

September 18, 2024

To All Concerned Parties

REIT Issuer: Daiwa Securities Living Investment Corporation
 6-2-1 Ginza, Chuo-ku, Tokyo 104-0061
 Tetsuo Akuzawa, Executive Director
 (Securities Code: 8986)
 Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.
 Yoshiki Nishigaki, President and Chief Executive Officer
 Inquiries: Kentaro Azumi, General Manager, Corporate Division
 Tel: +81-3-6757-9680

**Notice Concerning Acquisition of Domestic Trust Beneficiary Interests
 (Rental Housing 2 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 September 18, 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 November 1, 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 Sep. 2024) (B) (JPY thousand) (Note 3)	Difference between anticipated acquisition price and appraisal value (B) - (A) (JPY thousand) ((A)/(B)) (Note 3)	Seller
1	Gran Casa Higasinakano	Nakano-ku, Tokyo	Residence (Studio)	1,174,000	1,310,000	136,000 (89.6%)	Daiwa Securities Realty Co. Ltd.
2	Gran Casa Ayase	Adachi-ku, Tokyo		680,000	729,000	49,000 (93.3%)	
	Total			1,854,000	2,039,000	185,000	

(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) There is no intermediary in the Acquisition.

(ii) Disposition

A general outline of the assets to be disposed is detailed in the table below. On September 18, 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 October 31, 2024.

大和証券リビング投資法人

Daiwa Securities Living Investment Corporation

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)	Profit or Loss on Transfer (JPY thousand) (Note2)	Transferee
1	willDo Kanayama (Nagoya, Aichi)	282,473	400,000	117,526	400,000	100,614	realize.co, ltd
2	willDo Kanayama sawashita (Nagoya, Aichi)	283,289	424,000	140,710	424,000	122,931	
3	willDo Matsubara (Nagoya, Aichi)	424,730	583,000	158,269	583,000	134,690	
4	willDo Daikancho (Nagoya, Aichi)	510,050	602,000	91,949	602,000	67,574	
	Total	1,500,543	2,009,000	508,456	2,009,000	425,808	

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

(Note 2) The profit or loss on transfer is a reference figure calculated as the difference between the anticipated disposition price, book value(as of the end of March 2024) and disposition-related expenses at the time, and may differ from the actual profit or loss on transfer.

(Note 3) The intermediary of the Disposition does not correspond to the interested party.

II. Reason of the Transaction

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

Regarding the 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 June 24, 2024.

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.

【Individual Reasons for the Disposition】

No	Name of property	Location	Building age (Note)	Percentage of portfolio (appraisal value base) (Note)	Reasons for the Disposition
1	willDo Kanayama	Nagoya, Aichi	17.5 years	0.08%	• In light of the recent rent trend and occupancy status of the property, the sale of the property will contribute to the promotion of internal growth.
2	willDo Kanayama sawashita	Nagoya, Aichi	17.2 years	0.09%	• In light of the recent rent trend and occupancy status of the property, the sale of the property will contribute to the promotion of internal growth.
3	willDo Matsubara	Nagoya, Aichi	16.6 years	0.12%	• In light of the recent rent trend and occupancy status of the property, the sale of the property will contribute to the promotion of internal growth.
4	willDo Daikancho	Nagoya, Aichi	16.1 years	0.12%	• In light of the recent rent trend and occupancy status of the property, the sale of the property will contribute to the promotion of internal growth.

(Note) 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 July 31, 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 September 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 July 31, 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 July 31, 2024, of the Asset to Be Acquired.
20. “Leasable area” shows the leasable area of each of the Asset to Be Acquired as of July 31, 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 July 31, 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 July 31, 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 July 31, 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. Gran Casa Higashinakano

Overview of the Property				
Category of anticipated property for acquisition		Trust beneficiary interests		
Trustee		Mitsubishi UFJ Trust and Banking Corporation (planned)		
Term of trust agreement		undecided		
Scheduled acquisition price		JPY 1,174 million	Scheduled acquisition date	November 1, 2024
Appraisal value (appraisal date)		JPY 1,310 million (as of September 1, 2024)	Appraisal firm	Japan Real Estate Institute
Location (Residential indication)		1-45-7 Higashinakano, Nakano-ku, Tokyo		
Access		Approximately 130 m from “Higashi-Nakano” Station on the JR Chuo Line and Sobu Line		
Land	Form of ownership	Ownership	Zoning	Neighborhood Commercial District
	Area	226.39 m ²	FAR/Building-to-land ratio	400% / 80%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 12-story building with flat roof	Number of leasable units	32 units
	Total floor area	1,103.88 m ²	Construction completion	June 24, 2023
Building engineer		Hatakeyama Architects & Engineers		
Constructor		Uchino Kensetsu Co., Ltd.		
Building inspection agency		Toshi Kenchiku Kakunin Center Co., Ltd.		
Estimated emergency repair expenses		JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand
Estimated long-term repair expenses		JPY 9,653 thousand	PML	6.9%

Property manager	Haseko Livenet, Inc. (planned)		
Master lessee	G.K. Japan Rental Housing	Type of master lease	Pass through
Overview of Leasing			
Real estate rent revenue	JPY 4,313 thousand		
Lease and guarantee deposits	JPY 2,848 thousand		
Total leasable area	853.04 m ²	Number of tenants	1
Total leased area	853.04 m ²	Occupancy rate	100.0%
Collateral	None		
Features			
<p>Site features: The property is a condominium building completed in June 2023, situated a 2-minute walk from JR Chuo Line and Sobu Line “Higashi-Nakano” Station and a 5-minute walk from Toei Subway Oedo Line “Higashi-Nakano” Station. The property has good access to the Shinjuku and Marunouchi areas, where many corporations are concentrated, by direct train, and with convenient living facilities available at the station and around the property, the property is expected to be in steady demand from singles and DINKs.</p> <p>Property features: The 12-story reinforced concrete building consists of 17 1K units, 15 1DK 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			

2. Gran Casa Ayase

Overview of the Property				
Category of anticipated property for acquisition	Trust beneficiary interests			
Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned)			
Term of trust agreement	undecided			
Scheduled acquisition price	JPY 680 million	Scheduled acquisition date	November 1, 2024	
Appraisal value (appraisal date)	JPY 729 million (as of September 1, 2024)	Appraisal firm	Japan Real Estate Institute	
Location (Residential indication)	1-23-6 Higashiyase, Adachi-ku, Tokyo			
Access	Approximately 550 m from “Ayase” Station on the Tokyo Metro Chiyoda Line and JR Joban Line			
Land	Form of ownership	Ownership	Zoning	(A) Category 1 residential district (B) Neighborhood Commercial District
	Area	251.09 m ²	FAR/Building-to-land ratio	(A) 300% / 60% (B) 300% / 80%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 7-story building with flat roof	Number of leasable units	29 units
	Total floor area	873.57 m ²	Construction completion	June 7, 2022
Building engineer	Onoda Architectural Design Office			
Constructor	Nakano-kensetu. Inc.			
Building inspection agency	C.I. Building Certification Organization, Inc.			
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand	
Estimated long-term repair expenses	JPY 8,991 thousand	PML	5.7%	
Property manager	Tokyu Housing Lease Corporation (planned)			
Master lessee	G.K. Japan Rental Housing	Type of master lease	Pass through	
Overview of Leasing				
Real estate rent revenue	JPY 2,666 thousand			
Lease and guarantee deposits	JPY 3,975 thousand			
Total leasable area	739.08 m ²	Number of tenants	1	
Total leased area	713.76 m ²	Occupancy rate	96.6%	
Collateral	None			
Features				
Site features:				

<p>The property is a condominium building completed in June 2022, situated a 7-minute walk from “Ayase” Station on the Tokyo Metro Chiyoda Line and JR Joban Line. The property has good access to the Otemachi area, where many corporations are concentrated, with direct train service, and is also conveniently located near the station and the property, and is expected to be in steady demand from single adults.</p> <p>Property features: The 7-story reinforced concrete building consists of 28 1K units, 1 1DK 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

(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 Kanayama (O-5-042)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	1-2, Sawashitacho, Atsuta-ku, Nagoya, Aichi				
Use	Condominium				
Constructed	September 14, 2006				
Appraisal Value	400,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	13,782 thousand yen				
Lease Deposits and Guarantee Deposits	1,368 thousand yen				
Total Leasable Area	892.44 m ²				
Total Leased Area	867.65 m ²				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	97.2%	97.2%	97.2%	94.4%	97.2%

Name of Property (Property No.)	willDo Kanayama sawashita (O-5-043)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	2-1, Sawashitacho, Atsuta-ku, Nagoya, Aichi				
Use	Condominium				
Constructed	January 18, 2007				
Appraisal Value	424,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	13,973 thousand yen				
Lease Deposits and Guarantee Deposits	1,287 thousand yen				
Total Leasable Area	970.80 m ²				
Total Leased Area	970.80 m ²				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	94.9%	91.7%	96.8%	96.8%	100.0%

Name of Property (Property No.)	willDo Matsubara (O-5-081)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	2-16-1, Matsubara, Naka-ku, Nagoya, Aichi				
Use	Condominium				
Constructed	August 7, 2007				
Appraisal Value	583,000 thousand yen				

Appraiser	Japan Real Estate Institute				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	19,804 thousand yen				
Lease Deposits and Guarantee Deposits	1,239 thousand yen				
Total Leasable Area	1,344.60 m ²				
Total Leased Area	1,319.70 m ²				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	98.1%	94.4%	96.3%	94.4%	98.1%

Name of Property (Property No.)	willDo Daikancho (O-5-086)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	40-6, Daikancho, Higashi-ku, Nagoya, Aichi				
Use	Condominium				
Constructed	March 6, 2008				
Appraisal Value	602,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	18,373 thousand yen				
Lease Deposits and Guarantee Deposits	814 thousand yen				
Total Leasable Area	1,320.00 m ²				
Total Leased Area	1,248.00 m ²				
Changes in Occupancy Rate	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
	85.5%	85.5%	89.1%	96.4%	94.5%

IV. Profile of the Counterparty

(i) Profile of the Seller

(1) Company name	Daiwa Securities Realty Co. Ltd.
(2) Location	6-2-1, Ginza, Chuo-ku, Tokyo
(3) Title and name of representative	Representative Director Toshio Fukushima
(4) Description of business	<ol style="list-style-type: none"> 1. Trading, investment, leasing, and brokerage of real estate 2. Management of real estate 3. Owning, trading, and brokerage of real estate trust beneficiary interest 4. Type II financial instruments business 5. Real estate business 6. Trust business 7. Trading, owing, management, and investment of securities 8. Brokerage and intermediation regarding corporate business transfer, sale of assets, capital participation, business alliance, merger, etc. 9. Supervision of construction work and consulting services 10. Investments in specified purpose companies and special purpose companies (companies stipulated in the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements), real estate investment trusts and real estate investment corporations, and trading, brokerage and management of equity interests 11. Planning and research concerning effective use of real estate 12. Management consulting services 13. Asset management 14. Money lending business stipulated in the Money Lending Business Act 15. Trading of monetary claims, or businesses relating to intermediation, commission, or agency thereof 16. Business relating to conclusion of contracts to participate in lending, or businesses relating to intermediation, commission, or agency thereof 17. Business relating to conclusion of partnership contracts, limited partnership contracts for investment business, or silent partnership contracts, or businesses relating to intermediation, commission, or agency thereof 18. Businesses relating to Article 17-3, Paragraph 2, Item 12 of the Regulation for Enforcement of the Banking Act 19. All operations incidental to or relating to the preceding items
(5) Amount of capital	JPY 500 million

(6)	Sales amount	JPY 42,763 million
(7)	Date of incorporation	April 1, 2021
(8)	Net assets	JPY 1,834 million
(9)	Total assets	JPY 68,381 million
(10)	Major shareholders	Daiwa Securities Group Inc. 100%
(11)	Relationship between the seller and the Investment Corporation/Asset Manager	
	Capital relationship	There is no capital relationship required to be disclosed between the Investment Corporation/Asset Manager and the seller. Daiwa Securities Group, the parent company of the Asset Manager, is the wholly-owned parent company of the seller. In addition, the seller falls under the category of interested persons or other close affiliate of the Asset Manager as stipulated in the Act on Investment Trusts and Investment Corporations.
	Personnel relationship	As of today, the seller falls under the company to which some employees of the Asset Manager are seconded.
	Business relationship	The seller has entered into a basic warehousing, etc. agreement with the Asset Manager and the seller provides warehousing functions and other cooperation in the bridge scheme.
	Status of classification as related party	The seller is a subsidiary of Daiwa Securities Group, the parent company of the Asset Manager and falls under the classification of related party.

(ii) Profile of the Transferee

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

V. Profile of the Property Seller

The sellers of the respective Assets to Be Acquired are Daiwa Securities Realty, the sister company of the Asset Manager, or special purpose companies in which Daiwa Securities Realty has conducted investment equal to the entire equity of silent partnership interest and each of them is a subsidiary of Daiwa Securities Group. Each of the sellers falls under the category of interested persons or other close affiliate as stipulated in the Investment Trusts Act and under Interested Parties pursuant to the "Rules on Prevention of Conflicts of Interest," an internal rule of the Asset Manager. Thus, the Asset Manager proceeded with procedures to reach a decision as stipulated in the Rules on Prevention of Conflicts of Interest in making transactions with the sellers to acquire the respective Assets to Be Acquired, in addition to ensuring that the scheduled acquisition price was equal to or lower than the appraisal value.

The following table indicates (1) Company name, (2) Relationship with party having special relationship of interest, (3) History/reason, etc. for acquisition, (4) Acquisition price (Note 1), (5) Date of acquisition and (6) Estimated warehousing fees to be paid by the Investment Corporation to the previous owner (Note 2).

Property name	Previous owner		Earlier previous owner
Gran Casa Higasinakano	(1)	Daiwa Securities Realty Co. Ltd.	Not a party having special relationship of interest
	(2)	Sister company of Asset Manager	
	(3)	Acquired for the purpose of investment management	
	(4)	JPY 1,129 million	
	(5)	January 2024	
	(6)	JPY 4 million	
Gran Casa Ayase	(1)	Daiwa Securities Realty Co. Ltd.	Not a party having special relationship of interest
	(2)	Sister company of Asset Manager	
	(3)	Acquired for the purpose of investment management	
	(4)	JPY 675 million	
	(5)	January 2024	
	(6)	JPY 4 million	

(Note 1) Acquisition price for completed properties is the amount stated in the purchase agreement. For properties that have not yet been completed, the acquisition price is the total amount of the land sales price and development-related expenses. Acquisition price does not include acquisition expenses, adjustments to property tax and city planning tax and consumption tax and local consumption tax.

(Note 2) The warehousing fees indicated are expenses such as brokerage fees scheduled to be paid by the Investment Corporation to the previous owner apart from the sale and purchase price in the acquisition of each property. Furthermore, as the warehousing fees will be determined following a final agreement with the previous owner, the amounts are not determined at the present time.

(Note 3) Each of the Assets to Be Acquired will be acquired from a bridge fund aiming to own the properties temporarily with an aim to transfer them to the Investment Corporation utilizing the bridge scheme of the sponsor. Therefore, the holding period by the previous owner may be short depending on the date of acquisition by the previous owner, which is the bridge fund.

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: September 18, 2024
- Payment and acquisition: November 1, 2024

(ii) Disposition

- Decision of disposition and Conclusion of disposition agreement: September 18, 2024
- Receipt and delivery: October 31, 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 20% 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

This transaction will have no impact on the operating forecast for the fiscal period ending September, 2024 (37th fiscal period), as the scheduled disposition date is October 31, 2024, and the scheduled acquisition date is November 1, 2024. Also, in the fiscal period ending March, 2025 (38th fiscal period), we expect to post a gain on the Disposition of real estate properties of JPY 447 million, but as the operating forecast and distribution forecast for the fiscal period ending March, 2025 (38th fiscal period) are currently under scrutiny, we plan to announce the forecast once the assumptions, including the above events, have been determined.

XI. Summary of Appraisal Report

(i) Asset to be acquired

Property Name		Gran Casa Higashinakano		
Appraisal Value		JPY 1,310,000,000		
Appraiser		Japan Real Estate Institute		
Date of Appraisal		September 1, 2024		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	1,310,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	1,330,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	52,500	-
(a)	Rental revenues including common service fees	JPY thousand	52,023	Appraised based on the unit price level of rent, etc. that can be stably received over the medium to long term.
	Parking fees	JPY thousand	90	Recorded based on mid- to long-term estimates that take into account occupancy rates.
	Other revenues	JPY thousand	2,008	Key money and renewal fee income is recorded.
(b)	Losses from vacancies	JPY thousand	1,621	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
	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	10,730	-
Operation costs		JPY thousand	3,390	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	430	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	551	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	758	Expenses for management operations of the property concerned.
Tenant promotion fees, etc.		JPY thousand	1,810	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	3,303	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings, etc.) The tax amount was posted based on information on taxes and other public charges. (Repayment of assets) Appraised by considering the level of similar properties.
Nonlife insurance		JPY thousand	98	Recorded in consideration of premiums based on insurance policies and premium rates for similar properties.
Other expenses		JPY thousand	390	Internet usage fees, etc. are recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	41,770	-
(4) Lump-sum Investment Return		JPY thousand	39	Recorded management gain at a yield of 1.0%
(5) Capital Expenditure		JPY thousand	560	Appraised, taking into account the level of capital expenditure of similar properties, the property age, and the average annual amount of repair and renewal expenses in the engineering report, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	41,249	-
(7) Capitalization Rate		(%)	3.1	Appraised after adding/subtracting the spread resulting from the subject property's location, building conditions, and other conditions, as well as taking into account future uncertainties and transaction yields on similar properties, etc.
Value Indicated by DCF Method		JPY thousand	1,290,000	-
Discount Rate		(%)	2.9	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		(%)	3.2	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	1,200,000	-
Land Ratio		(%)	72.4	-
Property Ratio		(%)	27.6	-
Other items of note by appraiser		None		

Property Name		Gran Casa Ayase		
Appraisal Value		JPY 729,000,000		
Appraiser		Japan Real Estate Institute		
Date of Appraisal		September 1, 2024		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	729,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	736,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	33,401	-
(a)	Rental revenues including common service fees	JPY thousand	33,000	Appraised based on the unit price level of rent, etc. that can be stably received over the medium to long term.
	Parking fees	JPY thousand	265	Appraised based on the unit price level of royalty fees that can be stably received over the medium to long term.
	Other revenues	JPY thousand	1,235	Key money and renewal fee income is recorded.
(b)	Losses from vacancies	JPY thousand	1,099	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
	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	7,125	-
Operation costs		JPY thousand	1,700	Recorded with reference to the actual amounts in past fiscal years and maintenance costs of similar properties, and taking into account the individual characteristics of the subject property.
Utilities		JPY thousand	350	Recorded with reference to actual amounts from previous years and taking into account utilities costs of similar properties, individual characteristics of the subject property, etc.
Repairs and maintenance expense		JPY thousand	493	The amount was recorded by taking into account the actual amount in past fiscal years, the level of similar properties, and the annual average amount of repair and renewal expenses in the engineering report, etc.
Property management fees		JPY thousand	483	The fee is recorded with reference to the fee rate based on the contract conditions, etc., and taking into consideration the fee rate at similar properties, the individual characteristics of the subject property, etc.
Tenant promotion fees, etc.		JPY thousand	1,350	Appraised by using the contract terms, leasing terms of similar properties, etc. as reference.
Taxes and public dues		JPY thousand	2,393	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings, etc.) The tax amount was posted based on information on taxes and other public charges. (Repayment of assets) Appraised by considering the level of similar properties.
Nonlife insurance		JPY thousand	85	Recorded in consideration of premiums based on insurance policies and premium rates for similar properties.
Other expenses		JPY thousand	271	Internet usage fees, etc. are recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	26,276	-
(4) Lump-sum Investment Return		JPY thousand	24	Recorded management gain at a yield of 1.0%
(5) Capital Expenditure		JPY thousand	524	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	25,776	-
(7) Capitalization Rate		(%)	3.5	Appraised after adding/subtracting the spread resulting from the subject property's location, building conditions, and other conditions, as well as taking into account future uncertainties and transaction yields on similar properties, etc.
Value Indicated by DCF Method		JPY thousand	722,000	-
Discount Rate		(%)	3.3	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		(%)	3.6	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	715,000	-
Land Ratio		(%)	65.7	-
Property Ratio		(%)	34.3	-
Other items of note by appraiser		None		

(ii) Assets to be disposed

Property Name	willDo Kanayama
Appraisal Value	JPY 400,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Date of Appraisal	March 31, 2024

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	400,000	The revenue price based on the DCF method was determined to be highly persuasive, and was also verified and estimated from the revenue price based on the direct capitalization method.
Value indicated by the Direct Capitalization Method	JPY thousand	407,000	Appraised by capitalizing the standardized net income that is recognized to be stable in the medium to long term by the cap rate.
(1) Total Operating Income: (a)-(b)	JPY thousand	28,363	-
(a) Rental revenues including common service fees	JPY thousand	27,216	Recorded based on the rent level of the current contract, the level of new rents of similar properties in the same demand/supply zone and their trends, and taking into account the subject property's competitiveness over the medium to long term.
(a) Parking fees	JPY thousand	1,716	Recorded based on the rent level of the current contract, surrounding lease cases and their trends, and taking into account the subject property's competitiveness over the medium to long term.
(a) Other revenues	JPY thousand	591	Key money and other revenues are recorded based on lease cases, taking into account the replacement rate and vacancy rate, etc. CATV revenues and other revenues are recorded based on actual revenues in the past.
(b) Losses from vacancies	JPY thousand	1,159	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
(b) 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	7,240	-
Operation costs	JPY thousand	1,320	The current contract amount was deemed appropriate and recorded.
Utilities	JPY thousand	421	Allocated based on an appraisal of 130 yen/subo per month per leasable floor area, referring to the actual results of past fiscal years.
Repairs and maintenance expense	JPY thousand	1,247	Repair expenses were recorded based on the 15-year average repair cost stated in the ER, which was judged to be appropriate. Regarding tenant replacement cost, the maintenance cost of the rental room upon the departure of the lessee was assessed to be 10,000 yen/subo and recorded, taking into account the replacement rate.
Property management fees	JPY thousand	694	The current contract is deemed appropriate and an amount equivalent to 2.5% of rental income, etc. is recorded.
Tenant promotion fees, etc.	JPY thousand	779	Appraised and recorded as 1.5 month's rent for a new tenant, referring to tenant recruitment costs, etc. of similar properties.
Taxes and public dues	JPY thousand	1,634	(Land) Appraised, taking into account land price trends and burden level, based on the actual amount. (Buildings, etc.) Recorded after assessment based on the actual amount.
Nonlife insurance	JPY thousand	87	The actual amount was determined to be reasonable and recorded.
Other expenses	JPY thousand	1,056	Internet usage fees, etc. were recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	21,122	-
(4) Lump-sum Investment Return	JPY thousand	20	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure	JPY thousand	2,833	The 15-year average renewal cost stated in the ER was determined to be reasonable and recorded.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	18,310	-
(7) Capitalization Rate	(%)	4.5	Appraised based on comparisons with cap rates for similar property transactions, etc.
Value Indicated by DCF Method	JPY thousand	397,000	-
Discount Rate	(%)	4.3	The income value was assessed using the DCF method by summing the cash flows during the holding period and the present value of the reversion price.
Terminal Capitalization Rate	(%)	4.7	Assessed terminal capitalization rate, taking into account factors such as the marketability of the property at the maturity of the holding period in relation to capitalization rate.
Value indicated by cost approach	JPY thousand	255,000	-
Land Ratio	(%)	48.0	-
Property Ratio	(%)	52.0	-

Other items of note by appraiser	None
----------------------------------	------

Property Name		willDo Kanayama sawashita		
Appraisal Value		JPY 424,000,000		
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.		
Date of Appraisal		March 31, 2024		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	424,000	The revenue price based on the DCF method was determined to be highly persuasive, and was also verified and estimated from the revenue price based on the direct capitalization method.
Value indicated by the Direct Capitalization Method		JPY thousand	431,000	Appraised by capitalizing the standardized net income that is recognized to be stable in the medium to long term by the cap rate.
(1) Total Operating Income: (a)-(b)		JPY thousand	29,802	-
(a)	Rental revenues including common service fees	JPY thousand	28,541	Recorded based on the rent level of the current contract, the level of new rents of similar properties in the same demand/supply zone and their trends, and taking into account the subject property's competitiveness over the medium to long term.
	Parking fees	JPY thousand	1,872	Recorded based on the rent level of the current contract, surrounding lease cases and their trends, and taking into account the subject property's competitiveness over the medium to long term.
	Other revenues	JPY thousand	619	Key money and other revenues are recorded based on lease cases, taking into account the replacement rate and vacancy rate, etc. CATV revenues and other revenues are recorded based on actual revenues in the past.
(b)	Losses from vacancies	JPY thousand	1,230	Vacancy and other losses are recorded in consideration of the competitiveness of the subject property and other factors.
	Bad debt losses	JPY thousand	-	Not recorded, as they are deemed to be secured by security deposits, etc.
(2) Total Operating Expenses		JPY thousand	7,635	-
Operation costs		JPY thousand	1,308	The current contract amount was deemed appropriate and recorded.
Utilities		JPY thousand	422	Appraised and recorded at 120 yen/tsubo per month per rentable area, referring to the actual results of past fiscal years.
Repairs and maintenance expense		JPY thousand	1,313	Repair expenses were recorded based on the 15-year average repair cost stated in the ER, which was judged to be appropriate. Regarding tenant replacement cost, the maintenance cost of the rental room upon the departure of the lessee was assessed to be 10,000 yen/tsubo and recorded, taking into account the replacement rate.
Property management fees		JPY thousand	729	The current contract is deemed appropriate and an amount equivalent to 2.5% of rental income, etc. is recorded.
Tenant promotion fees, etc.		JPY thousand	826	Appraised and recorded as 1.5 month's rent for a new tenant, referring to tenant recruitment costs, etc. of similar properties.
Taxes and public dues		JPY thousand	1,709	(Land) Appraised, taking into account land price trends and burden level, based on the actual amount. (Buildings, etc.) Recorded after assessment based on the actual amount.
Nonlife insurance		JPY thousand	92	The actual amount was determined to be reasonable and recorded.
Other expenses		JPY thousand	1,233	Internet usage fees, etc. are recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	22,167	-
(4) Lump-sum Investment Return		JPY thousand	22	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure		JPY thousand	2,803	The 15-year average renewal cost stated in the ER was determined to be reasonable and recorded.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	19,386	-
(7) Capitalization Rate		(%)	4.5	Appraised by comparing the cap rate for similar property transactions, etc.
Value Indicated by DCF Method		JPY thousand	421,000	-
Discount Rate		(%)	4.3	Appraised by comparing the discount rates for similar real estate transactions, yields on other financial instruments, etc.
Terminal Capitalization Rate		(%)	4.7	Appraised by considering the marketability of the subject property at the time of expiration of the holding period, etc. against the cap rate.
Value indicated by cost approach		JPY thousand	282,000	-
Land Ratio		(%)	48.0	-
Property Ratio		(%)	52.0	-
Other items of note by appraiser		None		

大和証券リビング投資法人

Daiwa Securities Living Investment Corporation

Property Name	willDo Matsubara
Appraisal Value	JPY 583,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	March 31, 2024

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	583,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	587,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	39,653	-
(a)			
Rental revenues including common service fees	JPY thousand	40,017	Appraised based on the unit price level of rent, etc. that can be stably received over the medium to long term.
Parking fees	JPY thousand	1,663	Appraised based on the unit price level of royalty fees that can be stably received over the medium to long term.
Other revenues	JPY thousand	140	Vending machine income and facility electricity charges are recorded as other income.
(b)			
Losses from vacancies	JPY thousand	2,167	Appraised based on the assumption of a stable mid- to long-term occupancy rate level.
Bad debt losses	JPY thousand	-	Judged to be unnecessary considering the lessee's situation and other factors.
(2) Total Operating Expenses	JPY thousand	11,508	-
Operation costs	JPY thousand	1,416	Recorded with reference to the actual amounts in past fiscal years and maintenance costs of similar properties, and taking into account the individual characteristics of the subject property.
Utilities	JPY thousand	470	Recorded with reference to actual amounts from previous years and with consideration of utilities costs of similar properties, individual characteristics of the subject property, etc.
Repairs and maintenance expense	JPY thousand	3,376	The amount was recorded by taking into account the actual amount in past fiscal years, the level of similar properties, and the annual average amount of repair and renewal expenses in the engineering report, etc.
Property management fees	JPY thousand	1,106	The fee is recorded with reference to the fee rate based on the contract conditions, etc., and taking into consideration the fee rate at similar properties, the individual characteristics of the subject property, etc.
Tenant promotion fees, etc.	JPY thousand	1,728	Appraised by using the contract terms, leasing terms of similar properties, etc. as reference.
Taxes and public dues	JPY thousand	2,633	(Land) Includes data related to taxes and public dues, and details of burden adjustment measures. (Buildings, etc.) Recorded based on data related to taxes and public dues. (Repayment of assets) Recorded based on data related to taxes and public dues.
Nonlife insurance	JPY thousand	105	Recorded in consideration of premiums based on insurance policies and premium rates for similar properties.
Other expenses	JPY thousand	674	Internet usage fees, etc. are recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	28,145	-
(4) Lump-sum Investment Return	JPY thousand	15	Investment income is appraised with an investment yield of 1.0%.
(5) Capital Expenditure	JPY thousand	4,081	Appraised, taking into account the level of capital expenditure of similar properties, the property age, and the average annual amount of repair and renewal expenses in the engineering report, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	24,079	-
(7) Capitalization Rate	(%)	4.1	Appraised after adding/subtracting the spread resulting from the subject property's location, building conditions, and other conditions, as well as taking into account future uncertainties and transaction yields on similar properties, etc.
Value Indicated by DCF Method	JPY thousand	579,000	-
Discount Rate	(%)	3.9	Appraised by comprehensively taking into account the individual characteristics of the subject property, etc., with reference to the investment cap rate, etc. of similar properties.
Terminal Capitalization Rate	(%)	4.2	Appraised by comprehensively considering future trends of investment yields, riskiness of the subject property as an investment, general forecasts of future economic growth rates, and trends of real estate prices and rents, etc., with reference to the transaction yields of similar properties.
Value indicated by cost approach	JPY thousand	542,000	-
Land Ratio	(%)	47.4	-
Property Ratio	(%)	52.6	-

Other items of note by appraiser	None
----------------------------------	------

Property Name	willDo Daikancho
Appraisal Value	JPY 602,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	March 31, 2024

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	602,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	607,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	41,751	-
(a) Rental revenues including common service fees	JPY thousand	41,255	Appraised based on the unit price level of rent, etc. that can be stably received over the medium to long term.
(a) Parking fees	JPY thousand	2,220	Appraised based on the unit price level of royalty fees that can be stably received over the medium to long term.
(a) Other revenues	JPY thousand	15	Electricity revenues from common areas are recorded as other revenues.
(b) Losses from vacancies	JPY thousand	1,739	Appraised based on the assumption of a stable mid- to long-term occupancy rate level.
(b) Bad debt losses	JPY thousand	-	Judged not to need to be recorded in consideration of the lessee's situation and other factors.
(2) Total Operating Expenses	JPY thousand	13,400	-
Operation costs	JPY thousand	1,557	Recorded with reference to the actual amounts in past fiscal years and maintenance costs of similar properties, and taking into consideration the individual characteristics of the subject property.
Utilities	JPY thousand	780	Recorded with reference to actual amounts from previous years and taking into account utilities costs of similar properties, individual characteristics of the subject property, etc.
Repairs and maintenance expense	JPY thousand	3,743	The amount was recorded by taking into account the actual amount in past fiscal years, the level of similar properties, and the annual average amount of repair and renewal expenses in the engineering report, etc.
Property management fees	JPY thousand	1,169	The fee is recorded with reference to the fee rate based on the contract conditions, etc., and taking into consideration the fee rate at similar properties, the individual characteristics of the subject property, etc.
Tenant promotion fees, etc.	JPY thousand	2,074	Appraisal based on contract terms, leasing terms of similar properties, etc.
Taxes and public dues	JPY thousand	3,176	(Land) Allocation is based on tax and public dues data, burden adjustment measures, etc. (Buildings, etc.) Recorded based on data related to taxes and public dues. (Repayment of assets) Recorded based on data related to taxes and public dues.
Nonlife insurance	JPY thousand	116	Recorded in consideration of premiums based on insurance policies and premium rates for buildings similar to the subject building.
Other expenses	JPY thousand	785	Internet usage fees, etc. are recorded as other expenses.
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	28,351	-
(4) Lump-sum Investment Return	JPY thousand	10	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure	JPY thousand	5,306	Appraised, taking into account the level of capital expenditure of similar properties, the property age, and the average annual amount of repair and renewal expenses in the engineering report, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	23,055	-
(7) Capitalization Rate	(%)	3.8	Appraised after adding/subtracting the spread resulting from the subject property's location, building conditions, and other conditions, as well as taking into account future uncertainties and transaction yields on similar properties, etc.
Value Indicated by DCF Method	JPY thousand	596,000	-
Discount Rate	(%)	3.6	Appraised by comprehensively taking into account the individual characteristics of the subject property, etc., with reference to the investment cap rate, etc. of similar properties.
Terminal Capitalization Rate	(%)	3.9	Appraised by comprehensively considering future trends of investment yields, riskiness of the subject property as an investment, general forecasts of future economic growth rates, and trends of real estate prices and rents, etc., with reference to the transaction yields of similar properties.
Value indicated by cost approach	JPY thousand	590,000	-
Land Ratio	(%)	50.4	-
Property Ratio	(%)	49.6	-
Other items of note by appraiser	None		

End

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

1. Gran Casa Higashinakano

Exterior



MAP



2. Gran Casa Ayase

Exterior



MAP



(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	252 properties	2 properties	4 properties	250 properties
Total number of leasable units	18,818 units	61 units	181 units	18,698 units
Total leasable area	770,559.85 m ²	1,592.12 m ²	4,527.84 m ²	767,624.13 m ²

<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 400.1 billion	JPY 1.8 billion	JPY 1.9 billion	JPY 400.1 billion
Appraisal value	JPY 492.2 billion	JPY 2.0 billion	JPY 2.0 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 September 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 208.5 billion (52.1%)	JPY 1.8 billion	JPY 1.9 billion	JPY 208.4 billion (52.1%)
Family	JPY 81.5 billion (20.4%)	-	-	JPY 81.5 billion (20.4%)
Healthcare	JPY 110.1 billion (27.5%)	-	-	JPY 110.1 billion (27.5%)

End