

March 19, 2025

To All Concerned Parties

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 (Securities Code: 8986)
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**Notice Concerning Acquisition of Domestic Trust Beneficiary Interests
 (Rental Housing 4 Properties) and Disposition of Domestic Real Estate
 (Rental Housing 2 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 properties (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 properties to be acquired is detailed in the table below. On March 19, 2025, the Investment Corporation has concluded purchase agreements with the sellers for acquisition of properties to be acquired of. The acquisition of S-RESIDENCE Saitama-Shintoshin is scheduled to take place on March 27, 2025, and those of Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle and Gran Casa Kawaguchi Namiki are scheduled to take place on April 3, 2025.

No.	Name of property	Location	Property type (Note 1)	Anticipated acquisition price (A) (JPY thousand) (Note 2)	Appraisal value (B) (JPY thousand) (Note 3)	Difference between anticipated acquisition price and appraisal value (B) - (A) (JPY thousand) ((A)/(B))	Seller
1	S-RESIDENCE Saitama-Shintoshin (Note 4)	Saitama, Saitama	Residence (Studio)	3,210,000	3,220,000	10,000 (99.7%)	Undisclosed (Note 5) Daiwa Securities Realty Co. Ltd.
2	Gran Casa Sendai Bansui Dori	Sendai, Miyagi		1,251,000	1,280,000	29,000 (97.7%)	
3	Serenite Nihonbashi Miracle	Osaka, Osaka		1,157,000	1,170,000	13,000 (98.9%)	
4	Gran Casa Kawaguchi Namiki	Kawaguchi, Saitama		919,000	948,000	29,000 (96.9%)	
Total				6,537,000	6,618,000	81,000	

(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) The appraisal values are as follows: S-RESIDENCE Saitama-Shintoshin as of March 1, 2025, and Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle and Gran Casa Kawaguchi Namiki as of February 1, 2025.

(Note 4) The name of the property will be changed to “Gran Casa Saitamashintoshin” on March 27, 2025.

(Note 5) The seller of S-RESIDENCE Saitama-Shintoshin 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 Prevention of Conflicts of Interest, which are the internal rules of the Asset Manager.

(Note 6) The intermediary of S-RESIDENCE Saitama-Shintoshin does not correspond to the interested party. Regarding other properties to be acquired, there are no intermediaries.

(Note 7) Amounts are rounded to the nearest unit and percentages are rounded to the first decimal place. Unless stated otherwise, the same applies hereinafter.

(ii) Disposition

A general outline of the properties to be disposed is detailed in the table below. On March 19, 2025, the Investment Corporation has concluded sale agreements with the transferees for the disposition of properties to be disposed of. The disposition of willDo Taiko dori is scheduled to take place on March 25, 2025, and that of willDo Temmacho is scheduled to take place on April 8, 2025.

No.	Name of property (Location)	Book value (as of the end of September 2024) (A) (JPY thousand)	Appraisal value (as of the end of September 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 Taiko dori (Nagoya, Aichi)	948,065	1,380,000	431,934	1,380,000	375,283	Undisclosed (Note 3)
2	willDo Temmacho (Nagoya, Aichi)	512,864	842,000	329,135	842,000	291,643	
	Total	1,460,930	2,222,000	761,069	2,222,000	666,927	

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

(Note 3) The transferees in the Disposition are not disclosed as the consent has not been obtained. The seller, the Investment 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 Prevention of Conflicts of Interest, which are the internal rules of the Asset Manager.

(Note 4) The intermediary of the Disposition does not correspond to the interested party.

II. Reason for the Transaction

Based on the asset management objectives and policies set forth in the Investment Corporation Agreement, the Investment Corporation conducts business to ensure the steady growth of assets under management and stable earnings over the medium to long term.

The properties to be acquired have been selected to diversify and enhance the portfolio with the aim of ensuring stable revenue. In addition, the tenants of the assets to be acquired meets the tenant selection criteria outlined in the Investment Corporation's Management System Report dated December 20, 2024.

The properties to be disposed have been selected after comprehensively considering the prospects for the future profitability, size and location of the properties and current trends in the real estate sales market, among other factors. The decision has been made to proceed with the Transaction since the total price offered by the transferees for the properties to be disposed exceeded the most recent book values and real estate appraisal values; hence the Transaction would enhance investors' value.

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>

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 to 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 January 31, 2025 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 February 2025.
 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 January 31, 2025, 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 January 31, 2025, of the Asset to Be Acquired.
 20. “Leasable area” shows the leasable area of each of the Asset to Be Acquired as of January 31, 2025, 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 January 31, 2025, 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 January 31, 2025.
 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 January 31, 2025, 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. S-RESIDENCE Saitama-Shintoshin

Overview of the Property			
Category of anticipated property for acquisition	Trust beneficiary interests		
Trustee	Mizuho Trust & Banking Co., Ltd. (planned)		
Term of trust agreement	undecided		
Scheduled acquisition price	JPY 3,210 million	Scheduled acquisition date	March 27, 2025
Appraisal value (appraisal date)	JPY 3,220 million (as of March 1, 2025)	Appraisal firm	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Location (Residential indication)	2-88-1, Kishikicho, Omiya-ku, Saitama-shi, Saitama		
Access	Approximately 750 m from “Saitama-Shintoshin” Station on the JR Keihin Tohoku Line, Utsunomiya Line and Takasaki Line		
Land	Form of ownership	Ownership	Zoning
	Area	775.18m ²	FAR/Building-to-land ratio
Building	Form of ownership	Ownership	Use
	Structure/Floors	RC, 10-story building with flat roof	Number of leasable units
	Total floor area	3,723.67 m ²	Construction completion
Building engineer	First-class Registered Architect Office, Saitama Branch, DAIWA HOUSE INDUSTRY CO., LTD.		
Constructor	Saitama Branch, DAIWA HOUSE INDUSTRY CO., LTD.		
Building inspection agency	Saitama Housing Inspection Center		
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand
Estimated long-term repair expenses	JPY 79,012 thousand	PML	6.2%
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 11,353 thousand		
Lease and guarantee deposits	JPY 7,822 thousand		
Total leasable area	2,997.07 m ²	Number of tenants	1
Total leased area	2,928.30 m ²	Occupancy rate	97.7%
Collateral	None		
Features			
<p>Site features: The property is a condominium building completed in September 2021, located a 10-minute walk from “Saitama Shintoshin” Station on the JR Keihin-Tohoku, Utsunomiya and Takasaki Lines, and a 12-minute walk from Omiya Station on the JR Saikyo Line and other lines. It offers convenient access to major stations in Tokyo, including Tokyo Station and Ueno Station. The surrounding area is dotted with lifestyle amenities, such as shopping malls, supermarkets and convenience stores, making it a property with steady demand expected from singles.</p> <p>Property features: The 10-story reinforced concrete building consists of 130 1K units. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, warm water washing toilet seat, bathroom dryer, 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 Sendai Bansui Dori

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 1,251 million	Scheduled acquisition date	April 3, 2025
Appraisal value (appraisal date)	JPY 1,280 million (as of February 1, 2025)	Appraisal firm	Tanizawa Sogo Appraisal CO., Ltd.
Location (Residential indication)	4-14, Futsukamachi, Aoba-ku, Sendai-shi, Miyagi		
Access	Approximately 600 m from “Kotodai-koen” Station on the Sendai Subway Namboku Line		
Land	Form of ownership	Ownership	Zoning
			Commercial District

	Area	350.13 m ²	FAR/Building-to-land ratio	500% / 80%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 13-story building with flat roof	Number of leasable units	48 units
	Total floor area	2,017.55 m ²	Construction completion	March 16, 2023
	Building engineer	HASE Architect, Inc.		
Constructor	Tohoku Branch Office, FUKUDA CORPORATION			
Building inspection agency	Sendai Urban Arrangement Center Co.,Ltd			
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand	
Estimated long-term repair expenses	JPY 17,952 thousand	PML	4.8%	
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 5,321 thousand			
Lease and guarantee deposits	JPY 4,807 thousand			
Total leasable area	1,713.60 m ²	Number of tenants	1	
Total leased area	1,632.72 m ²	Occupancy rate	95.3%	
Collateral	None			
Features				
<p>Site features: The property is a condominium building completed in March 2023, located an 8-minute walk from “Kotodai-koen” Station on the Sendai Subway Nomboku Line. It is expected to attract steady demand from singles who seeks convenient lifestyle, thanks to its easy access to the Sendai Station area and the abundance of supermarkets, convenience stores and restaurants scattered around both the nearest station and the property.</p> <p>Property features: The 13-story reinforced concrete building consists of 48 1LDK 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. Serenite Nihonbashi Miracle

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 1,157 million	Scheduled acquisition date	April 3, 2025	
Appraisal value (appraisal date)	JPY 1,170 million (as of February 1, 2025)	Appraisal firm	Tanizawa Sogo Appraisal CO., Ltd.	
Location (Residential indication)	1-7-3, Nippombashihigashi, Naniwa-ku, Osaka-shi, Osaka			
Access	Approximately 650 m from “Shitennoji-mae Yuhigaoka” Station on the Osaka Metro Tanimachi Line			
Land	Form of ownership	Ownership	Zoning	Commercial District
	Area	391.80 m ²	FAR/Building-to-land ratio	400% / 80%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 13-story building with flat roof	Number of leasable units	60 units
	Total floor area	1,860.05m ²	Construction completion	January 6, 2024
Building engineer	GIFT Plus Design Co., Ltd			
Constructor	Sunada Construction Co., Ltd			
Building inspection agency	Nihon Kakunin Architectures Inspection Center Co.,Ltd			
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand	
Estimated long-term repair expenses	JPY 16,356 thousand	PML	13.4%	
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 4,960 thousand		
Lease and guarantee deposits	JPY 878 thousand		
Total leasable area	1,542.36 m ²	Number of tenants	1
Total leased area	1,514.36 m ²	Occupancy rate	98.2%
Collateral	None		
Features			
<p>Site features: The property is a condominium building completed in January 2024, located within walking distance of several train lines: a 9-minute walk from “Shitennoji-mae Yuhigaoka” Station on the Osaka Metro Tanimachi Line, a 10-minute walk from “Ebisucho” Station on the Osaka Metro Sakaisuji Line, a 10-minute walk from “Nippombashi” Station on the Osaka Metro Sakaisuji Line and Sennichimae Line. The property is expected to attract steady demand from singles seeking a convenient lifestyle, as it is within walking distance of the "Namba" area, one of Osaka's most prominent entertainment districts, in addition to being surrounded by supermarkets, convenience stores and restaurants in the surrounding area.</p> <p>Property features: The 13-story reinforced concrete building consists of 24 1K units, 36 1LDK units. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, IH stove, warm water washing toilet seat, bathroom dryer, etc., are equipped as standard, it is a property that provides residents with high quality and comfortable life.</p>			
Special Notes			
None			

4. Gran Casa Kawaguchi Namiki

Overview of the Property				
Category of anticipated property for acquisition	Trust beneficiary interests			
Trustee	Sumitomo Mitsui Trust Bank, Limited (planned)			
Term of trust agreement	undecided			
Scheduled acquisition price	JPY 919 million	Scheduled acquisition date	April 3, 2025	
Appraisal value (appraisal date)	JPY 948 million (as of February 1, 2025)	Appraisal firm	DAIWA REAL ESTATE APPRAISAL CO., LTD.	
Location (Residential indication)	2-16-14, Namiki, Kawaguchi-shi, Saitama			
Access	Approximately 280 m from “Nishi-Kawaguchi” Station on the JR Keihin Tohoku Line			
Land	Form of ownership	Ownership	Zoning	Commercial District
	Area	258.48 m ²	FAR/Building-to-land ratio	400% / 80%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 10-story building with flat roof	Number of leasable units	27 units
	Total floor area	1,168.77 m ²	Construction completion	July 19, 2023
Building engineer	SOM PLANNING OFFICE CO., LTD.			
Constructor	Tokyo Branch Office, DAISUE TECHNO SERVICE CO., LTD.			
Building inspection agency	UHEC			
Estimated emergency repair expenses	JPY 0 thousand	Estimated short-term repair expenses	JPY 0 thousand	
Estimated long-term repair expenses	JPY 9,680 thousand	PML	5.1%	
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 3,570 thousand			
Lease and guarantee deposits	JPY 3,942 thousand			
Total leasable area	891.54 m ²	Number of tenants	1	
Total leased area	856.54 m ²	Occupancy rate	96.1%	
Collateral	None			
Features				
<p>Site features: The property is a condominium building completed in July 2023, located a 4-minute walk from “Nishi-Kawaguchi” Station on the JR Keihin-Tohoku Line. It is expected to attract steady demand from singles and DINKs due to its convenient access to major stations in Tokyo, including Tokyo Station and Ueno Station, as well as the abundance of supermarkets, convenience stores and banks in the surrounding area.</p> <p>Property features: The 10-story reinforced concrete building consists of 17 1LDK units, 10 1LDK+S units. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, three-burner stove with grill, warm water washing toilet</p>				

seat, bathroom dryer, etc., are equipped as standard, it is a property that provides residents with high quality and comfortable life.
Special Notes
None

(ii) Details of Assets to be Disposed

Unless otherwise noted, the information on the date of appraisal regarding the appraisal value, lease and guarantee deposits and total leased area is as of September 30, 2024, and the information on the total rental revenue indicates that for the fiscal period ended September 30, 2024.

Name of Property (Property No.)	willDo Taiko dori (O-5-041)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	1-41-2, Meirakucho, Nakamura-ku, Nagoya-shi, Aichi				
Use	Condominium				
Constructed	August 24, 2006				
Appraisal Value	1,380,000 thousand yen				
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	40,147 thousand yen				
Lease Deposits and Guarantee Deposits	1,447 thousand yen				
Total Leasable Area	3,127.32 m ²				
Total Leased Area	3,095.85 m ²				
Changes in Occupancy Rate	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
	99.2%	100.0%	100.0%	99.1%	99.0%

Name of Property (Property No.)	willDo Temmacho (F-5-023)				
Type of Asset	Real estate				
Type of Ownership	Proprietary ownership				
Location	1-2-9, Tenma, Atsuta-ku, Nagoya-shi, Aichi				
Use	Condominium, Parking lot, Bicycle parking lot				
Constructed	March 21, 2006				
Appraisal Value	842,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Details of Lease					
Number of Tenants	1				
Total Rental Revenue	27,955 thousand yen				
Lease Deposits and Guarantee Deposits	2,612 thousand yen				
Total Leasable Area	2,185.20 m ²				
Total Leased Area	2,185.20 m ²				
Changes in Occupancy Rate	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
	97.5%	100.0%	100.0%	100.0%	100.0%

IV. Profile of the Counterparty

The planned sellers and transferees for the Transaction consist of four domestic companies. One of the planned sellers and two of the planned transferees are not disclosed, as the consents for the disclosure has not been obtained. These undisclosed companies have no capital, personnel or business relationships between the Investment Corporation/the Asset Manager and are not related parties of either the Investment Corporation or the Asset Manager.

In addition, these undisclosed companies 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 Prevention of Conflicts of Interest, which are the internal rules of the Asset manager.

Profile of the Seller (Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle, Gran Casa Kawaguchi Namiki)

(1)	Company name	Daiwa Securities Realty Co. Ltd.
(2)	Location	6-2-1, Ginza, Chuo-ku, Tokyo
(3)	Title and name of representative	Toshio Fukushima, President and Representative Director
(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. Owing, 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 Inc., 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 Inc., the parent company of the Asset Manager and falls under the classification of related party.

V. Profile of the Property Seller

The seller of Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle and Gran Casa Kawaguchi Namiki is Daiwa Securities Realty Co. Ltd., a sister company of the Asset Manager and a subsidiary of Daiwa Securities Group Inc. The seller 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 followed the decision-making procedures stipulated in the Rules on Prevention of Conflicts of Interest in making transactions for the each planned asset with the seller, 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 Sendai Bansui Dori	(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 1,170 million	
	(5)	April 2024	
	(6)	JPY 6 million	
Serenite Nihonbashi Miracle	(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 1,118 million	
	(5)	May 2024	
	(6)	JPY 7 million	
Gran Casa Kawaguchi Namiki	(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)	Description omitted as the previous owner has owned the property for over one year	
	(5)	February 2024	
	(6)	Description omitted as the previous owner has owned the property for over one year	

(Note 1) Acquisition price is the amount stated in the purchase agreement. 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, that are scheduled to be paid by the Investment Corporation to the previous owner apart from the sale and purchase price for the acquisition of each property. The amount of the warehousing fees has not been determined at the present time since it will be finalized following a final agreement with the previous owner.

(Note 3) The assets will be acquired from a bridge fund, which temporarily holds the assets for the purpose of transferring them to the Investment Corporation, utilizing the bridge scheme of the sponsor. Therefore, depending on the timing of the acquisition by the previous owner, which is a bridge fund, the holding period of the previous owner may be short.

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: March 19, 2025
- Payment and acquisition
 - S-RESIDENCE Saitama-Shintoshin: March 27, 2025
 - Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle and Gran Casa Kawaguchi Namiki: April 3, 2025

(ii) Disposition

- Decision of disposition and conclusion of disposition agreement: March 19, 2025
- Receipt and delivery
 - willDo Taiko dori: March 25, 2025
 - willDo Temmacho: April 8, 2025

VIII. Settlement Method

(i) Acquisition

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

(ii) Disposition

willDo Taiko dori: A lump-sum settlement shall be made at the time of the Disposition

willDo Temmacho: A deposit of 89 million yen is scheduled to be received upon the contract signing and the remaining balance, after deduction of the deposit, is scheduled to be received upon the execution of the Disposition.

IX. Forecasts

As a result of the Transaction, a gain on the disposition of real estate property of JPY 2,492 million is expected to be recorded in the fiscal period ending March 2025 (38th fiscal period). No additional adjustments are required in the “Notice Concerning Revision to Forecasts of Operating Results and Distribution for the Fiscal Period Ending March 2025 (38th Fiscal Period)” announced on December 20, 2024 since the impact of this Transaction to the asset management condition is minimal.

Furthermore, a gain on the disposition of real estate property of JPY 1,402 million is expected to be recorded in the fiscal period ending September 2025 (39th fiscal period). The forecast for the operational status and distribution for this period is currently under review and will be announced once the conditions are finalized

X. Summary of Appraisal Report

(i) Asset to be acquired

Property Name		S-RESIDENCE Saitama-Shintoshin		
Appraisal Value		JPY 3,220,000,000		
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.		
Date of Appraisal		March 1, 2025		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	3,220,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	3,250,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	152,249	-
(a)	Rental revenues including common service fees	JPY thousand	151,608	Taking into consideration the medium- to long-term competitiveness of the target real estate, the estimated standardized assumed rental revenue and common service fees of the target real estate are recorded.
	Parking fees	JPY thousand	1,008	Taking into consideration the medium- to long-term competitiveness of the target real estate, the estimated standardized parking fees of the target real estate are recorded.
	Other revenues	JPY thousand	4,271	Key money income, renewal fee income, vending machine installation fee revenue.
(b)	Losses from vacancies	JPY thousand	4,638	Taking into consideration the competitiveness of the target real estate, losses from vacancies are recorded.
	Bad debt losses	JPY thousand	-	Not recorded as it is secured by deposit, etc.
(2) Total Operating Expenses		JPY thousand	24,948	-
	Operation costs	JPY thousand	4,524	The scheduled contract amount was determined reasonable and recorded.
	Utilities	JPY thousand	1,056	Appraised and recorded based on the level of utility bills of similar real estate.
	Repairs and maintenance expense	JPY thousand	3,415	Regarding repair costs, the annual average amount of long-term repair costs for ER was determined to be reasonable and recorded. Tenant replacement costs were assessed and recorded taking into consideration the replacement rate.
	Property management fees	JPY thousand	2,220	Scheduled contract amount was determined to be reasonable and recorded.
	Tenant promotion fees, etc.	JPY thousand	4,236	Appraised and recorded based on the level of tenant promotion fees, etc., of similar real estate.
	Taxes and public dues	JPY thousand	7,877	(Land) Calculated based on the actual amount for the fiscal year 2024, taking into consideration the burden level and land price trends. (Buildings, etc.) Assessed and recorded based on the actual amount for the fiscal year 2024 (including fixed asset tax on depreciable assets).
	Nonlife insurance	JPY thousand	309	Recorded after appraisal with reference to the level of non-life insurance premiums for similar real estate.
	Other expenses	JPY thousand	1,308	Internet usage fees, etc. are recorded as Other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	127,301	-
(4) Lump-sum Investment Return		JPY thousand	112	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure		JPY thousand	4,023	The annual average amount of long-term renewal costs for ER was determined to be reasonable and recorded.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	123,390	-
(7) Capitalization Rate		(%)	3.8	Assessment based on comparison with the capitalization rate for transactions of similar properties, etc.
Value Indicated by DCF Method		JPY thousand	3,200,000	-
	Discount Rate	(%)	3.5	Assessed the discount rate, taking into account discount rates used in transactions of similar properties, comparison with yields from other financial instruments and so forth.
	Terminal Capitalization Rate	(%)	3.9	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	3,250,000	-
	Land Ratio	(%)	67.5	-
	Property Ratio	(%)	32.5	-
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		Gran Casa Sendai Bansui Dori		
Appraisal Value		JPY 1,280,000,000		
Appraiser		Tanizawa Sogo Appraisal CO., Ltd.		
Date of Appraisal		February 1, 2025		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	1,280,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	1,310,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	68,905	-
(a)	Rental revenues including common service fees	JPY thousand	65,308	Rental revenue: Revenue that can be earned on an ordinary basis by leasing or contracting the operation of all or part of the subject property (assuming full occupancy) Common service fee revenue: Among the expenses required on a recurring basis for the maintenance, management, and operation of the subject property, revenue collected through contracts with lessees related to common areas (assuming full occupancy)
	Parking fees	JPY thousand	3,696	Income generated by leasing the parking lot attached to the subject property to tenants, etc. and income generated by renting the parking lot by the hour (assuming the lot is full)
	Other revenues	JPY thousand	2,599	Other revenue such as non-refundable lump-sum payments such as key money and renewal fees, sign board, antennas, and vending machine etc.
(b)	Losses from vacancies	JPY thousand	2,698	Decrease in each income based on the projected occurrence of vacancy and replacement period, etc.
	Bad debt losses	JPY thousand	-	Not recorded as it is secured by deposit, etc.
(2) Total Operating Expenses		JPY thousand	16,682	-
	Operation costs	JPY thousand	2,280	Expenses required on a recurring basis for the maintenance and management of the subject property, including building and facility management, security, cleaning, etc.
	Utilities	JPY thousand	1,028	Expenses required for electricity, water, gas, district heating and cooling heat source, etc. in the operation of the subject property
	Repairs and maintenance expense	JPY thousand	1,855	Of the amount paid for repair or improvement of buildings, facilities, etc. related to the subject property, the cost required for ordinary maintenance and management of the said buildings, facilities, etc. or to restore the partially damaged buildings, facilities, etc. to their original state.
	Property management fees	JPY thousand	1,326	Expenses for the management of the subject property
	Tenant promotion fees, etc.	JPY thousand	1,673	Expenses required for intermediary services and advertising, etc. when recruiting new tenants, as well as expenses required for the renewal of tenant lease contracts and re-signing of lease contracts.
	Taxes and public dues	JPY thousand	5,212	(Land) Property tax, city planning tax. (Buildings, etc.) Property tax, city planning tax.
	Nonlife insurance	JPY thousand	205	Charges for fire insurance for the subject property and attached facilities, liability insurance to cover damage to third parties, etc. due to defects or accidents in the management of the subject property, etc.
	Other expenses	JPY thousand	3,100	Internet usage fees, etc. are recorded as Other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	52,223	-
(4) Lump-sum Investment Return		JPY thousand	50	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure		JPY thousand	1,120	Expenses for repair or improvement of buildings, facilities, etc. related to the subject property that are recognized to increase the value of the said buildings, facilities, etc. or increase their durability
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	51,153	-
(7) Capitalization Rate		(%)	3.9	Assessed through comparison to transactions of similar properties.
Value Indicated by DCF Method		JPY thousand	1,270,000	-
	Discount Rate	(%)	4.0	Assessed by adding the individual risks of the subject property to the base yield.
	Terminal Capitalization Rate	(%)	4.1	Assessed by taking into account future uncertainties and other factors to the Capitalization rate.
Value indicated by cost approach		JPY thousand	1,260,000	-
	Land Ratio	(%)	55.6	-
	Property Ratio	(%)	44.4	-
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		Serenite Nihonbashi Miracle		
Appraisal Value		JPY 1,170,000,000		
Appraiser		Tanizawa Sogo Appraisal CO., Ltd.		
Date of Appraisal		February 1, 2025		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	1,170,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	1,180,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	60,615	-
(a)	Rental revenues including common service fees	JPY thousand	60,105	Rental revenue: Revenue that can be earned on an ordinary basis by leasing or contracting the operation of all or part of the subject property (assuming full occupancy) Common service fee revenue: Among the expenses required on a recurring basis for the maintenance, management, and operation of the subject property, revenue collected through contracts with lessees related to common areas (assuming full occupancy)
	Parking fees	JPY thousand	1,252	Income generated by leasing the parking lot attached to the subject property to tenants, etc. and income generated by renting the parking lot by the hour (assuming the lot is full)
	Other revenues	JPY thousand	1,060	Other revenue such as non-refundable lump-sum payments such as key money and renewal fees, sign board, antennas, and vending machine etc.
(b)	Losses from vacancies	JPY thousand	1,803	Decrease in each income based on the projected occurrence of vacancy and replacement period, etc.
	Bad debt losses	JPY thousand	-	Not recorded as it is assumed that a guarantor company will be used.
(2) Total Operating Expenses		JPY thousand	13,744	-
	Operation costs	JPY thousand	2,184	Expenses required on a recurring basis for the maintenance and management of the subject property, including building and facility management, security, cleaning, etc.
	Utilities	JPY thousand	666	Expenses required for electricity, water, gas, district heating and cooling heat source, etc. in the operation of the subject property
	Repairs and maintenance expense	JPY thousand	1,687	Of the amount paid for repair or improvement of buildings, facilities, etc. related to the subject property, the cost required for ordinary maintenance and management of the said buildings, facilities, etc. or to restore the partially damaged buildings, facilities, etc. to their original state.
	Property management fees	JPY thousand	1,373	Expenses for the management of the subject property
	Tenant promotion fees, etc.	JPY thousand	1,286	Expenses required for intermediary services and advertising, etc. when recruiting new tenants, as well as expenses required for the renewal of tenant lease contracts and re-signing of lease contracts.
	Taxes and public dues	JPY thousand	4,783	(Land) Property tax, city planning tax. (Buildings, etc.) Property tax, city planning tax.
	Nonlife insurance	JPY thousand	187	Charges for fire insurance for the subject property and attached facilities, liability insurance to cover damage to third parties, etc. due to defects or accidents in the management of the subject property, etc.
	Other expenses	JPY thousand	1,576	Internet usage fees, etc. are recorded as Other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	46,871	-
(4) Lump-sum Investment Return		JPY thousand	-	-
(5) Capital Expenditure		JPY thousand	1,042	Expenses for repair or improvement of buildings, facilities, etc. related to the subject property that are recognized to increase the value of the said buildings, facilities, etc. or increase their durability
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	45,829	-
(7) Capitalization Rate		(%)	3.9	Assessed through comparison to transactions of similar properties.
Value Indicated by DCF Method		JPY thousand	1,160,000	-
	Discount Rate	(%)	4.0	Assessed by adding the individual risks of the subject property to the base yield.
	Terminal Capitalization Rate	(%)	4.1	Assessed by taking into account future uncertainties and other factors to the Capitalization rate.
Value indicated by cost approach		JPY thousand	1,620,000	-
	Land Ratio	(%)	66.9	-
	Property Ratio	(%)	33.1	-
Other items of note by appraiser		None		

Property Name		Gran Casa Kawaguchi Namiki		
Appraisal Value		JPY 948,000,000		
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.		
Date of Appraisal		February 1, 2025		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	948,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	973,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	44,997	-
(a)	Rental revenues including common service fees	JPY thousand	44,667	Taking into consideration the medium- to long-term competitiveness of the target real estate, the estimated standardized assumed rental revenue and common service fees of the target real estate are recorded.
	Parking fees	JPY thousand	300	Taking into consideration the medium- to long-term competitiveness of the target real estate, the estimated standardized parking fees of the target real estate are recorded.
	Other revenues	JPY thousand	1,399	Key money income, renewal fee income, motorcycle parking revenue.
(b)	Losses from vacancies	JPY thousand	1,370	Taking into consideration the competitiveness of the target real estate, losses from vacancies are recorded.
	Bad debt losses	JPY thousand	-	Not recorded as it is secured by deposit, etc.
(2) Total Operating Expenses		JPY thousand	8,639	-
Operation costs		JPY thousand	1,922	The maintenance and management costs amount were recorded based on the content of the current building management service contract.
Utilities		JPY thousand	647	Appraised and recorded based on the level of utility bills of similar real estate.
Repairs and maintenance expense		JPY thousand	1,057	Annual average repair expenses for ER was determined to be reasonable and recorded.
Property management fees		JPY thousand	656	Scheduled contract amount was determined to be reasonable and recorded.
Tenant promotion fees, etc.		JPY thousand	1,264	Appraised and recorded based on the level of tenant promotion fees, etc; of similar real estate.
Taxes and public dues		JPY thousand	2,573	(Land) Calculated based on the actual amount for the fiscal year 2024, taking into consideration the burden level and land price trends. (Buildings, etc.) Assessed and recorded based on the actual amount for the fiscal year 2024.
Nonlife insurance		JPY thousand	114	Estimated amount was determined to be reasonable and recorded.
Other expenses		JPY thousand	404	Internet usage fees, etc. are recorded as Other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	36,357	-
(4) Lump-sum Investment Return		JPY thousand	33	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure		JPY thousand	406	Appraised and recorded based on the level of renewal cost of similar real estate.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	35,984	-
(7) Capitalization Rate		(%)	3.7	Assessment based on comparison with the capitalization rate for transactions of similar properties, etc.
Value Indicated by DCF Method		JPY thousand	937,000	-
Discount Rate		(%)	3.5	Assessed the discount rate, taking into account discount rates used in transactions of similar properties, comparison with yields from other financial instruments and so forth.
Terminal Capitalization Rate		(%)	3.9	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	876,000	-
Land Ratio		(%)	63.3	-
Property Ratio		(%)	36.7	-
Other items of note by appraiser		None		

(ii) Asset to be disposed

Property Name ii	willDo Taiko dori
Appraisal Value	JPY 1,380,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2024

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	1,380,000
Value indicated by the Direct Capitalization Method	JPY thousand	1,410,000
(1) Total Operating Income: (a)-(b)	JPY thousand	81,131
(a)		
Rental revenues including common service fees	JPY thousand	79,821
Parking fees	JPY thousand	3,744
Other revenues	JPY thousand	73
(b)		
Losses from vacancies	JPY thousand	2,506
Bad debt losses	JPY thousand	-
(2) Total Operating Expenses	JPY thousand	19,624
Operation costs	JPY thousand	1,536
Utilities	JPY thousand	1,125
Repairs and maintenance expense	JPY thousand	4,762
Property management fees	JPY thousand	2,026
Tenant promotion fees, etc.	JPY thousand	1,708
Taxes and public dues	JPY thousand	5,582
Nonlife insurance	JPY thousand	286
Other expenses	JPY thousand	2,596
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	61,507
(4) Lump-sum Investment Return	JPY thousand	3
(5) Capital Expenditure	JPY thousand	5,193
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	56,317
(7) Capitalization Rate	(%)	4.0
Value Indicated by DCF Method	JPY thousand	1,370,000
Discount Rate	(%)	4.1
Terminal Capitalization Rate	(%)	4.2
Value indicated by cost approach	JPY thousand	1,380,000
Land Ratio	(%)	53.8
Property Ratio	(%)	46.2
Other items of note by appraiser	None	

Property Name	willDo Temmacho		
Appraisal Value	JPY 842,000,000		
Appraiser	Japan Real Estate Institute		
Date of Appraisal	September 30, 2024		

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	842,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	847,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	53,790	-
(a) Rental revenues including common service fees	JPY thousand	52,344	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	2,497	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	1,414	Recorded key money, Antenna installation fees, and Vending machine income, etc. are recorded as Other revenues.
(b) Losses from vacancies	JPY thousand	2,465	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	14,587	-
Operation costs	JPY thousand	1,622	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	1,000	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	4,088	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	1,467	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	1,709	Appraisal based on contract terms, leasing terms of similar properties, etc.
Taxes and public dues	JPY thousand	3,848	(Land) Allocation is based on tax and public dues data, burden adjustment measures, etc. (Buildings, etc.) Recorded based on data related to taxes and public dues. (Depreciable assets) Recorded based on data related to taxes and public dues.
Nonlife insurance	JPY thousand	153	Recorded in consideration of premiums based on insurance policies and premium rates for buildings similar to the subject building.
Other expenses	JPY thousand	700	Internet usage fees, etc. are recorded as Other expenses.
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	39,203	-
(4) Lump-sum Investment Return	JPY thousand	21	Investment income is appraised assuming an investment yield of 1.0%.
(5) Capital Expenditure	JPY thousand	4,511	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	34,713	-
(7) Capitalization Rate	(%)	4.1	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.
Value Indicated by DCF Method	JPY thousand	837,000	-
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	673,000	-
Land Ratio	(%)	45.6	-
Property Ratio	(%)	54.4	-
Other items of note by appraiser	None		

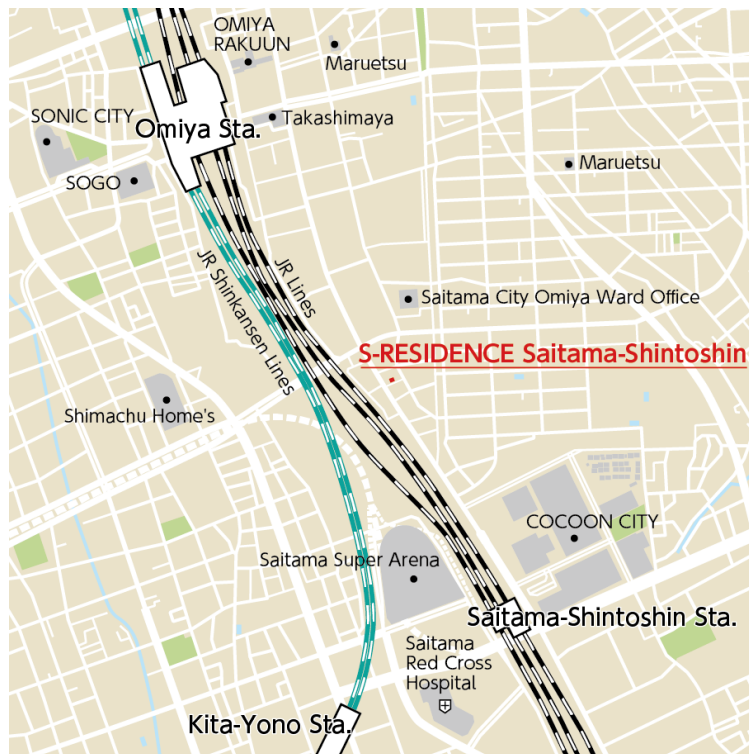
(Reference Material) Exterior and Map of the Asset to Be Acquired

1. S-RESIDENCE Saitama-Shintoshin

Exterior



MAP

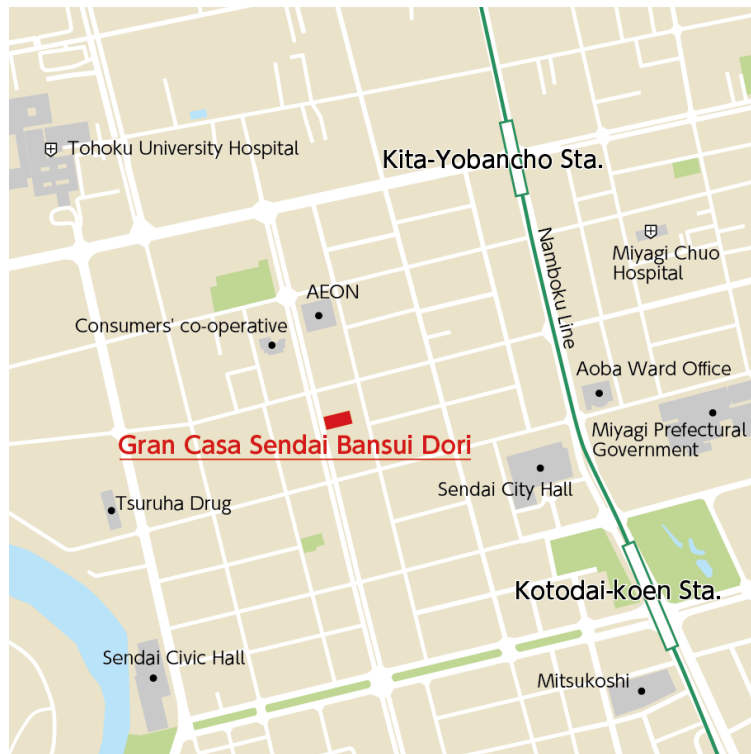


2. Gran Casa Sendai Bansui Dori

Exterior

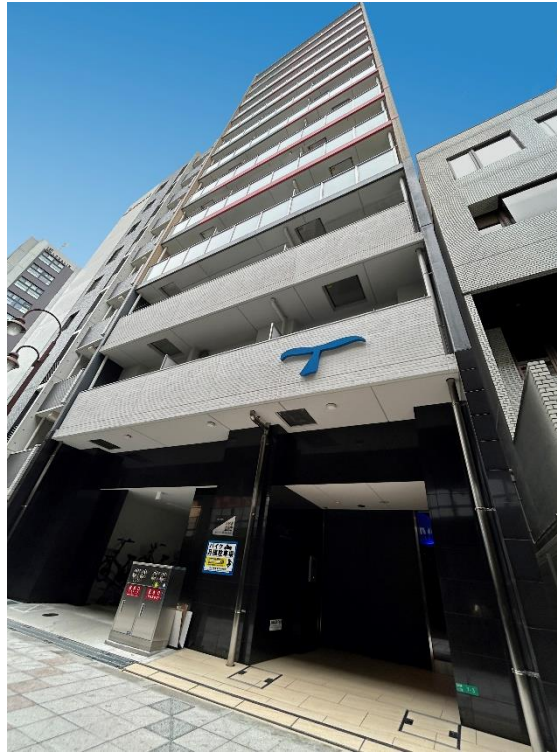


MAP



3. Serenite Nihonbashi Miracle

Exterior



MAP



4. Gran Casa Kawaguchi Namiki

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)	Other assets to be disposed (d)	(a)+(b)-(c)-(d)
Total number of properties	246 properties	4 properties	2 properties	3 properties	245 properties
Total number of leasable units	18,416 units	265units	138 units	236 units	18,307 units
Total leasable area	757,691.26 m ²	7,144.57m ²	5,312.52m ²	9,193.23m ²	750,330.08m ²

(Note) This means the assets to be transferred in the “Notice Concerning Disposition of Domestic Real Estate (Rental Housing 2 Properties)” released on January 22, 2025, and the “Notice Concerning Disposition of Domestic Real Estate (Bonheur Tokiwa)” released on February 19, 2025 (The same applies hereinafter.)

<Asset size, etc.>

	Properties owned as of today (a)	Assets to be acquired (b)	Assets to be disposed (c)	Other assets to be disposed (d)	(a)+(b)-(c)-(d)
Total (anticipated) acquisition price	JPY 397.2 billion	JPY 6.5 billion	JPY 1.7 billion	JPY 3.0 billion	JPY 399.0 billion
Appraisal value	JPY 488.9 billion	JPY 6.6 billion	JPY 2.2 billion	JPY 3.5 billion	JPY 489.7 billion

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

(Note 2) The appraised value includes the appraised value as of September 1, 2024, for Gran Casa Higashinakano and Gran Casa Ayase, as of March 1, 2025, for S-RESIDENCE Saitama-Shintoshin, as of February 1, 2025, for Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle and Gran Casa Kawaguchi Namiki, and as of September 30, 2024, for other properties.

<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)	Other assets to be disposed (d)	(a)+(b)-(c)-(d)
Studio	JPY 206.0 billion (51.9%)	JPY 6.5 billion	JPY 1.1 billion	JPY 2.2 billion	JPY 209.1 billion (52.4%)
Family	JPY 81.1 billion (20.4%)	-	JPY 0.6 billion	JPY 0.7 billion	JPY 79.7 billion (20.0%)
Healthcare	JPY 110.1 billion (27.7%)	-	-	-	JPY 110.1 billion (27.6%)

End