

June 21, 2024

To All Concerned Parties

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**Notice Concerning Acquisition of Domestic Trust Beneficiary Interests  
 (Rental Housing 3 Properties) and Disposition of Domestic Real Estate  
 (Rental Housing 4 Properties)**

Daiwa Securities Living Investment Corporation. (hereinafter referred to as the “Investment Corporation”) hereby announces that Daiwa Real Estate Asset Management Co. Ltd. (hereinafter referred to as the “Asset Manager”), the asset manager of the Investment Corporation, has resolved to acquire and dispose the following assets (hereinafter referred to as the “Acquisition” and the “Disposition” respectively and collectively referred to as the “Transaction”). Details are provided below.

I. General Outline of the Transaction

(i) Acquisition

A general outline of the asset to be acquired is detailed in the table below. On June 21, 2024, the Investment Corporation plans to conclude a purchase and sale agreement with the seller for the assets to be acquired, with acquisition scheduled for August 2, 2024.

No.	Name of property (Note 4)	Location	Property type (Note 1)	Anticipated acquisition price (A) (JPY thousand) (Note 2) (Note 3)	Appraisal value (as of June 2024) (B) (JPY thousand) (Note 3)	Difference between anticipated acquisition price and appraisal value (B) - (A) (JPY thousand) ((A)/(B)) (Note 3)	Seller
1	N-stage Gyotoku II	Ichikawa, Chiba	Residence (Studio)	2,572,117	2,630,000	57,883 (97.8%)	Undisclo sed (Note 5)
2	N-stage Yamato	Yamato, Kawagawa		2,136,481	2,180,000	43,519 (98.0%)	
3	N-stage Ichikawakonodai	Ichikawa, Chiba		1,911,852	1,990,000	78,148 (96.1%)	
Total				6,620,450	6,800,000	179,550	

(Note 1) “Studio type” refers to residences in the 1R, 1K, 1DK, and 1LDK layouts. “Family type” refers to residences in the 2K, 2DK, 2LDK, and above layouts. If there are multiple types of residences are mixed in one building, they are classified as belonging to the type with the largest number of units.

(Note 2) Anticipated acquisition price does not include acquisition expenses, adjustments to property tax and city planning tax, and consumption tax and local consumption tax. The same applies hereinafter.

(Note 3) Amounts are rounded to the nearest unit and percentages are rounded to the first decimal place. Unless stated otherwise, the same applies hereinafter.

(Note 4) The names of the properties will be changed from “N-stage Gyotoku II” to “Gran Casa Gyotoku,” from “N-stage Yamato” to “Gran Casa Yamato,” and from “N-stage Ichikawakonodai” to “Gran Casa Ichikawa Konodai” on August 2, 2024.

(Note 5) The seller in the Acquisition is not disclosed, as its consent has not been obtained. The seller, which is a corporation, does not fall under the category of “interested party, etc.” under the Enforcement Order of the Law Concerning Investment Trusts and Investment Corporations, nor does it fall under the category of “interested party, etc.” as stipulated in the Rules for Transactions with Interested Persons, which are the internal rules of the Asset Manager.

(Note 6) There is no intermediary in the Acquisition.

## (ii) Disposition

A general outline of the assets to be disposed is detailed in the table below. As of June 21, 2024, the Investment Corporation plans to conclude a purchase and sale agreement with the transferee for the disposition of assets to be disposed of, and the disposition is scheduled to take place on August 1, 2024.

No.	Name of property (Location)	Book value (as of the end of March 2024) (A) (JPY thousand)	Appraisal value (as of the end of March 2024) (B) (JPY thousand)	Difference between book value and appraisal value (B) - (A) (JPY thousand)	Anticipated disposition Price (JPY thousand) (Note1) (Note2)	Profit or Loss on Transfer (JPY thousand) (Note3)	Transferee
1	willDo Todoroki (Setagaya, Tokyo)	1,729,668	2,050,000	320,331	5,582,000	1,499,265	Undisclosed (Note 4)
2	SK Residence (Toshima, Tokyo)	763,076	1,280,000	516,923			
3	Angel Heim NishiRokugo No. 2 (Ota, Tokyo)	982,227	1,580,000	597,772			
4	willDo Chiyoda (Nagoya, Aichi)	510,172	612,000	101,827			
	Total	3,985,144	5,522,000	1,536,855	5,582,000	1,499,265	

(Note 1) The anticipated disposition price excludes disposition-related costs, fixed asset tax and city planning tax adjustments and national and local consumption taxes; the same shall apply hereinafter.

(Note 2) The disposition associated with the assets to be disposed (hereinafter referred to as the “Bulk Transaction”) is based on a single sale agreement to the same transferee. Since the anticipated disposition price is also agreed based on a single sale agreement, and the anticipated disposition price for each property is required by the transferee to be undisclosed as an essential condition of this disposition, only the anticipated disposition price for the total of 4 properties is shown. The anticipated disposition price for each property is above the book value and appraisal value as of March 31, 2024.

(Note 3) The profit or loss on transfer is a reference figure calculated as the difference between the anticipated disposition price, book value and disposition-related expenses at the time, and may differ from the actual profit or loss on transfer.

(Note 4) The transferee in the Disposition is not disclosed, as its consent has not been obtained. The transferee, which is a corporation, does not fall under the category of “interested party, etc.” under the Enforcement Order of the Law Concerning Investment Trusts and Investment Corporations, nor does it fall under the category of “interested party, etc.” as stipulated in the Rules for Transactions with Interested Persons, which are the internal rules of the Asset Manager.

(Note 5) The intermediary of the Disposition does not correspond to the interested party.

## II. Reason of the Transaction

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

Regarding the Acquisition, we have decided to acquire the asset to be acquired in order to diversify and enhance our portfolio to secure stable earnings. In addition, the tenant of the asset to be acquired meets the tenant selection criteria outlined in the Investment Corporation’s Management System Report dated December 20, 2023.

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

## 【Individual Reasons for the Disposition】

No.	Name of property	Location	Building age (Note1)	Percentage of portfolio (appraisal value base) (Note1)	Reasons for disposition
1	willDo Todoroki	Setagaya, Tokyo	27 years	0.42%	• Comparing the property's age with the average age of the portfolio as a whole (13.0 years as of March 31, 2024; hereinafter, the same), the disposition will contribute to improving portfolio quality.
2	SK Residence	Toshima, Tokyo	34 years	0.26%	• Comparing the property's age with the average age of the portfolio as a whole, the disposition will contribute to improving portfolio quality.
3	Angel Heim NishiRokugo No. 2	Ota, Tokyo	26 years	0.32%	• Comparing the property's age with the average age of the portfolio as a whole, the disposition will contribute to improving portfolio quality.
4	willDo Chiyoda	Nagoya, Aichi	17 years	0.12%	• Considering that the property's rent has recently been on a downward trend and its asset size accounts for a low proportion of the overall portfolio, the disposition will contribute to promoting internal growth and the efficiency of SG&A expenses related to operations.

(Note 1) Based on March 31, 2024.

## III. Details of the Transaction

### (i) Details of Asset to Be Acquired

The details of the asset to be acquired are summarized in the following individual property tables. The description of the items mentioned in the individual property tables is as follows.

### <Description of Items>

#### a. Explanation of Overview of Properties

1. "Location (residential indication)" is stated based on the residential indication in principle. Where residential indication is not shown, building location (if there is more than one, the location of one of the buildings) is shown in accordance with either the housing number indication or the registry (including the Registration Record; the same applies hereinafter).
2. "Form of ownership" for both Land and Building refers the type of rights held by the Investment Corporation for real estate and by the Trustee for real estate trust beneficiary interests.
3. "Zoning" for Land refers to the types of use districts stipulated by Item 1, Paragraph 1, Article 8 of the City Planning Act (Law No. 100 of 1968, including later amendments) (hereinafter referred to as the "City Planning Act").
4. "Area" for Land is shown in accordance with the registry and may not correspond to the current reality.
5. "FAR" for Land refers to the ratio of the sum of the floor space of the building to the land area as stipulated in Article 52 of the Building Standards Act (Law No. 201 of 1950, including later amendments) (hereinafter referred to as the "Building Standards Act"), and the upper limit of floor-to-area ratio (designated floor-to-area ratio) as determined by city planning according to the use area. The designated floor-to-area ratio can be mitigated, increased, or reduced due to the width of roads connected to the site and other reasons, and may differ from the floor-to-area ratio that is actually in use.
6. "Building-to-land ratio" for Land shows the ratio of the building area to the land area as stipulated in Article 53 of the Building Standards Act, and the upper limit of building-to-land ratio (designated building-to-land ratio) as determined by city planning according to the use area. The designated building-to-land ratio can be mitigated, increased, or reduced due to fireproofed structures in a fire prevention districts and other factors, and may differ from the building-to-land ratio that is actually in use.
7. "Use" for Building refers to the building type recorded in the registry.
8. "Structure/Floors" for Building is based on records in the registry.
9. "Number of leasable units" (in the case of residence) indicates the number of units that can be leased as of April 30, 2024 for the Asset to Be Acquired.

10. “Number of leasable compartments” (in case of healthcare facilities) indicates the number of compartments of a building where a lease contract has been concluded, and includes retail stores, offices, etc., if any.
11. “Total floor area” for Building is based on records in the registry and does not include the floor area of annexed buildings.
12. “Construction completion” for Building refers to the date of completion recorded in the registry.
13. “Estimated emergency repair expenses,” “Estimated short-term repair expenses,” and “Estimated long-term repair expenses” are rounded down to the thousands, while ratios are rounded to the first decimal place.
14. “PML” data was acquired from Tokyo Marine dR Co., Ltd. in May 2024.
15. “Property manager” is the property management company entrusted with, or scheduled to be entrusted with the property management operations.
16. “Master lessee” is the party that has, or is scheduled to enter into a master lease agreement concerning the asset in question.
17. “Type of master lease” is either “Pass through” or “Guaranteed rent” “Pass through” is a master lease agreement where the master lessee passes on the rent equivalent to rent paid by the end tenant, and “Guaranteed rent” is a master lease agreement in which the master lessee pays a fixed rent.
18. “Real estate rent revenue” is the monthly rental income (rent, common service fee, parking lot income, etc.) rounded down to less than 1,000 yen based on the figures and information available as of April 30, 2024, of the Asset to Be Acquired.
19. “Lease and guarantee deposits, etc.” are the lease or guarantee deposits (residences, retail stores, offices, parking lots, etc.) rounded down to less than 1,000 yen based on the figures and information available as of April 30, 2024, of the Asset to Be Acquired.
20. “Leasable area” shows the leasable area of each of the Asset to Be Acquired as of April 30, 2024, excluding area used by storage spaces, parking spaces, custodian areas, signboards, vending machines, antennas and other spaces leased to the lessee in addition to their main use, or other areas leased for the maintenance and supervision of the relevant property (including loan for use). Furthermore, leasable area is calculated using the center line of the wall, and includes the meter boxes and pipe spaces allotted to each unit.
21. “Number of tenants” shows the leasable area of each of the Asset to Be Acquired as of April 30, 2024, and shall be one if a master lease agreement has been concluded with a master lessee.
22. “Total leased area” is the sum of the area leased through lease agreements with end tenants (however, in cases where properties are wholly leased to realtors through guaranteed rent agreements or where a master lessee wholly leases it to another company, lease agreements where properties are wholly leased to a lessee) at the Asset to Be Acquired that are in effect as of April 30, 2024.
23. “Occupancy rate” is the figure obtained by dividing the total leased area by the leasable area for the Asset to Be Acquired as of April 30, 2024, rounded down to the first decimal place.
24. The “Collateral” section denotes if there is collateral to be borne by the Investment Corporation for the asset to be acquired, or if there is collateral to be borne after the acquisition.
25. The “Features” sections have been prepared based on the analyses of the Asset Manager and the appraisal reports of the real estate appraiser concerning the Asset to Be Acquired.
26. The “Special Notes” section denotes important factors upon considering the rights, appraisal values, the impact on profitability and disposability, etc., concerning the Asset to Be Acquired.

## 1. N-stage Gyotoku II

Overview of the Property				
Category of anticipated property for acquisition		Trust beneficiary interests		
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)		
Term of trust agreement		From August 2, 2024 to August 31, 2034 (planned)		
Scheduled acquisition price		JPY 2,572 million	Scheduled acquisition date	August 2, 2024
Appraisal value (appraisal date)		JPY 2,630 million (as of June 1, 2024)	Appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Location (Residential indication)		4-22-22 Gyotoku Ekimae, Ichikawa, Chiba		
Access		Approximately 550 m from “Gyotoku” Station on the Tokyo Metro Tozai Line		
Land	Form of ownership	Ownership	Zoning	Category 2 medium-to-high-rise exclusive residential district
	Area	1,378.44 m <sup>2</sup>	FAR/Building-to-land ratio	200% / 60%
Building	Form of ownership	Ownership	Use	Condominium, Retail
	Structure/Floors	RC, 6-story building with flat roof	Number of leasable units	91 units
	Total floor area	2,868.68 m <sup>2</sup>	Construction completion	May 31, 2017
Building engineer		Nomura Architect & Associates		

Constructor	Joint construction enterprise by Tada Corporation and Toa Corporation		
Building inspection agency	Japan Constructive Inspection Association (JCIA)		
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand
Estimated long-term repair expenses	JPY 43,516 thousand	PML	5.9%
Property manager	Shimizu Comprehensive Development Corporation (planned)		
Master lessee	G.K. Japan Rental Housing	Type of master lease	Pass through
Overview of Leasing			
Real estate rent revenue	JPY 9,625 thousand		
Lease and guarantee deposits	JPY 13,387 thousand		
Total leasable area	2,722.10 m <sup>2</sup>	Number of tenants	1
Total leased area	2,674.02 m <sup>2</sup>	Occupancy rate	98.2%
Collateral	None		
Features			
<p>Site features: The property is a condominium building completed in May 2017, situated an 8-minute walk from Tokyo Metro Tozai Line “Gyotoku” Station. It boasts excellent access by direct train line to the Otemachi area, which is a business hub, and also features facilities for convenient living around the station and the property itself. It is expected to attract stable demand from single residents and DINKS.</p> <p>Property features: The 6-story reinforced concrete building consists of 80 1K units, 10 1LDK units, and a store. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, water boilers with a reheating function, warm water washing toilet seat, etc., are equipped as standard, it is a property that provides residents with high quality and comfortable life.</p>			
Special Notes			
None			

## 2. N-stage Yamato

Overview of the Property				
Category of anticipated property for acquisition		Trust beneficiary interests		
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)		
Term of trust agreement		From August 2, 2024 to August 31, 2034 (planned)		
Scheduled acquisition price		JPY 2,136 million	Scheduled acquisition date	August 2, 2024
Appraisal value (appraisal date)		JPY 2,180 million (as of June 1, 2024)	Appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Location (Residential indication)		5-3-9 Chuo, Yamato, Kanagawa		
Access		Approximately 450 m from “Yamato” Station on the Odakyu Enoshima Line and Sotetsu Main Line		
Land	Form of ownership	Ownership	Zoning	Category 1 residential district
	Area	1,338.00 m <sup>2</sup>	FAR/Building-to-land ratio	200% / 60%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 7-story building with flat roof	Number of leasable units	114 units
	Total floor area	2,802.73 m <sup>2</sup>	Construction completion	January 31, 2018
Building engineer		Nomura Architect & Associates		
Constructor		Joint construction enterprise by Tada Corporation and Toa Corporation		
Building inspection agency		Japan Constructive Inspection Association (JCIA)		
Estimated emergency repair expenses		JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand
Estimated long-term repair expenses		JPY 46,278 thousand	PML	7.2%
Property manager		Shimizu Comprehensive Development Corporation (planned)		
Master lessee		G.K. Japan Rental Housing	Type of master lease	Pass through
Overview of Leasing				
Real estate rent revenue		JPY 8,475 thousand		
Lease and guarantee deposits		JPY 6,790 thousand		
Total leasable area		2,642.28 m <sup>2</sup>	Number of tenants	1
Total leased area		2,596.09 m <sup>2</sup>	Occupancy rate	98.3%
Collateral		None		

Features			
<p>Site features: The property is a condominium building completed in January 2018, situated a 6-minute walk from “Yamato” Station on the Odakyu Enoshima Line and Sotetsu Main Line. There is a general hospital nearby with over 200 beds, a police station, taxation bureau, and other facilities. It features easy access to Machida Station inbound and Fujisawa Station outbound along the Odakyu Line, as well as to Yokohama Station and Sakuragicho Station along the Sotetsu Main Line. There are also facilities for convenient living around the station and the property itself. It is expected to attract stable demand from single residents and DINKS.</p> <p>Property features: The 7-story reinforced concrete building consists of 114 1K units. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, water boilers with a reheating function, warm water washing toilet seat, etc., are equipped as standard, it is a property that provides residents with high quality and comfortable life.</p>			
Special Notes			
None			

### 3. N-stage Ichikawakonodai

Overview of the Property				
Category of anticipated property for acquisition	Trust beneficiary interests			
Trustee	Mizuho Trust & Banking Co., Ltd. (planned)			
Term of trust agreement	From August 2, 2024 to August 31, 2034 (planned)			
Scheduled acquisition price	JPY 1,911 million	Scheduled acquisition date	August 2, 2024	
Appraisal value (appraisal date)	JPY 1,990 million (as of June 1, 2024)	Appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.	
Location (Residential indication)	3-29-9 Ichikawa, Ichikawa, Chiba			
Access	Approximately 60 m from the Keisei Main Line “Konodai” Station			
Land	Form of ownership	Ownership	Zoning	Neighborhood commercial district
	Area	549.80 m <sup>2</sup>	FAR/Building-to-land ratio	400% / 80%
Building	Form of ownership	Ownership	Use	Condominium, Retail
	Structure/Floors	RC, 1-floor basement, 12-story building with flat roof	Number of leasable units	101 units
	Total floor area	2,702.68 m <sup>2</sup>	Construction completion	October 1, 2018
Building engineer	Nomura Architect & Associates			
Constructor	Joint construction enterprise by Tada Corporation and Toa Corporation			
Building inspection agency	Japan Constructive Inspection Association (JCIA)			
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand	
Estimated long-term repair expenses	JPY 43,651 thousand	PML	6.0%	
Property manager	Shimizu Comprehensive Development Corporation (planned)			
Master lessee	G.K. Japan Rental Housing	Type of master lease	Pass through	
Overview of Leasing				
Real estate rent revenue	JPY 7,960 thousand			
Lease and guarantee deposits	JPY 7,644 thousand			
Total leasable area	2,114.15 m <sup>2</sup>	Number of tenants	1	
Total leased area	2,074.17 m <sup>2</sup>	Occupancy rate	98.1%	
Collateral	None			
Features				
<p>Site features: The property is a condominium building completed in October 2018, situated a 1-minute walk from “Konodai” Station on the Keisei Main Line. The area is popular with students as there are university facilities nearby, and the property is expected to attract stable demand from single residents, with its excellent location only a 1-minute walk from the station.</p> <p>Property features: The 12-story and 1 basement floor reinforced concrete building consists of 99 1K units, and 2 stores. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, water boilers with a reheating function, warm water washing toilet seat, etc., are equipped as standard, it is a property that provides residents with high quality and comfortable life.</p>				
Special Notes				
None				



(ii) Details of Assets to be Disposed

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

Name of Property (Property No.)	willDo Todoroki (F-4-017)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	4-4-11 Todoroki, Setagaya-ku, Tokyo				
Use	Condominium, Retail				
Constructed	October 31, 1996				
Appraisal Value	2,050,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	50,476 thousand yen				
Lease Deposits and Guarantee Deposits	18,831 thousand yen				
Total Leasable Area	2,422.06 m <sup>2</sup>				
Total Leased Area	2,422.06 m <sup>2</sup>				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	100%	100%	100%	100%	100%

Name of Property (Property No.)	SK Residence (F-4-055)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	3-41-12 Minami Otsuka, Toshima-ku, Tokyo				
Use	Condominium, Retail, Office				
Constructed	February 28, 1990				
Appraisal Value	1,280,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	37,236 thousand yen				
Lease Deposits and Guarantee Deposits	12,955 thousand yen				
Total Leasable Area	1,624.73 m <sup>2</sup>				
Total Leased Area	1,624.73 m <sup>2</sup>				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	91.7%	97.1%	100%	100%	100%

Name of Property (Property No.)	Angel Heim NishiRokugo No. 2 (F-4-056)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	4-13-7 NishiRokugo, Ota-ku, Tokyo				
Use	Condominium, Parking				
Constructed	May 16, 1997				
Appraisal Value	1,580,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	45,497 thousand yen				
Lease Deposits and Guarantee Deposits	8,569 thousand yen				
Total Leasable Area	2,776.64 m <sup>2</sup>				
Total Leased Area	2,776.64 m <sup>2</sup>				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	97.6%	97.6%	100%	100%	100%

Name of Property (Property No.)	willDo Chiyoda (O-5-040)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	1-10-5 Chiyoda, Naka-ku, Nagoya-shi, Aichi				
Use	Condominium				
Constructed	July 29, 2006				
Appraisal Value	612,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	20,089 thousand yen				
Lease Deposits and Guarantee Deposits	1,490 thousand yen				
Total Leasable Area	1,445.80 m <sup>2</sup>				
Total Leased Area	1,373.82 m <sup>2</sup>				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	95.0%	88.3%	88.3%	95.0%	95.0%

#### IV. Profile of the Counterparty

The transaction involves planned acquisition from one domestic special purpose company and planned transfer to one domestic special purpose company, totaling two companies, but as consent for each has not been obtained, the information is undisclosed. Both companies will be special purpose companies managed by the same asset management company. There are no capital, personnel, or business relationships between the Investment Corporation/the Asset Manager and the corporation, and the corporations are not related parties of either the Investment Corporation or the Asset Manager.

In addition, the corporations do not fall under the category of “interested party, etc.” under the Enforcement Order of the Law Concerning Investment Trusts and Investment Corporations, and the category of “interested party, etc.” as stipulated in the Rules for Transactions with Interested Persons, which are the internal rules of the Asset manager.

#### V. Profile of the Property Seller

The seller of the anticipated property is not classified as a special related party of the Investment Corporation and the Asset Manager.

#### VI. Funds for Acquisition

Use the transfer funds of the Transaction and cash on hand.

#### VII. Schedule of the Transaction

##### (i) Acquisition

- Decision of acquisition and conclusion of purchase agreement: June 21, 2024
- Payment and acquisition: August 2, 2024

##### (ii) Disposition

- Decision of disposition and Conclusion of disposition agreement: June 21, 2024
- Receipt and delivery: August 1, 2024



VIII. Financial Impact on the Investment Corporation in the event that Forward Commitments, etc. cannot be fulfilled.

The purchase and sale agreement for the assets to be acquired corresponds to a forward commitment, etc. (referring to a postdated purchase and sales agreement under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto) as specified in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.

If either party to the purchase and sale agreement fails to satisfy its obligations as prescribed in the purchase and sale agreement (hereinafter, the "party in breach of contract"), the counterparty may, after issuing a written demand for satisfaction specifying a reasonable period of time, cancel the agreement. In this case, the counterparty may demand a penalty equivalent to 10% of the total transfer funds from the party in breach of contract.

## IX. Settlement Method

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

## X. Forecasts

In line with the Transaction, we expect to post a gain on the Disposition of real estate properties of JPY1,499 million in the fiscal period ending September 2024 (37th fiscal period), and plan to distribute the remaining amount after retaining a portion of the gain.

The forecasts of operating results and distribution for the fiscal period ending September 2024 (37th fiscal period) have been revised. For details, please refer to the "Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2024 (37th Fiscal Period)," announced today.

## XI. Summary of Appraisal Report

### (i) Asset to be acquired

Property Name		N-stage Gyotoku II		
Appraisal Value		JPY 2,630,000,000		
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.		
Date of Appraisal		June 1, 2024		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	2,630,000	Assessed by using the standardized net income value using the DCF method and by conducting verification from the net income value using the direct capitalization method.
Value indicated by the Direct Capitalization Method		JPY thousand	2,700,000	Assessed by capitalizing the standardized net income, which is recognized to be stable over the medium to long term, with the capitalization yield
(1) Total Operating Income: (a)-(b)		JPY thousand	127,315	-
(a)	Rental revenues including common service fees	JPY thousand	124,311	Rental revenues: Income earned continuously by renting or outsourcing the management of all or only rental units of the property concerned (assuming full occupancy) Common service fees: Among the expenses continuously required in the maintenance and operation of the property concerned, income collected based on a contract with a lessee as charges for common areas (assuming full occupancy)
	Parking fees	JPY thousand	3,564	Income earned by renting the parking lots included on the property concerned to its tenants, etc. and income earned through hourly rental of parking lots (assuming full occupancy)
	Other revenues	JPY thousand	3,576	Non-refundable, one-off payments such as key money
(b)	Losses from vacancies	JPY thousand	4,136	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
	Bad debt losses	JPY thousand	-	Amounts reduced from each type of income based on the forecast for bad debts
(2) Total Operating Expenses		JPY thousand	21,920	-
Operation costs		JPY thousand	2,268	Expenses continuously required for the maintenance and management of the property concerned, including management of the building and facilities, security and safety, and cleaning
Utilities		JPY thousand	783	Expenses required for electricity, water supply, gas, local heat source for air-conditioning, etc. in the operation of the property concerned
Repairs and maintenance expense		JPY thousand	2,859	Of the amount spent for repair, improvement, etc. of the building, facility, etc. of the property concerned, expenses continuously required for normal maintenance of the building, facility, etc. or the recovery of the original condition of a partially damaged building, facility, etc.
Property management fees		JPY thousand	1,732	Expenses for management operations of the property concerned.
Tenant promotion fees, etc.		JPY thousand	2,651	Expenses for agency services, advertising, etc. for new tenant solicitation, expenses for renewal of rental agreements with tenants and contract extensions, etc.
Taxes and public dues		JPY thousand	7,208	Property taxes (on land and buildings) and city planning taxes (on land and buildings)
Nonlife insurance		JPY thousand	263	Fire insurance premiums for the property concerned and attached facilities, liability insurance premiums for defects on the property concerned and damage caused to a third party, etc. by a management accident, etc.
Other expenses		JPY thousand	4,153	Other expenses such as Internet connection fees
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	105,394	-
(4) Lump-sum Investment Return		JPY thousand	136	Recorded management gain at a yield of 1.0%
(5) Capital Expenditure		JPY thousand	3,040	Of the amount paid for repair, improvement, etc. of a building, facility, etc. of the property concerned, expenditure corresponding to the part deemed to increase the value or durability of the building, facility, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	102,490	-
(7) Capitalization Rate		(%)	3.8	Assessed based on a comprehensive consideration of property location, construction, and contract conditions.
Value Indicated by DCF Method		JPY thousand	2,600,000	-
Discount Rate		(%)	3.9	Assessed through comparison to transactions of similar properties and the yield on financial assets, taking into account the individual characteristics of real estate.
Terminal Capitalization Rate		(%)	4.0	Assessed through consideration of factors such as the character of net income used for the terminal capitalization rate, future uncertainty, liquidity, and marketability.
Value indicated by cost approach		JPY thousand	2,630,000	-
Land Ratio		(%)	72.6	-
Property Ratio		(%)	27.4	-
Other items of note by appraiser		None		

Property Name		N-stage Yamato	
Appraisal Value		JPY 2,180,000,000	
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.	
Date of Appraisal		June 1, 2024	
Item		Details	Overview, etc.
Value indicated by income approach	JPY thousand	2,180,000	Assessed by using the standardized net income value using the DCF method and by conducting verification from the net income value using the direct capitalization method.
Value indicated by the Direct Capitalization Method	JPY thousand	2,230,000	Assessed by capitalizing the standardized net income, which is recognized to be stable over the medium to long term, with the capitalization yield.
(1) Total Operating Income: (a)-(b)	JPY thousand	112,462	-
(a) Rental revenues including common service fees	JPY thousand	105,522	Rental revenues: Income earned continuously by renting or outsourcing the management of all or rental units of the property concerned (assuming full occupancy) Common service fees: Among the expenses continuously required in the maintenance and operation of the property concerned, income collected based on a contract with a lessee as charges for common areas (assuming full occupancy)
Parking fees	JPY thousand	10,346	Income earned by renting the parking lots included on the property concerned to its tenants, etc. and income earned through hourly rental of parking lots (assuming full occupancy)
Other revenues	JPY thousand	3,720	Non-refundable, one-off payments such as key money and income from automatic vending machines, etc.
(b) Losses from vacancies	JPY thousand	7,127	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
Bad debt losses	JPY thousand	-	Amounts reduced from each type of income based on the forecast for bad debts
(2) Total Operating Expenses	JPY thousand	22,667	-
Operation costs	JPY thousand	2,037	Expenses continuously required for the maintenance and management of the property concerned, including management of the building and facilities, security and safety, and cleaning
Utilities	JPY thousand	951	Expenses required for electricity, water supply, gas, local heat source for air-conditioning, etc. in the operation of the property concerned
Repairs and maintenance expense	JPY thousand	3,243	Of the amount spent for repair, improvement, etc. of the building, facility, etc. of the property concerned, expenses continuously required for normal maintenance of the building, facility, etc. or the recovery of the original condition of a partially damaged building, facility, etc.
Property management fees	JPY thousand	1,522	Expenses for management operations of the property concerned.
Tenant promotion fees, etc.	JPY thousand	2,657	Expenses for agency services, advertising, etc. for new tenant solicitation, expenses for renewal of rental agreements with tenants and contract extensions, etc.
Taxes and public dues	JPY thousand	5,990	Property taxes (on land and buildings) and city planning taxes (on land and buildings)
Nonlife insurance	JPY thousand	272	Fire insurance premiums for the property concerned and attached facilities, liability insurance premiums for defects on the property concerned and damage caused to a third party, etc. by a management accident, etc.
Other expenses	JPY thousand	5,993	Other expenses such as Internet connection fees
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	89,794	-
(4) Lump-sum Investment Return	JPY thousand	75	Recorded management gain at a yield of 1.0%
(5) Capital Expenditure	JPY thousand	2,905	Of the amount paid for repair, improvement, etc. of a building, facility, etc. of the property concerned, expenditure corresponding to the part deemed to increase the value or durability of the building, facility, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	86,964	-
(7) Capitalization Rate	(%)	3.9	Assessed based on a comprehensive consideration of property location, construction, and contract conditions.
Value Indicated by DCF Method	JPY thousand	2,160,000	-
Discount Rate	(%)	4.0	Assessed through comparison to transactions of similar properties and the yield on financial assets, taking into account the individual characteristics of real estate.
Terminal Capitalization Rate	(%)	4.1	Assessed through consideration of factors such as the character of net income used for the terminal capitalization rate, future uncertainty, liquidity, and marketability.
Value indicated by cost approach	JPY thousand	1,860,000	-
Land Ratio	(%)	58.0	-
Property Ratio	(%)	42.0	-
Other items of note by appraiser	None		

Property Name		N-stage Ichikawakonodai		
Appraisal Value		JPY 1,990,000,000		
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.		
Date of Appraisal		June 1, 2024		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	1,990,000	Assessed by using the standardized net income value using the DCF method and by conducting verification from the net income value using the direct capitalization method.
Value indicated by the Direct Capitalization Method		JPY thousand	2,020,000	Assessed by capitalizing the standardized net income, which is recognized to be stable over the medium to long term, with the capitalization yield.
(1) Total Operating Income: (a)-(b)		JPY thousand	101,091	-
(a)	Rental revenues including common service fees	JPY thousand	97,969	Rental revenues: Income earned continuously by renting or outsourcing the management of all or only rental units of the property concerned (assuming full occupancy) Common service fees: Among the expenses continuously required in the maintenance and operation of the property concerned, income collected based on a contract with a lessee as charges for common areas (assuming full occupancy)
	Parking fees	JPY thousand	2,836	Income earned by renting the parking lots included on the property concerned to its tenants, etc. and income earned through hourly rental of parking lots (assuming full occupancy)
	Other revenues	JPY thousand	3,794	Non-refundable, one-off payments such as key money and utilities income
(b)	Losses from vacancies	JPY thousand	3,510	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
	Bad debt losses	JPY thousand	-	Amounts reduced from each type of income based on the forecast for bad debts
(2) Total Operating Expenses		JPY thousand	19,669	-
Operation costs		JPY thousand	2,040	Expenses continuously required for the maintenance and management of the property concerned, including management of the building and facilities, security and safety, and cleaning
Utilities		JPY thousand	1,420	Expenses required for electricity, water supply, gas, local heat source for air-conditioning, etc. in the operation of the property concerned
Repairs and maintenance expense		JPY thousand	2,650	Of the amount spent for repair, improvement, etc. of the building, facility, etc. of the property concerned, expenses continuously required for normal maintenance of the building, facility, etc. or the recovery of the original condition of a partially damaged building, facility, etc.
Property management fees		JPY thousand	1,362	Expenses for management operations of the property concerned.
Tenant promotion fees, etc.		JPY thousand	2,422	Expenses for agency services, advertising, etc. for new tenant solicitation, expenses for renewal of rental agreements with tenants and contract extensions, etc.
Taxes and public dues		JPY thousand	5,758	Property taxes (on land and buildings) and city planning taxes (on land and buildings)
Nonlife insurance		JPY thousand	259	Fire insurance premiums for the property concerned and attached facilities, liability insurance premiums for defects on the property concerned and damage caused to a third party, etc. by a management accident, etc.
Other expenses		JPY thousand	3,756	Other expenses such as Internet connection fees
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	81,421	-
(4) Lump-sum Investment Return		JPY thousand	86	Recorded management gain at a yield of 1.0%
(5) Capital Expenditure		JPY thousand	2,765	Of the amount paid for repair, improvement, etc. of a building, facility, etc. of the property concerned, expenditure corresponding to the part deemed to increase the value or durability of the building, facility, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	78,742	-
(7) Capitalization Rate		(%)	3.9	Assessed based on a comprehensive consideration of property location, construction, and contract conditions.
Value Indicated by DCF Method		JPY thousand	1,980,000	-
Discount Rate		(%)	4.0	Assessed through comparison to transactions of similar properties and the yield on financial assets, taking into account the individual characteristics of real estate.
Terminal Capitalization Rate		(%)	4.1	Assessed through consideration of factors such as the character of net income used for the terminal capitalization rate, future uncertainty, liquidity, and marketability.
Value indicated by cost approach		JPY thousand	1,680,000	-
Land Ratio		(%)	60.7	-
Property Ratio		(%)	39.3	-
Other items of note by appraiser		None		

(ii) Assets to be disposed

Property Name	willDo Todoroki
Appraisal Value	JPY 2,050,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	March 31, 2024

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	2,050,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	2,070,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	95,693	-
(a)			
Rental revenues including common service fees	JPY thousand	95,161	Rent income and common-area charge income was posted based on the unit amount level of rents, etc. that could be stably received in the medium to long term, which was estimated, as shown in the separate table, based on factors such as the average rent, etc. from the current rental agreements, the levels of new rents, etc. that would be received if the property concerned were newly rented, and attributes of lessees occupying the property.
Parking fees	JPY thousand	1,632	Usage fees that can be received stably in the medium to long term based on the level of usage fees when new parking lots are leased, average usage fees based on lease agreements (if there is a current lease agreement), etc. After appraising the unit price level, as shown in the separate table, the parking lot revenue was recorded based on medium- to long-term estimates, taking occupancy rate into account.
Other revenues	JPY thousand	3,430	After assessing the number of months received from individual residents, the average annual replacement rate of residents, and the average contract period as shown in the separate table, key money and renewal fee income based on this were recorded. In addition, income from installation fees for antennas, etc. was recorded as other income.
(b)			
Losses from vacancies	JPY thousand	4,530	Loss from vacancies, etc. was posted based on the occupancy rate level that would be stable in the medium to long term, which was estimated, as shown in the separate table from the occupancy status and demand-supply trends of similar properties that were substitute competitors in similar districts in the same demand-supply area, occupancy status of the property concerned in the past, and future trends. The loss from vacancies was not posted for other income such as revenue, etc. from motorcycle and bicycle parking, as this was assessed based on medium- to long-term forecasts.
Bad debt losses	JPY thousand	-	Posting of a bad debt loss was deemed unnecessary, considering the condition of lessees and other factors.
(2) Total Operating Expenses	JPY thousand	16,773	-
Operation costs	JPY thousand	2,000	Maintenance expenses consisting of cleaning fees, facility management fees, and security fees, etc. were posted using the amounts paid in the past and maintenance expenses of similar properties as a reference and taking into account the individuality of the property concerned.
Utilities	JPY thousand	1,000	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
Repairs and maintenance expense	JPY thousand	2,895	Expenses for restoration to original condition were posted after the calculation based on the level of expenses for restoration to original condition per unit paid that typically occur due to change of tenants, the percentage paid by the lessors, general timing of expense payments, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
Property management fees	JPY thousand	2,586	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
Tenant promotion fees, etc.	JPY thousand	2,770	Administrative fees related to soliciting new tenants, concluding contracts, and renewing tenants are calculated with reference to contract conditions and rental conditions of similar real estate in the surrounding area. Rental fees, etc. account for advertising expenses, etc. assessed based on rental fees necessary for soliciting new tenants, etc. and actual amounts in past years, while renewal fees are recorded as compensation fees paid to contractors when entering into a renewal agreement, etc., considering the average annual replacement rate of tenants and occupancy rate, etc..
Taxes and public dues	JPY thousand	5,078	The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials.
Nonlife insurance	JPY thousand	198	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
Other expenses	JPY thousand	246	Internet usage fees were recorded as other expenses.

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(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	78,920	-
(4) Lump-sum Investment Return	JPY thousand	239	The management gain from one-off payments was estimated by assessing, as shown in the separate table, the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
(5) Capital Expenditure	JPY thousand	4,607	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	74,552	-
(7) Capitalization Rate	(%)	3.6	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
Value Indicated by DCF Method	JPY thousand	2,030,000	-
Discount Rate	(%)	3.4	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
Terminal Capitalization Rate	(%)	3.7	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
Value indicated by cost approach	JPY thousand	1,470,000	-
Land Ratio	(%)	83.8	-
Property Ratio	(%)	16.2	-
Other items of note by appraiser	None		

Property Name	SK Residence
Appraisal Value	JPY 1,280,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	March 31, 2024

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	1,280,000
Value indicated by the Direct Capitalization Method	JPY thousand	1,290,000
(1) Total Operating Income: (a)-(b)	JPY thousand	68,421
(a) Rental revenues including common service fees	JPY thousand	60,515
(a) Parking fees	JPY thousand	4,531
(a) Other revenues	JPY thousand	6,249
(b) Losses from vacancies	JPY thousand	2,874

Rent income and common-area charge income was posted based on the unit amount level of rents, etc. that could be stably received in the medium to long term, which was estimated, as shown in the separate table, based on factors such as the average rent, etc. from the current rental agreements, the levels of new rents, etc. that would be received if the property concerned were newly rented, and attributes of lessees occupying the property.

Usage fees that can be stably received in the medium to long term based on the level of usage fees when new parking lots are leased, average usage fees based on lease agreements (if there is a current lease agreement), etc. After appraising the unit price level, as shown in the separate table, the parking lot revenue was recorded based on this.

After assessing the number of months received from individual residents the average annual replacement rate of residents, and the average contract period, as shown in the separate table, key money and renewal fee income based on this were recorded. In addition, installation fees for automatic vending machines, antennas, hourly parking lots, etc. were recorded as other income.

Loss from vacancies, etc. was posted based on the occupancy rate level that would be stable in the medium to long term, which was estimated, as shown in the separate table, from the occupancy status and demand-supply trends of properties that were substitute competitors in similar districts in the same demand-supply area, occupancy status of the property concerned in the past, and future trends. The Loss



				from vacancies was not posted for other income due to the assessment of other income performed based on medium- to long-term forecasts.
	Bad debt losses	JPY thousand	-	Posting of a bad debt loss was deemed unnecessary, considering the condition of lessees and other factors.
(2)	Total Operating Expenses	JPY thousand	16,870	-
	Operation costs	JPY thousand	5,000	Maintenance expenses consisting of cleaning fees, facility management fees, and security fees, etc. were posted using the amounts paid in the past and maintenance expenses of similar properties as a reference and taking into account the individuality of the property concerned.
	Utilities	JPY thousand	2,000	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
	Repairs and maintenance expense	JPY thousand	1,635	Expenses for restoration to original condition were posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
	Property management fees	JPY thousand	1,468	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated and posted using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	1,991	Administrative fees related to soliciting new tenants, concluding contracts, and renewing tenants are calculated with reference to contract conditions and rental conditions of similar real estate in the surrounding area. Rental fees, etc. account for advertising expenses, etc. assessed based on rental fees necessary for soliciting new tenants, etc. and actual amounts in past years, while renewal fees are recorded as compensation fees paid to contractors when entering into a renewal agreement, etc., considering the average annual replacement rate of tenants and occupancy rate, etc.
	Taxes and public dues	JPY thousand	4,237	The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials.
	Nonlife insurance	JPY thousand	219	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	320	Residents' association membership fees, etc. were recorded as other expenses.
(3)	Net Operating Income (NOI): (1)-(2)	JPY thousand	51,551	-
(4)	Lump-sum Investment Return	JPY thousand	111	The management gain from one-off payments was estimated, by assessing, as shown in the separate table, the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
(5)	Capital Expenditure	JPY thousand	2,483	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated annually, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
(6)	Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	49,179	-
(7)	Capitalization Rate	(%)	3.8	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	1,270,000	-
	Discount Rate	(%)	3.6	The discount rate was estimated using the investment yields of similar properties as a reference and comprehensively taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	3.9	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	1,090,000	-
	Land Ratio	(%)	87.1	-
	Property Ratio	(%)	12.9	-

Other items of note by appraiser	None
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Property Name	Angel Heim NishiRokugo No. 2
Appraisal Value	JPY 1,580,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	March 31, 2024

Item		Details	Overview, etc.	
Value indicated by income approach	JPY thousand	1,580,000	-	
Value indicated by the Direct Capitalization Method	JPY thousand	1,590,000	-	
(1) Total Operating Income: (a)-(b)	JPY thousand	88,920	-	
(a)	Rental revenues including common service fees	JPY thousand	76,586	Rent income and common-area charge income was posted based on the unit amount level of rents, etc. that could be stably received in the medium to long term, which was estimated, as shown in the separate table, based on factors such as the average rent, etc. from the current rental agreements, the levels of new rents, etc. that would be received if the property concerned were newly rented, and attributes of lessees occupying the property.
	Parking fees	JPY thousand	10,477	Usage fees that can be stably received in the medium to long term based on the level of usage fees when new parking lots are leased, average usage fees based on lease agreements (if there is a current lease agreement), etc. After appraising the unit price level, as shown in the separate table, the parking lot revenue was recorded based on this. Revenue, etc. from motorbike and bicycle parking was recorded based on medium- to long-term estimates, taking utilization rate into account.
	Other revenues	JPY thousand	5,905	After assessing the number of months received from individual residents, as shown in the separate table, the average annual replacement rate of residents, and the average contract period, key money and renewal fee income based on this were recorded. In addition, income from installation fees for antennas, etc. was recorded as other income.
(b)	Losses from vacancies	JPY thousand	4,048	Loss from vacancies, etc. was posted based on the occupancy rate level that would be stable in the medium to long term, which was estimated, as shown in the separate table, from the occupancy status and demand-supply trends of properties that were substitute competitors in similar districts in the same demand-supply area, occupancy status of the property concerned in the past, and future trends. The loss from vacancies was not posted for other income such as revenue, etc. from motorcycle and bicycle parking, as this was assessed based on medium- to long-term forecasts.
	Bad debt losses	JPY thousand	-	Posting of a bad debt loss was deemed unnecessary, considering the condition of lessees and other factors.
(2) Total Operating Expenses	JPY thousand	22,389	-	
	Operation costs	JPY thousand	5,600	Maintenance expenses consisting of cleaning fees, facility management fees, and security fees, etc. were posted using the amounts paid in the past and maintenance expenses of similar properties as a reference and taking into account the individuality of the property concerned.
	Utilities	JPY thousand	1,300	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
	Repairs and maintenance expense	JPY thousand	4,090	Expenses for restoration to original condition were posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
	Property management fees	JPY thousand	1,913	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated and posted using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	3,600	Administrative fees related to soliciting new tenants, concluding contracts, and renewing tenants are calculated with reference to contract conditions and rental conditions of similar real estate in the surrounding area. Rental fees, etc. account for advertising expenses, etc. assessed based on rental fees necessary for soliciting new tenants, etc. and actual amounts in past years, while renewal fees are recorded as compensation fees paid to contractors when entering into a renewal agreement, etc., considering the average annual replacement rate of tenants and occupancy rate, etc.
	Taxes and public dues	JPY thousand	5,556	The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials.

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	Nonlife insurance	JPY thousand	330	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	-	There are no expenses recorded as other expenses.
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	66,531	-
	(4) Lump-sum Investment Return	JPY thousand	67	The management gain from one-off payments was estimated by assessing, as shown in the separate table, the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	3,011	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	63,587	-
	(7) Capitalization Rate	(%)	4.0	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	1,570,000	-
	Discount Rate	(%)	3.8	The discount rate was estimated using the investment yields of similar properties as a reference and comprehensively taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	4.1	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	1,310,000	-
	Land Ratio	(%)	69.5	-
	Property Ratio	(%)	30.5	-
Other items of note by appraiser			None	

Property Name	willDo Chiyoda
Appraisal Value	JPY 612,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Date of Appraisal	March 31, 2024

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	612,000
Value indicated by the Direct Capitalization Method	JPY thousand	618,000
(1) Total Operating Income: (a)-(b)	JPY thousand	42,626
(a) Rental revenues including common service fees	JPY thousand	44,079
(a) Parking fees	JPY thousand	960
(a) Other revenues	JPY thousand	31
(b) Losses from vacancies	JPY thousand	2,443

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	Bad debt losses	JPY thousand	-	Bad debt loss is not posted due to acknowledgment that protection is provided by security deposits, etc.
(2)	Total Operating Expenses	JPY thousand	10,586	-
	Operation costs	JPY thousand	1,308	Maintenance expenses were posted after examining the levels of maintenance expenses of similar properties based on the amount of the current contract on the assumption that the current building management duties were generally within the standard range.
	Utilities	JPY thousand	787	Utilities expenses posted are an estimate based on those of similar properties and the amounts paid in the past.
	Repairs and maintenance expense	JPY thousand	2,262	Posted after examining the levels of repair expenses of similar real properties based on engineering reports. Tenant replacement expenses were assessed and posted, taking into account the turnover and vacancy rates.
	Property management fees	JPY thousand	1,064	Under the assumption that the current management duties were generally within the standard range, the property management fee was posted after examining the levels of property management fees of similar properties based on the fee amount of the current contracts.
	Tenant promotion fees, etc.	JPY thousand	1,190	For rental rooms and parking lots, the replacement portion when the assumed replacement rate is applied is recorded after taking into consideration the tenant recruitment expenses, etc. assessed based on the level of similar real estate with reference to the actual amount of past years.
	Taxes and public dues	JPY thousand	268	(Land) Assessed and recorded based on the actual amount obtained from the client, taking into consideration land price trends and burden levels.
			2,538	(Buildings, etc.) Appraised and posted based on the actual amount obtained from the client.
	Nonlife insurance	JPY thousand	166	Non-life insurance premiums were posted after examining based on the level of those for similar properties on the assumption that the current amounts were appropriate.
	Other expenses	JPY thousand	1,000	Other expenses such as CATV usage fees, mat replacement costs, Internet usage costs, etc. were recorded based on the results for previous fiscal years and the current contracts.
(3)	Net Operating Income (NOI): (1)-(2)	JPY thousand	32,039	-
(4)	Lump-sum Investment Return	JPY thousand	31	The amount was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.
(5)	Capital Expenditure	JPY thousand	4,873	Posted after examining the levels of capital expenditure of similar real properties based on engineering reports.
(6)	Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	27,198	-
(7)	Capitalization Rate	(%)	4.4	Based on the method of comparison with transaction cases of similar real estate as a standard, we considered various factors related to location conditions, building conditions, contract conditions, and other conditions, and also used interviews with investors as a reference.
	Value Indicated by DCF Method	JPY thousand	609,000	-
	Discount Rate	(%)	4.2	In addition to using both the method of comparison with similar real estate transaction cases and the method of adding the individuality of the real estate to the yield of financial assets, we made an assessment based on interviews with investors.
	Terminal Capitalization Rate	(%)	4.6	Comprehensively consider the future trend of investment yield, the risk of the target real estate as an investment target, the general forecast of the future economic growth rate, the trend of real estate prices, etc., referring to the transaction yield of similar transactions assessed.
	Value indicated by cost approach	JPY thousand	463,000	-
	Land Ratio	(%)	43.0	-
	Property Ratio	(%)	57.0	-
Other items of note by appraiser			None	

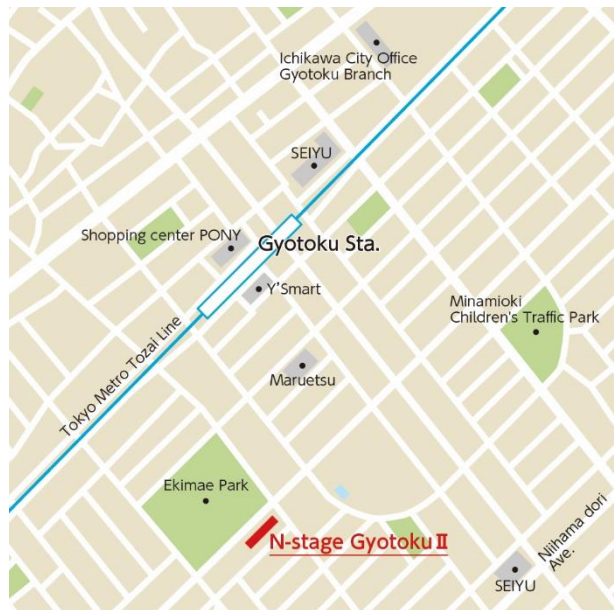
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URL: <https://www.daiwa-securities-living.co.jp/en/>

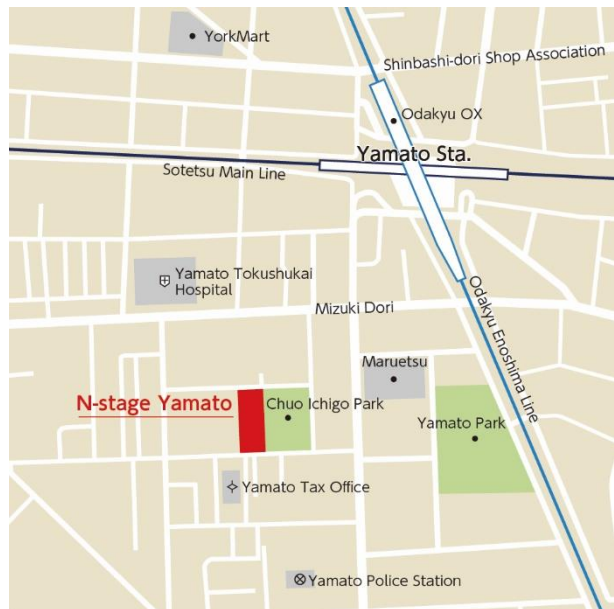


(Reference Material) Exterior and Map of the Asset to Be Acquired

## 1. N-stage GyotokuII



## 2. N-stage Yamato



## 3. N-stage Ichikawakonodai



(Additional Material) Overview of the Portfolio accompanying the Transaction

<Number of properties, etc.>

	Properties owned as of today (a)	Assets to be acquired (b)	Assets to be disposed (c)	(a) + (b) – (c)
Total number of properties	253 properties	3 properties	4 properties	252 properties
Total number of leasable units	18,668 units	306 units	156 units	18,818 units
Total leasable area	771,350.55 m <sup>2</sup>	7,478.53 m <sup>2</sup>	8,269.23 m <sup>2</sup>	770,559.85 m <sup>2</sup>

<Asset size, etc.>

	Properties owned as of today (a)	Assets to be acquired (b)	Assets to be disposed (c)	(a) + (b) – (c)
Total (anticipated) acquisition price	JPY 397.7 billion	JPY 6.6 billion	JPY 4.2 billion	JPY 400.1 billion
Appraisal value	JPY 490.9 billion	JPY 6.8 billion	JPY 5.5 billion	JPY 492.2 billion

(Note 1) “Total (anticipated) acquisition price is calculated based on the (anticipated) acquisition price.

(Note 2) The appraisal values of the “Properties owned as of today” and “Assets to be disposed” are as of March 31, 2024. The appraisal value of the “Assets to be acquired” is as of June 1, 2024.

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

	Properties owned as of today (a)	Assets to be acquired (b)	Assets to be disposed (c)	(a) + (b) – (c)
Studio	JPY 202.5 billion (50.9%)	JPY 6.6 billion	JPY 0.6 billion	JPY 208.5 billion (52.1%)
Family	JPY 85.1 billion (21.4%)	-	JPY 3.5 billion	JPY 81.5 billion (20.4%)
Healthcare	JPY 110.1 billion (27.7%)	-	-	JPY 110.1 billion (27.5%)

(Reference) Operating Results and Distribution for the fiscal period ended March 2024 (36th fiscal period) and Forecasts of Operating Results and Distribution for the fiscal period ending September 2024 (37th fiscal period)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per unit	Distribution per unit
36th fiscal period results	JPY 13,284 million	JPY 6,599 million	JPY 5,813 million	JPY 5,813 million	JPY 2,425	JPY 2,300
37th fiscal period previously announced forecast (A)	JPY 12,637 million	JPY 5,934 million	JPY 5,031 million	JPY 5,030 million	JPY 2,090	JPY 2,300
37th fiscal period revised forecast (B)	JPY 14,142 million	JPY 7,231 million	JPY 6,333 million	JPY 6,332 million	JPY 2,631	JPY 2,400
Difference (B-A)	JPY 1,504 million	JPY 1,296 million	JPY 1,302 million	JPY 1,302 million	JPY 541	JPY 100
Difference	11.9%	21.8%	25.9%	25.9%	25.9%	4.3%

(Note 1) Expected number of investment units issued at the end of the period: 2,406,890 units.

(Note 2) The fiscal period of the Investment Corporation is from April 1 to September 30 every year and from October 1 to March 31 of the following year.



(Note 3) The above figures are the current forecasts calculated based on the conditions described in the attached assumptions of the "Notice Concerning Revisions to Forecast of Operating Results and Distribution for the Fiscal Period Ending September, 2024 (37th Fiscal Period)" announced today, and the actual operating revenue, operating income, ordinary income, net income, net income per unit and distribution per unit may vary. In addition, these forecasts do not guarantee the distribution amounts.

(Note 4) As the distribution amount for the fiscal period ending September 2024 includes the expected reversal of reserve for temporary difference adjustments of JPY 79 million and expected internal reserves of JPY 635 million, the distribution amount differs from the amount of net income. In addition, there is currently no plan to make any Optimal Payable Distribution.

(Note 5) When a certain degree of discrepancy from the above forecasts is expected, the forecasts may be revised.

For details, please refer to the "Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending September 2024 (37th Fiscal Period)," announced today.