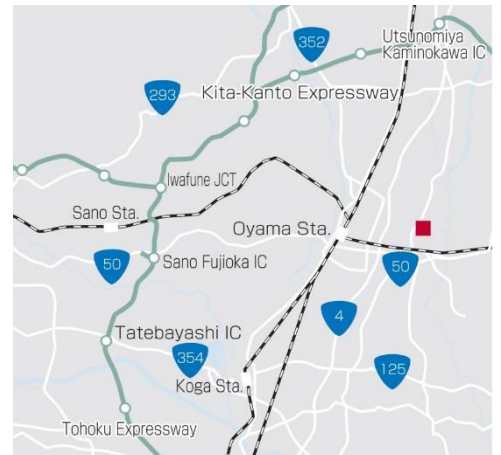


Disclaimer: This announcement is prepared for the public disclosure of acquisition and leasing of trust beneficiary interests in domestic real estate by DHR and has not been prepared for the purpose of soliciting investment.

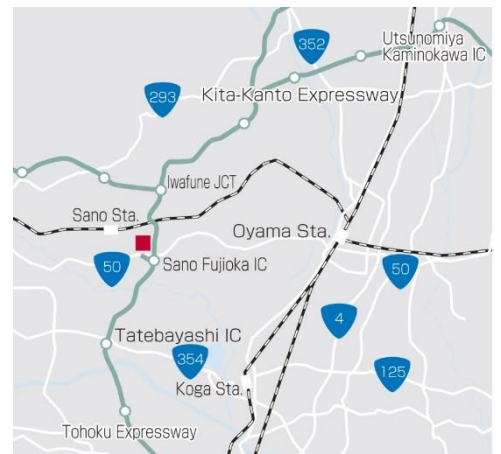
(Property number) LB-040 D Project Sendai Izumi



(Property number) LB-041 D Project Oyama

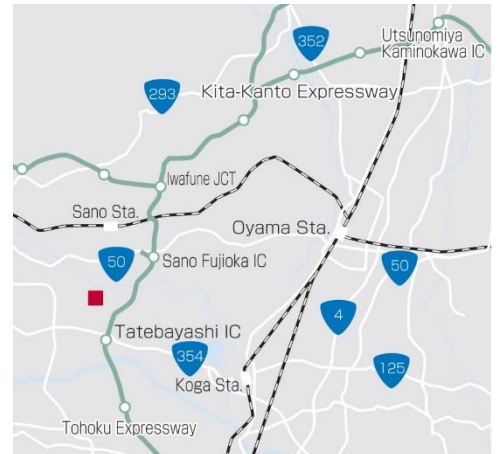


(Property number) LB-042 D Project Sano

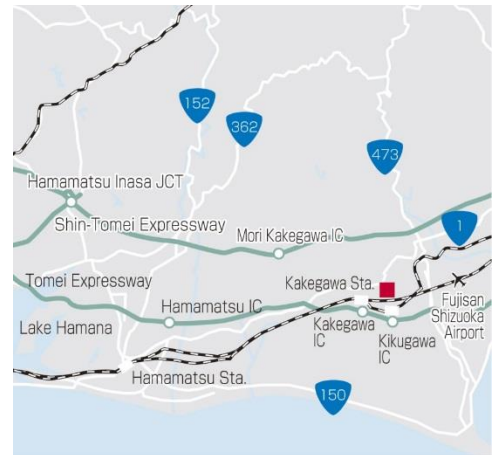


Disclaimer: This announcement is prepared for the public disclosure of acquisition and leasing of trust beneficiary interests in domestic real estate by DHR and has not been prepared for the purpose of soliciting investment.

(Property number) LB-043 D Project Tatebayashi



(Property number) LB-044 D Project Kakegawa

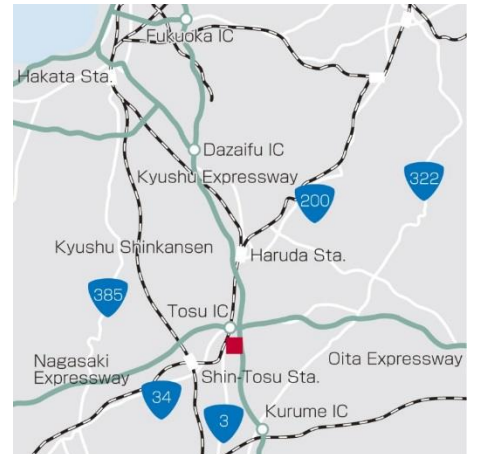


(Property number) LB-045 D Project Hiroshima Seifu



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.

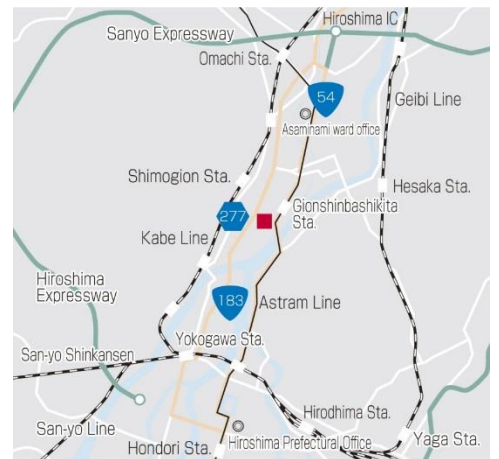
(Property number) LB-046 D Project Tosu II



(Property number) RE-143 Castalia Shinsakae II



(Property number) OT-004 Sharp Hiroshima Building



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.

2. Property portfolio after the acquisition of the Assets Scheduled for Acquisition

Property number	Property name	Location	(Anticipated) acquisition price (million yen) (Note 1)	(Anticipated) investment ratio (Note 2)
LB-001	D Project Machida	Machida City, Tokyo	9,200	1.6%
LB-002	D Project Hachioji	Hachioji City, Tokyo	15,400	2.6%
LB-003	D Project Aikawa-Machi	Aiko District, Kanagawa	3,390	0.6%
LB-004	D Project Shin-Misato	Misato City, Saitama	5,710	1.0%
LB-005	D Project Urayasu I	Urayasu City, Chiba	9,280	1.6%
LB-006	D Project Urayasu II	Urayasu City, Chiba	26,000	4.5%
LB-007	D Project Akanehama	Narashino City, Chiba	2,950	0.5%
LB-008	D Project Noda	Noda City, Chiba	6,210	1.1%
LB-009	D Project Inuyama	Inuyama City, Aichi	8,690	1.5%
LB-010	D Project Gifu	Anpachi District, Gifu	1,100	0.2%
LB-011	D Project Neyagawa	Neyagawa City, Osaka	5,980	1.0%
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	0.3%
LB-015	D Project Tsuchiura	Tsuchiura City, Ibaraki	3,390	0.6%
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	0.7%
LB-019	D Project Tosu	Tosu City, Saga	5,740	1.0%
LB-020	D Project Kuki I	Kuki City, Saitama	3,900	0.7%
LB-021	D Project Kuki II	Kuki City, Saitama	8,120	1.4%
LB-022	D Project Kawagoe I	Kawagoe City, Saitama	3,530	0.6%
LB-023	D Project Kawagoe II	Kawagoe City, Saitama	4,850	0.8%
LB-024	DPL Inuyama	Inuyama City, Aichi	3,940	0.7%
LB-025	D Project Fukuoka Hakozaki	Fukuoka City, Fukuoka	4,340	0.7%
LB-026	D Project Kuki III	Kuki City, Saitama	7,630	1.3%
LB-027	D Project Kuki IV	Kuki City, Saitama	5,520	0.9%
LB-028	D Project Kuki V	Kuki City, Saitama	8,280	1.4%
LB-029	D Project Kuki VI	Kuki City, Saitama	5,140	0.9%
LB-030	D Project Yashio	Yashio City, Saitama	6,400	1.1%
LB-031	D Project Nishiyodogawa	Osaka City, Osaka	10,300	1.8%
LB-032	D Project Matsudo	Matsudo City, Chiba	7,370	1.3%
LB-033	D Project Hibiki Nada	Kitakyushu City, Fukuoka	2,080	0.4%
LB-034	D Project Morioka II	Takizawa City, Iwate	1,280	0.2%
LB-035	D Project Kawagoe III	Kawagoe City, Saitama	7,200	1.2%
LB-036	D Project Kazo	Kazo City, Saitama	3,300	0.6%
LB-037	D Project Urayasu III	Urayasu City, Chiba	8,500	1.5%
LB-038	D Project Tomisato	Tomisato City, Chiba	5,000	0.9%
LB-039	D Project Kyotanabe	Kyotanabe City, Kyoto	3,520	0.6%
LB-040	D Project Sendai Izumi	Sendai City, Miyagi	1,510	0.3%
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	1.0%
LB-045	D Project Hiroshima Seifu	Hiroshima City, Hiroshima	3,820	0.7%
LB-046	D Project Tosu II	Tosu City, Saga	1,700	0.3%
LM-001	DPL Misato (Note 3)	Misato City, Saitama	16,831	2.9%
Total of 47 Logistics Properties			260,119	44.7%
RE-001	Qiz Ebisu	Shibuya Ward, Tokyo	7,650	1.3%
RE-002	Castalia Azabujuban Shichimenzaka	Minato Ward, Tokyo	4,500	0.8%
RE-003	Castalia Shibakoen	Minato Ward, Tokyo	2,630	0.5%
RE-004	Castalia Ginza	Chuo Ward, Tokyo	2,520	0.4%
RE-005	Castalia Hiroo	Minato Ward, Tokyo	2,220	0.4%
RE-006	Castalia Nihonbashi	Chuo Ward, Tokyo	1,200	0.2%
RE-007	Castalia Hacchobori	Chuo Ward, Tokyo	2,300	0.4%

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.

Property number	Property name	Location	(Anticipated) acquisition price (million yen) (Note 1)	(Anticipated) investment ratio (Note 2)
RE-008	Castalia Azabujuban	Minato Ward, Tokyo	2,910	0.5%
RE-009	Castalia Azabujuban II	Minato Ward, Tokyo	2,690	0.5%
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	0.4%
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	0.2%
RE-019	Castalia Shintomicho II	Chuo Ward, Tokyo	825	0.1%
RE-020	Castalia Harajuku	Shibuya Ward, Tokyo	887	0.2%
RE-021	Castalia Yoyogi Uehara	Shibuya Ward, Tokyo	608	0.1%
RE-022	Castalia Sendagaya	Shibuya Ward, Tokyo	555	0.1%
RE-023	Castalia Shinjuku 7 chome	Shinjuku Ward, Tokyo	464	0.1%
RE-024	Castalia Ningyocho	Chuo Ward, Tokyo	947	0.2%
RE-025	Castalia Ningyocho II	Chuo Ward, Tokyo	1,070	0.2%
RE-026	Castalia Shin-Ochanomizu	Chiyoda Ward, Tokyo	914	0.2%
RE-027	Castalia Higashi Nihonbashi II	Chuo Ward, Tokyo	1,370	0.2%
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	0.5%
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	0.5%
RE-038	Castalia Kayabacho	Chuo Ward, Tokyo	2,707	0.5%
RE-039	Castalia Takanawa	Minato Ward, Tokyo	7,430	1.3%
RE-040	Castalia Higashi Nihonbashi	Chuo Ward, Tokyo	3,520	0.6%
RE-041	Castalia Shinjuku	Shinjuku Ward, Tokyo	2,950	0.5%
RE-042	Castalia Ichigaya	Shinjuku Ward, Tokyo	940	0.2%
RE-043	Shibaura Island Bloom Tower	Minato Ward, Tokyo	7,580	1.3%
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	0.8%
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	0.3%
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	0.2%
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	1.3%
RE-060	Castalia Yakumo	Meguro Ward, Tokyo	857	0.1%
RE-061	Castalia Togoshiekimae	Shinagawa Ward, Tokyo	1,560	0.3%
RE-062	Castalia Honjo Azumabashi	Sumida Ward, Tokyo	996	0.2%
RE-063	Castalia Kitazawa	Setagaya Ward, Tokyo	742	0.1%

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.

Property number	Property name	Location	(Anticipated) acquisition price (million yen) (Note 1)	(Anticipated) investment ratio (Note 2)
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	0.5%
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	0.2%
RE-076	Castalia Sumiyoshi	Koto Ward, Tokyo	948	0.2%
RE-077	Castalia Monzennakacho II	Koto Ward, Tokyo	2,160	0.4%
RE-078	Castalia Oshiage	Sumida Ward, Tokyo	1,100	0.2%
RE-079	Castalia Kuramae	Taito Ward, Tokyo	1,260	0.2%
RE-080	Castalia Nakanobu	Shinagawa Ward, Tokyo	1,790	0.3%
RE-081	Royal Parks Toyosu	Koto Ward, Tokyo	7,360	1.3%
RE-082	Castalia Togoshi	Shinagawa Ward, Tokyo	1,770	0.3%
RE-083	Castalia Ooimachi	Shinagawa Ward, Tokyo	1,181	0.2%
RE-084	Castalia Omori	Ota Ward, Tokyo	1,500	0.3%
RE-085	Castalia Mishuku	Setagaya Ward, Tokyo	1,900	0.3%
RE-086	Castalia Arakawa	Arakawa Ward, Tokyo	1,660	0.3%
RE-087	Castalia Omori II	Ota Ward, Tokyo	2,370	0.4%
RE-088	Castalia Nakameguro	Meguro Ward, Tokyo	3,800	0.7%
RE-089	Castalia Meguro Chojyamaru	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	0.3%
RE-092	Morino Tonari	Shinagawa Ward, Tokyo	1,020	0.2%
RE-093	Castalia Meguro Tairamachi	Meguro Ward, Tokyo	1,165	0.2%
RE-094	Royal Parks SEASIR	Adachi Ward, Tokyo	4,350	0.7%
RE-095	Castalia Honkomagome	Bunkyo Ward, Tokyo	1,520	0.3%
RE-096	Cosmo Heim Musashikosugi	Kawasaki City, Kanagawa	1,674	0.3%
RE-097	Castalia Tsurumi	Yokohama City, Kanagawa	666	0.1%
RE-098	Castalia Funabashi	Funabashi City, Chiba	704	0.1%
RE-099	Castalia Nishi Funabashi	Funabashi City, Chiba	783	0.1%
RE-100	Castalia Maihama	Urayasu City, Chiba	670	0.1%
RE-101	Castalia Ichikawamyoden	Ichikawa City, Chiba	671	0.1%
RE-102	Castalia Urayasu	Ichikawa City, Chiba	592	0.1%
RE-103	Castalia Minamigyotoku	Ichikawa City, Chiba	543	0.1%
RE-105	Castalia Nogeeyama	Yokohama City, Kanagawa	325	0.1%
RE-106	Castalia Ichikawa	Ichikawa City, Chiba	461	0.1%
RE-107	Royal Parks Hanakoganei	Kodaira City, Tokyo	5,300	0.9%
RE-108	Castalia Musashikosugi	Kawasaki City, Kanagawa	1,680	0.3%
RE-109	Royal Parks Wakabadai	Inagi City, Tokyo	4,360	0.7%
RE-110	Pacific Royal Court Minatomirai Urban Tower	Yokohama City, Kanagawa	9,100	1.6%
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-113	Castalia Shinsakae	Nagoya City, Aichi	1,920	0.3%
RE-114	Aprile Tarumi	Kobe City, Hyogo	1,340	0.2%
RE-115	Crest Kusatsu	Kusatsu City, Shiga	3,004	0.5%
RE-116	Castalia Sakaisuji Honmachi	Osaka City, Osaka	1,490	0.3%
RE-117	Castalia Shin-Umeda	Osaka City, Osaka	1,376	0.2%
RE-118	Castalia Abeno	Osaka City, Osaka	4,368	0.8%
RE-119	Castalia Sakae	Nagoya City, Aichi	1,010	0.2%
RE-120	Castalia Nipponbashi Kouzu	Osaka City, Osaka	3,570	0.6%

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.

Property number	Property name	Location	(Anticipated) acquisition price (million yen) (Note 1)	(Anticipated) investment ratio (Note 2)
RE-121	Castalia Maruyama Urasando	Sapporo City, Hokkaido	411	0.1%
RE-122	Castalia Maruyama Omotesando	Sapporo City, Hokkaido	1,740	0.3%
RE-123	Castalia Higashi Hie	Fukuoka City, Fukuoka	960	0.2%
RE-124	Castalia Tower Nagahoribashi	Osaka City, Osaka	3,400	0.6%
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	0.4%
RE-130	Castalia Tower Higobashi	Osaka City, Osaka	2,670	0.5%
RE-131	Big Tower Minami Sanjo	Sapporo City, Hokkaido	1,740	0.3%
RE-132	Castalia Fushimi	Nagoya City, Aichi	2,260	0.4%
RE-133	Castalia Meieki Minami	Nagoya City, Aichi	720	0.1%
RE-134	Castalia Yakuin	Fukuoka City, Fukuoka	930	0.2%
RE-135	Castalia Mibu	Kyoto City, Kyoto	1,193	0.2%
RE-136	Castalia Tsutsujigaoka	Sendai City, Miyagi	1,208	0.2%
RE-137	Castalia Ohori Bay Tower	Fukuoka City, Fukuoka	2,910	0.5%
RE-138	Royal Parks Namba	Osaka City, Osaka	2,830	0.5%
RE-139	Castalia Shigahondori	Nagoya City, Aichi	1,730	0.3%
RE-140	Castalia Kyoto Nishioji	Kyoto City, Kyoto	973	0.2%
RE-141	Castalia Ningyocho III	Chuo Ward, Tokyo	2,000	0.3%
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 142 Residential Properties			259,754	44.7%
RM-001	ACROSSMALL Shinkamagaya	Kamagaya City, Chiba	7,770	1.3%
RM-002	FOLEO Hirakata	Hirakata City, Osaka	4,580	0.8%
RM-003	QiZ GATE URAWA	Saitama City, Saitama	4,270	0.7%
RM-004	UNICUS Takasaki	Takasaki City, Gunma	3,000	0.5%
RM-005	ACROSSPLAZA Miyoshi (Land)	Iruma District, Saitama	3,740	0.6%
RM-006	DREAM TOWN ALi	Aomori City, Aomori	8,100	1.4%
RR-001	LIFE Sagamihara Wakamatsu	Sagamihara City, Kanagawa	1,670	0.3%
RR-002	FOLEO Sendai Miyanomori	Sendai City, Miyagi	6,960	1.2%
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	0.4%
RR-005	Hiratsuka Retail Property (Land)	Hiratsuka City, Kanagawa	5,620	1.0%
Total of 11 Retail Properties			50,330	8.7%
OT-001	Urban Living Inage	Chiba City, Chiba	930	0.2%
OT-002	Aburatsubo Marina HILLS	Miura City, Kanagawa	1,100	0.2%
OT-003	Naha Shin-Toshin Center Building (Daiwa Roynet Hotel Naha-Omoromachi)	Naha City, Okinawa	7,600	1.3%
OT-004	Sharp Hiroshima Building	Hiroshima City, Hiroshima	1,850	0.3%
Total of 4 Other Properties			11,480	2.0%
Portfolio Total of 204 Properties			581,683	100.0%

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

(Note 2) (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.

(Note 3) The anticipated acquisition price of this property is represented by information based on the trust asset on the assumption that the repaired facilities, for which the repair work is scheduled to be carried out (from March 25, 2017 to May 15, 2017), will be delivered. Please see refer to the “1. Acquisition and leasing overview (1) Assets Scheduled for Acquisition”.

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.