

November 14, 2019

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

Representative: Junichi Inoue, Executive Director  
(Securities Code: 3309)

Asset Management Company

Sekisui House Asset Management, Ltd.

Representative: Junichi Inoue,  
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[Correction] Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate and Leases  
(Akasaka Garden City and Six Other Properties (Two of Which Are Additional Acquisitions))

Sekisui House Reit, Inc. ("SHR") hereby announces that there was an error in part of the press release titled "Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate and Leases (Akasaka Garden City and Six Other Properties (Two of Which Are Additional Acquisitions))" announced on May 23, 2019, and SHR corrects such error as described below.

The corrected press release is attached at the end of this document.

Correction part (Correction is indicated by underline.)

5. Status of Property Buyers, Etc.

(1) Akasaka Garden City

(Bofore correction)

	Previous owner/ Trust beneficiary	Owner before last/ Trust beneficiary
Name	Sekisui House	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to "4. Seller Profile (10) Relationship with SHR and the Asset Management Company" above.	—
Background and reason for acquisition	Acquisition for investment management	—
Acquisition price	Omitted since <u>the property</u> has been owned for over 1 year	—
Time of acquisition	May 2015	—

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(After correction)

	Previous owner/ Trust beneficiary	Owner before last/ Trust beneficiary
Name	Sekisui House	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to “4. Seller Profile (10) Relationship with SHR and the Asset Management Company” above.	—
Background and reason for acquisition	Acquisition for investment management	—
Acquisition price	<u>A part of the compartmentalized ownership interest of the building to be included in quasi-co-ownership interest of the trust beneficiary interest to be acquired and the accompanying right of site therewith (ratio of right of site: 662,768/1,000,000 (approximately 66.3%)) were acquired in January 2019 (ratio of right of site: 875/1,000,000 (approximately 0.1%)), but it is omitted since the consent of the parties involved in the sale or purchase was not obtained. Other part (ratio of right of site: 661,893/1,000,000 (approximately 66.2%)) is omitted since the part has been owned for over 1 year.</u>	—
Time of acquisition	May 2015, <u>January 2019</u>	—

\*Sekisui House Reit, Inc. website: <http://sekisuihouse-reit.co.jp/en/>

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May 23, 2019

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Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate and Leases  
(Akasaka Garden City and Six Other Properties (Two of Which Are Additional Acquisitions)) (After Correction)

Sekisui House Reit, Inc. ("SHR") hereby announces that Sekisui House Asset Management, Ltd., to which SHR entrusts management of its assets (the "Asset Management Company") decided today for SHR to acquire and start to lease the assets (the "Properties" or "Assets to be Acquired") as described below.

Since the counterparties to the acquisition and leasing of the assets fall under the category of interested persons, etc. as provided in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (the "Investment Trusts Act"), and under the category of interested parties as provided in the Asset Management Company's internal rules: Rules for Transactions with Interested Parties, the Asset Management Company has obtained, in accordance with the Investment Trusts Act and the Rules for Transactions with Interested Parties, the consent of SHR based on approval at the meeting of the board of directors of SHR held today.

1. Summary of Acquisition

Property name	Type of use	Location	Planned acquisition price (Note 1)	Seller
Akasaka Garden City (Note 2)	Office Building	Minato-ku, Tokyo	28,700 million yen	Sekisui House, Ltd.
Garden City Shinagawa Gotenyama (additional acquisition portion) (Note 3)		Shinagawa-ku, Tokyo	12,350 million yen	
Hommachi Minami Garden City (additional acquisition portion) (Note 4)		Osaka-shi, Osaka	20,900 million yen	
Prime Maison Mitatsunamachi	Residence	Minato-ku, Tokyo	2,040 million yen	
Prime Maison Hongo		Bunkyo-ku, Tokyo	2,600 million yen	
Prime Maison Kuramae		Taito-ku, Tokyo	2,190 million yen	

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Esty Maison Yokohama-aobadai North (Note 5)		Yokohama-shi, Kanagawa	1,360 million yen	
Total planned acquisition price			70,140 million yen	—

- (1) Type of specified asset : Trust beneficiary interest in trust assets of which are comprised of domestic real estate
- (2) Sale and purchase contract : May 23, 2019 date
- (3) Planned acquisition date : June 10, 2019 (Note 6)
- (4) Acquisition financing : Proceeds from the issuance of new investment units through public offering for which a resolution was passed at the meeting of the board of directors of SHR held on May 23, 2019 (Note 7), loans (Note 8) and cash on hand
- (5) Settlement method : Payment of entire amount at time of delivery

(Note 1) The “planned acquisition price” is the sale and purchase price stated in the sale and purchase agreement (excluding consumption tax and local consumption tax and commission and other various expenses; rounded down to the nearest million yen). The same shall apply hereinafter.

(Note 2) SHR will acquire 65.45% of the quasi co-ownership interest of the trust beneficiary interest in real estate with respect to the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st floor below ground to 4th floor above ground and 11th to 19th floor above ground of the building of “Akasaka Garden City”, as well as the accompanying right of site (ratio of right of site: 662,768/1,000,000 (approximately 66.3%)).

(Note 3) SHR has acquired the compartmentalized ownership interest in all of the exclusively-owned portions of the 4th, 7th and 8th floors above ground and part of the exclusively-owned portions of the 2nd, 3rd and 6th floors above ground of the building of “Garden City Shinagawa Gotenyama”, as well as the accompanying right of site (ratio of right of site: 2,103,349/3,857,806 (approximately 54.5%)) with an acquisition price of 39,700 million yen on December 3, 2014, the compartmentalized ownership interest in part of the exclusively-owned portions of the 2nd, 3rd, 5th and 6th floors above ground of such building, as well as the accompanying right of site (ratio of right of site: 820,252/3,857,806 (approximately 21.3%)) with an acquisition price of 15,900 million yen on May 24, 2016 and the compartmentalized ownership interest in part of the exclusively-owned portions of the 2nd floor above ground and all of the exclusively-owned portions of the 9th floor above ground of such building, as well as the accompanying right of site (ratio of right of site: 200,039/3,857,806 (approximately 5.2%)) with an acquisition price of 4,000 million yen on May 24, 2017, respectively. As a result, SHR owns the trust beneficiary interest in real estate with respect to the compartmentalized ownership interest in all of the exclusively-owned portions of the 2nd to 4th and 6th to 9th floors above ground and part of the exclusively-owned portions of the 5th floor above ground of the building of “Garden City Shinagawa Gotenyama”, as well as the accompanying right of site (ratio of right of site: 3,123,640/3,857,806 (approximately 81.0%)) as of today.

SHR plans to additionally acquire the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st floor above ground and part of the exclusively-owned portions of the 5th floor above ground of the building of “Garden City Shinagawa Gotenyama”, as well as the accompanying right of site (ratio of right of site: 734,166/3,857,806 (approximately 19.0%)), on the planned acquisition date (may be hereinafter referred to as “Garden City Shinagawa Gotenyama (additional acquisition portion)”) and after such additional acquisition, SHR will own all of “Garden City Shinagawa Gotenyama”.

(Note 4) SHR has acquired the compartmentalized ownership interest in all of the exclusively-owned portions of the 13th to 24th floors above ground of the building of “Hommachi Minami Garden City”, as well as the accompanying right of site (ratio of right of site: 1,669,946/2,965,753 (approximately 56.3%)) with an acquisition price of 23,100 million yen on December 3, 2014. SHR plans to additionally acquire the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st to 12th floors above ground of the building of “Hommachi Minami Garden City”, as well as the accompanying right of site (ratio of right of site: 1,295,807/2,965,753 (approximately 43.7%)) on the planned acquisition date (may be hereinafter referred to as “Hommachi Minami Garden City (additional acquisition portion)”) and after such additional acquisition, SHR will own all of “Hommachi Minami Garden City”.

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(Note 5) Since the name of the property of “Esty Maison Yokohama-aobadai North” is planned to be changed after the acquisition by SHR, the new name of the property is stated herein. The same shall apply hereafter.

(Note 6) Depending on the change of the pricing date for the issuance of new investment units through public offering (any day during the period from June 3, 2019 (Monday) until June 6, 2019 (Thursday)) stated in the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today, the planned acquisition date will be postponed as follows. Such date may be changed upon agreement between SHR and the present owner or the present beneficiary. The same shall apply hereafter.

- a. If the pricing date is June 3, 2019 (Monday), the planned acquisition date will be June 10, 2019 (Monday).
- b. If the pricing date is June 4, 2019 (Tuesday), the planned acquisition date will be June 11, 2019 (Tuesday).
- c. If the pricing date is June 5, 2019 (Wednesday), the planned acquisition date will be June 12, 2019 (Wednesday).
- d. If the pricing date is June 6, 2019 (Thursday), the planned acquisition date will be June 13, 2019 (Thursday).

(Note 7) Please refer to the press release entitled “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today for details.

(Note 8) The loans will be announced at a later date when finalized.

## 2. Reason for Acquisition and Leasing

Based on SHR’s basic policy to provide high-quality social capital and maximize unitholder value by conducting asset management that pursues stable earnings over the medium to long term and steady growth of its investment assets, SHR intends to focus on prime properties (high-quality residential and commercial properties in strategic locations), investing mainly in residential properties such as residences and in commercial properties such as office buildings and hotels, in accordance with the investment target and investment policy stipulated in its Articles of Incorporation and to use the pipeline support from Sekisui House, Ltd. (“Sekisui House”), our sponsor and acquire the following seven high-quality properties developed by Sekisui House, comprising of three office buildings (two of which are additional acquisitions) and four residential properties in order to build a portfolio that combines high quality and stability.

Upon the acquisition of such Assets to be Acquired, the size of SHR’s portfolio is expected to expand to the total assets under management of 120 properties and the total (planned) acquisition price of 527.5 billion yen.

The characteristics of the Assets to be Acquired taken into consideration upon deciding on the acquisition are as follows:

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## (1) Akasaka Garden City

### i) Location characteristics

The property is located in the commercial district in the vicinity of Akasaka Goyochi, along the street near Aoyama Street, approximately eight-minute walk from each of “Akasaka-mitsuke” Station (where two lines are available), “Nagata-cho” Station (where three lines are available) and “Aoyama-itchome” Station (where three lines are available), and approximately nine-minute walk from “Akasaka” station, which altogether enables the use of seven subway lines of Tokyo Metro Ginza Line, Marunouchi Line, Hanzomon Line, Yurakucho Line, Namboku Line, Chiyoda Line and Toei Oedo Line. It has excellent location condition with high accessibility.

The Akasaka area is a highly-concentrated business district in the center of Tokyo, adjacent to Kasumigaseki area and Nagata-cho area, where many government offices are located. The area also has a strong commercial presence, with various restaurants and shops and a commercial complex such as Akasaka Sacas. Luxury flats, hotels and embassies are located in the area as well, adding classiness to the district. The environment is great for offices and many foreign-owned corporations have their offices and headquarters in the area. A high level of tenant demand is expected from various business companies including IT, broadcasting, advertising and apparel.

### ii) Property characteristics

Akasaka Garden City is a high-quality office building completed in 2006, with the façade that takes advantage of the natural color of gemstone materials. The standard floor area is approximately 470 tsubo of dividable, regular-shaped spaces without pillars, which allows a high multiplicity of uses. With the ceiling height of 2,800mm and the raised floor of 100mm, the space is open and bright. In addition to the telecommunication facilities compatible with various media including fiber optic line (private line) and metal line (public line), the property is equipped with indoor energy efficient facilities such as deep window sills that reduce the entry of direct sunlight into the room, low-E double-glazed glass (highly-insulating multi-layer glass) that has lesser solar heat gain coefficient than standard glass and controls the indoor temperature change caused by sunlight, four air-conditioning zones in one floor and double-layer roller blinds. Moreover, in case of a disaster, the building above ground has a rigid-frame iron structure with seismic control device that has a reputation for its resistance to earthquakes. An accumulator battery is installed for the emergency light in common space in case of power failure due to emergency and emergency generator will operate to maintain the minimum necessary operation of the building when the power cannot be restored soon. It also gives consideration to the business continuity plans (BCPs) of tenant companies, for whom continuous supply of electricity is necessary, with spaces for generators (maximum: 500kVA) for providing power in case of an emergency.

## (2) Garden City Shinagawa Gotenyama (additional acquisition portion)

### i) Location characteristics

The property stands in a luxurious and comfortable area with a number of office buildings having historical background called “Gotenyama” (palace hill), as there used to be a separate villa of the Tokugawa Shogunate family, Shinagawa Goten. The property is located approximately 10-minute walk from “Osaki” Station, approximately 12-minute walk from “Shinagawa” Station, approximately 12-minute walk from “Gotanda” Station, and approximately nine-minute walk from “Kitashinagawa” Station. These four stations are served by 10 railways including subway, JR and private railway lines, and are easily accessible from various directions. In addition, a shuttle bus service is

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provided between "Gotanda" Station and "Shinagawa" Station to improve access. "Shinagawa" Station boasts one of the largest numbers of passengers in the Tokyo metropolitan area, is accessible by the Tokaido Shinkansen line and has an easy access to Tokyo International Airport (Haneda Airport). The location is highly appealing for leading companies that are expanding their business in Japan, as well as global companies that are expanding their business globally. A station for the Maglev Chūō Shinkansen line is scheduled to open in 2027 at "Shinagawa" Station, and is expected to continue to develop in the future. Furthermore, the area around the "Shinagawa" and "Tamachi" stations has been designated as a Comprehensive Special Zone for International Competitiveness (Special Zone for Asian Headquarters), and the area has been actively attracting foreign companies. In addition, at the former Shinagawa rail yard between the "Shinagawa" and "Tamachi" Stations, the new "Takanawa Gateway" Station is scheduled to open in 2020 and the area around the new station is being developed on a large scale, and further business accumulation is expected in the future.

It has also been recognized by a third-party evaluation that the property is located on high ground and has a low risk of disasters such as floods.

## ii) Property characteristics

Completed in 2011, the building has a high-grade appearance. Since the property has one of the largest standard floor areas in Japan of approximately 2,044 tsubo, allowing it to secure open and regular-shaped spaces without pillars, it is more than fully capable of accepting relocations of corporate headquarters or similar-class offices. Each floor can be divided for up to eight tenants, enabling leasing according to tenant needs. The property has a ceiling height of 2,900 mm, an OA floor of 120 mm, heavy duty zones with a floor load of 1,000 kg/ m<sup>2</sup> (in contrast to 500 kg/ m<sup>2</sup> for standard zones), an air conditioning system individually covering 115 zones per floor, and a high-level security system with flap gates and contactless IC cards. The main entrance hall on the second floor in common space has a large space with a reception counter, which is finished with a luxurious interior, and large and small conference rooms are available for rent, allowing efficient use of office space. The property is an environmentally-friendly office building, which promotes energy saving by having LEDs installed for all the lighting of the leased rooms and greening of the rooftop and the exterior. For the portion already held it has been rated as one of the "properties with the best class environmental and social awareness", (5 stars) the highest level in the five-level scale evaluation of the DBJ Green Building Certification (Note 1) and has received an "S-rank" evaluation from CASBEE (Note 2), which is also the highest level in the four-level scale. Moreover, it also gives consideration to the business continuity plans (BCPs) of tenant companies, such as through a seismically-isolated structure as anti-disaster measures and securing emergency power using private power generators.

## (3) Hommachi Minami Garden City (additional acquisition portion)

### i) Location characteristics

The property is located along Midosuji Street, the main street of Osaka City. In the Osaka area, the area along Midosuji Street has long been an established business and commercial center, and now hosts a commercial district with many financial institutions, including banks and life and non-life insurance companies, and various general companies. The property is an approximately three-minute walk from the nearest Osaka Metro Station "Hommachi", and "Hommachi" Station is accessible by three subway lines of Midosuji Line, Chuo Line and Yotsubashi Line. The property also provides excellent accesses to "Umeda" Station, "Namba" Station and other major stations, as well as to transportation hubs such as the Shinkansen line ("Shin-Osaka" Station) and airports

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(Osaka International Airport (Itami Airport) and Kansai International Airport), making the property a highly appealing location for leading companies that conduct business throughout Japan and global companies that expand business globally.

## ii) Property characteristics

The property is a tower building subject to the Comprehensive Building Design System. It is a large-scale building completed in 2011 with the façade made of granite and has glass curtain wall, the spacious ceiling height of 8.5m and the entrance lobby with a classy look. Each floor has a floor area without pillars of more than 400 tsubo (standard floor area), dividable into five zones, equipped with the ceiling height of about 2,800mm and movable wiring and cables. The property can meet the latest needs of tenants as a high-class building. The property is an environmentally-friendly office building equipped with vertical louvers on both the east and west sides and highly insulating glass to reduce damages from sunlight and increase the thermal efficiency. For the portion already held, it has been rated as one of the “properties with exceptionally high environmental and social awareness” (4 stars), the second highest level in the five-level scale evaluation of the DBJ Green Building Certification (Note 1) and has received an “S-rank” evaluation from CASBEE (Note 2), the highest level in the four-level scale. Furthermore, the property has a high-level earthquake protection structure, equipped with aseismic braces on each floor, and has a machine room on the third floor, which gives consideration to business continuity plans (BCPs) of the tenant company, which is aware of flood disasters.

## (4) Prime Maison Mitatsunamachi

### i) Location characteristics

The property is located in the center of Minato-ku and has convenient access to public transportation, being an approximately six-minute walk from “Azabu Juban” Station of Tokyo Metro Namboku Line and Toei Oedo Line and within walking distance from “Akabanebashi” Station of Toei Oedo Line and “Shirokane-takanawa” Station of Tokyo Metro Namboku Line and Toei Mita Line. In the Edo era, it was an area where stately houses of feudal lords and vassals stood and, at present, it is a high-end residential area with universities, embassies and Geihinkan in the neighborhood. Although located in the middle of the city, it is a quiet and green residential area. It is also excellent in the terms of disaster prevention, with good access to the safety area for evacuation and the local disaster prevention center within walking distance. The business district around “Tokyo” Station can be accessed within about 20 minutes. The area is also convenient for daily life, with various retail stores and restaurants around the “Azabu Juban shopping street” within an approximately ten-minute walking distance and facilities such as supermarkets, medical clinics and public service offices in the neighborhood.

### ii) Property characteristics

The property has five floors above ground and 18 units with a hotel-standard common space. Rooms have the maximum ceiling height of 2,500mm with luxurious space. There are four 1LDK units, nine 2LDK units, one 2SLDK unit and four 3LDK units. It is equipped with the hands-free smart key system, which allows entry by having the key in a bag or pocket. The property also offers modern functionalities such as a sound-dampening sink in the kitchen, auto-lock system and home delivery lockers. The property is expected to have stable demand mainly from high-income couples or families seeking convenience and good residential environment. The property also features environmentally-friendly facilities including multi-layer glass and handheld showerheads with pause switch.

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Furthermore, it is equipped with the three-tier security surveillance system consisting of video intercoms, security cameras and the security control over not only the entry to the entrance and rooms, but also the use of elevators.

## (5) Prime Maison Hongo

### i) Location characteristics

The property has good access to public transportation, three train stations and three metro lines, as it is an approximately four-minute walk from “Kasuga” Station of Toei Mita Line and Toei Oedo Line, an approximately five-minute walk from “Hongo-sanchome” Station of Tokyo Metro Marunouchi Line and an approximately seven-minute walk from “Suidobashi” Station of Toei Mita Line. It is also an approximately four-minute walk to Hongo Primary School, which is a designated safety area for evacuation, ensuring ease of access in case of a disaster. The Hongo area is next to a commercial area in the city center. There are offices in the neighborhood and the business district around “Tokyo” Station is accessible in seven minutes by train. The Hongo area has a long-established reputation as an educational district and enjoys a historical status as it had samurai residences in the past and the University of Tokyo was established in the area during the Meiji era.

### ii) Property characteristics

The property has 14 floors above ground and 67 units, consisting of 1R, 1K and 1LDK. It has hotel-standard corridors, auto-lock system, bathtubs with heating system, and open kitchens (for certain units). The property provides a high degree of convenience for its tenants as it has retail shops in the lower part of the building. Due to these factors, demand is expected to primarily come from single-person households seeking convenience. The property offers energy efficiency, with multi-layer glass and the air-conditioning system that meets the energy saving standards as standard equipment. The common space on the first floor is equipped with the emergency storage room. The property has video intercoms, security cameras, and state-of the art security locks.

## (6) Prime Maison Kuramae

### i) Location characteristics

The property is accessible from two subway lines, being an approximately three-minute walk from “Kuramae” Station of Toei Asakusa line and an approximately six-minute walk from “Kuramae” Station of Toei Oedo line. It offers convenience for daily life, with commercial facilities, public services and parks in the neighborhood. The property is located in the commercial and residential district, where medium-and-high-rise office buildings, apartments and residential houses stand. It also has good access to the city center, around 10 minutes by train from “Kuramae” Station of Toei Asakusa line to Nihonbashi area, which has earned a reputation as a business center in recent years. Although the area around the property was historically developed as a wholesale district along Edo Street that dealt with toys, dolls, fireworks and decorations, the area has been changing in recent years and now attracts people as a residential area with good access to transportation by train. It is also close to Kuramae Primary School, a safety area for evacuation designated by Taito-ku, ensuring ease of access in case of a disaster.

### ii) Property characteristics

The property has 14 floors and 65 units, consisting of 1R, 1K and 1LDK. It is equipped with the common space including hotel-standard corridors, and features video intercoms, security cameras and the auto lock system that

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includes the security system to restrict not only entry to the entrance and rooms but also the use of elevators. It also offers convenience for daily life, with the kitchen countertop made of cultured marble that combines a high-class appearance and usability. The property also provides energy efficiency, having multi-layer glass and the air-conditioning system that meets the energy saving standards as standard equipment. Since the property has excellent access to the city center and is in a good residential neighborhood, stable demand is expected mainly from single-person households.

## (7) Esty Maison Yokohama-aobadai North

### i) Location characteristics

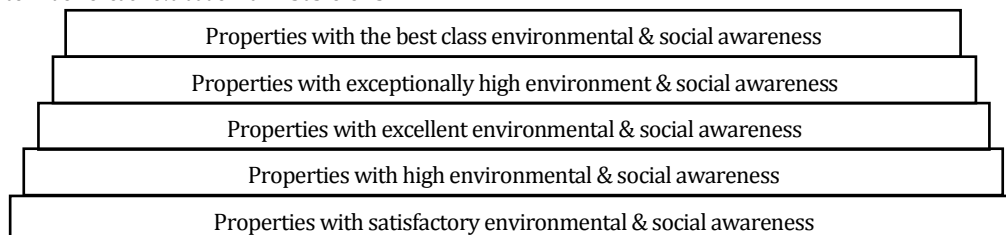
The property is an approximately ten-minute walk from “Aobadai” Station of Tokyu Den-en-toshi Line from which direct access to “Shibuya” Station and “Otemachi” Station is available. It also has good access to “Shin-Yokohama” Station where the JR Tokaido Shinkansen line and other two lines are available and “Yokohama” Station where eight lines are available. It provides great convenience and comfort for daily life with a large commercial complex and a large-scale park in the surrounding area. It is located within an approximately seven-minute walk to Sakuradai Park, a designated safety area for evacuation and close to Aobadai Junior High School, a designated disaster prevention center, ensuring ease of access in case of a disaster. Aoba-ku, where the property is located, is in the north-west end of Yokohama-shi and has developed into a commuter town since the opening of Tokyu Den-en-toshi Line in 1966. It is a quiet residential area with great access to Shibuya, Otemachi and Yokohama areas.

### ii) Property characteristics

The property has three floors above ground and 32 units of 3LDK. It is equipped with separate washbasins, shoe shelves, video intercoms, security cameras and the auto lock system. The property also gives consideration to energy efficiency, having multi-layer glass and the air-conditioning system that meets the energy saving standards as standard equipment. The demand is expected primarily from families who value the close distance to the city center, convenience for daily life and good residential environment, which is estimated to give the property advantages over competition. In addition, the property has been leased as a whole to a creditworthy tenant under a long-term lease at the time of acquisition and the long-term stable cash flow can be expected.

SHR has determined that each lessee of each property is compatible with the selection standards for tenants stated in the “Report on Management Structure and System of Issuers of Real Estate Investment Trust Units and Related Parties” dated January 28, 2019. For details on the leasing of Assets to be Acquired, please refer to “3. Description of the Assets to be Acquired and of Leases” below.

(Note 1) DBJ Green Building Certification is a system that certifies real estates with environmental and social considerations based on five-level scale evaluation by utilizing of comprehensive scoring model independently developed by Development Bank of Japan, Inc. The definition of each evaluation rank is as follows.



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(Note 2) CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system that comprehensively evaluates environmental efficiency of buildings including the reduction of damages to the environment such as energy efficiency, resource saving and recycling systems as well as considerations of scenery. The CASBEE real estate evaluation was developed for the purpose of using the CASBEE's environmental evaluation of a building for real estate evaluation. It is scored by five categories of "1. Energy/Greenhouse Gas", "2. Water", "3. Resource Use/Safety", "4. Biological Diversity/Site" and "5. Indoor Environment" and properties are ranked into "S-rank (excellent)", "A-rank (very good)", "B+ rank (good)" and "B-rank (satisfied necessary items)".

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### 3. Description of the Assets to be Acquired and of Leases

#### (1) Akasaka Garden City

Overview of specified asset		
Property name		Akasaka Garden City
Planned acquisition date		June 10, 2019
Type of specified asset		65.45% quasi co-ownership interest in trust beneficiary interest (Note 1)
Trustee		Sumitomo Mitsui Trust Bank, Limited
Period of trust contract		From July 28, 2006 to June 30, 2029 (planned)
Planned acquisition price		28,700 million yen
Appraisal value (Date of value)		29,900 million yen (April 1, 2019) (Note 2)
Location (indication of residential address)		15-1 Akasaka 4-chome, Minato-ku, Tokyo
Land	Lot	1500-1 Akasaka 4-chome, Minato-ku, Tokyo
	Site area	6,888.97 m <sup>2</sup>
	Use district	Commercial district, Category 1 residential district
	Building coverage ratio	80/60%
	Floor area ratio	700/500/400/300%
	Type of ownership	Right of site (co-ownership interest) (Note 1)
Building	Use	Office, Shop
	Construction completion	January 2006
	Structure / Floors	S, SRC, RC/B2F/19F (Note 1)
	Total floor area	46,776.76m <sup>2</sup>
	Type of ownership	Compartmentalized ownership interest (Note 1)
Collateral		None
Status of leasing and management		
Leasable area		12,472.79m <sup>2</sup> (Note 3)
Leased area		12,275.27m <sup>2</sup> (Note 3)
Occupancy rate		98.4% (Note 3)
Number of tenants		1 (18)
Monthly rent		103,841 thousand yen (Note 2)
Leasehold and security deposits		936,227thousand yen (Note 2)
Property management company		Kenedix Property Management, Inc. (planned)
Master lease company (Master lease type)		Sekisui House, Ltd. (planned) (pass-through type)
Contract period		From June 10, 2019 to June 30, 2029 (planned)
Outline of building engineering report (Note 4)		
Building replacement cost		5,872 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-

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	Long-term repair	16,146 thousand yen
Investigator		Tokyo Bldg-Tech Center Co., Ltd.
Outline of earthquake PML report		
PML value		1.59 %
Investigator		Sompo Risk Management Inc.
Building designer, constructor, building inspector		
Building designer		Nihon Sekkei, Inc.
Structure designer		Nihon Sekkei, Inc.
Constructor		Kajima Corporation
Building inspector		Japan ERI Co., Ltd., The Building Center of Japan
Matters of special note		
<p>• Sekisui House, SHR and Sumitomo Mitsui Trust Bank, Limited have executed a written quasi-co-owners agreement (the “Agreement” in this section), agreeing to mutual right of first negotiation, etc.</p> <p>The following outlines the Agreement.</p> <p>(a) In the event that Sekisui House or SHR seeks to transfer the quasi-co-ownership interest to a third party, the party seeking to transfer (the “offeror” in this section) must notify in writing the other party (the “counterparty” in this section) of the transfer of terms and conditions and other information related to the concerned transfer and, if the counterparty requests consultations concerning purchase of the quasi-co-ownership interest, the offeror shall hold consultations on the transfer terms and conditions in good faith with the counterparty and no negotiations concerning transfer of the quasi-co-ownership interest shall take place with a third party during the prescribed consultation period. Furthermore, only if an acceptance of the offer to transfer is not received by the offeror from the counterparty within the prescribed consultation period or if consultations fail to reach an agreement may the offeror be entitled to transfer the quasi-co-ownership interest to a third party; provided, however, that the terms and conditions of the concerned transfer shall not be of more advantageous content to the third party than the transfer terms and conditions notified to the counterparty above.</p> <p>(b) In the event of failure to perform the obligations provided in the Agreement, Sekisui House or SHR shall be entitled to notify the other party that the obligations be performed and, if the concerned obligations are not performed within the prescribed period, to request that the quasi-co-ownership interest held by the other party be transferred with compensation.</p> <p>(c) In order for Sekisui House or SHR to assign, transfer, provide as collateral or otherwise dispose of, its quasi-co-ownership interest to a third party without undergoing the procedures described in (a) above, it shall obtain prior written consent from the counterparty.</p> <p>(d) In the event that Sekisui House or SHR is to transfer part of the quasi-co-ownership interest not to the counterparty but to a third party, the third party shall succeed to the status under the Agreement to the extent of the ratio of quasi-co-ownership interest subject to the concerned transfer.</p> <p>(e) Certain matters including disposition of assets in trust, establishment of mortgage or lien, repair work which exceeds certain amount and change of agreements executed by trustee in connection with this property need mutual agreement between SHR and Sekisui House.</p> <p>(f) In the event that co-ownership interest in this property is returned from trustee to beneficiary in kind, claims on division of co-ownership parts in accordance with Article 256 of the Civil Code (Act No. 89 of</p>		

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1896, as amended) shall not be made for five years from the effective return date.

• The Asset Management Company has leased part of the property under the fixed-term building lease agreement in accordance with Article 38 of the Act on Land and Building Leases (Act No. 90 of 1991, as amended) (the term of such lease: from February 1, 2018 until January 31, 2021).

## Description of rights (exclusively-owned portions)

19F	Office
18F	Office
17F	Office
16F	Office
15F	Office
14F	Office
13F	Office
12F	Office
11F	Office
10F	
9F	
8F	
7F	
6F	
5F	
4F	Office
3F	Office
2F	Office
1F	Common space Office
B1F	Shop Common space
B2F	Common space

- Exclusively-owned portion included in quasi-co-ownership interest to be acquired
- Exclusively-owned portion held by other compartmentalized owners

(Note 1) SHR plans to acquire 65.45% of the quasi-co-ownership interest of trust beneficiary interest in real estate with respect to the compartmentalized ownership interest to all of exclusively-owned portions of the 1st floor below ground to 4th above ground and 11th to 19th floors above ground of the building of "Akasaka Garden City", as well as the accompanying right of site (ratio of right of site: 662,768/1,000,000 (approximately 66.3%)).

(Note 2) "Appraisal Value", "Monthly rent" and "Leasehold and security deposits" represents the amount multiplied by the ratio of quasi-co-ownership interest to be acquired by SHR (65.45%).

(Note 3) "Leasable area" is the area calculated by multiplying the leasable area of the exclusively-owned portions under compartmentalized ownership interest to be included in quasi-co-ownership of the trust beneficiary interest in real estate that will be acquired by SHR stated in Note 1 above multiplied by 65.45%, ratio of the quasi-co-ownership interest of the trust beneficiary interest in real estate to be acquired by SHR, each rounded to the second decimal place. "Leased area" used for the calculation of "Occupancy rate" is the area calculated by multiplying the total leased area stated in each lease agreement with end-tenants or the leased area based on building drawings, etc. multiplied by 65.45%, ratio of the quasi-co-ownership interest of the trust beneficiary interest in real estate to be acquired by SHR, rounded to the two decimal places.

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“Leasable area” and “Leased area” of the entire compartmentalized ownership interest are 19,056.98 m<sup>2</sup> and 18,755.20 m<sup>2</sup>, respectively.

(Note 4) The amounts in the columns under the section “Outline of building engineering report” are not the amounts for the entire building, but represent the amounts in proportion to the ratio of quasi-co-ownership interest (65.45%) to be acquired by SHR, based on the amounts for the entire property.

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**(2) Garden City Shinagawa Gotenyama (additional acquisition portion)**



Overview of specified asset		
Property name		Garden City Shinagawa Gotenyama (additional acquisition portion)
Planned acquisition date		June 10, 2019
Type of specified asset		Trust beneficiary interest (planned)
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)
Period of trust contract		From June 10, 2019 to December 2, 2024 (planned)
Planned acquisition price		12,350 million yen
Appraisal value (Date of value)		15,000 million yen (April 1, 2019) (Note 1)
Location (indication of residential address)		7-29 Kitashinagawa 6-chome, Shinagawa-ku, Tokyo
Land	Lot	351-1 Kitashinagawa 6-chome, Shinagawa-ku, Tokyo and other
	Site area	15,942.78m <sup>2</sup>
	Use district	Commercial district, Quasi-industrial district, Category 1 medium-to high-rise exclusive residential district
	Building coverage ratio	80/60/60%
	Floor area ratio	500/300/200%
	Type of ownership	Right of site (co-ownership interest) (Note 2)
Building	Use	Office, Shop (Note 3)
	Construction completion	February 2011
	Structure / Floors	RC/B1F/9F (Note 2)
	Total floor area	62,975.42m <sup>2</sup>
	Type of ownership	Compartmentalized ownership interest (Note 2)
Collateral		None
Status of leasing and management		
Leasable area		7,341.65m <sup>2</sup> (Note 4)
Leased area		7,341.65m <sup>2</sup> (Note 4)
Occupancy rate		100.0 %
Number of tenants		1(11)
Monthly rent		52,014 thousand yen
Leasehold and security deposits		470,184 thousand yen
Property management company		Sekisui House, Ltd.(planned)
Master lease company (Master lease type)		Sekisui House, Ltd. (planned) (pass-through type)
Contract period		From June 10, 2019 to December 2, 2024 (planned)
Outline of building engineering report (Note 5)		
Building replacement cost		4,023 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-

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	Long-term repair	18,120 thousand yen
Investigator		Sompo Risk Management, Inc.
Outline of earthquake PML report		
PML value		0.82%
Investigator		Sompo Risk Management Inc.
Building designer, constructor, building inspector		
Building designer		Nikken Sekkei Ltd., Taisei Corporation
Structure designer		Nikken Sekkei Ltd., Taisei Corporation
Constructor		Taisei Corporation
Building inspector		Japan ERI Co., Ltd.
Matters of special note		
<p>• As of today, the property is held as the compartmentalized ownership interest by the present owner, Sekisui House, along with the Trustee of “Garden City Shinagawa Gotenyama (1st acquisition portion)” (hereinafter referred to as the “Trustee (1st acquisition portion)” in this section), the Trustee of “Garden City Shinagawa Gotenyama (2nd acquisition portion)” (hereinafter referred to as the “Trustee (2nd acquisition portion)” in this section) and the Trustee of “Garden City Shinagawa Gotenyama (3rd acquisition portion)” (hereinafter referred to as the “Trustee (3rd acquisition portion)” in this section). Based on the sale and purchase agreement with SHR, it has been agreed that part of the exclusively-owned portions of the property, as well as the accompanying right of site, held by Sekisui House be placed in the trust of and transferred to the Trustee by Sekisui House on the planned date of acquisition by SHR, followed by transfer of the trust beneficiary interest to SHR on the same date.</p> <p>• As of today, Sekisui House, the Trustee (1st acquisition portion), the Trustee (2nd acquisition portion), the Trustee (3rd acquisition portion) and SHR have executed a written compartmentalized owners agreement, agreeing to mutual right of first negotiation, etc. (Regarding the content of such compartmentalized owners agreement, please refer to the press release "Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and its Lease (Garden City Shinagawa Gotenyama: Additional Acquisition; Hommachi Garden City: Additional Acquisition)" issued on May 9, 2017. ). Sekisui House, the Trustee (1st acquisition portion), the Trustee (2nd acquisition portion), the Trustee (3rd acquisition portion) and SHR have agreed to cancel the relevant compartmentalized owners agreement after the acquisition, since SHR will own entire portion of “Garden City Shinagawa Gotenyama” after the acquisition of such trust beneficiary interest.</p>		

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Description of rights (exclusively-owned portions)		
9F	Office	
8F	Office	
7F	Office	
6F	Office	
5F	Office	Office
4F	Office	
3F	Office	
2F	Office	Common space Office
1F	Shop	Common space
B1F	Common space	

 Exclusively-owned portion to be additionally acquired  
 Acquired exclusively-owned portion

(Note 1) "Appraisal Value" is the appraisal value with respect to the portion to be additionally acquired by SHR.

(Note 2) The section SHR plans to additionally acquires is the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st floor above ground and part of the exclusively-owned portions of the 5th floor above ground of the building, as well as the accompanying right of site (the right of site ratio: 734,166/3,857,806 (approximately 19.0%)). After the additional acquisition, SHR will own all of Garden City Shinagawa Gotenyama.

(Note 3) The purpose of the whole building is office, parking space and shop.

(Note 4) "Leasable area" is the leasable area in respect of exclusively-owned portions to be additionally acquired by SHR is stated. "Leased area" used for the calculation of the "Occupancy rate" is the area of exclusively-owned portions to be additionally acquired by SHR out of the leased area stated in each lease agreement with end-tenants or the leased area based on building drawings, etc.

(Note 5) The amounts in the columns under the section "Outline of building engineering report" represent the amounts in proportion to the ratio of the right of site to be additionally acquired by SHR, based on the amounts for the entire property.

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**(3) Hommachi Minami Garden City (additional acquisition portion)**

Overview of specified asset		
Property name		Hommachi Minami Garden City (additional acquisition portion))
Planned acquisition date		June 10, 2019
Type of specified asset		Trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited
Period of trust contract		From September 22, 2000 to June 30, 2029 (planned)
Planned acquisition price		20,900 million yen
Appraisal value (Date of value)		23,800 million yen (April 1, 2019) (Note 1)
Location (indication of residential address)		6-1 Kita-Kyuhoji-machi 3-chome, Chuo-ku, Osaka-shi, Osaka
Land	Lot	27-1 Kita-Kyuhoji-machi 3-chome, Chuo-ku, Osaka-shi, Osaka and other
	Site area	3,737.11 m <sup>2</sup>
	Use district	Commercial district
	Building coverage ratio	80%
	Floor area ratio	1,000%
	Type of ownership	Right of site (co-ownership interest) (Note 2)
Building	Use	Office, Shop (Note 3)
	Construction completion	February 2011
	Structure / Floors	S, SRC/B2F/25F (Note 2)
	Total floor area	46,010.88m <sup>2</sup>
	Type of ownership	Compartmentalized ownership interest (Note 2)
Collateral		None
Status of leasing and management		
Leasable area		12,958.07m <sup>2</sup> (Note 4)
Leased area		12,958.07m <sup>2</sup> (Note 4)
Occupancy rate		100.0 %
Number of tenants		1(13)
Monthly rent		89,671 thousand yen
Leasehold and security deposits		1,037,797 thousand yen
Property management company		Sekisui House, Ltd.(planned)
Master lease company (Master lease type)		Sekisui House, Ltd. (planned) (pass-through type)
Contract period		From June 10, 2019 to December 2, 2024 (planned)
Outline of building engineering report (Note 5)		
Building replacement cost		6,906 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-
	Long-term repair	14,516 thousand yen

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Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Outline of earthquake PML report	
PML value	2.28 %
Investigator	Sompo Risk Management Inc.
Building designer, constructor, building inspector	
Building designer	Nikken Sekkei Ltd.
Structure designer	Nikken Sekkei Ltd.
Constructor	Joint Venture of Konoike Construction, Co., Ltd. and Obayashi Corporation
Building inspector	The Building Center of Japan
Matters of special note	
<ul style="list-style-type: none"> <li>• As of today, the trust beneficiary interest of the whole building of this property has been divided into two trust beneficiary interests whose trust asset is the compartmentalized ownership of the exclusive portion. SHR and Sekisui House own the trust beneficiary interest (No. A) and the trust beneficiary interest (No. B), respectively. In the sale and purchase agreement with SHR, Sekisui House has agreed to transfer the trust beneficiary interest (No. B) held by Sekisui House on the planned date of acquisition by SHR.</li> <li>• As of today, Sekisui House, SHR and Sumitomo Mitsui Trust Bank, Limited have executed a written agreement between beneficiaries and Sekisui House and SHR have agreed to mutual right of first negotiation, etc. (Regarding the content of such agreement between trustees, please refer to the press release "Notice Concerning Completion of Acquisition of Assets " issued on December 3, 2014. ) Since SHR will own all of Hommachi Minami Garden City after the acquisition, SHR intends to be the owner of the trust beneficiary interest of the building as a whole that combines two trust beneficiary interests after the acquisition. Sekisui House, SHR and Sumitomo Mitsui Trust Bank, Limited have agreed to cancel the relevant written agreement between beneficiaries after the acquisition.</li> </ul>	

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Description of rights (exclusively-owned portions)		
25F	Common Space	
24F	Office	
23F	Office	
22F	Office	
21F	Office	
20F	Office	
19F	Office	
18F	Office	
17F	Office	
16F	Office	
15F	Office	
14F	Office	
13F	Office	
12F	Office	
11F	Office	
10F	Office	
9F	Office	
8F	Office	
7F	Office	
6F	Office	
5F	Office	
4F	Office	
3F	Office	
2F	Common space	Shop
1F	Common space	Shop
B1F	Common space	
B2F	Common space	

Exclusively-owned portion to be additionally acquired

Acquired exclusively-owned portion

(Note 1) "Appraisal Value" is the appraisal value with respect to the portion to be additionally acquired by SHR.

(Note 2) The section SHR plans to additionally acquires is the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st to 12th floors above ground of the building, as well as the accompanying right of site (the right of site ratio: 1,295,807/2,965,753 (approximately 43.7%)). After the additional acquisition, SHR will own all of Hommachi Minami Garden City.

(Note 3) The purpose of the whole building is office, parking space and shop.

(Note 4) In "Leasable area", the leasable area of the exclusively-owned portion to be additionally acquired by SHR is stated "Leased area" used for the calculation of the "Occupancy rate" is the area of the exclusively-owned portions to be additionally acquired by SHR out of the leased area stated in each lease agreement with end-tenants or the leased area based on

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building drawings, etc.

(Note 5) The amounts in the columns under the section “Outline of building engineering report” are not those for the entire property, but represent the amounts in proportion to the ratio of the right of site to be additionally acquired by SHR.

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**(4) Prime Maison Mitatsunamachi**

Overview of specified asset		
Property name		Prime Maison Mitatsunamachi
Planned acquisition date		June 10, 2019
Type of specified asset		Trust beneficiary interest (planned)
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)
Period of trust contract		From June 10, 2019 to June 30, 2029 (planned)
Planned acquisition price		2,040 million yen
Appraisal value (Date of value)		2,160 million yen (April 1, 2019)
Location (indication of residential address)		1-41 Mita 2-chome, Minato-ku, Tokyo
Land	Lot	309-31 Mita 2-chome, Minato-ku, Tokyo
	Site area	807.08 m <sup>2</sup>
	Use district	Category 1 high-rise exclusive residential district
	Building coverage ratio	60%
	Floor area ratio	300%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	October 2017
	Structure / Floors	RC/B1F/5F
	Total floor area	2,219.96m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral		None
Status of leasing and management		
Leasable area		1,387.12m <sup>2</sup> (number of leasable residential units: 18)
Leased area		1,029.32m <sup>2</sup> (number of leased residential units: 13)
Occupancy rate		74.2 % (Note)
Number of tenants		1
Monthly rent		6,980 thousand yen
Leasehold and security deposits		13,960 thousand yen
Property management company		Sekiwa Real Estate, Ltd.(planned)
Master lease company (Master lease type)		Sekiwa Real Estate, Ltd. (planned) (pass-through type)
Contract period		From June 10, 2019 to June 30,2029 (planned)
Outline of building engineering report		
Building replacement cost		540 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-
	Long-term repair	378 thousand yen

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Investigator	Tokyo Bldg-Tech Center Co., Ltd.
Outline of earthquake PML report	
PML value	7.23%
Investigator	Sompo Risk Management Inc.
Building designer, constructor, building inspector	
Building designer	Form Architect Planning Co., Ltd
Structure designer	CROSS Factory, Co., Ltd.
Constructor	Mabuchi Construction Co., Ltd.
Building inspector	The Housing Loan Progress Association
Matters of special note	
None	

(Note) Although the occupancy rate as of the end of March, 2019 is 74.2%, as a result of the examination considering the property's place, the grade of the building, other properties to compete with, matching with the types of housings preferred by end-tenant candidates, SHR decided to acquire the property since it has been concluded that it is possible to increase the occupancy rate by promoting the leasing.

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**(5) Prime Maison Hongo**

Overview of specified asset		
Property name		Prime Maison Hongo
Planned acquisition date		June 10, 2019
Type of specified asset		Trust beneficiary interest (planned)
Trustee		Mitsubishi UFJ Trust and Banking Corporation (planned)
Period of trust contract		From June 10, 2019 to June 30, 2029 (planned)
Planned acquisition price		2,600 million yen
Appraisal value (Date of value)		2,700 million yen (April 1, 2019)
Location (indication of residential address)		14-10 Hongo 4-chome, Bunkyo-ku, Tokyo
Land	Lot	30-1 Hongo 4-chome, Bunkyo-ku, Tokyo
	Site area	492.47 m <sup>2</sup>
	Use district	Commercial district, Category 1 residential district
	Building coverage ratio	80/60%
	Floor area ratio	600/300%
	Type of ownership	Proprietorship
Building	Use	Apartment complex, shop
	Construction completion	March 2018
	Structure / Floors	RC/B1/14F
	Total floor area	2,986.22 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral		None
Status of leasing and management		
Leasable area		2,423.46 m <sup>2</sup> (number of leasable residential units: 67)
Leased area		2,054.33 m <sup>2</sup> (number of leased residential units: 58)
Occupancy rate		84.8%
Number of tenants		1
Monthly rent		10,251 thousand yen
Leasehold and security deposits		13,769 thousand yen
Property management company		Sekiwa Real Estate, Ltd. (planned)
Master lease company (Master lease type)		Sekiwa Real Estate, Ltd. (planned) (pass-through type)
Contract period		From June 10, 2019 to June 30, 2029 (planned)
Outline of building engineering report		
Building replacement cost		752 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-

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	Long-term repair	1,640 thousand yen
Investigator		ERI Solution Co., Ltd.
		Outline of earthquake PML report
PML value		3.48%
Investigator		Sompo Risk Management Inc.
		Building designer, constructor, building inspector
Building designer		Nakamura Akira Architect & Associates
Structure designer		TK Architectural Corporation
Constructor		Mabuchi Construction Co., Ltd.
Building inspector		Bureau Veritas Japan Co., Ltd.
		Matters of special note
		None

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**(6) Prime Maison Kuramae**

Overview of specified asset		
Property name		Prime Maison Kuramae
Planned acquisition date		June 10, 2019
Type of specified asset		Trust beneficiary interest (planned)
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)
Period of trust contract		From June 10, 2019 to June 30, 2029 (planned)
Planned acquisition price		2,190 million yen
Appraisal value (Date of value)		2,260 million yen (April 1, 2019)
Location (indication of residential address)		18-18 Kuramae 4-chome, Taito-ku, Tokyo
Land	Lot	8-7 Kuramae 4-chome, Taito-ku, Tokyo
	Site area	474.18 m <sup>2</sup>
	Use district	Commercial district
	Building coverage ratio	80%
	Floor area ratio	500%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	November 2018
	Structure / Floors	RC/14F
	Total floor area	2,887.15 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral		None
Status of leasing and management		
Leasable area		2,259.40 m <sup>2</sup> (number of leasable residential units: 65)
Leased area		1,390.66 m <sup>2</sup> (number of leased residential units: 39)
Occupancy rate		61.5% (Note)
Number of tenants		1
Monthly rent		6,145 thousand yen
Leasehold and security deposits		5,721 thousand yen
Property management company		Sekiwa Real Estate, Ltd.(planned)
Master lease company (Master lease type)		Sekiwa Real Estate, Ltd.(planned) (Pass-through type)
Contract period		From June 10, 2019 to June 30,2029 (planned)
Outline of building engineering report		
Building replacement cost		692 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-

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	Long-term repair	162 thousand yen
Investigator		Tokyo Bldg-Tech Center Co., Ltd.
Outline of earthquake PML report		
PML value		2.72%
Investigator		Sompo Risk Management Inc.
Building designer, constructor, building inspector		
Building designer		Add Co., Ltd.
Structure designer		Tsurugi Architectural Firm Co., Ltd.
Constructor		Mabuchi Construction Co., Ltd.
Building inspector		JAIC Co., Ltd.
Matters of special note		
None		

(Note) Although the occupancy rate as of the end of March, 2019 is 61.5%, as a result of the examination considering the property's place, the grade of the building, other properties to compete with, matching with the types of housings preferred by end-tenant candidates, SHR decided to acquire the property since it has been concluded that it is possible to increase the occupancy rate by promoting the leasing.

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## (7) Esty Maison Yokohama-aobadai North

Overview of specified asset		
Property name		Esty Maison Yokohama-aobadai North
Planned acquisition date		June 10, 2019
Type of specified asset		Trust beneficiary interest (planned)
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)
Period of trust contract		June 10, 2019 to June 30, 2029 (planned)
Planned acquisition price		1,360 million yen
Appraisal value (Date of value)		1,460 million yen (April 1, 2019)
Location (indication of residential address)		28-8 Aobadai 2-chome, Aoba-ku, Yokohama-shi, Kanagawa
Land	Lot	28-8 Aobadai 2-chome, Aoba-ku, Yokohama-shi, Kanagawa
	Site area	1,775.45 m <sup>2</sup>
	Use district	Category 1 medium-to high-rise exclusive residential district
	Building coverage ratio	60%
	Floor area ratio	150%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	July 2018
	Structure / Floors	RC/B1/3F
	Total floor area	2,723.24 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral		None
Status of leasing and management		
Leasable area		2,723.24 m <sup>2</sup> (number of leasable residential units: 32)
Leased area		2,723.24 m <sup>2</sup> (number of leased residential units: 32)
Occupancy rate		100.0%
Number of tenants		1
Monthly rent		6,091 thousand yen
Leasehold and security deposits		18,274 thousand yen
Property management company		Sekiwa Real Estate, Ltd.(planned)
Master lease company (Master lease type)		Sekiwa Real Estate, Ltd.(planned) (Pass-through type)
Contract period		From June 10, 2019 to June 30, 2029 (planned)
Outline of building engineering report		
Building replacement cost		736 million yen
Repair expenses	Emergency repair	-
	Short-term repair	-

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	Long-term repair	1,600 thousand yen
Investigator		ERI Solution Co., Ltd.
		Outline of earthquake PML report
PML value		9.64%
Investigator		Sompo Risk Management Inc.
		Building designer, constructor, building inspector
Building designer		Sekisui House, Ltd.
Structure designer		Touto Architects & Engineers
Constructor		Sekisui House, Ltd.
Building inspector		Bureau Veritas Japan Co., Ltd.
		Matters of special note
		None

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## [Explanation of Description of the Assets to be Acquired and of Leases]

- (1) "Type of specified asset" is the type of right to be acquired by SHR.
- (2) "Trustee" is the party that is to become the trustee after the acquisition by SHR.
- (3) "Period of trust contract" indicates the trust term agreed upon with the party that is to become the trustee as of today.
- (4) "Appraisal value (Date of value)" is the appraisal value and date of value stated in the real estate appraisal report prepared by the real estate appraisal firm that SHR and SHAM has entrusted with appraisal of investment real estate, where the appraisal value is rounded down to the nearest million yen.
- (5) "Location (indication of residential address)" is the indication of residential address based on the notice delivered by municipalities, the written property outline or written explanation of important matters. Furthermore, if there is no implementation of indication of residential address or no indication of residential address in the written property outline and written explanation of important matters, "Location (indication of residential address)" is the parcel number based on that stated in the registry (including registration information; the same applies hereinafter) (in cases where there are several, then one of them) or the indication method used in practice as the location.
- (6) "Lot" and "Site area" is the parcel number (in cases where there are several, then one of them) and the sum total of parcel area based on that stated in the registry. Furthermore, even if the acquisition is of part of the site of a building under compartmentalized ownership interest or co-ownership interest in land, "Site area" is the parcel area for the entire site or land.
- (7) "Use district" is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, including amendments thereto) (the "City Planning Act").
- (8) "Building coverage ratio," which is the ratio of the building area of the building to the site area as provided in Article 53 of the Building Standards Act (Act No. 201 of 1950, including amendments thereto) (the "Building Standards Act"), is the percentage figure provided in accordance with the Building Standards Act, the City Planning Act and other related laws and regulations.
- (9) "Floor area ratio," which is the ratio of the total floor area of the building to the site area as provided in Article 52 of the Building Standards Act, is the percentage figure provided in accordance with the Building Standards Act, the City Planning Act and other related laws and regulations.
- (10) For "Land," "Type of ownership" is the type of right held or to be held by SHR for real estate in the case of real estate directly held or to be held by SHR, and is the type of right held or to be held by the trustee of the real estate trust for real estate in trust in the case of a trust beneficiary interest held or to be held by SHR.
- (11) "Use" is the major type indicated in the registry. Furthermore, in the case of a building under compartmentalized ownership interest, "Use" is the use of the concerned exclusively-owned portions.
- (12) "Construction completion" is based on that stated in the registry.
- (13) "Structure / Floors" is based on that stated in the registry. Furthermore, in cases where SHR acquires exclusively-owned portions of a building under compartmentalized ownership interest or co-ownership interest, "Structure / Floors" is the structure and number of floors for the entire building. Furthermore, the following abbreviations are used in "Structure / Floors."  
RC: Reinforced concrete structure; SRC: Steel reinforced concrete structure; S: Steel-framed structure
- (14) "Total floor area" is the sum total of floor area of the building or building in trust (excluding annex buildings, etc.) indicated in the registry. In addition, in cases where SHR acquires exclusively-owned portions of a building under compartmentalized ownership interest or co-ownership interest, "Total floor area" is the floor area for the entire building.
- (15) For "Building," "Type of ownership" is the classification of the type of ownership, such as ownership right and compartmentalized ownership interest held or to be held by SHR for real estate in the case of real estate directly held or to be held by SHR, and is the classification of the type of ownership, such as ownership right and compartmentalized ownership interest held or to be held by the trustee of the real estate trust for real estate in trust in the case of a trust beneficiary interest held or to be held by SHR. Compartmentalized ownership interest refers to the ownership right to the exclusively-owned portions of a building under compartmentalized ownership interest.
- (16) "Collateral" outlines the collateral to be borne by SHR, if any, after the acquisition of the trust beneficiary interest by SHR.
- (17) "Leasable area" for the Assets to be Acquired refers to the floor area which is considered to be available for leasing based on the lease agreements or building drawings, etc., effective as of the end of March 2019, rounded down to the second decimal place, unless otherwise noted.
- (18) "Leased area" for the Assets to be Acquired is the sum total of the leased area indicated in the lease agreements effective as of the end of March 2019 or the leased area based on building drawings, etc..
- (19) "Occupancy rate" is the ratio of leased area to leasable area for the Assets to be Acquired, rounded to one decimal place.
- (20) "Number of tenants" for the Assets to be Acquired refers to the total number of tenants per property as indicated in the lease agreement effective as of the end of March 2019. However, in the case where a master lease agreement is concluded as of today with respect to such property, the number of the total lessee under the master lease agreement is stated in the total number. In addition, in the case where a pass-through type master lease agreement is concluded with respect to the property whose use is classified as office buildings, the total number of end tenants pertaining to such property (in case of additional acquisition, the total number of end tenants of exclusively-owned portions to be additionally acquired by SHR) is stated in parentheses. Please refer to (24) below for the definition of "master lease company" and

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“master lease agreement.”

- (21) “Monthly rent” is the monthly rent for the Assets to be Acquired (the monthly rent excludes usage fee for parking, warehouses, signboards, etc. but includes common area fees. Furthermore, even if free rent or rent holiday is provided for in such lease agreement, the free rent and rent holiday as of the same day shall not be taken into consideration), based on the content of the lease agreement as of the end of March 2019 provided from the current owner (in the case where multiple lease agreements are concluded, the total of such amounts) (excluding consumption tax and local consumption tax) and shall be rounded down to the nearest thousand yen. In the case where there are provisions in the lease agreement to the effect that the rent will increase gradually according to the period, the amount of monthly rent uses the amount applicable as of the end of March 2019. In the case where there are provisions in the lease agreement that the amount of rent moves in tandem with sales, in other words, the percentage rent is provided for therein, the amount of monthly rent uses the average amount of monthly rent of each month (excluding months that the provisions of free rent or rent holiday shall apply), which is calculated by SHR in comparison with the amount of sales for the results of April 2018 until March 2019, based on the information provided from the seller. “Free rent” is an agreement which sets up a free or reasonably minimum rent for a certain period (mainly at the time of moving into a new house), and “Free holiday” is an agreement which sets up a free or reasonably minimum rent regularly or irregularly, only for a certain period during the certain rental period (The same shall apply hereinafter).
- (22) “Leasehold and security deposits” for the Assets to be Acquired is the amount of the leasehold stipulated in each lease agreement effective as of the end of March 2019 provided from the current owner, rounded down to the nearest thousand yen.
- (23) “Property management company” is the company to be entrusted with property management services after the acquisition by SHR.
- (24) “Master lease company” is the company that is to become the master lease company by concluding a master lease agreement with the trustee after the acquisition by SHR. Furthermore, “master lease agreement” is a lease agreement of a building concluded in bulk in the purpose of the lessee subleasing the building to third parties. The same applies hereinafter.
- (25) “Master lease type” is the type of master lease that is to become effective after the acquisition by SHR. “Fixed-rent type” is a master lease in which the rent that the master lessee pays is a fixed amount regardless of the rent that the sublessee pays to the master lessee. “Pass-through type” is a master lease in which the rent that the master lessee pays is always the same amount as the rent that the end-tenant pays to the master lessee.
- (26) “Contract period” is the period from the planned acquisition date to the date of termination of the lease stipulated in each lease agreement (in the case where a master lease agreement is concluded with respect to such property, the master lease agreement) to become effective at the time of acquisition of the Assets to be Acquired.
- (27) “Building replacement cost” is based on the building engineering report, excluding consumption tax, rounded down to the nearest million yen.
- (28) “Repair expenses” are based on that stated in the building engineering reports. “Short-term repair” is the investigator’s estimate of the repair and renewal expenses required within one year at the time of investigation. “Long-term repair” is the investigator’s estimate of the annual average amount of the repair and renewal expenses for 12 years at the time of investigation. However, in case that the annual average amount is not stated in the building engineering report, the Asset Manager Company has calculated the annual average amount based on the total of the repair and renewal expenses for 12 years stated in the building engineering report and rounded it down to the nearest thousand yen.
- (29) “PML value” is based on the statement in the seismic risk evaluation report by Sompo Risk Management Inc. or the building engineering report stating PML calculated by Sompo Risk Management Inc. for the Assets to be Acquired. The concerned statement is no more than an indication of the opinion of the reporting party, and SHR does not guarantee the accuracy of the content thereof. Furthermore, “PML value” refers to a “probable maximum loss” due to an earthquake. Although there is no consistent strict definition, in this press release, “PML value” expresses the extent of damage that may be suffered due to an earthquake which is assumed to occur in 50 years (the general use period of the building) and cause a loss of 10% exceedance probability as a percentage (%) of the amount of probable loss corresponding to the 90% non-exceedance probability against the replacement cost. However, the amount of probable loss is limited to that for direct loss on the building (structure, finishing and building equipment) only that are caused by earthquake ground motion, and does not include damage to equipment, furniture, fixtures, etc., loss caused by post-earthquake water or fire disasters, compensation for disaster victims, operating loss due to interruption of business operations and other secondary damages.
- (30) “Matters of special note” is the matters considered important in relation to rights, use, etc. of the Assets to be Acquired, and the matters considered important in consideration of the degree of impact on the valuation, profitability and liquidity of the Assets to be Acquired including the following matters. In case where the Assets to be Acquired are held in the form of co-ownership interest (including quasi-co-ownership of trust beneficiary interest in real estate) or compartmentalized ownership interest, summary description which illustrates the holding scheme with a simple diagram is also indicated.
  - a. Key limitations or restrictions by laws and regulations
  - b. Key burdens or limitations pertaining to rights, etc. (including establishment of security interest)
  - c. Key structures, etc. crossing the boundary between the real estate or real estate in trust and the adjacent land or issues with boundary confirmation, etc., as well as agreements, etc. thereof, if any

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- d. Key matters agreed upon or agreements, etc. with co-owners or compartmentalized ownership holders

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## 4. Seller Profile

(1)	Name	Sekisui House, Ltd.
(2)	Address	1-1-88, Oyodonaka, Kita-ku, Osaka-shi, Osaka
(3)	Representative	Yoshihiro Nakai, President & Representative Director
(4)	Business activities	Design, construction and contracting of industrialized houses; as well as sale, agency, leasing, management of real estates and businesses related thereto.
(5)	Capital	202,591 million yen (as of the end of January 2019)
(6)	Established	August 1960
(7)	Net asset	1,196,923 million yen (consolidated) (as of the end of January 2019)
(8)	Gross asset	2,413,053 million yen (consolidated) (as of the end of January 2019)
(9)	Major shareholder (shareholding ratio)	The Master Trust Bank of Japan, Ltd. (trust account) (9.16%) Sekisui Chemical Co., Ltd. (6.13%) Japan Trustee Services Bank, Ltd. (trust account) (5.32%) (All of the above quoted as of the end of January 2019)
(10)	Relationship with SHR and the Asset Management Company	
	Capital relationship	As of today, Sekisui House owns 5.18% of the total issued investment units of the SHR. Furthermore, Sekisui House owns 100% of the total issued shares of the Asset Management Company and falls within the definitions of an Interested Person as stipulated in the Investment Trusts Act and an Interested Party as stipulated in the Asset Management Company's internal rules: Rules for Transactions with Interested Parties.
	Personal relationship	As of today, Sekisui House has dispatched to the Asset Management Company one Part-time Director and one Part-time Auditor. Furthermore, 14 persons among the executive and regular employees of the Asset Management Company are seconded from Sekisui House.
	Business relationship	Sekisui House has concluded the Sponsor Support Agreement and the Memorandum of Understanding concerning Holding of Investment Units with SHR and the Asset Management Company and the Memorandum of Understanding concerning Use of Trademarks with SHR. Furthermore, Sekisui House is the seller of part of the assets that have been acquired by SHR and has concluded the Master Lease and Property Management Agreement for part of the assets that have been acquired.
	Related party	Sekisui House is the parent company to the Asset Management Company and fall within the definition of a related party.

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## 5. Status of Property Buyers, Etc.

## (1) Akasaka Garden City

	Previous owner/ Trust beneficiary	Owner before last/ Trust beneficiary
Name	Sekisui House	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to “4. Seller Profile (10) Relationship with SHR and the Asset Management Company” above.	—
Background and reason for acquisition	Acquisition for investment management	—
Acquisition price	A part of the compartmentalized ownership interest of the building to be included in quasi-co-ownership interest of the trust beneficiary interest to be acquired and the accompanying right of site therewith (ratio of right of site: 662,768/1,000,000 (approximately 66.3%)) were acquired in January 2019 (ratio of right of site: 875/1,000,000 (approximately 0.1%)), but it is omitted since the consent of the parties involved in the sale or purchase was not obtained. Other part (ratio of right of site: 661,893/1,000,000 (approximately 66.2%)) is omitted since the part has been owned for over 1 year.	—
Time of acquisition	May 2015, January 2019	—

## (2) Garden City Shinagawa Gotenyama (additional acquisition portion), Hommachi Minami Garden City (additional acquisition portion), Prime Maison Mitatsunamachi, Prime Maison Hongo, Prime Maison Kuramae and Esty Maison Yokohama-aobadai North

	Previous owner / Trust beneficiary	Owner before last / Trust beneficiary
Name	Sekisui House	A party that does not have a relationship of special interest
Relationship with a party classified as having a	Please refer to “4. Seller Profile (10) Relationship with SHR and the Asset Management Company” above.	—

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relationship of special interest		
Background and reason for acquisition	Acquisition for development	—
Acquisition price	—	—
Time of acquisition	—	—

## 6. Overview of Brokerage

None.

## 7. Transactions with Interested Persons, Etc.

As described above, Sekisui House, the seller of the Assets to be Acquired, fall within the definitions of the Interested Person, etc. and the Interested Party under the Rules for Transactions with Interested Parties (which is the Asset Management Company's internal rule). Given this, the Asset Management Company has taken the decision-making procedures (including SHR's consent based on the approval of the SHR's Board of Directors held today) stipulated in the Rules for Transactions with Interested Parties to execute the Agreement for the Transfer of Trust Beneficiary Interests (quasi-co-ownership interest) concerning the Assets to be Acquired with Sekisui House.

Furthermore, for Akasaka Garden City, Garden City Shinagawa Gotenyama (additional acquisition portion) and Hommachi Minami Garden City (additional acquisition portion) among the Assets to be Acquired, SHR plans to conclude the building lease agreements wherein Sekisui House is the lessee (master lease company), and for Garden City Shinagawa Gotenyama (additional acquisition portion) and Hommachi Minami Garden City (additional acquisition portion), collectively outsource the property management business to Sekisui House. In addition, for Prime Maison Mitatsunamachi, Prime Maison Hongo, Prime Maison Kuramae and Esty Maison Yokohama-aobadai North among the Assets to be Acquired, SHR plans to conclude the building lease agreement wherein Sekiwa Real Estate, Ltd. (that falls within the definitions of the Interested Person, etc. and the Interested Party) is the lessee (master lease company) and outsource the property management business to Sekiwa Real Estate, Ltd. For the leasing of these buildings and the outsourcing of businesses, the decision-making procedures (including SHR's consent based on the approval of the SHR's Board of Directors held on today) stipulated in the Rules for Transactions with Interested Parties have been taken as well.

## 8. Future Outlook

Please refer to the press release "Notice Concerning Revisions to the Forecast of Operating Results and Distributions for the Fiscal Period Ending October 31, 2019 and the Forecast of Operating Results and Distributions for the Fiscal Period Ending April 30, 2020" separately announced today.

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## 9. Summary of Appraisal Report

### (1) Akasaka Garden City

Property name	Akasaka Garden City
Appraisal value	29,900,000,000 yen
Name of appraisal firm	Chuo Real Estate Appraisal Co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	29,900,000	Focusing on the income approach value calculated by the DCF method, determined by correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	30,800,000	Assessed as the net cash flow being stable in the medium to long term, discounted by the capitalization rate.
Operating revenue	1,347,322	
Gross potential income	1,418,229	Recorded the rental income (including income from common area fee) which takes the current rent and the new rent, etc. into account, the utilities income and other income (common area usage fee).
Vacancy loss, etc.	▲ 70,907	Assessed by setting occupancy rate (vacancy rate) being stable in the medium to long term taking the past occupancy, etc. of the subject property and similar property into account.
Operating expenses	304,847	
Maintenance and management fee	95,791	Assessed based on the current maintenance fee taking the past results as well as the fee level, etc. for similar property into account.
Utilities expenses	61,141	Assessed by taking the past results and the fee level, etc. for similar property into account.
Repair expenses	3,513	Recorded assessed amount of potential small repair expenses for exclusively-owned portions which takes into account the age, etc. of the building (as small repair expenses for common area is included in the maintenance fee, after examining the past results and estimated repair expenses in the engineering report, it is determined that additional recording is not necessary.).
Property management fee	16,822	Recorded by taking the current contract terms and conditions as well as the fee rate, etc. for similar property into account.
Tenant leasing cost, etc.	26,675	Assessed based on estimated average tenant turnover period, etc. by reference to fee level, etc. for similar property.
Property taxes	99,465	Assessed based on the most recent actual amount, etc.
Insurance premium	1,360	Recorded the most recent actual amount.
Other expenses	79	Recorded the common area usage fee.
Net operating income (NOI)	1,042,475	
Gain on management of income from lump-sum payment	10,670	Assessed using the investment return of 1.0%.
Capital expenditures	▲ 5,271	Recorded assessed amount of potential capital expenditures for exclusively-owned portions which takes into account the age, etc. of the building (as capital expenditures for common area is accumulated by the management association's parking management, after examining the past results as well as estimated large repair expenses and renewal expenses in the engineering report, it is determined that additional recording is

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			not necessary.).
	Net cash flow (NCF)	1,047,874	
	Capitalization rate	3.4%	Assessed by taking the individual factors of the subject property such as the location conditions, building conditions and rights, etc. into account referring to the investment return rate for transactions, etc. of similar property.
	Value of earnings calculated by discounted cash flow (DCF) method	29,500,000	
	Discount rate	3.2%	Assessed by taking the individual factors and the appraisal scenario, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
	Terminal capitalization rate	3.6%	Assessed by taking the individual factors, the appraisal scenario and projected trends in property prices and rent, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
	Cost method value	31,100,000	
	Ratio of land	90.0%	
	Ratio of building	10.0%	
	Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate purchasers of the subject property are the investors with their primary focus on profitability.	

Note: Amounts of "Appraisal value" and each estimated value are amounts corresponding to 65.45% of the quasi co-ownership interest of the trust beneficiary interest to be acquired by SHR. As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	9,005 yen/m <sup>2</sup> (29,769 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	8,459 yen/m <sup>2</sup> (27,966 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

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**(2) Garden City Shinagawa Gotenyama (additional acquisition portion)**

Property name	Garden City Shinagawa Gotenyama (additional acquisition portion)
Appraisal value	15,000,000,000 yen
Name of appraisal firm	Daiwa Real Estate Appraisal Co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	15,000,000	Estimated by primarily using the income approach value calculated by the DCF method, while correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	15,600,000	
Operating revenue	713,573	
Gross potential income	735,318	Recorded the rental income, the utilities income and the parking income, etc., acknowledged as stable in the medium to long term.
Vacancy loss, etc.	▲ 21,744	Recorded by assessing the vacancy rate acknowledged as stable in the medium to long term.
Operating expenses	194,818	
Maintenance and management fee	45,305	Recorded based on the last fiscal year's actual amount, etc.
Utilities expenses	51,967	Recorded based on the last fiscal year's actual amount, etc.
Repair expenses	7,813	Assessed based on the level for similar property and the average repair expenses in the engineering report.
Property management fee	9,202	Assessed by reference to the level for similar property and the current contract terms and conditions, etc.
Tenant leasing cost, etc.	5,568	Recorded by reference to the assumed replacement rate and tenant solicitation expenses, etc. for similar property.
Property taxes	55,890	Assessed and recorded based on past figures.
Insurance premium	804	Assessed and recorded by reference to insurance fees for similar property.
Other expenses	18,265	Recorded based on the last fiscal year's actual amount, etc.
Net operating income (NOI)	518,755	
Gain on management of income from lump-sum payment	6,514	Recorded the investment profit assessed based on the investment return of 1.0%.
Capital expenditures	▲ 10,849	Assessed based on the level for similar property and the average renewal expenses in the engineering report.
Net cash flow (NCF)	514,420	
Capitalization rate	3.3%	Assessed by comprehensively taking into account the location conditions, the building conditions and other conditions of the subject property as well as transactions of similar property, etc.
Value of earnings calculated by discounted cash flow (DCF) method	14,800,000	
Discount rate	3.0%	Assessed by reference to transactions of similar property, the individual factors of the subject property and interviews from investors.
Terminal capitalization rate	3.5%	Assessed by comprehensively taking into account transactions of similar property, future trend of investment return, the individual factors of the subject property and market trend, etc.
Cost method value	19,000,000	

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Ratio of land	82.8%	
Ratio of building	17.2%	
Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate purchasers of the subject property are the investors with their primary focus on profitability and return on investment.	

Note: As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	7,819 yen/m <sup>2</sup> (25,848 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	7,085 yen/m <sup>2</sup> (23,421 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

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**(3) Hommachi Minami Garden City (additional acquisition portion)**

Property name	Hommachi Minami Garden City (additional acquisition portion)
Appraisal value	23,800,000,000 yen
Name of appraisal firm	Richi Appraisal Institute co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	23,800,000	Estimated by primarily using the income approach value calculated by the DCF method, while correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	24,600,000	Appraised as the standard net cash flow discounted by the capitalization rate.
Operating revenue	1,157,175	
Gross potential income	1,220,021	Recorded the standard rental income assessed based on the rent at the market value which takes into account the surrounding rental market condition, in addition to other income such as the parking income.
Vacancy loss, etc.	▲ 62,845	Assessed by taking the scale of the subject building and its location conditions, etc. into account, based on the standard vacancy rate in the area.
Operating expenses	259,859	
Maintenance and management fee	61,633	Assessed through review in light of the past results and the level for similar property, based on the contract amount.
Utilities expenses	68,205	Assessed by taking the past results for the subject property and similar property into account.
Repair expenses	4,355	Recorded through review in light of the level for similar property based on the average repair expenses in the engineering report.
Property management fee	12,000	Recorded through review in light of the level for similar property based on the contract.
Tenant leasing cost, etc.	9,219	Assessed based on the tenant leasing cost which takes into account the assumed replacement rate and the standard of the area.
Property taxes	102,649	Recorded based on the actual amount for the fiscal year 2018.
Insurance premium	1,381	Recorded through review in light of the level for similar property on the basis of the contract amount.
Other expenses	415	Recorded based on the past results of neighborhood association fee, etc.
Net operating income (NOI)	897,315	
Gain on management of income from lump-sum payment	10,863	Assessed based on the investment return which refers to the recent yield of financial assets.
Capital expenditures	▲ 21,750	Assessed taking into account the average renewal fee in the engineering report as well as the purpose, age and scale of the building.
Net cash flow (NCF)	886,429	
Capitalization rate	3.6%	Assessed by taking the individual factors of the subject property into account referring to the level of investment return for transactions of similar property and the expected return of real estate investors.
Value of earnings calculated by discounted cash flow (DCF)	23,400,000	

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method		
Discount rate	3.3%	Assessed based on the yield which takes into account the level of investment return for transactions of similar property and the yield of financial assets in addition to the individual factors of the subject property.
Terminal capitalization rate	3.8%	Assessed by taking transactions of similar property, economic trend after expiration of the possession period, changes in the net cash flow and uncertainty of projection, etc. into account.
Cost method value	22,100,000	
Ratio of land	74.7%	
Ratio of building	25.3%	
Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value, recognizing the validity of the income approach value that reflects the price formation process by typical candidate purchasers of the subject property.	

Note: As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	7,345 yen/m <sup>2</sup> (24,282 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	6,920 yen/m <sup>2</sup> (22,877 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

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**(4) Prime Maison Mitatsunamachi**

Property name	Prime Maison Mitatsunamachi
Appraisal value	2,160,000,000 yen
Name of appraisal firm	Chuo Real Estate Appraisal Co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,160,000	Focusing on the income approach value calculated by the DCF method, determined by correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	2,200,000	Assessed as the net cash flow being stable in the medium to long term, discounted by the capitalization rate.
Operating revenue	115,690	
Gross potential income	124,049	Recorded the rental income (including income from common area fee) which takes the current rent and the new rent, etc. into account, the parking income and other income (key money, etc., renewal fee, income from motorcycle-parking area and bike registration fee).
Vacancy loss, etc.	▲8,359	Assessed by setting occupancy rate (vacancy rate) being stable in the medium to long term taking the past occupancy, etc. of the subject property and similar property into account.
Operating expenses	26,589	
Maintenance and management fee	4,994	Assessed by taking the current building maintenance and management contract, the past results as well as the fee level, etc. for similar property into account.
Utilities expenses	2,372	Assessed by taking the past results and the expenses level, etc. for similar property into account.
Repair expenses	2,852	Recorded potential small repair expenses and expenses for restoration to original state. Based on the policy that small repair expenses shall be recorded after standardized in one-year unit, recorded assessed amount after taking into account the annual average amount of estimated repair expenses in the engineering report and risks for increased expenses due to the aging of the building, etc. The expenses for restoration to original state shall be assessed based on the past results and results of similar property.
Property management fee	3,309	Recorded by taking the current contract terms and conditions as well as the fee rate, etc. for similar property into account.
Tenant leasing cost, etc.	5,376	Assessed based on estimated average tenant turnover period, etc. by reference to the fee level, etc. for similar property.
Property taxes	7,442	Recorded the assessed amount based on the most recent appraisal report, etc.
Insurance premium	53	Recorded the most recent actual amount.
Other expenses	191	Recorded Internet usage fee and neighborhood association fee.
Net operating income (NOI)	89,101	
Gain on management of income from lump-sum payment	181	Assessed using the investment return of 1.0%.
Capital expenditures	▲1,401	Based on the policy that any potential expenses shall be recorded after standardized in one-year unit, recorded by taking into account assessed amount which considers the annual average amount of estimated renewal expenses in the engineering report as well as risks for increased expenses due to

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			the aging of the building, etc.
	Net cash flow (NCF)	87,881	
	Capitalization rate	4.0%	Assessed by taking the individual factors of the subject property such as the location conditions, building conditions and rights, etc. into account referring to the investment return rate for transactions, etc. of similar property.
	Value of earnings calculated by discounted cash flow (DCF) method	2,140,000	
	Discount rate	3.8%	Assessed by taking the individual factors and the appraisal scenario, etc. of the subject property into account referring to the investment capitalization rate for transactions, etc. of similar property.
	Terminal capitalization rate	4.2%	Assessed by taking the individual factors, the appraisal scenario and projected trends in property prices and rent, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
	Cost method value	2,330,000	
	Ratio of land	75.5%	
	Ratio of building	24.5%	
	Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate purchasers of the subject property are the investors with their primary focus on profitability.	

Note: As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	6,800 yen/m <sup>2</sup> (22,479 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	6,781 yen/m <sup>2</sup> (22,417 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

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**(5) Prime Maison Hongo**

Property name	Prime Maison Hongo
Appraisal value	2,700,000,000 yen
Name of appraisal firm	Chuo Real Estate Appraisal Co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,700,000	Focusing on the income approach value calculated by the DCF method, determined by correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	2,710,000	Assessed as the net cash flow being stable in the medium to long term, discounted by the capitalization rate.
Operating revenue	140,597	
Gross potential income	148,662	Recorded the rental income (including income from common area maintenance charges) which takes the current rent and the new rent, etc. into account, the parking income and other income (key money, etc., renewal fee, usage fee of motorcycle-parking area and bike registration fee).
Vacancy loss, etc.	▲8,065	Assessed by setting occupancy rate (vacancy rate) being stable in the medium to long term taking the past occupancy, etc. of the subject property and similar property into account.
Operating expenses	29,894	
Maintenance and management fee	7,852	Assessed by taking the current building maintenance and management contract, the past results as well as the fee level, etc. for similar property into account.
Utilities expenses	1,663	Assessed by taking the past results and the expenses level, etc. for similar property into account.
Repair expenses	3,573	Recorded potential small repair expenses and expenses for restoration to original state. Based on the policy that small repair expenses shall be recorded after standardized in one-year unit, recorded assessed amount after taking into account the annual average amount of estimated repair expenses in the engineering report and risks for increased expenses due to the aging of the building, etc. The expenses for restoration to original state shall be assessed based on the past results and results of similar property.
Property management fee	4,058	Recorded by taking the current contract terms and conditions as well as the fee rate, etc. for similar property into account.
Tenant leasing cost, etc.	4,132	Assessed based on estimated average tenant turnover period, etc. by reference to the fee level, etc. for similar property.
Property taxes	7,990	Recorded the assessed amount based on the most recent appraisal report, etc.
Insurance premium	74	Recorded the most recent actual amount.
Other expenses	552	Recorded neighborhood association fee and Internet usage fee.
Net operating income (NOI)	110,703	
Gain on management of income from lump-sum payment	145	Assessed using the investment return of 1.0%.
Capital expenditures	▲2,545	Based on the policy that any potential expenses shall be recorded after standardized in one-year unit, recorded by taking into account assessed amount which considers the annual average amount of estimated renewal expenses in the

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			engineering report as well as risks for increased expenses due to the aging of the building, etc.
	Net cash flow (NCF)	108,303	
	Capitalization rate	4.0%	Assessed by taking the individual factors of the subject property such as the location conditions, building conditions and rights, etc. into account referring to the investment return rate for transactions, etc. of similar property.
	Value of earnings calculated by discounted cash flow (DCF) method	2,690,000	
	Discount rate	3.8%	Assessed by taking the individual factors and the appraisal scenario, etc. of the subject property into account referring to the investment capitalization rate for transactions, etc. of similar property.
	Terminal capitalization rate	4.2%	Assessed by taking the individual factors, the appraisal scenario and projected trends in property prices and rent, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
	Cost method value	2,940,000	
	Ratio of land	71.4%	
	Ratio of building	28.6%	
	Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate purchasers of the subject property are the investors with their primary focus on profitability.	

Note: As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	4,849 yen/m <sup>2</sup> (16,030 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	4,990 yen/m <sup>2</sup> (16,496 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

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**(6) Prime Maison Kuramae**

Property name	Prime Maison Kuramae
Appraisal value	2,260,000,000 yen
Name of appraisal firm	Chuo Real Estate Appraisal Co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,260,000	Focusing on the income approach value calculated by the DCF method, determined by correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	2,280,000	Assessed as the net cash flow being stable in the medium to long term, discounted by the capitalization rate.
Operating revenue	121,592	
Gross potential income	126,821	Recorded the rental income (including income from common area maintenance charges) which takes the current rent and the new rent, etc. into account, the parking income and other income (key money, etc., renewal fee, usage fee of motorcycle-parking area and bike registration fee).
Vacancy loss, etc.	▲ 5,229	Assessed by setting occupancy rate (vacancy rate) being stable in the medium to long term taking the past occupancy, etc. of the subject property and similar property into account.
Operating expenses	26,997	
Maintenance and management fee	6,778	Assessed by taking the current building maintenance and management contract, the past results as well as the fee level, etc. for similar property into account.
Utilities expenses	1,301	Assessed by taking the past results and the expenses level, etc. for similar property into account.
Repair expenses	1,790	Recorded potential small repair expenses and expenses for restoration to original state. Based on the policy that small repair expenses shall be recorded after standardized in one-year unit, recorded assessed amount after taking into account the annual average amount of estimated repair expenses in the engineering report and risks for increased expenses due to the aging of the building, etc. The expenses for restoration to original state shall be assessed based on the past results and results of similar property.
Property management fee	3,492	Recorded by taking the current contract terms and conditions as well as the fee rate, etc. for similar property into account.
Tenant leasing cost, etc.	4,738	Assessed based on estimated average tenant turnover period, etc. by reference to the fee level, etc. for similar property.
Property taxes	8,440	Recorded the assessed amount based on the most recent appraisal report, etc.
Insurance premium	68	Recorded the most recent actual amount.
Other expenses	390	Recorded Internet usage fee.
Net operating income (NOI)	94,595	
Gain on management of income from lump-sum payment	90	Assessed using the investment return of 1.0%.
Capital expenditures	▲ 1,126	Based on the policy that any potential expenses shall be recorded after standardized in one-year unit, recorded by taking into account assessed amount which considers the annual average amount of estimated renewal expenses in the engineering report as well as risks for increased expenses due to

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			the aging of the building, etc.
	Net cash flow (NCF)	93,559	
	Capitalization rate	4.1%	Assessed by taking the individual factors of the subject property such as the location conditions, building conditions and rights, etc. into account referring to the investment return rate for transactions, etc. of similar property.
	Value of earnings calculated by discounted cash flow (DCF) method	2,250,000	
	Discount rate	3.9%	Assessed by taking the individual factors and the appraisal scenario, etc. of the subject property into account referring to the investment capitalization rate for transactions, etc. of similar property.
	Terminal capitalization rate	4.3%	Assessed by taking the individual factors, the appraisal scenario and projected trends in property prices and rent, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
	Cost method value	2,030,000	
	Ratio of land	62.1%	
	Ratio of building	37.9%	
	Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate purchasers of the subject property are the investors with their primary focus on profitability.	

Note: As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	4,434 yen/m <sup>2</sup> (14,658 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	4,419 yen/m <sup>2</sup> (14,607 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

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**(7) Esty Maison Yokohama-aobadai North**

Property name	Esty Maison Yokohama-aobadai North
Appraisal value	1,460,000,000 yen
Name of appraisal firm	Chuo Real Estate Appraisal Co., Ltd.
Date of value	April 1, 2019

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,460,000	Focusing on the income approach value calculated by the DCF method, determined by correlating it to the income approach value calculated by the direct capitalization method.
Value based on direct capitalization method	1,470,000	Assessed as the net cash flow being stable in the medium to long term, discounted by the capitalization rate.
Operating revenue	78,310	
Gross potential income	78,310	Recorded the rental income which takes the current rent and the new rent, etc. into account and the parking income.
Vacancy loss, etc.	-	Assessed by setting occupancy rate (vacancy rate) being stable in the medium to long term taking the past occupancy, etc. of the subject property and similar property into account. As this property is leased as a whole, comprehensively taking into account the content of the current regular building lease agreement and the tenant attribution, etc., no turnover of the tenant is assumed.
Operating expenses	10,910	
Maintenance and management fee	-	Not recorded, as the fee shall be borne by the tenant.
Utilities expenses	-	Not recorded, as the expenses shall be borne by the tenant.
Repair expenses	1,587	Recorded potential small repair expenses. Based on the policy that small repair expenses shall be recorded after standardized in one-year unit, recorded assessed amount after taking into account the annual average amount of estimated repair expenses in the engineering report and risks for increased expenses due to the aging of the building, etc. No expense for restoration to original state is recorded, as it shall be borne by the tenant.
Property management fee	979	Recorded by taking the expected contract terms and conditions as well as the fee rate, etc. for similar property into account.
Tenant leasing cost, etc.	-	Not recorded as this property is leased as a whole and no turnover of the tenant is assumed.
Property taxes	8,272	Recorded the assessed amount based on the most recent appraisal report, etc.
Insurance premium	72	Recorded the most recent actual amount.
Other expenses	-	Not recorded.
Net operating income (NOI)	67,400	
Gain on management of income from lump-sum payment	196	Assessed using the investment return of 1.0%.
Capital expenditures	▲1,260	Based on the policy that any potential expenses shall be recorded after standardized in one-year unit, recorded by taking into account assessed amount which considers the annual average amount of estimated renewal expenses in the engineering report as well as risks for increased expenses due to the aging of the building, etc.

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Net cash flow (NCF)	66,336	
Capitalization rate	4.5%	Assessed by taking the individual factors of the subject property such as the location conditions, building conditions and rights, etc. into account referring to the investment return rate for transactions, etc. of similar property.
Value of earnings calculated by discounted cash flow (DCF) method	1,460,000	
Discount rate	4.3%	Assessed by taking the individual factors and the appraisal scenario, etc. of the subject property into account referring to the investment capitalization rate for transactions, etc. of similar property.
Terminal capitalization rate	4.7%	Assessed by taking the individual factors, the appraisal scenario and projected trends in property prices and rent, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
Cost method value	1,710,000	
Ratio of land	62.0%	
Ratio of building	38.0%	
Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate purchasers of the subject property are the investors with their primary focus on profitability.	

Note: As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

\*Comparison with average rent unit price for the lease agreement

Average rent unit price for the appraisal price	2,237 yen/m <sup>2</sup> (7,395 yen/ <i>tsubo</i> )
Average rent unit price for lease agreements	2,237 yen/m <sup>2</sup> (7,395 yen/ <i>tsubo</i> )

Note 1: "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the above appraisal.

Note 2: "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired and of Leases" above.

\*Sekisui House Reit, Inc. website: <http://sekisuihouse-reit.co.jp/en/>

#### <Attachments>

Reference Material 1: Photograph of the Property and Map of the Surrounding Area of the Assets to be Acquired

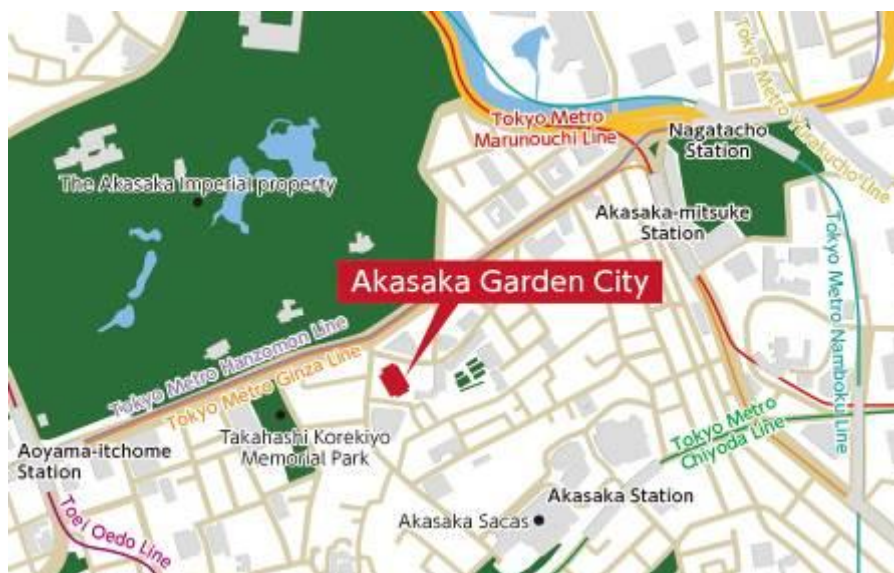
Reference Material 2: Portfolio List after the Acquisition of the Assets to be Acquired

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Reference Material 1: Photograph of the Property and Map of the Surrounding Area of the Assets to be Acquired

(1) Akasaka Garden City



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(2) Garden City Shinagawa Gotenyama (additional acquisition portion)



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(3) Hommachi Minami Garden City (additional acquisition portion)



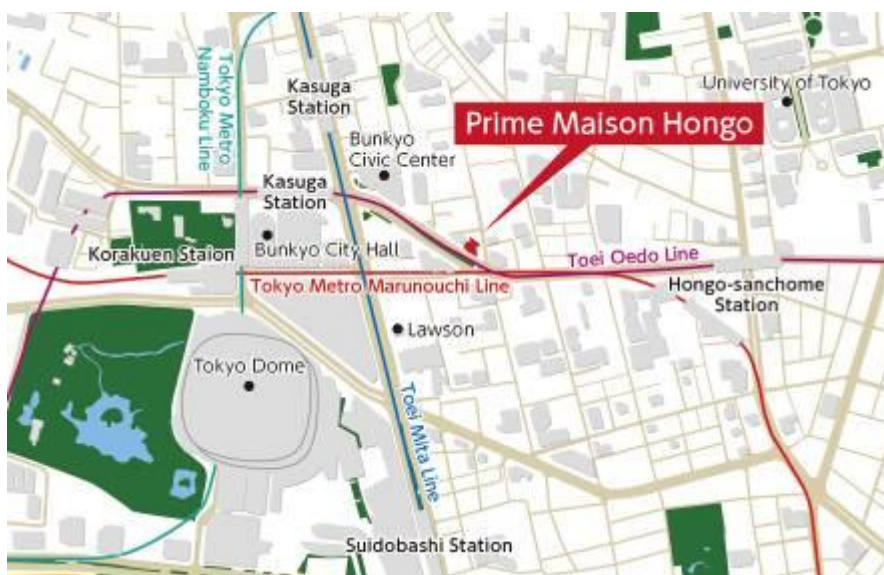
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(4) Prime Maison Mitatsunamachi



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(5) Prime Maison Hongo



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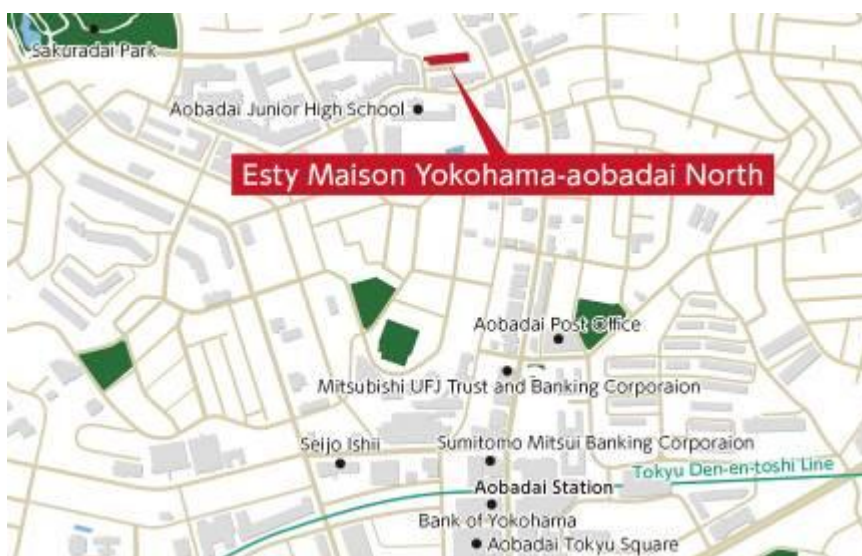


(6) Prime Maison Kuramae



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(7) Esty Maison Yokohama-aobadai North



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## Reference Material 2: Portfolio List after the Acquisition of the Assets to be Acquired

Property number (Note 1)	Property name	Location	(Planned) Date of acquisition (Note 2)	(Planned) Acquisition price (Note 3) (million yen)	Investment ratio (Note 4) (%)
R-001	Esty Maison Ginza	Chuo-ku, Tokyo	May 1, 2018	6,540	1.2
R-002	Esty Maison Azabunagasaka	Minato-ku, Tokyo	May 1, 2018	1,790	0.3
R-003	Esty Maison Ebisu II	Shibuya-ku, Tokyo	May 1, 2018	2,040	0.4
R-004	Esty Maison Ebisu	Shibuya-ku, Tokyo	May 1, 2018	873	0.2
R-005	Esty Maison Kanda	Chiyoda-ku, Tokyo	May 1, 2018	1,610	0.3
R-006	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	May 1, 2018	1,590	0.3
R-007	Esty Maison Asakusakomagata	Taito-ku, Tokyo	May 1, 2018	2,190	0.4
R-008	Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	May 1, 2018	2,400	0.5
R-009	Esty Maison Yokohama	Yokohama-shi, Kanagawa	May 1, 2018	2,110	0.4
R-010	Esty Maison Kameido	Koto-ku, Tokyo	May 1, 2018	1,580	0.3
R-011	Esty Maison Meguro	Meguro-ku, Tokyo	May 1, 2018	1,060	0.2
R-012	Esty Maison Sugamo	Toshima-ku, Tokyo	May 1, 2018	1,630	0.3
R-013	Esty Maison Kyobashi	Osaka-shi, Osaka	May 1, 2018	2,970	0.6
R-014	Esty Maison Hakuraku	Yokohama-shi, Kanagawa	May 1, 2018	931	0.2
R-015	Esty Maison Minamihorie	Osaka-shi, Osaka	May 1, 2018	1,060	0.2
R-016	Esty Maison Gotanda	Shinagawa-ku, Tokyo	May 1, 2018	3,110	0.6
R-017	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	May 1, 2018	2,720	0.5
R-018	Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	May 1, 2018	2,050	0.4
R-019	Esty Maison Minamiazabu	Minato-ku, Tokyo	May 1, 2018	1,250	0.2
R-020	Esty Maison Tsukamoto	Osaka-shi, Osaka	May 1, 2018	1,080	0.2
R-021	Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	May 1, 2018	1,910	0.4
R-022	Esty Maison Azabujuban	Minato-ku, Tokyo	May 1, 2018	2,690	0.5
R-023	Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	May 1, 2018	937	0.2
R-024	Esty Maison Oizumigakuen	Nerima-ku, Tokyo	May 1, 2018	790	0.1
R-025	Esty Maison Higashishinagawa	Shinagawa-ku, Tokyo	May 1, 2018	2,390	0.5
R-026	Esty Maison Itabashikuyakushomae	Itabashi-ku, Tokyo	May 1, 2018	2,540	0.5
R-027	Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	May 1, 2018	1,050	0.2
R-028	Esty Maison Sendagi	Bunkyo-ku, Tokyo	May 1, 2018	698	0.1
R-029	Esty Maison Yotsuyasakamachi	Shinjuku-ku, Tokyo	May 1, 2018	2,090	0.4
R-030	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	May 1, 2018	2,400	0.5
R-031	Esty Maison Kamigofuku	Fukuoka-shi, Fukuoka	May 1, 2018	821	0.2

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R-032	Esty Maison Sangenjaya	Setagaya-ku, Tokyo	May 1, 2018	822	0.2
R-033	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	May 1, 2018	1,850	0.4
R-034	Prime Maison Higashisakura	Nagoya-shi, Aichi	May 1, 2018	1,500	0.3
R-035	Prime Maison Kayabakoen	Nagoya-shi, Aichi	May 1, 2018	801	0.2
R-036	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	May 1, 2018	785	0.1
R-037	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	May 1, 2018	2,560	0.5
R-038	MAST Hakata	Fukuoka-shi, Fukuoka	May 1, 2018	2,360	0.4
R-039	Esty Maison Kinshicho	Sumida-ku, Tokyo	May 1, 2018	1,260	0.2
R-040	Esty Maison Musashikoganei	Koganei-shi, Tokyo	May 1, 2018	1,790	0.3
R-041	Prime Maison Gokiso	Nagoya-shi, Aichi	May 1, 2018	1,950	0.4
R-042	Prime Maison Yuhigaoka	Osaka-shi, Osaka	May 1, 2018	909	0.2
R-043	Prime Maison Kitatanabe	Osaka-shi, Osaka	May 1, 2018	601	0.1
R-044	Prime Maison Momochihama	Fukuoka-shi, Fukuoka	May 1, 2018	1,940	0.4
R-045	Esty Maison Akihabara	Taito-ku, Tokyo	May 1, 2018	1,930	0.4
R-046	Esty Maison Sasazuka	Shibuya-ku, Tokyo	May 1, 2018	3,340	0.6
R-047	Prime Maison Ginza East	Chuo-ku, Tokyo	May 1, 2018	6,250	1.2
R-048	Prime Maison Takami	Nagoya-shi, Aichi	May 1, 2018	1,050	0.2
R-049	Prime Maison Yadaminami	Nagoya-shi, Aichi	May 1, 2018	812	0.2
R-050	Prime Maison Teriha	Fukuoka-shi, Fukuoka	May 1, 2018	1,260	0.2
R-051	Esty Maison Higashishirakabe	Nagoya-shi, Aichi	May 1, 2018	1,580	0.3
R-052	Esty Maison Sengoku	Bunkyo-ku, Tokyo	May 1, 2018	1,360	0.3
R-053	Esty Maison Daizawa	Setagaya-ku, Tokyo	May 1, 2018	2,270	0.4
R-054	Esty Maison Togoshi	Shinagawa-ku, Tokyo	May 1, 2018	1,770	0.3
R-055	Esty Maison Nishitemma	Osaka-shi, Osaka	May 1, 2018	1,680	0.3
R-056	Esty Maison Shiokanedai	Shinagawa-ku, Tokyo	May 1, 2018	2,400	0.5
R-057	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	May 1, 2018	1,680	0.3
R-058	Esty Maison Motoazabu	Minato-ku, Tokyo	May 1, 2018	1,540	0.3
R-059	Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	May 1, 2018	861	0.2
R-060	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	May 1, 2018	1,030	0.2
R-061	Esty Maison Nakano	Nakano-ku, Tokyo	May 1, 2018	1,870	0.4
R-062	Esty Maison Shinnakano	Nakano-ku, Tokyo	May 1, 2018	1,020	0.2
R-063	Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	May 1, 2018	984	0.2
R-064	Esty Maison Tetsugakudo	Nakano-ku, Tokyo	May 1, 2018	1,160	0.2
R-065	Esty Maison Koenji	Suginami-ku, Tokyo	May 1, 2018	1,160	0.2
R-066	Esty Maison Oshiage	Sumida-ku, Tokyo	May 1, 2018	2,490	0.5

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Property number (Note 1)	Property name	Location	(Planned) Date of acquisition (Note 2)	(Planned) Acquisition price (Note 3) (million yen)	Investment ratio (Note 4) (%)
R-067	Esty Maison Akabane	Kita-ku, Tokyo	May 1, 2018	3,290	0.6
R-068	Esty Maison Oji	Kita-ku, Tokyo	May 1, 2018	1,650	0.3
R-069	Prime Maison Waseda	Shinjuku-ku, Tokyo	May 1, 2018	1,580	0.3
R-070	Prime Maison Hatchobori	Chuo-ku, Tokyo	May 1, 2018	1,460	0.3
R-071	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	May 1, 2018	1,960	0.4
R-072	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	May 1, 2018	2,910	0.6
R-073	MAST LIFE Akihabara	Chiyoda-ku, Tokyo	May 1, 2018	555	0.1
R-074	Esty Maison Aoi	Nagoya-shi, Aichi	May 1, 2018	2,460	0.5
R-075	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	May 1, 2018	2,430	0.5
R-076	Esty Maison Kinshicho II	Sumida-ku, Tokyo	May 1, 2018	8,250	1.6
R-077	Esty Maison Ojima	Koto-ku, Tokyo	May 1, 2018	8,630	1.6
R-078	Prime Maison Fujimidai	Nagoya-shi, Aichi	May 1, 2018	2,070	0.4
R-079	Esty Maison Tsurumai	Nagoya-shi, Aichi	May 1, 2018	4,490	0.9
R-080	Prime Maison Morishita	Koto-ku, Tokyo	May 1, 2018	1,930	0.4
R-081	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	May 1, 2018	1,960	0.4
R-082	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	May 1, 2018	3,160	0.6
R-083	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	May 1, 2018	1,930	0.4
R-084	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	May 1, 2018	1,250	0.2
R-085	Prime Maison Central Park	Fukuoka-shi, Fukuoka	May 1, 2018	2,309	0.4
R-086	MAST LIFE Yahiro	Sumida-ku, Tokyo	May 1, 2018	1,910	0.4
R-087	Prime Maison Ebisu	Shibuya-ku, Tokyo	May 1, 2018	4,360	0.8
R-088	Granmast Kanazawa Nishiizumi	Kanazawa-shi, Ishikawa	May 1, 2018	1,080	0.2
R-089	Granmast Unomori	Yokkaichi-shi, Mie	May 1, 2018	830	0.2
R-090	Esty Maison Kohoku Tsunashima	Yokohama-shi, Kanagawa	May 1, 2018	2,750	0.5
R-091	MAST LIFE Hino	Hino-shi, Tokyo	May 1, 2018	1,390	0.3
R-092	Prime Maison Yokohama Nihon-Odori	Yokohama-shi, Kanagawa	May 1, 2018	4,870	0.9
R-093	Kobe Women's Student Housing	Kobe-shi, Hyogo	May 1, 2018	5,880	1.1
R-094	Prime Maison Shibuya	Shibuya-ku, Tokyo	May 1, 2018	2,430	0.5
R-095	Prime Maison Hatsudai	Shibuya-ku, Tokyo	May 1, 2018	3,010	0.6
R-096	Esty Maison Uemachidai	Osaka-shi, Osaka	May 1, 2018	1,040	0.2

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R-097	Esty Maison Kobe-Sannomiya	Kobe-shi, Hyogo	May 1, 2018	971	0.2
R-098	Prime Maison Shirokane-Takanawa	Minato-ku, Tokyo	May 1, 2018	4,900	0.9
R-099	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	May 1, 2018	4,220	0.8
R-100	Esty Maison Morishita	Sumida-ku, Tokyo	May 1, 2018	655	0.1
R-101	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	May 1, 2018	7,950	1.5
R-102	Prime Maison Otsuka	Toshima-ku, Tokyo	May 1, 2018	3,700	0.7
R-103	Prime Maison Asakusabashi	Taito-ku, Tokyo	May 1, 2018	1,680	0.3
R-104	Prime Maison Daikanyama	Meguro-ku, Tokyo	May 1, 2018	2,520	0.5
R-105	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	May 1, 2018	3,400	0.6
R-106	Esty Maison Toyosu Residence	Koto-ku, Tokyo	May 1, 2018	6,050	1.1
R-107	Esty Maison Kokura	Kitakyushu-shi, Fukuoka	November 29, 2018	1,040	0.2
R-108	MAST Ijiri	Fukuoka-shi, Fukuoka	January 31, 2019	390	0.1
R-109	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	June 10, 2019	2,040	0.4
R-110	Prime Maison Hongo	Bunkyo-ku, Tokyo	June 10, 2019	2,600	0.5
R-111	Prime Maison Kuramae	Taito-ku, Tokyo	June 10, 2019	2,190	0.4
R-112	Esty Maison Yokohama-aobadai North	Yokohama-shi, Kanagawa	June 10, 2019	1,360	0.3
Residential properties (Residence) – subtotal				247,015	46.8
O-001	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	December 3, 2014 May 24, 2016 May 24, 2017 June 10, 2019	71,950	13.6
O-002	Gotenyama SH Building	Shinagawa-ku, Tokyo	December 3, 2014	51,500	9.8
O-003	Hommachi Minami Garden City	Osaka-shi, Osaka	December 3, 2014 June 10, 2019	44,000	8.3
O-004	Hommachi Garden City (Office building portion)	Osaka-shi, Osaka	May 19, 2015	38,600	7.3
O-005	HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	May 24, 2016	4,400	0.8
O-006	Hirokoji Garden Avenue	Nagoya-shi, Aichi	May 24, 2016	6,350	1.2
O-007	Akasaka Garden City	Minato-ku, Tokyo	June 10, 2019	28,700	5.4
Office buildings – subtotal				245,500	46.5
H-001	Hommachi Garden City (Hotel portion)	Osaka-shi, Osaka	May 24, 2017	17,200	3.3
H-002	The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	January 31, 2019	17,800	3.4
Hotel – subtotal				35,000	6.6
Commercial properties (office buildings + hotel) – subtotal				280,500	53.2
SHR's portfolio (residential properties + commercial properties) – total				527,515	100.0

(Note 1) "Property number" is the number assigned by property after classifying the properties held by SHR, and the letters R, O and H refer to residence, office building and hotel, respectively.

(Note 2) "(Planned) Date of acquisition" of succeeded properties due to SHR's merger with Sekisui House Residential Investment Corporation

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("SHI") which took effect on May 1, 2018 (the "Investment Corporation Merger"), indicates to the effective date of the Investment Corporation Merger.

(Note 3) "(Planned)Acquisition price" refers to the sale and purchase price set forth in the sale and purchase agreement for each property (excluding consumption tax and local consumption tax as well as commission and other various expenses; rounded down to the nearest million yen). Since, however, the assets under management succeeded from SHI as a result of the Investment Corporation Merger were accounted by the purchase method in which SHR was the acquiring corporation and SHI was the acquired corporation and the appraisal value obtained by SHR was the actual received amount by SHR, the valuation based on the appraisal by real estate appraiser as of April 30, 2018, the time of valuation, are shown in the "Acquisition price" columns. The amounts of such values are rounded down to the nearest million yen.

(Note 4) "Investment ratio" shows the percentage of the acquisition price of each asset under management to the total acquisition price of the portfolio of SHR, which is rounded to the first decimal place. Accordingly, the sum of the investment ratios of the respective properties may differ from the figure shown in the "total" columns.

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