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To All Concerned Parties

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Notice Concerning Acquisition of Asset (Bienestyle Kiyosumishirakawa)

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 the asset (hereafter the “Asset to Be Acquired”) described below.

I. General Outline of the Acquisition

Name of property	Location	Property type (Note 1)	Anticipated acquisition price (A) (JPY thousand) (Note2) (Note 3)	Appraisal value (as of February 2022) (B) (JPY thousand) (Note 3)	Difference between anticipated acquisition price and appraisal value (B)-(A) (JPY thousand) ((A)/(B)) (Note 3)
Bienestyle Kiyosumishirakawa (Note 4)	Koto-ku, Tokyo	Residence (Studio)	1,775,609	1,830,000	54,390 (97.0%)

(Note 1) Studio means residences with 1R, 1K, 1DK, or 1LDK.

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

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

(Note 4) The name of the property will be changed to “Gran Casa Kiyosumishirakawa” on May 1, 2022.

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

II. Reason for the Acquisition and Leasing

Based on the asset management objectives and policies set forth in the Investment Corporations Agreement, we have decided to acquire the Asset to Be Acquired in order to diversify and enhance the portfolio to achieve asset size growth and secure stable earnings.

III. Details of Asset to Be Acquired and Leasing

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

- “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).
- “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.
- “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”).
- “Area” for Land is shown in accordance with the registry and may not correspond to the current reality.
- “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 March 1, 2022 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 January 2022.
 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 company 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 March 1, 2022, 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 March 1, 2022, of the Asset to Be Acquired.
 20. “Leasable area” shows the leasable area of each of the Asset to Be Acquired as of March 1, 2022, 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 Assets to Be Acquired as of March 1, 2022, 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 March 1, 2022.
 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 March 1, 2022, rounded down to the first decimal place.
 24. 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.
 25. 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.

Overview of the Property

Category of anticipated property for acquisition	Real Estate		
Scheduled acquisition price	JPY 1,775 million	Scheduled acquisition date	April 1, 2022
Appraisal value (appraisal date)	JPY 1,830 million (as of February 1, 2022)	Appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Location (Residential indication)	2-10-13, Saga, Koto-ku, Tokyo		
Access	Approximately 850 meters from Kiyosumi-shirakawa Station on the Toei Oedo Line, Tokyo Metro Hanzomon Line Approximately 800 meters from Suitengumae Station on the Tokyo Metro Hanzomon Line		

Land	Form of ownership	Ownership	Zoning	Quasi-Industrial Districts
	Area	714.18 m ²	FAR/Building-to-land ratio	300%/60%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 6-story building with flat roof	Number of leasable units	49 units
	Total floor area	1,803.20 m ²	Construction completion	March 25, 2019
Building engineer		COSMOSINITIA Co., Ltd. First-Class Architectural Office / COSMOSDESIGN		
Constructor		TAKAMATSU CORPORATION		
Building inspection agency		HOUSEPLUS ARCHITECTURAL INSPECTION, inc.		
Estimated emergency repair expenses		JPY 0 thousand	Estimated short-term repair expenses	JPY 40 thousand
Estimated long-term repair expenses		JPY 37,210 thousand	PML	10.2%
Property manager		Tokyu Housing Lease Corporation		
Master lessee		G.K. Japan Rental Housing	Type of master lease	Pass through
Overview of Leasing				
Real estate rent revenue		JPY 6,293 thousand		
Lease and guarantee deposits		JPY 7,275 thousand		
Total leasable area		1,686.74 m ²	Number of tenants	1
Total leased area		1,634.94m ²	Occupancy rate	96.9%
Collateral		None		
Features				
<p>Site features: The property is located 11 minutes walk from Kiyosumi-shirakawa Station on the Toei Oedo Line and Tokyo Metro Hanzomon Line, and 10 minutes walk from Suitengumae Station on the Tokyo Metro Hanzomon Line, which is mainly composed of 1LDK units completed in March 2019. Fukagawa area, where the property is located, is a popular place with a downtown atmosphere, cultural facilities, and many unique and lively restaurants. There is Kiyosumi Garden, scenic spot designated by the Tokyo Metropolitan near the property, where you can enjoy a beautiful Japanese garden, seasonal flowers and wild birds. It has excellent transportation access to business and commercial areas such as Nihonbashi, Otemachi, and Roppongi, and is expected to have stable needs from singles, DINKS, families, etc. who place importance on living environment and living convenience.</p> <p>Property features: The property is a 6-story reinforced concrete structure, consisting of 16 units of 1R, 1K, and 1DK targeting singles, 30 units of 1LDK and 3 units of 2LDK targeting DINKS and families. It has auto lock, intercom with monitor, security camera, delivery box in common area and bathroom dryer, warm water washing toilet seat and high-speed internet support, etc. in each unit, and has a stylish appearance and common area, which provides residents with a high quality and comfortable life.</p>				
Special Notes				
None				

IV. Profile of the Counterparty

The seller of the asset to be acquired is a domestic company, whose name is not disclosed because the seller's consent has not been obtained. There are no capital, human, or business relationships between the Investment Corporation or the Asset Manager and the seller. The seller is not related party of the Investment Corporation or the Asset Manager.

The seller does not fall under the category of interested persons under the Order for Enforcement of the Act on Investment Trusts and Investment Corporations, nor does it fall under the category of interested party, etc. under the internal rules on dealings with interested parties of the Asset Manager.

V. Profile of the Property Seller

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

VI. Funds for Acquisition

Own funds

VII. Acquisition Schedule

- Decision of acquisition and conclusion of purchase agreement: March 23, 2022
- Payment and delivery: April 1, 2022

VIII. Payment Method, Etc.

Lump-sum payment at the time of transaction.

IX. Future Prospects

The Acquisition will have only a slight impact on the asset management condition in the fiscal period ending March 31, 2022 (from October 1, 2021 to March 31, 2022) and the fiscal period ending September 30, 2022 (from April 1, 2022 to September 30, 2022), and there is no change in the asset management forecast.

X. Summary of Appraisal Report

Property name		Bienestyle Kiyosumishirakawa	
Appraisal value		1,830,000,000 yen	
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.	
Date of appraisal		February 1, 2022	
Item	Details	Outline, etc.	
Value indicated by income approach	JPY thousand	1,830,000	Assessed by using the standardized net income value using the DCF method and by conducting verification from the net income value using the direct capitalization method
Value indicated by the direct capitalization method	JPY thousand	1,890,000	Assessed by capitalizing the standardized net income, which is recognized to be stable over the medium to long term, with the capitalization yield
(1) Total Operating Income: (a) – (b)	JPY thousand	87,153	–
(a) Rental revenues including common service fees	JPY thousand	85,404	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	1,440	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	3,833	Other revenue such as facility installation fees such as bicycle parking lot registration fees, neighborhood association fees and non-refundable lump-sum payments such as key money and renewal fees
(b) Losses from vacancies	JPY thousand	3,525	Decrease in each income based on the projected occurrence of vacancy and replacement period, etc.
Bad debt losses	JPY thousand	0	Decrease in each income based on the projected occurrence of bad debt
(2) Total Operating Expenses	JPY thousand	15,108	–
Operation costs	JPY thousand	3,072	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	607	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	2,046	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	1,249	Expenses for the management of the subject property
Tenant promotion fees, etc.	JPY thousand	2,722	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	4,215	Property tax (land, buildings, depreciable assets), city planning tax (land and buildings)
Nonlife insurance	JPY thousand	149	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	1,045	Other expenses such as spot cleaning cost
(3) Net Operating Income (NOI): (1) – (2)	JPY thousand	72,045	–
(4) Lump-Sum Investment Return	JPY thousand	64	Investment income is recorded assuming an investment yield of 1.0%.
(5) Capital Expenditure	JPY thousand	2,160	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	69,949	–
(7) Capitalization Rate	(%)	3.7	Assessed by comprehensively considering the subject property's location, building conditions, and contract conditions.
Value indicated by DCF method	JPY thousand	1,810,000	–

大和証券リビング投資法人

Daiwa Securities Living Investment Corporation

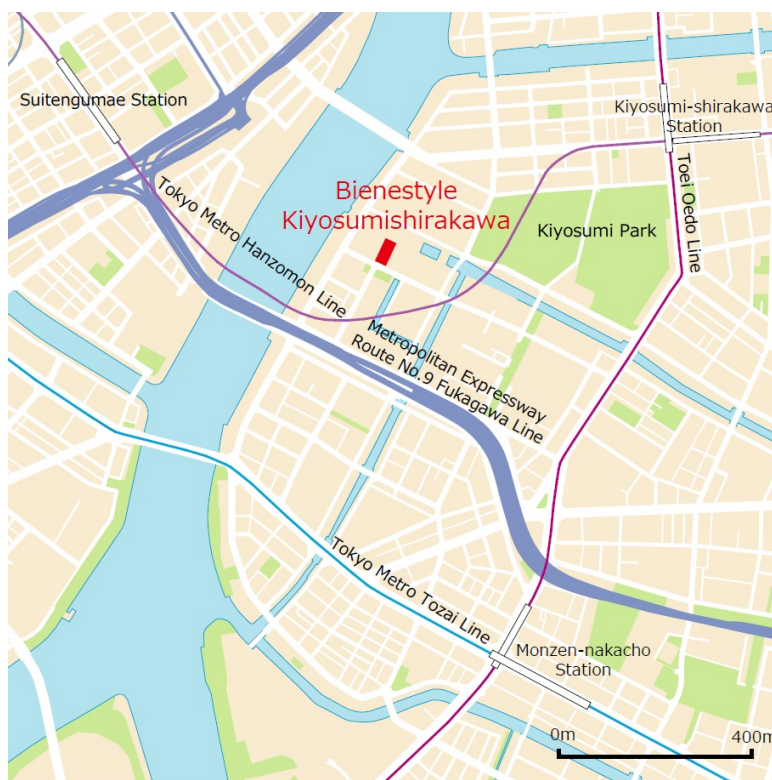
English Translation

The following is an English translation of the Japanese original press release and is being provided for information purposes only.

	Discount rate	(%)	3.8	Assessed by comparing with transaction examples of similar properties and by adding the individual characteristics of the property to the yield of the financial assets.
	Terminal capitalization rate	(%)	3.9	Assessed by taking into account the nature of the net income employed for the capitalization yield, future uncertainty, liquidity, marketability, etc.
	Value indicated by cost approach	JPY thousand	1,800,000	—
	Land ratio	(%)	75.0	—
	Property ratio	(%)	25.0	—
	Other items of note by appraiser		None.	

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

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



(Additional Material) Overview of Portfolio accompany the Acquisition

<Number of Properties, Etc.>

	Properties owned as of today (a)	Asset to Be Acquired (b)	Other asset to be acquired (c) (Note)	(a) + (b) + (c)
Total number of properties	239 properties	1 property	1 property	241 properties
Total number of leasable units	17,306 units	49 units	36 units	17,391 units
Total leasable area	744,700.89 m ²	1,686.74 m ²	1,423.92m ²	747,811.55m ²

(Note) This refers to (Temporary name) Kuramae PJ scheduled to be acquired on March 31, 2023, announced on August 23, 2021.

<Asset Size, Etc.>

	Properties owned as of today (a)	Asset to Be Acquired (b)	Other asset to be acquired (c)	(a) + (b) + (c)
Total (anticipated) acquisition price	JPY 343.9 billion	JPY 1.7 billion	JPY 1.5 billion	JPY 347.2 billion
Appraisal value (Note)	JPY 410.8 billion	JPY 1.8 billion	JPY 1.5 billion	JPY 414.2 billion

(Note) Appraisal value of the "Properties owned as of today" is calculated based on September 30, 2021, except for Gran Casa Shin-Osaka SOUTH, Serenite Nippombashi Prier, Charm Premier Kamakurayama, As-heim Tsunashima, Library Shin-Shibamata and Ishinkan Kamiooka, which are based on the August 1, 2021, and Gran Casa Tennoji EAST which is based on the January 1, 2022. "Asset to Be Acquired" is calculated based on the appraisal value as of February 1, 2022, and "Other asset to be acquired" is calculated based on the appraisal value as of August 1, 2021.

<Amount and Rate of Investment by Type (Based on (Anticipated) Acquisition Price)>

	Properties owned as of today (a)	Asset to Be Acquired (b)	Other asset to be acquired (c)	(a) + (b) + (c)
Studio	JPY 162.2 billion (47.2%)	JPY 1.7 billion	JPY 1.5 billion	JPY 165.5 billion (47.7%)
Family	JPY 79.6 billion (23.2%)	-	-	JPY 79.6 billion (23.0%)
Healthcare	JPY 101.9 billion (29.6%)	-	-	JPY 101.9 billion (29.4%)