

January 29, 2015

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
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Notice Concerning Acquisition of Asset

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

I. Basic Policy

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

II. Reasons for the Acquisition

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

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

<Summary of the Properties>

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

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

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

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

III. Details of the Properties to be Acquired

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

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

(2) O-6-141 Gran Casa UmedaKita

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

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

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

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

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

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

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

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

V. Profile of the Counterparty

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

VI. Profile of the Property Owner

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

VII. Profile of Brokerage

No brokerage for the acquisition of properties.

VIII. Planned Funds for acquisition of the new property

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

IX. Settlement Method

Full settlement at the time of the purchase.

X. Date of Acquisition

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

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

XI. Forecasts

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

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

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

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



English Translation

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



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

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



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

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

(Reference Material I) Photograph of Properties to be Acquired

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



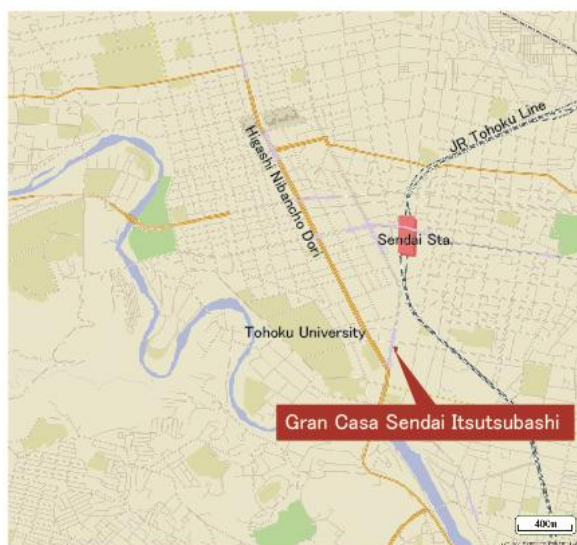
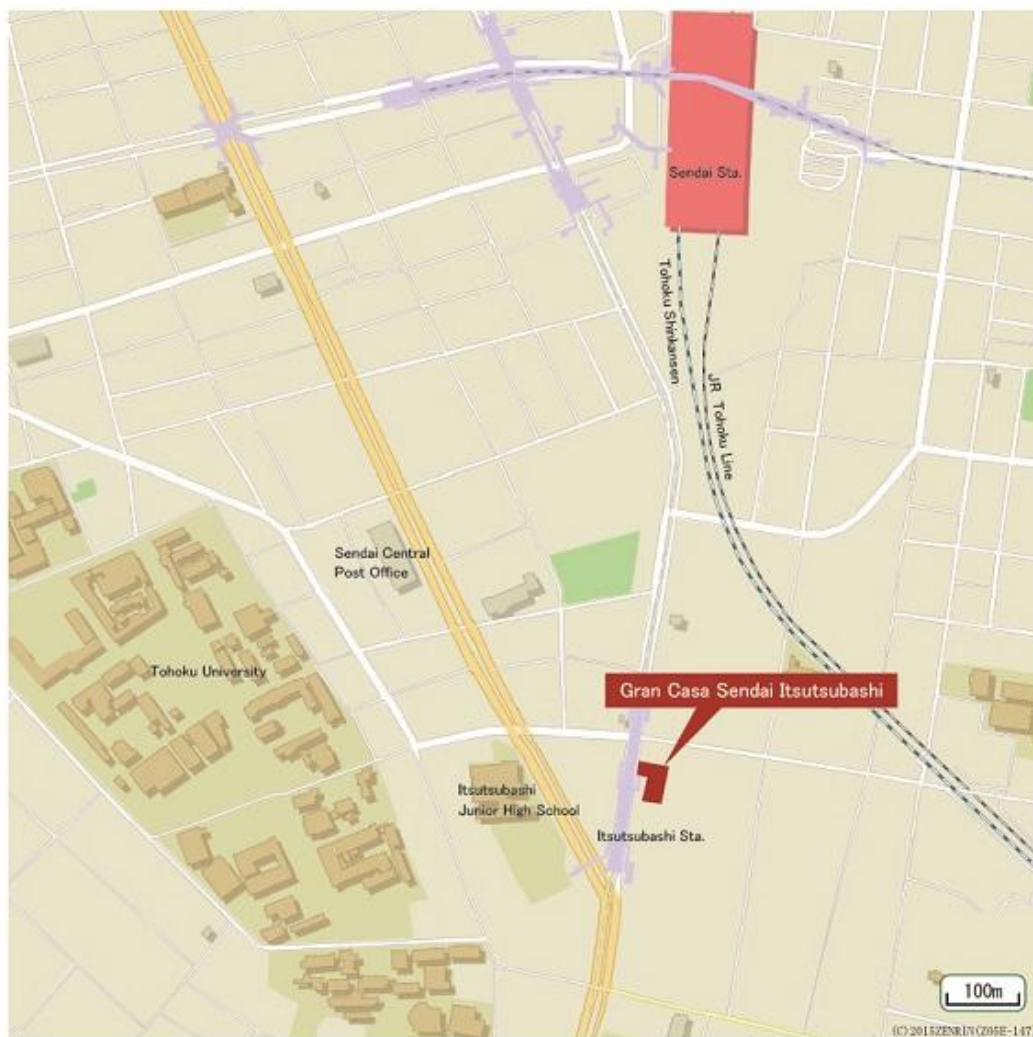
(2) Gran Casa UmedaKita





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

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



(2) O-6-141 Gran Casa UmedaKita



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

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

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

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

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

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

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

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

(Additional Material I) Overview of Portfolio after the Acquisition

<Number of Properties etc.>

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

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

<Asset Size etc.>

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

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

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

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

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

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

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

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

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

(Additional Material II) List of Portfolio after the Acquisition

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

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

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

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

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

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



English Translation

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

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

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

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

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

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