

For Immediate Release

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Notice Concerning Acquisition of Investment Assets

<<RESIDIA Nerima and 12 other properties>>

AD Investment Management Co., Ltd. (ADIM) the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets announced its decision today to have ADR acquire assets (hereafter, the “Acquisition”) in Japan as detailed below as part of ADR’s growth strategy.

Additionally, ADR has released a notice on a decision of disposing a property (hereafter, the “Disposition”) (the acquisition and disposition together, hereafter the “Replacement”). (Please refer to today’s press release titled, “Notice Concerning Disposition of Investment Asset <<Tokyo Student-House Hiyoshidai>>.”)

1. Details of the Acquisition

ADIM decided on the following acquisitions pursuant to the target and policy of asset management as stipulated in its Articles of Incorporation of ADR, to increase the asset under management and build a portfolio that earns stable income through diversified investment in all regions and in all apartment unit types.

No.	Property number	Name of the to-be-acquired asset (Note 1)	Type of asset	Proposed acquisition price (Note 2)
(1)	C-74	RESIDIA Nerima (Grand E'terna Nerima)	Beneficiary interests in trust	¥502 million
(2)	S-30	RESIDIA Sagamihara (Grand E'terna Sagamihara)	Beneficiary interests in trust	¥1,050 million
(3)	S-31	RESIDIA Yokohama-Bashamichi (Lumiere Yokohama-Bashamichi)	Beneficiary interests in trust	¥735 million
(4)	R-60	RESIDIA Okayama-Ekimae (Grand E'terna Okayama)	Beneficiary interests in trust	¥772 million
(5)	R-61	RESIDIA Kyoto-Okazaki (Grand E'terna Kyoto-Okazaki)	Beneficiary interests in trust	¥227 million
(6)	R-62	RESIDIA Sendai-Ichibancho (Grand E'terna Sendai-Ichibancho)	Beneficiary interests in trust	¥1,083 million
(7)	R-63	RESIDIA Kita-Nijyo-East II (Bebless Sapporo-Eki)	Beneficiary interests in trust	¥538 million
(8)	R-64	RESIDIA Takamiya (Preminente Park Takamiya)	Beneficiary interests in trust	¥488 million
(9)	R-65	RESIDIA Soen (Bebless Souen)	Beneficiary interests in trust	¥384 million
(10)	R-66	RESIDIA Tenjin (Preminente Park Maizuru II)	Beneficiary interests in trust	¥1,122 million
(11)	R-67	RESIDIA Yakuin-Oodori (Preminente Park Yakuinodori)	Beneficiary interests in trust	¥1,123 million
(12)	R-68	RESIDIA Hakata II (Preminente Park Hakata-East)	Beneficiary interests in trust	¥1,358 million
(13)	R-69	RESIDIA Kego (Lifesta Kego)	Beneficiary interests in trust	¥834 million
Total of 13 properties				¥10,223 million

(Note 1) ADR is scheduled to change the property names after acquisition of the to-be-acquired assets. For the to-be-acquired assets that are scheduled to have their name changed, the name after the change is shown with the name as of today shown in parentheses.

(Note 2) "Proposed acquisition price" indicates the purchase price for the properties entered in the trust beneficiary interests disposition contract, which are exclusive of the various expenses required in the acquisition of the concerned properties (broker commission, taxes and public dues, etc.)

Because of the recent booming real estate market, it continues to be very difficult to acquire recently built assets which have a yield that will contribute in improving the existing portfolio's yield.

ADR anticipated such a situation and sourced properties using its own network before the recent boom. The sourced properties were and warehoused in a silent partnership and ADR acquired an equity interest in the partnership (Note1) with an aim to acquire the underlining properties through the execution of the granted rights of first refusal.

ADR has decided today to exercise the rights of first refusal and acquire the underlining properties. The seller of the properties will be the operator of the partnership.

The properties have an average NOI yield of 6.4% and yield after depreciation of 5.0% (Note2) which is significantly higher than the average yield of 5.6% and yield after depreciation of 4.4% (Note2) for the existing portfolio at the end of July 2014.

We have determined that this replacement will contribute in raising the investor's value because the anticipated NOI (Note3) from the acquisition is expected to be more than the NOI (Note3) loss from the disposal with the prospect of rise in net income and at the same time maintain a sufficient amount of acquisition capacity.

(Note1) Please refer to the press release "Notice Concerning Acquisition of Investment Assets (Silent Partnership Equity Interests)" dated March 26, 2013 and "Notice Concerning Additional Acquisition of Investment Asset (Silent Partnership Equity Interest)" dated October 28, 2013.

(Note2) The yield after depreciation of the to-be-acquired assets are calculated by dividing the annualized appraisal NOI at acquisition minus depreciation, by the acquisition price. Depreciation of the to-be-acquired assets are calculated using same straight-line method as the portfolio and expect total depreciation of 145,978 thousand yen per annum. The yield after depreciation for the existing portfolio at the end of July 2014 is calculated by dividing the total annualized actual NOI minus depreciation of each portfolio property by the total fiscal-end book value. Both figures are rounded at the second decimal point.

(Note3) NOI stands for Net Operating Income as a function of revenues and expenses from the real estate business, calculated using the formula:
"Revenue from property leasing" – "Expenses from property leasing" + "Depreciation and amortization"

ADR evaluated the assets' attributes listed below in deciding to acquire the assets.

No.	Name of property	Attribute of property
(1)	RESIDIA Nerima	It is a 2-minute walk from the property to Seibu Ikebukuro Line Nerima Station. From the station, it is 7 minutes to Ikebukuro Station and 20 minutes to Shinjuku Station by train, giving tenants good access to commercial centers. Demand can be expected from students mainly commuting to Waseda University, and Rikkyo University as well as young single professionals commuting to business centers.
(2)	RESIDIA Sagamihara	It is an 8-minute walk from the property to JR Yokohama Line Sagamihara Station. From the station it is 11 minutes to Machida Station by train, giving tenants good access to commercial centers. Demand can be expected from students mainly commuting to Aoyama University, Obirin University and other university in the surrounding area, as well as, young single professionals commuting to commercial centers nearby.
(3)	RESIDIA Yokohama-Bashamichi	It is a 2 minute-walk from the property to Yokohama municipal subway Blue line Kannai station and 3 minute-walk from the property to the Yokohama Minatomirai Railway MinatoMirai 21 Line "Bashamichi" Station. The property is also located in Minato Mirai Area which is one of the landmark area of Yokohama. It takes approximately 5 minutes to Yokohama Station by train from Bashamichi station, giving tenants good access to major commercial area. DINKS who are looking for a place to live in city center which is close to work will find the property to their liking.
(4)	RESIDIA Okayama-Ekimae	It is a 5-minute walk from the property to JR Sanyo Line Okayama Station, giving tenants good access. There are many convenient facilities such as a department store and shopping street within walking distance. Demand can be expected from students commuting to Okayama University, Notre Dame Seishin University and other universities in the area as well as young single professionals commuting to the business center.
(5)	RESIDIA Kyoto-Okazaki	The property is conveniently located with good access to public transport. It is a 14-minute walk from the property to Keihan Railway Outou Line Jingu-Marutamachi Station. From the station it is 6 minutes to Gion Shijo Station which is a commercial center and a business centers. Bus service are very good in Kyoto and the property is a 2-minute walk away from "Okazaki-michi" bus stop. From the bus stop to "Shijo-Keihan-mae" bus stop is about 12 minutes by bus (During the hour from 8 am bus comes every 6~8 minutes. The last bus of the day departs "Shijo-Keihan-mae" bus stop at 23:21.). There are many convenient facilities such as a supermarket within the walking distance. Demand can be expected from students commuting to Kyoto University on a bicycle.

(6)	RESIDIA Sendai-Ichibancho	It is an 8-minute walk from the property to Subway Namboku Line Sendai Station and within the walking distance from the JR Sendai Station, giving tenants good access. There are many convenient facilities such as a department store and shopping street in surrounding area. Demand can be expected from students commuting to Tohoku University and young single professionals.
(7)	RESIDIA Kita-Nijyo-East II	The property is conveniently located with good access to major commercial centers and business centers. It is a 5 minute-walk to Sapporo-city subway Namboku Toho Line Sapporo Station. JR Sapporo Station is also within walking distance. The shopping area within walking distance has a department store which is linked to other stores via underground shopping center. Demand for the property can be expected from young single professionals who commute to the business center, DINKS and family household.
(8)	RESIDIA Takamiya	The property is a 6-minute walk from Nishi-Nippon railway Tenjin-Omuta Line Takamiya Station. It is a 6-minute train ride to Tenjin area which is a major commercial center and a major business district. Hakata area is also easily commutable by bus or bicycle. There is a supermarket in front of Takamiya station and a convenient store is within walking distance from the property, making it a convenient place to live. The area is a popular residential neighborhood where there are many corporate housing and dormitories. The property will see demand from singles and DINKS who commute to city center.
(9)	RESIDIA Soen	It is a 9-minute walk from the property to the JR Hakodate Line Souen Station. From the station, it is 3 minutes to Sapporo Station by train, giving tenants good access to business centers and commercial centers. There are many convenient facilities such as convenience stores within a walking distance, and a GMS is just in front of Souen Station. Demand can be expected from young single professionals commuting to the business center.
(10)	RESIDIA Tenjin	The property is a 7-minute walk from Fukuoka City Subway Kuko Line Tenjin Station. It is not only close to Tenjin area which is the largest shopping district in Kyushu as well as being a business district, the access to Hakata station which is the largest transportation hub in Kyushu is just 5-minute ride on the Kuko Line. Most of facilities to satisfy living needs are nearby making the location a good place to live, especially for single office worker commuting to offices in Tenjin.
(11)	RESIDIA Yakuin-Oodori	The property is a 2-minute walk from Fukuoka City Subway Nanakuma Line Yakuin-odori Station. It is also within walking distance to Tenjin area which is a major shopping district of Fukuoka city. The public transportation is very convenient with buses going to Hakata station come very frequently. There are many daily goods shops, restaurants and speciality shops making the location a convenient and comfortable place to live for single office workers who commute to the city center.
(12)	RESIDIA Hakata II	The property is a 9-minute walk from Fukuoka City Subway Kuko Line Hakata Station. It is not only relatively close Hakata station, the number one transportation hub of Kyushu and a business center, it is just 5 minutes ride to Tenjin Station which is in the largest shopping district of Kyushu. Most of facilities to satisfy living needs are nearby making the location a good place to live, especially for single office worker commuting to the business center near Hakata station.
(13)	RESIDIA Kego	It is a 5-minute walk from the property to Subway Nanakuma Line Yakuin-odori Station, and within walking distance to Tenjin, giving tenants good access. There are many convenient facilities such as convenience store in surrounding area. Demand can be expected from young single professionals commuting to the business center.

2. Acquisition Summary

(1) C-74) RESIDIA Nerima

Name of property	RESIDIA Nerima
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥502 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(2) S-30) RESIDIA Sagamihara

Name of property	RESIDIA Sagamihara
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥1,050 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(3) S-31) RESIDIA Yokohama-Bashamichi

Name of property	RESIDIA Yokohama-Bashamichi
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥735 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(4) R-60) RESIDIA Okayama-Ekimae

Name of property	RESIDIA Okayama-Ekimae
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥772 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(5) R-61) RESIDIA Kyoto-Okazaki

Name of property	RESIDIA Kyoto-Okazaki
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥227 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(6) R-62) RESIDIA Sendai-Ichibancho

Name of property	RESIDIA Sendai-Ichibancho
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥1,083 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(7) R-63) RESIDIA Kita-Nijyo-East II

Name of property	RESIDIA Kita-Nijyo-East II
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥538 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(8) R-64) RESIDIA Takamiya

Name of property	RESIDIA Takamiya
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥488 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(9) R-65) RESIDIA Soen

Name of property	RESIDIA Soen
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥384 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(10)R-66) RESIDIA Tenjin

Name of property	RESIDIA Tenjin
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥1,122 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(11)R-67) RESIDIA Yakuin-Oodori

Name of property	RESIDIA Yakuin-Oodori
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥1,123 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(12)R-68) RESIDIA Hakata II

Name of property	RESIDIA Hakata II
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥1,358 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

(13)R-69) RESIDIA Kego

Name of property	RESIDIA Kego
Asset to be acquired	Beneficiary interests in trust
Proposed acquisition price	¥834 million
Seller	G. K. RISING3
Scheduled agreement date	November 28, 2014
Scheduled acquisition date	December 4, 2014
Acquisition financing	Funds procured by borrowing or cash on hand.
Payment method	Pay entire amount upon delivery

3. Summary of the To-be-acquired Assets

(1) C-74) RESIDIA Nerima

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥502 million
Property Outline					
Location	Address 1-6-2 Nerima, Nerima-ku, Tokyo				
Land	Type of ownership	Proprietary ownership	Zoning	Commercial zone	
	Site area	198.61 m ²	FAR / Building coverage ratio	600%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	1,215.00 m ²	Single type	22	
	Structure / Floors	S with flat roof /12F	Compact type	11	
	Use	Apartment, Stores	Family type	-	
	Construction completion date	March 2005	Large type	-	
	Confirmation inspection agency	eHomes, Inc.	Dormitory type	-	
	Building designer	K.K. Daiichi Toshi Keikaku	Other	1	
	Structural designer	K.K. Daiichi Toshi Keikaku	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	KOSHIN KENSETSU CO.,LTD.	Property Manager	J.S.B.Co.		
Previous titleholder	Not disclosed		Master lessee	J.S.B.Co.	
Current titleholder	G. K. RISING3		Master lease type	Store: Pass-through Apartment: Guaranteed payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting Inc.		Appraised date	October 31, 2014	
Real estate appraised value	¥573 million		Cap rate	4.9%	
Direct capitalization price	¥577 million		Discount rate	4.5%	
DCF PRICE	¥569 million		Terminal cap rate	5.1%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	40,505	Leasable units	34	
	Rent income	39,556	Leased units	34	
	Other income	949	Leasable floor area	1,073.44 m ²	
(B) Total effective profit	Subtotal	38,569	Leased floor area	1,073.44 m ²	
	Losses from vacancies, etc.	1,936	Monthly rent (including common service charges)	¥3,010 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥3,223 thousand	
(C) Expenses from rental business	Subtotal	9,321	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	3,075	Summary of Building Conditions Investigation Report		
	Utilities costs	818	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	1,736	Investigation date	November 2014	
	Taxes and public dues	1,771	Emergency repair costs	—	
	Non-life insurance premiums	63	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	19	Long-term repair costs (next 12 years)	¥18,110 thousand	
	Repair costs (including restoration fees)	1,113	Building replacement price	¥252,000 thousand	
	Other expenses	726	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		29,248	PML	3.9%	
(E) Operating profit from deposits		88	Collateral		
(F) Capital expenditures		1,056	Not Scheduled		
(G) Net profit = (D) + (E) – (F)		28,280			
Special Notation					
N/A					

(2) S-30) RESIDIA Sagamihara

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥1,050 million
Property Outline					
Location	Address	4-6-4 Sagamihara, Chuo-ku, Sagamihara-shi, Kanagawa			
Land	Type of ownership	Proprietary ownership	Zoning	Commercial zone	
	Site area	845.00 m ²	FAR / Building coverage ratio	400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	3,885.71 m ²	Single type	111	
	Structure / Floors	SRC with flat roof, 11F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	May 2004	Large type	-	
	Confirmation inspection agency	eHomes, Inc.	Dormitory type	-	
	Building designer	K.K.I am property	Other	-	
	Structural designer	Nobi Kozo Sekkei Office, LLC	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	Toray Construction Co., Ltd.	Property Manager	J.S.B.Co.		
Previous titleholder	Not disclosed		Master lessee	J.S.B.Co.	
Current titleholder	G. K. RISING3		Master lease type	Guaranteed payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting Inc.		Appraised date	October 31, 2014	
Real estate appraised value	¥1,150 million		Cap rate	5.7%	
Direct capitalization price	¥1,160 million		Discount rate	5.3%	
DCF PRICE	¥1,140 million		Terminal cap rate	5.9%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	98,655	Leasable units	111	
	Rent income	96,113	Leased units	111	
	Other income	2,542	Leasable floor area	2,913.01 m ²	
(B) Total effective profit	Subtotal	93,163	Leased floor area	2,913.01 m ²	
	Losses from vacancies, etc.	5,492	Monthly rent (including common service charges)	¥6,882 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥7,123 thousand	
(C) Expenses from rental business	Subtotal	23,530	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	5,424	Summary of Building Conditions Investigation Report		
	Utilities costs	2,115	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	4,192	Investigation date	November 2014	
	Taxes and public dues	5,615	Emergency repair costs	-	
	Non-life insurance premiums	207	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	51	Long-term repair costs (next 12 years)	¥64,700 thousand	
	Repair costs (including restoration fees)	3,484	Building replacement price	¥ 898,000 thousand	
	Other expenses	2,442	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		69,633	PML	6.8%	
(E) Operating profit from deposits		257	Collateral		
(F) Capital expenditures		3,774	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		66,116			
Special Notation					
N/A					

(3) S-31) RESIDIA Yokohama-Bashamichi

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥735 million
Property Outline					
Location	Address 4-68, 4-67 Aioicho, Naka-ku, Yokohama-shi, Kanagawa				
Land	Type of ownership	Proprietary ownership	Zoning	Commercial zone	
	Site area	396.68 m ²	FAR / Building coverage ratio	700%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	2,383.65 m ²	Single type	-	
	Structure / Floors	RC with flat roof, 8F/B1F	Compact type	26	
	Use	Apartment, Stores, Parking Area	Family type	-	
	Construction completion date	September 2005	Large type	-	
	Confirmation inspection agency	eHomes, Inc.	Dormitory type	-	
	Building designer	K.K.Takahashi Architect Toshi Design Office	Other	1	
	Structural designer	Takenaka Corporation	Trustee	Sumitomo Mitsui Trust Bank, Limited	
Construction contractor	Takenaka Corporation	Property Manager	Mitsui Fudosan Housing Lease Co., Ltd.		
Previous titleholder	Not disclosed		Master lessee	Mitsui Fudosan Housing Lease Co., Ltd.	
Current titleholder	G. K. RISING3		Master lease type	Store: Pass-through Apartment: Guaranteed payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2014	
Real estate appraised value	¥813 million		Cap rate	5.3%	
Direct capitalization price	¥835 million		Discount rate	5.0%	
DCF PRICE	¥803 million		Terminal cap rate	5.4%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	69,309	Leasable units	27	
	Rent income	68,871	Leased units	27	
	Other income	437	Leasable floor area	1,884.81 m ²	
(B) Total effective profit	Subtotal	62,739	Leased floor area	1,884.81 m ²	
	Losses from vacancies, etc.	6,570	Monthly rent (including common service charges)	¥5,468 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥10,389 thousand	
(C) Expenses from rental business	Subtotal	16,581	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	3,702	Summary of Building Conditions Investigation Report		
	Utilities costs	1,379	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	1,870	Investigation date	November 2014	
	Taxes and public dues	5,268	Emergency repair costs	—	
	Non-life insurance premiums	171	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	1,571	Long-term repair costs (next 12 years)	¥39,580 thousand	
	Repair costs (including restoration fees)	1,789	Building replacement price	¥ 554,000 thousand	
	Other expenses	828	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		46,158	PML	11.5%	
(E) Operating profit from deposits		235	Collateral		
(F) Capital expenditures		2,149	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		44,243			
Special Notation					
N/A					

(Note) The tenant has signed a lease agreement in the store part 769.40 m² issued a notice of termination of the lease that the expired date is March 31, 2015.

(4) R-60) RESIDIA Okayama-Ekimae

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥772 million
Property Outline					
Location	Address 6-3 Kotobukicho, Kita-ku, Okayama-shi, Okayama				
Land	Type of ownership	Proprietary ownership	Zoning	Neighborhood Commercial zone, Commercial zone	
	Site area	961.18 m ²	FAR / Building coverage ratio	200%/80%, 400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	3,452.18 m ²	Single type	108	
	Structure / Floors	RC with flat roof, 10F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	March 2004	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD	Dormitory type	-	
	Building designer	K.K. Daiichi Toshi Keikaku	Other	-	
	Structural designer	Nobi Kozo Sekkei Office,LLC	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	Toray Construction Co., Ltd.	Property Manager	J.S.B.Co.		
Previous titleholder	Not disclosed		Master lessee	J.S.B.Co.	
Current titleholder	G. K. RISING3		Master lease type	Guaranteed payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting Inc.		Appraised date	October 31, 2014	
Real estate appraised value	¥871 million		Cap rate	6.4%	
Direct capitalization price	¥879 million		Discount rate	6.0%	
DCF PRICE	¥863 million		Terminal cap rate	6.6%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	81,839	Leasable units	108	
	Rent income	78,039	Leased units	108	
	Other income	3,800	Leasable floor area	3,063.96 m ²	
(B) Total effective profit	Subtotal	77,613	Leased floor area	3,063.96 m ²	
	Losses from vacancies, etc.	4,226	Monthly rent (including common service charges)	¥5,788 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥5,929 thousand	
(C) Expenses from rental business	Subtotal	18,304	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	3,530	Summary of Building Conditions Investigation Report		
	Utilities costs	1,223	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	3,493	Investigation date	November 2014	
	Taxes and public dues	4,172	Emergency repair costs	—	
	Non-life insurance premiums	178	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	25	Long-term repair costs (next 12 years)	¥53,778 thousand	
	Repair costs (including restoration fees)	3,307	Building replacement price	¥ 767,000 thousand	
	Other expenses	2,376	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		59,309	PML	1.7%	
(E) Operating profit from deposits		110	Collateral		
(F) Capital expenditures		3,137	Not Scheduled		
(G) Net profit = (D) + (E) – (F)		56,282			
Special Notation					
N/A					

(5) R-61) RESIDIA Kyoto-Okazaki

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥227 million
Property Outline					
Location	Address	83 Okazaki-iricho, Sakyo-ku, Kyoto-shi, Kyoto			
Land	Type of ownership	Proprietary ownership	Zoning	Class 2 residential zone	
	Site area	325.49 m ²	FAR / Building coverage ratio	300%/60%, 200%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	660.85 m ²	Single type	23	
	Structure / Floors	RC with alloy-coated steel plate roof, 5F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	March 2005	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD	Dormitory type	-	
	Building designer	K.K. Daiichi Toshi Keikaku	Other	-	
	Structural designer	Nobi Kozo Sekkei Office,LLC	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	K.K. Daiichi Toshi Keikaku	Property Manager	J.S.B.Co.		
Previous titleholder	Not disclosed		Master lessee	J.S.B.Co.	
Current titleholder	G. K. RISING3		Master lease type	Guaranteed payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting Inc.		Appraised date	October 31, 2014	
Real estate appraised value	¥278 million		Cap rate	5.4%	
Direct capitalization price	¥284 million		Discount rate	5.0%	
DCF PRICE	¥272 million		Terminal cap rate	5.6%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	22,882	Leasable units	23	
	Rent income	21,809	Leased units	23	
	Other income	1,073	Leasable floor area	621.98 m ²	
(B) Total effective profit	Subtotal	21,630	Leased floor area	621.98 m ²	
	Losses from vacancies, etc.	1,252	Monthly rent (including common service charges)	¥1,565 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥1,565 thousand	
(C) Expenses from rental business	Subtotal	5,691	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	2,238	Summary of Building Conditions Investigation Report		
	Utilities costs	271	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	973	Investigation date	November 2014	
	Taxes and public dues	994	Emergency repair costs	—	
	Non-life insurance premiums	39	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	7	Long-term repair costs (next 12 years)	¥10,602 thousand	
	Repair costs (including restoration fees)	663	Building replacement price	¥154,000 thousand	
	Other expenses	506	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		15,939	PML	14.1%	
(E) Operating profit from deposits		31	Collateral		
(F) Capital expenditures		618	Not Scheduled		
(G) Net profit = (D) + (E) – (F)		15,352			
Special Notation					
N/A					

(6) R-62) RESIDIA Sendai-Ichibancho

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥1,083 million
Property Outline					
Location	Address				
	1-7-6 Ichibancho, Aoba-ku, Sendai-shi, Miyagi				
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	563.85 m ²	FAR / Building coverage ratio	600%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	4,032.26 m ²	Single type	11	
	Structure / Floors	RC with flat roof, 13F	Compact type	92	
	Use	Apartment	Family type	-	
	Construction completion date	May 2006	Large type	-	
	Confirmation inspection agency	Miyagi Prefecture Architecture housing center	Dormitory type	-	
	Building designer	K.K. Kinsaku Sekimoto Architect Office	Other	-	
	Structural designer	K.K. ESPACE Architect Office	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	KONOIKE CONSTRUCTION CO.,LTD.	Property Manager	J.S.B.Co.		
Previous titleholder	Not disclosed		660.85 m ²	J.S.B.Co.	
Current titleholder	G. K. RISING3		RC with flat roof, 13F	Guaranteed payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting Inc.		Appraised date	October 31, 2014	
Real estate appraised value	¥1,200 million		Cap rate	5.7%	
Direct capitalization price	¥1,210 million		Discount rate	5.3%	
DCF PRICE	¥1,180 million		Terminal cap rate	5.9%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	99,210	Leasable units	103	
	Rent income	95,787	Leased units	103	
	Other income	3,423	Leasable floor area	3,184.61 m ²	
(B) Total effective profit	Subtotal	94,025	Leased floor area	3,184.61 m ²	
	Losses from vacancies, etc.	5,185	Monthly rent (including common service charges)	¥6,801 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥7,084 thousand	
(C) Expenses from rental business	Subtotal	21,833	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	3,192	Summary of Building Conditions Investigation Report		
	Utilities costs	2,081	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	4,231	Investigation date	November 2014	
	Taxes and public dues	5,906	Emergency repair costs	—	
	Non-life insurance premiums	211	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	42	Long-term repair costs (next 12 years)	¥61,956 thousand	
	Repair costs (including restoration fees)	3,904	Building replacement price	¥914,000 thousand	
	Other expenses	2,266	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		72,192	PML	2.4%	
(E) Operating profit from deposits		203	Collateral		
(F) Capital expenditures		3,614	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		68,781			
Special Notation					
N/A					

(7) R-63) RESIDIA Kita-Nijyo-East II

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥538 million
Property Outline					
Location	Address	1-3-4, 1-3-5, Kita-nijyo-Higashi, Chuo-ku, Sapporo-shi, Hokkaido			
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	399.66 m ²	FAR / Building coverage ratio	600%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	2,905.26 m ²	Single type	-	
	Structure / Floors	RC with flat roof, 14F/B1F	Compact type	24	
	Use	Apartment	Family type	27	
	Construction completion date	February 2007	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD	Dormitory type	-	
	Building designer	K.K.Hijiri Kenchiku Sekkei	Other	-	
	Structural designer	Kozo Keikaku Kobo LLC	Trustee	Sumitomo Mitsui Trust Bank, Limited	
Construction contractor	ANDO Corporation	Property Manager	K.K. Big Service		
Previous titleholder	Not disclosed		Master lessee	ITOCHU Urban Community Ltd. (planned)	
Current titleholder	G. K. RISING3		Master lease type	Pass-through	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2014	
Real estate appraised value	¥654 million		Cap rate	5.7%	
Direct capitalization price	¥655 million		Discount rate	5.5%	
DCF PRICE	¥654 million		Terminal cap rate	5.9%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	54,421	Leasable units	51	
	Rent income	53,475	Leased units	49	
	Other income	946	Leasable floor area	2,296.58 m ²	
(B) Total effective profit	Subtotal	52,075	Leased floor area	2,206.64 m ²	
	Losses from vacancies, etc.	2,346	Monthly rent (including common service charges)	¥4,131 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥4,249 thousand	
(C) Expenses from rental business	Subtotal	13,043	Occupancy rate (based on floor area)	96.1%	
	Maintenance and management fees	2,004	Summary of Building Conditions Investigation Report		
	Utilities costs	1,917	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	1,533	Investigation date	November 2014	
	Taxes and public dues	3,979	Emergency repair costs	-	
	Non-life insurance premiums	162	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	1,375	Long-term repair costs (next 12 years)	¥32,720 thousand	
	Repair costs (including restoration fees)	1,967	Building replacement price	¥ 525,000 thousand	
	Other expenses	104	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		39,031	PML	1.2%	
(E) Operating profit from deposits		73	Collateral		
(F) Capital expenditures		1,759	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		37,345			
Special Notation					
N/A					

(8) R-64) RESIDIA Takamiya

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥488 million
Property Outline					
Location	Address	20-9, Tamagawacho, Minami-ku, Fukuoka-shi Fukuoka			
Land	Type of ownership	Proprietary ownership	Zoning	Class 1 residential zone	
	Site area	795.57 m ²	FAR / Building coverage ratio	200%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	1,631.99 m ²	Single type	24	
	Structure / Floors	RC with flat roof, 6F	Compact type	27	
	Use	Apartment	Family type	-	
	Construction completion date	February 2007	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD	Dormitory type	-	
	Building designer	K.K. Technoart 1st Class Qualified Architect Office	Other	-	
	Structural designer	S.A.I Structural Design co., Ltd.	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	MIRAIKU CONSTRUCTION CO., LTD	Property Manager	HASEKO LIVENET, Inc.		
Previous titleholder	Not disclosed	Master lessee	HASEKO LIVENET, Inc.		
Current titleholder	G. K. RISING3	Master lease type	Pass-through		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.	Appraised date	October 31, 2014		
Real estate appraised value	¥533 million	Cap rate	5.4%		
Direct capitalization price	¥538 million	Discount rate	5.2%		
DCF PRICE	¥531 million	Terminal cap rate	5.6%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	39,985	Leasable units	51	
	Rent income	39,137	Leased units	50	
	Other income	847	Leasable floor area	1,556.02 m ²	
(B) Total effective profit	Subtotal	38,261	Leased floor area	1,531.87 m ²	
	Losses from vacancies, etc.	1,723	Monthly rent (including common service charges)	¥2,981 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥1,516 thousand	
(C) Expenses from rental business	Subtotal	8,215	Occupancy rate (based on floor area)	98.4%	
	Maintenance and management fees	1,170	Summary of Building Conditions Investigation Report		
	Utilities costs	565	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	1,122	Investigation date	November 2014	
	Taxes and public dues	2,696	Emergency repair costs	-	
	Non-life insurance premiums	112	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	1,048	Long-term repair costs (next 12 years)	¥21,076 thousand	
	Repair costs (including restoration fees)	1,402	Building replacement price	¥ 364,000 thousand	
	Other expenses	97	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		30,046	PML	6.1%	
(E) Operating profit from deposits		57	Collateral		
(F) Capital expenditures		1,032	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		29,072			
Special Notation					
N/A					

(9) R-65) RESIDIA Soen

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥384 million
Property Outline					
Location	Address	15-1-38 Kita-gojo-yo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido			
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	508.75 m ²	FAR / Building coverage ratio	400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	2,485.47 m ²	Single type	-	
	Structure / Floors	RC with flat roof, 11F	Compact type	60	
	Use	Apartment	Family type	-	
	Construction completion date	February 2007	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD	Dormitory type	-	
	Building designer	K.K.N.A.D	Other	-	
	Structural designer	SD Sekkei	Trustee	Sumitomo Mitsui Trust Bank, Limited	
Construction contractor	MARUHIKO WATANABE CONSTRUCTION	Property Manager	SANKYO Building Management Co.,Ltd.		
Previous titleholder	Not disclosed	Master lessee	SANKYO Building Management Co.,Ltd.		
Current titleholder	G. K. RISING3	Master lease type	Pass-through		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2014	
Real estate appraised value	¥468 million		Cap rate	5.8%	
Direct capitalization price	¥469 million		Discount rate	5.6%	
DCF PRICE	¥468 million		Terminal cap rate	6.0%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	41,955	Leasable units	60	
	Rent income	41,557	Leased units	58	
	Other income	397	Leasable floor area	1,944.70 m ²	
(B) Total effective profit	Subtotal	39,991	Leased floor area	1,880.04 m ²	
	Losses from vacancies, etc.	1,963	Monthly rent (including common service charges)	¥3,281 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥3,009 thousand	
(C) Expenses from rental business	Subtotal	11,771	Occupancy rate (based on floor area)	96.7%	
	Maintenance and management fees	1,908	Summary of Building Conditions Investigation Report		
	Utilities costs	1,552	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	1,189	Investigation date	November 2014	
	Taxes and public dues	3,700	Emergency repair costs	-	
	Non-life insurance premiums	139	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	1,131	Long-term repair costs (next 12 years)	¥21,800 thousand	
	Repair costs (including restoration fees)	1,797	Building replacement price	¥ 451,000 thousand	
	Other expenses	353	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		28,220	PML	1.4%	
(E) Operating profit from deposits		56	Collateral		
(F) Capital expenditures		1,049	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		27,227			
Special Notation					
N/A					

(10) R-66) RESIDIA Tenjin

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥1,122 million
Property Outline					
Location	Address	1-6-22, Maizuru, Chuo-ku, Fukuoka-shi Fukuoka			
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	651.26 m ²	FAR / Building coverage ratio	500%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	3,297.25 m ²	Single type	-	
	Structure / Floors	RC with flat roof, 12F	Compact type	88	
	Use	Apartment	Family type	-	
	Construction completion date	May 2007	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD.	Dormitory type	-	
	Building designer	K.K. Technoart 1st Class Qualified Architect Office	Other	-	
	Structural designer	Tanaka Construction Design Co., Ltd	Trustee	Mizuho Trust & Banking Co., Ltd	
Construction contractor	K.K.Zen Komuten	Property Manager	HASEKO LIVENET, Inc.		
Previous titleholder	Not disclosed	Master lessee	HASEKO LIVENET, Inc.		
Current titleholder	G. K. RISING3	Master lease type	Pass-through		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Japan Real Estate Institute	Appraised date	October 31, 2014		
Real estate appraised value	¥1,220 million	Cap rate	5.3%		
Direct capitalization price	¥1,230 million	Discount rate	5.1%		
DCF PRICE	¥1,200 million	Terminal cap rate	5.5%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	88,786	Leasable units	88	
	Rent income	86,123	Leased units	84	
	Other income	2,663	Leasable floor area	3,175.04 m ²	
(B) Total effective profit	Subtotal	83,342	Leased floor area	3,030.72 m ²	
	Losses from vacancies, etc.	5,444	Monthly rent (including common service charges)	¥6,405 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥4,442 thousand	
(C) Expenses from rental business	Subtotal	16,290	Occupancy rate (based on floor area)	95.5%	
	Maintenance and management fees	1,675	Summary of Building Conditions Investigation Report		
	Utilities costs	1,150	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	2,424	Investigation date	November 2014	
	Taxes and public dues	5,393	Emergency repair costs	—	
	Non-life insurance premiums	172	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	2,331	Long-term repair costs (next 12 years)	¥35,010 thousand	
	Repair costs (including restoration fees)	2,028	Building replacement price	¥ 662,000 thousand	
	Other expenses	1,117	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		67,052	PML	3.4%	
(E) Operating profit from deposits		115	Collateral		
(F) Capital expenditures		2,100	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		65,067			
Special Notation					
N/A					

(11) R-67) RESIDIA Yakuin-Oodori

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥1,123 million
Property Outline					
Location	Address	1-10-2, Yakuin, Chuo-ku, Fukuoka-shi Fukuoka			
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	828.17 m ²	FAR / Building coverage ratio	400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	3,908.07 m ²	Single type	-	
	Structure / Floors	RC with flat roof, 14F	Compact type	91	
	Use	Apartment	Family type	-	
	Construction completion date	June 2007	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD.	Dormitory type	-	
	Building designer	MIRAIZU CONSTRUCTION CO., LTD 1st Class Qualified Architect Office.	Other	-	
	Structural designer	S.A.I Structural Design co., Ltd.	Trustee	Mizuho Trust & Banking Co., Ltd	
Construction contractor	MIRAIZU CONSTRUCTION CO., LTD	Property Manager	HASEKO LIVENET, Inc.		
Previous titleholder	Not disclosed	Master lessee	HASEKO LIVENET, Inc.		
Current titleholder	G. K. RISING3	Master lease type	Pass-through		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Japan Real Estate Institute	Appraised date	October 31, 2014		
Real estate appraised value	¥1,240 million	Cap rate	5.3%		
Direct capitalization price	¥1,250 million	Discount rate	5.1%		
DCF PRICE	¥1,230 million	Terminal cap rate	5.5%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	92,140	Leasable units	91	
	Rent income	89,053	Leased units	89	
	Other income	3,087	Leasable floor area	3,221.40 m ²	
(B) Total effective profit	Subtotal	85,874	Leased floor area	3,150.60 m ²	
	Losses from vacancies, etc.	6,266	Monthly rent (including common service charges)	¥6,749 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥4,567 thousand	
(C) Expenses from rental business	Subtotal	17,610	Occupancy rate (based on floor area)	97.8%	
	Maintenance and management fees	1,820	Summary of Building Conditions Investigation Report		
	Utilities costs	1,350	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	2,488	Investigation date	November 2014	
	Taxes and public dues	7,139	Emergency repair costs	—	
	Non-life insurance premiums	167	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	2,394	Long-term repair costs (next 12 years)	¥34,170 thousand	
	Repair costs (including restoration fees)	2,023	Building replacement price	¥ 644,000 thousand	
	Other expenses	229	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		68,264	PML	4.5%	
(E) Operating profit from deposits		118	Collateral		
(F) Capital expenditures		2,050	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		66,332			
Special Notation					
Part of the real estate in trust (17.35 m ²) is on the land for planned road expansion (Hakata-Ropponmatsu Line, road width 25 m). The start of expansion work has not been approved, therefore the start date of the work or the actual amount of land to be expropriated is not set. When the expansion is approved and the land is expropriated, the existing building may become non-conforming.					

(12) R-68) RESIDIA Hakata II

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥1,358 million
Property Outline					
Location	Address 3-10-7, Hakataeki-Higashi, Hakata-ku, Fukuoka-shi, Fukuoka				
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	920.73 m ²	FAR / Building coverage ratio	400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	3,724.87 m ²	Single type	64	
	Structure / Floors	SRC with flat roof, 15F	Compact type	60	
	Use	Apartment	Family type	-	
	Construction completion date	September 2007	Large type	-	
	Confirmation inspection agency	JAPAN ERI CO.,LTD.	Dormitory type	-	
	Building designer	K.K. Technoart 1st Class Qualified Architect Office	Other	-	
	Structural designer	Life Design Japan Co. Ltd.	Trustee	Mizuho Trust & Banking Co., Ltd	
	Construction contractor	MIRAIZU CONSTRUCTION CO., LTD	Property Manager	HASEKO LIVENET, Inc.	
Previous titleholder		Not disclosed	Master lessee	HASEKO LIVENET, Inc.	
Current titleholder		G. K. RISING3	Master lease type	Pass-through	
Summary of Real Estate Appraisal Report					
Real estate appraiser		Japan Real Estate Institute	Appraised date	October 31, 2014	
Real estate appraised value		¥1,440 million	Cap rate	5.3%	
Direct capitalization price		¥1,450 million	Discount rate	5.1%	
DCF PRICE		¥1,420 million	Terminal cap rate	5.5%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit Subtotal		104,565	Leasable units	124	
	Rent income	101,525	Leased units	118	
	Other income	3,040	Leasable floor area	3,592.60 m ²	
(B) Total effective profit Subtotal		97,407	Leased floor area	3,417.85 m ²	
	Losses from vacancies, etc.	7,158	Monthly rent (including common service charges)	¥7,450 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥5,006 thousand	
(C) Expenses from rental business Subtotal		17,888	Occupancy rate (based on floor area)	95.1%	
	Maintenance and management fees	1,734	Summary of Building Conditions Investigation Report		
	Utilities costs	1,350	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	2,837	Investigation date	November 2014	
	Taxes and public dues	6,444	Emergency repair costs	—	
	Non-life insurance premiums	210	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	2,709	Long-term repair costs (next 12 years)	¥43,665 thousand	
	Repair costs (including restoration fees)	2,396	Building replacement price	¥ 810,000 thousand	
	Other expenses	208	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		79,519	PML	1.8%	
(E) Operating profit from deposits		133	Collateral		
(F) Capital expenditures		2,620	Not Scheduled		
(G) Net profit = (D) + (E) – (F)		77,032			
Special Notation					
N/A					

(13) R-69) RESIDIA Kego

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	December 4, 2014	Proposed acquisition price	¥834 million
Property Outline					
Location	Address	1-8-12 Kego, Chuo-ku, Fukuoka-Shi, Fukuoka			
Land	Type of ownership	Proprietary ownership	Zoning	Commercial Zone	
	Site area	591.93 m ²	FAR / Building coverage ratio	400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	2,396.07 m ²	Single type	84	
	Structure / Floors	RC with flat roof, 15F	Compact type	-	
	Use	Stores, Apartment	Family type	-	
	Construction completion date	January 2008	Large type	-	
	Confirmation inspection agency	Fukuoka City	Dormitory type	-	
	Building designer	Plantec Architects, Inc.	Other	2	
	Structural designer	Tanaka Construction Design Co., Ltd	Trustee	Sumitomo Mitsui Trust Bank, Limited	
Construction contractor	K.K. Asahi Koumuten co., Ltd	Property Manager	Good FUDOUSAN inc.		
Previous titleholder	Not disclosed		Master lessee	ITOCHU Urban Community Ltd.	
Current titleholder	G. K. RISING3		Master lease type	Pass-through	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2014	
Real estate appraised value	¥988 million		Cap rate	5.3%	
Direct capitalization price	¥994 million		Discount rate	5.1%	
DCF PRICE	¥986 million		Terminal cap rate	5.5%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2014)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	72,797	Leasable units	86	
	Rent income	70,192	Leased units	85	
	Other income	2,604	Leasable floor area	2,293.82 m ²	
(B) Total effective profit	Subtotal	68,880	Leased floor area	2,269.40 m ²	
	Losses from vacancies, etc.	3,916	Monthly rent (including common service charges)	¥5,672 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥7,436 thousand	
(C) Expenses from rental business	Subtotal	14,590	Occupancy rate (based on floor area)	98.9%	
	Maintenance and management fees	2,382	Summary of Building Conditions Investigation Report		
	Utilities costs	1,165	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	1,593	Investigation date	November 2014	
	Taxes and public dues	3,980	Emergency repair costs	-	
	Non-life insurance premiums	161	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	1,810	Long-term repair costs (next 12 years)	¥37,610 thousand	
	Repair costs (including restoration fees)	2,950	Building replacement price	¥ 524,000 thousand	
	Other expenses	546	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		54,290	PML	2.3%	
(E) Operating profit from deposits		149	Collateral		
(F) Capital expenditures		1,749	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		52,691			
Special Notation					
N/A					

[Explanation of Entries in Foregoing Tables]

i) Explanation of “Property Outline”

- In principle, the entries are based on October 31, 2014
- “Type of Ownership” indicates the scheduled type of ownership, whether the property is going to be held as beneficiary interest in trust or as actual real estate.
- “Site area” for the land provides the area of the land as indicated in the registry. However, there are possibilities that the actual site areas of the property are not as indicated in the registry.
- “Zoning” for the land provides the zoning classification given in Article 8-1-1 of the City Planning Law.
- The “FAR / Building coverage ratio” for the land provides the designated FAR or building coverage ratio determined by city planning.
- “Total floor area,” “Structure / Floors,” “Use” and “Construction completion date” for the building are each pursuant to the entries indicated in the registry for the property. However, “Use” column provides the primary use out of the types indicated in the registry for the real estate in trust. “Total floor area” column provides the floor area of the overall building (excludes floor area of annexed buildings).
- “Breakdown of residential unit type” lists the types of residential units based on the following classification. Store, office and other uses apart from residential units are shown under “Other.”

Layout	Exclusive-use floor area							
	~30m ²	~40m ²	~50m ²	~60m ²	~70m ²	~80m ²	~90m ²	Over 90m ²
Studio	S	S	C	C	L	L	L	L
1 bedroom	S	C	C	C	L	L	L	L
2 bedroom		C	C	F	F	F	F	L
3 bedroom			F	F	F	F	F	L
4 bedroom					F	F	F	L

- S: Single type Primarily residential units designed for single-person households
 C: Compact type Primarily residential units designed for single-person households and small-family households (2 to 3 people)
 F: Family type Primarily residential units designed for family households
 L: Large type Primarily residential units designed for foreigners

- Studio 1R, 1K or studio
 1 bedroom 1DK or 1LDK
 2 bedroom 2DK, 2LDK, 1LDK+S, etc.
 3 bedroom 3DK, 3LDK, 2LDK+S, etc.
 4 bedroom 4DK, 4LDK, 3LDK+S, etc., or those with 5 or more rooms that are in ongoing use for living, working, gathering, leisure or other similar purposes
 Dormitory type Residential units without bathrooms or facilities for installing washing machines within the units, but are covered for by making them available for use as shared facilities within the property (communal bathing, laundry, etc., spaces)

- Life & Senior House Kohoku II, Cocofump Hiyoshi and College Court Tanashi are categorised as Dormitory type due to their characteristics.
- “Units” provide the leasable units of the property categorised by the number of units of each type of residential unit that is leasable as of the date of this document based on information received from the current titleholder.
- “Current titleholder” names the holder as of the date of this document of the asset to be acquired whether in beneficiary interest in trust or the actual real estate. “Previous titleholder” names the party that transferred rights of the asset to be acquired to the current titleholder.
- “Trustee” indicates the trustee or the trustee to be indicated in the trust agreement for the asset to be acquired as of the date of this document.
- “Master lessee” names the lessee that, as of the date of this document, is scheduled to enter into a master lease agreement with the titleholder of the real estate or the real estate in trust.
- “Master lease type” indicates “Pass-through” when the master lease agreement states that the master lessee is to pay the same amount of rent as the rent due to be paid to the master lessee by end-tenants and “Guaranteed payment” when the master lease agreement states that the master lessee is to pay a guaranteed amount of rent, as of the date of this document. However, “Master lease type” indicates “Guaranteed payment” even if a master lease agreement is a pass-through lease in the case that a sublessee to which the master lessee subleases all units is to pay a guaranteed amount of rent to the master lessee.
- “Property manager” names the property manager that, as of the date of this document, is scheduled to be delegated to conduct property management services for the respective real estate or the real estate in trust. Where property management services are re-delegated, the property manager re-delegated to conduct property management services is shown.

ii) Explanation of “Summary of Real Estate Appraisal Report”

- The entries in each field of “Summary of Real Estate Appraisal Report” are pursuant to the entries in the appraisal report prepared by Morii Appraisal & Investment Consulting Inc., Daiwa Real Estate Appraisal Co., Ltd. or Japan Real Estate Institute for the respective real estates or the real estate in trust.
- The monetary amounts are rounded down to the nearest million yen.
- ADR is not an interested party to Morii Appraisal & Investment Consulting Inc., Daiwa Real Estate Appraisal Co., Ltd. nor Japan Real Estate Institute.

iii) Explanation of “Lease Conditions”

- In principle, the entries are based on October 31, 2014.
- If there is or scheduled to be a lease contract with a master lessee, the number of *Total tenants* will be indicated as “1.”
- “Leasable units” provide the number of leasable units of the real estate in trust or real estate as of the date of this document based on information received from the current titleholder. If the contract is a guaranteed payment contract, the “Leasable units” indicate the number of units which can be leased.
- “Leasable floor area” provides the leasable floor area of the real estate in trust or real estates (excluding leasable parking area) that ADR will acquire as of the date of this document based on information received from the current titleholder or which is indicated on the contracts or indicated on the plans.
- “Leased floor area” indicate the leased floor space. If the contract type is a path-through contract, the leased floor area indicates the actual total leased area to the end-tenants. If the contract type is a guaranteed payment contract, the leased floor area indicates the total leasable floor area. The entries are based on information received from the current titleholder or which is indicated on the contracts or indicated on the plans.
- “Monthly rent” provides the total sum of monthly rents as indicated in the lease contracts concluded by the end-tenants if the master lease is pass through type. In case the master lease “guaranteed payment type,” “Monthly rent” provides the total sum of monthly rents as indicated in the lease or sublease contract with guaranteed payment. Either includes fixed common fees, but excludes usage fees of affixed facilities such as monthly parking lots and trunk rooms. Monetary amounts less than thousand yen are rounded down, and consumption tax is excluded as well.
- “Deposits, guarantees, etc.” provides the total balance based on the lease contract with monetary amounts less than thousand yen rounded down. However, in case in the lease contracts there are special provision that allow nonreturnable deposits, such as cancellation deduction and amortization of security deposit, then the monetary amount is provided after the deduction.
- Occupancy rate is calculated as follows. “Leased area” ÷ “Leasable area” × 100

iv) Explanation of “Summary of Building Conditions Investigation Report”

- The entries are based on the report from Tokio Marine & Nichido Risk Consulting Co., Ltd.

v) Explanation of “Special Notation”

“Special Notation” presents matters recognized to be of importance in association with the rights, use of the assets to be acquired, as well as matters recognized to be of importance in the consideration of the degree of impact on the appraised value, profitability and appropriation of the assets to be acquired, including the following items

- Significant burdens or limitations with regard to rights.
- Significant cases where there are architectural structures crossing the boundaries of the concerned real estate in trust and cases where there are issues with boundary confirmation and related arrangements.
- Significant agreements, arrangements made with co-owners and sectional owners

4. Seller Profiles

Trade name	G. K. RISING3
Head office location	3-1-1 Marunouchi, Chiyoda-ku, Tokyo, c/o Tokyo Kyodo Accounting Office
Representative	Managing partner General incorporated association RISING Administrator Hisayoshi Kitagawa
Principal business	1. Acquisition, ownership, disposal, leasing and management of real estate 2. Acquisition, ownership and disposal of beneficiary rights for real estate in trust 3. All business incidental to the above
Capital	100,000 yen
Date of the establishment	January 25, 2013
Total Assets	¥10,930 million (As of December 31,2013)
Net Assets	¥50 million (As of December 31,2013)
Relationship with ADR or its asset management company	There are no equity relations, personal relations or business relations required to be stated between G. K. RISING3 and ADR or the Asset Management Company

* ADR is a partner holding approximately 10.0% silent partnership interest in G.K.RISING3 through the investment of 328 million yen. The asset acquisitions were made possible by excising the right of first refusal which was obtained through the investment in the partnership. Please refer to the press release “Notice Concerning Acquisition of Investment Assets (Silent Partnership Equity Interests)” dated March 26, 2013 and “Notice Concerning Additional Acquisition of Investment Asset (Silent Partnership Equity Interest)” dated October 28, 2013.

* When the amount of dividend paid to the partners exceed the earnings distributable to the partners, the net asset is decreased by the amount exceeded. The figures in the above tables do not reflect decrease in net asset, therefore, the figures are not actual current amounts.

5. Property Titleholders (*for transactions with interested parties)

Because the transactions are not with interested parties, there are no applicable matters to be disclosed.

6. Disclosures on Asset Management Company's Vested Interest in the To-be-Acquired Asset

Of the to-be-acquired assets listed above, ADR is scheduled to sign a master lease agreement and delegate property management services for the two assets, R-63) RESIDIA Kita-Nijyo-East II, R-69) RESIDIA Kego to ITOCHU Urban Community Ltd., which constitutes a Related Party of the Asset Management Company. Accordingly, the procedures required in accordance with the bylaws are scheduled to be completed in concluding the building lease and management agreement with ITOCHU Urban Community Ltd.

7. Matters Concerning Earthquake Resistance

Of the to-be-acquired assets the validity of structural calculation documents on each of the assets has been examined by a third-party agency. ADR has obtained the following investigation results stating that no intentional manipulation, falsification or other corruption in the structural calculation documents were found and that the structural calculation is deemed to have been performed in accordance with the law.

C-74) RESIDIA Nerima, S-30) RESIDIA Sagamihara, S-31) RESIDIA Yokohama-Bashamichi

Trade name	Sompo Japan Nipponkoa Risk Management Inc.
Head office location	1-24-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Hidehiro Sumi, President
Capital	30 million yen
Large shareholders	Sompo Japan Nipponkoa Insurance Inc.
Principal business	1. Provide research, inspection, valuation, information and consultation on security, disaster prevention and environmental protection. 2. Risk management research, risk inspections, risk valuations and risk consultings
Relationship with ADR or its asset management company	None

(Note) Sompo Japan Nipponkoa Risk Management Inc. is changed their trade name from NKSJ Risk Management, Inc. on April 1, 2013

R-63) RESIDIA Kita-Nijyo-East II, R-65) RESIDIA Soen, R-69) RESIDIA Kego

Trade name	K.K. Hai Kokusai Consultant
Head office location	2-19-17 Takanawa, Minato-ku, Tokyo
Representative	Nobuki Kato, Representative Director
Capital	10 million yen
Large shareholders	Nobuki Kato and others
Principal business	Civil engineering, construction contractor, construction consulting, etc.
Relationship with ADR or its asset management company	None

R-60) RESIDIA Okayama-Ekimae, R-61) RESIDIA Kyoto-Okazaki, R-62) RESIDIA Sendai-Ichibancho, R-64) RESIDIA Takamiya, R-66) RESIDIA Tenjin, R-67) RESIDIA Yakuin-Oodori, R-68) RESIDIA Hakata II

Trade name	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Head office location	1-2-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Nariki Yasuda, President and Representative Director
Capital	100 million yen
Large shareholders	Tokio Marine Holdings, Inc.
Principal business	Investigation, research and consulting on safety, disaster prevention, hygiene, product liability and real estate
Relationship with ADR or its asset management company	None

8. Broker Profile

N/A

9. Future Outlook

The management performance forecasts are as described in the press release “Notice Concerning The Revision of Management Performance Forecast and Dividend for the Ninth Fiscal Period (ending January 2015)” dated today.

<Attachments>

[Supplementary Materials]

1. Supplementary Materials regarding the replacement.
2. Replacement of Properties Since the Merger (as of today)
 (“Since the Merger” means since March 1, 2010, hereafter)

[Reference Materials]

Photo of the to-be-acquired assets

- * The original Japanese version of this material is released today to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- * URL: <http://www.adr-reit.com>

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

[Supplementary Materials]

(1) Supplementary Materials regarding the replacement

■ To-be-Acquired Asset

No.	Property number	Property	Acquisition price	Building ages (Note1)	NOI Yield (Note2)	Yield after depreciation (Note3)
(1)	C-74	RESIDIA Nerima	¥502 million	9.7 Years	5.8%	4.2%
(2)	S-30	RESIDIA Sagamihara	¥1,050 million	10.5 Years	6.6%	4.7%
(3)	S-31	RESIDIA Yokohama-Bashamichi	¥735 million	9.2 Years	6.3%	5.0%
(4)	R-60	RESIDIA Okayama-Ekimaie	¥772 million	10.7 Years	7.7%	5.8%
(5)	R-61	RESIDIA Kyoto-Okazaki	¥227 million	9.7 Years	7.0%	5.8%
(6)	R-62	RESIDIA Sendai-Ichibancho	¥1,083 million	8.8 Years	6.7%	5.2%
(7)	R-63	RESIDIA Kita-Nijyo-East II	¥538 million	7.8 Years	7.2%	5.3%
(8)	R-64	RESIDIA Takamiya	¥488 million	7.8 Years	6.1%	5.0%
(9)	R-65	RESIDIA Soen	¥384 million	7.8 Years	7.3%	5.2%
(10)	R-66	RESIDIA Tenjin	¥1,122 million	7.6 Years	6.0%	4.9%
(11)	R-67	RESIDIA Yakuin-Oodori	¥1,123 million	7.5 Years	6.1%	5.1%
(12)	R-68	RESIDIA Hakata II	¥1,358 million	7.2 Years	5.9%	4.7%
(13)	R-69	RESIDIA Kego	¥834 million	6.9 Years	6.5%	5.0%
Weighted average of the 13 properties			¥10,223million	8.4 Years	6.4%	5.0%

(Note1) Building ages are calculated as of the scheduled acquisition date and rounded at the second decimal point. The weighted average age is weighted using the planned acquisition price of the assets.

(Note2) The “NOI Yield” are calculated using the figures in the acquisition appraisal of to-be-acquired assets. The calculation are as follows; “Annualized NOI ÷ Acquisition price × 100”. The weighted average yields is calculated as follows; “Total annualized NOI ÷ Total acquisition price × 100”. The calculated yields are rounded at the second decimal point.

(Note3) The “Yield after depreciation” are calculated using the figures in the acquisition appraisal of to-be-acquired assets. The calculation is as follows; “(Annualized NOI listed on the appraisal at the time of acquisition - depreciation) ÷ acquisition price × 100”. The calculated yields are rounded at the second decimal point.

■ To-be-Disposed Asset announced today

Property number	Property	Acquisition price	Building ages (Note4)	Actual NOI Yield (Note5)	Actual yield after depreciation (Note6)
S-1	Tokyo Student-House Hiyoshidai	¥3,420 million	45.9Years	9.6%	7.0%

(Note4) Building ages are calculated as of the scheduled disposition date and rounded at the second decimal point.

(Note5) Actual NOI Yield = Annualized actual NOI ÷ Acquisition price × 100

(Note6) Actual yield after depreciation = (Annualized actual NOI – Annualized actual Depreciation) ÷ Acquisition price × 100

(2) Replacement of Properties Since the Merger (as of today)

	Acquired assets (including the to-be-acquired assets)	Disposed assets (including the to-be-acquired assets)
Number of properties	85	37
Total acquisition price	¥ 126,814 million	¥ 42,808 million
Total deal value (a)	¥ 126,814 million	¥ 37,796 million
Appraisal (b)	¥ 136,450 million	¥ 40,590 million (note1)
Ratio (a) ÷ (b) × 100%	92.9%	93.1%
Weighted average NOI yield	6.1%(note2)	5.3%(note3)
Weighted average building age (Note 4)	4.7yrs.	12.7yrs.

(Note 1) “Appraisal” is the sum of the last appraisal value of each properties at the time of sale.

(Note 2) Weighted average NOI yield of acquisitions = Total annual NOI as entered on the appraisal of acquisitions ÷ Total of the acquisition prices × 100

(Note 3) Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100

(Note 4) Weighted average building age is acquisition price weighted average as of the time of acquisition and disposition.

■ Increase / Decrease in No. of Units as the Result of Replacement of Trades

	Singles	Compacts	Families	Large	Dormitories	Others	Total
Tokyo Central 7 Wards	485	(20)	(25)	(54)	0	10	396
Tokyo 23 Wards Exclusive of Central 7 Wards	1,360	513	398	12	0	9	2,292
Tokyo Metropolitan Area	352	8	(72)	0	(748)	(1)	(461)
Major Regional Cities	1,704	964	263	55	0	0	2,986
Total	3,901	1,465	564	13	(748)	18	5,213

■ Status of the Portfolio After the Replacement

Asset size (based on acquisition price)	429.9 billion yen
No. of properties	236 properties
No. of leasable units	19,449 units
Total leasable floor area	752,475 m ²

Area Diversification	Acquisition Price	Share of Investment
Total	429.9 billion yen	100.0 %
P (Tokyo Central 7 Wards)	185.4 billion yen	43.1 %
C (Tokyo 23 Wards Exclusive of Central 7 Wards)	123.6 billion yen	28.8 %
S (Tokyo Metropolitan Area)	40.6 billion yen	9.5 %
R (Major Regional Cities)	80.2 billion yen	18.7 %

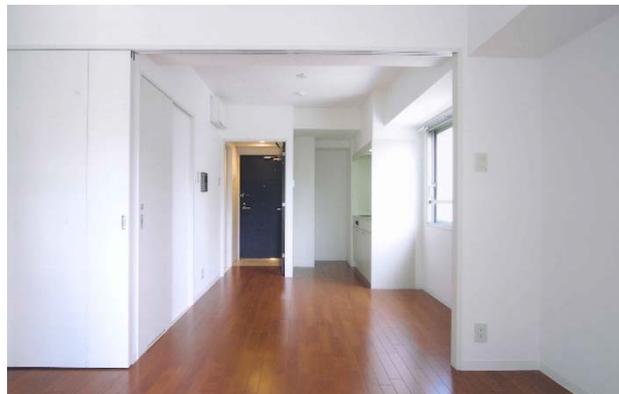
[Reference Material]

Photo of the to-be-acquired assets

(1) C-74) RESIDIA Nerima



(2) S-30) RESIDIA Sagamihara



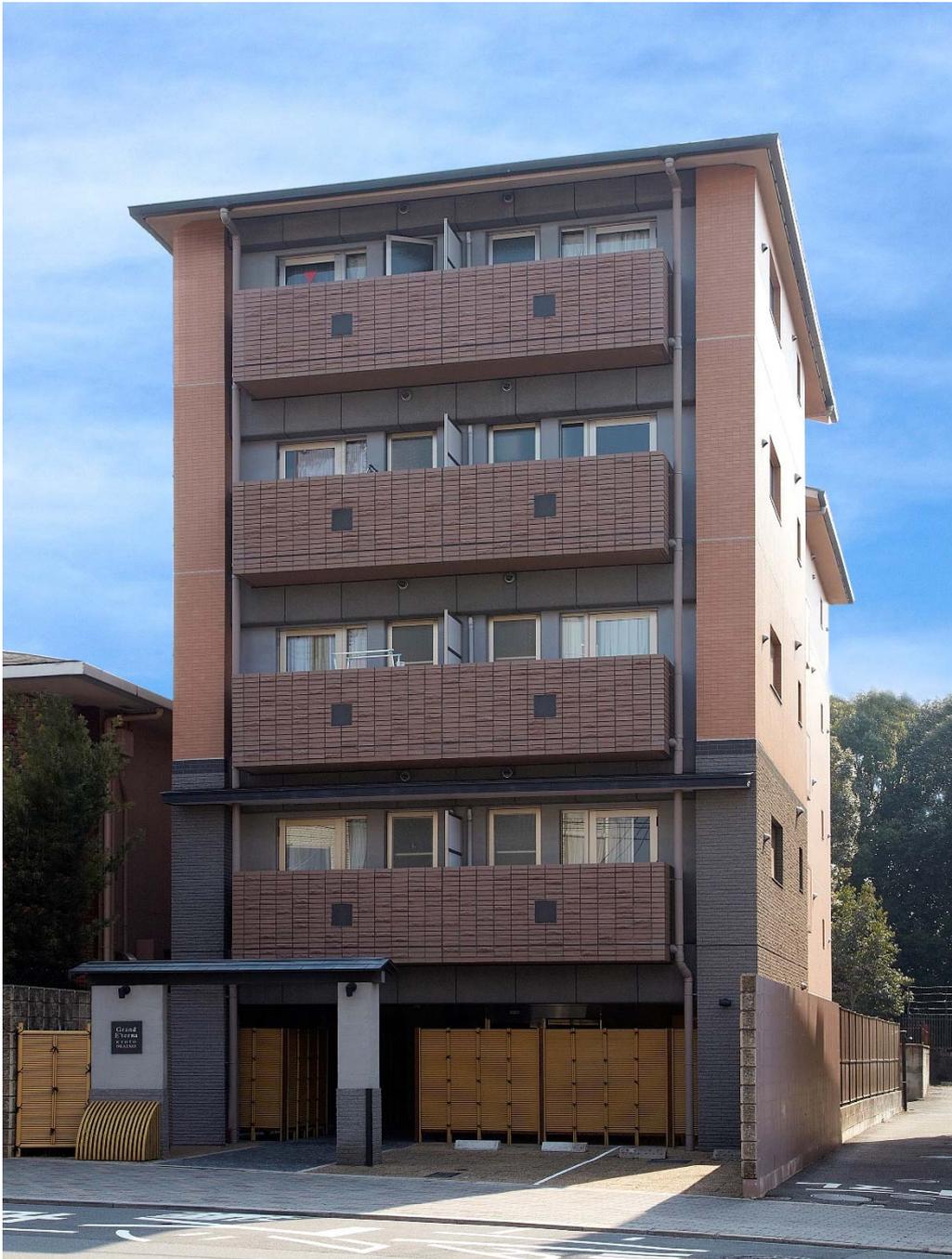
(3) S-31) RESIDIA Yokohama-Bashimichi



(4) R-60) RESIDIA Okayama-Ekimae



(5) R-61) RESIDIA Kyoto-Okazaki



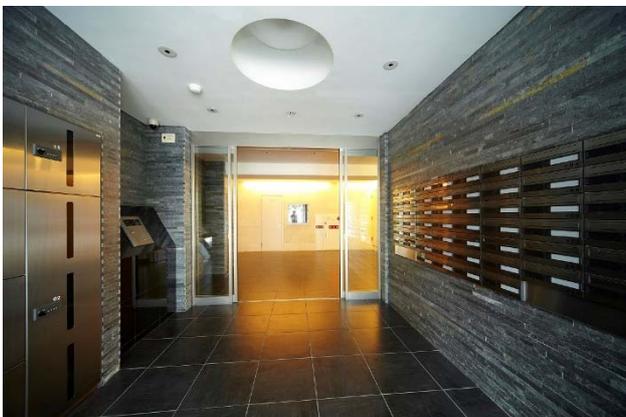
(6) R-62) RESIDIA Sendai-Ichibancho



(7) R-63) RESIDIA Kita-Nijyo-East II



(8) R-64) RESIDIA Takamiya



(9) R-65) RESIDIA Souen



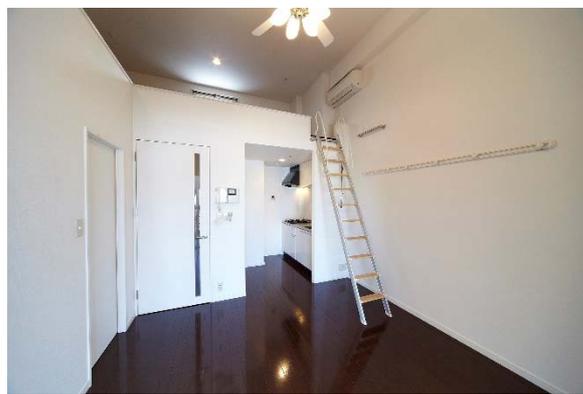
(10)R-66) RESIDIA Tenjin



(11)R-67) RESIDIA Yakuin-Oodori



(12)R-68) RESIDIA Hakata II



(13)R-69) RESIDIA Kego

