

November 19, 2019

To All Concerned Parties

REIT Issuer: Japan Rental Housing Investments Inc.
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(Securities Code: 8986)
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Notice Concerning Disposition of Assets

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

The Investment Corporation also announces that, as published in “Notice Regarding Conclusion of Merger Agreement between Japan Rental Housing Investments Inc. and Nippon Healthcare Investment Corporation” dated November 19, 2019, the Investment Corporation and Nippon Healthcare Investment Corporation concluded a merger agreement as of the said date upon resolution by the respective Board of Directors’ meetings held on the same day to conduct an absorption-type merger (hereinafter, the “Merger”) whereby the Investment Corporation will be the surviving entity and Nippon Healthcare Investment Corporation will be the dissolving entity, effective on April 1, 2020. The disposition of each of the following properties (hereinafter, “Assets to be Disposed of”) is subject to the Merger taking effect and other factors.

The transferees of the Assets to be Disposed of fall under the category of interested persons, etc. as prescribed by the Act on Investment Trusts and Investment Corporations (“the Investment Trust Act”) and the category of interested parties under the Rules for Preventing Conflicts of Interest, which are the internal rules of the Asset Manager. The Asset Manager has thus followed the decision-making procedures provided for in the Rules for Preventing Conflicts of Interest prior to conducting transactions with the transferees for the transfers of Assets to be Disposed of. The Board of Directors’ meeting of the Investment Corporation has approved the transactions, considering the nature of a series of transactions associated with the Merger, although the transactions fall under those listed in the Items of Article 245-2, Paragraph 1 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations.

To unitholders in the United States:

This exchange offer or business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies. It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers may be residents of a foreign country. You may not be able to sue a foreign company or its officers in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court’s judgment. You should be aware that the issuer may purchase securities otherwise than under the exchange offer, such as in open market or privately negotiated purchases.

Note: This document aims to announce to the public the disposition of assets, and it has not been prepared for the purpose of soliciting investments. This document does not constitute the secondary distribution of securities in the United States. The secondary distribution or sale of securities is not possible in the United States except when the registration of securities is made or exemption from registration is received based on the Securities Act of 1933. If the public offering of securities is made in the United States, an English prospectus prepared based on the Securities Act of 1933 will be used. The prospectus can be obtained from the issuing corporation or the secondary distributor of the securities, and detailed information on the issuing corporation and its management and its financial statements are stated in the prospectus. The public offering of securities in the United States will not be made in relation to the case in question in this document.

I . Summary and Reasons for the Disposition

The Investment Corporation announced new medium-term targets in May 2019 and carries out an asset replacement strategy with the improvement in the quality of its portfolio as the issue of top priority. In this situation, the Asset Manager has decided to conduct the Disposition and concluded transfer agreements regarding the Disposition as of November 19, 2019, considering that each of the Assets to be Disposed of is a small-scale property (whose sales price is 500 million yen or less) or a relatively old property and that the disposition price of each property is equal to the appraisal value. Thus, conducting the Disposition and replacing the Assets to be Disposed of with new properties to be acquired through the Merger will help improve the quality of the Investment Corporation's portfolio.

The Investment Corporation has explored possibilities for the Disposition of the properties at higher prices than their most recent appraisal values by making enquiries to several potential purchasers regarding the terms of sale, etc. During this process, factors that were taken into consideration included the prospect of the disposition prices equaling to the most recent appraisal values, the specific characteristics of the transactions in the series of the related transactions, the elimination of the uncertainty of the execution of the transactions, information management and the certainty of settlement considering the duration from the conclusion of transfer agreements to settlement. Accordingly, the Investment Corporation decided to transfer the properties to Daiwa PI Partners Co. Ltd., an indirect subsidiary of Daiwa Securities Group Inc. that is the Investment Corporation's sponsor, Nozomi Finance & Consulting Co. Ltd. and special purpose companies (SPCs) to which Daiwa PI Partners Co. Ltd. makes silent partnership contributions.

The execution date of the Disposition is scheduled to be April 1, 2020, the same day as the effective date of the Merger.

Property Name (Location)	Book Value (as of the end of September 2019) (A) (JPY thousand)	Building Age (Note1)	Appraisal Value (as of the end of September 2019) (B) (JPY thousand)	Difference between Appraisal Value and Book Value (B) - (A) (JPY thousand)	Planned Disposition Price (C) (JPY thousand) (Note2)	Difference between Planned Disposition Price and Appraisal Value (C) - (B) (JPY thousand)	Difference between Planned Disposition Price and Book Value (C) - (A) (JPY thousand)
willDo Kita 24 jo (Sapporo, Hokkaido)	265,928	13.7yrs	286,000	20,071	286,000	0	20,071
Gran Casa Minami 13jo (Sapporo, Hokkaido)	450,228	13.8yrs	406,000	(44,228)	406,000	0	(44,228)
Gran Casa Minami 9jo (Sapporo, Hokkaido)	521,056	13.0yrs	461,000	(60,056)	461,000	0	(60,056)
willDo Nishishitadai cho (Morioka, Iwate)	463,234	13.4yrs	593,000	129,765	593,000	0	129,765
Grand Mason Shichifuku (Sendai, Miyagi)	327,156	20.7yrs	300,000	(27,156)	300,000	0	(27,156)
Living Stage Higashi- Sendai (Sendai, Miyagi)	284,953	23.3yrs	363,000	78,046	363,000	0	78,046
willDo Koshigaya (Koshigaya, Saitama)	426,107	14.5yrs	575,000	148,892	575,000	0	148,892
Site Pia (Sagamihara, Kanagawa)	480,647	32.0yrs	456,000	(24,647)	456,000	0	(24,647)
willDo Niiza (Niiza, Saitama)	546,896	12.9yrs	585,000	38,103	585,000	0	38,103

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Excelsior Sakae (Nagoya, Aichi)	595,368	17.6yrs	545,000	(50,368)	545,000	0	(50,368)
willDo Hibino (Nagoya, Aichi)	269,713	13.8yrs	311,000	41,286	311,000	0	41,286
willDo Inaei (Nagoya, Aichi)	535,735	12.6yrs	648,000	112,264	648,000	0	112,264
willDo Yokkaichi Unomori (Yokkaichi, Mie)	427,140	12.1 yrs	563,000	135,859	563,000	0	135,859
Abreast Sakuragawa (Osaka, Osaka)	341,382	19.2 yrs	507,000	165,617	507,000	0	165,617
Prospect Bishoen (Osaka, Osaka)	249,447	14.1 yrs	330,000	80,552	330,000	0	80,552
Royal Garden Shinrin Koen (Sendai, Miyagi)	358,059	30.2 yrs	280,000	(78,059)	280,000	0	(78,059)
Green Park Komatsujima (Sendai, Miyagi)	485,571	29.1 yrs	421,000	(64,571)	421,000	0	(64,571)
Dia Palace Izumizaki (Sendai, Miyagi)	357,838	30.3 yrs	316,000	(41,838)	316,000	0	(41,838)
Living Stage Minami- Sendai (Sendai, Miyagi)	146,203	24.5 yrs	222,000	75,796	222,000	0	75,796
Takasagoseki Nibankan (Sendai, Miyagi)	549,048	24.7 yrs	757,000	207,951	757,000	0	207,951
Iruma-ekimae Building (Iruma, Saitama)	1,561,106	33.6 yrs	1,730,000	168,893	1,730,000	0	168,893
Iruma-ekimae Building No. II (Iruma, Saitama)	761,532	31.6 yrs	648,000	(113,532)	648,000	0	(113,532)
Chez Moi Sakuragaoka (Tama, Tokyo)	617,622	30.6yrs	634,000	16,377	634,000	0	16,377
Corinne Tsudanuma (Narashino, Chiba)	382,667	30.6 yrs	348,000	(34,667)	348,000	0	(34,667)
Chigasaki Daikan Plaza (Chigasaki, Kanagawa)	458,334	32.1 yrs	483,000	24,665	483,000	0	24,665
Winbell Chorus Hiratsuka No.13 (Hiratsuka, Kanagawa)	458,666	28.9 yrs	358,000	(100,666)	358,000	0	(100,666)
Prospect Katsura (Kyoto, Kyoto)	435,730	23.7 yrs	480,000	44,269	480,000	0	44,269
Total	12,757,379	-	13,606,000	848,620	13,606,000	0	848,620

(Note 1) The age as of today is indicated.

(Note 2) The anticipated disposition price excludes transfer-related costs, fixed asset tax and city planning tax adjustments and national and local consumption taxes; the same shall apply hereinafter.

(Note 3) Figures are rounded down to the nearest whole unit and ratios are rounded off to the first decimal place.

(Note 4) The broker for the Disposition does not fall under the category of interested persons, etc. prescribed by the Order for Enforcement of the Act on Investment Trusts and Investment Corporations. Nor does it fall under the category of interested party in accordance with the Rules for Preventing Conflicts of Interest, which are the internal rules of the Asset Manager.

(Note 5) Of the Assets to be Disposed of, 20 properties, which comprise Property Numbers 1 to 5, 7, 9 to 18 and 24 to 27, will be sold to Daiwa PI Partners Co. Ltd. Four properties, which comprise Property Numbers 8 and 21 to 23, will be sold to Nemophila GK. Three properties, which comprise Property Numbers 6, 19 and 20, will be sold to Nozomi Finance & Consulting Co. Ltd.; provided, however, that with regard to the 20 properties to be sold to Daiwa PI Partners Co. Ltd., it is provided for in the sales agreement for the Assets to be Disposed of that Daiwa PI Partners Co. Ltd., the purchaser, may transfer its position as the purchaser to third parties (provided, however, that the said third parties shall be limited to (i) persons who have submitted notification pursuant to Article 59, Paragraph 2 of the Act on Specified Joint Real Estate Ventures as business operators who are eligible special investors; (ii) limited liability

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companies that that commission Nozomi Finance & Consulting Co. Ltd. to carry out the business of eligible special investors and for which the purchaser is the sole silent partnership contributor; and (iii) persons whom the Investment Corporation and Asset Manager, the seller, reasonably determines not to be appropriate as the successors). Accordingly, the position of Daiwa PI Partners Co. Ltd. as the purchaser is scheduled to be succeeded by April 1, 2020 by more than one newly established SPC regarding which silent partnership contributions will be made solely by Daiwa PI Partners Co. Ltd. However, it is also stipulated that Daiwa PI Partners Co. Ltd. shall be obliged to acquire any of the properties for which the succession of the position as the purchaser is not completed by the settlement date due to reasons such as failure to establish an SPC by April 1, 2020. For more details about the transferees, please refer to “III. Summary of Transferees.”

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II. Details of Assets to be Disposed of

Details of the Assets to be Disposed of are as follows.

Unless otherwise noted, information on the date of appraisal regarding the appraisal value, lease and guarantee deposits and total leased area is as of September 30, 2019, and information on total rental revenue indicates that for the fiscal period ended September 30, 2019.

O-1-032 willDo Kita 24 jo

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	5-3-16, Kita 25-jo Nishi, Kita-ku, Sapporo, Hokkaido				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	286,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	12,278 thousand yen				
Lease Deposits and Guarantee Deposits	1,382 thousand yen				
Total Leasable Area	1,279.89 square meters				
Total Leased Area	1,244.61 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	100.0%	100.0%	97.2%

O-1-034 Gran Casa Minami13jo

Asset to be Disposed	Real estate				
Trust company	Proprietary ownership				
Location	9-1-5, Minami 13-jo Nishi, Chuo-ku, Sapporo, Hokkaido				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	406,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	16,107 thousand yen				
Lease Deposits and Guarantee Deposits	2,270 thousand yen				
Total Leasable Area	1,836.38 square meters				
Total Leased Area	1,760.16 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	95.8%	100.0%	95.8%

O-1-035 Gran Casa Minami9jo

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	12-2-26, Minami 9-jo Nishi, Chuo-ku, Sapporo, Hokkaido				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	461,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	19,217 thousand yen				
Lease Deposits and Guarantee Deposits	2,700 thousand yen				
Total Leasable Area	2,246.01 square meters				
Total Leased Area	2,123.11 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	98.2%	100.0%	94.6%	100.0%	94.5%

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O-2-037 willDo Nishishitadai cho

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	16-32, Nishishitadai cho, Morioka, Iwate				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	593,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	23,401 thousand yen				
Lease Deposits and Guarantee Deposits	-				
Total Leasable Area	2,304.00 square meters				
Total Leased Area	2,304.00 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	100.0%	100.0%	100.0%

O-2-065 Grand Mason Shichifuku

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-20-6, Tomizawa Minami, Taihaku-ku, Sendai, Miyagi				
Use	Condominium, Retail store				
Appraisal Value (as of the end of September 2018)	300,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	13,853 thousand yen				
Lease Deposits and Guarantee Deposits	3,039 thousand yen				
Total Leasable Area	1,083.70 square meters				
Total Leased Area	1,007.17 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	97.6%	100.0%	100.0%	100.0%	92.9%

O-2-094 Living Stage Higashi-Sendai

Asset to be Disposed	Real estate				
Trust company	Proprietary ownership				
Location	2-18-25, Shinden, Miyagino-ku, Sendai, Miyagi				
Use	Condominium, Parking				
Appraisal Value (as of the end of September 2018)	363,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	17,456 thousand yen				
Lease Deposits and Guarantee Deposits	2,729 thousand yen				
Total Leasable Area	1,596.53 square meters				
Total Leased Area	1,537.73 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	92.1%	90.8%	100.0%	100.0%	96.3%

O-4-005 willDo Koshigaya

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	11-13, Yayoicho, Koshigaya, Saitama				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	575,000 thousand yen				

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Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	19,105 thousand yen				
Lease Deposits and Guarantee Deposits	2,510 thousand yen				
Total Leasable Area	1,230.28 square meters				
Total Leased Area	1,204.78 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	93.8%	98.3%	97.9%

O-4-012 Site Pia

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-10-13, Kanumadai, Chuo-ku, Sagami-hara, Kanagawa				
Use	Retail store, Office, Condominium				
Appraisal Value (as of the end of September 2018)	456,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	22,224 thousand yen				
Lease Deposits and Guarantee Deposits	6,311 thousand yen				
Total Leasable Area	1,697.50 square meters				
Total Leased Area	1,649.70 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	98.1%	100.0%	96.2%	99.0%	97.2%

O-4-038 willDo Niiza

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	4-5-41, Nobidome, Niiza, Saitama				
Use	Condominium, Garage, Parking				
Appraisal Value (as of the end of September 2018)	585,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	21,610 thousand yen				
Lease Deposits and Guarantee Deposits	2,783 thousand yen				
Total Leasable Area	1,260.00 square meters				
Total Leased Area	1,237.50 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	98.2%	96.4%	100.0%	98.2%

O-5-026 Excelsior Sakae

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	5-22-1, Sakae, Naka-ku, Nagoya, Aichi				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	545,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	19,267 thousand yen				
Lease Deposits and Guarantee Deposits	3,099 thousand yen				
Total Leasable Area	1,486.56 square meters				
Total Leased Area	1,455.59 square meters				

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Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	97.9%	100.0%	97.9%

O-5-027 willDo Hibino

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	3-9-22, Taiho, Atsuta-ku, Nagoya, Aichi				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	311,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	11,405 thousand yen				
Lease Deposits and Guarantee Deposits	1,181 thousand yen				
Total Leasable Area	767.25 square meters				
Total Leased Area	767.25 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	93.5%	100.0%	96.8%	96.8%	100.0%

O-5-063 willDo Inaei

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-322, Juichiya, Minato-ku, Nagoya, Aichi				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	648,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	26,910 thousand yen				
Lease Deposits and Guarantee Deposits	2,699 thousand yen				
Total Leasable Area	2,386.74 square meters				
Total Leased Area	2,386.74 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	57.6%	100.0%	99.0%	100.0%	100.0%

O-5-082 willDo Yokkaichi Unomori

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-12-17, Unomori, Yokkaichi, Mie				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	563,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	26,177 thousand yen				
Lease Deposits and Guarantee Deposits	3,750 thousand yen				
Total Leasable Area	2,160.00 square meters				
Total Leased Area	2,160.00 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	100.0%	100.0%	100.0%

O-6-112 Abreast Sakuragawa

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	1-4-28, Sakuragawa, Naniwa-ku, Osaka, Osaka				

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Use	Condominium				
Appraisal Value (as of the end of September 2018)	507,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	19,251 thousand yen				
Lease Deposits and Guarantee Deposits	1,738 thousand yen				
Total Leasable Area	1,009.92 square meters				
Total Leased Area	1,009.92 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	97.9%	97.9%	97.9%	100.0%	100.0%

O-6-113 Prospect Bishoen

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-2-20, Kita-tanabe, Higashi-sumiyoshi-ku, Osaka, Osaka				
Use	Condominium, Retail store				
Appraisal Value (as of the end of September 2018)	330,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	11,278 thousand yen				
Lease Deposits and Guarantee Deposits	1,910 thousand yen				
Total Leasable Area	901.91 square meters				
Total Leased Area	871.31 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	100.0%	100.0%	96.6%

F-2-001 Royal Garden Shinrin Koen

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	3-25-25, Kitane, Aoba-ku, Sendai, Miyagi				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	280,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	16,637 thousand yen				
Lease Deposits and Guarantee Deposits	3,694 thousand yen				
Total Leasable Area	2,051.07 square meters				
Total Leased Area	1,986.16 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	96.1%	100.0%	92.6%	96.5%	96.8%

F-2-002 Green Park Komatsujima

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-9-8, Komatsushima, Aoba-ku, Sendai, Miyagi				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	421,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	21,078 thousand yen				
Lease Deposits and Guarantee Deposits	4,318 thousand yen				

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	Total Leasable Area	3,027.17 square meters				
	Total Leased Area	3,027.17 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019	
	97.0%	97.7%	100.0%	94.2%	100.0%	

F-2-003 Dia Palace Izumizaki

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-22-30, Izumizaki, Taihaku-ku, Sendai, Miyagi				
Use	House				
Appraisal Value (as of the end of September 2018)	316,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	16,762 thousand yen				
Lease Deposits and Guarantee Deposits	2,971 thousand yen				
Total Leasable Area	2,060.77 square meters				
Total Leased Area	1,827.40 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	98.5%	97.5%	100.0%	100.0%	88.7%

F-2-042 Living Stage Minami-Sendai

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	4-3-5, Nishi-nakata, Taihaku-ku, Sendai, Miyagi				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	222,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	11,614 thousand yen				
Lease Deposits and Guarantee Deposits	3,119 thousand yen				
Total Leasable Area	1,330.83 square meters				
Total Leased Area	1,235.73 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	92.5%	100.0%	96.2%	92.9%

F-2-043 Takasagoseki Nibankan

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	1-1-15, Takasago, Miyagino-ku, Sendai, Miyagi				
Use	Retail store, Office, Condominium				
Appraisal Value (as of the end of September 2018)	757,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	29,965 thousand yen				
Lease Deposits and Guarantee Deposits	12,218 thousand yen				
Total Leasable Area	3,302.96 square meters				
Total Leased Area	3,111.05 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	90.3%	94.3%	94.2%	96.4%	94.2%

F-4-006 Iruma-ekimae Building

Asset to be Disposed	Real estate
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Type of ownership	Proprietary ownership				
Location	1-3, Kawaramachi, Iruma, Saitama				
Use	Retail store, Office, Condominium				
Appraisal Value (as of the end of September 2018)	1,730,000 thousand yen				
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	64,060 thousand yen				
Lease Deposits and Guarantee Deposits	55,371 thousand yen				
Total Leasable Area	4,359.31 square meters				
Total Leased Area	4,233.86 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	98.8%	100.0%	97.6%	99.0%	97.1%

F-4-007 Iruma-ekimae Building No. II

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	15-11, Kawaramachi, Iruma, Saitama				
Use	Retail store, Condominium, Work space				
Appraisal Value (as of the end of September 2018)	648,000 thousand yen				
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	28,943 thousand yen				
Lease Deposits and Guarantee Deposits	11,235 thousand yen				
Total Leasable Area	3,592.48 square meters				
Total Leased Area	3,592.48 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	98.5%	98.5%	100.0%

F-4-018 Chez Moi Sakuragaoka

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	3-14-8, Sekido, Tama, Tokyo				
Use	Retail store, Condominium				
Appraisal Value (as of the end of September 2018)	634,000 thousand yen				
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	23,452 thousand yen				
Lease Deposits and Guarantee Deposits	6,521 thousand yen				
Total Leasable Area	1,911.36 square meters				
Total Leased Area	1,866.25 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	92.8%	92.8%	100.0%	100.0%	97.6%

F-4-020 Corinne Tsudanuma

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	4-3-20, Tsudanuma, Narashino, Chiba				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	348,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				

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Total Rental Revenue	11,358 thousand yen				
Lease Deposits and Guarantee Deposits	1,509 thousand yen				
Total Leasable Area	1,435.80 square meters				
Total Leased Area	1,292.22 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	100.0%	95.0%	90.0%

F-4-022 Chigasaki Daikan Plaza

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	2-1-54, Jukkenzaka, Chigasaki, Kanagawa				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	483,000 thousand yen				
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	20,020 thousand yen				
Lease Deposits and Guarantee Deposits	4,716 thousand yen				
Total Leasable Area	1,838.43 square meters				
Total Leased Area	1,785.63 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	97.1%	100.0%	100.0%	96.8%	97.1%

F-4-028 Winbell Chorus Hiratsuka No.13

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	6-19, Sengencho, Hiratsuka, Kanagawa				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	358,000 thousand yen				
Appraiser	Japan Real Estate Institute				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	17,385 thousand yen				
Lease Deposits and Guarantee Deposits	2,799 thousand yen				
Total Leasable Area	1,533.82 square meters				
Total Leased Area	1,533.82 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	100.0%	97.0%	100.0%

F-6-063 Prospect Katsura

Asset to be Disposed	Real estate				
Type of ownership	Proprietary ownership				
Location	3, Katagihara Ujiinishi-cho, Nishikyo-ku, Kyoto, Kyoto				
Use	Condominium				
Appraisal Value (as of the end of September 2018)	480,000 thousand yen				
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.				
Tenant Profile					
Number of Tenants	1				
Total Rental Revenue	20,142 thousand yen				
Lease Deposits and Guarantee Deposits	2,798 thousand yen				
Total Leasable Area	1,796.59 square meters				
Total Leased Area	1,796.59 square meters				
Changes in Occupancy Rate	Sep 2017	Mar 2018	Sep 2018	Mar 2019	Sep 2019
	100.0%	100.0%	96.5%	100.0%	100.0%

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III. Profile of the Counterparty

(1)	Company name	Daiwa PI Partners Co. Ltd. (Note)
(2)	Head office location	1-9-1 Marunouchi, Chiyoda-Ku, Tokyo
(3)	Representative	Hideki Araki, President & Representative Director
(4)	Main business	Investments in monetary claims, real estate investments, private equity investments Other investment business, mainly comprising fund management operations
(5)	Paid-in capital	12 billion yen
(6)	Amount of sales	Not disclosed because the transferee's consent has not been obtained.
(7)	Date of establishment	December 8, 1998
(8)	Net assets	Not disclosed because the transferee's consent has not been obtained.
(9)	Total assets	Not disclosed because the transferee's consent has not been obtained.
(10)	Major shareholders and shareholding ratio	Daiwa Corporate Investment Co., Ltd.
(11)	Relationship between the Investment Corporation or Asset Manager and this company	
	Capital ties	The said company is an indirect subsidiary of Daiwa Securities Group Inc., the parent company (shareholding ratio: 100%) of the Asset Manager, and falls under the category of interested persons, etc. prescribed by the Investment Trust Act. There is no capital relationship required to be referred to herein between the Investment Corporation and the said company. Daiwa Securities Group Inc. holds 55,014 units of the Investment Corporation's investment units (3.35%) as of the date and year first written above.
	Human relationship	There is no personnel relationship required to be referred to herein between the said company and the Investment Corporation / Asset Manager. Officers and employees of the Asset Manager include seconded staff from Daiwa Securities Group Inc.
	Business relationship	There is no business relationship required to be referred to herein between the said company and the Asset Manager / Investment Corporation. Daiwa Securities Group Inc., which is the parent company of the Asset Manager, has concluded a sponsor support agreement with the Asset Manager and is a supplier of information on properties handled by the Investment Corporation. It has also concluded lease agreements concerning some of the properties held by the Investment Corporation.
	Status of related parties	The said company is an indirect subsidiary of Daiwa Securities Group Inc., the parent company of the Asset Manager, and falls under the category of interested persons, etc.

(Note) As was previously noted, the position of Daiwa PI Partners Co. Ltd. as the purchaser of the properties to be transferred thereto is scheduled to be succeeded by newly established SPCs to which silent partnership contributions will be made by Daiwa PI Partners Co. Ltd. The summary of the newly established SPCs will be announced at the time of the succession of the position.

(1)	Company name	Nemophila GK
(2)	Head office location	3-5-12 Nihonbashi, Chuo-ku, Tokyo
(3)	Representative	Managing Partner: General Incorporated Association LLC Holdings
(4)	Main business	Acquisition, retention, disposition, lease and management of real estate

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	Business in accordance with the Act on Specified Joint Real Estate Ventures
(5) Paid-in capital	3 million yen
(6) Amount of sales	Not disclosed because the transferee's consent has not been obtained.
(7) Date of establishment	September 29, 2016
(8) Net assets	Not disclosed because the transferee's consent has not been obtained.
(9) Total assets	Not disclosed because the transferee's consent has not been obtained.
(10) Major shareholders and shareholding ratio	General Incorporated Association LLC Holdings
(11) Relationship between the Investment Corporation or Asset Manager and this company	
Capital ties	The said company is a non-consolidated subsidiary of Daiwa Securities Group Inc., the parent company (shareholding ratio: 100%) of the Asset Manager, and falls under the category of interested persons, etc. prescribed by the Investment Trust Act.
Human relationship	There is no personal relationship required to be referred to herein between the said company and the Investment Corporation / Asset Manager.
Business relationship	There is no business relationship required to be referred to herein between the said company and the Investment Corporation / Asset Manager.
Status of related parties	The said company is a non-consolidated subsidiary of Daiwa Securities Group Inc., the parent company of the Asset Manager, and falls under the category of interested persons, etc.

(1) Company name	Nozomi Finance & Consulting Co. Ltd.
(2) Head office location	1-9-4 Nihonbashi Honcho, Chuo-ku, Tokyo
(3) Representative	Takuya Inagawa, President & Representative Director
(4) Main business	Business handling monetary loans and mediation of monetary loans Purchase and sales, exchange and lease of real estate and mediation and management of real estate Consulting business concerning business management for aquisition, retention, and disposition of beneficial rights to real estate trusts
(5) Paid-in capital	100 million yen
(6) Amount of sales	Not disclosed because the transferee's consent has not been obtained.
(7) Date of establishment	November 2, 2017
(8) Net assets	Not disclosed because the transferee's consent has not been obtained.
(9) Total assets	Not disclosed because the transferee's consent has not been obtained.
(10) Major shareholders and shareholding ratio	Nozomi Financial Holdings Co., Ltd.
(11) Relationship between the Investment Corporation or Asset Manager and this company	
Capital ties	The said company is an indirect subsidiary of Daiwa Securities Group Inc., the parent company (shareholding ratio: 100%) of the Asset Manager, and falls under the category of interested persons, etc. prescribed by the Investment Trust Act.
Human relationship	There is no personal relationship required to be referred to herein between the said company and the Investment Corporation / Asset Manager.

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Business relationship	There is no business relationship required to be referred to herein between the said company and the Investment Corporation / Asset Manager.
Status of related parties	The said company is an indirect subsidiary of Daiwa Securities Group Inc., the parent company of the Asset Manager, and falls under the category of interested persons, etc.

IV. Profile of the Transferees of Properties

The transferees of the Assets to be Disposed of are indirect subsidiaries, etc. of Daiwa Securities Group Inc., the parent company of the Asset Manager. As each transferee falls under the category of interested persons, etc. prescribed by the Investment Trust Act and the category of interested party in accordance with the Rules for Preventing Conflicts of Interest, which are the internal rules of the Asset Manager, the Asset Manager has followed the decision-making procedures stipulated in the Rules for Preventing Conflicts of Interest prior to conducting transactions with the transferees for the transfer of each Asset to be Disposed of.

The Board of Directors' meeting has approved the transactions, considering the nature of a series of transactions associated with the Merger, although the said transactions fall under those listed in the Items of Article 245-2, Paragraph 1 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations.

V. Conditions for the Disposition

It is stipulated in the sales agreement for each Asset to be Disposed of (hereinafter, the "Sales Agreement") that the seller's obligations under the Sales Agreement shall take effect conditional upon the Merger coming into force pursuant to the merger agreement and other factors.

Under the Sales Agreement, if that prerequisite is not fulfilled, the seller and the purchaser may cancel the Sales Agreement free of charge without making any payment whatsoever on the grounds that the conditions are not fulfilled.

VI. Settlement Method, etc.

A lump-sum settlement shall be made at the time of the Disposition.

VII. Forecasts

Regarding the forecasts for the financial results and distribution per unit of the surviving investment corporation after the Merger that incorporate the transfer of the Assets to be Disposed of and other factors for the period ending September 30, 2020 (from April 1, 2020 until September 30, 2020) and the period ending March 31, 2021 (from October 1, 2020 until March 31, 2021), please refer to "Notice Concerning Forecasts for Financial Results and Distribution per Unit After Merger of Japan Rental Housing Investments Inc. and Nippon Healthcare Investment Corporation" announced as of November 19, 2019.

All or part of the gain on the Disposition (estimated to be 812 million yen (Note)) will be internally reserved in consideration of the leveling of distributions and the effect of the Disposition on distributions.

(Note) The amount is calculated by deducting the book value as of September 30, 2019 (estimated to be 12,623 million yen as of November 19, 2019) and transfer-related costs (225 million yen) from the total amount for the anticipated disposition price (13,606 million yen) and adjustments to property tax and city planning tax (estimated to be 56 million yen as of November 19, 2019).

VIII. Property Appraisal Summary

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Property Name	O-1-032 willDo Kita 24 jo
Appraisal Value	JPY 286,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	286,000
Value indicated by the Direct Capitalization Method		JPY thousand	288,000
(1) Total Operating Income: (a)-(b)		JPY thousand	23,278
(a)	Rental revenues including common service fees	JPY thousand	23,412
	Parking fees	JPY thousand	1,056
	Other revenues	JPY thousand	10
	Losses from vacancies	JPY thousand	1,200
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	6,530
	Operation costs	JPY thousand	1,150
	Utilities	JPY thousand	430
	Repairs and maintenance expense	JPY thousand	1,348
	Property management fees	JPY thousand	699
	Tenant promotion fees, etc.	JPY thousand	680
	Taxes and public dues	JPY thousand	2,075
	Nonlife insurance	JPY thousand	48
	Other expenses	JPY thousand	100

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	(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	16,748	-
	(4) Lump-sum Investment Return		JPY thousand	18	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure		JPY thousand	2,061	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	14,705	-
	(7) Capitalization Rate		(%)	5.1	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method		JPY thousand	283,000	-
	Discount Rate		(%)	4.9	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate		(%)	5.3	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach		JPY thousand	248,000	-
	Land Ratio		(%)	27.4	-
	Property Ratio		(%)	72.6	-

Other items of note by appraiser	None
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Property Name	O-1-034 Gran Casa Minami13jo
Appraisal Value	JPY 406,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	406,000
Value indicated by the Direct Capitalization Method		JPY thousand	409,000
(1) Total Operating Income: (a)-(b)		JPY thousand	32,588
(a)	Rental revenues including common service fees		JPY thousand
			31,236
	Parking fees		JPY thousand
			2,668
(b)	Other revenues		JPY thousand
			200
(b)	Losses from vacancies		JPY thousand
			1,516

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				and demand-supply trends of properties that were substitute competitors in similar districts in the same demand-supply area, occupancy status of the property concerned in the past, and future trends. The loss from vacancies was not posted due to the assessment of other income performed based on medium- to long-term forecasts.
	Bad debt losses	JPY thousand	0	Posting of a bad debt loss was deemed unnecessary, considering the condition of lessees and other factors.
(2)	Total Operating Expenses	JPY thousand	9,035	-
	Operation costs	JPY thousand	1,200	Maintenance expenses consisting of cleaning fees, facility management fees, and security fees etc. were posted using the amounts paid in the past and maintenance expenses of similar properties as a reference and taking into account the individuality of the property concerned.
	Utilities	JPY thousand	500	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
	Repairs and maintenance expense	JPY thousand	1,654	Expenses for restoration to original condition was posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
	Property management fees	JPY thousand	978	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	861	Administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the solicitation, etc. of new tenants and the amounts paid in the past. Renewal fees were posted after the calculation based on the compensation paid to contractors upon signing renewal contracts, etc. taking into account the yearly average tenant turnover ratio, occupancy rate, and other factors.
	Taxes and public dues	JPY thousand	3,176	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	66	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	600	Expenses for kerosene used for road heating were posted as "other expenses."
(3)	Net Operating Income (NOI): (1)-(2)	JPY thousand	23,553	-
(4)	Lump-sum Investment Return	JPY thousand	24	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
(5)	Capital Expenditure	JPY thousand	2,303	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
(6)	Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	21,274	-
(7)	Capitalization Rate	(%)	5.2	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	402,000	-

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	Discount Rate	(%)	5.0	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	5.4	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	363,000	-
	Land Ratio	(%)	32.2	-
	Property Ratio	(%)	67.8	-

Other items of note by appraiser	None
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Property Name	O-1-035 Gran Casa Minami9jo
Appraisal Value	JPY 461,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	461,000
Value indicated by the Direct Capitalization Method	JPY thousand	464,000
(1) Total Operating Income: (a)-(b)	JPY thousand	38,642
(a)		
Rental revenues including common service fees	JPY thousand	37,125
Parking fees	JPY thousand	3,202
Other revenues	JPY thousand	120
(b)		
Losses from vacancies	JPY thousand	1,805
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	11,336
Operation costs	JPY thousand	1,630
Utilities	JPY thousand	1,350
Repairs and maintenance expense	JPY thousand	1,985

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	Property management fees	JPY thousand	1,167	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	1,175	Administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the collection, etc. of new tenants and the amounts paid in the past, taking into account the yearly average tenant turnover ratio, occupancy rate, and other factors.
	Taxes and public dues	JPY thousand	3,947	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	82	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	0	No particular expense should be posted as other expenses.
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	27,306	-
	(4) Lump-sum Investment Return	JPY thousand	29	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	2,730	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	24,605	-
	(7) Capitalization Rate	(%)	5.3	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	458,000	-
	Discount Rate	(%)	5.1	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	5.5	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	450,000	-
	Land Ratio	(%)	28.4	-
	Property Ratio	(%)	71.6	-

Other items of note by appraiser	None
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Property Name	O-2-037 willDo Nishishitadai cho
Appraisal Value	JPY 593,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

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Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	593,000
Value indicated by the Direct Capitalization Method		JPY thousand	597,000
(1) Total Operating Income: (a)-(b)		JPY thousand	46,793
(a)	Rental revenues including common service fees	JPY thousand	44,822
	Parking fees	JPY thousand	571
	Other revenues	JPY thousand	1,400
(b)	Losses from vacancies	JPY thousand	0
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	7,020
	Operation costs	JPY thousand	782
	Utilities	JPY thousand	1,000
	Repairs and maintenance expense	JPY thousand	930
	Property management fees	JPY thousand	0
	Tenant promotion fees, etc.	JPY thousand	0
	Taxes and public dues	JPY thousand	3,616
	Nonlife insurance	JPY thousand	92
	Other expenses	JPY thousand	600
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	39,773
(4) Lump-sum Investment Return		JPY thousand	0
(5) Capital Expenditure		JPY thousand	2,170
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	37,603
(7) Capitalization Rate		(%)	6.3
Value Indicated by DCF Method		JPY thousand	589,000

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	Discount Rate	(%)	5.8	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	6.5	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	403,000	-
	Land Ratio	(%)	21.7	-
	Property Ratio	(%)	78.3	-

Other items of note by appraiser	None
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Property Name	O-2-065 Grand Mason Shichifuku
Appraisal Value	JPY 300,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	300,000
Value indicated by the Direct Capitalization Method	JPY thousand	302,000
(1) Total Operating Income: (a)-(b)	JPY thousand	26,128
(a)		
Rental revenues including common service fees	JPY thousand	25,891
Utility fees	JPY thousand	0
Parking fees	JPY thousand	1,573
Other revenues	JPY thousand	70
(b)		
Losses from vacancies	JPY thousand	1,405
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	6,899
Operation costs	JPY thousand	1,068
Utilities	JPY thousand	275
Repairs and maintenance expense	JPY thousand	1,552
Property management fees	JPY thousand	469
Tenant promotion fees, etc.	JPY thousand	884

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		Taxes and public dues	JPY thousand	1,861	Taxes and other public charges for the land were estimated based on the amounts paid in fiscal 2019, taking into account the tax burden level. Those for the building and other assets were estimated based on the amounts paid in fiscal 2019.
		Nonlife insurance	JPY thousand	53	Non-life insurance premiums were posted after examining the levels of those for similar properties on the assumption that the current amounts were appropriate.
		Other expenses	JPY thousand	737	Expenses for parking spaces outside the premises were posted based on the contract amount. The expenses for the operation of other properties was posted based on the assessment using amounts paid in the past as a reference.
		(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	19,229	-
		(4) Lump-sum Investment Return	JPY thousand	24	The amount posted was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.
		(5) Capital Expenditure	JPY thousand	2,653	Renewal expenses were posted after examining the levels of renewal expenses of similar real properties based on the 15-year average renewal expenses in engineering reports.
		(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	16,600	-
		(7) Capitalization Rate	(%)	5.5	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
		Value Indicated by DCF Method	JPY thousand	299,000	-
		Discount Rate	(%)	5.3	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.
		Terminal Capitalization Rate	(%)	5.7	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.
		Value indicated by cost approach	JPY thousand	279,000	-
		Land Ratio	(%)	63.3	-
		Property Ratio	(%)	36.7	-

Other items of note by appraiser	None
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Property Name	O-2-094 Living Stage Higashi-Sendai
Appraisal Value	JPY 363,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	363,000
Value indicated by the Direct Capitalization Method	JPY thousand	365,000
(1) Total Operating Income: (a)-(b)	JPY thousand	33,763
(a)		
Rental revenues including common service fees	JPY thousand	32,450
Utility fees	JPY thousand	1,783
Parking fees	JPY thousand	864
Other revenues	JPY thousand	121
(b)		
Losses from vacancies	JPY thousand	1,456

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					competitiveness, etc. of the real property concerned, based on the past vacancy rates of the real property concerned and a standard vacancy rate of similar properties.
		Bad debt losses	JPY thousand	0	Bad debt loss is not posted due to acknowledgment that protection is provided by security deposits, etc.
(2) Total Operating Expenses			JPY thousand	9,611	-
	Operation costs	JPY thousand	1,092	Maintenance expenses were posted after examining the levels of maintenance expenses of similar properties on the assumption that the current building management duties were generally within the standard range.	
	Utilities	JPY thousand	1,738	Utilities expenses posted are an estimate based on those of similar properties and the amounts paid in the past.	
	Repairs and maintenance expense	JPY thousand	2,495	Repair expenses were posted after examining the levels of repair expenses of similar real properties based on the 15-year average repair expenses in engineering reports. Tenant replacement expenses were assessed and posted, taking into account the turnover and vacancy rates.	
	Property management fees	JPY thousand	575	Under the assumption that the current management duties were generally within the standard range, the property management fee was posted after examining the levels of property management fees of similar properties based on the fee rate of the current contracts.	
	Tenant promotion fees, etc.	JPY thousand	1,072	Tenant solicitation expenses, etc., were posted for rental units and parking lots whose tenants changed, to which an estimated turnover rate was applied, and considering tenant solicitation expenses, etc. estimated based on the levels of similar real properties.	
	Taxes and public dues	JPY thousand	2,156	Taxes and other public charges for the land were estimated based on the amounts paid in fiscal 2019, taking into account the tax burden level. Those for the building and other assets were estimated based on the amounts paid in fiscal 2019.	
	Nonlife insurance	JPY thousand	78	Non-life insurance premiums were posted after examining the levels of those for similar properties on the assumption that the current amounts were appropriate.	
	Other expenses	JPY thousand	405	The expenses for operation of other properties as posted based on the assessment using amounts paid in the past as a reference.	
(3) Net Operating Income (NOI): (1)-(2)			JPY thousand	24,152	-
(4) Lump-sum Investment Return			JPY thousand	23	The amount posted was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.
(5) Capital Expenditure			JPY thousand	3,357	Renewal expenses were posted after examining the levels of renewal expenses of similar real properties based on the 15-year average renewal expenses in engineering reports.
(6) Net Cash Flow (NCF): (3) + (4) - (5)			JPY thousand	20,818	-
(7) Capitalization Rate			(%)	5.7	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
Value Indicated by DCF Method			JPY thousand	362,000	-
	Discount Rate	(%)	5.5	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.	
	Terminal Capitalization Rate	(%)	5.9	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.	
Value indicated by cost approach			JPY thousand	252,000	-
	Land Ratio	(%)	36.2	-	
	Property Ratio	(%)	63.8	-	

Other items of note by appraiser	None
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Property Name	O-4-005 willDo Koshigaya
Appraisal Value	JPY 575,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2019

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Item			Details	Overview, etc.		
Value indicated by income approach			JPY thousand	575,000	-	
	Value indicated by the Direct Capitalization Method		JPY thousand	585,000	-	
	(1) Total Operating Income: (a)-(b)		JPY thousand	38,470	-	
	(a)	Rental revenues including common service fees	JPY thousand	37,956	Rent income: Income earned continuously by renting or outsourcing the management of all or rental units of the property concerned (on the assumption of full occupancy) Common-area charge income: Among the expenses continuously required in the maintenance and operation of the property concerned, income collected based on a contract with a lessee as charges for common-areas (assuming full occupancy)	
		Parking fees	JPY thousand	1,242	Income earned by renting the parking lots included on the property concerned to its tenants, etc. and income earned through hourly rental of parking lots (assuming full occupancy)	
		Other revenues	JPY thousand	925	Installation fees for facilities such as signboards, antennas and vending machines, and income such as non-refundable, one-off payments such as key money and renewal fees	
	(b)	Losses from vacancies	JPY thousand	1,653	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.	
		Bad debt losses	JPY thousand	0	Amounts reduced from each type of income based on the forecast for bad debts	
	(2) Total Operating Expenses		JPY thousand	8,490	-	
		Operation costs		JPY thousand	1,559	Expenses continuously required for the maintenance and management of the property concerned, including management of the building and facilities, security and safety, and cleaning
		Utilities		JPY thousand	797	Expenses required for electricity, water supply, gas, local heat source for air-conditioning, etc. in the operation of the property concerned
		Repairs and maintenance expense		JPY thousand	1,706	Of the amount spent for repair, improvement, etc. of the building, facility, etc. of the property concerned, expenses continuously required for normal maintenance of the building, facility, etc. or the recovery of the original condition of a partially damaged building, facility, etc.
		Property management fees		JPY thousand	938	Expenses for management operations of the property concerned.
		Tenant promotion fees, etc.		JPY thousand	1,037	Expenses for agency services, advertising, etc. for new tenant solicitation, expenses for renewal of rental agreements with tenants and contract extension, etc.
		Taxes and public dues		JPY thousand	1,949	Property taxes (on land, buildings and depreciable assets) and city planning taxes (on land and buildings)
		Nonlife insurance		JPY thousand	78	Fire insurance premiums for the property concerned and attached facilities, liability insurance premiums for defects on the property concerned and damage caused to a third party, etc. by a management accident, etc.
		Other expenses		JPY thousand	423	Other expenses such as land price paid and fees for the occupation of road space
	(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	29,980	-	
	(4) Lump-sum Investment Return		JPY thousand	28	Management gain from guarantee money that has a nature of a deposit received is added.	
	(5) Capital Expenditure		JPY thousand	1,940	Of the amount paid for repair, improvement, etc. of a building, facility, etc. of the property concerned, expenditure corresponding to the part deemed to increase the value or durability of the building, facility, etc.	
	(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	28,069	-	
(7) Capitalization Rate		(%)	4.8	The cap rate was estimated by comparing and examining the yields on multiple transactions in similar districts, etc. in neighboring areas or the same demand-supply area, taking into account the forecast for changes in future net profit and relationships with discount rates.		
Value Indicated by DCF Method		JPY thousand	571,000	-		
	Discount Rate		(%)	4.9	The discount rate was estimated by determining the base yield of apartments using the summation method, etc. based on the yields of financial instruments and considering individual risks of the property concerned.	
	Terminal Capitalization Rate		(%)	5.0	The terminal cap rate was estimated by adding the uncertainties of future forecasts to the cap rate.	
Value indicated by cost approach			JPY thousand	531,000	-	
	Land Ratio		(%)	43.0	-	
	Property Ratio		(%)	57.0	-	
Other items of note by appraiser			None			

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Property Name	O-4-012 Site Pia
Appraisal Value	JPY 456,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	456,000
Value indicated by the Direct Capitalization Method		JPY thousand	460,000
(1) Total Operating Income: (a)-(b)		JPY thousand	43,070
(a)	Rental revenues including common service fees	JPY thousand	41,801
	Parking fees	JPY thousand	222
	Other revenues	JPY thousand	2,843
	Losses from vacancies	JPY thousand	1,796
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	12,739
	Operation costs	JPY thousand	2,256
	Utilities	JPY thousand	920
	Repairs and maintenance expense	JPY thousand	3,598
	Property management fees	JPY thousand	1,128
	Tenant promotion fees, etc.	JPY thousand	1,923

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		Taxes and public dues	JPY thousand	2,300	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
		Nonlife insurance	JPY thousand	84	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
		Other expenses	JPY thousand	530	Expenses for Softbank Telecom and Internet machinery were posted as “other expenses.”
		(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	30,331	-
		(4) Lump-sum Investment Return	JPY thousand	59	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
		(5) Capital Expenditure	JPY thousand	6,035	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
		(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	24,355	-
		(7) Capitalization Rate	(%)	5.3	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties’ transactions, etc.
		Value Indicated by DCF Method	JPY thousand	451,000	-
		Discount Rate	(%)	5.1	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
		Terminal Capitalization Rate	(%)	5.5	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
		Value indicated by cost approach	JPY thousand	415,000	-
		Land Ratio	(%)	53.0	-
		Property Ratio	(%)	47.0	-
Other items of note by appraiser				None	

Property Name	O-4-038 willDo Niiza
Appraisal Value	JPY 585,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach	JPY thousand	585,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	591,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	42,793	-
(a) Rental revenues including common service fees	JPY thousand	41,326	Rent income and common-area charge income (the “Rent Income, Etc.”) was posted based on the unit amount level of rents, etc. that could be stably received in the medium to long term, which was estimated based on factors such as the average rent, etc. from the current rental agreements, the levels of new rents, etc. that would

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					be received if the property concerned were newly rented, and attributes of lessees occupying the property.	
		Parking fees	JPY thousand	960	Parking lot income was posted based on the unit amount level of fees that could be stably received in the medium to long term, which was estimated based on factors such as the average fees from the current rental agreements and the levels of fees that would be received if the parking lots were newly rented.	
		Other revenues	JPY thousand	2,501	Renewal fee income, based on the assessment of the number of months for which the fees were received from individual tenants, the yearly average tenant turnover ratio, and average contract period, was posted as "other income." Also, rent through the placement of facilities such as base stations for mobile communication, land usage fees through utility pole placement, and sales commissions through vending machine installation were posted as "other income." There is no key money income.	
		(b)	Losses from vacancies	JPY thousand	1,994	Loss on vacancy, etc. was posted based on the occupancy rate level that would be stable in the medium to long term, which was estimated from the occupancy status and demand-supply trends of properties that were substitute competitors in similar districts in the same demand-supply area, occupancy status of the property concerned in the past, and future trends. The loss from vacancies was not posted due to the assessment of other income performed based on medium- to long-term forecasts.
			Bad debt losses	JPY thousand	0	Posting of a bad debt loss was deemed unnecessary, considering the condition of lessees and other factors.
	(2) Total Operating Expenses		JPY thousand	9,661	-	
		Operation costs	JPY thousand	1,726	Maintenance expenses consisting of cleaning fees, facility management fees, and security fees etc. were posted using the amounts paid in the past and maintenance expenses of similar properties as a reference and taking into account the individuality of the property concerned.	
		Utilities	JPY thousand	765	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.	
		Repairs and maintenance expense	JPY thousand	1,622	Expenses for restoration to original condition was posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.	
		Property management fees	JPY thousand	1,129	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.	
		Tenant promotion fees, etc.	JPY thousand	1,551	Administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the solicitation, etc. of new tenants and the amounts paid in the past. Renewal fees were posted after the calculation based on the compensation paid to contractors upon signing renewal contracts, etc. taking into account the yearly average tenant turnover ratio, occupancy rate, and other factors.	
		Taxes and public dues	JPY thousand	2,419	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.	
		Nonlife insurance	JPY thousand	79	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.	
		Other expenses	JPY thousand	370	Fees for the internet connection services, etc. were posted as "other expenses."	
	(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	33,132	-	
(4) Lump-sum Investment Return		JPY thousand	28	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.		

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	(5) Capital Expenditure	JPY thousand	2,450	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	30,710	-
	(7) Capitalization Rate	(%)	5.2	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	579,000	-
	Discount Rate	(%)	5.0	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	5.4	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
Value indicated by cost approach		JPY thousand	546,000	-
	Land Ratio	(%)	39.3	-
	Property Ratio	(%)	60.7	-

Other items of note by appraiser	None
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Property Name	O-5-026 Excelsior Sakae
Appraisal Value	JPY 545,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	545,000
	Value indicated by the Direct Capitalization Method		JPY thousand
	(1) Total Operating Income: (a)-(b)		JPY thousand
	(a)	Rental revenues including common service fees	JPY thousand
		Parking fees	JPY thousand
		Other revenues	JPY thousand
	(b)	Losses from vacancies	JPY thousand
		Bad debt losses	JPY thousand
	(2) Total Operating Expenses		JPY thousand
	Operation costs		JPY thousand

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					expenses of similar properties as a reference and taking into account the individuality of the property concerned.
		Utilities	JPY thousand	500	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
		Repairs and maintenance expense	JPY thousand	2,064	Expenses for restoration to original condition was posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
		Property management fees	JPY thousand	1,058	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
		Tenant promotion fees, etc.	JPY thousand	1,152	Administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the solicitation, etc. of new tenants and the amounts paid in the past, taking into account the yearly average tenant turnover ratio, occupancy rate, and other factors. There is no renewal fee.
		Taxes and public dues	JPY thousand	2,597	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
		Nonlife insurance	JPY thousand	59	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
		Other expenses	JPY thousand	610	Cable TV connection fees, UCOM Hikari service fees, etc. were posted as “other expenses.”
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	27,976	-	
	(4) Lump-sum Investment Return	JPY thousand	29	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.	
	(5) Capital Expenditure	JPY thousand	2,612	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.	
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	25,393	-	
	(7) Capitalization Rate	(%)	4.6	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties’ transactions, etc.	
	Value Indicated by DCF Method		JPY thousand	538,000	-
	Discount Rate	(%)	4.4	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.	
	Terminal Capitalization Rate	(%)	4.8	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.	
Value indicated by cost approach		JPY thousand	543,000	-	
	Land Ratio	(%)	62.9	-	

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Property Ratio	(%)	37.1	-
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Other items of note by appraiser	None
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Property Name	O-5-027 willDo Hibino
Appraisal Value	JPY 311,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	311,000
Value indicated by the Direct Capitalization Method		JPY thousand	314,000
(1) Total Operating Income: (a)-(b)		JPY thousand	16,442
(a)	Rental revenues including common service fees	JPY thousand	22,272
	Parking fees	JPY thousand	840
	Other revenues	JPY thousand	24
	Losses from vacancies	JPY thousand	1,059
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	5,635
	Operation costs	JPY thousand	1,140
	Utilities	JPY thousand	350
	Repairs and maintenance expense	JPY thousand	1,086
	Property management fees	JPY thousand	617
	Tenant promotion fees, etc.	JPY thousand	664

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		Taxes and public dues	JPY thousand	1,344	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
		Nonlife insurance	JPY thousand	36	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
		Other expenses	JPY thousand	398	Cable TV connection fees and UCOM Hikari service fees were posted as “other expenses.”
		(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	16,442	-
		(4) Lump-sum Investment Return	JPY thousand	16	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
		(5) Capital Expenditure	JPY thousand	1,366	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
		(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	15,092	-
	(7) Capitalization Rate	(%)	4.8	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties’ transactions, etc.	
	Value Indicated by DCF Method		JPY thousand	307,000	-
		Discount Rate	(%)	4.6	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
		Terminal Capitalization Rate	(%)	5.0	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
Value indicated by cost approach			JPY thousand	233,000	-
	Land Ratio		(%)	36.3	-
	Property Ratio		(%)	63.7	-

Other items of note by appraiser	None
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Property Name	O-5-063 willDo Inaei
Appraisal Value	JPY 648,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item			Details	Overview, etc.
Value indicated by income approach			JPY thousand	648,000
	Value indicated by the Direct Capitalization Method		JPY thousand	636,000
	(1) Total Operating Income: (a)-(b)		JPY thousand	50,885
	(a)	Rental revenues including common service fees	JPY thousand	51,119
The total of estimated rent income and common-area charge income standardized for the property concerned was posted based on the rent level of the current contracts and the level and trends of new rents at similar properties in the same demand-supply area, taking into account the medium- to long-term competitiveness of the property concerned.				

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	(b)	Parking fees	JPY thousand	1,800	Standardized parking lot income for the real property concerned was calculated taking into account its medium- to long-term competitiveness based on the rent level of the current contract and examples and trends of rental properties in the area.
		Other revenues	JPY thousand	703	Facility usage income for telecommunication business, vending machine income, land rent income related to utility poles, etc. were posted based on amounts paid in the past.
		Losses from vacancies	JPY thousand	2,737	A loss on vacancy, etc. was posted after estimating the impact of vacancy on rental income from units considered stable in the medium to long run, common-area charge income, utilities income, and parking lot income, taking into account the competitiveness, etc. of the real property concerned, based on the past vacancy rates of the real property concerned and a standard vacancy rate of similar properties.
		Bad debt losses	JPY thousand	0	Bad debt loss is not posted due to acknowledgment that protection is provided by security deposits, etc.
	(2) Total Operating Expenses		JPY thousand	13,768	-
		Operation costs	JPY thousand	2,166	Maintenance expenses was posted based on the level of maintain expenses of similar real properties.
		Utilities	JPY thousand	910	Utilities experience was posted based on the assessment using the level of utilities experience of similar real properties and amounts paid in the past as a reference.
		Repairs and maintenance expense	JPY thousand	2,866	Repair expenses were posted after examining the levels of repair expenses of similar real properties based on the 15-year average repair expenses in engineering reports. Tenant replacement expenses for the residential units was posted based on the assessment taking into account the turnover and vacancy rates,
		Property management fees	JPY thousand	1,505	The property management fee was posted based on the assessment based on property management fees of similar real properties.
		Tenant promotion fees, etc.	JPY thousand	1,704	Tenant solicitation expenses, etc., were posted for rental units and parking lots whose tenants changed, to which an estimated turnover rate was applied, and considering tenant solicitation expenses, etc. estimated based on the levels of similar real properties.
		Taxes and public dues	JPY thousand	3,722	Taxes and other public charges for the land were estimated based on the amounts paid in fiscal 2019, taking into account the tax burden level. Those for the building and other assets were estimated based on the amounts paid in fiscal 2019.
		Nonlife insurance	JPY thousand	110	Non-life insurance premiums were posted after examining the levels of those for similar properties on the assumption that the current amounts were appropriate.
		Other expenses	JPY thousand	784	Expenses for the telecommunication business were posted based on the contract amounts. In addition, the reserve funds, such as miscellaneous expenses, posted based on the assessment using the levels of similar real properties and similar amounts paid in the past as a reference.
	(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	37,117	-
	(4) Lump-sum Investment Return		JPY thousand	24	The amount posted was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.
	(5) Capital Expenditure		JPY thousand	3,427	Renewal expenses were posted after examining the levels of renewal expenses of similar real properties based on the 15-year average renewal expenses in engineering reports.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	33,714	-
	(7) Capitalization Rate		(%)	5.3	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
	Value Indicated by DCF Method		JPY thousand	653,000	-
		Discount Rate	(%)	5.3	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.
Terminal Capitalization Rate		(%)	5.5	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.	
Value indicated by cost approach		JPY thousand	441,000	-	
	Land Ratio	(%)	27.5	-	
	Property Ratio	(%)	72.5	-	
Other items of note by appraiser				None	

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Property Name	O-5-082 willDo Yokkaichi Unomori
Appraisal Value	JPY 563,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	563,000
Value indicated by the Direct Capitalization Method		JPY thousand	567,000
(1) Total Operating Income: (a)-(b)		JPY thousand	49,529
(a)	Rental revenues including common service fees	JPY thousand	46,172
	Parking fees	JPY thousand	3,549
	Other revenues	JPY thousand	840
	Losses from vacancies	JPY thousand	2,232
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	12,465
	Operation costs	JPY thousand	1,578
	Utilities	JPY thousand	2,000
	Repairs and maintenance expense	JPY thousand	2,582
	Property management fees	JPY thousand	1,331
	Tenant promotion fees, etc.	JPY thousand	1,093
	Taxes and public dues	JPY thousand	3,109

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				(Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	87	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	685	Cable TV service fees, etc. were posted as “other expenses.”
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	37,064	-
	(4) Lump-sum Investment Return	JPY thousand	36	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	3,620	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	33,480	-
	(7) Capitalization Rate	(%)	5.9	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties’ transactions, etc.
	Value Indicated by DCF Method	JPY thousand	559,000	-
	Discount Rate	(%)	5.7	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	6.1	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	439,000	-
	Land Ratio	(%)	15.9	-
	Property Ratio	(%)	84.1	-

Other items of note by appraiser	None
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Property Name	O-6-112 Abreast Sakuragawa
Appraisal Value	JPY 507,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	507,000
Value indicated by the Direct Capitalization Method	JPY thousand	513,000
(1) Total Operating Income: (a)-(b)	JPY thousand	36,239
(a) Rental revenues including common service fees	JPY thousand	34,166
Parking fees	JPY thousand	1,657

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					such as the average fees from the current rental agreements and the levels of fees that would be received if the parking lots were newly rented.
		Other revenues	JPY thousand	915	Key money income and renewal fee income were not posted, taking into account the current contract conditions, rental conditions of similar properties in the area, and other factors. Rooftop antenna installation fees, etc. were posted as “other income.”
	(b)	Losses from vacancies	JPY thousand	1,605	Loss on vacancy, etc. was posted based on the occupancy rate level that would be stable in the medium to long term, which was estimated from the occupancy status and demand-supply trends of properties that were substitute competitors in similar districts in the same demand-supply area, occupancy status of the property concerned in the past, and future trends. The loss from vacancies was not posted due to the assessment of other income performed based on medium- to long-term forecasts.
		Bad debt losses	JPY thousand	0	Posting of a bad debt loss was deemed unnecessary, considering the condition of lessees and other factors.
	(2) Total Operating Expenses		JPY thousand	9,128	-
		Operation costs	JPY thousand	1,579	Maintenance expenses consisting of cleaning fees, facility management fees, and security fees etc. were posted using the amounts paid in the past and maintenance expenses of similar properties as a reference and taking into account the individuality of the property concerned.
		Utilities	JPY thousand	1,800	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
		Repairs and maintenance expense	JPY thousand	2,016	Expenses for restoration to original condition was posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
		Property management fees	JPY thousand	958	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
		Tenant promotion fees, etc.	JPY thousand	949	The administrative fees for the solicitation of new tenants and contract signing were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the solicitation, etc. of new tenants and the amounts paid in the past, taking into account the yearly average tenant turnover ratio and occupancy rate. Administrative fees for tenancy renewal were not posted, taking into account the contract conditions and the rental conditions, etc. of similar properties in the area.
		Taxes and public dues	JPY thousand	1,770	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
		Nonlife insurance	JPY thousand	56	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
		Other expenses	JPY thousand	0	No particular expense should be posted as other expenses.
	(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	27,111	-
	(4) Lump-sum Investment Return		JPY thousand	13	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure		JPY thousand	2,993	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF):		JPY thousand	24,131	-

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	(3) + (4) - (5)			
	(7) Capitalization Rate	(%)	4.7	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	501,000	-
	Discount Rate	(%)	4.5	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	4.9	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	355,000	-
	Land Ratio	(%)	51.6	-
	Property Ratio	(%)	48.4	-

Other items of note by appraiser	None
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Property Name	O-6-113 Prospect Bishoen
Appraisal Value	JPY 330,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	330,000
Value indicated by the Direct Capitalization Method	JPY thousand	333,000
(1) Total Operating Income: (a)-(b)	JPY thousand	22,568
(a)		
Rental revenues including common service fees	JPY thousand	23,353
Parking fees	JPY thousand	0
Other revenues	JPY thousand	110
(b)		
Losses from vacancies	JPY thousand	895
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	5,631
Operation costs	JPY thousand	1,362
Utilities	JPY thousand	300

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				of similar properties and the individuality of the property concerned and other factors.
	Repairs and maintenance expense	JPY thousand	1,149	Expenses for restoration to original condition was posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
	Property management fees	JPY thousand	629	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	563	The administrative fees for the solicitation of new tenants and contract signing were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the solicitation, etc. of new tenants and the amounts paid in the past, taking into account the yearly average tenant turnover ratio and occupancy rate. Renewal fees were not posted, taking into account the rental agreements and customary contract practices in the area.
	Taxes and public dues	JPY thousand	1,534	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	44	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	50	Neighborhood association membership fees were posted as "other expenses."
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	16,937	-
	(4) Lump-sum Investment Return	JPY thousand	17	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	1,303	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	15,651	-
	(7) Capitalization Rate	(%)	4.7	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	326,000	-
	Discount Rate	(%)	4.5	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	4.9	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	241,000	-
	Land Ratio	(%)	41.0	-
	Property Ratio	(%)	59.0	-

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Other items of note by appraiser	None
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Property Name	F-2-001 Royal Garden Shinrin Koen
Appraisal Value	JPY 280,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	280,000
Value indicated by the Direct Capitalization Method		JPY thousand	281,000
(1) Total Operating Income: (a)-(b)		JPY thousand	32,698
(a)	Rental revenues including common service fees	JPY thousand	31,644
	Utility fees	JPY thousand	0
	Parking fees	JPY thousand	1,824
	Other revenues	JPY thousand	642
	Losses from vacancies	JPY thousand	1,412
	Bad debt losses	JPY thousand	0
	(2) Total Operating Expenses	JPY thousand	10,239
	Operation costs	JPY thousand	1,152
	Utilities	JPY thousand	670
	Repairs and maintenance expense	JPY thousand	2,647
	Property management fees	JPY thousand	577
	Tenant promotion fees, etc.	JPY thousand	935
	Taxes and public dues	JPY thousand	2,499
	Nonlife insurance	JPY thousand	91
	Other expenses	JPY thousand	1,669
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	22,459
(4) Lump-sum Investment Return		JPY thousand	24

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	(5) Capital Expenditure	JPY thousand	6,465	Renewal expenses were posted after examining the levels of renewal expenses of similar real properties based on the 15-year average renewal expenses in engineering reports.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	16,017	-
	(7) Capitalization Rate	(%)	5.7	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
	Value Indicated by DCF Method	JPY thousand	279,000	-
	Discount Rate	(%)	5.5	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.
	Terminal Capitalization Rate	(%)	5.9	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.
	Value indicated by cost approach	JPY thousand	225,000	-
	Land Ratio	(%)	56.7	-
	Property Ratio	(%)	43.3	-

Other items of note by appraiser	None
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Property Name	F-2-002 Green Park Komatsujima
Appraisal Value	JPY 421,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	421,000
Value indicated by the Direct Capitalization Method	JPY thousand	422,000
(1) Total Operating Income: (a)-(b)	JPY thousand	39,131
(a)		
Rental revenues including common service fees	JPY thousand	37,909
Utility fees	JPY thousand	0
Parking fees	JPY thousand	2,234
Other revenues	JPY thousand	679
(b)		
Losses from vacancies	JPY thousand	1,691
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	12,063
Operation costs	JPY thousand	1,428
Utilities	JPY thousand	1,099
Repairs and maintenance expense	JPY thousand	3,705

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				Tenant replacement expenses were assessed and posted, taking into account the turnover and vacancy rates.
	Property management fees	JPY thousand	692	Under the assumption that the current management duties were generally within the standard range, the property management fee was posted after examining the levels of property management fees of similar properties based on the fee rate of the current contracts.
	Tenant promotion fees, etc.	JPY thousand	1,101	Tenant solicitation expenses, etc., were posted for rental units and parking lots whose tenants changed, to which an estimated turnover rate was applied, and considering tenant solicitation expenses, etc. estimated based on the levels of similar real properties.
	Taxes and public dues	JPY thousand	3,331	Taxes and other public charges for the land were estimated based on the amounts paid in fiscal 2019, taking into account the tax burden level. Those for the building and other assets were estimated based on the amounts paid in fiscal 2019.
	Nonlife insurance	JPY thousand	107	Non-life insurance premiums were posted after examining the levels of those for similar properties on the assumption that the current amounts were appropriate.
	Other expenses	JPY thousand	600	Other operation expenses were estimated based on amounts paid in the past.
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	27,069	-
	(4) Lump-sum Investment Return	JPY thousand	28	The amount posted was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.
	(5) Capital Expenditure	JPY thousand	3,480	Renewal expenses were posted after examining the levels of renewal expenses of similar real properties based on the 15-year average renewal expenses in engineering reports.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	23,616	-
	(7) Capitalization Rate	(%)	5.6	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
	Value Indicated by DCF Method	JPY thousand	421,000	-
	Discount Rate	(%)	5.4	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.
	Terminal Capitalization Rate	(%)	5.8	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.
	Value indicated by cost approach	JPY thousand	276,000	-
	Land Ratio	(%)	51.9	-
	Property Ratio	(%)	48.1	-

Other items of note by appraiser	None
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Property Name	F-2-003 Dia Palace Izumizaki
Appraisal Value	JPY 316,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	316,000
Value indicated by the Direct Capitalization Method	JPY thousand	318,000
(1) Total Operating Income: (a)-(b)	JPY thousand	30,536
(a) Rental revenues including common service fees	JPY thousand	30,826
Utility fees	JPY thousand	0

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			Parking fees	JPY thousand	960	Standardized parking lot income for the real property concerned was calculated taking into account its medium- to long-term competitiveness based on the rent level of the current contract and examples and trends of rental properties in the area.
			Other revenues	JPY thousand	60	Vending machine income and land usage charges for utility poles, etc. were posted based on amounts paid in the past.
		(b)	Losses from vacancies	JPY thousand	1,310	A loss on vacancy, etc. was posted after estimating the impact of vacancy on rental income from units considered stable in the medium to long run, common-area charge income, utilities income, and parking lot income, taking into account the competitiveness, etc. of the real property concerned, based on the past vacancy rates of the real property concerned and a standard vacancy rate of similar properties.
			Bad debt losses	JPY thousand	0	Bad debt loss is not posted due to acknowledgment that protection is provided by security deposits, etc.
	(2) Total Operating Expenses			JPY thousand	9,664	-
			Operation costs	JPY thousand	1,200	Maintenance expenses were posted after examining the levels of maintenance expenses of similar properties on the assumption that the current building management duties were generally within the standard range.
			Utilities	JPY thousand	598	Utilities expenses posted are an estimate based on those of similar properties and the amounts paid in the past.
			Repairs and maintenance expense	JPY thousand	2,457	Repair expenses were posted after examining the levels of repair expenses of similar real properties based on the 15-year average repair expenses in engineering reports. Tenant replacement expenses were assessed and posted, taking into account the turnover and vacancy rates.
			Property management fees	JPY thousand	549	Under the assumption that the current management duties were generally within the standard range, the property management fee was posted after examining the levels of property management fees of similar properties based on the fee rate of the current contracts.
			Tenant promotion fees, etc.	JPY thousand	904	Tenant solicitation expenses, etc., were posted for rental units and parking lots whose tenants changed, to which an estimated turnover rate was applied, and considering tenant solicitation expenses, etc. estimated based on the levels of similar real properties.
			Taxes and public dues	JPY thousand	2,545	Taxes and other public charges for the land were estimated based on the amounts paid in fiscal 2019, taking into account the tax burden level. Those for the building and other assets were estimated based on the amounts paid in fiscal 2019.
			Nonlife insurance	JPY thousand	78	Non-life insurance premiums were posted after examining the levels of those for similar properties on the assumption that the current amounts were appropriate.
			Other expenses	JPY thousand	1,335	Expenses for outside parking spaces and operation of other properties were posted based on amounts paid in the past.
	(3) Net Operating Income (NOI): (1)-(2)			JPY thousand	20,872	-
	(4) Lump-sum Investment Return			JPY thousand	23	The amount posted was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.
	(5) Capital Expenditure			JPY thousand	3,088	Renewal expenses were posted after examining the levels of renewal expenses of similar real properties based on the 15-year average renewal expenses in engineering reports.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)			JPY thousand	17,807	-
	(7) Capitalization Rate			(%)	5.6	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
	Value Indicated by DCF Method			JPY thousand	315,000	-
			Discount Rate	(%)	5.4	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.
Terminal Capitalization Rate			(%)	5.8	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.	
Value indicated by cost approach				JPY thousand	305,000	-
		Land Ratio	(%)	71.2	-	
		Property Ratio	(%)	28.8	-	

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Property Name	F-2-042 Living Stage Minami-Sendai
Appraisal Value	JPY 222,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	222,000
Value indicated by the Direct Capitalization Method		JPY thousand	223,000
(1) Total Operating Income: (a)-(b)		JPY thousand	22,346
(a)	Rental revenues including common service fees	JPY thousand	21,734
	Utility fees	JPY thousand	0
	Parking fees	JPY thousand	672
	Other revenues	JPY thousand	910
(b)	Losses from vacancies	JPY thousand	970
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	6,416
	Operation costs	JPY thousand	1,032
	Utilities	JPY thousand	386
	Repairs and maintenance expense	JPY thousand	1,738
	Property management fees	JPY thousand	386
	Tenant promotion fees, etc.	JPY thousand	490
	Taxes and public dues	JPY thousand	1,993
	Nonlife insurance	JPY thousand	78
	Other expenses	JPY thousand	313
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	15,930
(4) Lump-sum Investment Return		JPY thousand	16
(5) Capital Expenditure		JPY thousand	3,209
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	12,737

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	(7) Capitalization Rate	(%)	5.7	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, taking into account the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent, contract conditions related to rights, and other conditions.
	Value Indicated by DCF Method	JPY thousand	222,000	-
	Discount Rate	(%)	5.5	The discount rate was estimated based on comparison with discount rates in transactions of similar properties and yields on other financial instruments.
	Terminal Capitalization Rate	(%)	5.9	The terminal cap rate was estimated by taking into account the marketability of the property concerned at the maturity of the holding period for the cap rate.
	Value indicated by cost approach	JPY thousand	247,000	-
	Land Ratio	(%)	35.3	-
	Property Ratio	(%)	64.7	-

Other items of note by appraiser	None
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Property Name	F-2-043 Takasagoseki Nibankan
Appraisal Value	JPY 757,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	757,000
Value indicated by the Direct Capitalization Method	JPY thousand	772,000
(1) Total Operating Income: (a)-(b)	JPY thousand	59,911
(a)		
Rental revenues including common service fees	JPY thousand	55,780
Parking fees	JPY thousand	5,832
Other revenues	JPY thousand	1,097
(b)		
Losses from vacancies	JPY thousand	4,498
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	16,971
Operation costs	JPY thousand	2,877
Utilities	JPY thousand	4,050
Repairs and maintenance expense	JPY thousand	2,507

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				change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in engineering reports.
	Property management fees	JPY thousand	1,200	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	998	Administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the collection, etc. of new tenants and the amounts paid in the past, taking into account the yearly average tenant turnover ratio, occupancy rate, and other factors.
	Taxes and public dues	JPY thousand	5,163	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	172	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	4	Fees for the occupation of road space were posted as "other expenses."
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	42,940	-
	(4) Lump-sum Investment Return	JPY thousand	112	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	3,666	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	39,386	-
	(7) Capitalization Rate	(%)	5.1	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	742,000	-
	Discount Rate	(%)	5.0	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	5.4	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	643,000	-
	Land Ratio	(%)	33.8	-
	Property Ratio	(%)	66.2	-

Other items of note by appraiser	None
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Property Name	F-4-006 Iruma-ekimae Building
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Appraisal Value	JPY 1,730,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	1,730,000
Value indicated by the Direct Capitalization Method		JPY thousand	1,740,000
(1) Total Operating Income: (a)-(b)		JPY thousand	126,150
(a)	Rental revenues including common service fees	JPY thousand	118,132
	Parking fees	JPY thousand	1,728
	Other revenues	JPY thousand	10,133
(b)	Losses from vacancies	JPY thousand	3,843
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	29,604
	Operation costs	JPY thousand	4,788
	Utilities	JPY thousand	9,154
	Repairs and maintenance expense	JPY thousand	4,092
	Property management fees	JPY thousand	2,906
	Tenant promotion fees, etc.	JPY thousand	1,682
	Taxes and public dues	JPY thousand	5,469
	Nonlife insurance	JPY thousand	248
	Other expenses	JPY thousand	1,261
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	96,546
(4) Lump-sum Investment Return		JPY thousand	557
(5) Capital Expenditure		JPY thousand	6,545
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	90,558
(7) Capitalization Rate		(%)	5.2
Value Indicated by DCF Method		JPY thousand	1,730,000
	Discount Rate	(%)	5.3
	Terminal Capitalization Rate	(%)	5.4
Value indicated by cost approach		JPY thousand	1,560,000
Land Ratio		(%)	67.3

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Property Ratio	(%)	32.7	-
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Other items of note by appraiser	None
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Property Name	F-4-007 Iruma-ekimae Building No. II
Appraisal Value	JPY 648,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach	JPY thousand	648,000	-
Value indicated by the Direct Capitalization Method	JPY thousand	676,000	-
(1) Total Operating Income: (a)-(b)	JPY thousand	60,991	-
(a)			
Rental revenues including common service fees	JPY thousand	59,979	Rent income: Income earned continuously by renting or outsourcing the management of all or rental units of the property concerned (on the assumption of full occupancy) Common-area charge income: Among the expenses continuously required in the maintenance and operation of the property concerned, income collected based on a contract with a lessee as charges for common-areas (assuming full occupancy)
Parking fees	JPY thousand	0	Income earned by renting the parking lots included on the property concerned to its tenants, etc. and income earned through hourly rental of parking lots (assuming full occupancy)
Other revenues	JPY thousand	3,111	Installation fees for facilities such as signboards, antennas and vending machines, and income such as non-refundable, one-off payments such as key money and renewal fees
(b)			
Losses from vacancies	JPY thousand	2,099	Amounts reduced from each type of income based on the forecasts for vacancies, replacement periods, etc.
Bad debt losses	JPY thousand	0	Amounts reduced from each type of income based on the forecast for bad debts
(2) Total Operating Expenses	JPY thousand	18,829	-
Operation costs	JPY thousand	3,708	Expenses continuously required for the maintenance and management of the property concerned, including management of the building and facilities, security and safety, and cleaning
Utilities	JPY thousand	1,379	Expenses required for electricity, water supply, gas, local heat source for air-conditioning, etc. in the operation of the property concerned
Repairs and maintenance expense	JPY thousand	4,986	Of the amount spent for repair, improvement, etc. of the building, facility, etc. of the property concerned, expenses continuously required for normal maintenance of the building, facility, etc. or the recovery of the original condition of a partially damaged building, facility, etc.
Property management fees	JPY thousand	1,447	Expenses for management operations of the property concerned.
Tenant promotion fees, etc.	JPY thousand	1,245	Expenses for agency services, advertising, etc. for new tenant solicitation, expenses for renewal of rental agreements with tenants and contract extension, etc.
Taxes and public dues	JPY thousand	4,932	Property taxes (on land, buildings and depreciable assets) and city planning taxes (on land and buildings)
Nonlife insurance	JPY thousand	215	Fire insurance premiums for the property concerned and attached facilities, liability insurance premiums for defects on the property concerned and damage caused to a third party, etc. by a management accident, etc.
Other expenses	JPY thousand	914	Other expenses such as land price paid and fees for the occupation of road space
(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	42,161	-
(4) Lump-sum Investment Return	JPY thousand	122	Management gain from guarantee money that has a nature of a deposit received is added.
(5) Capital Expenditure	JPY thousand	5,755	Of the amount paid for repair, improvement, etc. of a building, facility, etc. of the property concerned, expenditure corresponding to the part deemed to increase the value or durability of the building, facility, etc.
(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	36,527	-
(7) Capitalization Rate	(%)	5.4	The cap rate was estimated by comparing and examining the yields on multiple transactions in similar districts, etc. in neighboring areas or the same demand-supply area, taking into account the forecast for changes in future net profit and relationships with discount rates.

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	Value Indicated by DCF Method	JPY thousand	636,000	-
	Discount Rate	(%)	5.5	The discount rate was estimated by determining the base yield of apartments using the summation method, etc. based on the yields of financial instruments and considering individual risks of the property concerned.
	Terminal Capitalization Rate	(%)	5.6	The terminal cap rate was estimated by adding the uncertainties of future forecasts to the cap rate.
Value indicated by cost approach		JPY thousand	586,000	-
	Land Ratio	(%)	48.5	-
	Property Ratio	(%)	51.5	-
Other items of note by appraiser			None	

Property Name	F-4-018 Chez Moi Sakuragaoka
Appraisal Value	JPY 634,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	634,000
	Value indicated by the Direct Capitalization Method	JPY thousand	640,000
	(1) Total Operating Income: (a)-(b)	JPY thousand	45,940
	(a)	Rental revenues including common service fees	JPY thousand 44,313
		Parking fees	JPY thousand 1,281
		Other revenues	JPY thousand 1,940
	(b)	Losses from vacancies	JPY thousand 1,595
		Bad debt losses	JPY thousand 0
	(2) Total Operating Expenses	JPY thousand	10,130
	Operation costs	Utilities	JPY thousand 481
		Repairs and maintenance expense	JPY thousand 2,688
		Property management fees	JPY thousand 1,099
		Tenant promotion fees, etc.	JPY thousand 1,044
		Taxes and public dues	JPY thousand 2,711
		Nonlife insurance	JPY thousand 99
		Other expenses	JPY thousand 459
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	35,810
	(4) Lump-sum Investment Return	JPY thousand	60

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	(5) Capital Expenditure	JPY thousand	3,864	Of the amount paid for repair, improvement, etc. of a building, facility, etc. of the property concerned, expenditure corresponding to the part deemed to increase the value or durability of the building, facility, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	32,007	-
	(7) Capitalization Rate	(%)	5.0	The cap rate was estimated by comparing and examining the yields on multiple transactions in similar districts, etc. in neighboring areas or the same demand-supply area, taking into account the forecast for changes in future net profit and relationships with discount rates.
	Value Indicated by DCF Method	JPY thousand	631,000	-
	Discount Rate	(%)	5.1	The discount rate was estimated by determining the base yield of apartments using the summation method, etc. based on the yields of financial instruments and considering individual risks of the property concerned.
	Terminal Capitalization Rate	(%)	5.2	The terminal cap rate was estimated by adding the uncertainties of future forecasts to the cap rate.
Value indicated by cost approach		JPY thousand	578,000	-
	Land Ratio	(%)	70.8	-
	Property Ratio	(%)	29.2	-

Other items of note by appraiser	None
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Property Name	F-4-020 Corinne Tsudanuma
Appraisal Value	JPY 348,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	348,000
	Value indicated by the Direct Capitalization Method	JPY thousand	351,000
	(1) Total Operating Income: (a)-(b)	JPY thousand	26,668
	(a)	Rental revenues including common service fees	JPY thousand 26,148
		Parking fees	JPY thousand 832
		Other revenues	JPY thousand 934
	(b)	Losses from vacancies	JPY thousand 1,246
		Bad debt losses	JPY thousand 0
	(2) Total Operating Expenses	JPY thousand	5,784
	Operation costs	JPY thousand	714

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				expenses of similar properties as a reference and taking into account the individuality of the property concerned.
	Utilities	JPY thousand	330	Utilities expenses for the common areas were posted after estimating the amount using those paid in the past as a reference, taking into account the utilities expenses of similar properties and the individuality of the property concerned and other factors.
	Repairs and maintenance expense	JPY thousand	1,349	Expenses for restoration to original condition of the units rented individually was posted after the calculation based on the level of expenses for restoration to original condition per unit paid due to change of tenants, the percentage paid by the lessors, general timing of expense payment, the extent of restoration to original condition, and other factors. The repair expenses were posted, taking into account the amounts paid in the past, the level of similar properties, the yearly average amount of repair and renewal expenses, etc. in the engineering report.
	Property management fees	JPY thousand	721	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	656	Tenant solicitation expenses, etc. for the portion of bulk lease to companies were not posted due to the assumption that the current lessees would continue their lease agreements for a long time. Tenant solicitation expenses, etc. for the units rented individually were posted by assessing the administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal using the rental conditions, etc. of similar properties in the area as a reference, rental fees as new rent income for a month, and renewal fees as a half of the above renewal income, taking into account the yearly average tenant turnover ratio, occupancy rate, etc.
	Taxes and public dues	JPY thousand	1,700	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	64	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	250	Other fees paid and money spent were posted as "other expenses."
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	20,884	-
	(4) Lump-sum Investment Return	JPY thousand	15	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	1,932	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	18,967	-
	(7) Capitalization Rate	(%)	5.4	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	344,000	-
	Discount Rate	(%)	5.2	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	5.6	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	327,000	-
	Land Ratio	(%)	77.4	-
	Property Ratio	(%)	22.6	-

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Other items of note by appraiser	None
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Property Name	F-4-022 Chigasaki Daikan Plaza
Appraisal Value	JPY 483,000,000
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	September 30, 2019

Item		Details	Overview, etc.
Value indicated by income approach		JPY thousand	483,000
Value indicated by the Direct Capitalization Method		JPY thousand	486,000
(1) Total Operating Income: (a)-(b)		JPY thousand	38,337
(a)	Rental revenues including common service fees	JPY thousand	37,371
	Parking fees	JPY thousand	0
	Other revenues	JPY thousand	2,086
(b)	Losses from vacancies	JPY thousand	1,121
	Bad debt losses	JPY thousand	0
(2) Total Operating Expenses		JPY thousand	9,168
	Operation costs	JPY thousand	1,258
	Utilities	JPY thousand	529
	Repairs and maintenance expense	JPY thousand	2,790
	Property management fees	JPY thousand	906
	Tenant promotion fees, etc.	JPY thousand	900
	Taxes and public dues	JPY thousand	2,093
	Nonlife insurance	JPY thousand	75
	Other expenses	JPY thousand	613
(3) Net Operating Income (NOI): (1)-(2)		JPY thousand	29,168
(4) Lump-sum Investment Return		JPY thousand	29
(5) Capital Expenditure		JPY thousand	3,916
(6) Net Cash Flow (NCF): (3) + (4) - (5)		JPY thousand	25,281
(7) Capitalization Rate		(%)	5.2
Value Indicated by DCF Method		JPY thousand	481,000

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	Discount Rate	(%)	5.3	The discount rate was estimated by determining the base yield of apartments using the summation method, etc. based on the yields of financial instruments and considering individual risks of the property concerned.
	Terminal Capitalization Rate	(%)	5.4	The terminal cap rate was estimated by adding the uncertainties of future forecasts to the cap rate.
	Value indicated by cost approach	JPY thousand	428,000	-
	Land Ratio	(%)	67.3	-
	Property Ratio	(%)	32.7	-

Other items of note by appraiser	None
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Property Name	F-4-028 Winbell Chorus Hiratsuka No.13
Appraisal Value	JPY 358,000,000
Appraiser	Japan Real Estate Institute
Date of Appraisal	September 30, 2019

Item	Details	Overview, etc.
Value indicated by income approach	JPY thousand	358,000
Value indicated by the Direct Capitalization Method	JPY thousand	361,000
(1) Total Operating Income: (a)-(b)	JPY thousand	32,579
(a)		
Rental revenues including common service fees	JPY thousand	30,066
Parking fees	JPY thousand	1,308
Other revenues	JPY thousand	2,884
(b)		
Losses from vacancies	JPY thousand	1,679
Bad debt losses	JPY thousand	0
(2) Total Operating Expenses	JPY thousand	8,624
Operation costs	JPY thousand	1,321
Utilities	JPY thousand	560
Repairs and maintenance expense	JPY thousand	2,581

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	Property management fees	JPY thousand	833	Property management fees, which are dues paid to a contractor that operates tenant management, building management, etc., were estimated using remuneration rates, etc. based on the contract conditions as a reference and taking into account the remuneration rates for similar properties, the individuality of the property concerned, and other factors.
	Tenant promotion fees, etc.	JPY thousand	1,060	Administrative fees for the solicitation of new tenants, contract signing, and tenancy renewal were posted after the calculation using the contract conditions and rental conditions, etc. of similar properties in the area as a reference. Rental fees, etc. were posted after the calculation based on the advertising expenses, etc. assessed from rental fees required for the solicitation, etc. of new tenants and the amounts paid in the past. Renewal fees were posted after the calculation based on the compensation paid to contractors upon signing renewal contracts, etc. taking into account the yearly average tenant turnover ratio, occupancy rate, and other factors.
	Taxes and public dues	JPY thousand	2,112	(Land) The tax amount was posted, taking into account information on taxes and other public charges, tax burden adjustment measures, and other materials. (Buildings and depreciations) The tax amount was posted based on information on taxes and other public charges.
	Nonlife insurance	JPY thousand	80	The amount of insurance premiums was posted, taking into account the premiums based on insurance policies, premium rates of buildings similar to the property concerned, and other factors.
	Other expenses	JPY thousand	77	Cable TV service fees were posted as "other expenses."
	(3) Net Operating Income (NOI): (1)-(2)	JPY thousand	23,955	-
	(4) Lump-sum Investment Return	JPY thousand	22	The management gain from one-off payments was estimated by assessing the number of months for security deposits that would be stable in the medium to long term based on the number of months for security deposits under the current rental conditions and when signing new contracts, multiplying the resulting number of months by the occupancy rate, and multiplying the resulting product by the management yield. The management yield deemed appropriate in the fund management during the deposit period was estimated to be 1.0%, taking into account factors such as interest rate levels in both the management and procurement.
	(5) Capital Expenditure	JPY thousand	4,464	While renewal expenses required for the maintenance of building functions are incurred irregularly in reality, in this case the amount was estimated by assuming that an average amount of expected expenditure would be accumulated every year, taking into account the capital expenditure levels of similar properties, the building age, the yearly average amount of repair and renewal expenses in engineering reports, etc.
	(6) Net Cash Flow (NCF): (3) + (4) - (5)	JPY thousand	19,513	-
	(7) Capitalization Rate	(%)	5.4	The cap rate was estimated by adjusting the spread caused by the location, building, and other conditions of the property concerned for the yields that would be the standard for each district set by the institute and taking into account future uncertainty, yields on similar properties' transactions, etc.
	Value Indicated by DCF Method	JPY thousand	355,000	-
	Discount Rate	(%)	5.2	The discount rate was estimated using the investment yields of similar properties as a reference and taking into account the individuality of the property concerned and other factors.
	Terminal Capitalization Rate	(%)	5.6	The terminal cap rate was estimated using transaction yields, etc. of similar properties as a reference and comprehensively taking into account the future trends of investment yields, the risk of the property concerned as an investment target, general forecast for future economic growth rate, real estate prices, trends in rents, and other factors.
	Value indicated by cost approach	JPY thousand	341,000	-
	Land Ratio	(%)	50.9	-
	Property Ratio	(%)	49.1	-

Other items of note by appraiser	None
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Property Name	F-6-063 Prospect Katsura
Appraisal Value	JPY 480,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.

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Date of Appraisal				September 30, 2019		
Item				Details	Overview, etc.	
Value indicated by income approach			JPY thousand	480,000	-	
Value indicated by the Direct Capitalization Method			JPY thousand	486,000	-	
(1) Total Operating Income: (a)-(b)			JPY thousand	39,270	-	
(a)	Rental revenues including common service fees		JPY thousand	33,908	The total of estimated rent income and common-area charge income standardized for the property concerned was posted based on the rent level of the current contracts and the level and trends of new rents at similar properties in the same demand-supply area, taking into account the medium- to long-term competitiveness of the property concerned.	
	Utility fees		JPY thousand	1,500	Utilities income posted is an estimate based on amounts earned in the past.	
	Parking fees		JPY thousand	1,440	Standardized parking lot income for the real property concerned was calculated taking into account its medium- to long-term competitiveness based on the rent level of the current contract and examples and trends of rental properties in the area.	
	Other revenues		JPY thousand	4,336	Key money income was posted taking into account the turnover and vacancy rates, and the antenna income, residents' association fees income, and land usage fees for utility poles were posted.	
	(b)	Losses from vacancies		JPY thousand	1,914	The impact of vacancy on rental income from units considered stable in the medium to long run, common-area charge income, utilities income, and parking lot income, taking into account the competitiveness, etc. of the real property concerned, based on the past vacancy rates of the real property concerned and a standard vacancy rate of similar properties was estimated and posted.
		Bad debt losses		JPY thousand	0	Bad debt loss is not posted due to acknowledgment that protection is provided by security deposits, etc.
	(2) Total Operating Expenses			JPY thousand	11,261	-
	Operation costs		JPY thousand	1,590	Maintenance expenses were posted after examining the levels of maintenance expenses of similar properties on the assumption that the current building management duties were generally within the standard range.	
	Utilities		JPY thousand	2,021	Utilities expenses posted are an estimate based on those of similar properties and the amounts paid in the past.	
	Repairs and maintenance expense		JPY thousand	1,979	Real estate expenses was posted based on the examination on engineering reports and using the levels of repair expenses of similar real properties. Maintenance expenses for rental units incurred for the vacation of tenants was posted based on the assessment taking into account the turnover and vacancy rates.	
Property management fees		JPY thousand	838	The property management fee was examined and posted based on the contract amount on the assumption that the current management duties were generally in a standard range and after the verification using the levels of property management fees of similar real properties.		
Tenant promotion fees, etc.		JPY thousand	838	Tenant solicitation expenses, etc., were posted using the amounts paid in the past for rental units and parking lots whose tenants changed, to which an estimated turnover rate was applied, and considering tenant solicitation expenses, etc. estimated based on the levels of similar real properties.		
Taxes and public dues		JPY thousand	2,663	Taxes and other public charges for the land were estimated based on the amounts paid in fiscal 2019, taking into account the tax burden level. Those for the building and other assets were estimated based on the amounts paid in fiscal 2019.		
Nonlife insurance		JPY thousand	77	Non-life insurance premiums were posted after examining the levels of those for similar properties on the assumption that the current amounts were appropriate.		
Other expenses		JPY thousand	1,256	Charges for using parking spaces outside the premises, expenses for EV mats, and utility pole usage fees were posted based on contract amounts or amounts paid in the past. The amount equivalent to 0.2% of operation revenue was posted as expenses for other property operation.		
(3) Net Operating Income (NOI): (1)-(2)			JPY thousand	28,008	-	
(4) Lump-sum Investment Return			JPY thousand	24	The amount posted was derived by multiplying the amount of estimated security deposits, etc. received by the management yield estimated by comprehensively examining the management status, etc. of one-off payments from both perspectives of management and procurement.	
(5) Capital Expenditure			JPY thousand	3,245	The capital expenditure posted as posted based on the estimate based on engineering reports and levels of capital expenditures of similar real properties.	
(6) Net Cash Flow (NCF): (3) + (4) - (5)			JPY thousand	24,788	-	
(7) Capitalization Rate			(%)	5.1	The cap rate was estimated based on the yield of properties for similar use located in areas with the lowest risk, by adjusting the spread caused by the location conditions and building conditions such as the grade, age, and facility level of the property concerned, the level of its current rent in comparison to the market rent,	

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				contract conditions related to rights, and other conditions, and by using cap rates, etc. in the appraisals of J-REIT properties, etc. in the same demand-supply area as a reference.
	Value Indicated by DCF Method	JPY thousand	477,000	-
	Discount Rate	(%)	4.9	The discount rate was estimated using both a method based on comparison with transactions of similar properties and a method that took into account the individuality of properties to assess financial asset yields and through interviews, etc. with investors.
	Terminal Capitalization Rate	(%)	5.3	The terminal cap rate was estimated based on the cap rate of the real property concerned at the time of assessment, comprehensively taking into account the possibility of an increase in capital expenditures due to the aging of the building, uncertain trends in the selling and buying market, and uncertain factors such as the impact of the passage of time on liquidity.
	Value indicated by cost approach	JPY thousand	423,000	-
	Land Ratio	(%)	68.7	-
	Property Ratio	(%)	31.3	-
Other items of note by appraiser			None	

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