

April 11, 2019

To All Concerned Parties

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Notice Concerning Acquisition and Disposition of Assets

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) hereby announces that Daiwa Real Estate Asset Management Co. Ltd. (hereafter referred to as the “Asset Manager”), the asset manager of the Investment Corporation, has resolved to acquire the asset described below (hereafter collectively referred to as the “Acquisition”) and dispose of the following assets under management (hereafter referred to as the “Disposition”). Details are provided below.

I. Summary and Reasons for the Acquisition and the Disposition

[Asset to be acquired]

The property to be acquired will be completed in July this year. The property is planned to be acquired on a date after completion that is to be determined separately upon consultation between the Investment Corporation and the seller (Note 1). Considering that certain features of the property to be acquired—including its profitability, its location in central Osaka City, and the fact that it is a new building—will help improve the quality of the Investment Corporation’s portfolio, the Asset Manager has decided to make the acquisition. For details, please refer to the following.

Name of Property	Region	Property Type	Anticipated Acquisition Price (A) (JPY thousand) (Note 2)	Appraisal Value (as of Feb 2019) (B) (JPY thousand) (Note 3)	Difference Between Anticipated Acquisition Price and Appraisal Value (B)-(A) (JPY thousand) ((A)/(B))
Serenite Umeda Reflet	Three Major Metropolitan Areas (Osaka city, Osaka)	Studio	1,148,753	1,220,000	71,246 (94.2%)

(Note 1) The property will be acquired on a date between the day (inclusive) when it will be confirmed that the assumptions specified in the sales agreement are satisfied and December 27, 2019 (inclusive) to be determined separately upon consultation between the Investment Corporation and the seller. The date of acquisition will be determined so as to avoid development risk etc. (As of now, the date of acquisition is planned to be around September 2019.)

(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 price is rounded down to the nearest thousand yen. The same applies hereinafter.

(Note 3) We conduct appraisals of buildings etc. yet to be completed based on the real estate appraisal standard. The building of the property was not completed at the time of appraisal, and we conducted an appraisal, assuming that construction work will be completed according to the working drawing etc. and use and profit generation will become possible.

(Note 4) The ratio shown with bracket in “Difference between Anticipated Acquisition Price and Appraisal Value” shows the result of dividing the anticipated acquisition price by the appraisal value (rounded off to the first decimal).

(1) Location

The property is a new condominium for single-person households, targeting working people. It is a three-minute walk from Minamimori-machi Station on the Osaka Metro Tanimachi Line and Sakaisuji Line and within walking distance from the Umeda area, which has the greatest concentration of offices and commercial buildings in Osaka. It is close also to the Tenjinbashisuji shopping street, which attracts a large number of visitors. The property is convenient for commuting and everyday life.

(2) Building equipment

The building is a 15-story reinforced concrete structure. It is new, and both the common use space and exclusive space have very functional features. It is comfortable for the tenants.

[Asset to be disposed]

Each of the properties to be sold is a small property (whose sales price is 500 million yen or less) outside the Tokyo metropolitan area or a relatively old property, and the disposition price of each property is equal to or exceeds the appraisal value. Thus, considering that selling those properties and replacing them with new properties to be acquired will help improve the quality of the Investment Corporation's portfolio, the Asset Manager has decided to sell them.

Property Name (Location)	Book Value (prospect as of April 25, 2019) (A) (JPY thousand)	Building Age (Note1)	Appraisal Value (as of the end of September 2018) (B) (JPY thousand)	Difference between Appraisal Value and Book Value (B) - (A) (JPY thousand)	Planned Disposition Price (C) (JPY thousand) (Note2)	Difference between Planned Disposition Price and Appraisal Value (C) - (B) (JPY thousand)	Difference between Planned Disposition Price and Book Value (C) - (A) (JPY thousand)
willDo Ishizuecho (Niigata city, Niigata)	383,567	12.1yrs	470,000	86,432	488,000	18,000	104,432
willDo Sasaguchi (Niigata city, Niigata)	228,655	12.1yrs	270,000	41,344	279,000	9,000	50,344
Ark Heim Niigata (Niigata city, Niigata)	1,015,562	29.4yrs	847,000	(168,562)	1,032,000	185,000	16,437
Johanna Mansion (Niigata city, Niigata)	509,491	27.1yrs	353,000	(156,491)	428,000	75,000	(81,491)
Joyful Sayama (Sayama city, Saitama)	206,911	27.7yrs	200,000	(6,911)	220,000	20,000	13,088
Lumiere Hachioji (Hachioji city, Tokyo)	445,551	33.1yrs	420,000	(25,551)	420,000	0	(25,551)
willDo Honchiba (Chiba city, Chiba)	354,099	28.4yrs	427,000	72,900	484,000	57,000	129,900
Maison Flora (Kobe city, Hyogo)	565,072	28.9yrs	494,000	(71,072)	494,000	0	(71,072)
willDo Tenmabashi (Osaka city, Osaka)	296,253	13.6yrs	316,000	19,746	345,000	29,000	48,746
willDo Sakaisuji honmachi (Osaka city, Osaka)	281,510	12.6yrs	268,000	(13,510)	310,000	42,000	28,489
Total	4,286,675	-	4,065,000	(221,675)	4,500,000	435,000	213,324

(Note1) The age as of today is indicated.

(Note2) Planned Disposition Price excludes sales expenses, fixed asset tax and city planning tax adjustments, and consumption tax and local consumption tax; hereinafter the same.

(Note3) The disposition dates of the above ten properties are scheduled on April 25, 2019.

With the Acquisition and the Disposition, the total asset size is expected to be 222 billion yen for the 189 portfolio properties (acquisition price base, total of 12,780 units.)

II. Details of Anticipated Properties

O-6-155 Serenite Umeda Reflet

◇ Overview of the Property				
Category of anticipated property for acquisition	Real estate			
Location (Note 1)	(Residential indication) (undecided), NishiTenma, Kita-ku, Osaka-city, Osaka (Lot number) 5-35-3 NishiTenma, Kita-ku, Osaka-city, Osaka			
Land	Type of ownership	Proprietary ownership	Use Area (Note 2)	Commercial districts
	Area (Note 1)	210.40m ²	FAR/Building coverage ratio (Note 3)	800% / 80%
Building	Type of ownership	Proprietary ownership	Use (Note 1)	Condominium, retail store, garage)
	Floor space (Note 1)	1,986.80m ²	Completion date (Note 1)	July, 2019 (planned)
	Structure type (Note 1)	RC, 15-story and underground 1-story building with flat roof		
No. of leasable units by type	57 units (1K: 14 units, 2K: 14 units, 1LDK: 28 units, Office: 1 unit)			
Property management company (planned)	HASEKO LIVENET, Inc.			
Master lease party (planned)	G.K. Japan Rental Housing	Type of master lease (planned)	Pass through	
◇ Property Lease Summary (Note 4)			◇ Property Engineering Report Summary (Note 8)	
Number of tenants (Note 5)	1		Engineering report company	ERI Solution, Co., Ltd.
Leasable area (Note 6)	1,656.38m ²		Date of report	March 1, 2019
Leased area	-		Priority repairs	-
Monthly rent (Note 7)	5,634 thousand		Near-future repairs (1 year)	-
Lease and guarantee deposits	-		Far-future repairs (2~12 years)	18,730 thousand
Occupancy ratio	-		Probable maximum loss (PML)	11.0%
Special Note: This building is not completed at the time of the contract conclusion. Assuming that the building will be completed, the Investment Corporation will acquire the property after the building is completed.				
Collateral: None				

(Note 1) In the Location, Area, Floor space, Structure type, Use, and Completion date fields, information is entered based on the registry and engineering report. In the Structure type field, the following abbreviations are used: SRC (steel reinforced concrete), RC (reinforced concrete), S (steel construction).

(Note 2) In the "Use Area" column, the class of Use Area under Article 8, Paragraph 1, Item 1 of the City Planning Act (Law No. 100, 1968, including later amendments) is listed.

(Note 3) Figures for "FAR" in the "FAR/Building coverage ratio" column show, as indicated in Article 52 of the Building Standards Act (Law No. 201 of 1950, including later amendments) (hereafter the "Building Standards Act"), the ratio of the sum of the floor space of the building to the land area, and the upper limit as determined by city planning according to the use area. Figures for "building coverage ratio" show, as indicated in Article 53 of the Building Standards Act, the ratio of the building area to the land area, and the upper limit as determined by city planning according to the use area.

(Note 4) Figures and information in the "Property Lease Summary" column are as of February 1, 2019 for the anticipated properties.

(Note 5) If a master lease agreement is planned to be concluded with a master lease company, the number of tenants is 1.

(Note 6) "Leasable area" shows the leasable area of the anticipated properties as of April 11, 2019, excluding area used by storage spaces, parking spaces, custodian's 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.

(Note 7) The number in the Monthly rent field is monthly rental income (rent, common area charge, income from parking facilities, etc.) based on the estimated appraisal value and other data on February 1, 2019 for the property to be acquired. The number is rounded down to the nearest thousand. An expected occupancy ratio that is used as an assumption for the abovementioned estimated data may not be achieved at the time of acquisition.

(Note 8) The figures in the "Property Engineering Report Summary" column are rounded down to the thousands, and the ratios are rounded to the first decimal. Furthermore, earthquake PML data was acquired from Tokyo Marine & Nichido Fire Insurance in February 2019.

III. Details of the Property to be Disposed

O-3-079 willDo Ishizuecho

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		2267-1 Ishizuecho dori gonomachi, Chuo-ku, Niigata city, Niigata
Land	Type of Ownership	Proprietary ownership
	Land Area	659.45 square meters
	Area Classification	Neighborhood commercial districts
	FAR / Building Coverage Ratio	300% / 80%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	RC 9-story building with flat roof
	Floor Space	2,174.07 square meters
Completion Date		February 19, 2007
Book Value (prospect as of April 25, 2019)		383,567 thousand yen
Planned Disposition Price		488,000 thousand yen
Planned Disposition Price - Book Value		104,432 thousand yen
Appraisal Value (as of the end of September 2018)		470,000 thousand yen
Appraiser		Japan Real Estate Institute
Tenant Profile		
Number of Tenants		1
Total Rental Revenue		20,620 thousand yen (rental business revenue during the fiscal period ended September 2018)
Lease Deposits and Guarantee Deposits		2,967 thousand yen (as of September 30, 2018)
Total Leasable Area		1,868.64 square meters
Total Leased Area		1,790.55 square meters (as of September 30, 2018)

O-3-080 willDo Sasaguchi

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		13-14 Sasaguchi 2-chome, Chuo-ku, Niigata city, Niigata
Land	Type of Ownership	Proprietary ownership
	Land Area	284.00 square meters
	Area Classification	Commercial districts
	FAR / Building Coverage Ratio	400% / 80%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	RC 8-story building with flat roof
	Floor Space	1,055.84 square meters
Completion Date		February 21, 2007
Book Value (prospect as of April 25, 2019)		228,655 thousand yen
Planned Disposition Price		279,000 thousand yen
Planned Disposition Price - Book Value		50,344 thousand yen
Appraisal Value (as of the end of September 2018)		270,000 thousand yen
Appraiser		Japan Real Estate Institute
Tenant Profile		
Number of Tenants		1
Total Rental Revenue		12,364 thousand yen (rental business revenue during the fiscal period ended September 2018)
Lease Deposits and Guarantee Deposits		1,790 thousand yen (as of September 30, 2018)
Total Leasable Area		1,008.00 square meters
Total Leased Area		1,008.00 square meters (as of September 30, 2018)

F-3-034 Ark Heim Niigata

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		3-13 Sasaguchi, Chuo-ku, Niigata city, Niigata
Land	Type of Ownership	Proprietary ownership
	Land Area	2,757.50 square meters
	Area Classification	Neighborhood commercial districts
	FAR / Building Coverage Ratio	300% / 80%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium, Office, Retail
	Type of Structure/No. of floors	SRC・RC, 10-story building with flat roof
	Floor Space	7,955.53 square meters
	Completion Date	November 28, 1989
Book Value (prospect as of April 25, 2019)		1,015,562 thousand yen
Planned Disposition Price		1,032,000 thousand yen
Planned Disposition Price - Book Value		16,437 thousand yen
Appraisal Value (as of the end of September 2018)		847,000 thousand yen
Appraiser		Japan Real Estate Institute
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	54,000 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	11,395 thousand yen (as of September 30, 2018)
	Total Leasable Area	6,945.03 square meters
	Total Leased Area	6,895.38 square meters (as of September 30, 2018)

F-4-005 Johanna Mansion

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		287 Koaigi-machi, Maebashi city, Gunma
Land	Type of Ownership	Proprietary ownership
	Land Area	2,630.32 square meters
	Area Classification	Semi-industrial area, Type 1 Middle-to-High Rise Residential Area
	FAR / Building Coverage Ratio	200% / 60%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	SRC 10-story building with flat roof
	Floor Space	4,537.72 square meters
	Completion Date	February 22, 1992
Book Value (prospect as of April 25, 2019)		509,491 thousand yen
Planned Disposition Price		428,000 thousand yen
Planned Disposition Price - Book Value		(81,491) thousand yen
Appraisal Value (as of the end of September 2018)		353,000 thousand yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	22,982 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	3,887 thousand yen (as of September 30, 2018)
	Total Leasable Area	4,143.96 square meters
	Total Leased Area	4,143.96 square meters (as of September 30, 2018)

O-4-006 Joyful Sayama

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		8-33 Irumagawa 2-chome, Sayama city, Saitama
Land	Type of Ownership	Proprietary ownership
	Land Area	620.75 square meters
	Area Classification	Type 1 residential area
	FAR / Building Coverage Ratio	200% / 60%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	RC, 4-story building with flat roof
	Floor Space	1,046.61 square meters
	Completion Date	July 29, 1991
Book Value (prospect as of April 25, 2019)		206,911 thousand yen
Planned Disposition Price		220,000 thousand yen
Planned Disposition Price - Book Value		13,088 thousand yen
Appraisal Value (as of the end of September 2018)		200,000 thousand yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	9,875 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	1,016 thousand yen (as of September 30, 2018)
	Total Leasable Area	870.97 square meters
	Total Leased Area	803.97 square meters (as of September 30, 2018)

O-4-007 Lumiere Hachioji

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		519-1 Kobiki-machi, Hachioji city, Tokyo
Land	Type of Ownership	Proprietary ownership
	Land Area	1,595.42 square meters (Note) A part of the land (about 44 m ²) of this property is used as a road.
	Area Classification	Type 1 Middle-to-High Rise Residential Area
	FAR / Building Coverage Ratio	200% / 60%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	SRC 5-story building with flat roof
	Floor Space	2,254.89 square meters
	Completion Date	March 14, 1986
Book Value (prospect as of April 25, 2019)		445,551 thousand yen
Planned Disposition Price		420,000 thousand yen
Planned Disposition Price - Book Value		(25,551) thousand yen
Appraisal Value (as of the end of September 2018)		420,000 thousand yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	19,428 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	1,560 thousand yen (as of September 30, 2018)
	Total Leasable Area	1,692.90 square meters
	Total Leased Area	1,657.80 square meters (as of September 30, 2018)



O-4-010 willDo Honchiba

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		29-4 Nagazu 1-chome, Chuo-ku, Chiba city, Chiba
Land	Type of Ownership	Proprietary ownership (Sight rights)
	Land Area	545.94 square meters
	Area Classification	Commercial districts
	FAR / Building Coverage Ratio	400% / 80%
Building	Type of Ownership	Proprietary ownership (Unit ownership)
	Use	Residence, Retail, Parking
	Type of Structure/No. of floors	SRC, 8-story and Underground 1-story building with flat roof
	Floor Space	2,201.20 square meters
	Completion Date	October 29, 1990
Book Value (prospect as of April 25, 2019)		354,099 thousand yen
Planned Disposition Price		484,000 thousand yen
Planned Disposition Price - Book Value		129,900 thousand yen
Appraisal Value (as of the end of September 2018)		427,000 thousand yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	20,500 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	3,453 thousand yen (as of September 30, 2018)
	Total Leasable Area	1,903.82 square meters
	Total Leased Area	1,776.32 square meters (as of September 30, 2018)

O-6-017 Maison Flora

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		17-27 Hanakuma-cho, Chuo-ku, Kobe city, Hyogo
Land	Type of Ownership	Proprietary ownership
	Land Area	470.40 square meters
	Area Classification	Commercial districts
	FAR / Building Coverage Ratio	400% / 80%
Building	Type of Ownership	Proprietary ownership
	Use	Retail, Condominium
	Type of Structure/No. of floors	RC 8-story building with slate flat roof
	Floor Space	2,064.56 square meters
	Completion Date	June 1, 1990
Book Value (prospect as of April 25, 2019)		565,072 thousand yen
Planned Disposition Price		494,000 thousand yen
Planned Disposition Price - Book Value		(71,072) thousand yen
Appraisal Value (as of the end of September 2018)		494,000 thousand yen
Appraiser		Japan Real Estate Institute
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	18,746 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	3,417 thousand yen (as of September 30, 2018)
	Total Leasable Area	1,686.72 square meters
	Total Leased Area	1,686.72 square meters (as of September 30, 2018)



O-6-047 willDo Tenmabashi

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		4-7 Koku-machi 2-chome, Chuo-ku, Osaka city, Osaka
Land	Type of Ownership	Proprietary ownership
	Land Area	169.28 square meters
	Area Classification	Commercial districts
	FAR / Building Coverage Ratio	800% / 80%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	RC 11-story building with flat roof
	Floor Space	801.51 square meters
	Completion Date	September 13, 2005
Book Value (prospect as of April 25, 2019)		296,253 thousand yen
Planned Disposition Price		345,000 thousand yen
Planned Disposition Price - Book Value		48,746 thousand yen
Appraisal Value (as of the end of September 2018)		316,000 thousand yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	11,141 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	1,000 thousand yen (as of September 30, 2018)
	Total Leasable Area	678.00 square meters
	Total Leased Area	678.00 square meters (as of September 30, 2018)

O-6-048 willDo Sakaisuji honmachi

Asset to be Disposed		Real estate
Trust company		-
Trust agreement period		-
Location		2-15 Zaimoku-cho, Chuo-ku, Osaka city, Osaka
Land	Type of Ownership	Proprietary ownership
	Land Area	178.06 square meters
	Area Classification	Commercial districts
	FAR / Building Coverage Ratio	800% / 80%
Building	Type of Ownership	Proprietary ownership
	Use	Condominium
	Type of Structure/No. of floors	RC, 11-story building with flat roof
	Floor Space	974.21 square meters
	Completion Date	September 9, 2006
Book Value (prospect as of April 25, 2019)		281,510 thousand yen
Planned Disposition Price		310,000 thousand yen
Planned Disposition Price - Book Value		28,489 thousand yen
Appraisal Value (as of the end of September 2018)		268,000 thousand yen
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	10,184 thousand yen (rental business revenue during the fiscal period ended September 2018)
	Lease Deposits and Guarantee Deposits	991 thousand yen (as of September 30, 2018)
	Total Leasable Area	740.28 square meters
	Total Leased Area	740.28 square meters (as of September 30, 2018)

IV. Due Diligence Information

Property Number and Property Name	Building Promoter	Architect	Building Contractor	Verification Agency	Inspection Agency
O-6-155 Serenite Umeda Reflet	SUNADAPROPERTY INC.	Sunada Construction Co., Ltd.	Sunada Construction Co., Ltd.	Osaka Building Disaster Prevention Center	(Note)

(Note) All of the anticipated properties have received approval notices of their structural calculation suitability from an approved structural calculation review agency under the amended Building Standards Act (June 2007, implementation), so no additional investigation by a third-party has been performed.

V. Profile of the Counterparty

[Asset to be acquired]

Company name	SUNADAPROPERTY INC.
Head office location	2-2-21, Kuzuhanamiki, Hirakata-city, Osaka
Representative	President Naoshige Sunada
Main business	Real estate business
Paid-in capital	Non-disclosure (Note)
Date of establishment	Non-disclosure (Note)
Net assets	Non-disclosure (Note)
Total assets	Non-disclosure (Note)
Major shareholders and shareholding ratio	Non-disclosure (Note)
Relationship between the Investment Corporation or Asset Manager and this company	There are no capital, personnel or business ties between the Investment Corporation or the Asset Manager. Also, there are no such ties between affiliates of the Investment Corporation or the Asset Manager. The company is not classified as an interested party, etc. under the Enforcement Order for Act on Investment Trusts and Investment Corporation, nor is defined as an interested party, etc. under the internal rules on dealings with interested parties of the Asset Manager.

(Note) We are not disclosing further details as the seller's consent has not been obtained.

[Asset to be disposed]

All assets to be disposed of will be sold to the domestic companies (the "Buyers"), whose names are not disclosed because the companies has not agreed to disclosure. There are no capital, human, or business relationships between the Investment Corporation or the Asset Manager and the Buyers. The Buyers are not related party of the Investment Corporation or the Asset Manager.

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

VI. Profile of the Property Seller

Each of the sellers of the anticipated properties is not classified as a special related party of the Investment Corporation and the Asset Manager.

VII. Profile of Brokerage

[Asset to be acquired]

Not applicable.

[Asset to be disposed]

The broker for the assets to be disposed of is a domestic company, whose name is not disclosed because the broker has not agreed on the disclosure of its name etc. There are no capital, human, or business relationships between the Investment Corporation or the Asset Manager and the broker. The broker is not a related party of the Investment Corporation or the Asset Manager.

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

VIII. Funds for Acquisition

Own funds or loans

IX. Settlement Method

For the asset to be acquired, Lump-sum settlement at the time of acquisition.

For the asset to be disposed, Lump-sum settlement at the time of disposed.

X. Use of Disposition Proceeds

The proceeds from the Disposition will be kept as cash on hand and allocated to part of funds for future acquisition of specified assets and associated expenses as well as funds for redemption of investment corporation bonds or repayment of borrowings.

XI. Acquisition and Disposition Schedule

[Acquisition]

- Decision of Acquisition and Conclusion of Purchase Agreement : April 11, 2019
- Payment and Delivery : Undecided (A date between the day (inclusive) when it will be confirmed that the assumptions specified in the sales agreement are satisfied and December 27, 2019 (inclusive) to be determined separately upon consultation between the Investment Corporation and the seller. As of now, the date is planned to be around September 2019.)

[Disposition]

- Decision of Disposition and Conclusion of Transfer Agreement : April 11, 2019
- Payment and Delivery : April 25, 2019 (Scheduled)

XII. Impact on the Investment Corporation's Finances if Forward Commitment, etc. is Not Able to be Met

The sales contract for the asset to be acquired fall under the category of forward commitments, etc. (future-dated sales contracts where settlement and delivery take place a month or more after the conclusion of the contract, and other similar contracts) provided for in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.

Under the sales contract, if the contract is cancelled due to the Investment Corporation's failure to perform the obligations specified in the contract, the Investment Corporation shall promptly pay 10% of the entire sales price as a penalty. However, the Investment Corporation has ample funds of its own, and Investment Corporation considers that the sales contract is not likely to have a significant adverse effect on the Investment Corporation's finances and distributions.

XIII. Rotation Rule between the Investment Corporation and Daiwa Residential Private Investment Corporation

The property to be acquired will be completed in an odd-numbered year in the Christian calendar, and the Investment Corporation is given priority.

XIV. Forecasts

The Acquisition and the Disposition will have only a slight impact on the asset management condition in the fiscal period ending September 30, 2019 (April 1, 2019 to September 30, 2019), and there is no change in the asset management forecast.

All or part of the gain on the Disposition (estimated to be 131 million yen (see Note)) will be internally reserved in consideration of the leveling of distributions and the effect of the Disposition on distributions from the 27th fiscal period (ending September 30, 2019).

While revenue will decline due to the Disposition, we will strive to maintain distributions by acquiring properties using surplus funds. If we cannot offset the decline in revenue due to the timing of acquisitions, etc., we will endeavor to maintain the level of distributions using the abovementioned gain on the Disposition and reducing temporary reserves. Details will be announced at the time of the announcement of financial results for the 26th fiscal period.

(Note) The amount is calculated by deducting the book value as of April 25, 2019 (estimated to be 4,286 million yen) and sales expenses (105 million yen) from the planned disposition price (4,500 million yen) and adjustments to property tax and city planning tax (estimated to be 23 million yen).

XV. Property Appraisal Summary

[Asset to be acquired] (Note)

Property Name	Serenite Umeda Reflet
Appraisal Value	JPY 1,220,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	February 1, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand 1,220,000	-
Value indicated by the Direct Capitalization Method	JPY thousand 1,230,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand 66,321	-
(a)		
Rental revenues including common service fees	JPY thousand 67,615	Rental revenues: Recurring revenues from renting, or outsourcing the management of, the entire property or its rooms (full occupancy is assumed) Revenues from common service fees: Revenues from collecting fees under agreements with tenants to cover expenses related to the common use space in recurring expenses for the operation and maintenance of the property (full occupancy is assumed)
Parking fees	JPY thousand 48	Revenues from renting out the parking space of the property to the tenants etc. and revenues from renting out parking space by the hour (full occupancy is assumed)
Other revenues	JPY thousand 710	Revenues from fees for the installation of facilities, including signs, antennas, vending machines, revenues from one-time payments that do not need to be returned, including key money and renewal fees, and other revenues
(b)		
Losses from vacancies	JPY thousand 2,052	Reductions in revenues based on predictions of vacancies, intervals due to changes of tenants, etc.
Bad debt losses	JPY thousand 0	Reductions in revenues based on predictions of bad debt
(2) Total Operating Expenses	JPY thousand 13,449	-
Operation costs	JPY thousand 1,427	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
Utilities	JPY thousand 596	Expenses for electricity, waters, gas, local air-conditioning heat sources, etc. in property management
Repairs and maintenance expense	JPY thousand 1,678	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the

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				building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
	Property management fees	JPY thousand	1,313	Expenses related to the management of the property
	Tenant promotion fees, etc.	JPY thousand	1,405	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
	Taxes and public dues	JPY thousand	5,428	Property tax (land, building, depreciation assets), city planning tax (land, building)
	Nonlife insurance	JPY thousand	141	Expenses for fire insurance for the property, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
	Other expenses	JPY thousand	1,459	Expenses including land rent and exclusive road use fees
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	52,872	-
	(4) Lump-sum Investment Return	JPY thousand	69	Adding returns on the investment of guarantees that are like deposits in nature, etc.
	(5) Capital Expenditure	JPY thousand	1,410	Of expenditures for repairs, improvements, etc. of the building and accompanying facilities, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	51,532	-
	(7) Capitalization Rate	(%)	4.2	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
	Value Indicated by DCF Method	JPY thousand	1,210,000	-
	Discount Rate	(%)	4.3	-
	Terminal Capitalization Rate	(%)	4.4	-
	Value indicated by cost approach	JPY thousand	1,470,000	-
	Land Ratio	(%)	66.0	-
	Property Ratio	(%)	34.0	-

Other items of note by appraiser	None
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(Note) The building is not completed at the time of appraisal, and we have conducted an appraisal of the building etc. yet to be completed based on the real estate appraisal standard. The appraisal is on the assumption that construction work were completed according to the working drawing etc. and use and profit-making were possible at the time of appraisal.

[Asset to be disposed]

Property Name	O-3-079 willDo Ishizuecho
Appraisal Value	JPY 470,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2018

Item		Details	Overview, etc.
Value indicated by income approach	JPY thousand	470,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	473,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	41,069	-
(a)			
Rental revenues including common service fees	JPY thousand	39,146	Assessed the unit price level of rent etc. that can be received constantly in the medium to long term as shown in the appendix based on the average rent etc. under the current rental contracts, the level of new rents, assuming new rental contracts for the property, the attributes of the existing tenants, etc. and posted rental revenues and common service fees (hereinafter "Rental Revenues Etc.") based on the assessment.
Parking fees	JPY thousand	2,430	Assessed the unit price level of use fees that can be received constantly in the medium to long term as shown in the appendix based on the average use fee under the current lease agreements and the level of new use fees, assuming new parking space lease agreements, and posted parking fees based on the assessment.
Other revenues	JPY thousand	1,273	Assessed the number of months of contract for each tenant, the average rate at which tenants change annually, and the average contract term as shown in the appendix and posted key money, renewal fees, etc. based on the assessment. Posted also revenues from residents' association fees and utility pole use fees as other revenues.
(b)			
Losses from vacancies	JPY thousand	1,780	Assessed the medium- to long-term constant occupancy rate level by use as shown in the appendix based on occupancy rates and supply-demand trends of similar properties that have replacement competition relationships and other relationships in similar areas in the same supply-demand area, the occupancy rates of the property in the past, and expected future trends and posted losses from vacancies based on the assessment.

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				Assessed other revenues based on projections in the medium to long term and posted no losses from vacancies for other revenues.
	Bad debt losses	JPY thousand	0	Determined that bad debt losses do not need to be posted in consideration of the situation of tenants.
	(2) Total Operating Expenses	JPY thousand	10,208	-
	Operation costs	JPY thousand	1,032	Posted operation costs, which consist of cleaning, facilities management, and security costs, etc., considering results in previous years, operation costs for similar properties, and the individuality of the property.
	Utilities	JPY thousand	570	Assessed and posted utility costs for the common use space, considering results in previous years, utility costs for similar properties, and the individuality of the property.
	Repairs and maintenance expense	JPY thousand	1,886	Posted restoration costs based on standard restoration costs by apartment usually incurred when tenants change, the proportion of the tenant' burden, the average period for restoration costs, and the degree of restoration, etc. Assessed and posted repairs costs, considering results in previous years, the level for similar properties, and the annual average of repair work and renewal costs reported in the engineering report.
	Property management fees	JPY thousand	746	Assessed and posted property management fees, commission fees paid to a contractor that supervises tenant management and building management, etc., considering rates under terms and conditions, etc., rates for similar properties, and the individuality of the property, etc.
	Tenant promotion fees, etc.	JPY thousand	941	Posted secretarial costs associated with looking for new tenants, the conclusion of contracts, and renewals of contracts with tenants, using terms of contracts and rent conditions for similar properties in neighboring assets, etc. As for rental agents' commissions, posted advertising expense etc. assessed based on rental agents' commissions necessary for looking for new tenants and results in previous years. As for renewal fees, posted compensation paid to contractors for the conclusion of contract renewals etc., considering the average rate at which tenants change annually and the occupancy rate, etc.
	Taxes and public dues	JPY thousand	3,832	Posted taxes and public dues based on documents related to taxes and public dues.
	Property insurance	JPY thousand	101	Posted nonlife insurance premiums, considering insurance premiums under insurance contracts and premium rates for properties similar to the property, etc.
	Other expenses	JPY thousand	1,100	Posted fees for using parking facilities outside the site and residents' association fees as other expenses.
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	30,861	-
	(4) Lump-sum Investment Return	JPY thousand	29	Assessed the stable number of months for which deposits are paid in the medium to long terms as shown in the appendix based on the current rent conditions and the number of months for new contracts and multiplied the calculation result (number of months) by the occupancy rate. Then assessed the lump-sum investment return by multiplying the abovementioned calculation result by the investment return. Assessed the appropriate investment return in fund management during the deposit period at 1.0%, considering interest rates in both fund management and financing, etc.
	(5) Capital Expenditure	JPY thousand	2,050	Renewal costs necessary for maintaining the functions of the building are usually incurred irregularly. However, decided to accumulate expected average expenditures in each fiscal period and assessed renewal costs, considering the level of capital expenditure for similar properties, the building age, and the average annual repair and renewal cost according to engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	28,840	-
	(7) Capitalization Rate	%	6.1	Assessed the capitalization rate by adding spread attributable to the conditions of the property, including its location and building, to (or subtracting the spread from) the standard rate set by the research institute for each region and considering uncertainty and rates for similar properties, etc. (refer to the body text).
	Value Indicated by DCF Method	JPY thousand	466,000	-
	Discount Rate	%	5.9	-
	Terminal Capitalization Rate	%	6.3	-
	Value indicated by cost approach	JPY thousand	429,000	-
	Land Ratio	%	19.8	-
	Property Ratio	%	80.2	-
Other items of note by appraiser			None	

Property Name	O-3-080 willDo Sasaguchi
Appraisal Value	JPY 270,000,000
Appraiser	Japan Real Estate Institute

Date of Appraisal		September 30, 2018		
Item		Details	Overview, etc.	
Value indicated by income approach		JPY thousand	270,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	272,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	23,946	-
(a)	Rental revenues including common service fees	JPY thousand	22,977	Assessed the unit price level of rent etc. that can be received constantly in the medium to long term as shown in the appendix based on the average rent etc. under the current rental contracts, the level of new rents, assuming new rental contracts for the property, the attributes of the existing tenants, etc. and posted rental revenues and common service fees (hereinafter "Rental Revenues Etc.") based on the assessment.
	Parking fees	JPY thousand	1,026	Assessed the unit price level of use fees that can be received constantly in the medium to long term as shown in the appendix based on the average use fee under the current lease agreements and the level of new use fees, assuming new parking space lease agreements, and posted parking fees based on the assessment.
	Other revenues	JPY thousand	959	Assessed the number of months of contract for each tenant, the average rate at which tenants change annually, and the average contract term as shown in the appendix and posted key money, renewal fees, etc. based on the assessment. Posted also revenues from residents' association fees and CATV use fees, etc. as other revenues.
(b)	Losses from vacancies	JPY thousand	1,016	Assessed the medium- to long-term constant occupancy rate level by use as shown in the appendix based on occupancy rates and supply-demand trends of similar properties that have replacement competition relationships and other relationships in similar areas in the same supply-demand area, the occupancy rates of the property in the past, and expected future trends and posted losses from vacancies based on the assessment. Assessed other revenues based on projections in the medium to long term and posted no losses from vacancies for other revenues.
	Bad debt losses	JPY thousand	0	Determined that bad debt losses do not need to be posted in consideration of the situation of tenants.
(2) Total Operating Expenses		JPY thousand	6,624	-
Operation costs		JPY thousand	972	Posted operation costs, which consist of cleaning, facilities management, and security costs, etc., considering results in previous years, operation costs for similar properties, and the individuality of the property.
Utilities		JPY thousand	390	Assessed and posted utility costs for the common use space, considering results in previous years, utility costs for similar properties, and the individuality of the property.
Repairs and maintenance expense		JPY thousand	1,095	Posted restoration costs based on standard restoration costs by apartment usually incurred when tenants change, the proportion of the tenant' burden, the average period for restoration costs, and the degree of restoration, etc. Assessed and posted repairs costs, considering results in previous years, the level for similar properties, and the annual average of repair work and renewal costs reported in the engineering report.
Property management fees		JPY thousand	418	Assessed and posted property management fees, commission fees paid to a contractor that supervises tenant management and building management, etc., considering rates under terms and conditions, etc., rates for similar properties, and the individuality of the property, etc.
Tenant promotion fees, etc.		JPY thousand	530	Posted secretarial costs associated with looking for new tenants, the conclusion of contracts, and renewals of contracts with tenants, using terms of contracts and rent conditions for similar properties in neighboring assets, etc. As for rental agents' commissions, posted advertising expense etc. assessed based on rental agents' commissions necessary for looking for new tenants and results in previous years. As for renewal fees, posted compensation paid to contractors for the conclusion of contract renewals etc., considering the average rate at which tenants change annually and the occupancy rate, etc.
Taxes and public dues		JPY thousand	2,058	Posted taxes and public dues based on documents related to taxes and public dues.
Property insurance		JPY thousand	56	Posted nonlife insurance premiums, considering insurance premiums under insurance contracts and premium rates for properties similar to the property, etc.
Other expenses		JPY thousand	1,105	Posted fees for residents' association fees and CATV using fees and using parking facilities outside the site as other expenses.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	17,322	-
(4) Lump-sum Investment Return		JPY thousand	17	Assessed the stable number of months for which deposits are paid in the medium to long terms as shown in the appendix based on the current rent conditions and the number of months for new contracts and multiplied the calculation result (number of months) by the occupancy rate. Then assessed the lump-sum investment return by multiplying the abovementioned calculation result by the investment return. Assessed the appropriate investment return in fund management during the deposit period at 1.0%, considering interest rates in both fund management and financing, etc.
(5) Capital Expenditure		JPY thousand	1,290	Renewal costs necessary for maintaining the functions of the building are usually incurred irregularly. However, decided to accumulate expected average expenditures in each fiscal period and assessed renewal costs, considering the



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				level of capital expenditure for similar properties, the building age, and the average annual repair and renewal cost according to engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	16,049	-
	(7) Capitalization Rate	%	5.9	Assessed the capitalization rate by adding spread attributable to the conditions of the property, including its location and building, to (or subtracting the spread from) the standard rate set by the research institute for each region and considering uncertainty and rates for similar properties, etc. (refer to the body text).
	Value Indicated by DCF Method	JPY thousand	268,000	-
	Discount Rate	%	5.7	-
	Terminal Capitalization Rate	%	6.1	-
	Value indicated by cost approach	JPY thousand	248,000	-
	Land Ratio	%	28.5	-
	Property Ratio	%	71.5	-
Other items of note by appraiser			None	

Property Name	F-3-034 Ark Heim Niigata
Appraisal Value	JPY 847,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.		
Value indicated by income approach	JPY thousand	847,000	-	
Value indicated by the Direct Capitalization Method	JPY thousand	850,000	-	
(1) Total Operating Income: (a)-(b)	JPY thousand	106,096	-	
(a)	Rental revenues including common service fees	JPY thousand	98,508	Assessed the unit price level of rent etc. that can be received constantly in the medium to long term as shown in the appendix based on the average rent etc. under the current rental contracts, the level of new rents, assuming new rental contracts for the property, the attributes of the existing tenants, etc. and posted rental revenues and common service fees (hereinafter "Rental Revenues Etc.") based on the assessment.
	Parking fees	JPY thousand	7,488	Assessed the unit price level of use fees that can be received constantly in the medium to long term as shown in the appendix based on the average use fee under the current lease agreements and the level of new use fees, assuming new parking space lease agreements, and posted parking fees based on the assessment.
	Other revenues	JPY thousand	4,479	Assessed the number of months of contract for each tenant, the average rate at which tenants change annually, and the average contract term as shown in the appendix and posted key money based on the assessment. In addition, posted revenues from trunk room use fees, antenna installation fees, electricity fees, vending machine installation fees, utility pole use fees, etc. as other revenues. Revenues from renewal fees are not posted in consideration of the condition of the receipt.
(b)	Losses from vacancies	JPY thousand	4,379	Assessed the medium- to long-term constant occupancy rate level by use as shown in the appendix based on occupancy rates and supply-demand trends of similar properties that have replacement competition relationships and other relationships in similar areas in the same supply-demand area, the occupancy rates of the property in the past, and expected future trends and posted losses from vacancies based on the assessment. Assessed other revenues based on projections in the medium to long term and posted no losses from vacancies for other revenues.
	Bad debt losses	JPY thousand	0	Determined that bad debt losses do not need to be posted in consideration of the situation of tenants.
(2) Total Operating Expenses	JPY thousand	38,306	-	
Operation costs	Operation costs	JPY thousand	4,856	Posted operation costs, which consist of cleaning, facilities management, and security costs, etc., considering results in previous years, operation costs for similar properties, and the individuality of the property.
	Utilities	JPY thousand	3,000	Assessed and posted utility costs for the common use space, considering results in previous years, utility costs for similar properties, and the individuality of the property.
	Repairs and maintenance expense	JPY thousand	9,492	Posted restoration costs based on standard restoration costs by apartment usually incurred when tenants change, the proportion of the tenant' burden, the average period for restoration costs, and the degree of restoration, etc. Assessed and posted repairs costs, considering results in previous years, the level for similar properties, and the annual average of repair work and renewal costs reported in the engineering report.
	Property management fees	JPY thousand	2,589	Assessed and posted property management fees, commission fees paid to a contractor that supervises tenant management and building management, etc.,

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				considering rates under terms and conditions, etc., rates for similar properties, and the individuality of the property, etc.
	Tenant promotion fees, etc.	JPY thousand	1,512	Posted secretarial costs associated with looking for new tenants, the conclusion of contracts, and renewals of contracts with tenants, using terms of contracts and rent conditions for similar properties in neighboring areas, etc. As for rental agents' commissions, posted advertising expense etc. assessed based on rental agents' commissions necessary for looking for new tenants and results in previous years, considering the average rate at which tenants change annually and the occupancy rate, etc. No renewal fees.
	Taxes and public dues	JPY thousand	11,275	Posted taxes and public dues based on documents related to taxes and public dues.
	Property insurance	JPY thousand	360	Posted nonlife insurance premiums, considering insurance premiums under insurance contracts and premium rates for properties similar to the property, etc.
	Other expenses	JPY thousand	5,222	Posted fees for using parking facilities outside the site as other expenses.
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	67,790	-
	(4) Lump-sum Investment Return	JPY thousand	98	Assessed the stable number of months for which deposits are paid in the medium to long terms as shown in the appendix based on the current rent conditions and the number of months for new contracts and multiplied the calculation result (number of months) by the occupancy rate. Then assessed the lump-sum investment return by multiplying the abovementioned calculation result by the investment return. Assessed the appropriate investment return in fund management during the deposit period at 1.0%, considering interest rates in both fund management and financing, etc.
	(5) Capital Expenditure	JPY thousand	14,354	Renewal costs necessary for maintaining the functions of the building are usually incurred irregularly. However, decided to accumulate expected average expenditures in each fiscal period and assessed renewal costs, considering the level of capital expenditure for similar properties, the building age, and the average annual repair and renewal cost according to engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	53,534	-
	(7) Capitalization Rate	%	6.3	Assessed the capitalization rate by adding spread attributable to the conditions of the property, including its location and building, to (or subtracting the spread from) the standard rate set by the research institute for each region and considering uncertainty and rates for similar properties, etc. (refer to the body text).
	Value Indicated by DCF Method	JPY thousand	844,000	-
	Discount Rate	%	6.1	-
	Terminal Capitalization Rate	%	6.5	-
	Value indicated by cost approach	JPY thousand	829,000	-
	Land Ratio	%	41.7	-
	Property Ratio	%	58.3	-
Other items of note by appraiser			None	

Property Name	F-4-005 Johanna Mansion
Appraisal Value	JPY 353,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	353,000
Value indicated by the Direct Capitalization Method	JPY thousand	356,000
(1) Total Operating Income: (a)-(b)	JPY thousand	46,116
(a)		
Rental revenues including common service fees	JPY thousand	43,611
Parking fees	JPY thousand	1,101
Other revenues	JPY thousand	3,192
(b)		
Losses from vacancies	JPY thousand	1,788

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	Bad debt losses	JPY thousand	0	Reductions in revenues based on predictions of bad debt
	(2) Total Operating Expenses	JPY thousand	16,871	-
	Operation costs	JPY thousand	1,929	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
	Utilities	JPY thousand	596	Expenses for electricity, waters, gas, local air-conditioning heat sources, etc. in property management
	Repairs and maintenance expense	JPY thousand	5,197	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
	Property management fees	JPY thousand	2,360	Expenses related to the management of the property
	Tenant promotion fees, etc.	JPY thousand	1,370	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
	Taxes and public dues	JPY thousand	4,686	Property tax (land, building, depreciation assets), city planning tax (land, building)
	Property insurance	JPY thousand	222	Expenses for fire insurance for the property, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
	Other expenses	JPY thousand	507	Expenses including land rent and exclusive road use fees
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	29,245	-
	(4) Lump-sum Investment Return	JPY thousand	32	Adding returns on the investment of guarantees that are like deposits in nature, etc.
	(5) Capital Expenditure	JPY thousand	6,840	Of expenditures for repairs, improvements, etc. of the building, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	22,437	-
	(7) Capitalization Rate	%	6.3	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
	Value Indicated by DCF Method	JPY thousand	352,000	-
	Discount Rate	%	6.4	-
	Terminal Capitalization Rate	%	6.5	-
	Value indicated by cost approach	JPY thousand	355,000	-
	Land Ratio	%	31.2	-
	Property Ratio	%	68.8	-
Other items of note by appraiser			None	

Property Name	O-4-006 Joyful Sayama
Appraisal Value	JPY 200,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	200,000
Value indicated by the Direct Capitalization Method	JPY thousand	201,000
(1) Total Operating Income: (a)-(b)	JPY thousand	20,218
(a) Rental revenues including common service fees	JPY thousand	19,607
(a) Parking fees	JPY thousand	0
(a) Other revenues	JPY thousand	1,199
(b) Losses from vacancies	JPY thousand	588
(b) Bad debt losses	JPY thousand	0



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(2) Total Operating Expenses	JPY thousand	6,533	-
Operation costs	JPY thousand	1,227	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
Utilities	JPY thousand	491	Expenses for electricity, waters, gas, etc. in property management
Repairs and maintenance expense	JPY thousand	1,951	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
Property management fees	JPY thousand	475	Expenses related to the management of the property
Tenant promotion fees, etc.	JPY thousand	632	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
Taxes and public dues	JPY thousand	1,151	Property tax (land, building, depreciation assets), city planning tax (land, building)
Property insurance	JPY thousand	57	Expenses for fire insurance for the property and accompanying facilities, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
Other expenses	JPY thousand	545	Other expenses other than the above items related to the operation of the property
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	13,685	-
(4) Lump-sum Investment Return	JPY thousand	14	Adding returns on the investment of guarantees that are like deposits in nature, etc.
(5) Capital Expenditure	JPY thousand	2,820	Of expenditures for repairs, improvements, etc. of the building, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	10,879	-
(7) Capitalization Rate	%	5.4	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
Value Indicated by DCF Method	JPY thousand	199,000	-
Discount Rate	%	5.5	-
Terminal Capitalization Rate	%	5.6	-
Value indicated by cost approach	JPY thousand	181,000	-
Land Ratio	%	55.8	-
Property Ratio	%	44.2	-
Other items of note by appraiser	None		

Property Name	O-4-007 Lumiere Hachioji
Appraisal Value	JPY 420,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	420,000	
Value indicated by the Direct Capitalization Method	JPY thousand	425,000	
(1) Total Operating Income: (a)-(b)	JPY thousand	39,508	
(a)			
Rental revenues including common service fees	JPY thousand	35,870	Rental revenues: Recurring revenues from renting, or outsourcing the management of, the entire property or its rooms (full occupancy is assumed) Revenues from common service fees: Revenues from collecting fees under agreements with tenants to cover expenses related to the common use space in recurring expenses for the operation and maintenance of the property (full occupancy is assumed)
Parking fees	JPY thousand	1,176	Revenues from renting out the parking space of the property to the tenants etc. and revenues from renting out parking space by the hour (full occupancy is assumed)
Other revenues	JPY thousand	4,058	Revenues from fees for the installation of facilities, including signs, antennas, vending machines, revenues from one-time payments that do not need to be returned, including key money and renewal fees, and other revenues
(b)			
Losses from vacancies	JPY thousand	1,596	Reductions in revenues based on predictions of vacancies, intervals due to changes of tenants, etc.
Bad debt losses	JPY thousand	0	Reductions in revenues based on predictions of bad debt
(2) Total Operating Expenses	JPY thousand	13,030	-

English Translation

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Operation costs	JPY thousand	2,052	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
Utilities	JPY thousand	3,494	Expenses for electricity, waters, gas, local air-conditioning heat sources, etc. in property management
Repairs and maintenance expense	JPY thousand	2,338	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
Property management fees	JPY thousand	888	Expenses related to the management of the property
Tenant promotion fees, etc.	JPY thousand	1,097	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
Taxes and public dues	JPY thousand	2,589	Property tax (land, building, depreciation assets), city planning tax (land, building)
Property insurance	JPY thousand	136	Expenses for fire insurance for the property and accompanying facilities, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
Other expenses	JPY thousand	434	Expenses including land rent and exclusive road use fees
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	26,478	-
(4) Lump-sum Investment Return	JPY thousand	28	Adding returns on the investment of guarantees that are like deposits in nature, etc.
(5) Capital Expenditure	JPY thousand	3,962	Of expenditures for repairs, improvements, etc. of the building, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	22,544	-
(7) Capitalization Rate	%	5.3	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
Value Indicated by DCF Method	JPY thousand	418,000	-
Discount Rate	%	5.4	-
Terminal Capitalization Rate	%	5.5	-
Value indicated by cost approach	JPY thousand	395,000	-
Land Ratio	%	59.2	-
Property Ratio	%	40.8	-
Other items of note by appraiser	None		

Property Name	O-4-010 willDo Honchiba
Appraisal Value	JPY 427,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	427,000
Value indicated by the Direct Capitalization Method	JPY thousand	432,000
(1) Total Operating Income: (a)-(b)	JPY thousand	39,188
(a)		
Rental revenues including common service fees	JPY thousand	35,251
Parking fees	JPY thousand	1,872
Other revenues	JPY thousand	3,147
(b)		
Losses from vacancies	JPY thousand	1,081
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	13,252

Operation costs	JPY thousand	2,679	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
Utilities	JPY thousand	1,736	Expenses for electricity, waters, gas, local air-conditioning heat sources, etc. in property management
Repairs and maintenance expense	JPY thousand	3,252	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
Property management fees	JPY thousand	901	Expenses related to the management of the property
Tenant promotion fees, etc.	JPY thousand	785	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
Taxes and public dues	JPY thousand	3,297	Property tax (land, building, depreciation assets), city planning tax (land, building)
Property insurance	JPY thousand	207	Expenses for fire insurance for the property and accompanying facilities, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
Other expenses	JPY thousand	391	Expenses including land rent and exclusive road use fees
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	25,936	-
(4) Lump-sum Investment Return	JPY thousand	40	Adding returns on the investment of guarantees that are like deposits in nature, etc.
(5) Capital Expenditure	JPY thousand	4,800	Of expenditures for repairs, improvements, etc. of the building, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	21,177	-
(7) Capitalization Rate	%	4.9	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
Value Indicated by DCF Method	JPY thousand	425,000	-
Discount Rate	%	5.0	-
Terminal Capitalization Rate	%	5.1	-
Value indicated by cost approach	JPY thousand	400,000	-
Land Ratio	%	37.5	-
Property Ratio	%	62.5	-
Other items of note by appraiser	None		

Property Name	O-6-017 Maison Flora
Appraisal Value	JPY 494,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	494,000	
Value indicated by the Direct Capitalization Method	JPY thousand	499,000	
(1) Total Operating Income: (a)-(b)	JPY thousand	36,784	
(a) Rental revenues including common service fees	JPY thousand	36,841	Assessed the unit price level of rent etc. that can be received constantly in the medium to long term as shown in the appendix based on the average rent etc. under the current rental contracts, the level of new rents, assuming new rental contracts for the property, the attributes of the existing tenants, etc. and posted rental revenues and common service fees (hereinafter "Rental Revenues Etc.") based on the assessment.
(a) Parking fees	JPY thousand	0	No parking fees.
(a) Other revenues	JPY thousand	1,488	Assessed the number of months of contract for each tenant, the average rate at which tenants change annually, and the average contract term as shown in the appendix and posted key money based on the assessment. Posted also revenues from antenna installation fees and electricity fees as other revenues. No revenues from renewal fees.
(b) Losses from vacancies	JPY thousand	1,545	Assessed the medium- to long-term constant occupancy rate level by use as shown in the appendix based on occupancy rates and supply-demand trends of similar properties that have replacement competition relationships and other relationships in similar areas in the same supply-demand area, the occupancy rates of the property in the past, and expected future trends and posted losses from vacancies based on the assessment.

English Translation

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				Assessed other revenues based on projections in the medium to long term and posted no losses from vacancies for other revenues.
	Bad debt losses	JPY thousand	0	Determined that bad debt losses do not need to be posted in consideration of the situation of tenants.
	(2) Total Operating Expenses	JPY thousand	8,732	-
	Operation costs	JPY thousand	1,669	Posted operation costs, which consist of cleaning, facilities management, and security costs, etc., considering results in previous years, operation costs for similar properties, and the individuality of the property.
	Utilities	JPY thousand	750	Assessed and posted utility costs for the common use space, considering results in previous years, utility costs for similar properties, and the individuality of the property.
	Repairs and maintenance expense	JPY thousand	1,789	Posted restoration costs based on standard restoration costs by apartment usually incurred when tenants change, the proportion of the tenant' burden, the average period for restoration costs, and the degree of restoration, etc. Assessed and posted repairs costs, considering results in previous years, the level for similar properties, and the annual average of repair work and renewal costs reported in the engineering report.
	Property management fees	JPY thousand	989	Assessed and posted property management fees, commission fees paid to a contractor that supervises tenant management and building management, etc., considering rates under terms and conditions, etc., rates for similar properties, and the individuality of the property, etc.
	Tenant promotion fees, etc.	JPY thousand	954	Posted rental agents' commissions associated with looking for new tenants and the conclusion of contracts, etc., using terms of contracts, rent conditions for similar properties in neighboring areas, etc. and considering advertising expense, etc. assessed based on rental agents' commissions necessary for looking for new tenants, etc. and results in previous years. Renewal fees associated with renewals of contracts with tenants are not posted in consideration of terms of contracts and rental conditions for similar properties in neighboring areas.
	Taxes and public dues	JPY thousand	2,491	Posted taxes and public dues based on documents related to taxes and public dues.
	Property insurance	JPY thousand	90	Posted nonlife insurance premiums, considering insurance premiums under insurance contracts and premium rates for properties similar to the property, etc.
	Other expenses	JPY thousand	0	No expenses that should be posted as other expenses.
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	28,052	-
	(4) Lump-sum Investment Return	JPY thousand	33	Assessed the stable number of months for which deposits are paid in the medium to long terms as shown in the appendix based on the current rent conditions and the number of months for new contracts and multiplied the calculation result (number of months) by the occupancy rate. Then assessed the lump-sum investment return by multiplying the abovementioned calculation result by the investment return. Assessed the appropriate investment return in fund management during the deposit period at 1.0%, considering interest rates in both fund management and financing, etc.
	(5) Capital Expenditure	JPY thousand	2,650	Renewal costs necessary for maintaining the functions of the building are usually incurred irregularly. However, decided to accumulate expected average expenditures in each fiscal period and assessed renewal costs, considering the level of capital expenditure for similar properties, the building age, and the average annual repair and renewal cost according to engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	25,435	-
	(7) Capitalization Rate	%	5.1	Assessed the capitalization rate by adding spread attributable to the conditions of the property, including its location and building, to (or subtracting the spread from) the standard rate set by the research institute for each region and considering uncertainty and rates for similar properties, etc. (refer to the body text).
	Value Indicated by DCF Method	JPY thousand	488,000	-
	Discount Rate	%	4.9	-
	Terminal Capitalization Rate	%	5.3	-
	Value indicated by cost approach	JPY thousand	309,000	-
	Land Ratio	%	71.5	-
	Property Ratio	%	28.5	-
Other items of note by appraiser			None	

Property Name	O-6-047 willDo Tenmabashi
Appraisal Value	JPY 316,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2018

English Translation

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Item	Details	Overview, etc.	
Value indicated by income approach	JPY thousand	316,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	321,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	21,747	-
(a)			
Rental revenues including common service fees	JPY thousand	20,795	Rental revenues: Recurring revenues from renting, or outsourcing the management of, the entire property or its rooms (full occupancy is assumed) Revenues from common service fees: Revenues from collecting fees under agreements with tenants to cover expenses related to the common use space in recurring expenses for the operation and maintenance of the property (full occupancy is assumed)
Parking fees	JPY thousand	1,174	Revenues from renting out the parking space of the property to the tenants etc. and revenues from renting out parking space by the hour (full occupancy is assumed)
Other revenues	JPY thousand	414	Revenues from fees for the installation of facilities, including signs, antennas, vending machines, revenues from one-time payments that do not need to be returned, including key money and renewal fees, and other revenues
(b)			
Losses from vacancies	JPY thousand	636	Reductions in revenues based on predictions of vacancies, intervals due to changes of tenants, etc.
Bad debt losses	JPY thousand	0	Reductions in revenues based on predictions of bad debt
(2) Total Operating Expenses	JPY thousand	5,546	-
Operation costs	JPY thousand	1,003	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
Utilities	JPY thousand	423	Expenses for electricity, waters, gas, local air-conditioning heat sources, etc. in property management
Repairs and maintenance expense	JPY thousand	1,175	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
Property management fees	JPY thousand	533	Expenses related to the management of the property
Tenant promotion fees, etc.	JPY thousand	468	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
Taxes and public dues	JPY thousand	1,366	Property tax (land, building, depreciation assets), city planning tax (land, building)
Property insurance	JPY thousand	54	Expenses for fire insurance for the property and accompanying facilities, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
Other expenses	JPY thousand	521	Expenses including land rent and exclusive road use fees
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	16,200	-
(4) Lump-sum Investment Return	JPY thousand	16	Adding returns on the investment of guarantees that are like deposits in nature, etc.
(5) Capital Expenditure	JPY thousand	1,436	Of expenditures for repairs, improvements, etc. of the building, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	14,781	-
(7) Capitalization Rate	%	4.6	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
Value Indicated by DCF Method	JPY thousand	314,000	-
Discount Rate	%	4.7	-
Terminal Capitalization Rate	%	4.8	-
Value indicated by cost approach	JPY thousand	318,000	-
Land Ratio	%	54.7	-
Property Ratio	%	45.3	-
Other items of note by appraiser	None		

Property Name	O-6-048 Sakaisuji honmachi
Appraisal Value	JPY 268,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2018

Item	Details	Overview, etc.
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English Translation

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

Value indicated by income approach		JPY thousand	268,000	-
Value indicated by the Direct Capitalization Method		JPY thousand	271,000	-
(1) Total Operating Income: (a)-(b)		JPY thousand	20,348	-
(a)	Rental revenues including common service fees	JPY thousand	20,376	Rental revenues: Recurring revenues from renting, or outsourcing the management of, the entire property or its rooms (full occupancy is assumed) Revenues from common service fees: Revenues from collecting fees under agreements with tenants to cover expenses related to the common use space in recurring expenses for the operation and maintenance of the property (full occupancy is assumed)
	Parking fees	JPY thousand	288	Revenues from renting out the parking space of the property to the tenants etc. and revenues from renting out parking space by the hour (full occupancy is assumed)
	Other revenues	JPY thousand	388	Revenues from fees for the installation of facilities, including signs, antennas, vending machines, revenues from one-time payments that do not need to be returned, including key money and renewal fees, and other revenues
(b)	Losses from vacancies	JPY thousand	704	Reductions in revenues based on predictions of vacancies, intervals due to changes of tenants, etc.
	Bad debt losses	JPY thousand	0	Reductions in revenues based on predictions of bad debt
(2) Total Operating Expenses		JPY thousand	5,905	-
	Operation costs	JPY thousand	1,152	Recurring expenses incurred for the maintenance of the property, including the management of the building and facilities, security, and cleaning
	Utilities	JPY thousand	435	Expenses for electricity, waters, gas, local air-conditioning heat sources, etc. in property management
	Repairs and maintenance expense	JPY thousand	1,137	Of expenses for repairs, improvements, etc. of the building and facilities, etc. of the property, recurring expenses for the usual maintenance and management of the building and facilities, etc. and for the restoration of the building and facilities, etc. that have been damaged
	Property management fees	JPY thousand	498	Expenses related to the management of the property
	Tenant promotion fees, etc.	JPY thousand	431	Expenses for intermediation, advertising, etc. while looking for new tenants and expenses incurred for renewals and extensions of rental contracts with tenants, etc.
	Taxes and public dues	JPY thousand	1,683	Property tax (land, building, depreciation assets), city planning tax (land, building)
	Property insurance	JPY thousand	58	Expenses for fire insurance for the property and accompanying facilities, expenses for liability insurance that covers losses incurred by damage done to a third party etc. due to defects of the property and accidents in property management, etc.
	Other expenses	JPY thousand	508	Land rent, exclusive road use fees, expense associated with the use of optical line network servers, etc.
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	14,442	-
(4) Lump-sum Investment Return		JPY thousand	16	Adding returns on the investment of guarantees that are like deposits in nature, etc.
(5) Capital Expenditure		JPY thousand	1,428	Of expenditures for repairs, improvements, etc. of the building, etc. of the property, expenditures that are considered to have increased the value or durability of the building and facilities, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	13,031	-
(7) Capitalization Rate		%	4.8	The capitalization rate has been assessed based on a comparison with rates in neighboring areas, similar areas in the same supply-demand area, etc. and in consideration of projections of changes in net income and the relationship with discount rates.
Value Indicated by DCF Method		JPY thousand	267,000	-
	Discount Rate	%	4.9	-
	Terminal Capitalization Rate	%	5.0	-
Value indicated by cost approach		JPY thousand	301,000	-
	Land Ratio	%	45.5	-
	Property Ratio	%	54.5	-
Other items of note by appraiser		None		

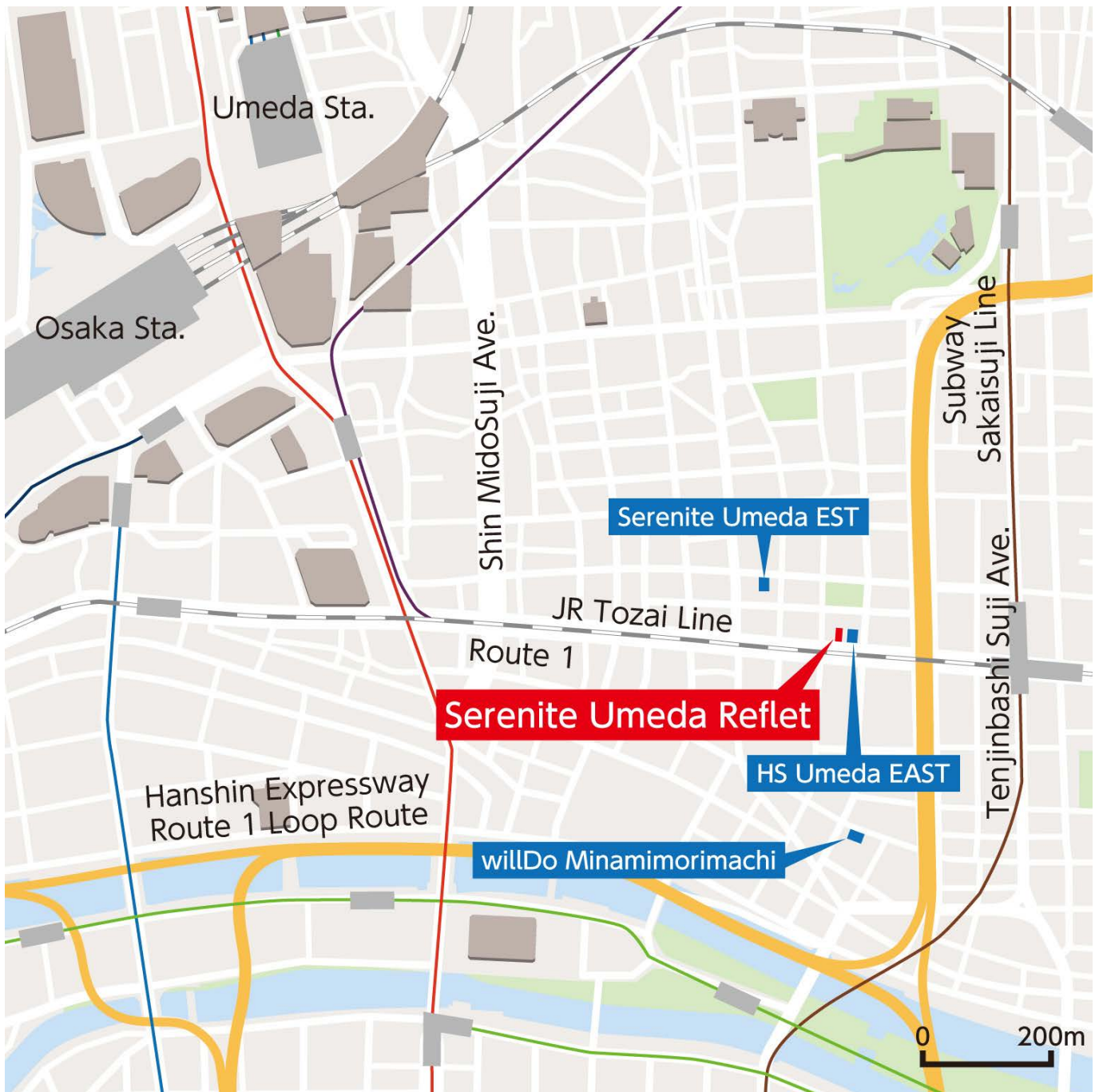
*URL: <http://www.jrhi.co.jp/en/>

(Reference Material 1) Anticipated Photograph of the Asset to be Acquired

O-6-155 Serenite Umeda Reflet



(Reference Material 2) Location of the Asset to be Acquired



(Additional Material 1) Overview of Portfolio after the Acquisition and the Disposition

<Number of Properties etc.>

	Before the Acquisition and the Disposition	Acquisition of 1 Property (+)	Disposition of 10 Property (-)	After the Acquisition and the Disposition
Total Number of Owned Properties	198 properties	1 property	10 property	189 properties
Total Number of Leasable Units	13,223 units	57 units	500 units	12,780 units
Total Leasable area	532,955.73 m ²	1,656.38 m ²	21,538.32 m ²	513,073.79 m ²
Average Age of Buildings (Note)	15.29 years	-	24.27 years	15.10 years

(Note) The average age of buildings is estimated at the weighted average of the building ages of the properties using (anticipated) acquisition prices. The building ages as of the date of this notice are used.

<Asset Size etc.>

	Before the Acquisition and the Disposition	Acquisition of 1 Property (+)	Disposition of 10 Property (-)	After the Acquisition and the Disposition
Total (Anticipated) Acquisition Price (Note 1)	JPY 225.5 billion	JPY 1.1 billion	JPY 4.6 billion	JPY 222.0 billion
Total Book Value (a) (Note 2)	JPY 216.5 billion	JPY 1.1 billion	JPY 4.3 billion	JPY 213.3 billion
Appraisal Value (b) (Note 3)	JPY 259.4 billion	JPY 1.2 billion	JPY 4.0 billion	JPY 256.6 billion
Ratio (a) / (b) × 100%	83.5%	94.2%	106.4%	83.2%
Average (Anticipated) Acquisition Price per Property (Note 1)	JPY 1.13 billion	JPY 1.14 billion	JPY 0.46 billion	JPY 1.17 billion
NOI Yield (Note 4)	5.7%	4.6%	5.8%	5.7%

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

(Note 2) Book Value for Before the Acquisition and the Disposition is the value reported on the balance sheet for the fiscal period ended September 30, 2018. Book Value for Acquisition of Property is the anticipated acquisition price. Book Value for Disposition of Property is the value reported on the balance sheet for the fiscal period ended September 30, 2018. Book Value for After the Acquisition and the Disposition is the value reported on the balance sheet for the fiscal period ended September 30, 2018 plus the anticipated acquisition price of Acquisition of Property minus the value of Disposition of Property reported on the balance sheet for the fiscal period ended September 30, 2018.

(Note 3) Appraisal Value for Before the Acquisition and the Disposition is the appraisal value on September 30, 2018. Appraisal Value for Acquisition of Property is the appraisal value in February 2019. Appraisal Value for Disposition of Property is the appraisal value on September 30, 2018. Appraisal Value for After the Acquisition and the Disposition is the appraisal value on September 30, 2018 plus the appraisal value of Acquisition of Property in February 2019 minus the appraisal value of Disposition of Property on September 30, 2018.

(Note 4) NOI Yield is NOI divided by (anticipated) acquisition price. NOI for Before the Acquisition and the Disposition is the sum of the performance in the fiscal period ended March 31, 2018 and the performance in the fiscal period ended September 30, 2018. NOI for Acquisition of Property is appraisal NOI on February 1, 2019. NOI for Disposition of Property is the sum of the performance in the fiscal period ended March 31, 2018 and the performance in the fiscal period ended September 30, 2018. NOI for After the Acquisition and the Disposition is the sum of the performance in the fiscal period ended March 31, 2018 and the performance in the fiscal period ended September 30, 2018 plus the appraisal NOI of Acquisition of Property on February 1, 2019 minus the sum of the Disposition of Property performance in the fiscal period ended March 31, 2018 and the Disposition of Property performance in the fiscal period ended September 30, 2018.

English Translation

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

Rental Property Category	Before the Acquisition and the Disposition	Acquisition of 1 Property (+)	Disposition of 10 Property (-)	After the Acquisition and the Disposition
Studio	JPY 142.6 billion (63.2%)	JPY 1.1 billion (100.0%)	JPY 3.0 billion (65.4%)	JPY 140.7 billion (63.4%)
Family	JPY 82.9 billion (36.8%)	-	JPY 1.6 billion (34.6%)	JPY 81.3 billion (36.6%)

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

Region	Before the Acquisition and the Disposition	Acquisition of 1 Property (+)	Disposition of 10 Property (-)	After the Acquisition and the Disposition
23 Wards of Tokyo	JPY 91.7 billion (40.7%)	-	-	JPY 91.7 billion (41.3%)
Three Major Metropolitan Areas	JPY 94.0 billion (41.7%)	JPY 1.1 billion (100.0%)	JPY 2.8 billion (61.7%)	JPY 92.3 billion (41.6%)
Other Major Cities	JPY 39.7 billion (17.6%)	-	JPY 1.7 billion (38.3%)	JPY 38.0 billion (71.1%)

(Additional Material 2) List of Portfolio after the Acquisition and the Dispositon

Property Number	Name of Property	Region	Acquisition Price (JPY thousands) (Note 1)	Ratio (%) (Note 2)
O-1-001	Satella Kita 34jo	Other Major Cities	1,133,714	0.5
O-1-032	willDo Kita 24jo	Other Major Cities	316,000	0.1
O-1-034	Gran Casa Minami13jo	Other Major Cities	463,000	0.2
O-1-035	Gran Casa Minami9jo	Other Major Cities	533,000	0.2
O-1-090	Sky Hills N15	Other Major Cities	712,000	0.3
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	0.5
O-1-132	Cresidence Sapporo Minami4jo	Other Major Cities	1,140,000	0.5
O-1-146	Gran Casa NagayamaKoen Dori	Other Major Cities	1,002,000	0.5
O-1-151	Gran Casa Minami11jo	Other Major Cities	830,000	0.4
O-2-037	willDo Nishitadaicho	Other Major Cities	512,000	0.2
O-2-054	willDo Kamisugi 3chome	Other Major Cities	506,000	0.2
O-2-065	Grandmaison Shichifuku	Other Major Cities	342,000	0.2
O-2-094	Living Stage Higashi Sendai	Other Major Cities	317,200	0.1
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	1.2
O-2-140	Gran Casa Sendai Itsutsubashi	Other Major Cities	2,100,000	0.9
O-4-005	willDo Koshigaya	Three Major Metropolitan Areas	499,333	0.2
O-4-008	willDo Kiyosumi	23 Wards of Tokyo	5,024,619	2.3
O-4-009	Turkey's Denenchofu No. 2	23 Wards of Tokyo	281,523	0.1
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	0.2
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	willDoOtsuka	23 Wards of Tokyo	725,229	0.3
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	0.4
O-4-055	Harmony Kamikitazawa	23 Wards of Tokyo	400,000	0.2
O-4-062	willDo Minami Urawa	Three Major Metropolitan Areas	396,000	0.2
O-4-069	College Square KitaIkebukuro	23 Wards of Tokyo	727,000	0.3
O-4-070	College SquareTobuNerima	23 Wards of Tokyo	892,000	0.4
O-4-071	College Square Akatsuka	23 Wards of Tokyo	734,000	0.3
O-4-072	College Square Higashikurume	Three Major Metropolitan Areas	523,000	0.2
O-4-073	College Square Waseda II	23 Wards of Tokyo	215,000	0.1
O-4-074	College Square Myogadani	23 Wards of Tokyo	1,060,000	0.5
O-4-075	College Square ShinKoiwa	23 Wards of Tokyo	724,000	0.3
O-4-076	College Square Kiba	23 Wards of Tokyo	639,000	0.3
O-4-077	College Square Kinshicho	23 Wards of Tokyo	490,000	0.2
O-4-078	College Square Waseda	23 Wards of Tokyo	316,000	0.1
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	0.7
O-4-097	Roppongi Rise House	23 Wards of Tokyo	912,000	0.4
O-4-098	TK Flats Shibuya	23 Wards of Tokyo	4,770,000	2.1
O-4-099	Masion de Ville NakaMeguro	23 Wards of Tokyo	1,050,000	0.5
O-4-100	Prospect KALON Minowa	23 Wards of Tokyo	1,620,000	0.7
O-4-101	Prospect Shinonomebashi	23 Wards of Tokyo	3,040,000	1.4
O-4-102	Prospect Monzennakacho	23 Wards of Tokyo	1,080,000	0.5
O-4-103	Prospect Ogikubo	23 Wards of Tokyo	701,000	0.3
O-4-104	Exceria Ikebukuro WEST II	23 Wards of Tokyo	852,000	0.4
O-4-105	Prospect OmoriKaigan	23 Wards of Tokyo	1,480,000	0.7
O-4-106	Prospect MusashiShinjo	Three Major Metropolitan Areas	1,050,000	0.5
O-4-107	Fragrance Kawaski	Three Major Metropolitan Areas	548,900	0.2
O-4-108	Prospect Chuo-Rinkan	Three Major Metropolitan Areas	524,000	0.2



English Translation

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Property Number	Name of Property	Region	Acquisition Price (JPY thousands) (Note 1)	Ratio (%) (Note 2)
O-4-120	Gala Place Shinjuku Gyoen	23 Wards of Tokyo	2,170,000	1.0
O-4-121	Joyce Court	23 Wards of Tokyo	3,010,000	1.4
O-4-122	Act Forme Asakusa	23 Wards of Tokyo	1,216,000	0.5
O-4-125	Gran Casa Roppongi	23 Wards of Tokyo	1,480,808	0.7
O-4-126	Gran Casa MinamiAoyama	23 Wards of Tokyo	3,750,000	1.7
O-4-127	Storia Jingumae	23 Wards of Tokyo	3,160,000	1.4
O-4-129	Gran Casa Shinjuku Gyoen	23 Wards of Tokyo	2,525,000	1.1
O-4-133	Lietocourt Yotsuya	23 Wards of Tokyo	1,716,800	0.8
O-4-134	Lietocourt Motoakasaka	23 Wards of Tokyo	1,095,700	0.5
O-4-138	Gran Casa Ginza East	23 Wards of Tokyo	2,000,000	0.9
O-4-145	Gran Casa Minowa	23 Wards of Tokyo	850,000	0.4
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
O-5-027	willDo Hibino	Three Major Metropolitan Areas	317,603	0.1
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	0.5
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	0.2
O-5-057	Stagea Kogane	Three Major Metropolitan Areas	600,000	0.3
O-5-063	willDo Inae	Three Major Metropolitan Areas	641,000	0.3
O-5-066	willDo Higashibetsuin	Three Major Metropolitan Areas	703,000	0.3
O-5-081	willDo Matsubara	Three Major Metropolitan Areas	549,000	0.2
O-5-082	willDoYokkaichi Unomori	Three Major Metropolitan Areas	529,150	0.2
O-5-086	willDo Daikancho	Three Major Metropolitan Areas	655,000	0.3
O-5-088	willDo Takabata	Three Major Metropolitan Areas	494,115	0.2
O-5-147	Sakura Hills Riverside WEST	Three Major Metropolitan Areas	1,920,000	0.9
O-5-148	Sakura Hills Riverside EAST	Three Major Metropolitan Areas	1,030,000	0.5
O-5-149	Sakura Hills Meieki NORTH	Three Major Metropolitan Areas	750,000	0.3
O-6-014	willDo Ichioka	Three Major Metropolitan Areas	722,761	0.3
O-6-015	willDo Ebie	Three Major Metropolitan Areas	350,904	0.2
O-6-016	willDo Imafuku Nishi	Three Major Metropolitan Areas	413,857	0.2
O-6-046	willDo Tsukamoto	Three Major Metropolitan Areas	730,000	0.3
O-6-049	willDo Tanimachi	Three Major Metropolitan Areas	1,040,000	0.5
O-6-050	willDo Nanba wII	Three Major Metropolitan Areas	486,000	0.2
O-6-051	willDo Nanba wI	Three Major Metropolitan Areas	690,000	0.3
O-6-059	willDo Hamasaki dori	Three Major Metropolitan Areas	2,280,000	1.0
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	0.3
O-6-085	willDo Kujo	Three Major Metropolitan Areas	537,000	0.2
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	0.3
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	1.1
O-6-136	Pregio Miyakojima	Three Major Metropolitan Areas	1,610,000	0.7
O-6-139	Serenite Shinosaka Nibankan	Three Major Metropolitan Areas	3,510,000	1.6
O-6-141	Gran Casa Umedakita	Three Major Metropolitan Areas	2,050,000	0.9
O-6-142	Serenite Honmachi Grande	Three Major Metropolitan Areas	4,286,000	1.9
O-6-143	Gransys Tenmabashi	Three Major Metropolitan Areas	4,050,000	.8
O-6-144	DayGran Tsurumi	Three Major Metropolitan Areas	1,030,000	0.5
O-6-150	Runai Nippombashi anhel0	Three Major Metropolitan Areas	1,400,000	0.6
O-6-152	HS Umeda EAST	Three Major Metropolitan Areas	2,151,000	1.0



Property Number	Name of Property	Region	Acquisition Price (JPY thousands) (Note 1)	Ratio (%) (Note 2)
O-6-153	Serenite Umeda EST	Three Major Metropolitan Areas	1,057,000	0.5
O-6-154	Serenite Yuhigaoka EST	Three Major Metropolitan Areas	811,500	0.4
O-6-155	Serenite Umeda Reflet	Three Major Metropolitan Areas	1,148,753	0.5
O-7-068	willDo Okayamaeki Nishiguchi	Other Major Cities	1,220,000	0.5
O-7-087	willDo Okayamadaiku	Other Major Cities	1,040,000	0.5
O-9-053	willDo Nakasu	Other Major Cities	2,460,000	1.1
O-9-130	Renaissance 21 Hakata	Other Major Cities	1,500,000	0.7
O-9-135	Granpark Tenjin	Other Major Cities	4,698,000	2.1
Studio Total			140,740,711	63.4

Property Number	Name of Property	Region	Acquisition Price (JPY thousands) (Note 1)	Ratio (%) (Note 2)
F-1-041	Palais d'or Maruyama	Other Major Cities	559,000	0.3
F-1-069	Gran Casa Omotesando	Other Major Cities	1,510,000	0.7
F-1-070	Gran CasaKita3jo	Other Major Cities	1,265,880	0.6
F-1-075	Chijikoukanmae Tower Residence	Other Major Cities	4,530,000	2.0
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	0.2
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-4-006	Iruma Ekimae Building	Three Major Metropolitan Areas	1,517,000	0.7
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	0.7
F-4-009	Suzuran-kan	Three Major Metropolitan Areas	441,190	0.2
F-4-010	Bonheur Tokiwa	Three Major Metropolitan Areas	752,904	0.3
F-4-011	Profit Link Takenotsuka	23 Wards of Tokyo	636,333	0.3
F-4-013	Dream Heights	23 Wards of Tokyo	358,666	0.2
F-4-014	Green Hills Asukayama	23 Wards of Tokyo	587,238	0.3
F-4-015	Oji Heights	23 Wards of Tokyo	347,857	0.2
F-4-016	Sakagami Royal Heights NO. II	23 Wards of Tokyo	360,714	0.2
F-4-017	willDo Todoroki	23 Wards of Tokyo	1,764,809	0.8
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	1.0
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	0.6
F-4-031	MGA Kanamachi	23 Wards of Tokyo	484,000	0.2
F-4-035	Greenhills Roka	23 Wards of Tokyo	662,000	0.3
F-4-036	Lofty Hirai	23 Wards of Tokyo	324,000	0.1
F-4-038	Colonnade Kasuga	23 Wards of Tokyo	3,115,277	1.4
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	0.5
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	0.9
F-4-046	Prospect Dogenzaka	23 Wards of Tokyo	1,590,000	0.7
F-4-047	Prospect Glarsa Hiroo	23 Wards of Tokyo	3,560,000	1.6
F-4-048	Prospect Hatsudai	23 Wards of Tokyo	518,000	0.2
F-4-049	Prospect NishiSugamo	23 Wards of Tokyo	1,110,000	0.5
F-4-050	Prospect Machiya	23 Wards of Tokyo	484,000	0.2
F-4-051	Prospect KiyosumuTeien	23 Wards of Tokyo	2,630,000	1.2
F-4-052	Prospect Morishita	23 Wards of Tokyo	1,260,000	0.6
F-4-053	Prospect OnshiKoen	23 Wards of Tokyo	1,110,000	0.5
F-4-054	BELNOS34	23 Wards of Tokyo	1,700,000	0.8
F-4-055	SK Residence	23 Wards of Tokyo	805,000	0.4

English Translation

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Property Number	Name of Property	Region	Acquisition Price (JPY thousands) (Note 1)	Ratio (%) (Note 2)
F-4-056	Angel Heim NishiRokugo No. 2	23 Wards of Tokyo	1,012,000	0.5
F-4-057	Deim Hashimoto	Three Major Metropolitan Areas	748,000	0.3
F-4-058	Prospect Kawasaki	Three Major Metropolitan Areas	1,520,000	0.7
F-4-059	Prospect UrawaTokiwa	Three Major Metropolitan Areas	717,000	0.3
F-4-064	Glana Ueno	23 Wards of Tokyo	1,100,000	0.5
F-4-065	The Residence Honmoku Yokohama Bayside	Three Major Metropolitan Areas	5,550,000	2.5
F-4-066	Lietocourt Asakusabashi	23 Wards of Tokyo	1,615,800	0.7
F-4-071	Gran Casa ShinKoiwa	23 Wards of Tokyo	1,510,000	0.7
F-4-072	Gran CasaRyogoku Ichibankan	23 Wards of Tokyo	1,420,000	0.6
F-4-073	Gran Casa Ryogoku Nibankan	23 Wards of Tokyo	770,000	0.3
F-5-023	willDo Temmacho	Three Major Metropolitan Areas	627,785	0.3
F-5-032	Stellato City Sakurayama	Three Major Metropolitan Areas	735,000	0.3
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	0.4
F-5-067	Lietecourt Marunouchi	Three Major Metropolitan Areas	3,756,800	1.7
F-5-068	Gran Casa Kamimaezu	Three Major Metropolitan Areas	2,050,000	0.9
F-5-074	Sakura Hills Fujimi	Three Major Metropolitan Areas	2,750,000	1.2
F-6-026	willDo Nishi-Akasi	Three Major Metropolitan Areas	635,666	0.3
F-6-033	La Vita Nippombashi	Three Major Metropolitan Areas	1,860,000	0.8
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			81,302,443	36.6
Total			222,043,155	100.0

(Note 1) Figures in “(Anticipated) Acquisition Price” are rounded off to thousands of yen. Totals and subtotals of (anticipated) acquisition prices add up the figures without rounding down and are rounded down to thousands of yen.

(Note 2) Figures in “Ratio (%)” show the ratio of the (Anticipated) acquisition price of each owned property or anticipated property to the total of the (Anticipated) acquisition price of the owned properties and anticipated properties.