

January 29, 2015

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
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Toshiya Kuroda, Executive Director  
(Securities Code: 8986)  
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### **Notice Concerning Acquisition of Asset**

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) hereby announces that Mi-Casa Asset Management Inc. (hereafter referred to as the “Asset Manager”), asset manager of the Investment Corporation, has decided at a meeting of its Investment Committee and Board of Directors held earlier today to acquire the following asset (hereafter referred to as the “Acquisition”).

#### **I. Basic Policy**

In order to distribute stable profits to investors over the long term, the Investment Corporation will aim for continued growth of the asset size and increase of the portfolio’s quality by (1) acquiring new properties in the Tokyo metropolitan area centering on the 23 wards of Tokyo (over JPY1bn per property as a general) as well as new regional top-class properties outside the Tokyo metropolitan area (over JPY1bn per property as a general), and (2) selling primarily small (especially properties below JPY500mn) and relatively older properties outside the Tokyo metropolitan area to increase management efficiency.

## II. Reasons for the Acquisition

The Asset Manager decided on the investment after having comprehensively considered the location of the asset to be acquired, its characteristics as well as the profitability of the property, and as a result, judged that the property to be acquired would be an appropriate fit according to the criterion outlined in Basic Policy (1) above.

With the Acquisition, the total asset size is expected to reach approximately 197.2 billion yen for the 192 portfolio properties (acquisition price base, total of 12,060 units.)

### <Summary of the Properties>

| Property Number | Property Name<br>(Note 1)        | Area Category   | Property Type | Proposed Acquisition Price<br>(A)<br>(JPY thousand)<br>(Note 2) | Appraisal Value<br>(as of November 2014)<br>(B)<br>(JPY thousand) | Difference between proposed acquisition price and appraisal value<br>(B) – (A)<br>(JPY thousand)<br>((A)/(B)) |
|-----------------|----------------------------------|---|---------------|---|---|---|
| O-2-140         | Gran Casa<br>Sendai Itsutsubashi | Other Major Cities<br>(Sendai-city, Miyagi)           | Studio        | 2,100,000   | 2,130,000   | 30,000 (98.6%)  |
| O-6-141         | Gran Casa<br>UmedaKita           | Three Major Metropolitan Areas<br>(Osaka-city, Osaka) | Studio        | 2,050,000   | 2,150,000   | 100,000 (95.3%)   |
| Total           |                                  |   |               | 4,150,000   | 4,280,000   | 130,000 (97.0%)   |

(Note 1) The current names of the properties to be acquired are “Belle Feerique Sendai Itsutsubashi” and “Belle Feerique UmedaKita.” The Investment Corporation plans to rename the properties as stated above without delay after it has acquired the properties.

(Note 2) Proposed Acquisition Price excludes acquisition expenses, fixed asset tax and city planning tax adjustments, and consumption tax and local consumption tax; hereinafter the same.

(Note 3) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place; hereinafter the same.

### III. Details of the Properties to be Acquired

#### (1) O-2-140 Gran Casa Sendai Itsutsubashi

|   |   |   |  |                     |
|---|---|---|--|---------------------|
| Category of proposed property for acquisition   | Trust beneficiary interest  | Proposed acquisition price                  | JPY 2,100,000 thousand                                 |                     |
| Trust company   | Mitsubishi UFJ Trust and Banking Corporation  | Trust agreement period                      | From December 21, 2007<br>To the end of February, 2025 |                     |
| <b>Unique Features of the Property</b>  |   |   |  |                     |
| This property is a 16-story condominium with a reinforced concrete structure located an approximately one-minute walk from Itsutsu-bashi Station on the Sendai City Subway Nanboku Line. It boasts proximity to the nearest station and also features excellent access to major business districts and central commercial areas, and has locational characteristics of both residential comfort and convenient downtown living. The property has a design and specifications that meet a wide range of rental needs with various unit types from 1K to 3LDK, a seismically isolated structure, etc. |   |   |  |                     |
| <b>Overview of the Property</b>   |   |   |  |                     |
| Location (Note 1)   | (Residential indication) 8-1, ShimizuKoji, Wakabayashi-ku, Sendai-city, Miyagi                        |   |  |                     |
|   | (Lot number) 8-1, ShimizuKoji, Wakabayashi-ku, Sendai-city, Miyagi                                    |   |  |                     |
| Land  | Type of ownership   | Proprietary ownership                       | Use Area (Note 2)                                      | Commercial district |
|   | Land area (Note 1)  | 1,107.46 square meters                      | FAR / Building coverage ratio (Note 3)                 | 500% / 80%          |
| Building  | Type of ownership   | Proprietary ownership                       | Use (Note 1)   | Condominium         |
|   | Floor space (Note 1)  | 5,350.06 square meters                      | Completion date (Note 1)                               | November 15, 2007   |
|   | Type of structure (Note 1)  | RC, 16-story building with flat roof        |  |                     |
| Number of leasable units by type  | 120 units (1R: 30 units, 1K: 30 units, 1DK: 15 units, 1LDK: 15 units, 2LDK: 15 units, 3LDK: 15 units) |   |  |                     |
| Planned property management company   | Daikyo Realdo Incorporated  |   |  |                     |
| Planned master lease party  | G.K. Japan Rental Housing   | Type of master lease                        | Pass through   |                     |
| <b>Property Appraisal Summary (Note 4)</b>  |   | <b>Tenants Details (Note 5)</b>             |  |                     |
| Appraiser   | Daiwa Real Estate Appraisal Co., Ltd.   | Number of tenants (Note 6)                  | 1  |                     |
| Date of appraisal   | November 20, 2014   | Leasable area (Note 7)                      | 4,726.20 square meters                                 |                     |
| Appraisal value   | JPY 2,130,000 thousand  | Leased area                                 | 4,623.24 square meters                                 |                     |
| Value calculated by direct capitalization method  | JPY 2,160,000 thousand  | Monthly rent (Note 8)                       | JPY 10,824 thousand                                    |                     |
| Gross operating revenue   | JPY 140,397 thousand  | Lease deposits and guarantee deposits       | JPY 18,520 thousand                                    |                     |
| Gross operating expenses  | JPY 22,299 thousand   | Occupancy ratio (unit base)                 | 96.7%  |                     |
| Net operating income (NOI)  | JPY 118,097 thousand  | Occupancy ratio (area base) (Note 9)        | 97.8%  |                     |
| Lump-sum investment return  | JPY 419 thousand  | <b>Engineering Report Summary (Note 10)</b> |  |                     |
| Capital expenditure   | JPY 4,091 thousand  |   |  |                     |
| Net cash flow (NCF)   | JPY 114,426 thousand  | Engineering report company                  | ERI Solution Co., Ltd.                                 |                     |
| Overall capitalization rate   | 5.3%  | Date of research                            | December 18, 2014                                      |                     |
| Value indicated by DCF method   | JPY 2,110,000 thousand  | Priority repairs                            | -  |                     |
| Discount rate   | 5.1%  | Near-future repairs (within a year)         | JPY 480 thousand                                       |                     |
| Terminal capitalization rate  | 5.5%  | Far-future repairs (2-12 years timeline)    | JPY 90,310 thousand                                    |                     |
| Value indicated by cost approach  | JPY 1,480,000 thousand  | Probable maximum loss (PML)                 | 4.2%   |                     |
| Special Note: None  |   |   |  |                     |
| Collateral: None  |   |   |  |                     |

(2) O-6-141 Gran Casa UmedaKita

|  |  |   |  |                                       |
|--|--|---|--|---------------------------------------|
| Category of proposed property for acquisition  | Trust beneficiary interest   | Proposed acquisition price                  | JPY 2,050,000 thousand                             |                                       |
| Trust company  | Mitsubishi UFJ Trust and Banking Corporation                         | Trust agreement period                      | From March 9, 2006<br>To the end of February, 2025 |                                       |
| <b>Unique Features of the Property</b>   |  |   |  |                                       |
| This property is a 15-story condominium with a reinforced concrete structure located an approximately three-minute walk from Nakatsu Station on the Osaka City Subway Midosuji Line, on the outer edge of Chayamachi area with an excellent proximity to the city center. It is within walking distance of Osaka's largest terminal Umeda Station area and enjoys full lineup of facilities for "working," "studying," "living," and "playing." It is comprised of only 1K units and targets mainly the singles. |  |   |  |                                       |
| <b>Overview of the Property</b>  |  |   |  |                                       |
| Location (Note 1)  | (Residential indication) 5-1-7, Toyosaki, Kita-ku, Osaka-city, Osaka |   |  |                                       |
|  | (Lot number) 5-1-3/5-1-5, Toyosaki, Kita-ku, Osaka-city, Osaka       |   |  |                                       |
| Land   | Type of ownership  | Proprietary ownership                       | Use Area (Note 2)                                  | Commercial district                   |
|  | Land area (Note 1)   | 601.81 square meters                        | FAR / Building coverage ratio (Note 3)             | 600% / 80%                            |
| Building   | Type of ownership  | Proprietary ownership                       | Use (Note 1)                                       | Condominium, Bicycle Parking, Parking |
|  | Floor space (Note 1)   | 3,762.56 square meters                      | Completion date (Note 1)                           | November 19, 2007                     |
|  | Type of structure (Note 1)   | RC, 15-story building with flat roof        |  |                                       |
| Number of leasable units by type   | 126 units (1K: 126 units)  |   |  |                                       |
| Planned property management company  | HASEKO LIVENET, Inc.   |   |  |                                       |
| Planned master lease party   | G.K. Japan Rental Housing  | Type of master lease                        | Pass through                                       |                                       |
| <b>Property Appraisal Summary (Note 4)</b>   |  |   | <b>Tenants Details (Note 5)</b>                    |                                       |
| Appraiser  | The Tanizawa Sōgō Appraisal Co., Ltd.                                | Number of tenants (Note 6)                  | 1  |                                       |
| Date of appraisal  | November 30, 2014  | Leasable area (Note 7)                      | 3,451.14 square meters                             |                                       |
| Appraisal value  | JPY 2,150,000 thousand   | Leased area                                 | 3,122.46 square meters                             |                                       |
| Value calculated by direct capitalization method   | JPY 2,180,000 thousand   | Monthly rent (Note 8)                       | JPY 10,184 thousand                                |                                       |
| Gross operating revenue  | JPY 133,850 thousand   | Lease deposits and guarantee deposits       | JPY 6,000 thousand                                 |                                       |
| Gross operating expenses   | JPY 23,911 thousand  | Occupancy ratio (unit base)                 | 90.5%  |                                       |
| Net operating income (NOI)   | JPY 109,939 thousand   | Occupancy ratio (area base) (Note 9)        | 90.5%  |                                       |
| Lump-sum investment return   | JPY 188 thousand   | <b>Engineering Report Summary (Note 10)</b> |  |                                       |
| Capital expenditure  | JPY 3,228 thousand   |   |  |                                       |
| Net cash flow (NCF)  | JPY 106,899 thousand   | Engineering report company                  | ERI Solution Co., Ltd.                             |                                       |
| Overall capitalization rate  | 4.9%   | Date of research                            | January 6, 2015                                    |                                       |
| Value indicated by DCF method  | JPY 2,130,000 thousand   | Priority repairs                            | -  |                                       |
| Discount rate  | 5.0%   | Near-future repairs (within a year)         | JPY 840 thousand                                   |                                       |
| Terminal capitalization rate   | 5.1%   | Far-future repairs (2-12 years timeline)    | JPY 65,540 thousand                                |                                       |
| Value indicated by cost approach   | JPY 2,100,000 thousand   | Probable maximum loss (PML)                 | 10.9%  |                                       |
| Special Note: None   |  |   |  |                                       |
| Collateral: None   |  |   |  |                                       |

(Note 1) Figures and information in the columns "Location (lot number)," "Land area," "Floor space," "Type of structure," "Use" and "Completion date" are as per the registry of the property. In the column "Type of structure," "SRC" indicates "steel reinforced-concrete," "RC" indicates "reinforced-concrete" and "S" indicates "steel."

(Note 2) Figures and information in the column "Area classification" is from the zoning type indicated by Article 8-1-1 of the City Planning Law.

(Note 3) Figures and information in the column "FAR/Building coverage ratio," FAR uses the ratio of the floor area of the building versus the land area as stipulated in Article 52 of the Building Standards Law, and the figures designated for use and area in city planning. The building coverage ratio uses the building area versus the land area as stipulated in Article 53 of the Building Standards Law, and the figures designated for use and area in city planning.

- (Note 4) Figures and information in the column “Property Appraisal Summary” are as per the report by the appraisal firm with respect to the property to be acquired based on the points to consider in the appraisal valuation of real estate arising from the Act on Investment Trusts and Investment Corporation, the Act on Real Estate Appraisal (Law No.152 of 1963, including revisions thereafter) and Real Estate Appraisal Standards. Furthermore, for details of items, please refer to “(Reference Material I) Property Appraisal Summary of Prices of Properties to be Acquired” below. Net earnings (NCF) = Net earnings from rentals (NOI) + one-time asset management gains – capital expenditure. The numbers are rounded off to the nearest thousand yen, and ratios are rounded off to the first decimal place.
- (Note 5) Figures and information in the column “Tenants details” are based on the information as of November 30, 2014 of the property to be acquired.
- (Note 6) Figures and information in the column “Number of tenants” are entered as one tenant when Investment Corporation retains a master lease agreement with the Master Lease Company.
- (Note 7) Leasable area is the area that can be leased in the building of property under management as of November 30, 2014. The areas that are leased in association with the main purpose of lessees, including warehouses, parking facilities, the building manager’s office, signs, automatic vending machines and antennas, and the areas that the lessor leases to maintain the building (including areas with respect to which the lessor grants temporary use under loan-for-use agreements) are excluded. Moreover, the leasable area is the area enclosed by the center line of the wall, and includes areas for the meter boxes and pipe space allocated to each residential unit.
- (Note 8) Monthly rent (rent, common service fees and parking fees) in the column “Monthly rent” are based on information as of November 30, 2014 concerning the properties to be acquired. The numbers are rounded off to the nearest thousand yen.
- (Note 9) Figures in the column “Occupancy ratio (area base)” are calculated from the “Leased area” number divided by the “Leasable area” number and shown as a percentage rounded off to the first decimal place.
- (Note 10) Figures in the column “Engineering report summary” are rounded off to the nearest thousand yen, and ratios are rounded off to the first decimal place. The figures for the earthquake PML was received from Tokyo Marine & Nichido Risk Consulting Co., Ltd. in November 2014.

#### IV. Notes on the Due Diligence of the Property to be Acquired

| Property Number<br>Property Name            | Building Promoter           | Architect                | Building Contractor                            | Verification Agency                                     | Inspection Agency         |
|---|-----------------------------|--------------------------|--|---|---------------------------|
| O-2-140<br>Gran Casa<br>Sendai Itsutsubashi | Kajima Corporation          | Kajima Corporation       | Kajima Corporation                             | Miyagi Prefecture<br>Architecture<br>Housing Center     | ERI Solution Co.,<br>Ltd. |
| O-6-141<br>Gran Casa<br>UmedaKita           | Y.K. Yawatadori<br>Property | Nikkisekkei Co.,<br>Ltd. | Nomura<br>Construction<br>Industrial Co., Ltd. | Center of<br>International<br>Architectural<br>Standard | ERI Solution Co.,<br>Ltd. |

The Investment Corporation conducted supplementary due diligence on all of the properties to avoid the problem of the fabrication of data relating to building structural strength. The Investment Corporation asked third-party due diligence consultants to check if the property was in compliance with building laws by reviewing construction plans, structural drawings and documents regarding calculation of structural strength. As a result of the due diligence, no violation of the building laws was found.

#### V. Profile of the Counterparty

The sellers (the “Sellers”) of the asset to be acquired are domestic limited liability companies (godo kaisha), but details are undisclosed as consent has not been obtained. There are no capital, personnel, business relationships required to mention between the Investment Corporation or the Asset Manager and the Sellers, nor are the Sellers affiliated parties of either the Investment Corporation or the Asset Manager. Furthermore, the Sellers are not classified as interested parties, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor are they defined as “interested parties, etc.” under the internal rules on dealings with interested parties of the Asset Manager.

#### VI. Profile of the Property Owner

The property owner of the asset to be acquired is not classified as a special related party of the Investment Corporation and the Asset Manager.

#### VII. Profile of Brokerage

No brokerage for the acquisition of properties.

#### VIII. Planned Funds for acquisition of the new property

Loans and own funds (for details regarding the borrowings, please refer to the press release “Notice Concerning Borrowing of Funds” announced today.)

#### IX. Settlement Method

Full settlement at the time of the purchase.

#### X. Date of Acquisition

January 29, 2015 Conclusion date of the Acquisition and signing date of the transaction agreement for the Acquisition

February 2, 2015 Payment and delivery date for the asset to be acquired (plan)

#### XI. Forecasts

There is minimal impact from the Acquisition on asset management conditions for the fiscal period ending March 31, 2015 (October 31, 2014 to March 31, 2015).

XII. Property Appraisal Summary of Price of Properties to be Acquired

|                   |  |
|-------------------|--|
| Property Name     | O-2-140<br>Gran Casa Sendai Itsutsubashi |
| Appraisal Value   | JPY 2,130,000,000                        |
| Appraiser         | Daiwa Real Estate Appraisal Co., Ltd.    |
| Date of Appraisal | November 20, 2014                        |

| Item  |       | Details       | Overview, etc.   |
|---|-------|---------------|--|
| Value indicated by income approach                  | (JPY) | 2,130,000,000 | -  |
| Value indicated by the Direct Capitalization Method | (JPY) | 2,160,000,000 | -  |
| (1) Total Operating Income (a-b)                    | (JPY) | 140,397,346   | -  |
| a   |       |               | Based on rent level in current lease agreement, new a contracted rent levels of similar properties within the same demand/supply zone and their trends.  |
| Rental revenues including common service fees       | (JPY) | 136,516,776   |  |
| Parking fees  | (JPY) | 7,128,000     |  |
| Other revenues                                      | (JPY) | 2,926,041     | Key money, renewal fee and other revenues after considering tenant turnover rate and vacancy rate based on actual leasing cases, etc.  |
| b   |       |               | Based on actual vacancy rate results of the subject property and typical vacancy rates of similar properties.  |
| Losses from vacancies                               | (JPY) | 6,173,471     |  |
| Bad debt losses                                     | (JPY) | 0             | Not indicated due to being secured by lease deposits, etc.   |
| (2) Total Operating Expenses                        | (JPY) | 22,299,665    | -  |
| Operation costs                                     | (JPY) | 3,192,000     | Based on the contract amount of planned property management.   |
| Utilities   | (JPY) | 1,714,860     | Based on utilities levels of similar properties and actual amounts in past fiscal years  |
| Repairs and maintenance expense                     | (JPY) | 3,372,350     | After verifying the average repairs and maintenance expense over 15 years stated in ER against the repairs and maintenance expense levels of similar properties  |
| Property management fees                            | (JPY) | 2,474,483     | Based on the contract amount of planned property management.   |
| Tenant promotion fees, etc.                         | (JPY) | 2,781,892     | Based on figures after considering tenant promotion fees, etc. assessed based on levels in similar properties while referring to actual amounts in past fiscal years for the space to be filled calculated by applying the assumed tenant turnover rate  |
| Taxes and public dues                               | (JPY) | 8,385,800     | By referring to the amount equivalent to actual amount.  |
| Nonlife insurance                                   | (JPY) | 378,280       | Estimated amount by referencing levels of nonlife insurance of similar properties.   |
| Other expenses                                      | (JPY) | 0             | -  |
| (3) Net Operating Income (NOI):<br>(1) - (2)        | (JPY) | 118,097,681   | -  |
| (4) Lump-sum Investment Return                      | (JPY) | 419,879       | After assessing investment yield with comprehensive consideration from the viewpoints of both management and procurement aspects.  |
| (5) Capital Expenditure                             | (JPY) | 4,091,000     | After verifying the average renewal expense over 15 years stated in ER with the renewal expense levels of similar properties   |
| (6) Net Cash Flow (NCF) :<br>(3) + (4) - (5)        | (JPY) | 114,426,560   | -  |
| (7) Capitalization Rate                             | (%)   | 5.3           | Assessed by referring to capitalization rates, etc. in appraisal reports for J-REIT properties, etc. within the same demand/supply zone, after adjusting spread due to building conditions of the subject property and other conditions while using yields of similar use properties located in the areas with lowest risks as a standard. |
| Value Indicated by DCF Method                       | (JPY) | 2,110,000,000 | -  |
| Discount Rate                                       | (%)   | 5.1           | Assessed by utilizing the two methods, which are a method which uses comparison of transaction cases of  |



English Translation

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|  |                                  |       |               |   |
|--|----------------------------------|-------|---------------|---|
|  |                                  |       |               | similar properties and a method which adds individual characteristics of properties to the yields of financial assets.  |
|  | Terminal Capitalization Rate     | (%)   | 5.5           | Assessed by comprehensively considering the future trends of investors yields, risks of the subject property as an investment target, general outlook of future economic growth rate, trends for real estate prices, etc. with reference to transaction yields for similar transaction cases. |
|  | Value indicated by cost approach | (JPY) | 1,480,000,000 | -   |
|  | Land portion                     | (%)   | 30.4          | Price of vacant land of the subject site was calculated with the posted land price as a criterion while considering the comparable price calculated by transaction comparison approach as a standard.   |
|  | Building portion                 | (%)   | 69.6          | Assessed after verifying the rebuilding price of building stated in ER with rebuilding prices of similar buildings.   |
|  |                                  |       |               |   |
|  | Other items of note by appraiser |       | None          |   |





|                   |                                       |
|-------------------|---------------------------------------|
| Property Name     | O-6-141<br>Gran Casa UmedaKita        |
| Appraisal Value   | JPY 2,150,000,000                     |
| Appraiser         | The Tanizawa Sōgō Appraisal Co., Ltd. |
| Date of Appraisal | November 30, 2014                     |

| Item  |       | Details       | Overview, etc.   |
|---|-------|---------------|--|
| Value indicated by income approach                  | (JPY) | 2,150,000,000 | -  |
| Value indicated by the Direct Capitalization Method | (JPY) | 2,180,000,000 | -  |
| (1) Total Operating Income (a-b)                    | (JPY) | 133,850,288   | -  |
| a   |       |               | Based on considering competitiveness, current lease condition and planned tenant relocations of the subject property, market environment, etc.   |
| Rental revenues including common service fees       | (JPY) | 131,529,853   |  |
| Parking fees  | (JPY) | 3,336,000     |  |
| Other revenues                                      | (JPY) | 3,049,785     |  |
| b   |       |               | Based on considering lease format, competitiveness and current lease condition of the subject property, market environment, etc.   |
| Losses from vacancies                               | (JPY) | 4,065,350     |  |
| Bad debt losses                                     | (JPY) | 0             | Not indicated due to being secured by lease deposits, etc.   |
| (2) Total Operating Expenses                        | (JPY) | 23,911,098    | -  |
| Operation costs                                     | (JPY) | 2,880,000     | Based on considering the details of planned outsourcing agreements.  |
| Utilities   | (JPY) | 3,892,886     | Based on historical results, similar cases within the same scale, etc.   |
| Repairs and maintenance expense                     | (JPY) | 3,820,425     | Based on the building maintenance and management status, quality, age, etc.  |
| Property management fees                            | (JPY) | 2,617,799     | Based on considering the details of planned outsourcing agreements.  |
| Tenant promotion fees, etc.                         | (JPY) | 2,740,205     |  |
| Taxes and public dues                               | (JPY) | 6,232,300     | Actual amount.   |
| Nonlife insurance                                   | (JPY) | 255,130       | Based on materials presented by the client.  |
| Other expenses                                      | (JPY) | 1,472,353     | Based on historical results.   |
| (3) Net Operating Income (NOI):<br>(1) - (2)        | (JPY) | 109,939,190   | -  |
| (4) Lump-sum Investment Return                      | (JPY) | 188,202       | Based on recent earnings ratio of financial assets, future economic forecast, etc.   |
| (5) Capital Expenditure                             | (JPY) | 3,228,000     | Based on the building maintenance and management status, quality, age, etc.  |
| (6) Net Cash Flow (NCF) :<br>(3) + (4) - (5)        | (JPY) | 106,899,392   | -  |
| (7) Capitalization Rate                             | (%)   | 4.9           | Assessed by conducting comparative investigations with multiple transaction yields in a similar area within the same demand/supply zone, etc. and taking forecasts on future fluctuations in net income into consideration while also keeping relationship with discount rate in mind. |
| Value Indicated by DCF Method                       | (JPY) | 2,130,000,000 | -  |
| Discount Rate                                       | (%)   | 5.0           | Assessed by setting base yield for subject residential properties through build-up approach based on yields of financial instrument, etc., and taking individual risks concerning the subject real estate into consideration on the concerned base yield.                              |
| Terminal Capitalization Rate                        | (%)   | 5.1           | Assessed based on capitalization rate and taking into consideration future forecast uncertainties.   |
| Value indicated by cost approach                    | (JPY) | 2,100,000,000 | -  |
| Land portion  | (%)   | 52.1          | Assessed by comparing with transaction cases located in a similar area within the same demand/supply zone, etc. and that have comparability, and considering   |

English Translation

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|                                  |     |      |   |
|----------------------------------|-----|------|---|
|                                  |     |      | various adjustments, amendments, factor comparisons, etc. which arise during the comparison process based on collective analysis on abundant transaction materials. |
| Building portion                 | (%) | 47.9 | Assessed by referring to ER and taking into consideration design and supervision fees, while paying attention to levels in similar construction cases, etc.         |
| Other items of note by appraiser |     | None |   |

\*URL: <http://www.jrhi.co.jp/en/>

(Reference Material I) Photograph of Properties to be Acquired

(1) O-2-140 Gran Casa Sendai Itsutsubashi



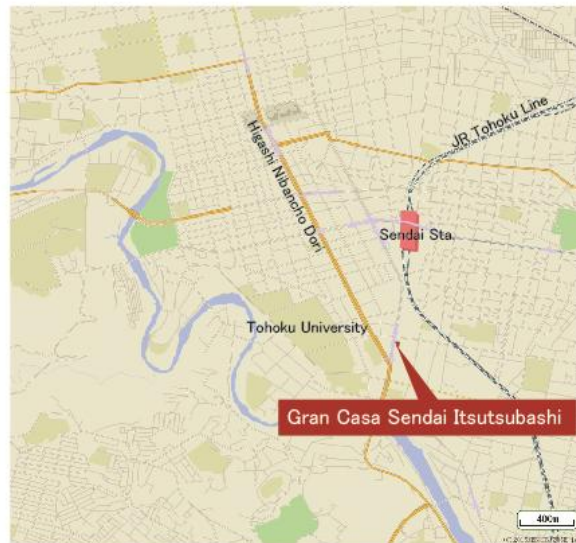
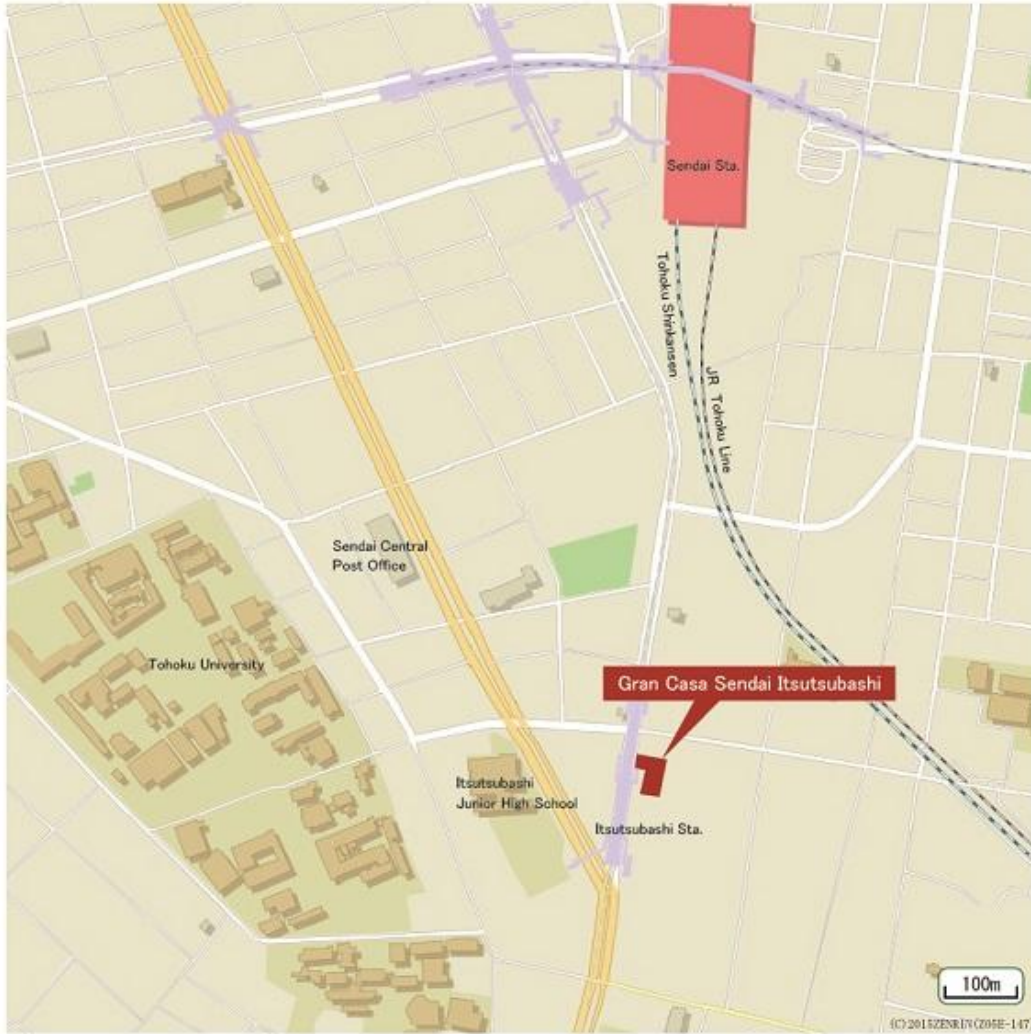
(2) Gran Casa UmedaKita





(Reference Material II) Location Map of Properties to be Acquired

(1) O-2-140 Gran Casa Sendai Itsutsubashi



(2) O-6-141 Gran Casa UmedaKita



(Reference Material III) Portfolio by Type and Category after the Acquisition

(Differences following the acquisition indicated within parentheses. Unit: Number of residential units)

|   | Studio       | Family | Total by Area |
|---|--------------|--------|---------------|
| 23 Wards of Tokyo                       | 2,286        | 1,101  | 3,387         |
| Three Major Metropolitan Areas (Note 1) | 3,762 (+126) | 1,677  | 5,439 (+126)  |
| Other Major Cities (Note 3)             | 2,765 (+120) | 469    | 3,234 (+120)  |
| Total by Type                           | 8,813 (+246) | 3,247  | 12,060 (+246) |

(Note 1) The three major metropolitan areas mean Kanto metropolitan area excluding 23 wards of Tokyo, Chukyo metropolitan area, and Kinki metropolitan area.

(Note 2) The other major cities mean Sapporo, Sendai, Niigata, Shizuoka/Hamamatsu, Okayama, Hiroshima, Kitakyushu/Fukuoka, and Kumamoto metropolitan areas and cities with a population of 300,000 or more.

(Note 3) The target investment areas in our investment policy were changed on January 29, 2015 from Seven Central Wards of Tokyo, Three Major Metropolitan Areas and Other Major Cities to 23 Wards of Tokyo, Three Major Metropolitan Areas (Kanto metropolitan area excluding 23 wards of Tokyo, Chukyo metropolitan area, and Kinki metropolitan area) and Other Major Cities.

(Reference Material IV) Situation of the Portfolio after the Acquisition

|                                 |                   |
|---------------------------------|-------------------|
| Asset scale (acquisition price) | JPY 197.2 billion |
| Number of owned properties      | 192 properties    |
| Total number of leasable units  | 12,060 units      |

(Additional Material I) Overview of Portfolio after the Acquisition

<Number of Properties etc.>

|                                    | Before the Acquisition | Acquisition of<br>2 Properties<br>(+) | After the Acquisition |
|------------------------------------|------------------------|---------------------------------------|-----------------------|
| Number of Owned Properties         | 190 properties         | 2 property                            | 192 properties        |
| Total Number of Leasable Units     | 11,814 units           | 246 units                             | 12,060 units          |
| Total Net Rentable Area            | 470,433.87 sq. meters  | 8,177.34 sq. meters                   | 478,611.21 sq. meters |
| Average Age of Buildings<br>(Note) | 12.2 years             | 7.2 years                             | 12.1 years            |

(Note) Indicates weighted average of age of properties in accordance with acquisition price. “Before the Acquisition” is as of today, “Acquisition of 1 Property” and “After the Acquisition” are as of payment and delivery date of the asset to be acquired.

<Asset Size etc.>

|                                       | Before the Acquisition | Acquisition of<br>2 Properties<br>(+) | After the Acquisition |
|---------------------------------------|------------------------|---------------------------------------|-----------------------|
| Total Acquisition Price<br>(Note 1)   | JPY 193.07 bn          | JPY 4.15 bn                           | JPY 197.22 bn         |
| Total Book Value (a)<br>(Note 2)      | JPY 188.09 bn          | JPY 4.15 bn                           | JPY 192.24 bn         |
| Total Appraisal Value (b)<br>(Note 3) | JPY 193.32 bn          | JPY 4.28 bn                           | JPY 197.60 bn         |
| Ratio (a) / (b) x 100%                | 97.3%                  | 97.0%                                 | 97.3%                 |
| Asset Scale per Property<br>(Note 1)  | JPY 1.01 bn            | JPY 2.07 bn                           | JPY 1.02 bn           |
| NOI Yield<br>(Note 4)                 | 5.70%                  | 5.50%                                 | 5.70%                 |

(Note 1) Total Acquisition Price and Asset Scale per Property are calculated based on the acquisition price.

(Note 2) Book Values for the properties acquired in the 18th fiscal period and to be acquired are based on acquisition prices, and Book Values for others are based on the amounts posted on the balance sheet as of the end of September 2014.

(Note 3) Appraisal Values for the properties acquired in the 18th fiscal period and to be acquired are based on the appraisal values at the time of the acquisition, and Appraisal Values for others are based on the appraisal values as of the end of September 2014.

(Note 4) NOI Yield is NOI/acquisition price. Figure for the properties acquired in the 18th fiscal period and to be acquired are appraisal NOI as of the acquisitions, for properties acquired during the fiscal period ended March and September 2014 are annualized actual figures for the fiscal period ended September 2014 and all other properties are calculated using total of actual NOI during the fiscal periods ended September 2013 and March 2014.



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

|        | Before the Acquisition | Acquisition of<br>2 Properties<br>(+) | After the Acquisition |
|--------|------------------------|---------------------------------------|-----------------------|
| Studio | JPY 121.9 bn (63.1%)   | JPY 4.1 bn                            | JPY 126.0 bn (63.9%)  |
| Family | JPY 71.1 bn (36.9%)    | —                                     | JPY 71.1 bn (36.1%)   |

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

|                                | Before the Acquisition | Acquisition of<br>2 Properties<br>(+) | After the Acquisition |
|--------------------------------|------------------------|---------------------------------------|-----------------------|
| 23 Wards of Tokyo              | JPY 87.1 bn (45.1%)    | —                                     | JPY 87.1 bn (44.2%)   |
| Three Major Metropolitan Areas | JPY 74.9 bn (38.8%)    | JPY 2.0 bn                            | JPY 76.9 bn (39.0%)   |
| Other Major Cities             | JPY 31.0 bn (16.1%)    | JPY 2.1 bn                            | JPY 33.1 bn (16.8%)   |

(Additional Material II) List of Portfolio after the Acquisition

| Type Property Number | Property Name                        | Region (Note 1)                | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|--------------------------------------|--------------------------------|--|--------------------|
| O-1-001              | Satella Kita 34jo                    | Other Major Cities             | 1,133,714                                  | 0.6                |
| O-1-004              | Satella Nagayama                     | Other Major Cities             | 342,428                                    | 0.2                |
| O-1-032              | willDo Kita 24jo                     | Other Major Cities             | 316,000                                    | 0.2                |
| O-1-033              | Flat Carerra                         | Other Major Cities             | 290,000                                    | 0.1                |
| O-1-034              | s13w9 h+                             | Other Major Cities             | 463,000                                    | 0.2                |
| O-1-035              | s9w12 h+                             | Other Major Cities             | 533,000                                    | 0.3                |
| O-1-036              | willDo Minami hiragishi              | Other Major Cities             | 315,000                                    | 0.2                |
| O-1-090              | Sky Hills N15                        | Other Major Cities             | 712,000                                    | 0.4                |
| O-1-091              | Sky Hills Sakaemachi                 | Other Major Cities             | 832,000                                    | 0.4                |
| O-1-092              | Dormy Chitose                        | Other Major Cities             | 476,000                                    | 0.2                |
| O-1-093              | Sky Hills Takadai I                  | Other Major Cities             | 448,000                                    | 0.2                |
| O-1-128              | Alpha Tower Sapporo Minami4jo        | Other Major Cities             | 1,185,000                                  | 0.6                |
| O-1-132              | Cresidence Sapporo Minami4jo         | Other Major Cities             | 1,140,000                                  | 0.6                |
| O-2-037              | willDo Nishishitadaicho              | Other Major Cities             | 512,000                                    | 0.3                |
| O-2-054              | willDo Kamisugi 3chome               | Other Major Cities             | 506,000                                    | 0.3                |
| O-2-065              | Grandmaison Shichifuku               | Other Major Cities             | 342,000                                    | 0.2                |
| O-2-094              | Living Stage Higashi-Sendai          | Other Major Cities             | 317,200                                    | 0.2                |
| O-2-123              | West Park Hasekura                   | Other Major Cities             | 1,240,000                                  | 0.6                |
| O-2-137              | Forest Hill SendaiAoba               | Other Major Cities             | 2,750,000                                  | 1.4                |
| <b>O-2-140</b>       | <b>Gran Casa Sendai Itsutsubashi</b> | <b>Other Major Cities</b>      | <b>2,100,000</b>                           | <b>1.1</b>         |
| O-3-079              | willDo Ishizue-cho                   | Other Major Cities             | 462,510                                    | 0.2                |
| O-3-080              | willDo Sasaguchi                     | Other Major Cities             | 266,000                                    | 0.1                |
| O-4-005              | willDo Koshigaya                     | Three Major Metropolitan Areas | 499,333                                    | 0.3                |
| O-4-006              | Joyful Sayama                        | Three Major Metropolitan Areas | 216,619                                    | 0.1                |
| O-4-007              | Lumiere Hachioji                     | Three Major Metropolitan Areas | 480,761                                    | 0.2                |
| O-4-008              | willDo Kiyosumi                      | Three Major Metropolitan Areas | 5,024,619                                  | 2.5                |
| O-4-009              | Turkey's Denenchofu No.2             | Three Major Metropolitan Areas | 281,523                                    | 0.1                |
| O-4-010              | willDo HonChiba                      | Three Major Metropolitan Areas | 379,857                                    | 0.2                |
| O-4-011              | willDo Yokohama Minami               | Three Major Metropolitan Areas | 233,142                                    | 0.1                |
| O-4-012              | Site Pia                             | Three Major Metropolitan Areas | 506,142                                    | 0.3                |
| O-4-024              | VISTA Supreme                        | Three Major Metropolitan Areas | 563,584                                    | 0.3                |
| O-4-025              | Joy Oyamadai                         | 23 Wards of Tokyo              | 624,265                                    | 0.3                |
| O-4-031              | willDo Otsuka                        | Three Major Metropolitan Areas | 725,229                                    | 0.4                |
| O-4-038              | willDo Niiza                         | Three Major Metropolitan Areas | 590,438                                    | 0.3                |
| O-4-039              | Toshin Shoto Mansion                 | 23 Wards of Tokyo              | 912,000                                    | 0.5                |
| O-4-055              | Harmony Kamikitazawa                 | 23 Wards of Tokyo              | 400,000                                    | 0.2                |



| Type Property Number | Property Name                       | Region (Note 1)                | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|-------------------------------------|--------------------------------|--|--------------------|
| O-4-062              | willDo Minami Urawa                 | Three Major Metropolitan Areas | 396,000                                    | 0.2                |
| O-4-069              | College Square Kitakubukuro         | Three Major Metropolitan Areas | 727,000                                    | 0.4                |
| O-4-070              | College Square TobuNerima           | Three Major Metropolitan Areas | 892,000                                    | 0.5                |
| O-4-071              | College Square Akatsuka             | Three Major Metropolitan Areas | 734,000                                    | 0.4                |
| O-4-072              | College Square Higashikurume        | Three Major Metropolitan Areas | 523,000                                    | 0.3                |
| O-4-073              | College Square Waseda II            | Three Major Metropolitan Areas | 215,000                                    | 0.1                |
| O-4-074              | College Square Myogadani            | Three Major Metropolitan Areas | 1,060,000                                  | 0.5                |
| O-4-075              | College Square Shinkoiwa            | Three Major Metropolitan Areas | 724,000                                    | 0.4                |
| O-4-076              | College Square Kiba                 | Three Major Metropolitan Areas | 639,000                                    | 0.3                |
| O-4-077              | College Square Kinshicho            | Three Major Metropolitan Areas | 490,000                                    | 0.2                |
| O-4-078              | College Square Waseda               | 23 Wards of Tokyo              | 316,000                                    | 0.2                |
| O-4-089              | Lexington Square ShinjukuGyoen      | 23 Wards of Tokyo              | 1,010,000                                  | 0.5                |
| O-4-095              | Prospect NihonbashiHoncho           | 23 Wards of Tokyo              | 808,000                                    | 0.4                |
| O-4-096              | Maison de Ville Takanawa Gyoranzaka | 23 Wards of Tokyo              | 1,480,000                                  | 0.8                |
| O-4-097              | Roppongi Rise House                 | 23 Wards of Tokyo              | 912,000                                    | 0.5                |
| O-4-098              | TK Flats Shibuya                    | 23 Wards of Tokyo              | 4,770,000                                  | 2.4                |
| O-4-099              | Maison de Ville NakaMeguro          | 23 Wards of Tokyo              | 1,050,000                                  | 0.5                |
| O-4-100              | Prospect KALON Minowa               | Three Major Metropolitan Areas | 1,620,000                                  | 0.8                |
| O-4-101              | Prospect Shinonomebashi             | Three Major Metropolitan Areas | 3,040,000                                  | 1.5                |
| O-4-102              | Prospect Monzennakacho              | Three Major Metropolitan Areas | 1,080,000                                  | 0.5                |
| O-4-103              | Prospect Ogikubo                    | Three Major Metropolitan Areas | 701,000                                    | 0.4                |
| O-4-104              | Exceria Ikebukuro West II           | Three Major Metropolitan Areas | 852,000                                    | 0.4                |
| O-4-105              | Prospect OmoriKaigan                | Three Major Metropolitan Areas | 1,480,000                                  | 0.8                |
| O-4-106              | Prospect MusashiShinjo              | Three Major Metropolitan Areas | 1,050,000                                  | 0.5                |
| O-4-107              | Fragrance Kawasaki                  | Three Major Metropolitan Areas | 548,900                                    | 0.3                |
| O-4-108              | Prospect Chuo-Rinkan                | Three Major Metropolitan Areas | 524,000                                    | 0.3                |
| O-4-120              | Gala Place Shinjuku Gyoen           | 23 Wards of Tokyo              | 2,170,000                                  | 1.1                |
| O-4-121              | Joyce Court                         | Three Major Metropolitan Areas | 3,010,000                                  | 1.5                |
| O-4-122              | Act Forme Asakusa                   | Three Major Metropolitan Areas | 1,216,000                                  | 0.6                |
| O-4-125              | Gran Casa Roppongi                  | 23 Wards of Tokyo              | 1,480,808                                  | 0.8                |
| O-4-126              | Gran Casa MinamiAoyama              | 23 Wards of Tokyo              | 3,750,000                                  | 1.9                |
| O-4-127              | Storia Jingumae                     | 23 Wards of Tokyo              | 3,160,000                                  | 1.6                |
| O-4-129              | Spacia Shinjuku                     | 23 Wards of Tokyo              | 2,525,000                                  | 1.3                |
| O-4-133              | Lietocourt Yotsuya                  | 23 Wards of Tokyo              | 1,716,800                                  | 0.9                |
| O-4-134              | Lietocourt Motoakasaka              | 23 Wards of Tokyo              | 1,095,700                                  | 0.6                |
| O-4-138              | Gran Casa Ginza East                | 23 Wards of Tokyo              | 2,000,000                                  | 1.0                |
| O-5-013              | willDo Kanayama masaki              | Three Major Metropolitan Areas | 490,095                                    | 0.2                |
| O-5-026              | Excelsior Sakae                     | Three Major Metropolitan Areas | 641,767                                    | 0.3                |



| Type Property Number | Property Name              | Region (Note 1)                | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|----------------------------|--------------------------------|--|--------------------|
| O-5-027              | willDo Hibino              | Three Major Metropolitan Areas | 317,603                                    | 0.2                |
| O-5-040              | willDo Chiyoda             | Three Major Metropolitan Areas | 633,000                                    | 0.3                |
| O-5-041              | willDo Taiko dori          | Three Major Metropolitan Areas | 1,120,000                                  | 0.6                |
| O-5-042              | willDo Kanayama            | Three Major Metropolitan Areas | 370,000                                    | 0.2                |
| O-5-043              | willDo Kanayama sawashita  | Three Major Metropolitan Areas | 375,000                                    | 0.2                |
| O-5-056              | willDo Kachigawa           | Three Major Metropolitan Areas | 503,000                                    | 0.3                |
| O-5-057              | Stagea Kogane              | Three Major Metropolitan Areas | 600,000                                    | 0.3                |
| O-5-063              | willDo Inaei               | Three Major Metropolitan Areas | 641,000                                    | 0.3                |
| O-5-066              | willDo Higashibetsuin      | Three Major Metropolitan Areas | 703,000                                    | 0.4                |
| O-5-081              | willDo Matsubara           | Three Major Metropolitan Areas | 549,000                                    | 0.3                |
| O-5-082              | willDo Yokkaichi Unomori   | Three Major Metropolitan Areas | 529,150                                    | 0.3                |
| O-5-086              | willDo Daikancho           | Three Major Metropolitan Areas | 655,000                                    | 0.3                |
| O-5-088              | willDo Takabata            | Three Major Metropolitan Areas | 494,115                                    | 0.3                |
| O-6-014              | willDo Ichioka             | Three Major Metropolitan Areas | 722,761                                    | 0.4                |
| O-6-015              | willDo Ebie                | Three Major Metropolitan Areas | 350,904                                    | 0.2                |
| O-6-016              | willDo ImafukuNishi        | Three Major Metropolitan Areas | 413,857                                    | 0.2                |
| O-6-017              | Maison Flora               | Three Major Metropolitan Areas | 584,285                                    | 0.3                |
| O-6-018              | Wind Four MinamiHonmachi   | Three Major Metropolitan Areas | 307,142                                    | 0.2                |
| O-6-028              | willDo Shin-Osaka s I      | Three Major Metropolitan Areas | 285,723                                    | 0.1                |
| O-6-029              | Grand Mer Higashi Yodogawa | Three Major Metropolitan Areas | 236,069                                    | 0.1                |
| O-6-030              | willDo FukaeMinami         | Three Major Metropolitan Areas | 184,716                                    | 0.1                |
| O-6-044              | willDo Dainichi            | Three Major Metropolitan Areas | 217,000                                    | 0.1                |
| O-6-046              | willDo Tsukamoto           | Three Major Metropolitan Areas | 730,000                                    | 0.4                |
| O-6-047              | willDo Temmabashi          | Three Major Metropolitan Areas | 338,000                                    | 0.2                |
| O-6-048              | willDo SakaisujiHommachi   | Three Major Metropolitan Areas | 325,000                                    | 0.2                |
| O-6-049              | willDo Tanimachi           | Three Major Metropolitan Areas | 1,040,000                                  | 0.5                |
| O-6-050              | willDo Nanba w II          | Three Major Metropolitan Areas | 486,000                                    | 0.2                |
| O-6-051              | willDo Nanba w I           | Three Major Metropolitan Areas | 690,000                                    | 0.3                |
| O-6-052              | Zekubenten                 | Three Major Metropolitan Areas | 466,000                                    | 0.2                |
| O-6-058              | willDo Tsurumi morokuchi   | Three Major Metropolitan Areas | 180,000                                    | 0.1                |
| O-6-059              | willDo Hamasaki dori       | Three Major Metropolitan Areas | 2,280,000                                  | 1.2                |
| O-6-060              | willDo Minamimorimachi     | Three Major Metropolitan Areas | 493,000                                    | 0.2                |
| O-6-064              | willDo Matsuyamachi        | Three Major Metropolitan Areas | 810,000                                    | 0.4                |
| O-6-067              | willDo ShinOsaka           | Three Major Metropolitan Areas | 861,000                                    | 0.4                |
| O-6-083              | willDo Sannomiya East      | Three Major Metropolitan Areas | 731,000                                    | 0.4                |
| O-6-084              | willDo Kamishinjo wI       | Three Major Metropolitan Areas | 366,000                                    | 0.2                |
| O-6-085              | willDo Kujo                | Three Major Metropolitan Areas | 537,000                                    | 0.3                |
| O-6-111              | Abreast ShinOsaka          | Three Major Metropolitan Areas | 1,391,000                                  | 0.7                |



| Type Property Number | Property Name                | Region (Note 1)                       | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|------------------------------|---------------------------------------|--|--------------------|
| O-6-112              | Abreast Sakuragawa           | Three Major Metropolitan Areas        | 385,800                                    | 0.2                |
| O-6-113              | Prospect Bishoen             | Three Major Metropolitan Areas        | 277,000                                    | 0.1                |
| O-6-114              | Prospect Nakanoshima         | Three Major Metropolitan Areas        | 734,000                                    | 0.4                |
| O-6-116              | Prospect Toyonaka Hattori    | Three Major Metropolitan Areas        | 366,000                                    | 0.2                |
| O-6-117              | Prospect Shimogamo           | Three Major Metropolitan Areas        | 281,000                                    | 0.1                |
| O-6-118              | Prospect Kawaramachi Gojo    | Three Major Metropolitan Areas        | 583,000                                    | 0.3                |
| O-6-119              | Gransys Esaka                | Three Major Metropolitan Areas        | 1,260,000                                  | 0.6                |
| O-6-131              | Serenite Koshien             | Three Major Metropolitan Areas        | 2,550,000                                  | 1.3                |
| O-6-136              | Pregio Miyakojima            | Three Major Metropolitan Areas        | 1,610,000                                  | 0.8                |
| O-6-139              | Serenite ShinOsaka Nibankan  | Three Major Metropolitan Areas        | 3,510,000                                  | 1.8                |
| <b>O-6-141</b>       | <b>Gran Casa UmedaKita</b>   | <b>Three Major Metropolitan Areas</b> | <b>2,050,000</b>                           | <b>1.0</b>         |
| O-7-068              | willDo Okayamaeki Nishiguchi | Other Major Cities                    | 1,220,000                                  | 0.6                |
| O-7-087              | willDo Okayamadaiku          | Other Major Cities                    | 1,040,000                                  | 0.5                |
| O-9-053              | willDo Nakasu                | Other Major Cities                    | 2,460,000                                  | 1.2                |
| O-9-130              | Renaissance 21 Hakata        | Other Major Cities                    | 1,500,000                                  | 0.8                |
| O-9-135              | Granpark Tenjin              | Other Major Cities                    | 4,698,000                                  | 2.4                |
| Studio Total         |                              |                                       | 126,058,572                                | 63.9               |

| Type Property Number | Property Name                | Region (Note 1)                | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|------------------------------|--------------------------------|--|--------------------|
| F-1-041              | Palais d'or Maruyama         | Other Major Cities             | 559,000                                    | 0.3                |
| F-1-069              | Gran Casa Urasando           | Other Major Cities             | 1,510,000                                  | 0.8                |
| F-2-001              | Royal Garden Shinrin Koen    | Other Major Cities             | 396,190                                    | 0.2                |
| F-2-002              | Green Park Komatsujima       | Other Major Cities             | 550,523                                    | 0.3                |
| F-2-003              | Dia Palace Izumizaki         | Other Major Cities             | 355,095                                    | 0.2                |
| F-2-004              | willDo Takasago              | Other Major Cities             | 364,904                                    | 0.2                |
| F-2-042              | Living Stage MinamiSendai    | Other Major Cities             | 159,500                                    | 0.1                |
| F-2-043              | Takasagoseki Nibankan        | Other Major Cities             | 558,000                                    | 0.3                |
| F-3-034              | Ark Heim Niigata             | Other Major Cities             | 1,060,000                                  | 0.5                |
| F-4-005              | Johanna Mansion              | Three Major Metropolitan Areas | 556,714                                    | 0.3                |
| F-4-006              | Iruma Ekimae Building        | Three Major Metropolitan Areas | 1,517,000                                  | 0.8                |
| F-4-007              | Iruma Ekimae Building No. II | Three Major Metropolitan Areas | 687,666                                    | 0.3                |
| F-4-008              | Sereno Omiya                 | Three Major Metropolitan Areas | 1,554,523                                  | 0.8                |
| F-4-009              | Suzuran-kan                  | Three Major Metropolitan Areas | 441,190                                    | 0.2                |
| F-4-010              | Bonheur Tokiwa               | Three Major Metropolitan Areas | 752,904                                    | 0.4                |
| F-4-011              | Profit Link Takenotsuka      | Three Major Metropolitan Areas | 636,333                                    | 0.3                |
| F-4-013              | Dream Heights                | Three Major Metropolitan Areas | 358,666                                    | 0.2                |



| Type Property Number | Property Name                          | Region (Note 1)                | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|--|--------------------------------|--|--------------------|
| F-4-014              | Green Hills Asukayama                  | Three Major Metropolitan Areas | 587,238                                    | 0.3                |
| F-4-015              | Oji Heights                            | Three Major Metropolitan Areas | 347,857                                    | 0.2                |
| F-4-016              | Sakagami Royal Heights No. II          | Three Major Metropolitan Areas | 360,714                                    | 0.2                |
| F-4-017              | willDo Todoroki                        | 23 Wards of Tokyo              | 1,764,809                                  | 0.9                |
| F-4-018              | Chez Moi Sakuragaoka                   | Three Major Metropolitan Areas | 609,904                                    | 0.3                |
| F-4-019              | Libest NishiChiba                      | Three Major Metropolitan Areas | 2,152,476                                  | 1.1                |
| F-4-020              | Corinne Tsudanuma                      | Three Major Metropolitan Areas | 352,761                                    | 0.2                |
| F-4-022              | Chigasaki Daikan Plaza                 | Three Major Metropolitan Areas | 453,571                                    | 0.2                |
| F-4-028              | Winbell Chorus Hiratsuka No.13         | Three Major Metropolitan Areas | 477,587                                    | 0.2                |
| F-4-029              | Libest Higashi Nakayama                | Three Major Metropolitan Areas | 1,371,314                                  | 0.7                |
| F-4-031              | MGA Kanamachi                          | Three Major Metropolitan Areas | 484,000                                    | 0.2                |
| F-4-035              | Greenhills Roka                        | 23 Wards of Tokyo              | 662,000                                    | 0.3                |
| F-4-036              | Lofty Hirai                            | Three Major Metropolitan Areas | 324,000                                    | 0.2                |
| F-4-038              | Colonnade Kasuga                       | Three Major Metropolitan Areas | 3,115,277                                  | 1.6                |
| F-4-039              | The Palms Yoyogi Uehara Cosmo Terrace  | 23 Wards of Tokyo              | 1,250,000                                  | 0.6                |
| F-4-040              | Sun Terrace Yoyogi Uehara              | 23 Wards of Tokyo              | 1,180,000                                  | 0.6                |
| F-4-044              | Prospect NihonbashiKoamicho            | 23 Wards of Tokyo              | 840,000                                    | 0.4                |
| F-4-045              | Park Terrace Ebisu                     | 23 Wards of Tokyo              | 2,060,000                                  | 1.0                |
| F-4-046              | Prospect Dogenzaka                     | 23 Wards of Tokyo              | 1,590,000                                  | 0.8                |
| F-4-047              | Prospect Glarsa Hiroo                  | 23 Wards of Tokyo              | 3,560,000                                  | 1.8                |
| F-4-048              | Prospect Hatsudai                      | 23 Wards of Tokyo              | 518,000                                    | 0.3                |
| F-4-049              | Prospect NishiSugamo                   | Three Major Metropolitan Areas | 1,110,000                                  | 0.6                |
| F-4-050              | Prospect Machiya                       | Three Major Metropolitan Areas | 484,000                                    | 0.2                |
| F-4-051              | Prospect KiyosumiTeien                 | Three Major Metropolitan Areas | 2,630,000                                  | 1.3                |
| F-4-052              | Prospect Morishita                     | Three Major Metropolitan Areas | 1,260,000                                  | 0.6                |
| F-4-053              | Prospect OnshiKoen                     | Three Major Metropolitan Areas | 1,110,000                                  | 0.6                |
| F-4-054              | BELNOS 34                              | Three Major Metropolitan Areas | 1,700,000                                  | 0.9                |
| F-4-055              | SK Residence                           | Three Major Metropolitan Areas | 805,000                                    | 0.4                |
| F-4-056              | Angel Heim NishiRokugo No.2            | Three Major Metropolitan Areas | 1,012,000                                  | 0.5                |
| F-4-057              | Deim Hashimoto                         | Three Major Metropolitan Areas | 748,000                                    | 0.4                |
| F-4-058              | Prospect Kawasaki                      | Three Major Metropolitan Areas | 1,520,000                                  | 0.8                |
| F-4-059              | Prospect UrawaTokiwa                   | Three Major Metropolitan Areas | 717,000                                    | 0.4                |
| F-4-064              | Glana Ueno                             | Three Major Metropolitan Areas | 1,100,000                                  | 0.6                |
| F-4-065              | The Residence Honmoku Yokohama Bayside | Three Major Metropolitan Areas | 5,550,000                                  | 2.8                |
| F-4-066              | Lietocourt Asakusabashi                | Three Major Metropolitan Areas | 1,615,800                                  | 0.8                |
| F-5-023              | willDo Temmachi                        | Three Major Metropolitan Areas | 627,785                                    | 0.3                |
| F-5-024              | Grace Mansion Fuji                     | Three Major Metropolitan Areas | 492,761                                    | 0.2                |
| F-5-032              | Stellato City Sakurayama               | Three Major Metropolitan Areas | 735,000                                    | 0.4                |



English Translation

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

| Type Property Number | Property Name          | Region (Note 1)                | Acquisition Price (JPY thousands) (Note 2) | Share (%) (Note 3) |
|----------------------|------------------------|--------------------------------|--|--------------------|
| F-5-037              | willDo Kurokawa        | Three Major Metropolitan Areas | 677,000                                    | 0.3                |
| F-5-060              | Gran Casa Daikancho    | Three Major Metropolitan Areas | 1,082,000                                  | 0.5                |
| F-5-061              | Gran Casa Gokiso       | Three Major Metropolitan Areas | 932,500                                    | 0.5                |
| F-5-067              | Lietocourt Marunouchi  | Three Major Metropolitan Areas | 3,756,800                                  | 1.9                |
| F-5-068              | Gran Casa Kamimaezu    | Three Major Metropolitan Areas | 2,050,000                                  | 1.0                |
| F-6-026              | willDo NishiAkashi     | Three Major Metropolitan Areas | 635,666                                    | 0.3                |
| F-6-033              | La Vita Nippombashi    | Three Major Metropolitan Areas | 1,860,000                                  | 0.9                |
| F-6-062              | Crown Heim NishiTanabe | Three Major Metropolitan Areas | 405,000                                    | 0.2                |
| F-6-063              | Prospect Katsura       | Three Major Metropolitan Areas | 470,000                                    | 0.2                |
| Family Total         |                        |                                | 71,166,040                                 | 36.1               |
| Total                |                        |                                | 197,224,612                                | 100.0              |

(Note 1) The Three Major Metropolitan Areas represent the Kanto metropolitan area excluding 23 wards of central Tokyo, the Chukyo metropolitan area and the Kinki metropolitan area.

Other Major Cities indicate the Sapporo, Sendai, Niigata, Shizuoka/Hamamatsu, Okayama, Hiroshima, Kitakyushu/Fukuoka, and Kumamoto metropolitan areas, as well as cities with a population of 300,000 or more.

(Note 2) Each of the amounts in the column "Acquisition Price" is rounded off to the nearest thousand yen. Figures for "Total" and sub-totals are the sum of the actual acquisition prices, and show the sum of the amounts rounded off to the nearest thousand yen.

(Note 3) In the column "Share," the figures are calculated as a percentage of the acquisition price of the concerned property under management to the aggregate total of acquisition prices of properties under management and rounded off to the first decimal place.