



日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.

8986 | <http://www.jrhi.co.jp/en>

Financial Results for the 25th Fiscal Period (Ended September 30, 2018)

November 16, 2018



大和リアル・エステート・アセット・マネジメント

Daiwa Real Estate Asset Management

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I. Executive Summary for the 25th (September 2018) Fiscal Period

1. Operation: Average 98.2% occupancy rate and increase of rents in approx. 50% of the new contracts of 1,491

- Average Unit Occupancy rate: 98.2% (+0.4 points higher than the initial forecast) including 98.6% for the month of Sep.
- Number of the Long-term Vacancy Units (over 60days): 35 units as of Sep.30 (only 0.3% of total units of 13,223)
- Rent: Rent increase in terms of the new contracts of 1,491 : 50.1% (1.4 points down from the previous fiscal period) vs rent decrease 36.5% (1.9 points up from the previous period) ※as for the renewals (2,288), rent increase 3.5% (0.2 points down from the previous period) vs rent decrease 0.1% (0.1 points up from the previous period)
- Parking occupancy rate: 93.2% as of Sep.30
- Maintain and enhance property value: Spent JPY 1,073 million in capital expenditures including the large-scale repairs of 11 properties (JPY 784 million) and unit renovation of the 38 units (JPY 75 million)
- Reduction of the Operating expenses: Reduced trust banks fees by JPY 7 million due to changes in type of the ownership form Trust Beneficiary Interest ("TBI") to real estate (non TBI) for the 4 properties
→ As a result, total trust bank fees related the above decreased by JPY 117 million (from JPY 126 million for 10th FP to JPY only 9 million for 25th FP) in 7 years

(April~September Average Occupancy rate Comparison)

25th (2018)	: 98.2% -
23rd (2017)	: 98.2% ↑(+0.1P)
21st (2016)	: 98.1% ↓(-0.3P)
19th (2015)	: 98.4% -

From April 1, 2018, a function of "information of Increase/Stay/Decrease new rents (by region/by type)" is added to the "Daily Occupancy Forecasting System" → It enables an understanding of accumulated rents since the beginning of the term by every 2 hours.

2. Refinancing of Bank Debt of JPY14.46 billion

- Refinanced the above due on June 22, 2018 (based on the contract executed on March 19, 2018)
- Of the above, JPY 13.46 billion of floating rate borrowings were fixed through interest rate swap agreements together with the refinancing
- Changes in financing costs before and after the refinancing : from a borrowing tenor of 5 years with a floating rate of 1.45% to a borrowing tenor of 7.3 years with fixed average rates of 0.88%
- Interest-bearing debt average of 1.21% for the 24th FP reduced to 1.09% for the 25th FP

3. Sustainability Initiatives: Participation in the GRESB Assessment for the first time in 2018

- (Preparations began in July 2017 in response to the requests from European investors, please refer to page 32)
- "Green Star" (excellent initiatives in "management and policy" and "execution and measurement")
 - "2 Star" (5-tier assessment of the GRESB rating, relative order of comprehensive score)

4. IR: Enhanced activities for overseas, institutional and individual investors

- Called on 47 institutional investors (35 in Tokyo and 12 regional financial institutions outside of Tokyo)
- Had a regular trip to Amsterdam, London, Philadelphia, Boston and New York and one-on-one meetings with 16 investors in Europe and the US
- Participated in 3 presentation meetings for individual investors arranged by securities companies, etc. (with total attendance of 344 unitholders)
- Held regular (biannual) briefing sessions for JRH retail unitholders in Tokyo, Nagoya, Osaka and Fukuoka (with total attendance of 339 unitholders)

(Ratio of investment units held as of September 2018 (change from previous period))

Ratio of financial institutions increased from the previous period

Financial institutions (including financial instruments business operators)	54.5%(-0.8P)
Foreign companies	31.9%(+1.9P)
Individuals and others	9.3%(-0.9P)
Other companies	4.4%(-0.1P)
Total	100.0%

*Please refer to page 6 for details.

*Included to FTSE EPRA/NAREIT from Mar 2016

5. Progress in Medium-Term Plans: Achieved range of 1,900 yen DPU in stabilized basis

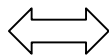
(Please refer to page 4)

6. Merger of the Asset Manager

(Please refer to page 33)
Mi-Casa Asset Management Inc. (absorbed corporation) merged with Daiwa Real Estate Asset Management Co., Ltd. (surviving corporation) as of October 1, 2018

Progress of Medium-Term Target of Distribution per Unit

[Asset manager's understanding]
The measures below except the acquisition of new properties are being achieved in line with the plan.



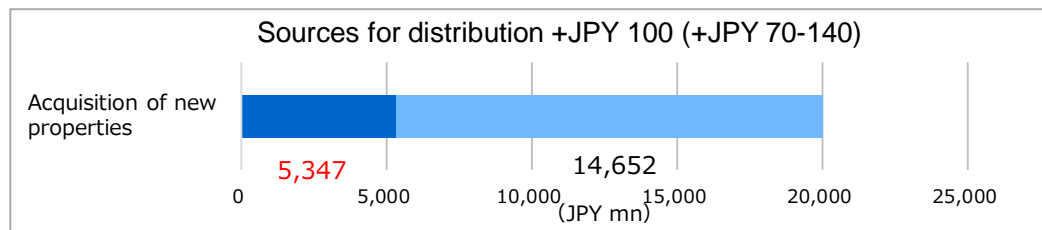
Medium-term target of distribution (Released in November 2016, detail in page)
to Aim to achieve JPY 1,900 – 2,000 of distribution per unit on a normal basis over the three-year period from 22nd FP (ended March 2017) to 27th FP (ending September 2019)
(Sources for the increase of JPY 300:
JPY 100 from external growth + JPY 200 from internal growth, etc.)

1. Acquisition of new properties

(Also conducting disposition considering market trends)

Target (JPY million)	Amount achieved in 25th FP (JPY million)	Accumulated amount achieved (JPY million)	Progress rate (%)	Contribution to distribution (Note 2)
(10,000~) 20,000	0	5,347 (Note 1)	26.7	¥37 (¥60)

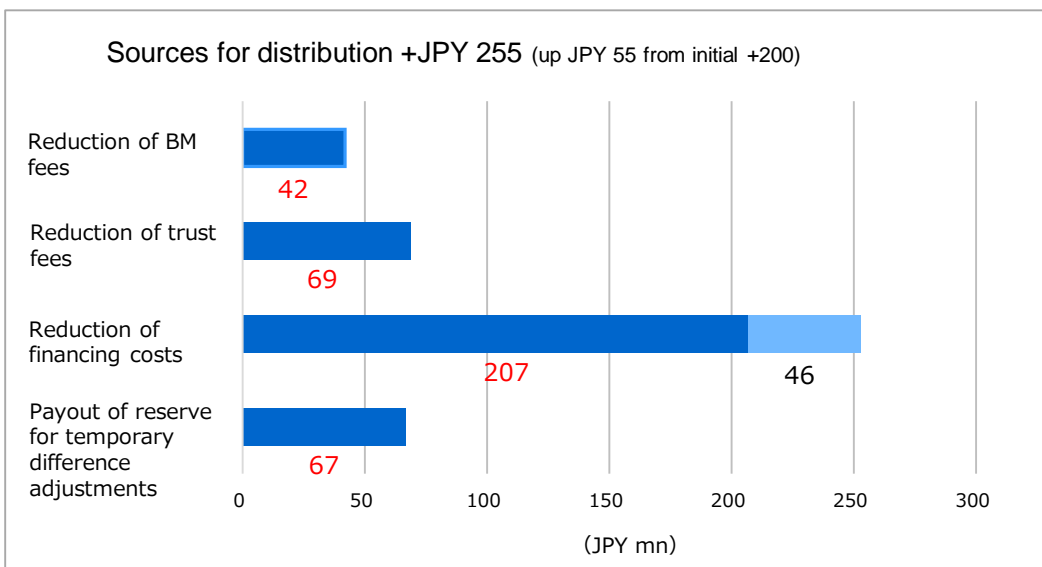
(Note 1) Breakdown of the total amount of JPY 5,347 million based on acquisition prices
[New acquisition] 22nd FP: 1 property in Sapporo (JPY 4,530 million),
23rd FP: 3 properties in Osaka (JPY 4,019 million)
[Disposition] 22nd FP: 1 property in Sapporo and 4 properties in Kansai (JPY 1,484 million),
23rd FP: 1 property in Osaka (JPY 1,391 million)
24th FP: 1 property in Asahikawa (JPY 326 million)



(Note 2) Distribution increase target JPY 140 / Asset size increase target JPY 20,000 million
x Accumulated amount achieved JPY 5,347 million. In case of considering payout
from reversal of distribution reserves ¥23 generated by the disposition of Abreast
ShinOsaka and Satella Nagayama, the distribution amount will be ¥60

2. Reduction of costs and payout of distribution reserves

Target (JPY million)	Amount achieved in 25th FP (JPY million)	Accumulated amount achieved (JPY million)	Progress rate (%)	Contribution to distribution (Note 3)
Reduction of BM fees 35.0	0.7	42.5	121.6	25
Reduction of trust fees 65.0	7.7	69.3	106.8	42
Reduction of financing costs 253.9 (Note 4)	39.3 (Note 5)	207.8	81.8	126
Payout of reserve for temporary difference adjustment 67.3 (Note 6)	67.3	67.3	100.0	41
Total	115.2	387.1	91.9	236



(Note 3) Amount achieved in each category / Number of investment units issued and outstanding (1,640,060).

(Note 4) Balance of interest bearing debt at the end of 21st FP (JPY 117,132 million) x (All-in financing costs for 21st FP (1.47%) – target all-in costs for 27th FP (1.04%)) / 2.

(Note 5) Excepting the influence of the interest rate swaps, which became due in 24th FP, under the basket method. (The swaps not attached to individual borrowings were executed in 2013 at the time of collateralized borrowings.)

(Note 6) Balance after distributing period-end distribution for 22nd FP (JPY 6,733 million) / 50 years / 2.

24th Fiscal Period

25th Fiscal Period [Changes from Previous Period]

1. Portfolio

■ Asset Size:	JPY 225.5 bn
■ NOI Yield:	5.76% (198 properties based)
■ Appraisal Value:	JPY 255.5 bn (198 properties based)
■ Unrealized Gain:	JPY 38.3 bn (198 properties based)
■ NAV per unit:	JPY 87,542

■ Asset Size:	JPY 225.5 bn [+JPY 0 bn]
■ NOI Yield:	5.71% [-0.05P] (198 properties based)
■ Appraisal Value:	JPY 259.4 bn [+JPY 3.9 bn] (198 properties based)
■ Unrealized Gain:	JPY 42.8 bn [+JPY 4.5 bn] (198 properties based)
■ NAV per unit:	JPY 90,265 [+JPY 3,083]

2. Operations

■ Number of Properties:	198
■ Net Rentable Area:	532 thousand m ²
■ Average Occupancy Rate:	98.4%
(March 2018:	99.1%)
■ Average Rent at the end of the Period:	JPY 98,189

■ Number of Properties:	198 [+0]
■ Net Rentable Area:	532 thousand m ² [+0 thousand m ²]
■ Average Occupancy Rate:	98.2% [-0.2P]
(September 2018:	98.6% [-0.5P])
■ Average Rent at the end of the Period:	JPY 98,182 [JPY -7]

3. Finance

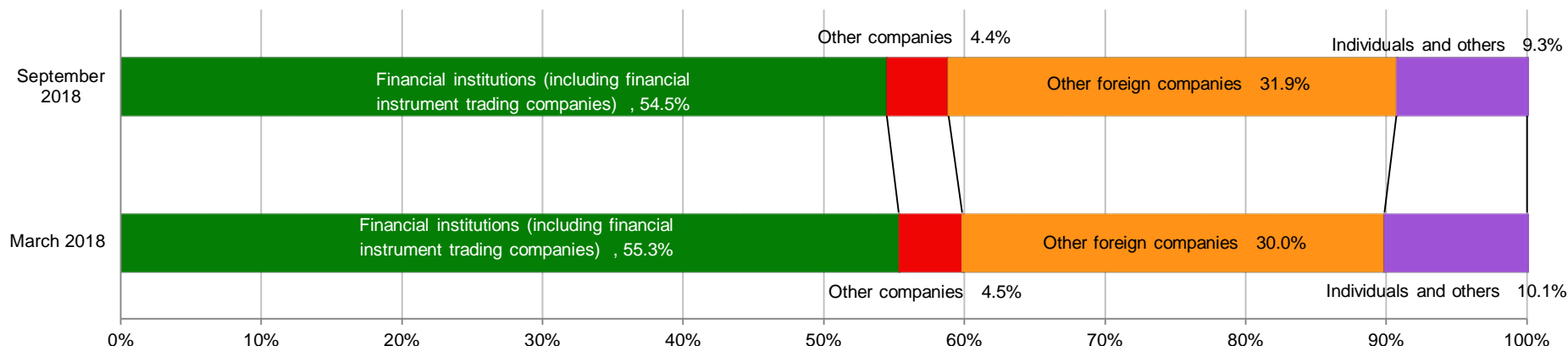
■ Loan Balance:	JPY 115.5 bn (Note2)
■ Ratio of Long-Term Interest Bearing Debt:	75.2% (Note2)
■ Average Loan Period:	6.05 years (Note2)
■ Average Remaining Loan Period:	3.34 years (Note2)
■ Appraisal Value Based LTV:	45.2% (Note2)
■ Total Assets Based LTV:	50.9% (Note2)
■ Total Unitholders' Capital:	JPY 91.7 bn [-]
■ Total Units in Issue:	1,640,060 units
■ Credit Rating:	A+ Stable (JCR) A Stable (R&I)

■ Loan Balance:	JPY 115.5 bn [+JPY 0 bn] (Note2)
■ Ratio of Long-Term Interest Bearing Debt:	81.6% [+6.4P] (Note2)
■ Average Loan Period:	6.34 years [+0.29 years] (Note2)
■ Average Remaining Loan Period:	3.77 years [+0.43 years] (Note2) → To be extended to 4.0 yrs on December 22
■ Appraisal Value Based LTV:	44.5% [-0.7%] (Note2)
■ Total Assets Based LTV:	50.9% [+0.0P] (Note2)
■ Total Unitholders' Capital:	JPY 91.7 bn [-]
■ Total Units in Issue:	1,640,060 units [-]
■ Credit Rating:	A+ Stable (JCR) A Stable (R&I)

(Note1) Interest-bearing debt that is due for repayment within one year is excluded from long-term interest bearing debt.

(Note2) Unit; rounded down, %; rounded

The Ratio of Investment Units Held



<Top Unitholders >

<Number of Unitholders by Investor Type>

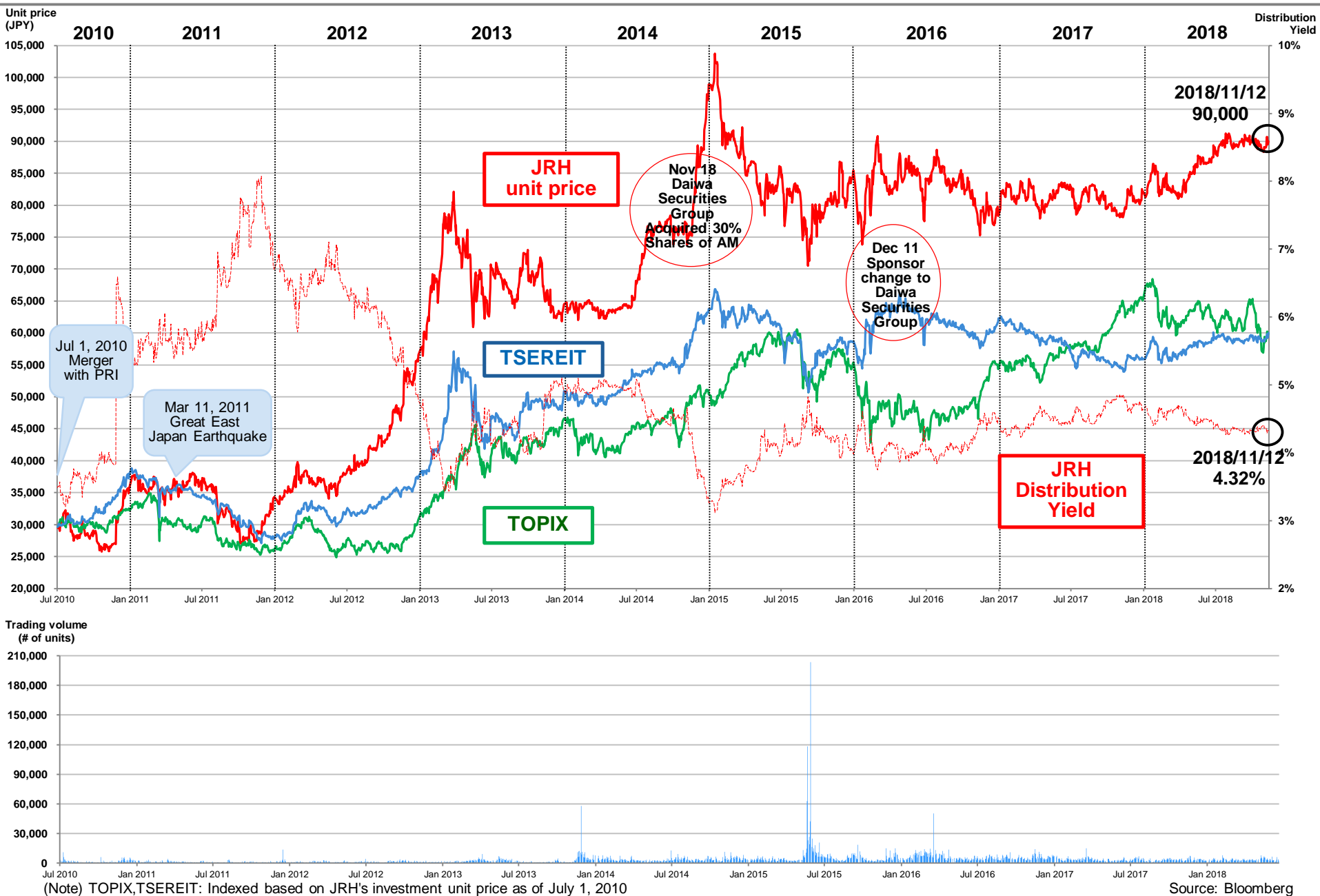
Ranking	Unitholders (Top 10)	September 2018			Number of Units Held as of March 2018 (Note2)
		Number of Units Held	% of Total Units in Issue (Note 1)	Change	
1	The Master Trust Bank of Japan (Trust account)	342,005	20.8%	-1,976	343,981
2	Japan Trustee Services Bank, Ltd. (Trust account)	237,891	14.5%	9,610	228,281
3	Nomura Bank (Luxembourg) S.A.	85,205	5.1%	-1,112	86,317
4	Nomura Trust and Banking Company (Trust account)	68,853	4.1%	-23,063	91,916
5	Trust & Custody Services Bank (Securities investment trust account)	60,709	3.7%	7,367	53,342
6	Daiwa Securities Group Inc.	55,014	3.3%	0	55,014
7	Mizuho Trust & Banking Co., Ltd.	27,161	1.6%	-9,676	36,837
8	STREET BANK WEST CLIENT – TREATY 505234	25,538	1.5%	2,215	23,323
9	DFA INTERNATIONAL REAL ESTATE SECURITIES PORTFOLIO	25,220	1.5%	4,557	20,663
10	STATE STREET BANK AND TRUST COMPANY 505012	24,775	1.5%	8,140	16,635
Subtotal		952,371	58.0%		

	March 2018	September 2018	Change
Financial Institutions (including financial instrument trading companies)	78	83	5
Other Domestic Companies	202	198	-4
Other Foreign Companies	226	230	4
Individuals and Others	17,780	16,607	-1,173
Total	18,286	17,118	-1,163

(Note1) The ratio of investment units held in comparison to the total units in issue is rounded down to the second decimal point.

(Note2) Indicate top 10 unitholders as of the end of September 2018.

JRH Unit Price/Distribution Yield/Trading Volume



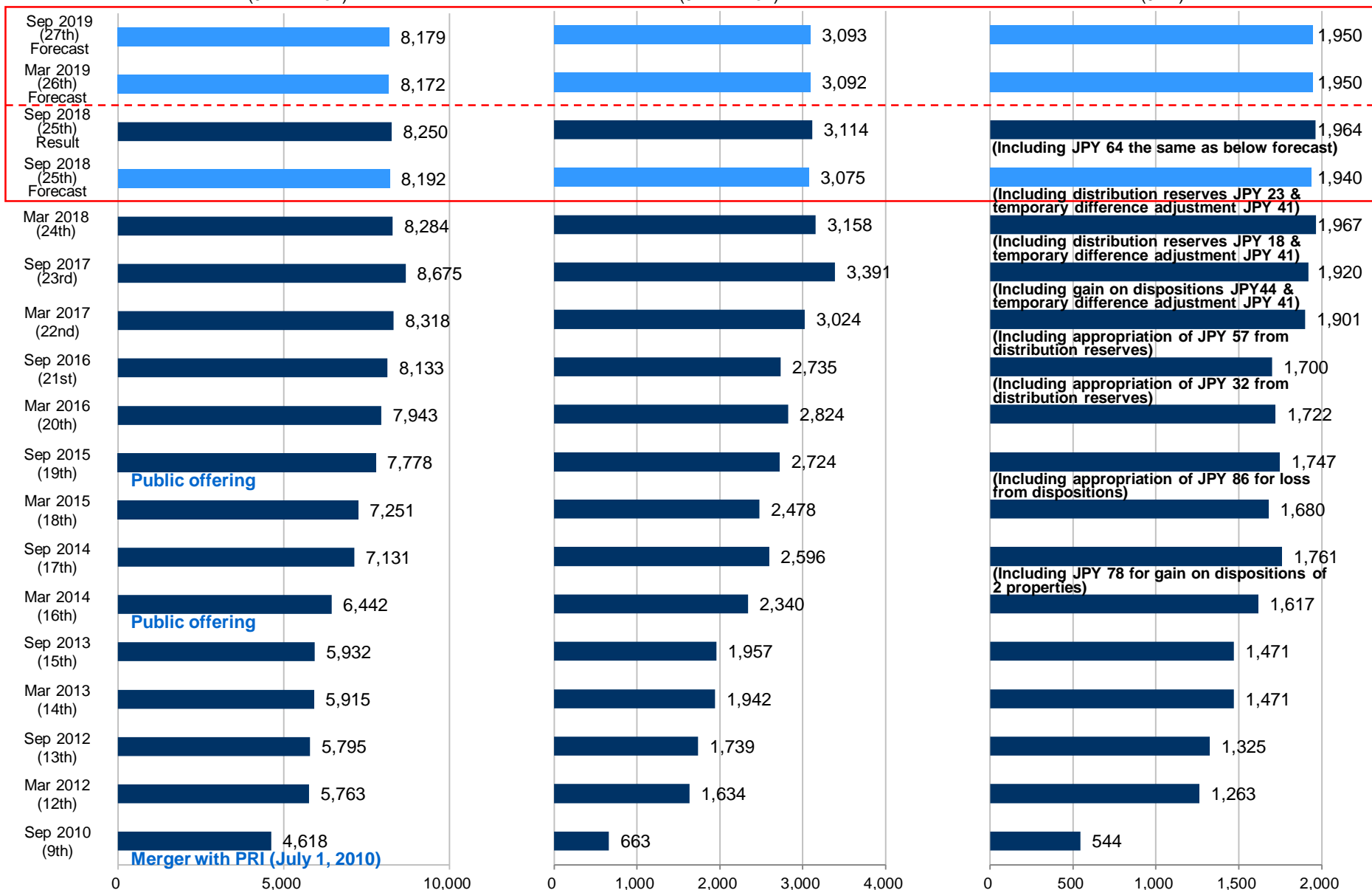
II. Financial Results for the 25th (September 2018) Fiscal Period

Key Figures Trend

Operating Revenues (JPY million)

Net Profit (JPY million)

Distribution per Unit (JPY)



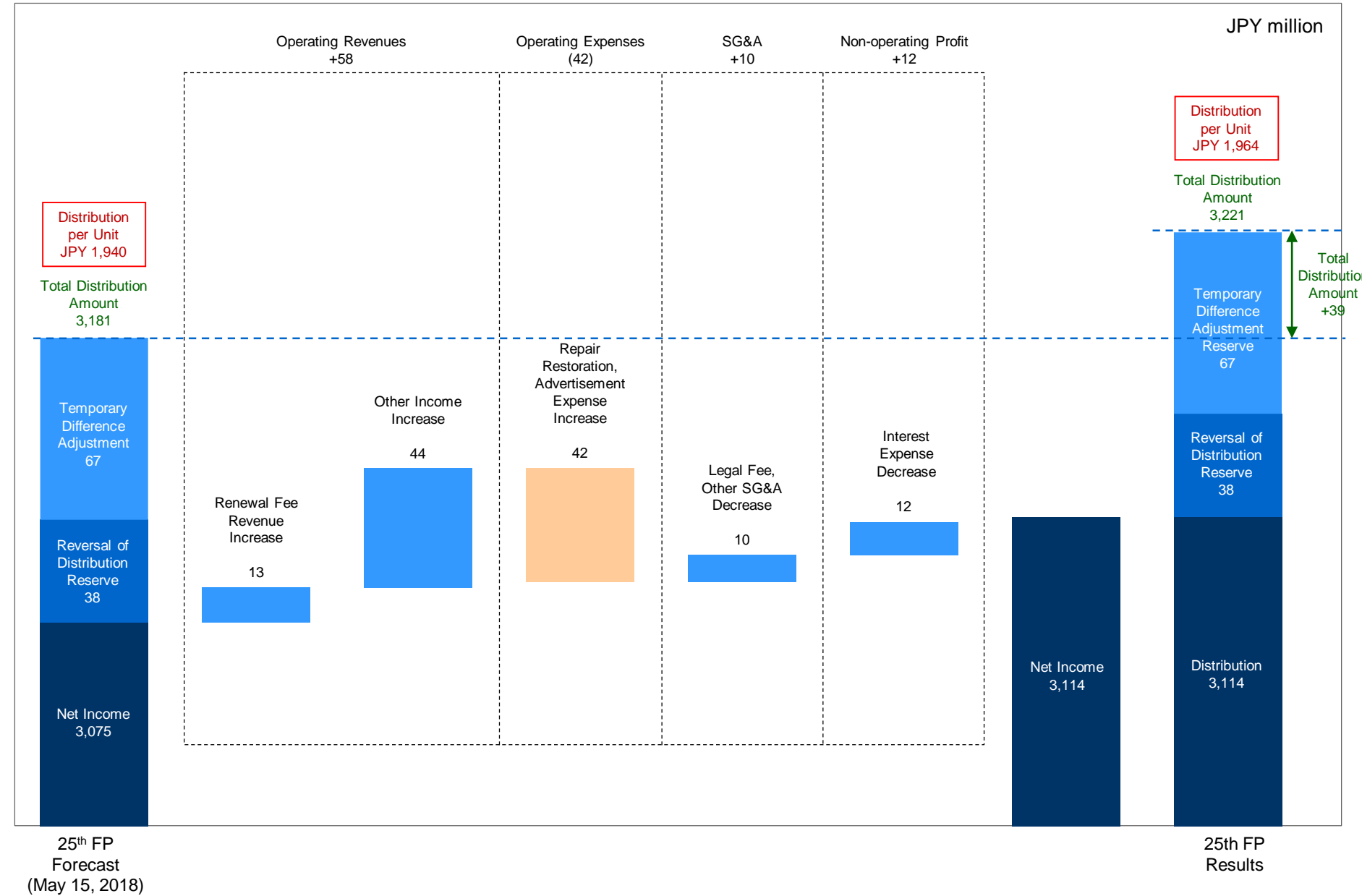
(Note) Figures on the 9th Fiscal Period do not include gains from negative goodwill. Performance figures on the 10th, 12th and 13th Fiscal Periods are real-term figures that exclude losses from property dispositions, etc. during the relevant period.

Forecast (as of May 15, 2018) vs. Results for the 25th Fiscal Period

JPY million

	(1) Forecast (May 15, 2018)	(2) Results	Difference (2) – (1)	Key Factors of the Difference
Operating Revenues	8,192	8,250	+58	Rent and Common Benefit Revenue Increase +14 Other Revenue Increase +44
Operating Income	3,707	3,733	+26	(Operating Expenses Increase 42) Repair Expense Decrease +5 Restoration Expense Increase (35) PM Fee Decrease +5 Utility Expense Increase (3) Advertisement Expense Increase (7) Property Tax Increase (3) (SG&A Decrease 10) Legal Fee Decrease +2 Provision of allowance for doubtful accounts Decrease +2 Other Decrease +4
Ordinary Income	3,076	3,115	+38	(Non-operating profit and loss Increase 12) Non-operating Income Increase +3 Interest Expense Decrease +5
Net Income	3,075	3,114	+38	Net Income per Unit Initial Forecast JPY 1,875 Result JPY 1,899
Reversal of Temporary Difference Adjustment/ Distribution Reserve	67 38	67 38	0 0	—
Total Distribution Amount	3,181	3,221	+39	—
Distribution per Unit (JPY)	1,940	1,964	+24	Number of investment units in issue as of the end of the fiscal period : 1,640,060

<25th Fiscal Period: Initial Forecast vs. Results>

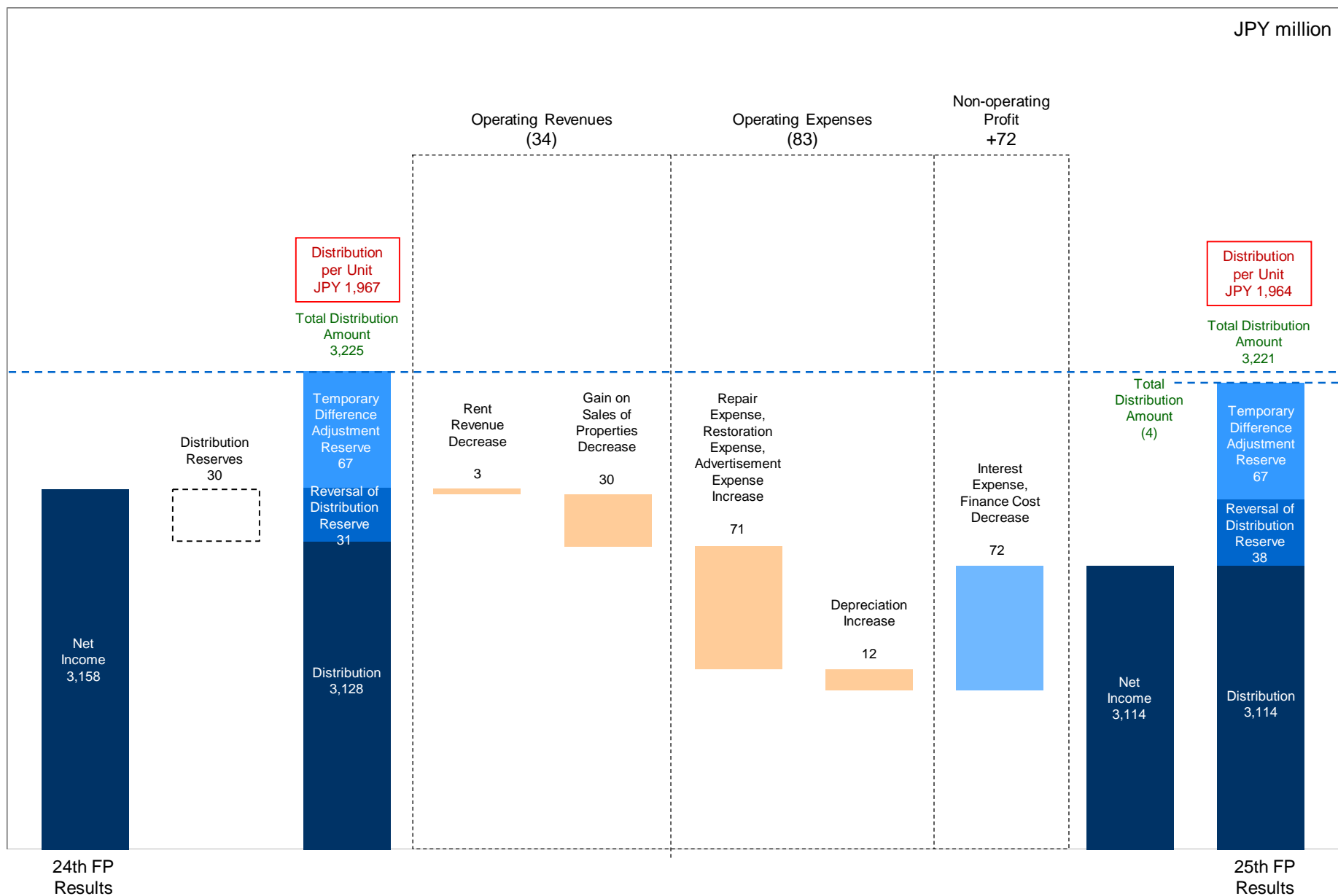


JPY million

	(1) 24th FP Results	(2) 25th FP Results	Difference (2) – (1)	Key Factors of the Difference	
Operating Revenues	8,284	8,250	(34)	Rent and Common Benefit Revenue Decrease Key Money Revenue Increase Renewal Fee Increase Restoration Revenue Increase Gain on Sales of Properties Decrease	(37) +6 +16 +9 (30)
Operating Income	3,850	3,733	(116)	(Operating Expenses Increase 83) Repair Expense Increase Restoration Expense Increase Utility Expense Decrease Advertisement Expense Increase Trust Fee Decrease Other Increase Depreciation Increase	+26 +26 (17) +19 (7) +16 +12
Ordinary Income	3,159	3,115	(43)	(Non-operating profit and loss Increase 72) Interest Expense Decrease Finance Cost Decrease	+37 +27
Net Income	3,158	3,114	(43)	Net Income per Unit	24th FP JPY 1,925 25th FP JPY 1,899
Reversal of Temporary Difference Adjustment/ Distribution Reserve	67 31	67 38	0 +7	—	
Total Distribution Amount	3,225	3,221	(4)	—	
Distribution per Unit (JPY)	1,967	1,964	(3)	Number of investment units in issue as of the end of the 23nd and 24rd fiscal period : 1,640,060	

<Results for the 24th Fiscal Period vs. the 25th Fiscal Period>

JPY million

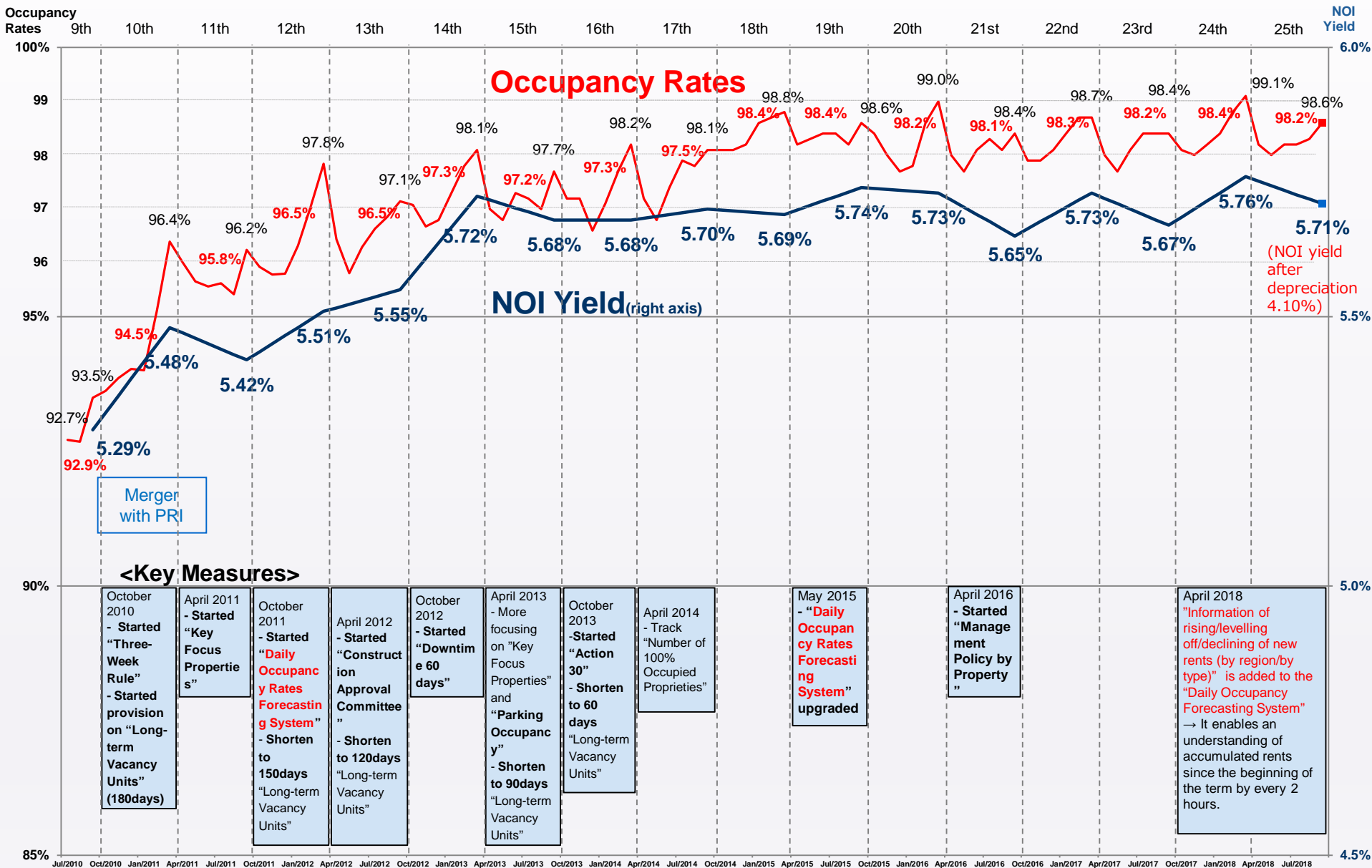


III. Forecast for the 26th (March 2019) and the 27th (September 2019) Fiscal Periods

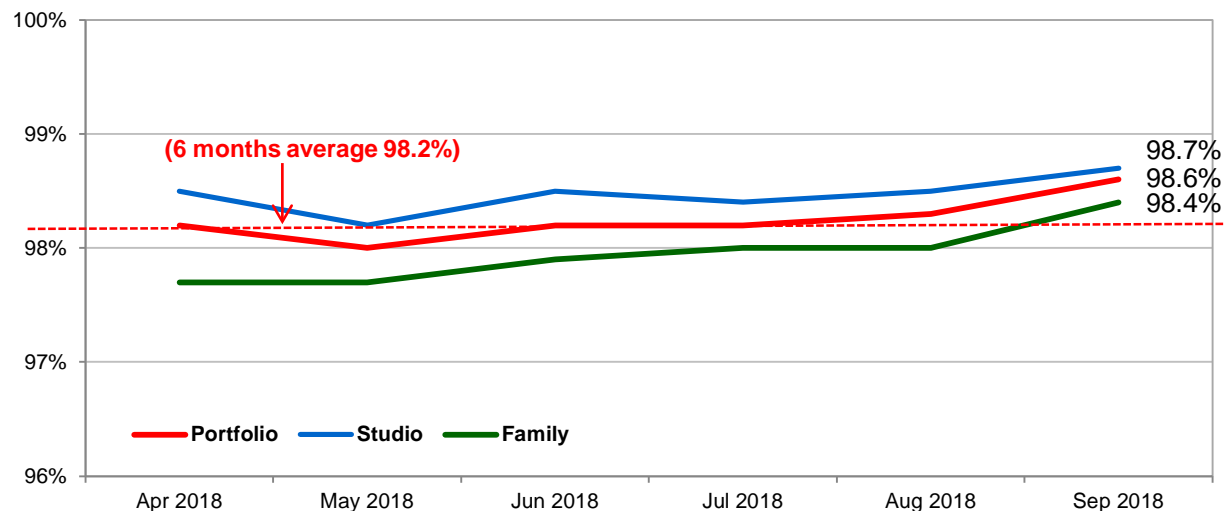
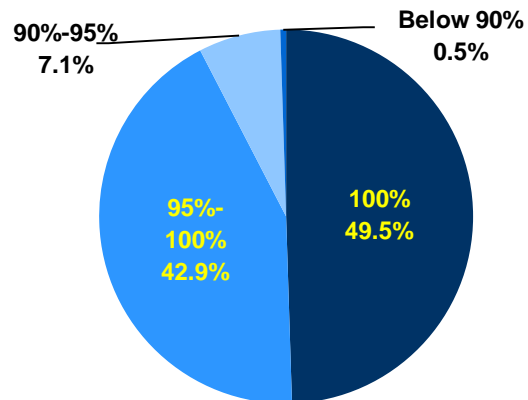
JPY million

	(1) 25th FP Results	(2) 26th FP Forecast	Difference (2) – (1)	Key Factors of the Difference	(3) 27th FP Forecast	Difference (3) – (2)	Key Factors of the Difference
<div>Operating Revenues</div> <div>Average Occupancy Rate</div> <div>Average Rent Per tsubo</div>	8,250	8,172	(78)	<div>Rent and Common Benefit Revenue Decrease (14)</div> <div>Other Decrease (48)</div>	8,179	6	<div>Rent and Common Benefit Revenue Increase 2</div> <div>Renewal Fee Revenue Increase 2</div>
<div>Average Occupancy Rate</div> <div>Average Rent Per tsubo</div>	98.2% ¥8,053	97.8% ¥8,059			97.8% ¥8,057		
Operating Income	3,733	3,683	(49)	<div>(Operating Expenses Decrease 24)</div> <div>Restoration Expense Decrease (34)</div> <div>Advertisement Expense Decrease (5)</div> <div>Depreciation Increase 17</div> <div>(SG&A Decrease 3)</div> <div>AM Fee Decrease (2)</div>	3,660	(23)	<div>(Operating Expenses Increase 0)</div> <div>Repair Expense Increase 10</div> <div>Utility Expense Decrease (6)</div> <div>Depreciation Increase 16</div> <div>(SG&A Increase 13)</div> <div>Other SG&A Increase 9</div>
Ordinary Income	3,115	3,092	(22)	<div>Interest Expense Decrease (2)</div> <div>Finance Cost Decrease (31)</div>	3,094	1	<div>Interest Expense Decrease (7)</div> <div>Finance Cost Decrease (20)</div>
Net Income	3,114	3,092	(22)	<div>Net Income per Unit</div> <div>25th FP JPY 1,899</div> <div>26th FP JPY 1,885</div>	3,093	1	<div>Net Income per Unit</div> <div>27th FP JPY 1,886</div>
Reversal of Temporary Difference Adjustment/ Distribution Reserve	67 38	67 38	0 0	<div>50 years equal amortization from 23rd FP</div> <div>5 years and 2 years equal amortization from 24th FP, 25th FP</div>	67 38	0 0	—
Total Distribution Amount	3,221	3,198	(22)	—	3,198	0	—
Distribution per Unit (JPY)	1,964	1,950	(14)	Number of investment units in issue as of the end of the fiscal period : 1,640,060	1,950	0	Number of investment units in issue as of the end of the fiscal period : 1,640,060

IV. Detailed Information for the 25th Fiscal Period



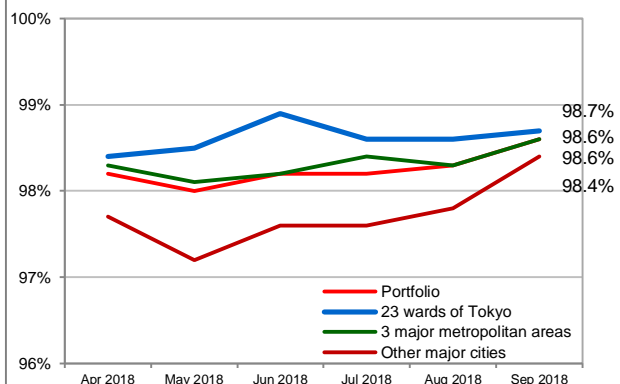
September 2018: Number of Properties by Occupancy Rate



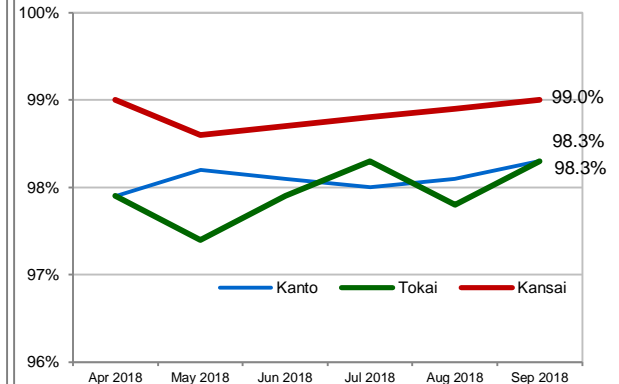
Occupancy Rate	# of Properties	Share
100%	98	49.5%
95%-100%	85	42.9%
90%-95%	14	7.1%
Below 90%	1	0.5%
Total	198	100.0%

	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018
Studio	98.5%	98.2%	98.5%	98.4%	98.5%	98.7%
Family	97.7%	97.7%	97.9%	98.0%	98.0%	98.4%
Portfolio	98.2%	98.0%	98.2%	98.2%	98.3%	98.6%

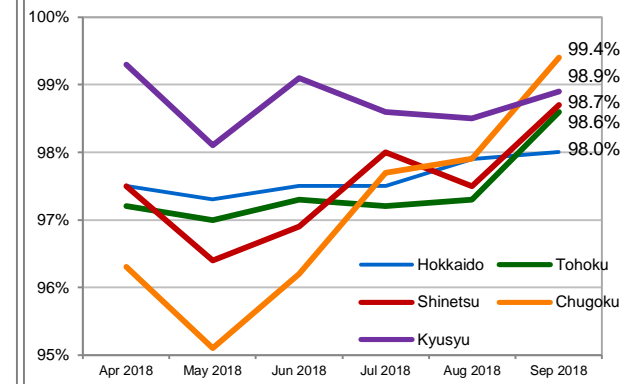
By Region

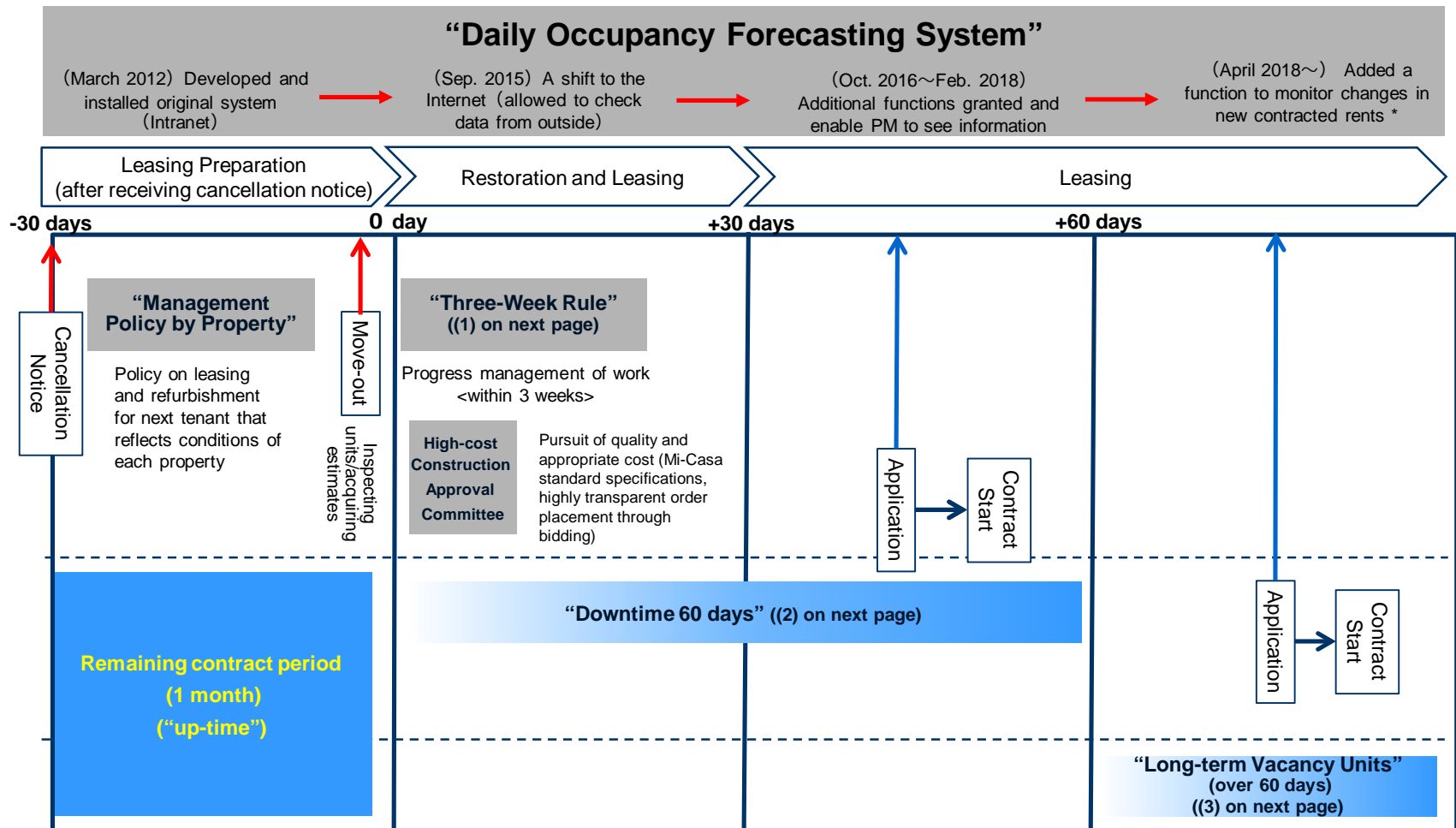
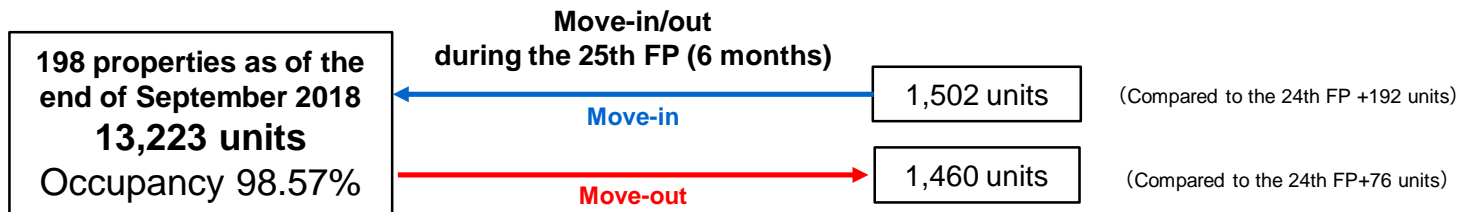


3 Major Metropolitan Areas



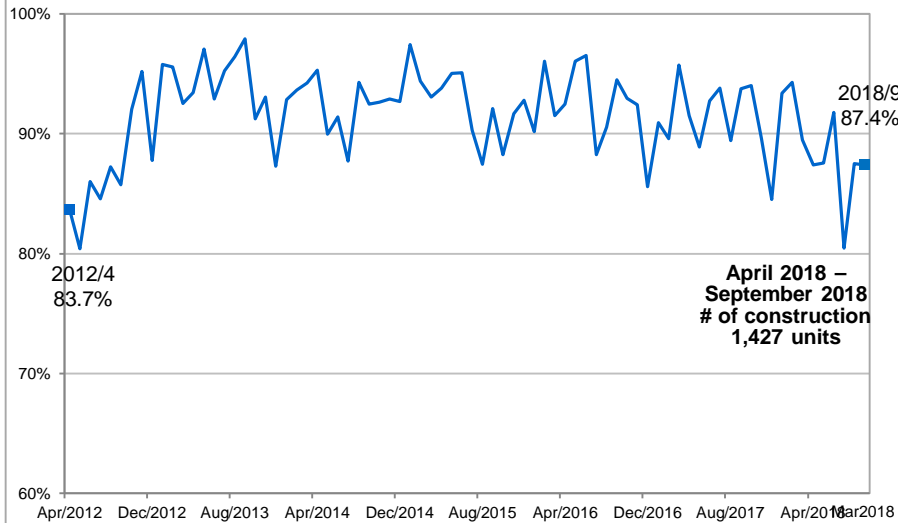
Other Major Cities



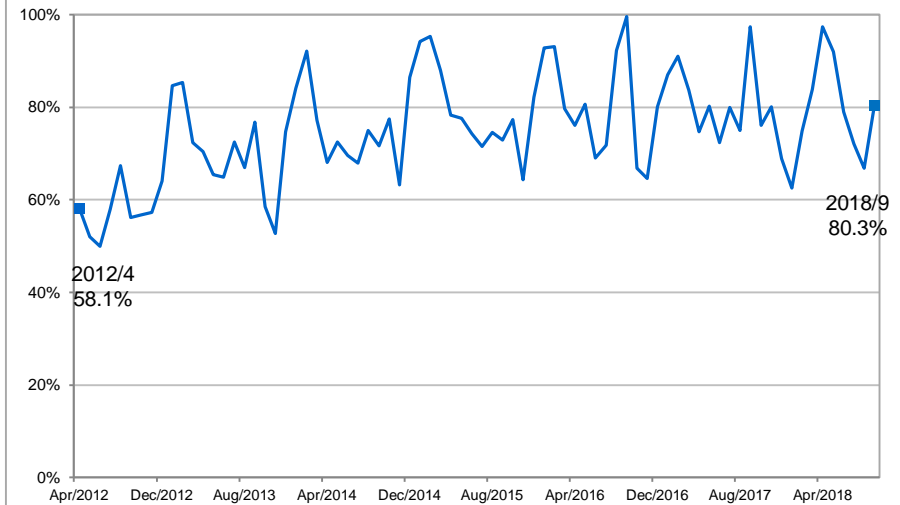


* “A function of Increase/Stay/Decrease information of new contact rents (by region・by type)” is added, enabling an understanding of accumulated rents from the beginning of the fiscal period every 2 hours.

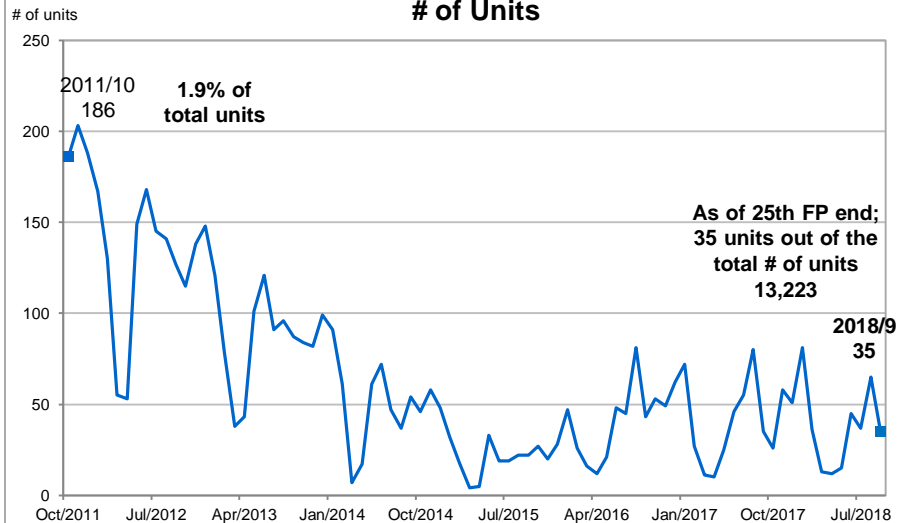
(1) Three-Week Rule - Trends in Achieved Rate



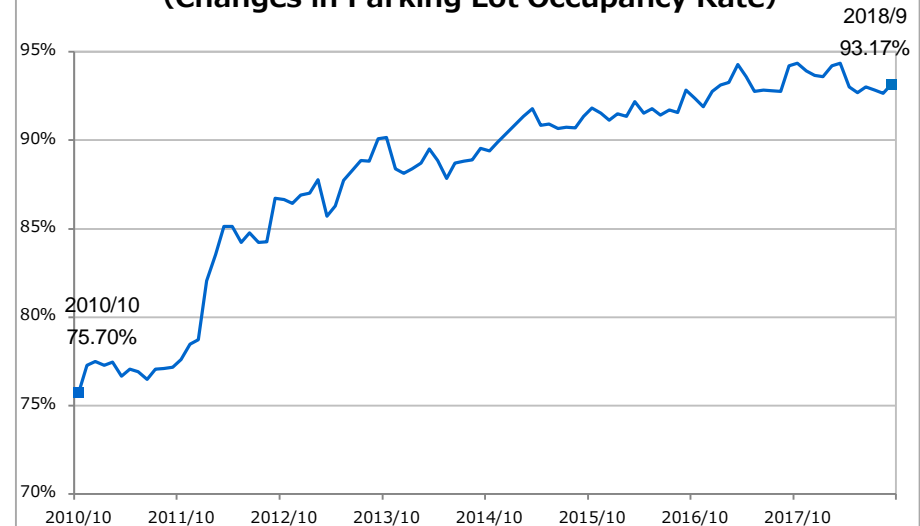
(2) Downtime 60 days – Trends in Achieved Rates



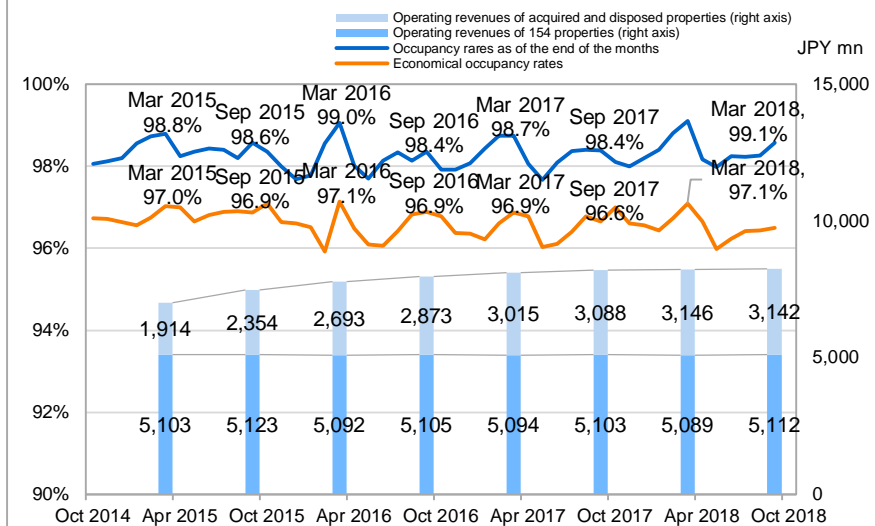
(3) Long-term Vacancy Units (over 60days) – Trend in # of Units



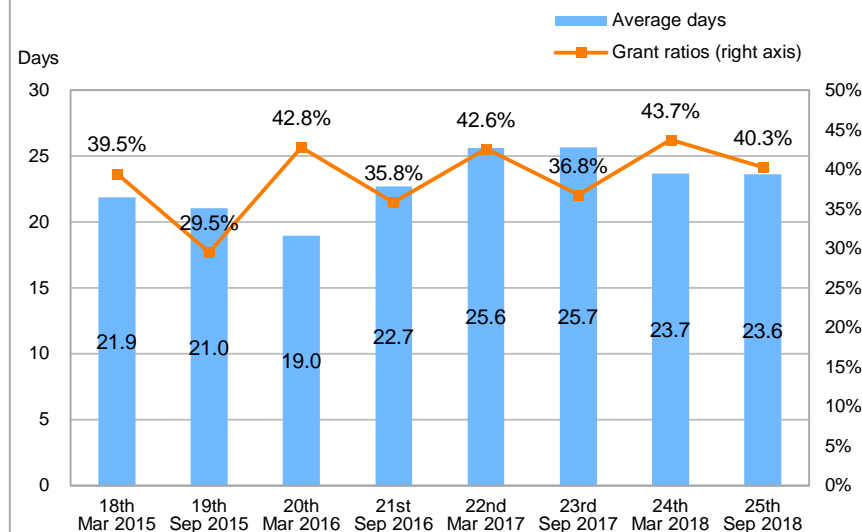
(Changes in Parking Lot Occupancy Rate)



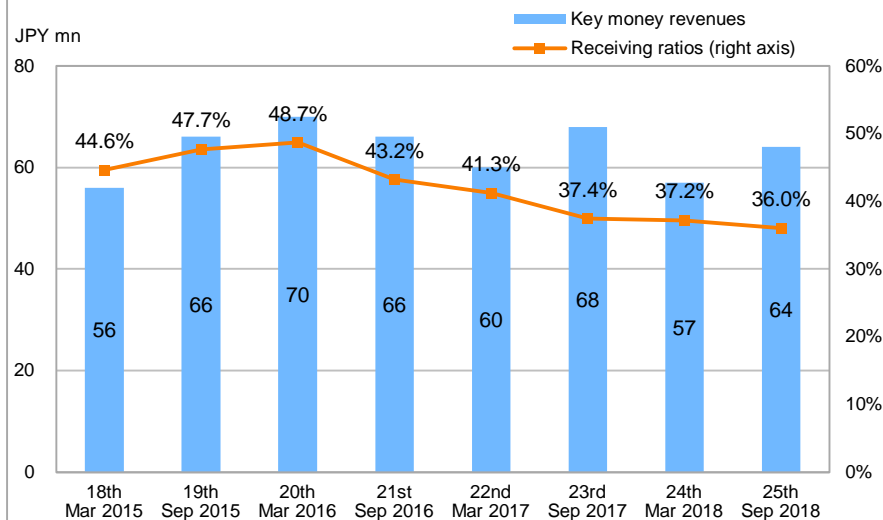
Economical occupancy, Occupancy rates at month end, Operating revenues



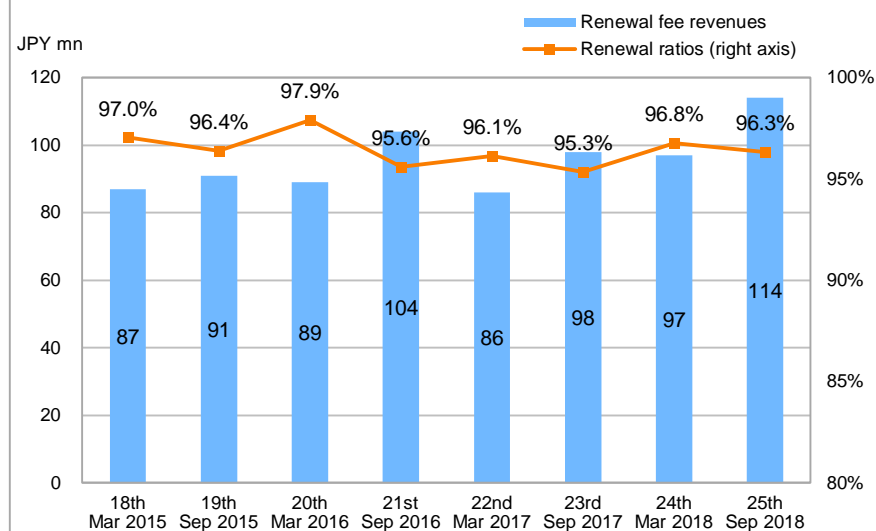
Free-rent average days and grant ratios



Key money revenues and receiving ratios

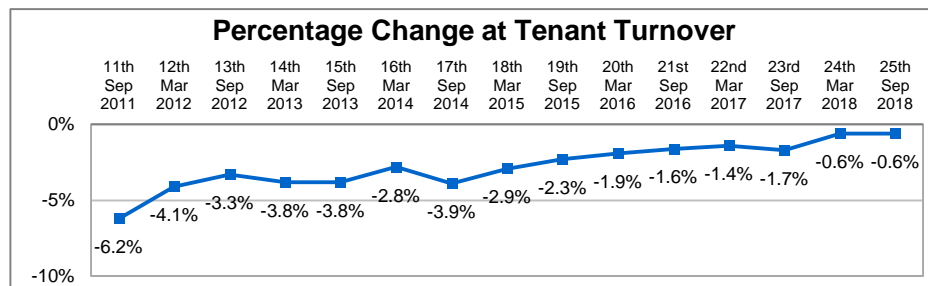
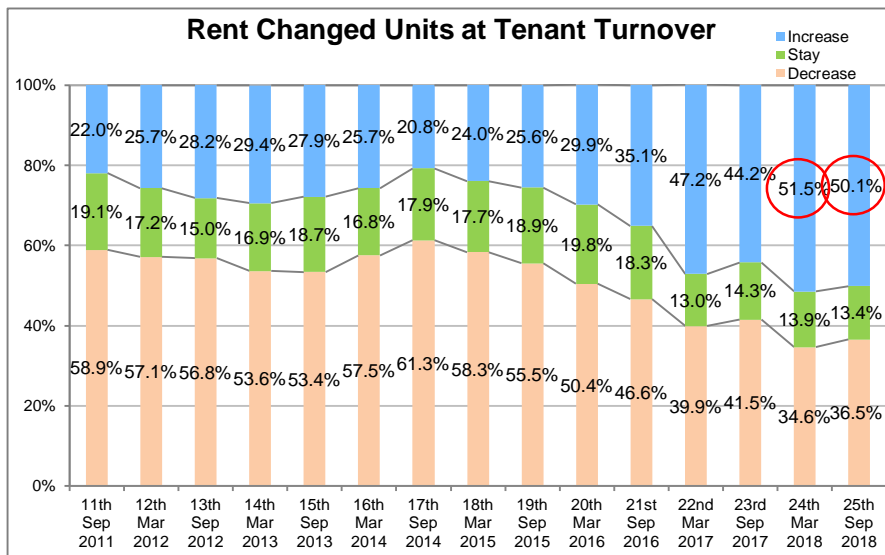


Renewal fee revenue and renewal ratios



Rent Trends at Tenant Turnover

- ✓ Achieve a 50.1% in the increase rate (based on the number of cases)
- Top 3 in the increase rate by region (based on the number of cases) :
23 wards of Tokyo 80.8%, Fukuoka 70.2%, Kanto 58.9% (Excluding 23 wards of Tokyo)

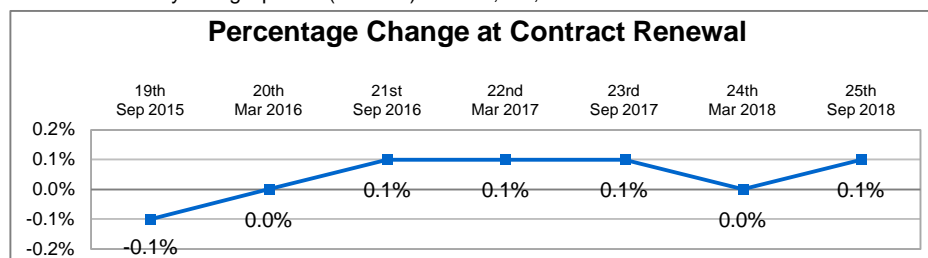
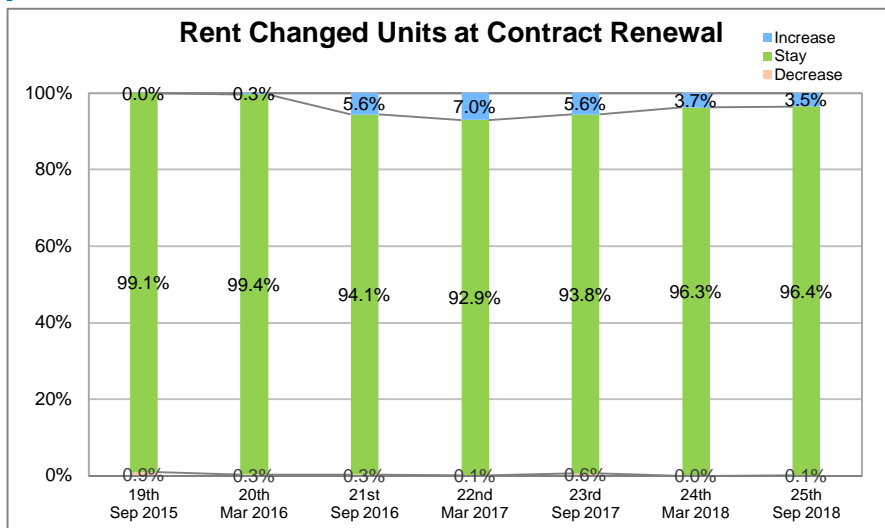


[Change in Rent at Tenant Turnover]

	# of units	Share	Previous rent (JPY)	Previous rent (JPY)	Change (JPY)	Change
Increase	747	50.1%	79,732,300	81,733,264	1,943,964	2.4%
Stay	200	13.4%	18,400,800	18,400,800	-	-
Decrease	544	36.5%	46,626,851	43,758,628	-2,868,223	-6.2%
Total	1,491	100%	144,759,951	143,892,692	-924,259*	-0.6%

(Note) Calculated by excluding residential units for which prior rents are unknown due to cancellation of the sublease agreement and other factors among the newly acquired 1,502 properties, and rental units with usages other than residential.
Result in year-to-date period (23th FP): JPY -2,454,288

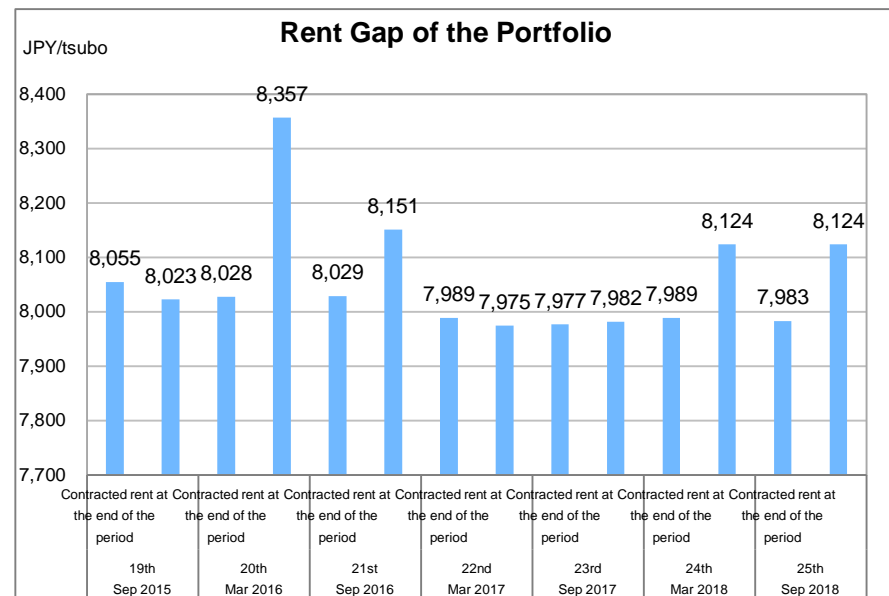
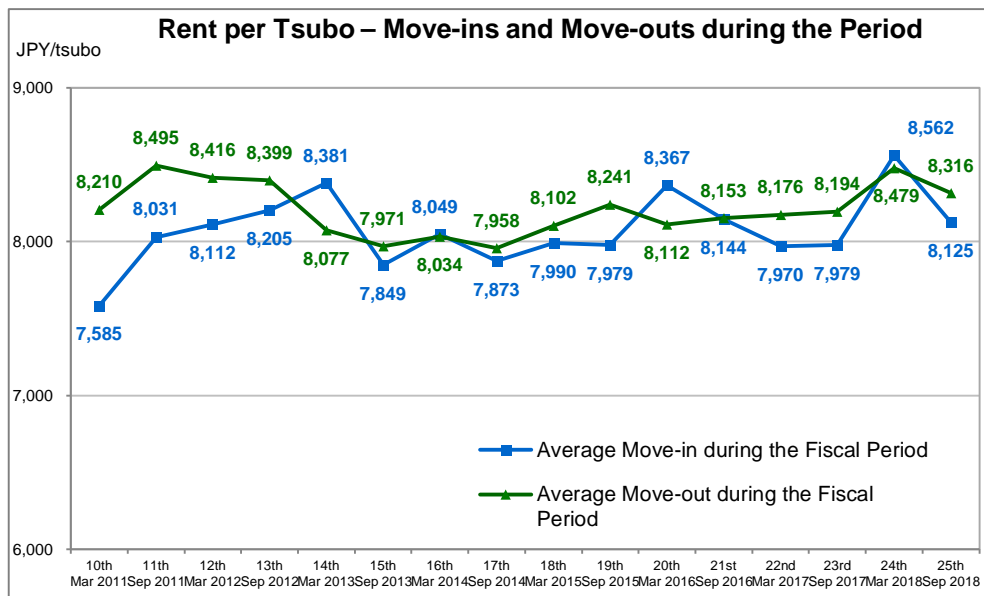
Rent Trends at Contract Renewal



[Change in Rent at Contract Renewal]

	# of units	Share	Previous rent (JPY)	Previous rent (JPY)	Change (JPY)	Change
Increase	79	3.5%	8,559,600	8,809,600	250,000	2.9%
Stay	2,206	96.4%	232,141,446	232,141,446	-	-
Decrease	3	0.1%	382,000	376,000	-6,000	-1.6%
Total	2,288	100%	241,083,046	241,327,046	244,000	0.1%

- ✓ Average rent of move-in, 8,125 yen and move-out, 8,316 yen for the fiscal period.
- ✓ Average rent per tsubo of new contract rents (1,491 units) came to 8,124 yen, exceeding over the rent of the overall portfolio, 7,983 yen by 141 yen at the current fiscal period-end.
- ✓ The above results are mainly contributed by of an increase in rents, 80.8 % [291 / 360] of newly contracted rent in 23 wards of Tokyo during the current period.

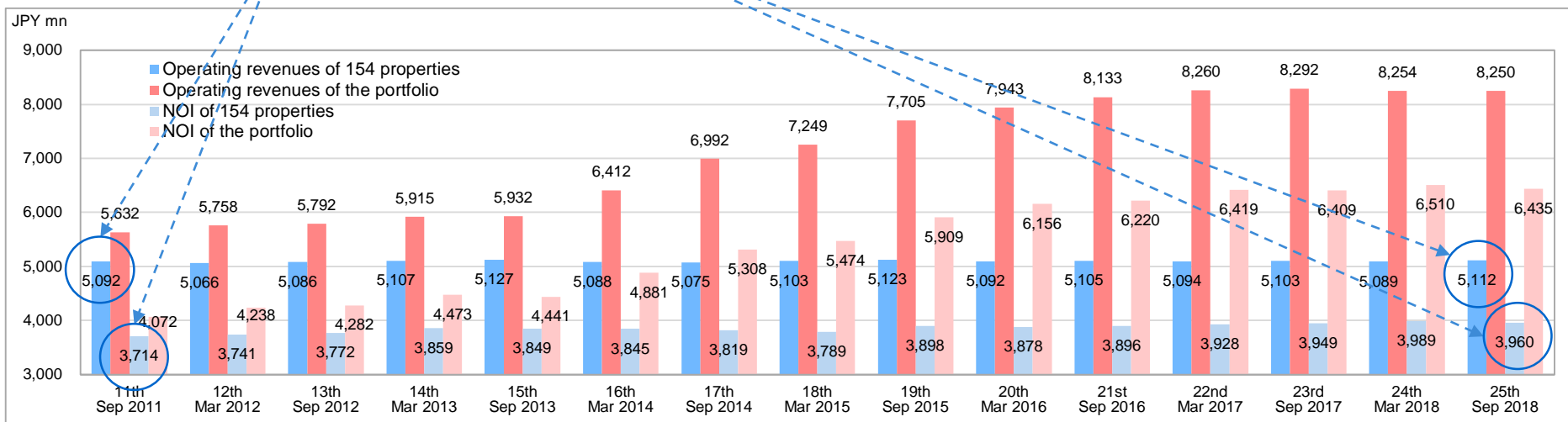


(Note) Calculation excludes non-residential units. Contracted rent included only contracted units (12,012 units in 25th FP) as of the each fiscal period end.

Operating Revenues and NOI

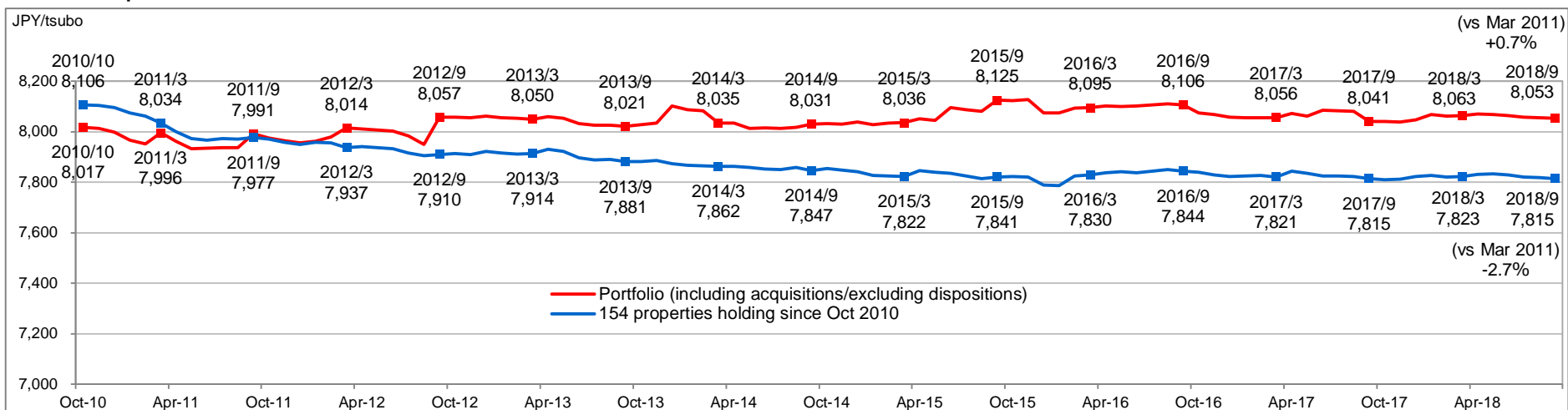
Operating Revenues and NOI of 154 properties, held for 7 years since the merger with PRI.

- ✓ Operating revenues stays flat for 7 years (JPY 5,092 → 5,112 mn) despite rent per tsubo declined by 2.7% (as a result from improvement of occupancy rates and cutting downtime)
- ✓ NOI increased JPY 240 mn (JPY 3,714 → 3,960 mn) as a result from a decrease in rental expenses (NOI ratio to rental revenue improves by 4.5 points, from 72.9 % to 77.5 %)



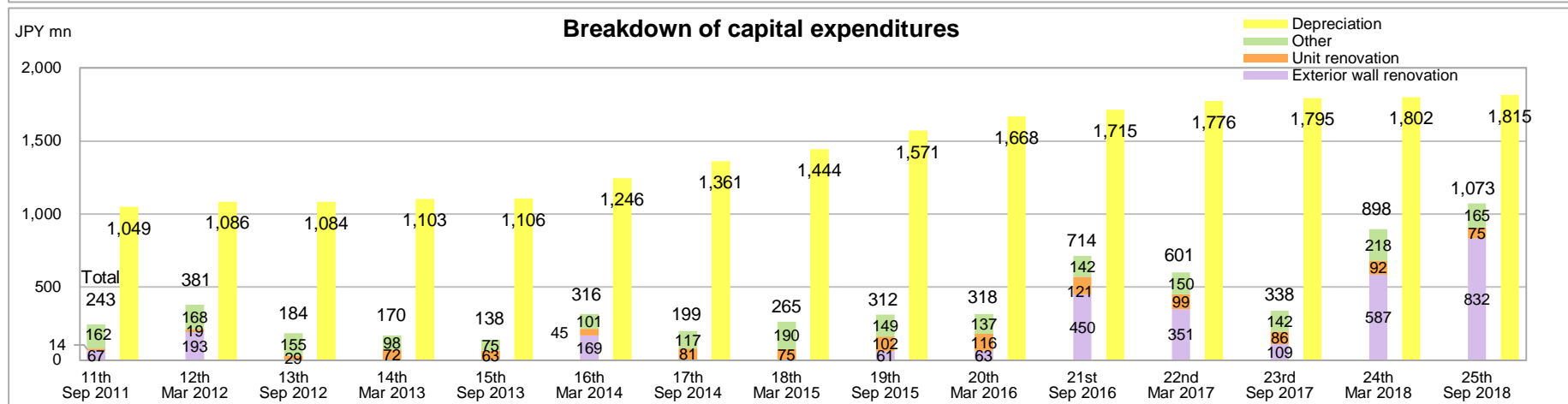
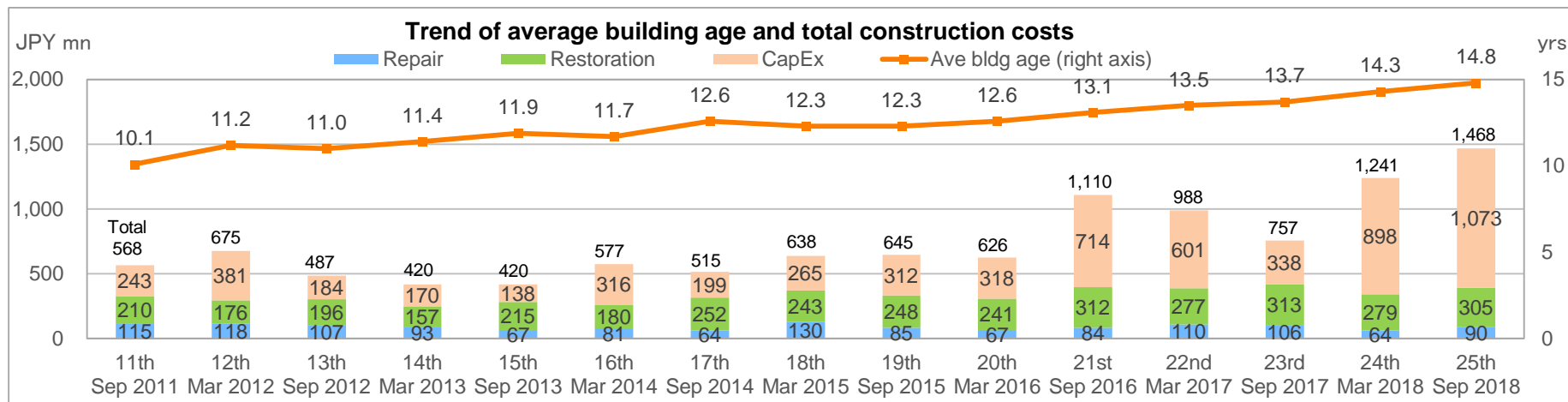
(Note) Operating revenues include rent income, common benefit revenue, parking revenue, incidental revenue, and other rental revenues.

Rent per Tsubo



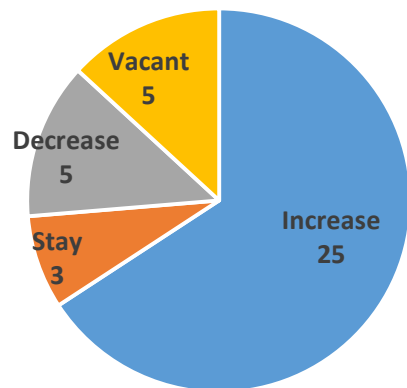
Cost for unit repair/restoration and major exterior wall repair

- ✓ In order to maintain/improve property competitiveness, continued to implement value-enhancement work for units/common areas and exterior wall renovation for properties over 10 years old in addition to regular refurbishment for following tenants.
- ✓ Placed orders through more transparent bidding process, etc. by utilizing strength of being an independent entity
- ✓ Assumed total operation costs per fiscal period going forward (operating expenses + capital expenditure):
 - Restoration/repair costs (including some exterior wall renovation): Approx. JPY 0.4
 - Capital expenditure (value-enhancement work for units/common areas, large scale exterior repair and renovation): Aim for upper limit of JPY 1.0 billion (Depreciation/fiscal year: Approx. JPY 1.8 billion)
 (Of this, future outlook for costs for major exterior wall repair and renovation: Expected to decrease to below JPY 0.3 billion from the 30th period after a peak of the 28th period of JPY 0.85 billion)



Unit Renovation (38 units Total JPY 75 million)

Impact on rents through dwelling unit renovation



- ※ Breakdown of 5 units with rent decrease
- Rent gap: 2 units (reason is due to high rent from the previous tenants, and aging of property etc.)
 - Change of contract conditions due to long-term vacancy: 3 units

		Rent before renovation	Rent after renovation	
Increase	25	JPY3,632,200	JPY3,766,000	JPY133,800 (+3.7%)
Stay	3			
Decrease	5			
Vacant	5			

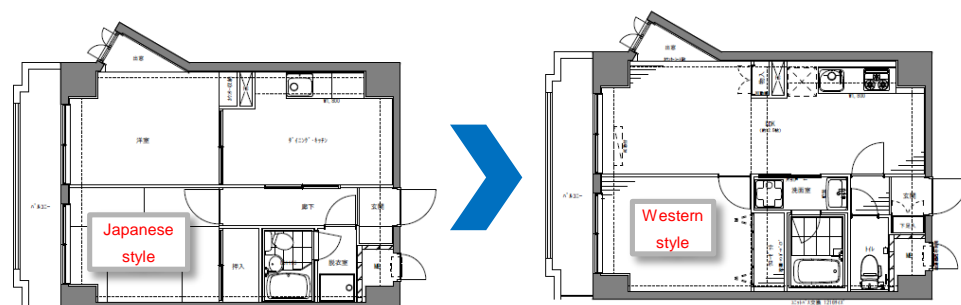
Building age of 25units with rent increase	
Under 20yar	4
20-25yrs	5
Over 30yrs	16

(Average Cost :JPY 1,988 thousand)

(Example) “Deim Hashimoto” (Sagamihara, Kanagawa) built in 1987

- ✓ 92units Family-type residence located at 5 min walk from JR Hashimoto Station,
- ✓ Acquired through merger with PRI (Acquisition price JPY 0.74 bn, occupancy rate95.05%)

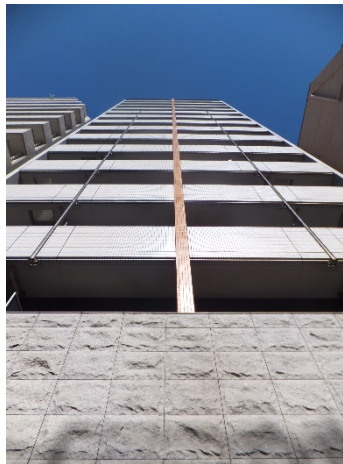
【Converted from a traditional Japanese-style to a western-style unit including elimination of room partitions】



12 properties JPY806 million
(spent as capital expenditures except “Green Park Komatsujima” as operating expense of JPY22 million)



Sereno Omiya
(Saitama, Saitama, Built in 1997)
JPY 114 million



Gala Place Shinjuku Gyoen
(Shinjuku, Tokyo, Built in 2007)
JPY 99 million



Forest Hill Sendai Aoba
(Sendai, Miyagi, Built in 2007)
JPY 99 million



Prospect Kiyosumi Teien
(Koto, Tokyo, Built in 2002)
JPY 87 million



Gran Casa Minami9jo
(Sapporo, Hokkaido, Built in 2006)
JPY 73 million



Lietcourt Yotsuya
(Shinjuku, Tokyo, 2006)
JPY 72 million



Cresidence Sapporo Minami4jo
(Sapporo, Hokkaido, Built in 2007)
JPY 61 million



Prospect Dogenzaka
(Shibuya, Tokyo, Built in 2005)
JPY 58 million



Gran Casa Minami13jo
(Sapporo, Hokkaido, Built in 2006)
JPY 52 million



willDo Kamisugi 3chome
(Sendai, Miyagi, Built in 2006)
JPY 40 million

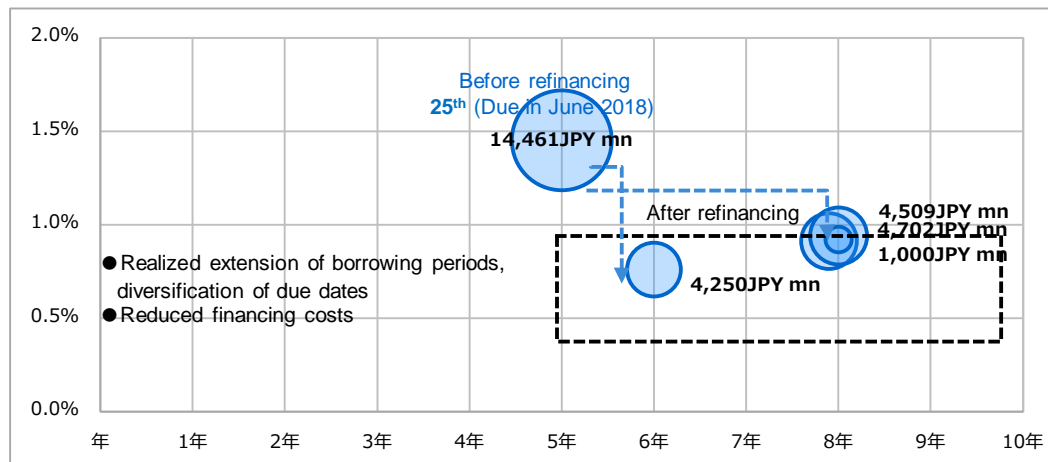


Prospect KALON Minowa
(Taito, Tokyo, Built in 2007)
JPY 23 million



Green Park Komatsujima
(Sendai, Miyagi, Built in 1990)
JPY 22 million

➤ Refinanced 14.46 bn in June 2018



25th (June 2018 Refinance)

	Principle (JPY mn)	Borrowing Period	All-in Cost
Before	14,461	5	Floating rate 1.45% (Note1)
After	4,250	6	Static rate 0.76%
	4,509	93 months	Same as above 0.91%
	4,702	8	Same as above 0.94%
	1,000	8	Same as above 0.92%
	14,461	Average 7.3	Average 0.88%

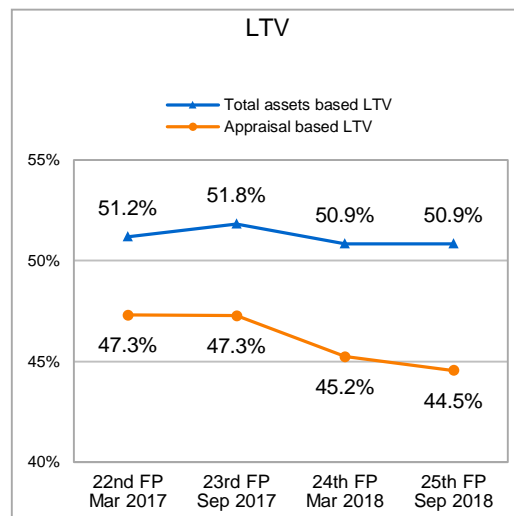
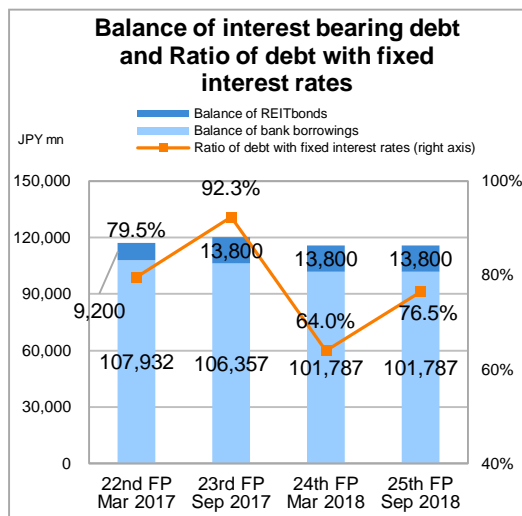
(Note1) Total cost including the allocated costs of fixing variable interest rate and including 1M Tibor (0.05364%) is 1.45% at the end of the 25th FP.

Breakdown of interest-bearing debt (as of September 30, 2018)

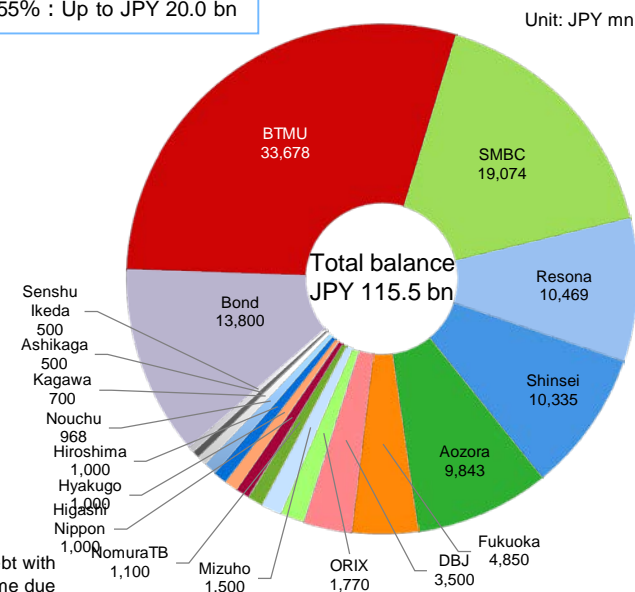
(Financing Capability to
Total Assets Based LTV)
53% : Up to JPY 10.0 bn
55% : Up to JPY 20.0 bn

➤ Credit Ratings “A+” Stable (JCR), “A” Stable (R&I)

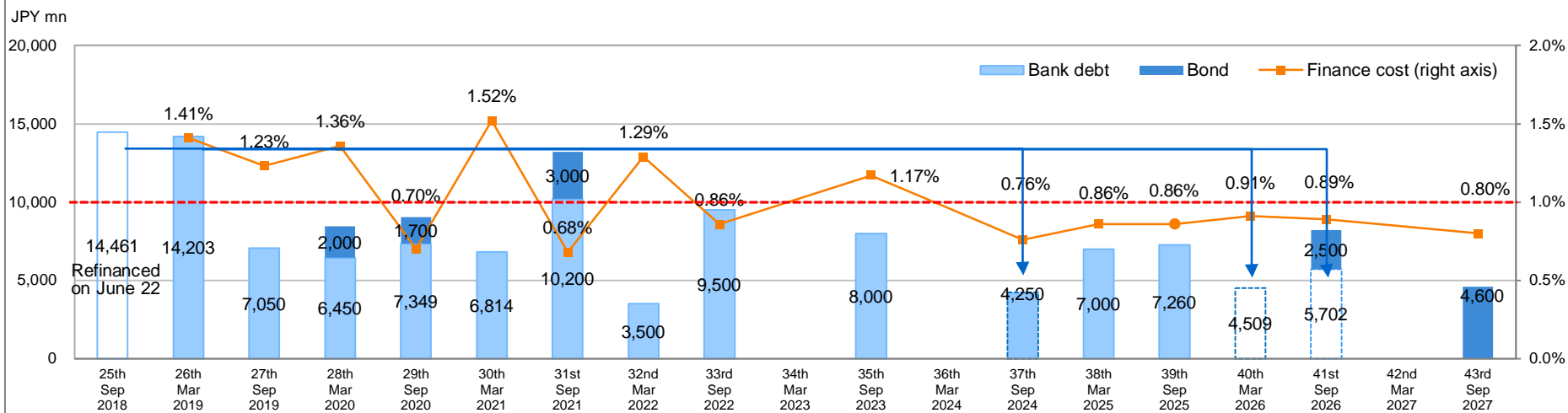
➤ Trends in major financial indicators of interest-bearing debt



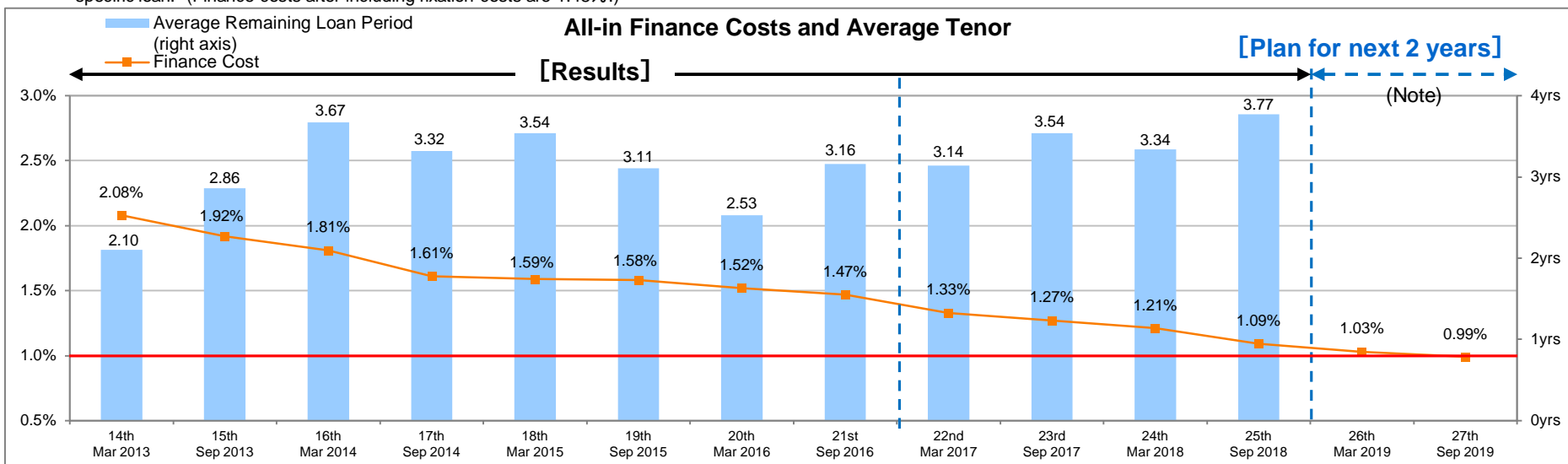
* Reason of declining the ratio of fixed interest rates to 64.0% in 24th FP (the ratio of debt with fixed interest rates of interest-bearing debt with a maturity of over 5 years is 79.6%): Interest rate swaps, of which notional principal was 40 billion yen, under the basket method became due in January-March 2018. (The swaps not attached to individual borrowings were executed at the time of collateralized borrowings 5 years ago.) With the fixing of interest rates of the above JPY 14,461 million refinancing portion, the ratio of debt with fixed interest rates has increased to 76.5% as of June 22, 2018, under the policy to aim the ratio of fixed interest rate to be 80-90% for the mid to long term period.



Maturity Ladder and Financial Cost (as of September 30, 2018)



(Note) The financing costs shown in above the each repayment date (the line graph) are the total of interest expenses(including base rate), finance-related costs and costs for fixing interest rates for the loans due in the respective fiscal period. The costs for fixing interest rates are allocated to the attached loans, though the costs with unattached loans are allocated to each loan in a rational way according to the status of the loan due in the respective fiscal period. ※The chart shown above is a floating rate before reflecting fixed interest rates which is not attached to the specific loan. (Finance costs after including fixation costs are 1.48%.)



(Note) Finance costs for the 26th FP and 27th FP are preconditions for earnings forecast announced on October 15, 2018.

This is a target set by the Asset Manager as of November 16, 2018 and is not a guaranteed amount.

Total appraisal value of 198 properties JPY 259.4 bn

(+JPY 3.9 bn from end of 24th FP)



Unrealized gain JPY 42.8 bn

(vs. 24th FP +JPY 4.5 bn)

	# of Properties	Appraisal Value 24th FP (JPY million)	Appraisal Value 25th FP (JPY million)	Change	Appraisal NOI Cap Rate		
					24th FP	25th FP	Change
Properties held since 24th FP end	198	255,525	259,467	1.5%	5.0%	4.9%	-0.1%
by Type							
Studio	129	158,125	160,382	1.4%	5.0%	4.9%	-0.1%
Family	69	97,400	99,085	1.7%	5.1%	5.0%	-0.1%
by Region							
23 wards of central Tokyo	68	106,180	108,042	1.8%	4.6%	4.5%	-0.1%
The 3 major metropolitan areas	93	105,202	106,902	1.6%	5.2%	5.1%	-0.1%
Other major cities	37	44,143	44,523	0.9%	5.6%	5.5%	-0.1%

(Note) 71 properties were appraised by Tanizawa Sōgō Appraisal Co., Ltd., 40 properties were appraised by Daiwa Real Estate Appraisal Co., Ltd., and 87 properties were appraised by Japan Real Estate Institute.

a. Appraisal Value

Increased (+JPY 1 mn - 170 mn): 156 properties

Stayed: 32 properties,

Decreased (-JPY 40 mn - 1 mn): 10 properties

b. Cap Rate

Decreased (10 bps – 20bps): 148 properties

Stayed: 50 properties

Increased: 0 property

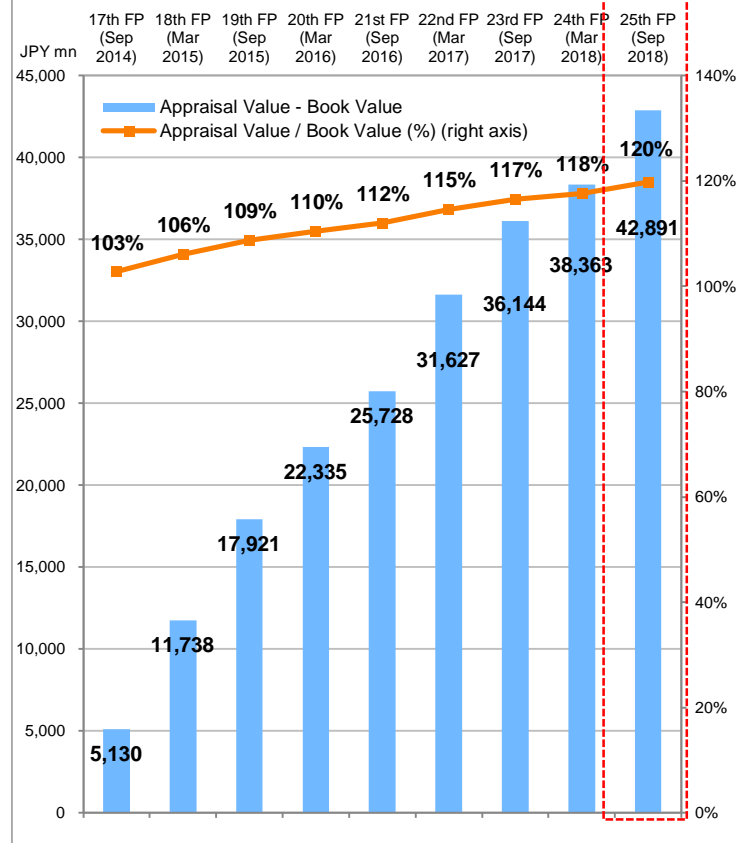
c. Operations

Operating income: Decreased by 0.04% from the previous period

Operating expense: Increased by 0.1% from the previous period

NOI: Decreased by 0.08% from the previous period

Trend of Unrealized Gain/Loss



Adopted ESG policy for moving forward to enhancement of sustainability initiatives and improve a value of JRH in the medium to long term on August 22, 2016

2016

ESG policy
(adopted on Aug.22, 2016)
(published on JRH's website)

(Progress management with monthly PDCA)

- Switch to LED lighting at common areas
- Introduction of energy conservation, eco-wallpaper, water-saving toilets and shower heads
- Introduction of earthquake-friendly vending machines and electronic breakers and postings concerning energy conservation in buildings
- Measurement and reduction of energy consumption, etc. of individual properties and the entire portfolio
- Preparation for first participation in GRESB* (July 2017)
- DBJ Green Building Certification

2017

Established
“Sustainability Promotion Committee”
and various rules & policies

2018

Evaluation result under
the 2018 GRESB Assessment

- ✓ “Green Star” rating which is bestowed only to applicants that earn outstanding evaluations in terms of two operational dimensions subject to “management & policy” and “implementation & measurement”.
- ✓ “2-Star” rating under the five-grade evaluation system that reflects global ranking based on an applicant's total scores.
- ✓ “B” rating under the five-grade GRESB Public Disclosure Level evaluation scheme for JRH's proactive information disclosure practices.



Serenite Honmachi Grande
Property with high environmental
& social awareness
(Property with 268 studio units in Osaka City,
Completed in February 2015
Newly acquired in June 2015
Acquisition price: JPY 4.28 billion)



Chijikoukanmae Tower Residence
Property with excellent environmental
& social awareness
(Property with 141 family units in Sapporo,
Completed in May 2006
Acquired in October 2016
Acquisition price: JPY 4.53 billion)



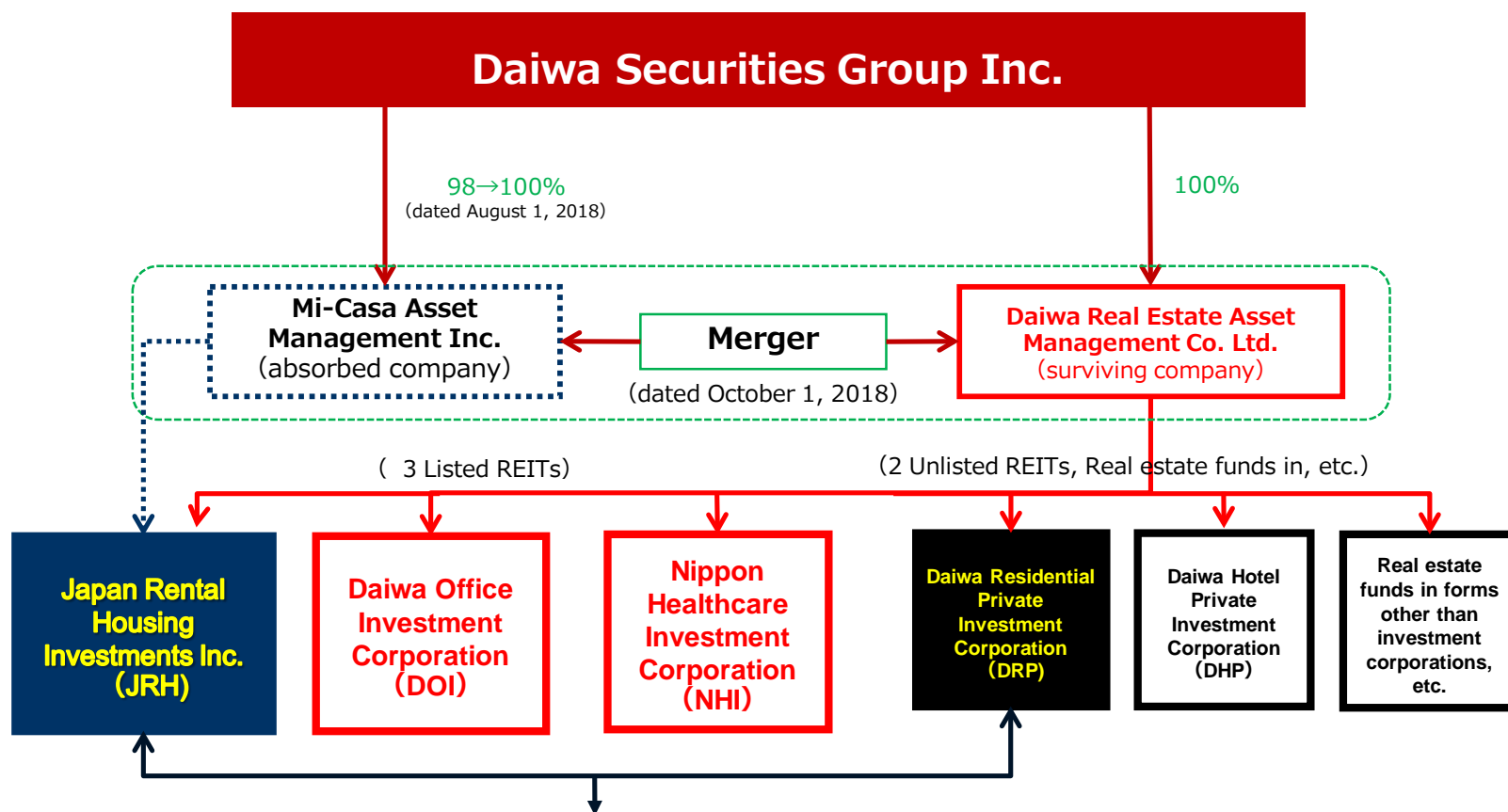
G R E S B
★ ★ ★ ★ ★ 2018



G R E S B
PUBLIC DISCLOSURE 2018

*GRESB Real Estate Assessment is an annual benchmark survey for environmental, social and governance (“ESG”) considerations in the global real estate sector, which was established in 2009 primarily by major European pension fund groups which led the Principles for Responsible Investment (“PRI”). The GRESB Real Estate Assessment is distinguished by its comprehensive evaluation of sustainability efforts of real estate companies and REITs, etc., and not of individual properties. In 2018, there were 903 participants globally and 61 from the Japanese market (38 J-REITs participated, a participation rate based on market cap (as of Sep. 7, 2018) of 89%)

Mi-Casa Asset Management Inc. (MAM), the Asset Manager of Japan Rental Housing Investments Inc., merged with Daiwa Real Estate Asset Management Co., Ltd., which has the same parent company (Daiwa Securities Group Inc.), as of October 1, 2018 for the purpose of securing and retaining professional personnel as well as expanding the information base.



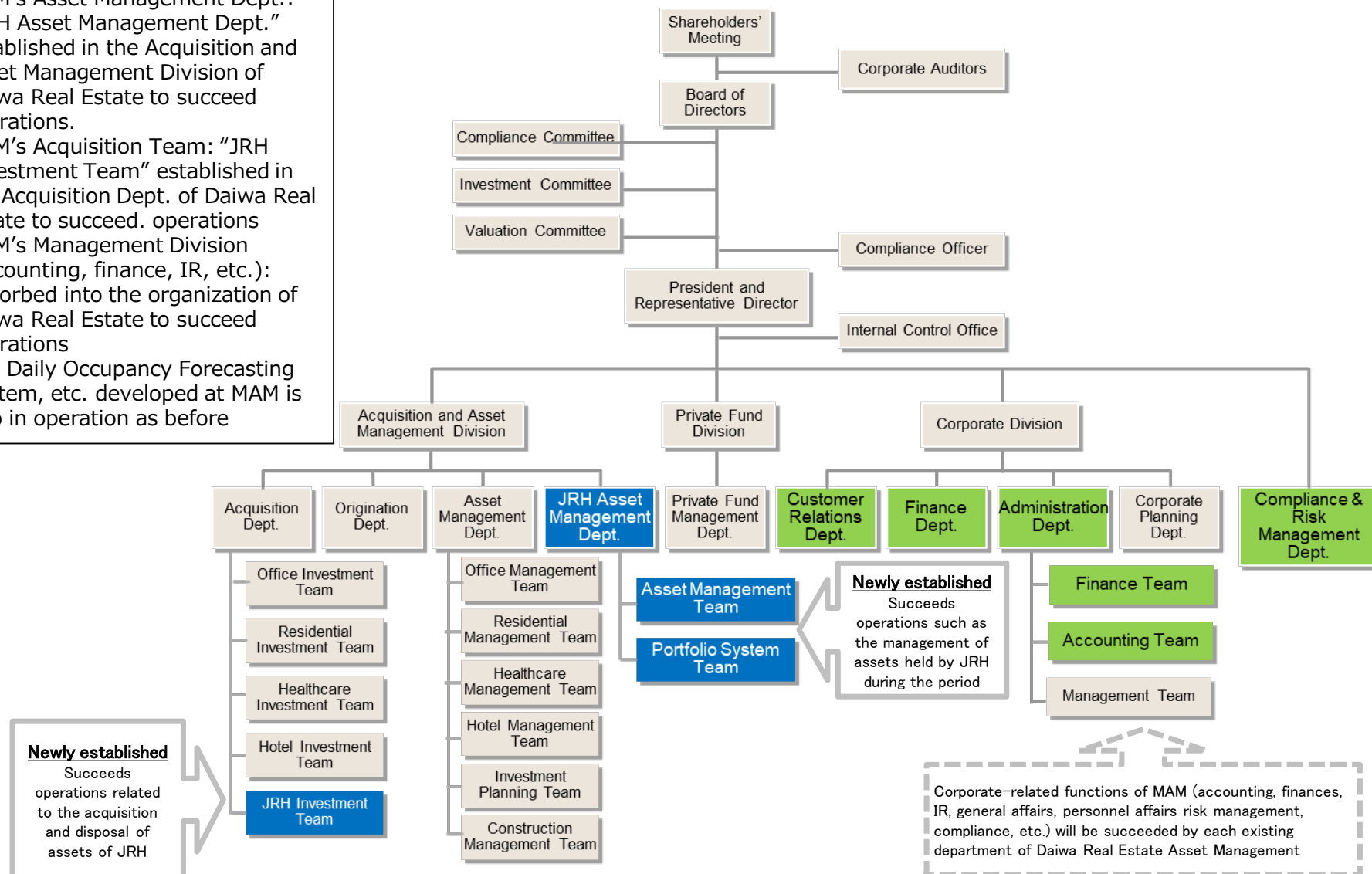
Due to the conflict of interest between JHR and DPR in terms of investment targets (residential properties) and the possibility that other private funds, etc. may invest in residential properties, arbitrary distribution of property information regarding residential properties among JRH, DPR and other private funds will be controlled to prevent conflicts of interest following the merger by establishing the Rotation Rule as described in page 35.

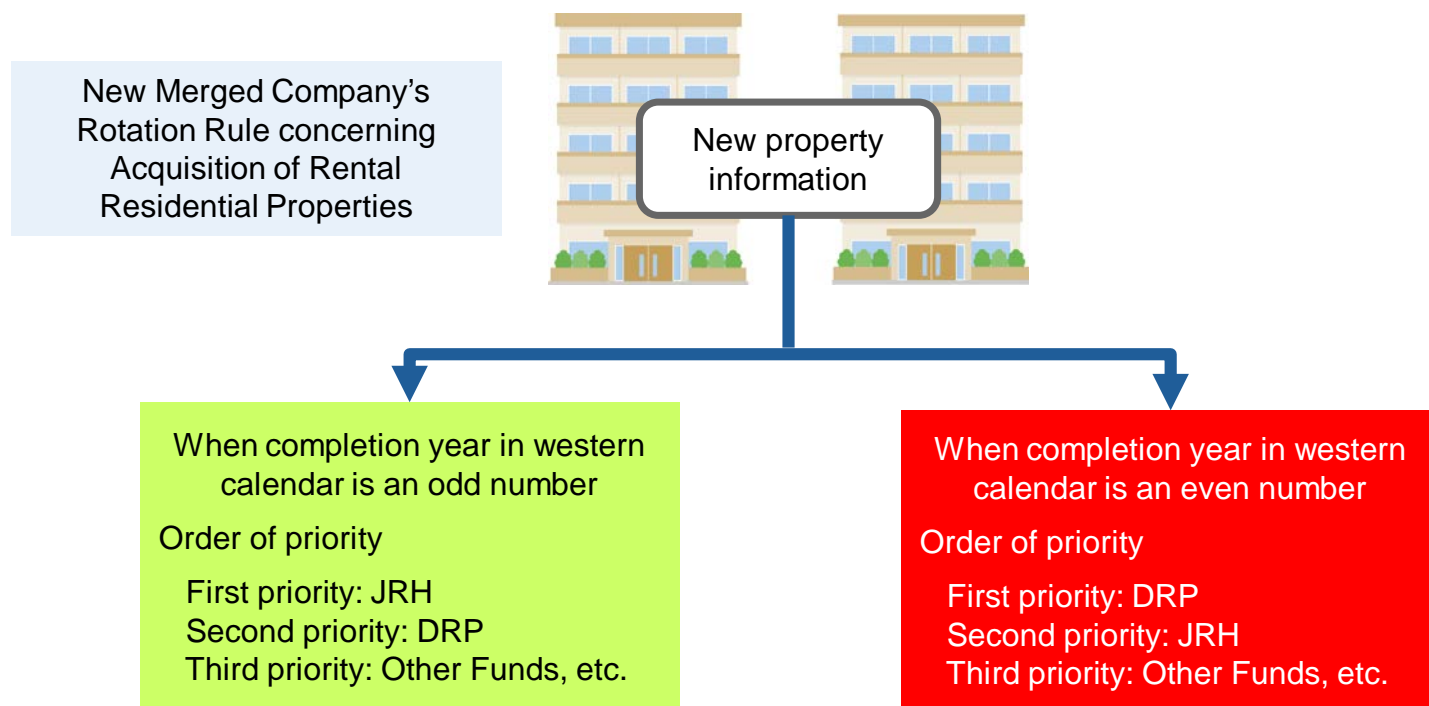
Overview of New Merged Company

【Management System of the New Merged Company for JRH】

- MAM's Asset Management Dept.: "JRH Asset Management Dept." established in the Acquisition and Asset Management Division of Daiwa Real Estate to succeed operations.
- MAM's Acquisition Team: "JRH Investment Team" established in the Acquisition Dept. of Daiwa Real Estate to succeed operations
- MAM's Management Division (accounting, finance, IR, etc.): Absorbed into the organization of Daiwa Real Estate to succeed operations
- The Daily Occupancy Forecasting System, etc. developed at MAM is also in operation as before

<as of October 1, 2018>





However, the Rotation Rule shall not apply to the following cases, etc.

- ① If either JRH, DRP or the Other Funds, etc. is designated by the seller or other related parties as a preferred party to discuss the acquisition.
- ② If either JRH, DRP or the Other Funds, etc. already holds the relevant right or interest due to co-ownership, sectional ownership of a building, quasi co-ownership of a beneficiary interest, etc.
- ③ If there are special reasons such as JRH, DRP or the Other Funds, etc. already owning the adjacent property.

With the establishment of the Rotation Rule, JRH's acquisition opportunity will be subordinate to DRP's in the case of properties whose year (A.D.) of completion is an even number. Nevertheless, JRH is expected to comprehensively have more acquisition opportunities than before due to the effects expected which are indicated in the next page.

*Regarding projects that are yet to be completed as of the beginning of considerations, the scheduled year of completion that is deemed rational at the point of consideration shall be used.

<Effects of Merger ①> New initiatives for development projects, expansion of information sources, etc. through the utilization of the New Merger Company's personnel resources (20 persons) in the Acquisition Department and Origination Department

[Reference] Daiwa Real Estate Asset Management's recent acquisitions of rental residential properties (before merger)

Acquisition since 2017: 14 properties, 19.6 billion yen

Breakdown: Tokyo's 23 wards: 7 properties

Chofu City, Tokyo Yokohama City, Kanagawa Kawasaki City, Kanagawa Saitama City, Saitama

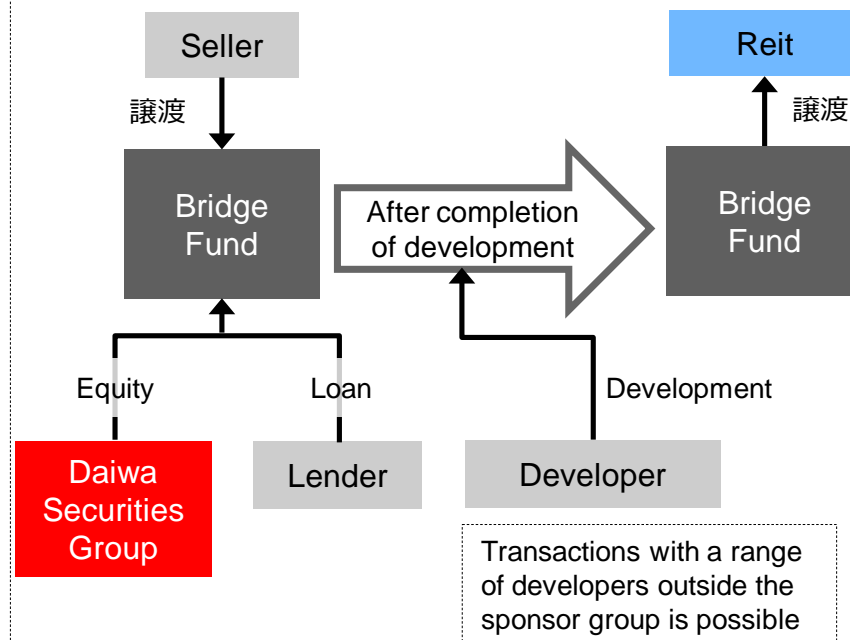
Funabashi City, Chiba Nagoya City, Aichi Fukuoka City, Fukuoka: 1 property each

<Effects of Merger ②> Expansion of acquisition opportunities through joint initiatives with Daiwa Securities Group

Cases of joint initiatives with the sponsor that may be expected

- ① For projects for which the settlement schedule is extremely tight or cases in which settlement does not match the timing for acquisition sought by JRH, the acquisition may be conducted by a bridge fund and later transferred to JRH.
- ② A bridge fund may acquire a bulk project including non-eligible properties and, after selling some properties to outside parties, transfer only the eligible properties to JRH.
- ③ A property may be acquired by a bridge fund while it is in development and sold to JRH after stable occupancy is confirmed so that JRH does not have to bear development risk (it has been that new properties developed by third parties were acquired by JRH after their completion and after confirming the occupancy status, etc.).

<Image of case ③>



V. Future Growth Strategy

Aim to increase net profit through (1) new property acquisitions (on selective basis, given market conditions) (2) maximization of income from each property based on “Management Policy by Property” and (3) reduction of costs/expenses.

(1) New Properties Acquisitions

(Targeting AUM: JPY 250 bn)

(2) Operation of properties held

Maximization of income, etc. from each property

(3) Cost Reduction

(Reductions of BM fees, trust banks fees (by shifting the existing properties from the form of Trust Beneficiary Interest to real estate properties) and financing costs)

- (1) Properties with fewer competitive bidders or bilaterally negotiable transactions due to a rational reason
- (2) Undervalued properties (properties of which NOI can be improved in terms of rent, occupancy rate, operating expenses, etc. upon acquisition)
- (3) Not-for-sale properties (properties that are not on the market)
- (4) More utilization of the Daiwa Securities Group's information network
- (5) New initiatives to be a part of development projects with support of Daiwa Securities Group

Acquisitions: Properties in the Tokyo metropolitan area, Sapporo, Sendai, Nagoya, Osaka and Fukuoka that are JPY 1 bn or more per property in general

Dispositions: Properties in other areas than the Tokyo metropolitan area are JPY 0.5 bn or less per property in general (continue gradual shuffling)

Finance Strategy

(Financing with Bank Loans)

Maintaining and expanding relationships with existing banks
(Contemplate to further reduce financing costs and extend borrowing tenors)

Further increase of fixed rates borrowings

Use of Bridge Facility
(Secured first refusal right to acquire the subject properties)

(Fund Procurement from Financial Market)

Issuance of investment corporation bonds
(Diversify sources of finance, improve fixed rate borrowing ratios)

Public offering
(Subject to LTV, amount of property acquisitions, etc.)

Repurchase of own investment units

(Use of JPY 6.6 billion Temporary Difference Adjustment)

Payout for unitholders scheduled started from the 23rd FP based on equal amortization over 50 years
(When temporary dilution and such occur in line with loss on sale of real estate*, impairment loss, one-time depreciation and capital increase, appropriation will continue to be made.)

* A loss on the disposition of properties is posted; (for cases when disposition of more than one property is conducted and the total gain/loss on the disposition is in the negative (hereinafter, the “net loss”), the policy is to make the appropriation to the net loss.

(1) External Growth

Expand the asset size

Targeting AUM: JPY250 billion

Direct acquisition by JRH as well as indirect acquisitions using the Bridge Facility

■ Investment Criteria

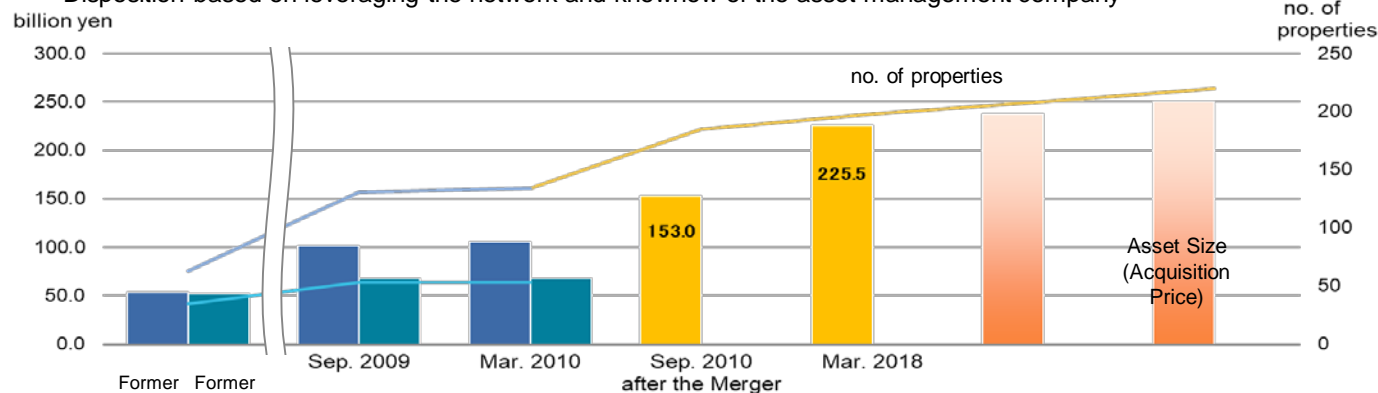
- Profitability: Acquisition price and NOI yield after depreciation (earning capacity based on analysis of financing and JRH costs)
- Superiority: Location, building age and size of property
- Potential: Rent level and occupancy rate, volatility after passage of time (building age), supply of and demand for competing properties, location and household trends
- Liquidity: Past record of acquisitions and sales, price per property, and appraisal value

■ Acquisition Policy

- Promote acquisition through negotiated transactions (actively avoid competitive bidding where there are a large number of participants) and independent approach methods
- Making use of the accumulated property information since 2010, monthly flow information, independently acquired information, etc.
- Invest in high-quality assets in metropolises such as Tokyo (mainly in the 23 wards), Sapporo, Sendai, Osaka, Nagoya, and Fukuoka
- Basic benchmark for acquisitions: Studio and family apartments in the price range of over JPY1 bn per property (avoid premium rental properties)
- In areas other than Tokyo, the Investment Corporation will decide upon the investment amount after taking into account factors such as market size (assuming portfolio reshuffle of low-interest yield properties)
- Building age: Less than 10 years, in principle
- Average NOI yield: 5% or above, in principle

■ Disposition Policy

- Strategic decision-making from the viewpoint of real estate market trends and the entire portfolio
- Based on analysis of profitability, local characteristics, size of property, operational efficiency, etc.
- Utilize reserve for temporary difference adjustment for realized losses arising from disposed properties and etc. (balance following dividend disbursement in the 23rd fiscal period (forecast): JPY 6.6 bn)
- Disposition based on leveraging the network and knowhow of the asset management company



(Note) Bar graph: Asset Size (Acquisition Price), Line graph: no. of properties

(2) Internal Growth

“Daily Occupancy Rate Forecasting System” enable us to grasp on-the-ground conditions, engage in studying issues based on a hands-on approach, and undertake the actions outlined here in a swift manner.

■ Improvement in Profitability

- Maximization of income from each property based on “Management Policy by Property”
- Challenges to raising rents and stemming the downfall, others revenue growth
 - Improvement in product marketability as a result of upgrade of restoration
 - Improvement of parking occupancy rates
- Maintaining high occupancy rates
 - Eliminating long-term vacancies and preventing future occurrences
 - Presales before cancellation of contract, stronger management of mockups
- Cutting downtime
 - Systematic implementation of “Three-Week Rule”
 - Stronger efforts on “Key Focus Properties”
 - Shorten downtime (“Downtime 60 days”)
 - “Action 30 days” (Focusing on the units that has been vacant for 30 days since the leasing started)

■ Cost Reduction

- Review of PM companies as part of sustained efforts to reducing costs
- Reducing costs by obtaining volume discounts by engaging with suppliers with a countrywide presence
- Maintain outflows at appropriate levels by closely monitoring high-cost work orders

(3) Finance Strategy

Will flexibly implement financial strategies depending on the financial condition of JRH and borrowing circumstances.

Will aim to diversify financing sources by increasing the number of lenders, ongoing public offerings and issuance of investment corporation bonds.

■ Leverage Ratio

- LTV (interest-bearing debt / total assets) up to 55%

■ Debt-financing Strategy

- Expand the number of correspondent financial institutions based on the concept of achieving a stable bank formation
- Continue to reduce all-in financing costs
- Extend borrowing periods and diversify payment due dates
- Continue to issue investment corporation bonds
- New property acquisitions using a mix of cash (depreciation – capital expenditure) and bank debt

■ Equity-financing Strategy

- Investment unit price per unit shall in principle exceed net assets per unit (NAV higher than 1)
- Make decisions upon comprehensively considering capital market trends, impact on distributions, acquisition capacity after public offering, etc.
- Consider public offering taking total assets based LTV into account

Appendices

■ Medium-Term Target of Distribution per Unit (3 years from 22nd FP to 27th FP)

(Released on November 15, 2016)

Medium-term target: Aim for JPY1,900 – 2,000 DPU in the next 3 years or so

Assumptions: Plan to manage securing JPY300, the upper limit for DPU increase, through the following 1. (acquisition of new properties and revenue increase from existing properties) and 2. (reduction of costs and payout of distribution reserves)

Recognition of current market environment and assumptions for the next 3 years

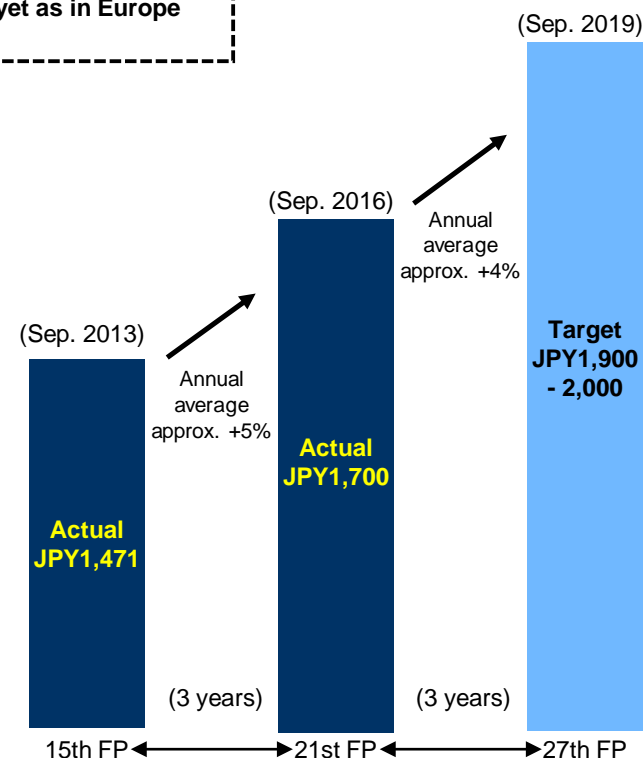
- Further decline in transaction cap rates to near the level immediately before the global financial crisis
→ Acquisition competition for new properties continuing to intensify
- Continuation of monetary easing policy
- Limited supply of newly built properties (properties in the centers of six major cities that are JPY1 bn or more) → Small risk for occupancy rate fall
- Rent increase in some properties, but the pre-global financial crisis level not recovered yet as in Europe and the U.S.

1. Financial sources for distribution per unit + JPY100

- ① Acquisition of new properties: JPY10 - 20 bn (distribution +about JPY70 – 140)
- ② Maximization of income, etc. from each property
(Maximization of income through application of appropriate rent and minimization of downtime)

2. Financial sources for distribution per unit + JPY200

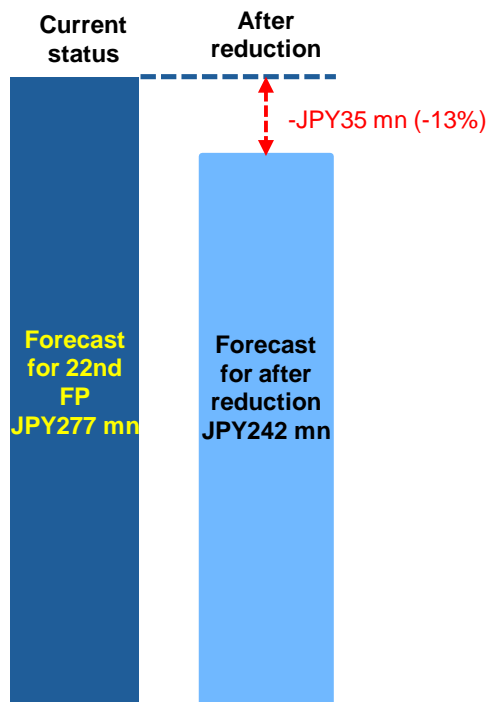
- ① BM fees: Reduction of about JPY35 mn per fiscal period (distribution +about JPY20)
- ② Trust fees: Reduction of about JPY65 mn over the next 3 years (distribution +about JPY40)
*Promotion of actually owning real estate properties instead of holding the trust beneficiary rights to those properties from 11th fiscal period (Sep. 2011). Reduced the fees by JPY48 mn from the total of JPY126 mn in 10th fiscal period to JPY78 mn in the 21st fiscal period. (To be reduced to the total of around JPY10 mn in 27th fiscal period.)
- ③ Financing costs: Aim for around 1% of total interest bearing debt costs in the 27th fiscal period by reducing from the actual result of the 21st fiscal period 1.47% (distribution about JPY 100 or more)
*Assumption: Refinancing JPY65.4 bn due in the next 3 years (around 56% of total borrowings) at 1% (vs. actual refinancing cost of 0.65% for the 21st fiscal period)
- ④ Start of payout of distribution reserves starting in the 23rd fiscal period (distribution +about JPY40)
*Assumption: Amortization of distribution reserves at the end of 22nd fiscal period over 50 years



Medium-term target of distribution per unit is a target set by the Asset Manager as of today and is not a guaranteed amount. In addition, distribution per unit over the next 3 years from 22nd fiscal period is under assumption that there is no change to the total number of investment units issued and outstanding as of today (1,640,060 units).

① Reduction of BM fees

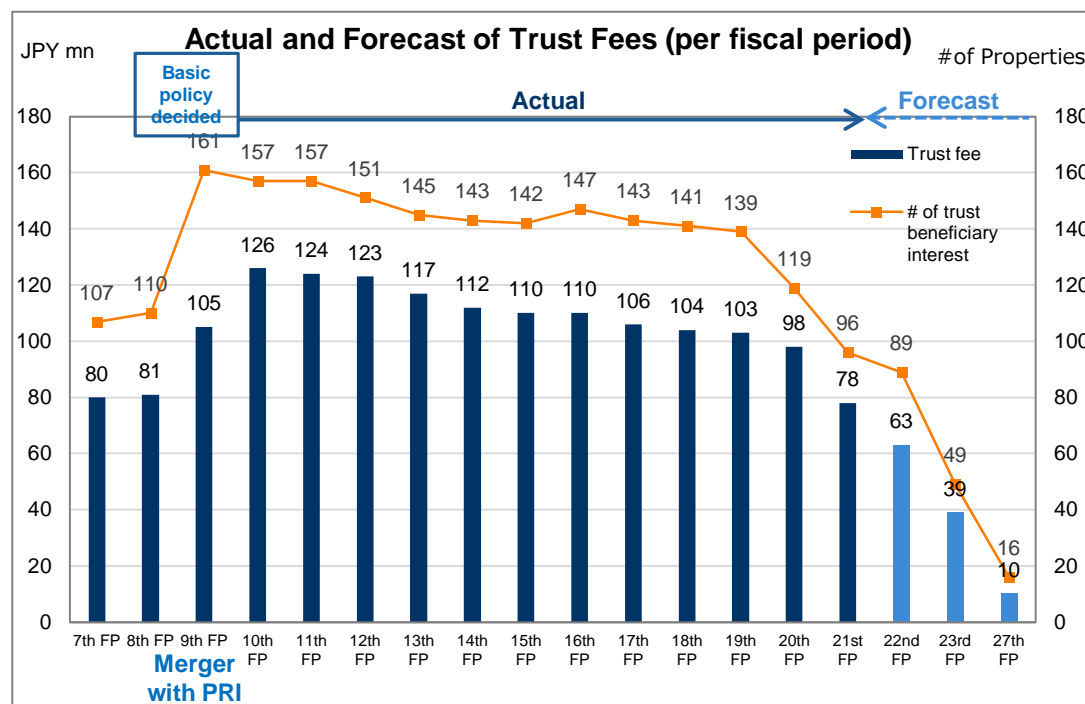
Plan to reduce BM fees by JPY35 mn per fiscal period utilizing strength of being a self-funding asset management company in real estate business even after the sponsor change.



② Reduction of trust fees by actually owning real estate properties instead of holding the trust beneficiary rights to those properties*

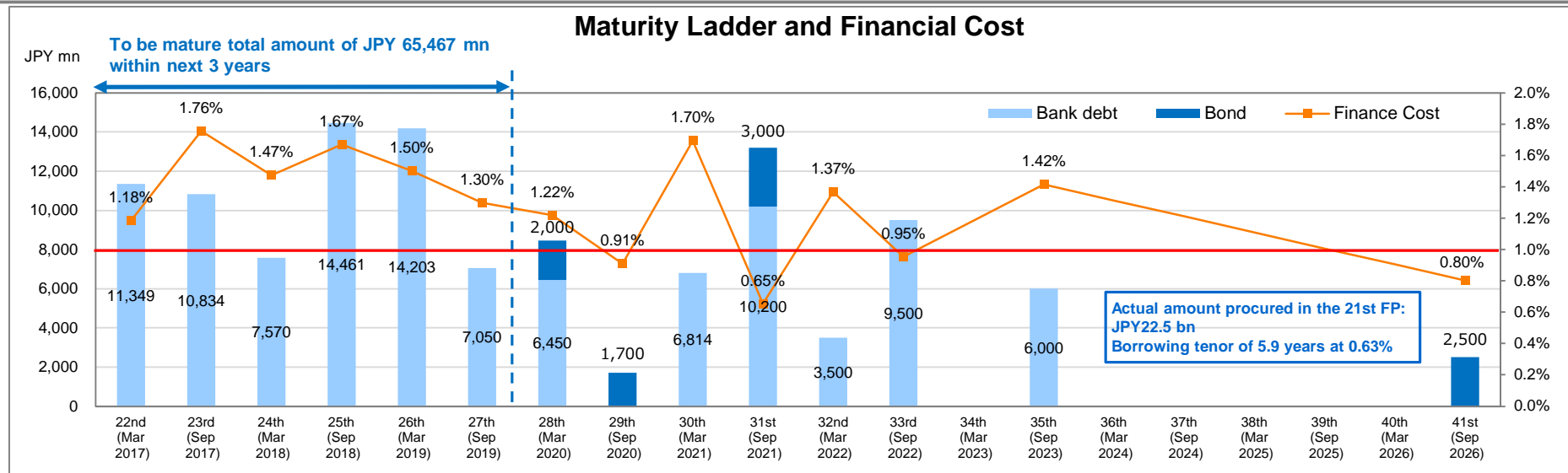
For properties which were owned in form of trust beneficiary rights in 2009, a basic policy to, in principle, terminate their trust agreements as each of their trust period expires and change to real estate in kind was decided.

→ Reduction by 50% in 22nd fiscal period from the peak time immediately after the merger with PRI (JPY126 mn) and reduction to as low as JPY10 mn in 3 years expected.

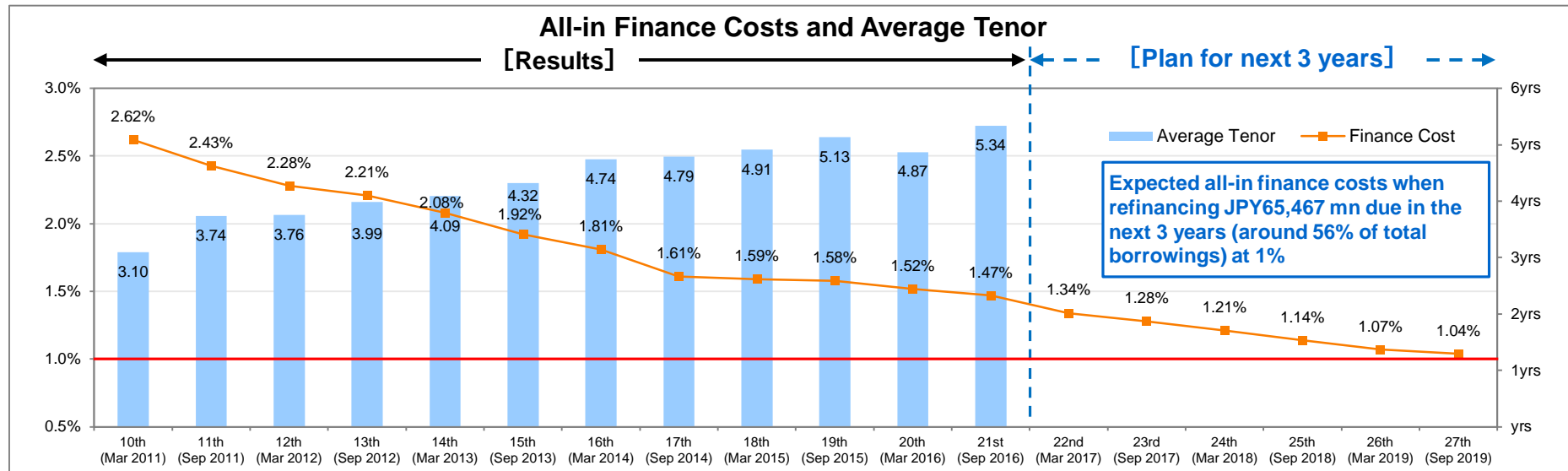


*Type of ownership of real estate is either real estate in kind or trust beneficiary rights. As to real estate in kind, payment of real estate acquisition tax, etc. arises upon acquisition (included in book value), but no trust fees are required during the ownership. On the other hand, although trust beneficiary rights are not subject to real estate acquisition tax and are subject to reduced tax rate of registration license tax upon acquisition, trust fees are required during the ownership. Therefore, ownership of trust beneficiary rights is often seen in private funds and such which do not assume long-term ownership; and for the cases of real estate investment which assume long-term ownership, comparative verification between the initial cost required for acquiring real estate in kind and the long-term cost burden required for ownership of trust beneficiary rights should be made before deciding on the policy.

This is a target set by the Asset Manager as of today and is not a guaranteed amount.

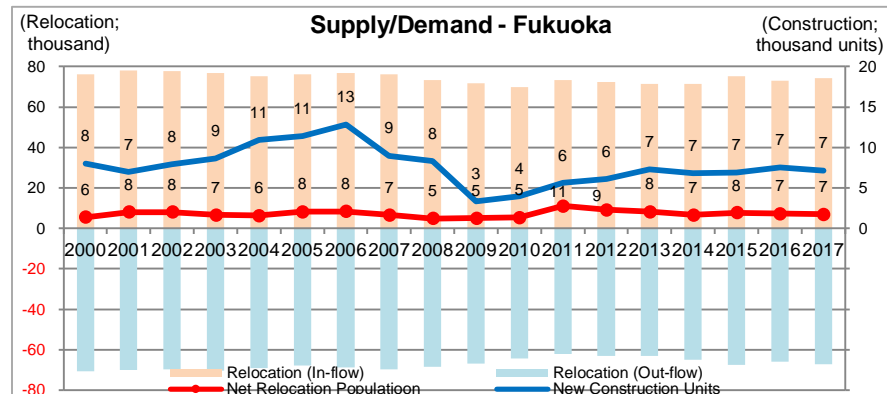
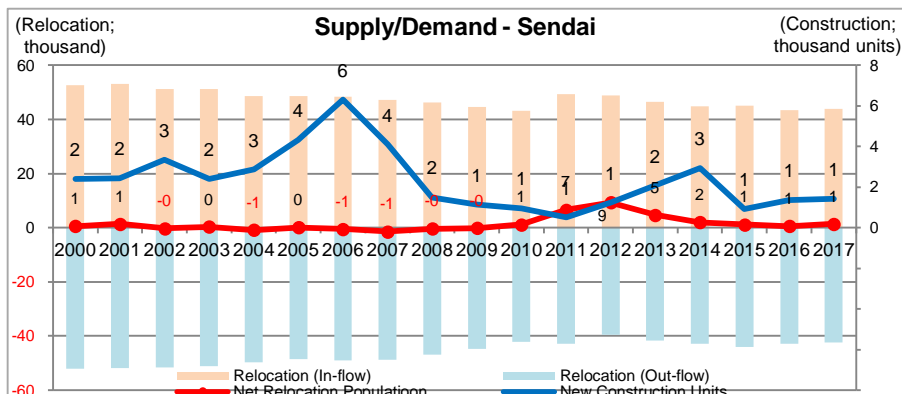
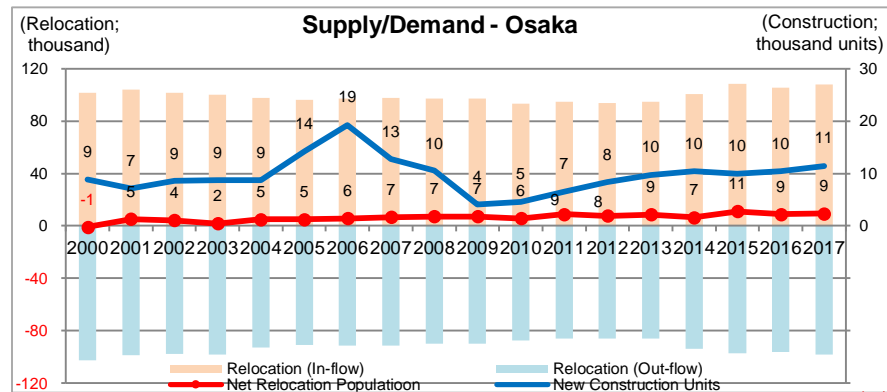
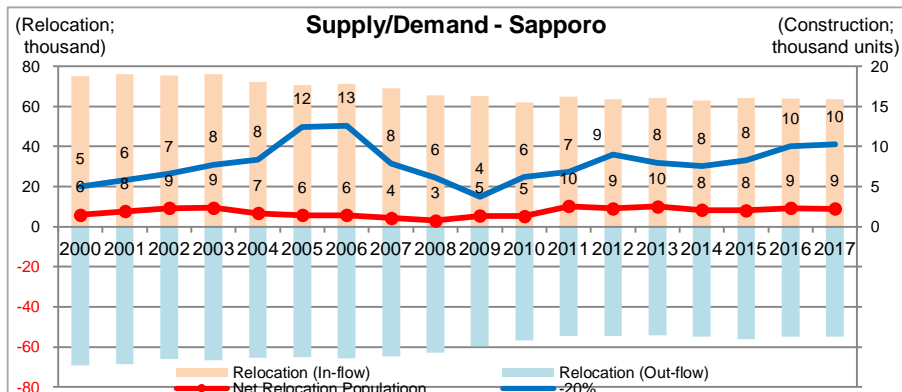
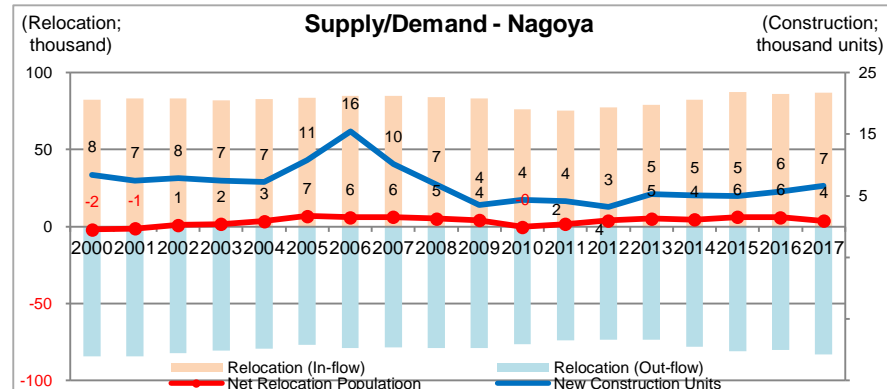
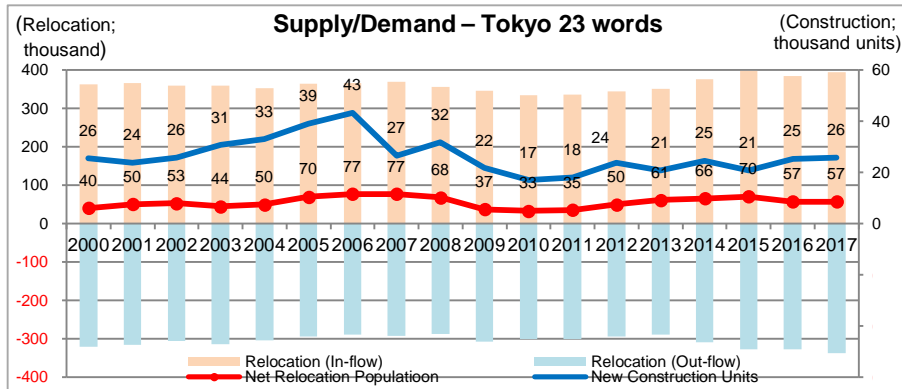


(Note) Finance costs are the total of interest expenses, finance-related costs and costs for fixing interest rates for the loans due in the respective fiscal period. The costs for fixing interest rates are calculated by multiplying the amount of loans due in respective fiscal period by an interest rate obtained by weighted averaging the total of fixed interest rates based on each interest rate swap agreement with notional principal.



(Note) Finance costs for the 22nd FP and after are estimated under a condition that the existing loans due in respective fiscal period are refinanced at 1% (total of interest expenses, finance-related costs and amortization of bond issuance costs).

This is a target set by the Asset Manager as of today and is not a guaranteed amount.



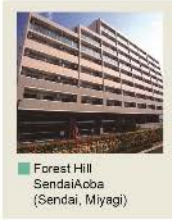
(Source) Relocation balance: Population Movement from Basic Resident Register, MIC

Construction work on new rental apartments: Survey on Construction Works by the MLIT (construction of rental units and SRC/RC apartments complexes)

Total: **198** properties

Total asset: **¥225.5 bn**
(based on the acquisition price)

Total unit: **13,223**



Hokkaido area (Sapporo)
of properties: 16

Tohoku / Shinetsu area
(Sendai / Morioka / Niigata)
of properties: 16

Kyushu / Chugoku area
(Fukuoka / Okayama)
of properties: 5

Osaka area
of properties: 38

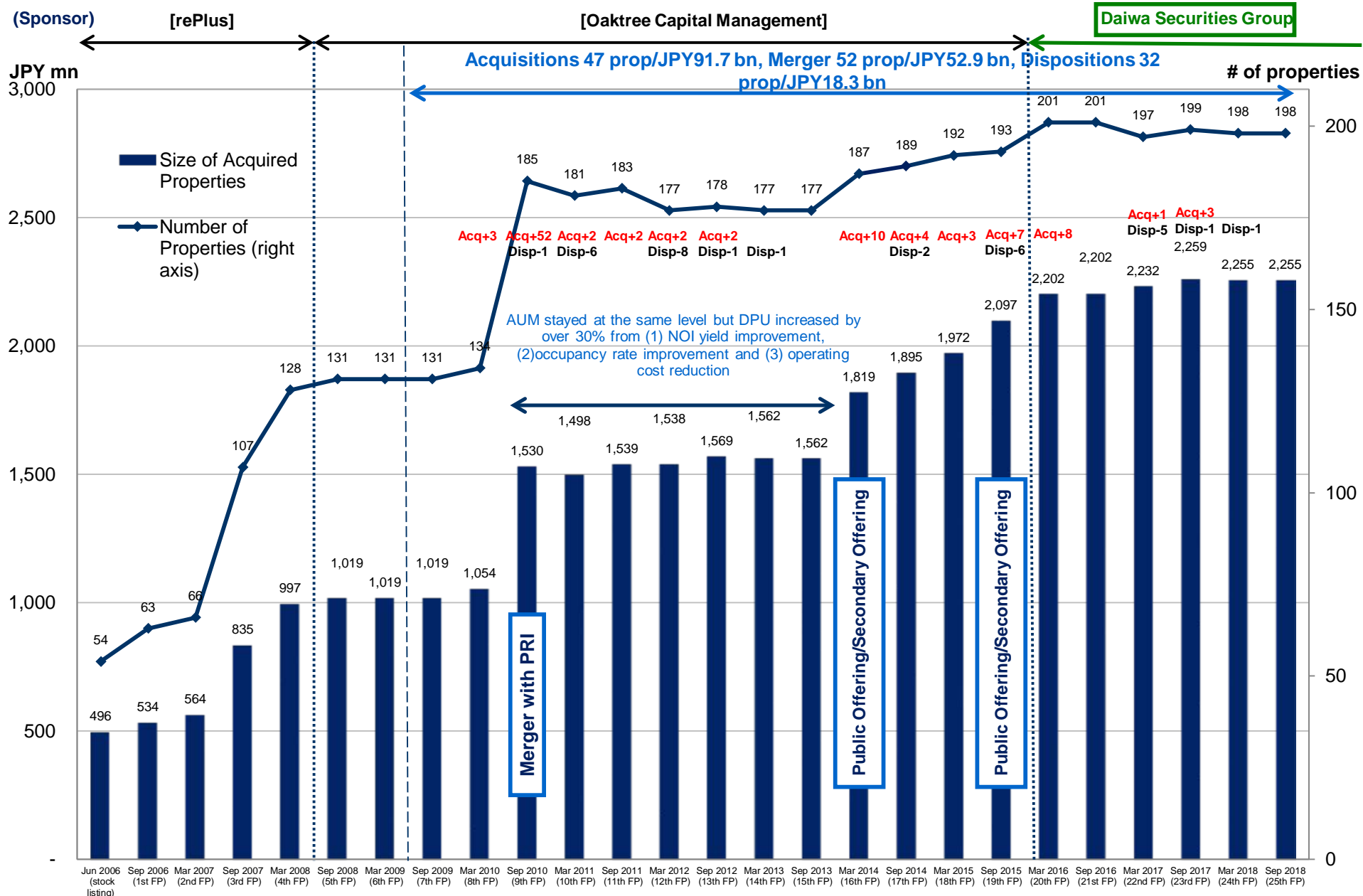
Nagoya area
of properties: 26

Tokyo area
of properties: 97

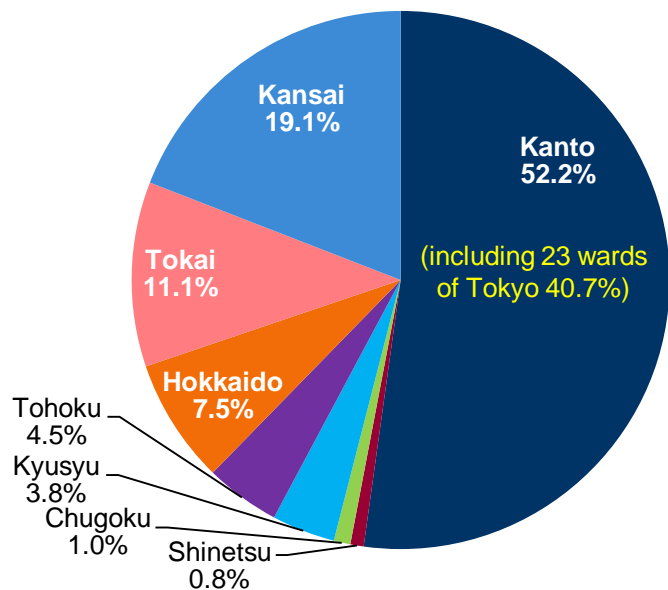


■ Studio rental apartment ■ Family rental apartment

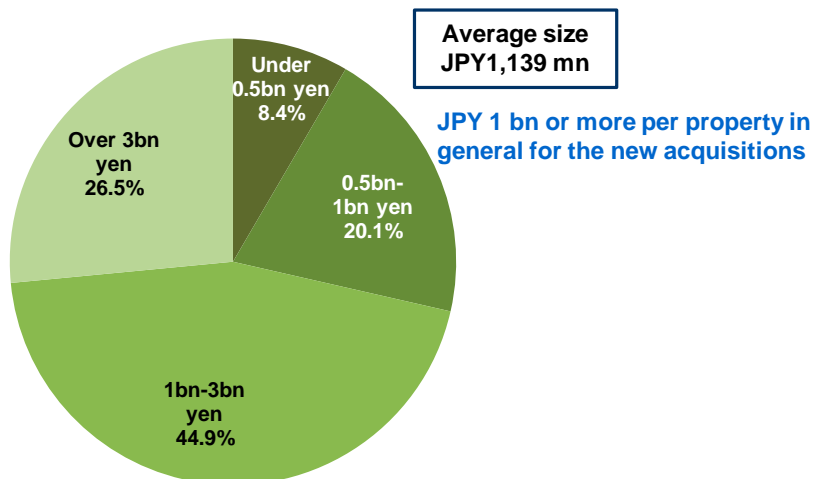
Portfolio Growth (Acquisition Price based)



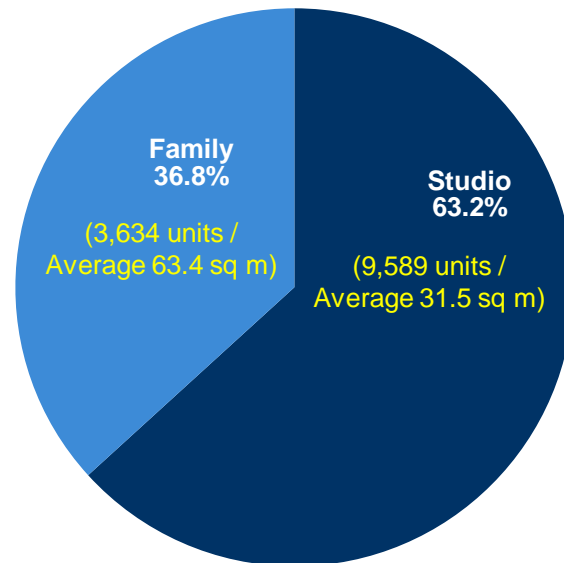
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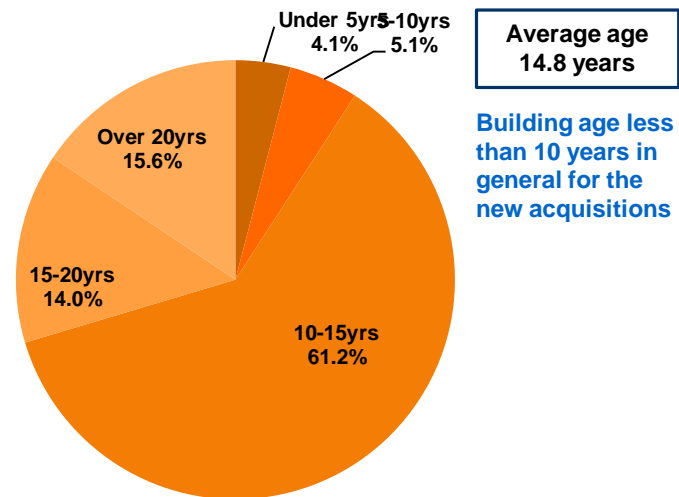
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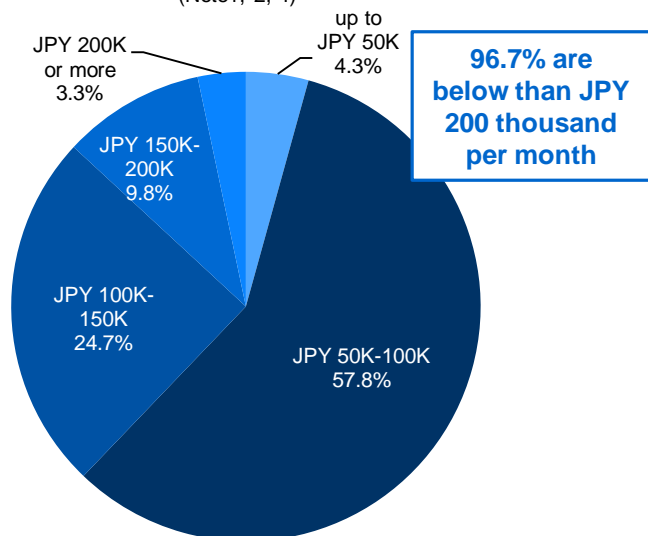
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(Note) Each percentage is calculated based on the acquisition price (rounded off to one decimal place)

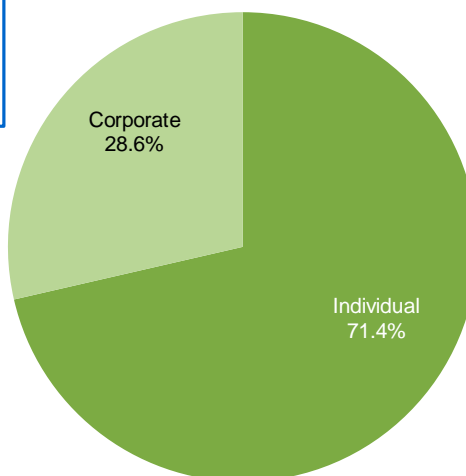
Monthly Rent per Unit

(Note 1, 2, 4)



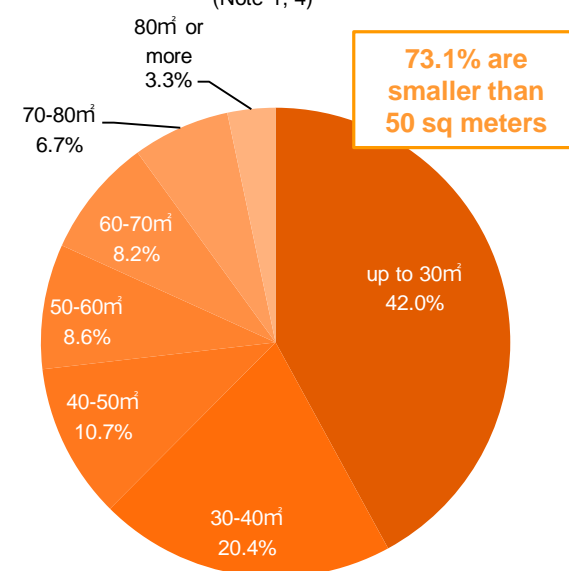
Lessee Type

(Note 1, 3, 4)



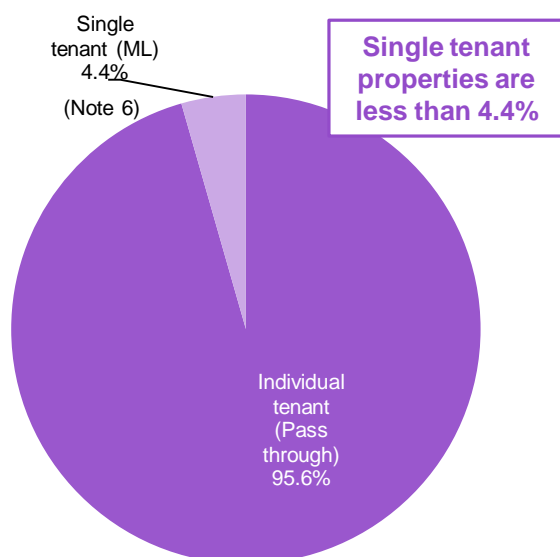
Unit Size

(Note 1, 4)



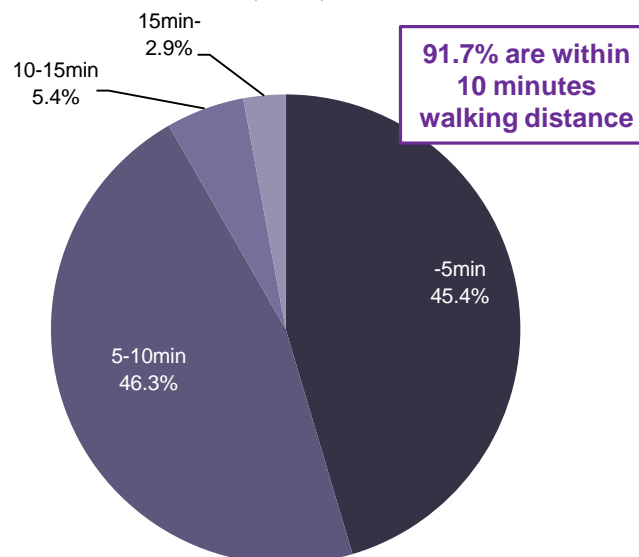
Lease Type

(Note 5)



Walking Distance from Stations

(Note 5)



(Note 1) Calculation excludes subleased properties and non-residential units (i.e. office, retail).

(Note 2) Calculation based on the total amount of monthly rent and common area fee as of March 31 2018.

(Note 3) Calculation excludes the vacant units as of March 31, 2018.

(Note 4) Calculation based on the number of units

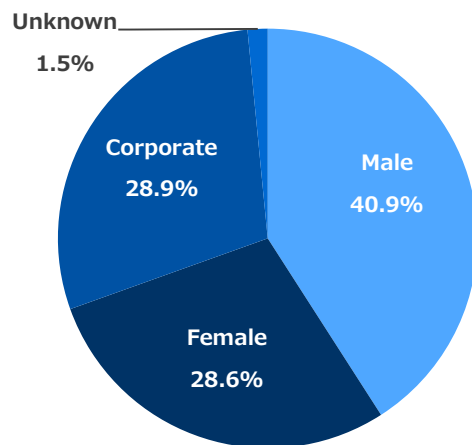
(Note 5) Calculation based on the acquisition price.

(Note 6) Out of 4.4% (16 buildings with a total acquisition price of JPY 10.0 billion), 2.8% is leased by Mainichicomnet Co., Ltd. (10 student apartments in Tokyo with a total acquisition price of JPY 6.3 billion) and the remaining 1.6% is leased by general business companies (6 buildings with a total acquisition price of JPY 3.6 billion). Since leasing an entire building to a single tenant accompanies a risk of having only one tenant, it is our policy not to newly make such investment in principle.

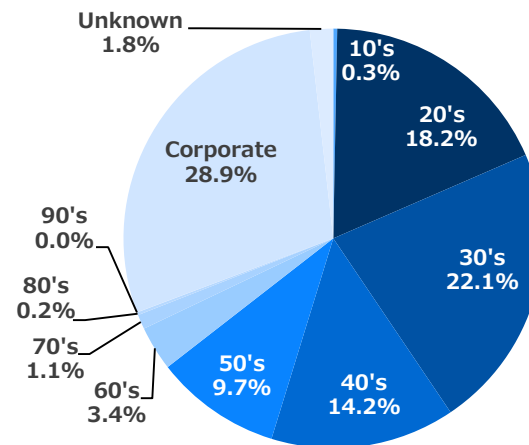
Category of Properties	Number of Properties	Average Acquisition Price (Thousand yen)	Number of Rentable Units	Average Number of Rentable Units per Property	Average Rentable Floor Area per Unit (sq. meter)
Studio	129	1,105,775	9,589	74	31.5
Family	69	1,201,726	3,634	52	63.4
Total (Average)	198	1,139,212	13,223	66	40.3

Category of Properties	Number of Properties	Average Acquisition Price (Thousand yen)	Number of Rentable Units	Average Number of Rentable Units per Property	Average Rentable Floor Area per Unit (sq. meter)
23 wards of Tokyo	68	1,348,641	3,502	51	40.5
The three major metropolitan areas	93	1,011,429	6,238	67	39.7
Other major cities	37	1,075,500	3,483	93	41.0
Total (Average)	198	1,139,212	13,223	66	40.3

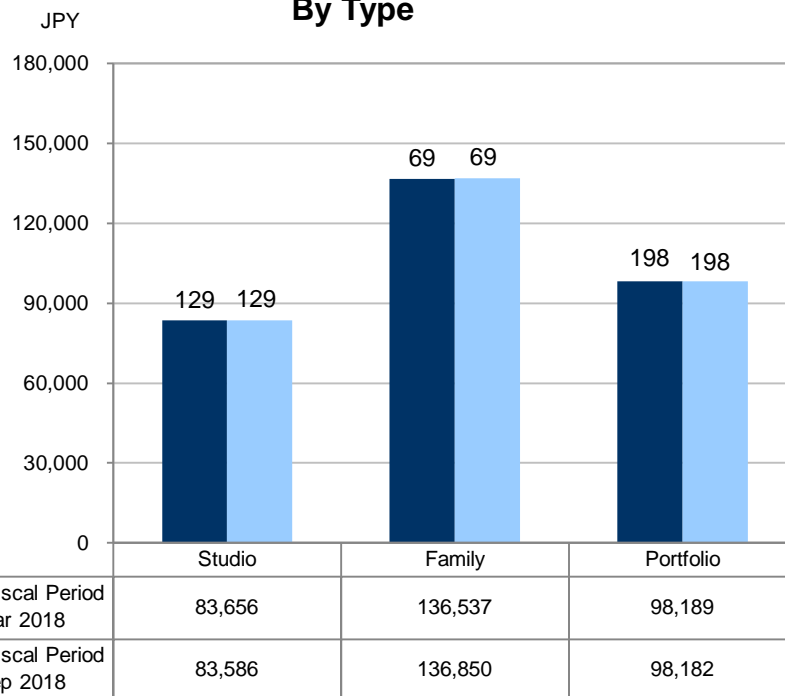
Tenant Demographics by Gender



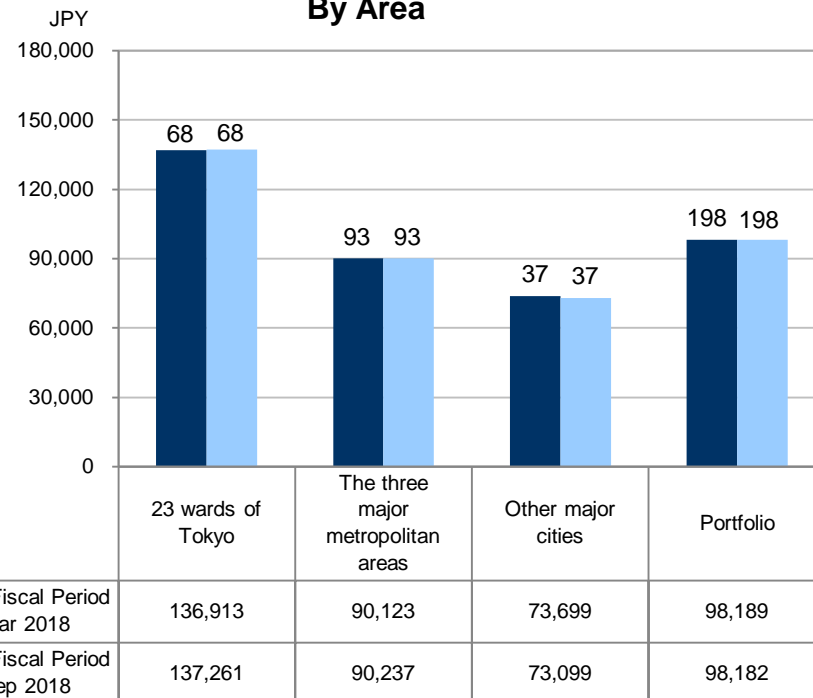
Tenant Demographics by Age



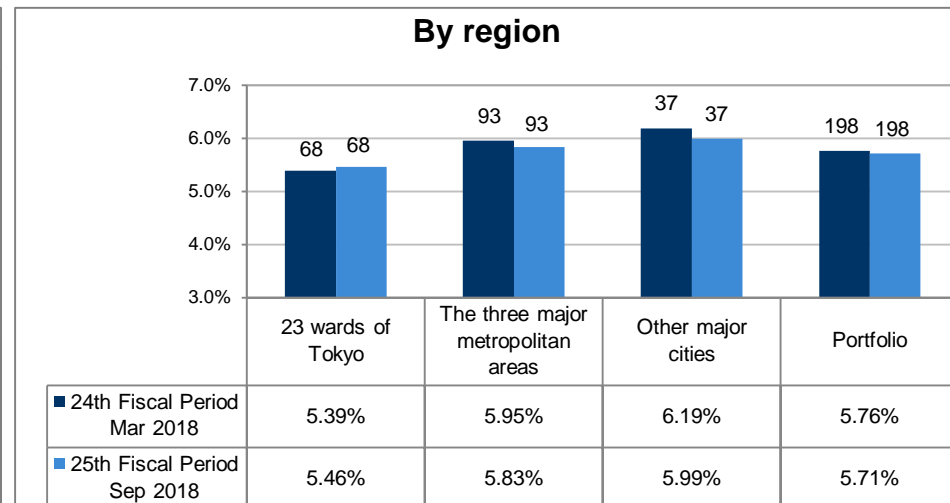
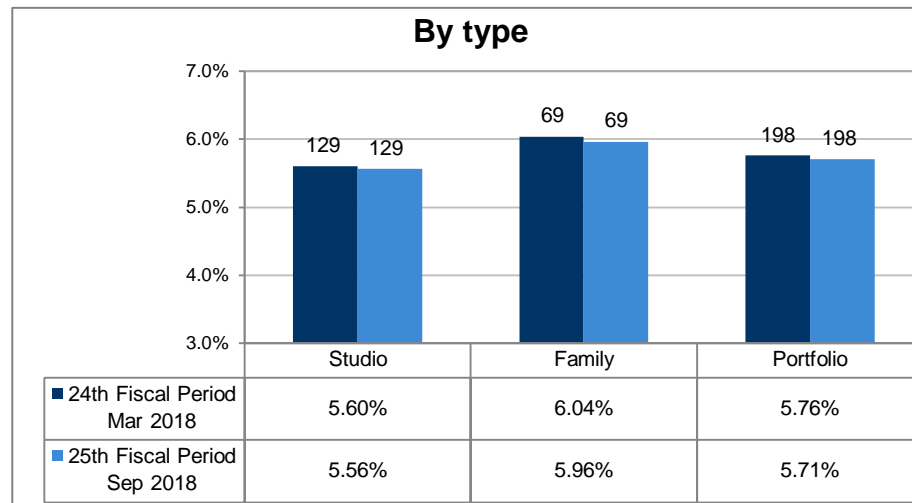
By Type



By Area



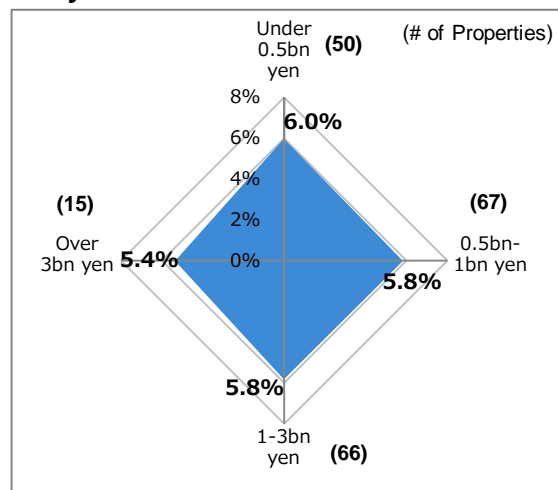
(Note) Average rent per unit calculations: rental revenue (rent + common benefit revenue) / total contracted units



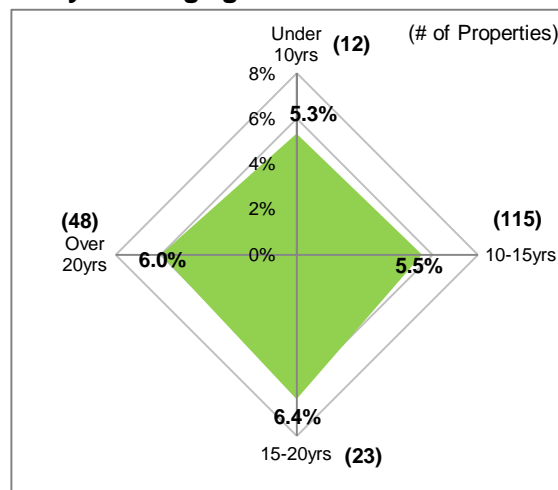
(Note1) Number of properties: 196 in the 23rd fiscal period exclude 3 newly acquired properties (numbers of properties indicated on top of the bar graphs)

(Note2) NOI yield: Annual income and expenditure in the rental business / acquisition price of property excluding tax

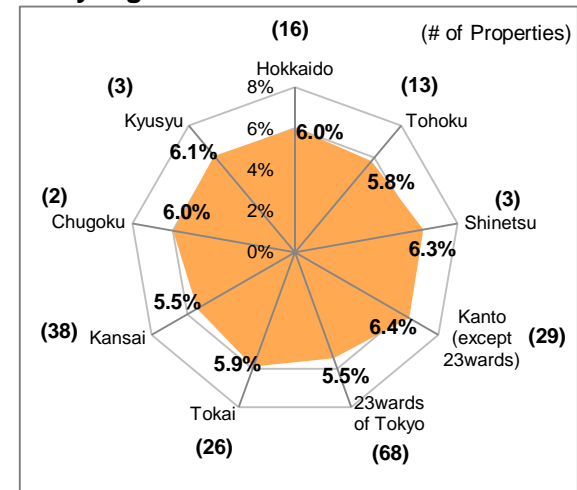
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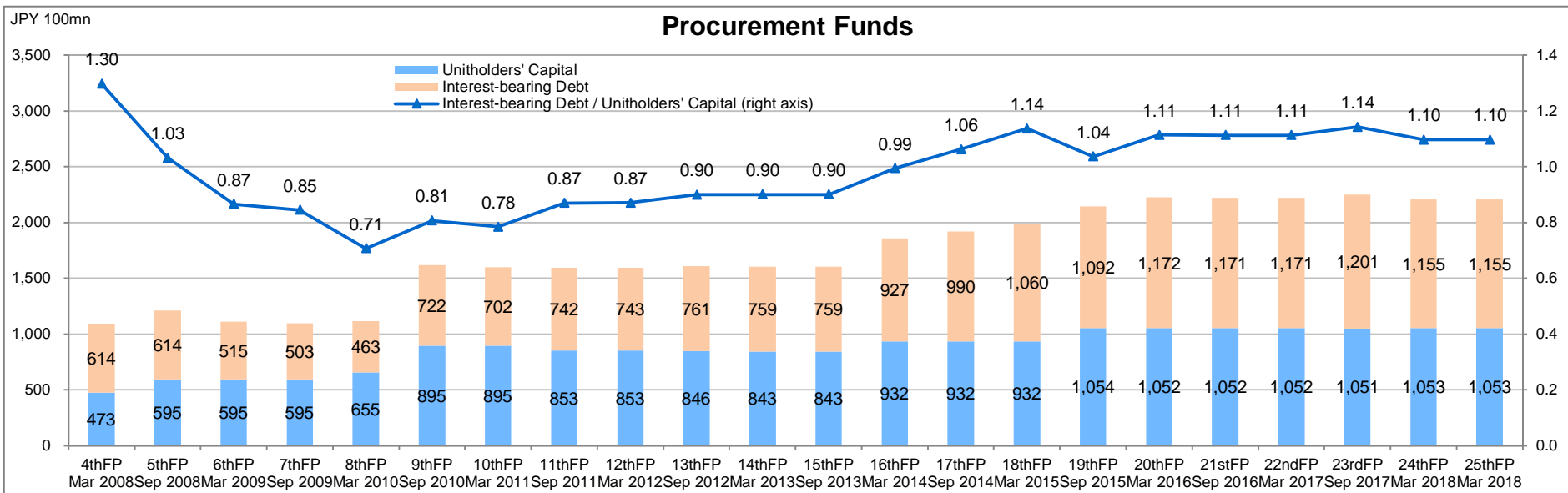
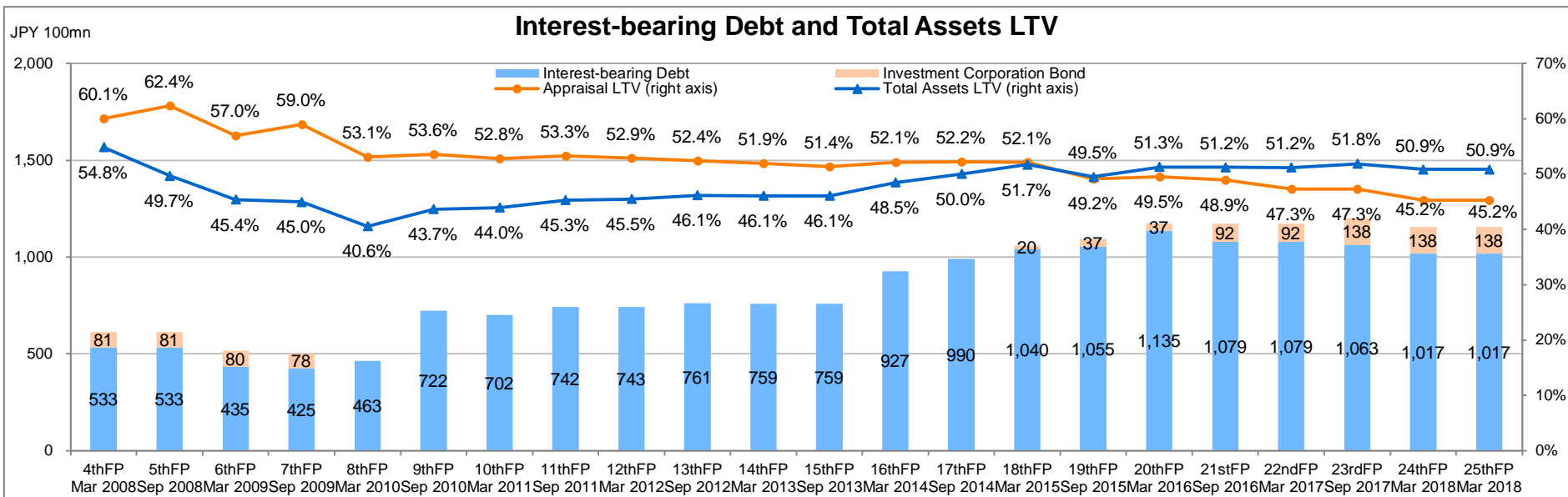


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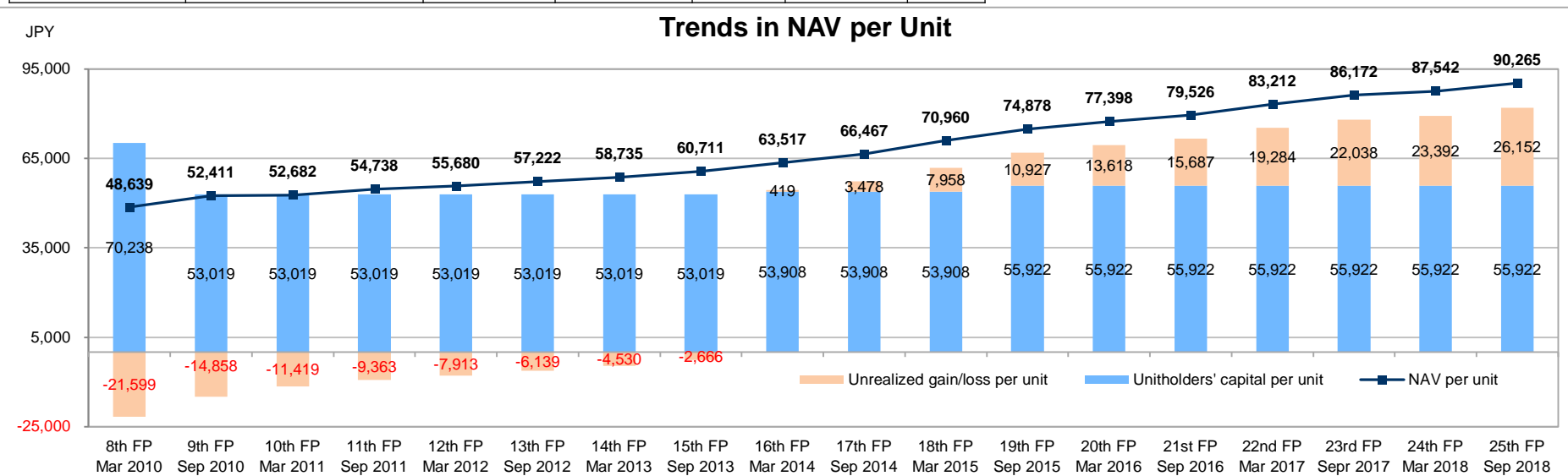
Date	Details	Total Investment (JPY)		Total Units in Issue		Note
		Change	Balance	Change	Number of Units	
October 7, 2005	Private placement	100,000,000	100,000,000	200	200	
December 13, 2005	Third-party allotment	8,900,000,000	9,000,000,000	17,800	18,000	
June 21, 2006	Public offering of new equity	18,748,800,000	27,748,800,000	43,400	61,400	
April 26, 2007	Public offering of new equity	18,595,161,900	46,343,961,900	34,300	95,700	
May 24, 2007	Third-party allotment	963,370,341	47,307,332,241	1,777	97,477	
August 28, 2008	Third-party allotment	12,250,000,000	59,557,332,241	70,000	167,477	
October 2, 2009	Third-party allotment	6,000,119,300	65,557,451,541	65,863	233,340	
June 30, 2010	Third-party allotment	5,000,236,650	70,557,688,191	43,035	276,375	(Note1)
July 1, 2010	Investment unit split	-	70,557,688,191	829,125	1,105,500	(Note2)
July 1, 2010	Merger	-	70,557,688,191	225,300	1,330,800	(Note3)
November 26, 2013	Public offering of new equity	8,148,307,200	78,705,995,391	131,200	1,462,000	
December 18, 2013	Third-party allotment	811,104,360	79,517,099,751	13,060	1,475,060	
May 27, 2015	Public offering of new equity	12,198,615,000	91,715,714,751	165,000	1,640,060	

Total Investment	JPY 91,715,714,751
Total Number of Investment Units Authorized	5,000,000 units
Total Number of Investment Units Outstanding	1,640,060 units

(Note1) Third party allotment of new investment units done at an issue price of 116,190 yen per unit with the purpose of repaying a part of the loans that were transferred as part of the merger with PRI

(Note2) Conducted a four-to-one investment unit split

(Note3) The Investment Corporation conducted the absorption-type merger with PRI treated as an extinguished corporation in accordance with article 147 of the Act on Investment Trusts and Investment Corporations



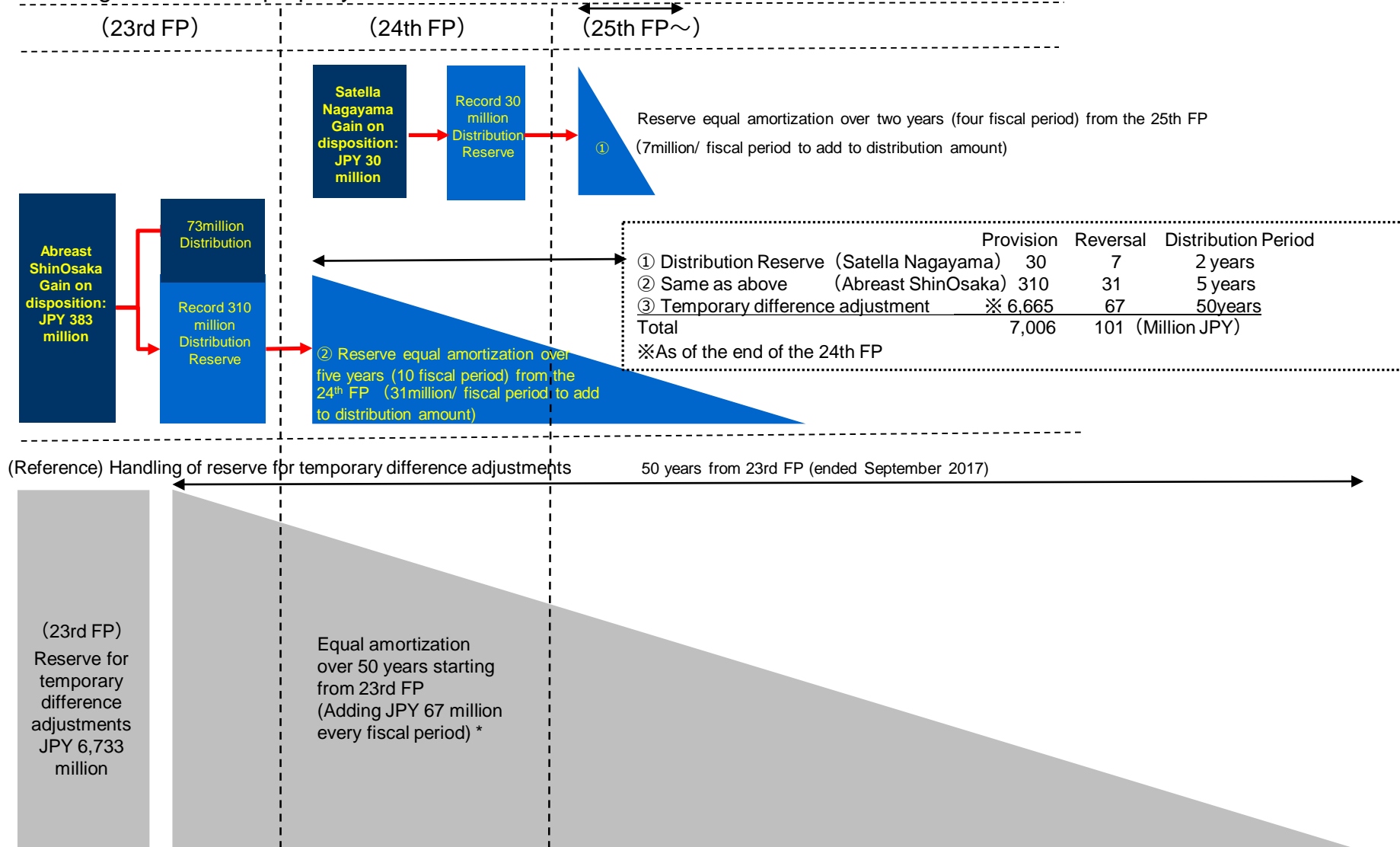
■ Outstanding Balance and shares of interest bearing debt by Lender

Lenders	9th FP		24th FP		25th FP		
	Sep 30, 2010 (Merger with PRI)		March 31, 2018		Refinance (June 22, 2018)		
	Balance (JPY mn)	Share	Balance (JPY mn)	Share	Change (JPY mn)	Balance (JPY mn)	Share
MUFG Bank, Ltd.	12,692	17.6%	28,334	24.5%	-1,459 +6,803	33,678	29.1%
Sumitomo Mitsui Banking Corporation	11,278	15.6%	19,074	16.5%	-4,612 +4,612	19,074	16.5%
Resona Bank, Limited	4,075	5.6%	9,629	8.3%	- +840	10,469	9.1%
Shinsei Bank, Limited	2,689	3.7%	10,335	8.9%	-	10,335	8.9%
Aozora Bank, Ltd	22,751	31.5%	13,397	11.6%	-7,154 +3,600	9,843	8.5%
The Bank of Fukuoka, Ltd.	-	-	4,337	3.8%	-837 +1,350	4,850	4.2%
Development Bank of Japan Inc.	-	-	2,500	2.2%	- +1,000	3,500	3.0%
ORIX Bank Corporation	400	0.6%	2,168	1.9%	-398 -	1,770	1.5%
Mizuho Bank, Ltd.	-	-	500	0.4%	- +1,000	1,500	1.3%
The Nomura Trust and Banking Co., Ltd.	-	-	500	0.4%	- +600	1,100	1.0%
THE HIGASHI-NIPPON BANK, LIMITED	-	-	1,000	1.0%	-	1,000	0.9%
The Hyakugo Bank, Ltd.	-	-	1,000	0.9%	-	1,000	0.9%
The Hiroshima Bank, Ltd.	-	-	1,000	0.9%	-	1,000	0.9%
The Norinchukin Bank	4,850	6.7%	968	0.8%	-	968	0.8%
The Kagawa Bank, Ltd.	-	-	700	0.6%	-	700	0.6%
The Ashikaga Bank, Ltd.	-	-	500	0.4%	-	500	0.4%
The Senshu Ikeda Bank, Ltd.	-	-	500	0.4%	-	500	0.4%
Mitsubishi UFJ Trust and Banking Corporation	1,987	2.8%	5,344	4.6%	-5,344 -	-	-
Total bank borrowings (Note1)	72,225	100.0%	101,787	88.1%	-	101,787	88.1%
Investment corporation bond	-	-	13,800	11.9%	-	13,800	11.9%
Total interest bearing debt	72,225	100.0%	115,587	100.0%	-	115,587	100.0%
Total assets LTV (Note2)	43.7%	-	50.9%	-	-	50.9%	-
Appraisal LTV	53.6%	-	45.2%	-	-	44.5%	-

(Note1) Number of "9th FP Total" includes the balance of the borrowings from 5 financial institutions which is not on the list.

(Note2) Total Assets LTV = Interest-bearing Debt / Total Assets x 100

At the point of leveling distribution, the amount of distribution, distribution reserves, and distribution policy determines upon the amount of gain on sale of property



* In cases where utilization of the reserves is judged to be rational due to occurrence of loss on disposition of properties, impairment loss and other reasons, it is possible to move up the final date (in 50 years as of present) to deal with such unexpected situations. (In such cases, the amount used will be subtracted from the balance at that point. However, the amount of depreciation for each fiscal year (JPY 67 million) will remain unchanged until the final date.)

Item	24th (March 2018) Fiscal Period	25th (September 2018) Fiscal Period	Reference
Number of actual days of operation	182	183	-
Return on assets (ROA)	1.4%	1.4%	Ordinary income/ (Total assets at the beginning of the period + Total assets at the end of the period) / 2) x 100
(annualized)	2.8%	2.7%	-
Return on equity (ROE)	2.9%	2.9%	Profit / ((Net assets at the beginning of the period + Net assets at the end of the period) / 2) x 100
(annualized)	5.8%	5.7%	-
Capital adequacy ratio as of the end of the fiscal term	47.7%	47.7%	Net assets at the end of the period / Total assets at the end of the period x 100
Depreciation	JPY 1,802 mn	JPY 1,815 mn	-
Rental NOI (Net Operating Income)	JPY 6,510 mn	JPY 6,435 mn	Rental revenues – property-related expenses + depreciation
FFO(Funds from Operation) per investment unit	JPY 3,131	JPY 3,109	FFO (Profit + Depreciation + Amortization - Gains on sales of property + Impairment loss) / Total number of investment units outstanding as of the end of the fiscal period
FFO (Funds from Operation) multiple	12.9 times	14.5 times	Unit price at the end of the fiscal term / Annualized FFO per unit
Debt service coverage ratio (DSCR)	11.9 times	12.8 times	(Profit before interest, Depreciation and Amortization - Gain or loss of the disposition of real estate + Impairment loss) / Interest expenses
Total interest-bearing debt	JPY 115,587 mn	JPY 115,587 mn	Interest-bearing debt at the end of the period
Ratio of interest-bearing debt to total assets	50.9%	50.9%	(Interest-bearing debt at the end of the period / Total assets at the end of the period) x 100

	(JPY thousand)	
	24th Fiscal Period From October 1, 2017 to March 31, 2018	25th Fiscal Period From April 1, 2018 to September 30, 2018
Operating revenues:		
Rental revenues	8,254,314	8,250,737
Gain on sales of properties	30,594	-
Total operating revenues	8,284,909	8,250,737
Operating expenses:		
Rental expenses	3,546,203	3,630,121
Asset management fees	560,000	552,000
Directors' remuneration	6,000	6,500
Asset custody fees	13,693	13,565
Administrative service fees	38,119	39,132
Audit fees	14,500	14,500
Provision for doubtful accounts	87	2,387
Write off of accounts receivable	539	73
Other operating expenses	255,381	258,885
Total operating expenses	4,434,524	4,517,166
Operating income	3,850,384	3,733,570
Non-operating income:		
Interest income	5	4
Miscellaneous income	10,888	14,257
Total non-operating income	10,894	14,262
Non-operating expenses:		
Interest expenses	470,805	433,750
Finance-related expenses	218,063	187,670
Amortization of issuance costs of new units	2,473	412
Amortization of bond issuance costs	9,201	9,201
Other non-operating expenses	1,630	1,582
Total non-operating expenses	702,174	632,617
Ordinary income	3,159,104	3,115,216
Income before income taxes	3,159,104	3,115,216
Income taxes – current	605	605
Total income taxes	605	605
Profit	3,158,499	3,114,611
Retained earnings at beginning of period	310	548
Unappropriated retained earnings	3,158,809	3,115,159

		(JPY thousand)	
24th Fiscal Period From October 1, 2017 to March 31, 2018		25th Fiscal Period From April 1, 2018 to September 30, 2018	
Breakdown of Rental Revenues and Expenses		Breakdown of Rental Revenues and Expenses	
A. Rental revenues		A. Rental revenues	
(Rent income)	7,080,822	(Rent income)	7,043,441
(Common service fees)	482,798	(Common service fees)	481,825
(Parking fees)	313,148	(Parking fees)	310,609
(Incidental revenues)	54,876	(Incidental revenues)	53,779
(Other rental revenues)	322,670	(Other rental revenues)	361,080
Total	8,254,314	Total	8,250,737
B. Rental expenses:		B. Rental expenses:	
(Management fees)	428,963	(Management fees)	423,445
(Taxes and public dues)	509,549	(Taxes and public dues)	520,816
(Utilities)	156,544	(Utilities)	138,739
(Repairs) *2	344,147	(Repairs) *2	396,419
(Insurance expenses)	18,176	(Insurance expenses)	17,825
(Advertising expenses)	203,785	(Advertising expenses)	229,893
(Trust fees)	16,819	(Trust fees)	9,080
(Depreciation)	1,802,528	(Depreciation)	1,815,066
(Other rental expenses)	65,688	(Other rental expenses)	78,836
Total	3,546,203	Total	3,630,121
C. Rental income *1		C. Rental income *1	
(A - B)	4,708,111	(A - B)	4,620,615
*1 Rental income		(JPY million)	
24th Fiscal Period		25th Fiscal Period	
NOI	6,510	NOI	6,435
*2 Repairs		(JPY million)	
24th Fiscal Period		25th Fiscal Period	
Repair cost	344	Repair cost	396
Capital expenditures	898	Capital expenditures	1,073

(JPY thousand)			(JPY thousand)			(JPY million)		
	24th Fiscal Period (March 31, 2018)	25th Fiscal Period (September 30, 2018)		24th Fiscal Period (March 31, 2018)	25th Fiscal Period (September 30, 2018)		24th Fiscal Period	25th Fiscal Period
Assets:			Investments and other assets:			*1 Cash and deposits		
Current assets:			Guaranteed securities deposited	9,916	9,972	Cash and bank deposits	7,549	8,548
Cash and bank deposits *1	7,549,310	8,548,708	Lease deposits	743	743	Cash and bank deposits in trust	1,259	955
Cash and bank deposits in trust *1	1,259,644	955,191	Long-term prepaid expenses	465,275	486,364	Total	8,808	9,503
Rental receivables	246,776	223,238	Reserve fund for repair	133,146	142,482	Leasehold and security deposits received	1,246	1,258
Prepaid expenses	343,518	245,531	Total investments and other assets	609,082	639,561	Leasehold and security deposits received in trust	465	427
Other current assets	55	26	Total fixed assets	217,816,885	217,260,838	Balance	7,096	7,817
Allowance for doubtful accounts	-9,682	-8,527	Deferred assets:					
Total current assets	9,389,623	9,964,168	Issuance costs of new units	412	-	*2 Property and equipment		
Fixed assets:			Bond issuance costs	89,993	80,791	Total acquisition price	JPY 225,564 mn	JPY 225,564 mn
Property and equipment: *2			Total deferred assets	90,405	80,791	*3 Interest bearing debt		
Buildings	97,070,517	100,170,035	Total assets	227,296,914	227,305,798	Balance of interest bearing debt		25th Fiscal Period JPY 115,587 mn
Accumulated depreciation	-19,380,430	-21,184,271	Liabilities:			*4 Unitholders' capital		(JPY million)
Buildings, net	77,690,086	78,985,764	Current liabilities:			(1) 10/7/2005 Establishment through private placement		100
Structures	439,176	464,011	Accounts payable	573,599	774,785	(2) 12/13/2005 Third-party allotment		8,900
Accumulated depreciation	-183,332	-209,324	Current portion of long-term debt *3	28,664,660	21,253,000	(3) 6/21/2006 IPO		18,748
Structures, net	255,844	254,686	Other accounts payable	32,824	28,209	(4) 4/26/2007 PO		18,595
Machinery and equipment	430,833	462,316	Accrued expenses	433,202	423,720	(5) 5/24/2007 Third-party allotment		963
Accumulated depreciation	-192,913	-215,594	Income taxes payable	605	605	(6) 8/28/2008 Third-party allotment		12,250
Machinery and equipment, net	237,919	246,721	Consumption taxes payable	13,923	1,664	(7) 10/2/2009 Third-party allotment		6,000
Tools, furniture and fixtures	609,024	663,313	Rents received in advance	393,665	365,762	(8) 2010/6/30 Third-party allotment		5,000
Accumulated depreciation	-344,421	-383,156	Other current liabilities	16,442	16,119	(9) 11/26/2013 PO		8,148
Tools, furniture and fixtures, net	264,602	280,156	Total current liabilities	30,128,923	22,863,866	(10) 12/18/2013 Third-party allotment		811
Land	74,216,361	75,415,843	Long-term liabilities:			(11) 5/27/2015 PO		12,198
Construction in progress	39,759	39,937	Bonds	13,800,000	13,800,000	25th Fiscal Period end		91,715
Buildings in trust	41,325,802	39,335,733	Long-term loans *3	73,123,000	80,534,000			
Accumulated depreciation	-4,553,838	-4,485,987	Leasehold and security deposits received *1	1,246,747	1,258,986			
Buildings in trust, net	36,771,963	34,849,746	Leasehold and security deposits received in trust *1	465,530	427,618			
Structures in trust	233,613	210,368	Derivatives liabilities	96,767	52,226			
Accumulated depreciation	-71,610	67,568	Total long-term liabilities	88,732,046	96,072,831			
Structures in trust, net	162,002	142,800	Total liabilities	118,860,969	118,936,698			
Machinery and equipment in trust	96,813	67,840	Net assets:					
Accumulated depreciation	-40,101	-31,588	Unitholders' equity:					
Machinery and equipment in trust, net	56,712	36,251	Unitholders' capital *4	91,715,714	91,715,714			
Tools, furniture and fixtures in trust	73,406	82,224	Surplus:					
Accumulated depreciation	-29,517	-33,716	Capital surplus	6,682,398	6,682,398			
Tools, furniture and fixtures in trust, net	43,889	48,507	Voluntary reserves					
Land in trust	26,915,191	25,768,414	Distribution reserves	310,000	309,594			
Construction in progress in trust	6,623	5,707	Reserve for adjustment of temporary differences	6,665,790	6,598,459			
Total property and equipment	216,660,956	216,074,539	Total discretionary reserves	6,975,790	6,908,054			
Intangible assets:			Retained earnings	3,158,809	3,115,159			
Leasehold for land	546,283	546,283	Total surplus	16,816,998	16,705,611			
Right of using water facilities	189	163	Total unitholders' equity	108,532,713	108,421,326			
Trademark rights	373	290	Valuation and translation adjustments					
Total intangible assets	546,846	546,737	Deferred gains or losses on hedges	-96,767	-52,226			
			Total valuation and translation adjustments	-96,767	-52,226			
			Total net assets	108,435,945	108,369,100			
			Total liabilities and net assets	227,296,914	227,305,798			

(JPY thousand)

	24th Fiscal Period From October 1, 2017 to March 31, 2018	25th Fiscal Period From April 1, 2018 to September 30, 2018
Cash flows from operating activities:		
Income before income taxes	3,159,104	3,115,216
Depreciation	1,802,528	1,815,066
Amortization of long-term prepaid expenses	193,725	159,841
Amortization of bond issuance costs	9,201	9,201
Amortization of issuance costs of new units	2,473	412
Interest income	-5	-4
Interest expenses	470,805	433,750
Increase (Decrease) in allowance for doubtful accounts	-4,640	-1,155
Decrease (Increase) in rental receivables	-52,884	23,538
Decrease (Increase) in prepaid expenses	40,321	53,534
Increase (Decrease) in accounts payable	4,272	-44,319
Increase (Decrease) in other accounts payable	-28,514	-12,259
Decrease (Increase) in consumption taxes payable	-3,764	-4,548
Increase (Decrease) in accrued expenses	-21,309	-906
Increase (Decrease) in rents received in advance	-57,805	-27,902
Decrease from sales of property and equipment	324,956	-
Long-term prepaid expenses paid	-28,394	-136,477
Other - net	-9,992	-11,942
Sub-total	5,800,076	5,371,046
Interest received	5	4
Interest paid	-471,783	-442,325
Income taxes paid	-605	-605
Net cash provided by operating activities	5,327,693	4,928,120

(JPY thousand)

	24th Fiscal Period From October 1, 2017 to March 31, 2018	25th Fiscal Period From April 1, 2018 to September 30, 2018
Cash flows from investing activities:		
Purchase of property and equipment	-908,835	-906,023
Purchase of property and equipment in trust	-183,184	-74,754
Net increase (decrease) in leasehold and security deposits received	84,264	12,239
Net increase (decrease) in leasehold and security deposits received in trust	-109,712	-37,912
Cash used in investing activities	-1,117,468	-1,006,450
Cash flows from financing activities:		
Proceeds from long-term loans	3,000,000	14,461,000
Repayment of long-term loans	-7,570,000	-14,461,660
Proceeds from issuance of bonds	-	-
Payments for bond issuance costs	-	-
Dividends paid	-3,149,136	-3,226,064
Net cash provided by (used in) financing activities	-7,719,136	-3,226,724
Net increase (decrease) in cash and cash equivalents	-3,508,911	694,944
Cash and cash equivalents at beginning of period	12,317,866	8,808,954
Cash and cash equivalents at end of period	8,808,954	9,503,899

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Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Sep 30, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 25th fiscal period end (JPY thousand)	(3) Appraisal value 24th fiscal period (JPY thousand)	(4) Appraisal value 25th fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
O-1-001	Satella Kita 34jo	Sapporo city, Hokkaido	Sep 1994	181	5,691.72	100.0%	1,133,714	1,020,003	1,190,000	1,210,000	20,000	76,285	189,996	1
O-1-032	willDo Kita 24jo	Sapporo city, Hokkaido	Feb 2006	36	1,279.89	100.0%	316,000	272,031	255,000	259,000	4,000	-57,000	-13,031	3
O-1-034	Gran Casa Minami13jo	Sapporo city, Hokkaido	Jan 2006	48	1,836.38	95.8%	463,000	460,973	396,000	398,000	2,000	-65,000	-62,973	3
O-1-035	Gran Casa Minami9jo	Sapporo city, Hokkaido	Oct 2006	55	2,246.01	94.6%	533,000	534,552	446,000	451,000	5,000	-82,000	-83,552	3
O-1-090	Sky Hills N15	Sapporo city, Hokkaido	Mar 2000	111	3,524.83	99.1%	712,000	762,654	953,000	970,000	17,000	258,000	207,345	1
O-1-091	Sky Hills Sakaemachi	Chitose city, Hokkaido	Feb 2002	134	5,335.70	100.0%	832,000	877,182	947,000	964,000	17,000	132,000	86,817	1
O-1-092	Dormy Chitose	Chitose city, Hokkaido	Mar 1999	110	2,239.00	100.0%	476,000	485,822	498,000	505,000	7,000	29,000	19,177	1
O-1-093	Sky Hills Takadai I	Chitose city, Hokkaido	Jan 1992	120	3,748.80	100.0%	448,000	448,813	499,000	510,000	11,000	62,000	61,186	1
O-1-128	Alpha Tower Sapporo Minami4jo	Sapporo city, Hokkaido	Apr 2009	100	4,413.21	98.7%	1,185,000	1,126,735	1,390,000	1,390,000	0	205,000	263,264	3
O-1-132	Residence Sapporo Minami4jo	Sapporo city, Hokkaido	Sep 2007	99	3,581.86	99.1%	1,140,000	1,160,561	1,330,000	1,290,000	-40,000	150,000	129,438	3
O-1-146	Gran Casa NagayamaKoen Dori	Sapporo city, Hokkaido	Jan 2007	92	3,921.77	99.0%	1,002,000	1,066,713	1,030,000	1,030,000	0	28,000	-36,713	3
O-1-151	Gran Casa Minami11jo	Sapporo city, Hokkaido	Apr 2007	72	2,671.28	95.7%	830,000	896,415	852,000	868,000	16,000	38,000	-28,415	3
O-2-037	willDo Nishishitadaicho	Morioka city, Iwate	May 2006	76	2,304.00	100.0%	512,000	467,261	549,000	573,000	24,000	61,000	105,738	3
O-2-054	willDo Kamisugi 3chome	Sendai city, Miyagi	Mar 2007	46	1,517.81	100.0%	506,000	468,863	549,000	553,000	4,000	47,000	84,136	2
O-2-065	Grandmaison Shichifuku	Sendai city, Miyagi	Feb 1999	38	1,083.70	100.0%	342,000	332,132	284,000	294,000	10,000	-48,000	-38,132	2
O-2-094	Living Stage Higashi-Sendai	Sendai city, Miyagi	Jul 1996	52	1,596.53	100.0%	317,200	289,681	368,000	359,000	-9,000	41,800	69,318	2
O-2-123	West Park Hasekura	Sendai city, Miyagi	Mar 2007	138	5,150.62	99.3%	1,240,000	1,180,451	1,920,000	1,910,000	-10,000	670,000	729,548	3
O-2-137	Forest Hill SendaiAoba	Sendai city, Miyagi	Mar 2007	252	6,497.06	98.8%	2,750,000	2,825,711	3,030,000	3,000,000	-30,000	250,000	174,288	2
O-2-140	Gran Casa Sendai Tsutsuibashi	Sendai city, Miyagi	Nov 2007	120	4,726.20	98.9%	2,100,000	2,105,296	2,180,000	2,180,000	0	80,000	74,703	2
O-3-079	willDo Ishizucho	Niigata city, Niigata	Feb 2007	48	1,868.64	95.8%	462,510	383,318	474,000	470,000	-4,000	7,489	86,681	3
O-3-080	willDo Sasaguchi	Niigata city, Niigata	Feb 2007	28	1,008.00	100.0%	266,000	228,451	275,000	270,000	-5,000	4,000	41,548	3
O-4-005	willDo Koshigaya	Koshigaya city, Saitama	Apr 2005	49	1,230.28	93.8%	499,333	434,183	551,000	564,000	13,000	64,666	129,816	1
O-4-006	Joyful Sayama	Sayama city, Saitama	Jul 1991	52	870.97	92.3%	216,619	204,473	201,000	200,000	-1,000	-16,619	-4,473	1
O-4-007	Lumiere Hachioji	Hachioji city, Tokyo	Mar 1986	95	1,692.90	97.9%	480,761	449,579	422,000	420,000	-2,000	-60,761	-29,579	1
O-4-008	willDo Kiyosumi	Koto ku, Tokyo	Dec 2005	200	7,497.46	100.0%	5,024,619	4,653,235	6,120,000	6,250,000	130,000	1,225,380	1,596,764	3
O-4-009	Turkey's Denenchofu No.2	Ota ku, Tokyo	Feb 1989	27	462.12	92.6%	281,523	271,263	322,000	328,000	6,000	46,476	56,736	1
O-4-010	willDo HonChiba	Chiba city, Chiba	Oct 1990	30	1,903.82	93.3%	379,857	358,571	420,000	427,000	7,000	47,142	68,428	1
O-4-011	willDo Yokohama Minami	Yokohama city, Kanagawa	Feb 2002	21	493.59	100.0%	233,142	201,568	268,000	275,000	7,000	41,857	73,431	1
O-4-012	Site Pia	Sagamihara city, Kanagawa	Oct 1987	86	1,697.50	96.2%	506,142	488,018	486,000	487,000	1,000	-19,142	-1,018	3
O-4-024	VISTA Supreme	Machida city, Tokyo	Mar 2005	37	892.88	97.4%	563,584	507,452	474,000	484,000	10,000	-79,584	-23,452	3
O-4-025	Joy Oyamada	Setagaya ku, Tokyo	Jul 1985	21	1,033.40	97.4%	624,265	696,060	617,000	632,000	15,000	7,734	-64,060	3
O-4-031	willDo Otsuka	Toshima ku, Tokyo	Mar 1994	27	1,091.54	100.0%	725,229	727,789	698,000	698,000	0	-27,229	-29,789	3
O-4-038	willDo Niiza	Niiza city, Saitama	Nov 2006	56	1,260.00	96.4%	590,438	515,700	565,000	570,000	5,000	-20,438	54,299	3
O-4-039	Toshin Shoto Mansion	Shibuya ku, Tokyo	Jun 1978	27	1,044.66	97.2%	912,000	962,754	932,000	950,000	18,000	38,000	-12,754	3
O-4-055	Harmony Kamikitazawa	Setagaya ku, Tokyo	Feb 1993	29	539.48	96.6%	400,000	396,088	333,000	342,000	9,000	-58,000	-54,088	3
O-4-062	willDo Minami Urawa	Saitama city, Saitama	Mar 2007	29	725.62	91.6%	396,000	359,202	417,000	426,000	9,000	30,000	66,797	3
O-4-069	College Square Kitakabukuro	Itabashi ku, Tokyo	Feb 2006	50	1,065.00	100.0%	727,000	652,510	782,000	783,000	1,000	56,000	130,489	2
O-4-070	College Square TobuNerima	Itabashi ku, Tokyo	Oct 2005	63	1,360.10	100.0%	892,000	824,838	959,000	960,000	1,000	68,000	135,161	2
O-4-071	College Square Akatsuka	Nerima ku, Tokyo	Mar 2006	54	1,110.75	100.0%	734,000	658,148	781,000	781,000	0	47,000	122,851	2
O-4-072	College Square Higashikurume	HigashiKurume city, Tokyo	Sep 2007	45	936.72	100.0%	523,000	445,118	584,000	597,000	13,000	74,000	151,881	1
O-4-073	College Square Waseda II	Toshima ku, Tokyo	Jul 2007	14	297.24	100.0%	215,000	195,000	280,000	280,000	0	65,000	84,999	2
O-4-074	College Square Myogadani	Bunkyo ku, Tokyo	Mar 2007	68	1,420.77	100.0%	1,060,000	969,146	1,270,000	1,300,000	30,000	240,000	330,853	1
O-4-075	College Square Shinkoiwa	Katsushika ku, Tokyo	Mar 2007	54	1,139.10	100.0%	724,000	650,236	767,000	767,000	0	43,000	116,763	2
O-4-076	College Square Kiba	Koto ku, Tokyo	Nov 2006	42	897.39	100.0%	639,000	575,907	751,000	751,000	0	112,000	175,092	1
O-4-077	College Square Kinshicho	Koto ku, Tokyo	Mar 2006	31	667.36	100.0%	490,000	438,227	537,000	551,000	14,000	61,000	112,772	1
O-4-078	College Square Waseda	Shinjuku ku, Tokyo	Mar 2007	19	392.03	100.0%	316,000	304,867	344,000	353,000	9,000	37,000	48,132	1
O-4-089	Lexington Square ShinjukuGyoen	Shinjuku ku, Tokyo	Aug 2005	48	1,383.59	100.0%	1,010,000	1,043,543	1,280,000	1,280,000	0	270,000	236,456	2
O-4-095	Prospect NihonbashiHoncho	Chuo ku, Tokyo	Nov 2004	50	1,295.76	98.3%	808,000	777,884	1,130,000	1,150,000	20,000	342,000	272,115	3
O-4-096	Maison de Ville Takanawa Gyoranzaka	Minato ku, Tokyo	Mar 1999	70	1,778.37	100.0%	1,480,000	1,437,702	1,750,000	1,750,000	0	270,000	312,297	3
O-4-097	Roppongi Rise House	Minato ku, Tokyo	Mar 2003	34	1,242.23	100.0%	912,000	882,434	1,100,000	1,120,000	20,000	208,000	237,565	3

(Note) In column of "Appraiser", representation of "1" is for Tanizawa Sōgō Appraisal Co., Ltd., "2" for Daiwa Real Estate Appraisal Co.,Ltd., "3" for Japan Real Estate Institute.

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Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Sep 30, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 25th fiscal period end (JPY thousand)	(3) Appraisal value 24th fiscal period (JPY thousand)	(4) Appraisal value 25th fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
O-4-098	TK Flats Shibuya	Shibuya ku, Tokyo	Nov 2002	194	6,984.28	98.5%	4,770,000	4,552,596	5,730,000	5,900,000	170,000	1,130,000	1,347,403	3
O-4-099	Maison de Ville NakaMeguro	Meguro ku, Tokyo	Feb 1999	50	1,275.00	100.0%	1,050,000	1,008,442	1,340,000	1,360,000	20,000	310,000	351,557	3
O-4-100	Prospect KALON Minowa	Taito ku, Tokyo	Feb 2007	82	3,075.70	98.1%	1,620,000	1,457,913	2,000,000	2,040,000	40,000	420,000	582,086	3
O-4-101	Prospect Shinonomebashi	Koto ku, Tokyo	Mar 2004	171	4,919.31	98.8%	3,040,000	2,850,609	3,960,000	3,960,000	0	920,000	1,109,390	3
O-4-102	Prospect Monzenkacho	Koto ku, Tokyo	Jan 2007	62	1,790.56	96.7%	1,080,000	1,017,176	1,390,000	1,390,000	0	310,000	372,823	2
O-4-103	Prospect Ogikubo	Suginami ku, Tokyo	Feb 2007	40	1,123.59	97.6%	701,000	648,172	867,000	902,000	35,000	201,000	253,827	2
O-4-104	Exceria Ikebukuro West II	Toshima ku, Tokyo	Sep 2006	48	1,379.52	100.0%	852,000	844,303	1,040,000	1,040,000	0	188,000	195,696	2
O-4-105	Prospect OmoriKaigan	Ota ku, Tokyo	Feb 2003	89	2,506.04	99.0%	1,480,000	1,392,812	1,940,000	1,980,000	40,000	500,000	587,187	3
O-4-106	Prospect MusashiShinjo	Kawasaki city, Kanagawa	May 2008	85	1,855.03	100.0%	1,050,000	948,787	1,270,000	1,270,000	0	220,000	321,212	2
O-4-107	Fragrance Kawasaki	Kawasaki city, Kanagawa	Sep 2003	45	1,065.87	100.0%	548,900	489,233	674,000	686,000	12,000	137,100	196,766	3
O-4-108	Prospect ChuoRinkan	Yamato city, Kanagawa	May 2006	48	1,121.28	93.8%	524,000	450,514	649,000	650,000	1,000	126,000	199,485	2
O-4-120	Gala Place Shinjuku Gyoen	Shinjuku ku, Tokyo	Feb 2007	104	2,837.72	100.0%	2,170,000	2,193,086	2,900,000	3,010,000	110,000	840,000	816,913	1
O-4-121	Joyce Court	Ota ku, Tokyo	Nov 2002	154	6,268.53	97.9%	3,010,000	2,912,511	3,830,000	3,910,000	80,000	900,000	997,488	3
O-4-122	Act Forme Asakusa	Taito ku, Tokyo	Oct 2000	46	2,220.17	97.9%	1,216,000	1,183,677	1,760,000	1,830,000	70,000	614,000	646,322	1
O-4-125	Gran Casa Roppongi	Minato ku, Tokyo	Mar 1993	17	1,407.63	95.3%	1,480,808	766,055	881,000	891,000	10,000	-589,808	124,944	2
O-4-126	Gran Casa MinamiAoyama	Minato ku, Tokyo	Oct 2006	21	1,862.73	96.9%	3,750,000	2,320,455	2,120,000	2,130,000	10,000	-1,620,000	-190,455	2
O-4-127	Storia Jingumae	Shibuya ku, Tokyo	Nov 2004	49	2,071.60	98.3%	3,160,000	3,205,954	2,490,000	2,500,000	10,000	-660,000	-705,954	2
O-4-129	Gran Casa Shinjuku Gyoen	Shinjuku ku, Tokyo	Feb 2003	92	3,307.07	96.6%	2,525,000	2,568,344	3,310,000	3,380,000	70,000	855,000	811,655	1
O-4-133	Lietocourt Yotsuya	Shinjuku ku, Tokyo	Jan 2006	49	2,397.81	93.7%	1,716,800	1,770,760	2,140,000	2,180,000	40,000	463,200	409,239	3
O-4-134	Lietocourt Motoakasaka	Minato ku, Tokyo	Apr 2006	37	1,282.94	100.0%	1,095,700	1,085,732	1,390,000	1,420,000	30,000	324,300	334,267	3
O-4-138	Gran Casa Ginza East	Chuo ku, Tokyo	Feb 2005	53	2,774.19	100.0%	2,000,000	2,087,042	2,190,000	2,250,000	60,000	250,000	162,957	3
O-4-145	Gran Casa Minowa	Taito ku, Tokyo	Sep 2015	28	1,241.22	100.0%	850,000	894,083	888,000	898,000	10,000	48,000	3,916	3
O-5-013	willDo Kanayama masaki	Nagoya city, Aichi	Feb 2006	48	1,192.32	100.0%	490,095	418,226	580,000	581,000	1,000	90,904	162,773	3
O-5-026	Excelsior Sakae	Nagoya city, Aichi	Mar 2002	48	1,486.56	97.9%	641,767	602,843	530,000	531,000	1,000	-110,767	-71,843	3
O-5-027	willDo Hibino	Nagoya city, Aichi	Jan 2006	31	767.25	96.8%	317,603	275,757	298,000	299,000	1,000	-18,603	23,242	3
O-5-040	willDo Chiyoda	Nagoya city, Aichi	Jul 2006	60	1,445.80	98.4%	633,000	539,482	615,000	626,000	11,000	-7,000	86,517	2
O-5-041	willDo Taiko dori	Nagoya city, Aichi	Aug 2006	98	3,127.32	100.0%	1,120,000	958,036	1,240,000	1,280,000	40,000	160,000	321,963	1
O-5-042	willDo Kanayama	Nagoya city, Aichi	Sep 2006	36	892.44	100.0%	370,000	321,061	400,000	417,000	17,000	47,000	95,938	2
O-5-043	willDo Kanayama sawashita	Nagoya city, Aichi	Jan 2007	36	970.80	100.0%	375,000	322,883	418,000	431,000	13,000	56,000	108,116	2
O-5-056	willDo Kachigawa	Kasugai city, Aichi	Feb 2007	64	1,548.80	96.9%	503,000	426,210	648,000	675,000	27,000	172,000	248,789	1
O-5-057	Stagea Kogane	Nagoya city, Aichi	Feb 2007	67	1,651.21	100.0%	600,000	515,371	568,000	574,000	6,000	-26,000	58,628	3
O-5-063	willDo Inaei	Nagoya city, Aichi	Mar 2007	92	2,386.74	99.0%	641,000	552,182	635,000	636,000	1,000	-5,000	83,817	2
O-5-066	willDo Higashibetsuin	Nagoya city, Aichi	Jun 2007	66	1,640.76	97.0%	703,000	606,012	720,000	725,000	5,000	22,000	118,987	3
O-5-081	willDo Matsubara	Nagoya city, Aichi	Aug 2007	54	1,344.60	98.1%	549,000	479,882	556,000	566,000	10,000	17,000	86,117	3
O-5-082	willDo Yokkaichi Unomori	Yokkaichi city, Mie	Sep 2007	54	2,160.00	100.0%	529,150	440,749	582,000	582,000	0	52,850	141,250	3
O-5-086	willDo Daikancho	Nagoya city, Aichi	Mar 2008	55	1,320.00	96.4%	655,000	570,598	641,000	643,000	2,000	-12,000	72,401	3
O-5-088	willDo Takabata	Nagoya city, Aichi	Mar 2008	54	1,319.22	98.1%	494,115	421,063	511,000	516,000	5,000	21,884	94,936	3
O-5-147	Sakura Hills Riverside WEST	Nagoya city, Aichi	Nov 2007	76	4,502.48	99.0%	1,920,000	1,987,491	2,230,000	2,270,000	40,000	350,000	282,508	1
O-5-148	Sakura Hills Riverside EAST	Nagoya city, Aichi	Nov 2007	47	2,288.65	97.8%	1,030,000	1,064,931	1,200,000	1,220,000	20,000	190,000	155,068	1
O-5-149	Sakura Hills Meieki NORTH	Nagoya city, Aichi	Nov 2007	34	1,685.16	100.0%	750,000	781,918	865,000	887,000	22,000	137,000	105,081	1
O-6-014	willDo Ichioka	Osaka city, Osaka	Feb 2006	62	1,682.06	100.0%	722,761	621,384	676,000	678,000	2,000	-44,761	56,615	3
O-6-015	willDo Ebie	Osaka city, Osaka	Feb 2006	28	763.63	100.0%	350,904	303,231	343,000	343,000	0	-7,904	39,768	3
O-6-016	willDo ImafukuNishi	Osaka city, Osaka	Oct 2005	29	1,040.41	100.0%	413,857	360,789	378,000	386,000	8,000	-27,857	25,210	1
O-6-017	Maison Flora	Kobe city, Hyogo	Jun 1990	38	1,686.72	100.0%	584,285	569,151	484,000	494,000	10,000	-90,285	-75,151	3
O-6-046	willDo Tsukamoto	Osaka city, Osaka	Mar 2006	66	1,711.17	100.0%	730,000	634,958	778,000	795,000	17,000	65,000	160,041	1
O-6-047	willDo Temmabashi	Osaka city, Osaka	Sep 2005	20	678.00	100.0%	338,000	299,866	311,000	316,000	5,000	-22,000	16,133	1
O-6-048	willDo SakaisujiiHomomachi	Osaka city, Osaka	Sep 2006	21	740.28	100.0%	325,000	285,176	266,000	268,000	2,000	-57,000	-17,176	1
O-6-049	willDo Tanimachi	Osaka city, Osaka	Jan 2007	54	1,927.80	100.0%	1,040,000	953,317	889,000	908,000	19,000	-132,000	-45,317	3
O-6-050	willDo Namba w II	Osaka city, Osaka	Mar 2006	45	1,146.51	95.6%	486,000	439,214	437,000	449,000	12,000	-37,000	9,785	1
O-6-051	willDo Namba w I	Osaka city, Osaka	Aug 2006	66	1,699.50	100.0%	690,000	606,022	624,000	638,000	14,000	-52,000	31,977	1

Studio

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Sep 30, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 25th fiscal period end (JPY thousand)	(3) Appraisal value 24th fiscal period (JPY thousand)	(4) Appraisal value 25th fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
O-6-059	willDo Hamasaki dori	Kobe city, Hyogo	Feb 2007	199	5,886.70	98.5%	2,280,000	2,006,147	2,260,000	2,260,000	0	-20,000	253,852	2
O-6-060	willDo Minamimorimachi	Osaka city, Osaka	Mar 2007	31	1,028.48	100.0%	493,000	450,037	482,000	492,000	10,000	-1,000	41,962	1
O-6-064	willDo Matsuyamachi	Osaka city, Osaka	Apr 2007	60	1,865.64	100.0%	810,000	702,622	832,000	840,000	8,000	30,000	137,377	3
O-6-067	willDo ShinOsaka	Osaka city, Osaka	Jun 2007	66	1,713.36	100.0%	861,000	750,481	988,000	997,000	9,000	136,000	246,518	1
O-6-083	willDo Sannomiya East	Kobe city, Hyogo	Aug 2007	63	1,760.15	96.8%	731,000	610,410	765,000	777,000	12,000	46,000	166,589	3
O-6-085	willDo Kujo	Osaka city, Osaka	Feb 2000	63	1,260.36	98.4%	537,000	510,927	568,000	577,000	9,000	40,000	66,072	3
O-6-112	Abreast Sakuragawa	Osaka city, Osaka	Aug 2000	48	1,009.92	97.9%	385,800	347,313	476,000	489,000	13,000	103,200	141,686	3
O-6-113	Prospect Bishoen	Osaka city, Osaka	Oct 2005	26	901.91	100.0%	277,000	252,442	314,000	317,000	3,000	40,000	64,557	3
O-6-114	Prospect Nakanoshima	Osaka city, Osaka	Aug 2006	63	1,615.05	98.4%	734,000	643,846	875,000	887,000	12,000	153,000	243,153	1
O-6-116	Prospect Toyonaka Hattori	Toyonaka city, Osaka	Dec 2005	34	981.12	100.0%	366,000	317,214	408,000	415,000	7,000	49,000	97,785	3
O-6-117	Prospect Shimogamo	Kyoto city, Kyoto	Feb 2006	31	675.21	100.0%	281,000	256,598	294,000	294,000	0	13,000	37,401	2
O-6-118	Prospect Kawaramachi Gojo	Kyoto city, Kyoto	Jan 2007	52	1,523.12	95.1%	583,000	526,592	696,000	697,000	1,000	114,000	170,407	2
O-6-119	Gransys Esaka	Suita city, Osaka	Feb 2008	90	2,623.86	98.8%	1,260,000	1,204,459	1,710,000	1,720,000	10,000	460,000	515,540	1
O-6-131	Serenite Koshien	Nishinomiyu city, Hyogo	Feb 2010	197	5,615.79	100.0%	2,550,000	2,460,075	2,780,000	2,840,000	60,000	290,000	379,924	3
O-6-136	Pregio Miyakojima	Osaka city, Osaka	Mar 2009	120	3,313.20	99.1%	1,610,000	1,637,117	1,790,000	1,790,000	0	180,000	152,882	3
O-6-139	Serenite ShinOsaka Nibankan	Osaka city, Osaka	Jan 2009	224	6,173.16	99.6%	3,510,000	3,592,110	3,710,000	3,750,000	40,000	240,000	157,889	1
O-6-141	Gran Casa UmedaKita	Osaka city, Osaka	Nov 2007	126	3,451.14	100.0%	2,050,000	2,057,992	2,260,000	2,290,000	30,000	240,000	232,007	1
O-6-142	Serenite Honmachi Grande	Osaka city, Osaka	Feb 2015	268	7,591.92	98.5%	4,286,000	4,296,921	5,120,000	5,260,000	140,000	974,000	963,078	3
O-6-143	Gransys Tenmabashi	Osaka city, Osaka	May 2007	166	6,749.31	100.0%	4,050,000	4,107,166	4,410,000	4,520,000	110,000	470,000	412,833	3
O-6-144	DayGran Tsurumi	Osaka city, Osaka	Mar 2007	79	2,470.36	98.8%	1,030,000	1,058,750	1,120,000	1,140,000	20,000	110,000	81,249	3
O-6-150	Runai Nippombashi anhele	Osaka city, Osaka	Feb 2009	113	3,114.19	98.5%	1,400,000	1,453,961	1,610,000	1,630,000	20,000	230,000	176,038	1
O-6-152	HS Umeda EAST	Osaka city, Osaka	Feb 2017	127	3,356.62	95.1%	2,151,000	2,237,878	2,340,000	2,340,000	0	189,000	102,121	3
O-6-153	Serenite Umeda EST	Osaka city, Osaka	Feb 2017	58	1,715.35	98.3%	1,057,000	1,106,974	1,130,000	1,140,000	10,000	83,000	33,025	3
O-6-154	Serenite Yuhigaoka EST	Osaka city, Osaka	Feb 2017	56	1,397.20	100.0%	811,500	847,740	869,000	869,000	0	57,500	21,259	3
O-7-068	willDo Okayamaeki Nishiguchi	Okayama city, Okayama	Sep 2007	109	3,794.40	100.0%	1,220,000	1,007,724	1,290,000	1,340,000	50,000	120,000	332,275	1
O-7-087	willDo Okayamadaiku	Okayama city, Okayama	Mar 2008	98	3,446.94	98.8%	1,040,000	943,429	1,180,000	1,230,000	50,000	190,000	286,570	1
O-9-053	willDo Nakasu	Fukuoka city, Fukuoka	Jan 2007	175	5,759.40	95.9%	2,460,000	2,235,148	2,530,000	2,530,000	0	70,000	294,851	3
O-9-130	Renaissance 21 Hakata	Fukuoka city, Fukuoka	Mar 2007	109	4,010.95	100.0%	1,500,000	1,493,766	1,720,000	1,760,000	40,000	260,000	266,233	3
O-9-135	Granpark Tenjin	Fukuoka city, Fukuoka	Feb 2005	341	14,299.21	99.7%	4,698,000	4,574,607	5,860,000	5,950,000	90,000	1,252,000	1,375,392	3
Studio type subtotal				9,589	302,343.64	98.7%	142,644,991	135,171,682	158,125,000	160,382,000	2,257,000	17,737,008	25,210,317	-

Family

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Sep 30, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 25th fiscal period end (JPY thousand)	(3) Appraisal value 24th fiscal period (JPY thousand)	(4) Appraisal value 25th fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
F-1-041	Palais d'or Maruyama	Sapporo city, Hokkaido	Nov 1989	64	4,637.08	98.1%	559,000	601,192	977,000	994,000	17,000	435,000	392,807	1
F-1-069	Gran Casa Urasando	Sapporo city, Hokkaido	Feb 2006	78	4,537.83	97.2%	1,510,000	1,547,731	1,750,000	1,760,000	10,000	250,000	212,268	1
F-1-070	Gran Casa Kita3jo	Sapporo city, Hokkaido	Jan 2012	84	4,346.56	100.0%	1,265,880	1,353,382	1,460,000	1,480,000	20,000	214,120	126,617	3
F-1-075	Chijkoukanmae Tower Residence	Sapporo city, Hokkaido	May 2006	141	11,705.28	94.9%	4,530,000	4,708,035	4,750,000	4,800,000	50,000	270,000	91,964	3
F-2-001	Royal Garden Shinrin Koen	Sendai city, Miyagi	Aug 1989	29	2,051.07	92.6%	396,190	364,873	280,000	280,000	0	-116,190	-84,873	2
F-2-002	Green Park Komatsujima	Sendai city, Miyagi	Oct 1990	46	3,027.17	100.0%	550,523	494,340	413,000	413,000	0	-137,523	-81,340	2
F-2-003	Dia Palace Izumizaki	Sendai city, Miyagi	Jul 1989	37	2,060.77	100.0%	355,095	363,180	317,000	316,000	-1,000	-39,095	-47,180	2
F-2-004	willDo Takasago	Sendai city, Miyagi	Jun 2005	32	1,623.68	100.0%	364,904	362,579	385,000	389,000	4,000	24,095	26,420	3
F-2-042	Living Stage MinamiSendai	Sendai city, Miyagi	Apr 1995	27	1,330.83	100.0%	159,500	148,035	232,000	232,000	0	72,500	83,964	2
F-2-043	Takasagoseki Nibankan	Sendai city, Miyagi	Feb 1995	42	3,302.96	94.2%	558,000	556,168	727,000	748,000	21,000	190,000	191,831	3
F-3-034	Ark Heim Niigata	Niigata city, Niigata	Nov 1989	115	6,945.03	99.3%	1,060,000	1,030,677	857,000	847,000	-10,000	-213,000	-183,677	3
F-4-005	Johanna Mansion	Maebashi city, Gunma	Feb 1992	53	4,143.96	100.0%	556,714	515,050	349,000	353,000	4,000	-203,714	-162,050	1
F-4-006	Iruma Ekimae Building	Iruma city, Saitama	Mar 1986	68	4,359.31	97.6%	1,517,000	1,576,972	1,710,000	1,740,000	30,000	223,000	163,027	1
F-4-007	Iruma Ekimae Building No.II	Iruma city, Saitama	Mar 1988	53	3,592.48	98.5%	687,666	770,106	649,000	657,000	8,000	-30,666	-113,106	1
F-4-008	Sereno Omiya	Saitama city, Saitama	Nov 1997	102	6,710.68	97.0%	1,554,523	1,677,343	1,870,000	1,910,000	40,000	355,476	232,656	1
F-4-009	Suzuran-kan	Saitama city, Saitama	Mar 2000	20	1,160.80	95.7%	441,190	402,358	557,000	567,000	10,000	125,809	164,641	1
F-4-010	Bonheur Tokiwa	Saitama city, Saitama	Feb 1988	29	1,951.89	100.0%	752,904	735,013	745,000	759,000	14,000	6,095	23,986	3
F-4-011	Profit Link Takenotsuka	Adachi ku, Tokyo	Feb 1990	46	2,431.33	98.6%	636,333	633,688	679,000	693,000	14,000	56,666	59,311	1
F-4-013	Dream Heights	Itabashi ku, Tokyo	Oct 1985	19	1,100.31	100.0%	358,666	388,354	435,000	445,000	10,000	86,333	56,645	1
F-4-014	Green Hills Asukayama	Kita ku, Tokyo	Feb 1992	28	1,477.38	100.0%	587,238	571,569	673,000	688,000	15,000	100,761	116,430	1
F-4-015	Oji Heights	Kita ku, Tokyo	Nov 1991	20	986.52	91.6%	347,857	348,728	469,000	477,000	8,000	129,142	128,271	1
F-4-016	Sakagami Royal Heights No. II	Arakawa ku, Tokyo	Oct 1990	28	1,173.65	96.8%	360,714	352,859	449,000	458,000	9,000	97,285	105,140	1
F-4-017	willDo Todoroki	Setagaya ku, Tokyo	Oct 1996	26	2,422.06	100.0%	1,764,809	1,788,730	1,690,000	1,720,000	30,000	-44,809	-68,730	3
F-4-018	Chez Moi Sakuragaoka	Tama city, Tokyo	Mar 1989	31	1,911.36	100.0%	609,904	624,352	631,000	633,000	2,000	23,095	8,647	1
F-4-019	Libest NishiChiba	Chiba city, Chiba	Feb 1999	140	11,060.14	99.3%	2,152,476	1,980,707	2,480,000	2,530,000	50,000	377,523	549,292	1
F-4-020	Cotinne Tsudanuma	Narashino city, Chiba	Mar 1989	20	1,435.80	100.0%	352,761	367,328	344,000	345,000	1,000	-7,761	-22,328	3
F-4-022	Chigasaki Daikan Plaza	Chigasaki city, Kanagawa	Sep 1987	34	1,838.43	100.0%	453,571	463,847	469,000	479,000	10,000	25,428	15,152	1
F-4-028	Winbell Chorus Hiratsuka No.13	Hiratsuka city, Kanagawa	Dec 1990	33	1,533.82	100.0%	477,587	464,551	343,000	346,000	3,000	-131,587	-118,551	3
F-4-029	Libest Higashi Nakayama	Funabashi city, Chiba	Feb 2000	76	6,011.80	100.0%	1,371,314	1,236,682	1,660,000	1,690,000	30,000	318,685	453,317	1
F-4-031	MGA Kanamachi	Katsushika ku, Tokyo	Sep 1990	26	1,522.89	100.0%	484,000	490,335	418,000	421,000	3,000	-63,000	-69,335	3
F-4-035	Greenhills Roka	Setagaya ku, Tokyo	Mar 1988	22	1,199.95	86.5%	662,000	693,352	715,000	728,000	13,000	66,000	34,647	1
F-4-036	Lofty Hirai	Edogawa ku, Tokyo	May 1989	19	919.31	95.5%	324,000	317,520	340,000	348,000	8,000	24,000	30,479	1
F-4-038	Colonnade Kasuga	Bunkyo ku, Tokyo	Jul 1991	46	4,344.72	100.0%	3,115,277	3,196,595	2,560,000	2,570,000	10,000	-545,277	-626,595	2
F-4-039	The Palms Yoyogi Uehara Cosmo Terrace	Shibuya ku, Tokyo	Nov 2004	30	1,804.69	100.0%	1,250,000	1,278,817	1,490,000	1,490,000	0	240,000	211,182	2
F-4-040	Sun Terrace Yoyogi Uehara	Shibuya ku, Tokyo	Feb 1999	21	1,763.33	100.0%	1,180,000	1,221,829	1,530,000	1,530,000	0	350,000	308,170	2
F-4-044	Prospect NihombashiKoamicho	Chuo ku, Tokyo	Mar 2007	37	1,364.02	100.0%	840,000	739,028	1,160,000	1,200,000	40,000	360,000	460,971	1
F-4-045	Park Terrace Ebisu	Shibuya ku, Tokyo	Oct 2000	51	2,755.28	97.9%	2,060,000	2,041,232	2,820,000	2,900,000	80,000	840,000	858,767	1
F-4-046	Prospect Dogenzaka	Shibuya ku, Tokyo	Feb 2005	47	2,081.54	98.2%	1,590,000	1,587,130	2,070,000	2,130,000	60,000	540,000	542,869	3
F-4-047	Prospect Garsa Hiroo	Shibuya ku, Tokyo	Nov 2005	112	3,861.29	100.0%	3,560,000	3,299,596	4,320,000	4,440,000	120,000	880,000	1,140,403	3
F-4-048	Prospect Hatsudai	Shibuya ku, Tokyo	Feb 2006	22	817.43	100.0%	518,000	498,089	654,000	663,000	9,000	145,000	164,910	2
F-4-049	Prospect NishiSugamo	Kita ku, Tokyo	Jun 2006	42	2,063.60	94.7%	1,110,000	1,018,951	1,300,000	1,340,000	40,000	230,000	321,048	3
F-4-050	Prospect Machiya	Arakawa ku, Tokyo	Aug 2006	21	1,177.71	95.3%	484,000	414,311	582,000	585,000	3,000	101,000	170,688	3
F-4-051	Prospect KiyosumiTeien	Koto ku, Tokyo	Feb 2002	77	5,601.46	100.0%	2,630,000	2,519,620	3,280,000	3,370,000	90,000	740,000	850,379	3
F-4-052	Prospect Morishita	Koto ku, Tokyo	Jan 2006	45	2,399.23	100.0%	1,260,000	1,170,858	1,610,000	1,640,000	30,000	380,000	469,141	2
F-4-053	Prospect Onshiko	Koto ku, Tokyo	Feb 2005	61	2,073.21	98.5%	1,110,000	980,938	1,660,000	1,660,000	0	550,000	679,061	1
F-4-054	BELNOS 34	Katsushika ku, Tokyo	May 1991	100	5,328.66	100.0%	1,700,000	1,832,380	2,540,000	2,630,000	90,000	930,000	797,619	1
F-4-055	SK Residence	Toshima ku, Tokyo	Feb 1990	30	1,624.73	97.5%	805,000	795,419	1,030,000	1,050,000	20,000	245,000	254,580	3
F-4-056	Angel Heim NishiRokugo No.2	Ota ku, Tokyo	May 1997	40	2,776.64	97.3%	1,012,000	969,283	1,360,000	1,370,000	10,000	358,000	400,716	3
F-4-057	Deim Hashimoto	Sagamihara city, Kanagawa	Aug 1987	92	3,134.24	95.1%	748,000	739,864	962,000	974,000	12,000	226,000	234,135	2
F-4-058	Prospect Kawasaki	Kawasaki city, Kanagawa	Aug 2006	52	3,404.96	100.0%	1,520,000	1,366,815	2,220,000	2,260,000	40,000	740,000	893,184	1

Family

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Sep 30, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 25th fiscal period end (JPY thousand)	(3) Appraisal value 24th fiscal period (JPY thousand)	(4) Appraisal value 25th fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
F-4-059	Prospect UrawaTokiwa	Saitama city, Saitama	Feb 1993	30	2,263.20	100.0%	717,000	652,194	951,000	971,000	20,000	254,000	318,805	1
F-4-064	Glana Ueno	Taito ku, Tokyo	Aug 2005	36	2,147.40	100.0%	1,100,000	1,097,281	1,530,000	1,560,000	30,000	460,000	462,718	3
F-4-065	The Residence Honmoku Yokohama Bayside	Yokohama city, Kanagawa	Feb 2008	159	13,584.07	98.3%	5,550,000	5,299,371	6,660,000	6,780,000	120,000	1,230,000	1,480,628	3
F-4-066	Lietocourt Asakusabashi	Taito ku, Tokyo	May 2005	49	2,632.94	100.0%	1,615,800	1,581,779	2,050,000	2,090,000	40,000	474,200	508,220	3
F-4-071	Gran Casa ShinKoiwa	Katsushika ku, Tokyo	Feb 2006	36	2,467.92	100.0%	1,510,000	1,594,514	1,590,000	1,590,000	0	80,000	-4,514	2
F-4-072	Gran Casa Ryogoku Ichibankan	Sumida ku, Tokyo	Feb 2006	33	2,136.53	100.0%	1,420,000	1,447,908	1,460,000	1,460,000	0	40,000	12,091	2
F-4-073	Gran Casa Ryogoku Nibankan	Sumida ku, Tokyo	Jun 2006	18	1,131.90	100.0%	770,000	788,059	797,000	799,000	2,000	29,000	10,940	2
F-5-023	willDo Temmachi	Nagoya city, Aichi	Mar 2006	40	2,185.20	98.0%	627,785	560,946	769,000	781,000	12,000	153,215	220,053	3
F-5-032	Stellato City Sakurayama	Nagoya city, Aichi	Jul 2006	26	1,914.07	100.0%	735,000	647,458	797,000	816,000	19,000	81,000	168,541	1
F-5-037	willDo Kurokawa	Nagoya city, Aichi	Feb 2006	26	1,933.37	96.3%	677,000	557,678	624,000	644,000	20,000	-33,000	86,321	1
F-5-060	Gran Casa Daikancho	Nagoya city, Aichi	Mar 1986	96	5,962.18	97.9%	1,082,000	1,142,041	1,460,000	1,500,000	40,000	418,000	357,958	1
F-5-061	Gran Casa Gokiso	Nagoya city, Aichi	Feb 1991	78	5,195.21	100.0%	932,500	957,352	1,380,000	1,400,000	20,000	467,500	442,647	1
F-5-067	Lietocourt Marunouchi	Nagoya city, Aichi	Sep 2005	120	9,350.67	99.2%	3,756,800	3,671,171	4,970,000	5,050,000	80,000	1,293,200	1,378,828	1
F-5-068	Gran Casa Kamimaezu	Nagoya city, Aichi	Jun 2006	70	5,365.64	94.5%	2,050,000	1,997,812	2,600,000	2,660,000	60,000	610,000	662,187	1
F-5-074	Sakura Hills Fujimi	Nagoya city, Aichi	Jun 2007	119	6,769.82	97.7%	2,750,000	2,819,213	3,140,000	3,220,000	80,000	470,000	400,786	1
F-6-026	willDo NishiAkashi	Akashi city, Hyogo	Mar 2003	64	4,703.40	100.0%	635,666	528,680	799,000	824,000	25,000	188,333	295,319	3
F-6-033	La Vita Nippombashi	Osaka city, Osaka	Sep 2006	69	4,647.08	98.7%	1,860,000	1,630,571	1,900,000	1,940,000	40,000	80,000	309,428	1
F-6-062	Crown Heim NishiTanabe	Osaka city, Osaka	Jan 2004	22	1,536.03	100.0%	405,000	388,147	481,000	481,000	0	76,000	92,852	3
F-6-063	Prospect Katsura	Kyoto city, Kyoto	Mar 1996	29	1,796.59	96.5%	470,000	441,056	471,000	471,000	0	1,000	29,943	2
Family type Subtotal				3,634	230,612.09	98.4%	82,919,158	81,403,657	97,400,000	99,085,000	1,685,000	16,165,841	17,681,342	-
Total				13,223	532,955.73	98.6%	225,564,149	216,575,340	255,525,000	259,467,000	3,942,000	33,902,850	42,891,659	-

F-4-065 The Residence Honmoku Yokohama Bayside



A 159-unit family-type condominium developed as a condo-for-sale, completed in 2008
Newly acquired in November 2013 for JPY 5.55 billion

Company Overview

(As of October 1, 2018)

Company Name	Daiwa Real Estate Asset Management Co., Ltd.
Address	6-2-1 Ginza, Chuo-ku, Tokyo
Established	October 21, 2004
Paid-in Capital	200 million yen
Representative Director	Akira Yamanouchi
Board of Directors	Executive directors: 5 10 Executive auditors: 1 Non-executive directors: 2 Non-executive auditors: 2
No. of Employees	109 (excluding dispatched employees)
Registered Financial Instruments Firm	Registration No. 355 (Financial Instruments), Director-General, Kanto Local Finance Bureau (Kinsho)
Building Lots and Buildings Transaction Business License	License No. (3)-83920, Governor of Tokyo
Discretionary Agent for Real Estate Transaction Approval	License No. 34, Minister of Land, Infrastructure, Transport and Tourism
Association Membership	Member of The Investment Trusts Association, Japan Member of Japan Investment Advisers Association Member of Type II Financial Instruments Firms Association

Directors

(As of October 1, 2018)

President and Representative Director	Akira Yamanouchi
Vice President and Representative Director	Yuji Shinotsuka
Vice President and Representative Director	Yoshiki Nishigaki
Executive Managing Director	Toshio Fukushima
Director	Hajime Imbe
Director (non-executive)	Mikita Komatsu
Director (non-executive)	Keiichi Ishikawa
Auditor	Tamaki Shibayama
Auditor (non-executive)	Masamori Matsuda
Auditor (non-executive)	Shinji Kiso

REITs which Entrust Asset Management to the Asset Management Company

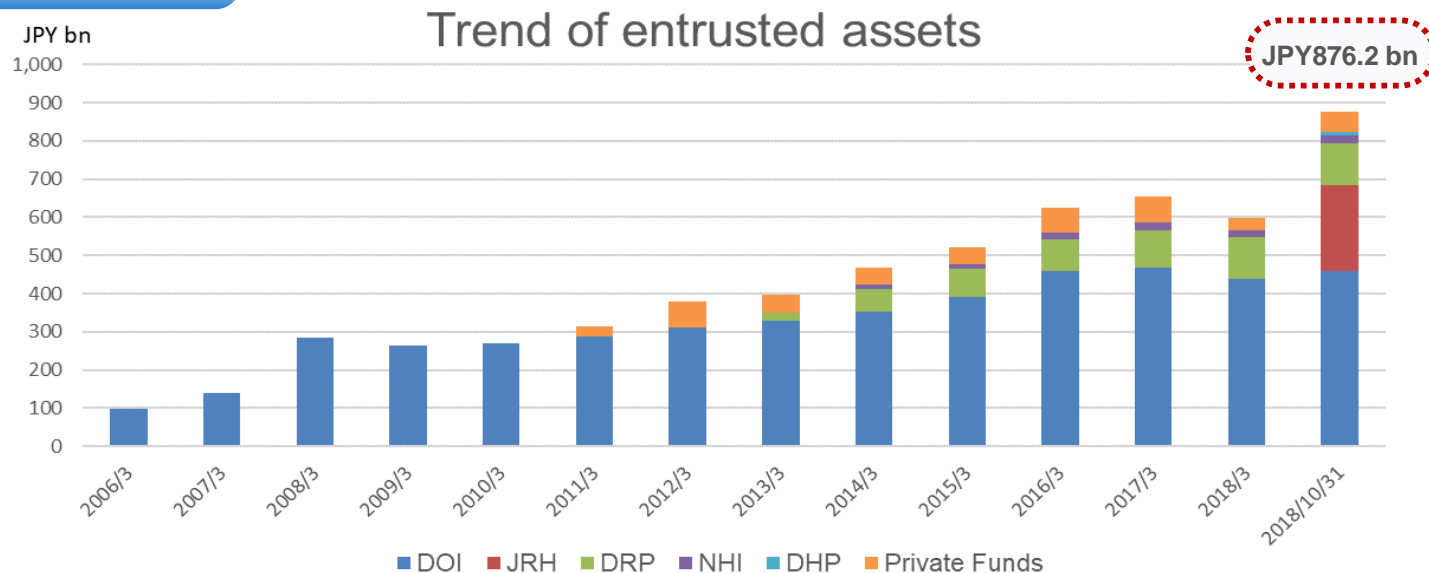
(As of October 31, 2018)

Daiwa Office Investment Corporation	Listed REIT focusing on office buildings Asset size: approximately 459.2 billion yen (58 properties)
Japan Rental Housing Investment Corporation	Listed REIT focusing on residential properties Asset size: approximately 225.5 billion yen (198 properties)
Daiwa Residential Private Investment Corporation	Unlisted REIT focusing on residential properties Asset size: approximately 110.0 billion yen (71 properties)
Nippon Healthcare Investment Corporation	Japan's first listed REIT focusing on healthcare facilities Asset size: approximately 19.3 billion yen (22 properties)
Daiwa Hotel Private Investment Corporation	Private REIT focusing on hotels Asset size: approximately 9.2 billion yen (3 properties)

History

October 2004	Established (Company name at the time of establishment was “K.K. da Vinci Select”)
October 2005	Started operation of Daiwa Office Investment Corporation (DOI)
September 2007	Registered as Financial Instrument Business Operator (“Investment Management Business”)
July 2009	Daiwa Securities Group Inc. acquired 100% of issued stocks Corporate name changed to Daiwa Real Estate Asset Management Co. Ltd.
March 2010	Change of registration related to the type of Financial Instrument Business Operator (Add “Investment Advisory and Agency Business”)
May 2012	Change of registration related to the business of Financial Instrument Business Operator (“Investment Management Business”) (Add business under the discretionary investment contract)
May 2012	Change of registration related to the type of Financial Instrument Business Operator (Add “Type II Financial Instruments Business”)
March 2013	Started operation of Daiwa Residential Private Investment Corporation (DRP)
March 2014	Started operation of Nippon Healthcare Investment Corporation (NHI)
June 2018	Started operation of Daiwa Hotel Private Investment Corporation (DHP)
October 2018	Started operation of Japan Rental Housing Investment Corporation along with the merger with Mi-Casa Asset Management Inc.

Entrusted assets



Formation, management experience, knowhow, professional personnel
and management entrustment track record (listed, private and overseas)
of real estate funds of wide range of asset types and structures

Sponsor is a securities company group with leading Japanese client base
and an asset balance of 67 trillion yen of securities

Making use of strong relations with institutional investors in Japan and abroad
and the wide-ranging individual investor channel of the Daiwa Securities Group

The Daiwa Securities Group's strong sponsor commitment
towards real estate asset management business

Establish a stringent compliance attitude as well as the corporate governance attitude
possessed by financial institutions

Collaboration with group companies

- Daiwa Securities - Securities client base and investment banking
- Daiwa Next Bank - Balance of approximately 3.6 trillion yen of savings, comparable to midsize local banks
- Daiwa PI Partners - Various equity investment and real estate nonrecourse loans
- Daiwa Energy & Infrastructure - Renewable energy and infrastructure investment
Various infrastructure specialist organizations
- Fintertech - Crowdfunding operator

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Registered Financial Instruments Firm (Registration Number: Director of the Kanto Local Finance Bureau No. 355)
/ Member of the Investment Trusts Association, Japan)

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日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.