

June 19, 2025

To All Concerned Parties

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Notice Concerning Acquisition of Domestic Trust Beneficiary Interests **(Splendid TAKAIDA)**

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 following property (hereinafter referred to as the “Acquisition”). Details are provided below.

I. General Outline of the Acquisition

A general outline of the property to be acquired is detailed in the table below. On June 19, 2025, the Investment Corporation has concluded the purchase agreement with the seller for acquisition of property to be acquired of. The acquisition is scheduled to take place on July 3, 2025.

Name of property	Location	Property type (Note 1)	Anticipated acquisition price (A) (JPY thousand) (Note 2)	Appraisal value (May, 2025) (B) (JPY thousand)	Difference between anticipated acquisition price and appraisal value (B) - (A) (JPY thousand) ((A)/(B))	Seller
Splendid TAKAIDA (Note 3)	Higashiosaka, Osaka	Residence (Studio)	3,200,000	3,230,000	30,000 (99.1%)	Daiwa Securities Realty Co. Ltd.

(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 name of the property will be changed to “Gran Casa Takaida” on July 3, 2025.

(Note 4) Amounts are rounded to the nearest unit and percentages are rounded to the first decimal place. Unless stated otherwise, the same applies hereinafter.

(Note 5) There is no intermediary in the Acquisition.

II. Reason for the Acquisition

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 property 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.

III. Details of the Acquisition

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 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 May 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 June 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 May 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 May 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 May 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 May 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 May 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 May 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.

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 3,200 million	Scheduled acquisition date	July 3, 2025
Appraisal value (appraisal date)		JPY 3,230 million (as of May 1, 2025)	Appraisal firm	Tanizawa Sogo Appraisal CO., Ltd.
Location (Residential indication)		6-2-31, Takaidanishi, Higashiosaka-shi, Osaka		
Access		Approximately 700 m from “Takaida” Station on the Osaka Metro Chuo Line		
Land	Form of ownership	Ownership	Zoning	Neighborhood Commercial District
	Area	1,289.65m²	FAR/Building-to-land ratio	400% / 80%
Building	Form of ownership	Ownership	Use	Condominium
	Structure/Floors	RC, 14-story building with flat roof	Number of leasable units	177 units
	Total floor area	5,809.80 m²	Construction completion	September 1, 2023
Building engineer		Archi blanc		
Constructor		Shinwa Construction Co.,Ltd., Hokuwa-Corporation		
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 43,007 thousand	PML	8.4%
Property manager		Shinwa Community Co., Ltd. (planned)		
Master lessee		G.K. Japan Rental Housing	Type of master lease	Pass through
Overview of Leasing				
Real estate rent revenue		JPY 14,004 thousand		
Lease and guarantee deposits		JPY 869 thousand		
Total leasable area		4,812.84 m²	Number of tenants	1
Total leased area		4,783.95 m²	Occupancy rate	99.4%
Collateral		None		
Features				
<p>Site features:</p> <p>The property is a condominium building completed in September 2023, located a 9-minute walk from “Takaida” Station on the Osaka Metro Chuo Line, and a 9-minute walk from “Takaida-Chuo” Station on the JR Osaka Higashi Line. Multiple train lines are available, providing convenient access to major business districts such as the Hommachi and Kyobashi areas, which are approximately 15 minutes away. The area around the property is dotted with lifestyle amenities, such as supermarkets, convenience stores and restaurants, making it a property with steady demand expected.</p> <p>Property features:</p> <p>The 14-story reinforced concrete building consists of 110 1K units, 54 1DK units and 13 1LDK units. Common facilities such as auto-locking door, intercom with monitor, security camera, delivery box, independent washbasin, warm water washing toilet seat, bathroom dryer, etc., are provided as standard. In addition, the common area on the first floor features a spacious shared space for residents, offering a high-quality and comfortable lifestyle.</p>				
Special Notes				
None				

IV. Profile of the Counterparty

(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. 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 Inc., the parent company of the Asset Manager, is the wholly-owning 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 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

Profile of the Counterparty 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 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, (5) Date of acquisition and (6) Estimated warehousing fees to be paid by the Investment Corporation to the previous owner.

Property name	Previous owner		Earlier previous owner
Splendid TAKAIDA	(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)	March 2024	
	(6)	Description omitted as the previous owner has owned the property for over one year	

(Note) 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 cash on hand.

VII. Schedule of the Acquisition

- Decision of acquisition and conclusion of purchase agreement: June 19, 2025
- Payment and acquisition: July 3, 2025

VIII. Settlement Method

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

IX. Forecasts

The Acquisition will have only a slight impact on the asset management condition for the fiscal period ending September 2025 (39th fiscal period) and the fiscal period ending March 2026 (40th fiscal period), and there is no change in the asset management forecast.

X. Summary of Appraisal Report

Property Name				Splendid TAKAIDA		
Appraisal Value				JPY 3,230,000,000		
Appraiser				Tanizawa Sogo Appraisal CO., Ltd.		
Date of Appraisal				May 1, 2025		
Item				Details	Overview, etc.	
Value indicated by income approach			JPY thousand	3,230,000	-	
	Value indicated by the Direct Capitalization Method		JPY thousand	3,290,000	-	
	(1) Total Operating Income: (a)-(b)		JPY thousand	168,666	-	
	(a)	Rental revenues including common service fees	JPY thousand	165,554	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)	
			JPY thousand	6,458	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)	
			JPY thousand	2,598	Other revenue such as non-refundable lump-sum payments such as signboard revenue, key money and renewal fees etc.	
	(b)	Losses from vacancies	JPY thousand	5,945	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	37,309	-	
		Operation costs		JPY thousand	4,033	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	1,905	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	5,080	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	4,178	Expenses for the management of the subject property
		Tenant promotion fees, etc.		JPY thousand	3,006	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	12,310	(Land) Property tax, city planning tax. (Buildings, etc.) Property tax, city planning tax.
		Nonlife insurance		JPY thousand	551	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	6,240	Internet usage fees, etc. are recorded as Other expenses.
		(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	131,356	-
	(4) Lump-sum Investment Return		JPY thousand	-	-	
	(5) Capital Expenditure		JPY thousand	3,060	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	128,296	-	
	(7) Capitalization Rate		(%)	3.9	Assessed through comparison to transactions of similar properties.	
	Value Indicated by DCF Method		JPY thousand	3,210,000	-	
	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	3,290,000	-	
	Land Ratio		(%)	54.1	-	
	Property Ratio		(%)	45.9	-	
Other items of note by appraiser				None		

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

Exterior



MAP



(Additional Material) Overview of the Portfolio accompanying the Acquisition

<Number of properties, etc.>

	Properties owned as of today (a)	Assets to be acquired (b)	(a)+(b)
Total number of properties	242 properties	1 property	243 properties
Total number of leasable units	18,083 units	177 units	18,260 units
Total leasable area	737,693.17 m ²	4,812.84 m ²	742,506.01 m ²

<Asset size, etc.>

	Properties owned as of today (a)	Assets to be acquired (b)	(a)+(b)
Total (anticipated) acquisition price	JPY 395.9 billion	JPY 3.2 billion	JPY 399.1 billion
Appraisal value	JPY 486.7 billion	JPY 3.2 billion	JPY 489.9 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 February 1, 2025, for Gran Casa Sendai Bansui Dori, Serenite Nihonbashi Miracle and Gran Casa Kawaguchi Namiki, as of May 1, 2025, for Splendid TAKAIDA, and as of March 31, 2025, 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)	(a)+(b)
Studio	JPY 209.1 billion (52.8%)	JPY 3.2 billion	JPY 212.3 billion (53.2%)
Family	JPY 79.7 billion (20.1%)	-	JPY 79.7 billion (20.0%)
Healthcare	JPY 106.9 billion (27.0%)	-	JPY 106.9 billion (26.8%)

End