

14th

Ended October, 2021
Financial Results Briefing

December 17, 2021



SEKISUI HOUSE REIT, INC.



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Executive summary

1 Business performance FP 14 (2021/10) DPU up primarily on capital gain

- FP 14 DPU was JPY 1,803, up JPY +23 (+1.3%) vs. guidance and up JPY +128 (+7.6%) vs. the previous period
- DPU forecast is JPY 1,698 for FP 15 (2022/4) and JPY 1,688 for FP 16 (2022/10)
Although capital gains will be lost, the acquisition of office and residential due to the public offering, etc. as well as full-period occupancy, result in an increase in NOI
To offset temporary revenue shortfalls usage of internal reserves to stabilize the DPU
- NAV per unit was JPY 86,323, up JPY +1,259 vs. the previous period. Unrealized gain was JPY 90.3 billion (17.5% of total portfolio value)

2 Growth strategy Strengthened earnings base by acquiring/reshuffling assets with public offering

- Procured JPY 12.07 billion mainly from our first follow-on public offering in two years and five months
- Acquired a large-scale, environmentally friendly office building and 5 new (average building age: 2.3 years) residential properties located within the 23 wards of Tokyo
Total (planned) acquisition price: JPY 42.5 billion Average appraisal NOI yield (weighted average) : 3.7%
- Sold 9 residential properties that were expected to see deteriorating profitability due to large-scale repair and maintenance
Total disposition price: JPY 17.1 billion Booked JPY +2.4 billion capital gain on the sale Of which, JPY 1.1 billion was retained in internal reserves to stabilize the DPU

3 ESG Raised target for CO₂ emissions (intensity) reduction and promoted diversity

- Review of materialities Target for reducing CO₂ emissions (intensity)
Reduce 20% by FY 2030 vs. FY 2018 levels ⇒ Raised to 50% reduction
- Forecasted and evaluated “risks” and “opportunities” in the business based on risk scenarios in addressing climate change and re-evaluated efforts to control risks and maximize opportunities
- Promoted diversity Plan to propose the selection of a female supervisory director at the general meeting of unitholders scheduled for January 2022

FP 14 results / FP 15 • FP 16 forecasts and assumptions

Weakness in office as tenants reduce space, but residential appears to be bottoming out

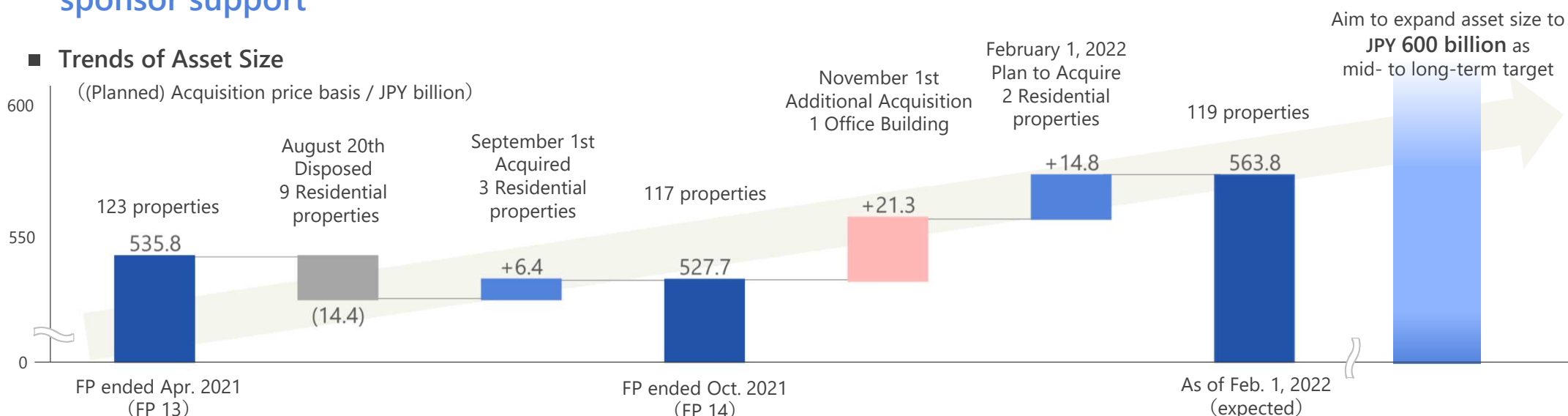
	FP 14 (Results)	FP 15 and FP 16 (forecasts and assumptions)
Office	<ul style="list-style-type: none"> Vacancies in 2 Tokyo properties (Garden City Shinagawa Gotenyama and Akasaka Garden City) Occupancy at 4 properties in Osaka and Nagoya remains 100.0%. No concerns near term. Gotenyama SH Building is on a long-term lease to a single tenant with 9.2 years remaining on the lease. 	<ul style="list-style-type: none"> A major tenant at Garden City Shinagawa Gotenyama seeks to reduce space. Negotiations underway. Signed lease with new tenants to fill some portion of the vacancy in Akasaka Garden City. Actively marketing vacant space. Considering free rent, splitting up the space, and other concessions. Baking in about JPY 50 per unit in FP 16 to account for vacancy risk.
Residential	<ul style="list-style-type: none"> Occupancy rate and increase rent rate, etc. bottomed out after a downward trend and are now on a gradual recovery path. Increase rent rate remains positive both on a full-period and monthly basis. By area, major cities nationwide is strong. By area and room type, the 23 wards of Tokyo and single unit type continue to show weakness but there are signs of a bottoming out. 	<ul style="list-style-type: none"> Although we assume bottom support in terms of occupancy rate, it will take time to see a rise in the increase rent rate. Using conservative assumptions for the 23 wards of Tokyo and single unit type. Nevertheless, there is no change in the situation where there are more jobs in Tokyo compared to the rural areas. Expect a gradual recovery once the jobs-to-applicants ratio improves.
(Retail tenants)	<ul style="list-style-type: none"> The emergency declarations have shortened business hours and caused people to stay at home. The impact on restaurants and service businesses continues. There have been requests for rent concessions (abatements or deferrals), but the impact is negligible. 	<ul style="list-style-type: none"> Although the emergency declarations have been lifted and restrictions on business hours have been eased, concerns linger about another spike in infections. Therefore, we assume a harsh business environment will continue. Impact from rent abatements is negligible.
Hotel	<ul style="list-style-type: none"> Demand for tourism among Japanese is dampened by the issuance of emergency declarations. No variable rent contribution from The Ritz Carlton, Kyoto and The St. Regis Osaka. The impact on DPU was JPY (62) per unit. (Compared to FP ended October 2020 (FP 12) before the impact of the COVID-19 as a business performance) 	<ul style="list-style-type: none"> Assuming a certain degree of recovery in domestic demand driven by the lifting of emergency declarations, progress in vaccinations, and Go To Travel. Assuming to book only fixed rent as revenue from the 2 hotels in FP 15 and FP 16. Plan to reverse internal reserves to stabilize the DPU and offset the negative JPY (58) per unit impact (compared to FP ended April 2021 (FP 13) from revenue shortfalls corresponding to variable rent from The Ritz Carlton, Kyoto.

* Retail tenants refers to tenants in restaurants or service industries that occupy mainly lower floors of office buildings or the first floor of residential buildings.

Strengthened earnings base through public offering and asset acquisition and reshuffling

Secured funds to stabilize the DPU via capital gain and achieved external growth by utilizing sponsor support

■ Trends of Asset Size



■ Results of Asset Acquisition and Reshuffling

Disposition	9 Residential properties	Total Disposition Price JPY 17,150 million	Appraisal NOI yield 4.1%
	Gain/Loss from Disposition JPY +2,452 million	Average Building Age 15.1 years	Total Appraisal NOI JPY 695 million
Acquisition	1 Office Building	Acquisition Price JPY 21,300 million	Appraisal NOI yield 3.6%
	Environmentally-friendly Large-scale Office Building	Building Age 15.7 years	Appraisal NOI JPY 769 million
	5 Residential properties	Total (Planned) Acquisition Price JPY 21,220 million	Appraisal NOI yield 3.7%
	All Located in Tokyo 23 wards	Average Building Age 2.3 years	Total Appraisal NOI JPY 794 million

■ Overview of the Fifth Public Offering

Offering method	Domestic primary offering
Number of investment units	Total 142,467 units Primary offering : 137,500 units Third-party allotment : 4,967 units
Offer price for the primary offering	JPY 87,574
Issue amount	JPY 84,744
Amount of funds raised	JPY 12.07 billion (third-party allotment : JPY 0.42 billion)
Issuance resolution date	October 18, 2021
Issuance condition determination date	October 25, 2021
Payment date	Primary offering : November 1, 2021 Third-party allotment : November 29, 2021

Acquired Assets in FP 14

R-118 Prime Maison Shimokitazawa



- The property is located approximately 8-minute walk from "Shimokitazawa" Station on the Odakyu Odawara Line and Keio Inokashira Line, and is accessible within 10-minutes by each route to "Shinjuku" Station and "Shibuya" Station
- Shimokitazawa area is a venue for a variety of cultures, and it has a number of distinctive secondhand clothing shops, live houses, theaters, and restaurants
- The types of room are 1R, 1K, 1R+S, 1LDK, 1LDK+S, and 2LDK
- Received the Good Design Award 2020

Location (address)	5-4-18 Daizawa, Setagaya-ku, Tokyo
Acquisition date	September 1, 2021
Acquisition price	2,580 million yen
Appraisal value	2,580 million yen (As of the end of Oct. 2021)
Appraisal NOI yield	3.6%
Structure / Floors	RC / B1F・3F
Completed / Building age	December 2019 / 1.9 years (As of the date of announcement of public offering, etc.)
Gross leasable area	1,991.72㎡ (rental units:62)
Occupancy rate	98.3% (As of the end of Oct. 2021)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (Pass-through type)

R-119 Prime Maison Meguro



- The property is located approximately 8-minute walk from "Meguro" Station and approximately 13-minute walk from "Ebisu" Station on the JR Yamanote Line
- "Meguro" Station, is served by the JR Yamanote Line, Tokyu Meguro Line, Tokyo Metro Namboku Line, and Toei Subway Mita Line.
- Though in the center of the city, it is in a location where the residents can experience the vast greenery that includes the Institute for Nature Study, and enjoy an elegant life
- The types of room are 1R, 1LDK, and 2LDK

Location (address)	2-10-39 Mita, Meguro-ku, Tokyo
Acquisition date	September 1, 2021
Acquisition price	2,310 million yen
Appraisal value	2,310 million yen (As of the end of Oct. 2021)
Appraisal NOI yield	3.6%
Structure / Floors	RC / B1F・5F
Completed / Building age	August 2018 / 3.2 years (As of the date of announcement of public offering, etc.)
Gross leasable area	1,335.62㎡ (rental units:25)
Occupancy rate	92.6% (As of the end of Oct. 2021)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (Pass-through type)

R-120 Prime Maison Ryogoku



- The property is located approximately 5-minute walk from "Ryogoku" Station on the Toei Subway Oedo Line and approximately 11-minute walk from "Ryogoku" Station on the JR Sobu Line
- The Ryogoku area where the property is located is centered around the JR Sobu Line Ryogoku Station, the north side of the station is dotted with cultural and tourist facilities such as the Ryogoku Kokugikan and the Edo Tokyo Museum
- Within walking distance of the Kinshicho area, where large commercial facilities are clustered
- The types of room are 1R, 1K, 1LDK, and 2LDK
- Received the Good Design Award 2019 (Good Design Best 100)

Location (address)	2-14-8 Kamezawa, Sumida-ku, Tokyo
Acquisition date	September 1, 2021
Acquisition price	1,530 million yen
Appraisal value	1,540 million yen (As of the end of Oct. 2021)
Appraisal NOI yield	3.9%
Structure / Floors	S / 7F
Completed / Building age	February 2019 / 2.7 years (As of the date of announcement of public offering, etc.)
Gross leasable area	1,499.10㎡ (rental units:43)
Occupancy rate	91.0% (As of the end of Oct. 2021)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (Pass-through type)

Acquired Asset in FP 15 and Assets to be Acquired

O-007

Akasaka Garden City (additional acquisition)



- Excellent location with high accessibility as it is approximately 8-minute walk from each of "Akasaka-mitsuke" Station, "Nagata-cho" Station, and "Aoyama-itchome" Station and approximately 9-minute walk from "Akasaka" Station
- A highly-concentrated business district, Akasaka area, in the center of Tokyo, adjacent to Kasumigaseki area and Nagata-cho area
- Equipped with indoor energy efficient facilities such as Low-e double-glazed glass (highly-insulating multi-layer glass) and four air-conditioning zones in one floor

Location (address)	4-15-1 Akasaka, Minato-ku, Tokyo
Acquisition date	November 1, 2021
Acquisition price	21,300 million yen
Appraisal value	21,700 million yen (As of Sep. 1, 2021)
Appraisal NOI yield	3.6%
Structure / Floors	S・SRC・RC/B2F・19F
Completed / Building age	January 2006 / 15.7 years (As of the date of announcement of public offering, etc.)
Gross leasable area	9,262.62㎡ (Additional acquisition portion)
Occupancy rate	91.6% (As of the end of Oct. 2021)
Master lessor (type)	Sekisui House, Ltd. (Pass-through type)

R-121

Prime Maison Nakameguro



- The property is located approximately 13-minute walk from "Nakameguro" Station on the Tokyo Metro Hibiya Line and Tokyu Toyoko Line and approximately 14-minute walk from "Meguro" Station on the JR Yamanote Line
- The Meguro River and other natural areas are in harmony with the urban landscape
- A supermarket is in the tenant portion of the property
- The types of rooms include a wide range, centering on 1R, 1K and up to 3LDK

Location (address)	4-8-25 Nakameguro, Meguro-ku, Tokyo
Planned acquisition date	February 1, 2022
Planned acquisition price	10,000 million yen
Appraisal value	10,300 million yen (As of the end of Oct. 2021)
Appraisal NOI yield	3.7%
Structure / Floors	RC / 14F
Completed / Building age	November 2019 / 1.9 years (As of the date of announcement of public offering, etc.)
Gross leasable area	6,033.98㎡ (rental units:157 (including 1 store))
Occupancy rate	94.7% (As of the end of Oct. 2021)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (planned)(Pass-through type (planned))

R-122

Prime Maison Itabashi



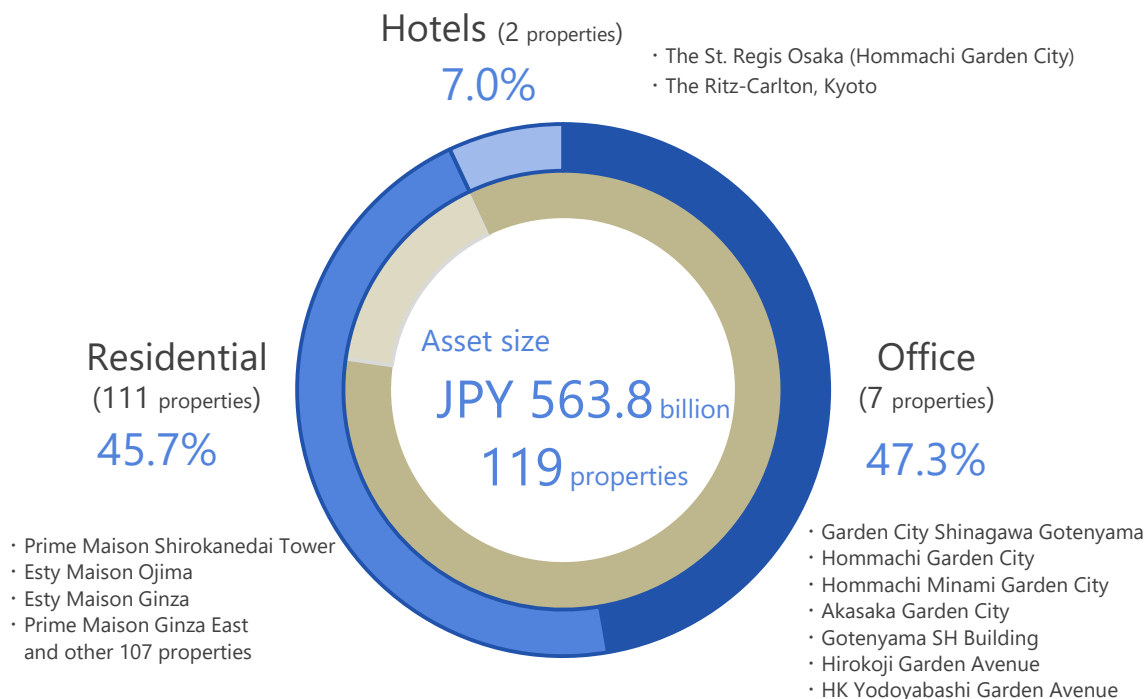
- The property is located approximately 5-minute walk from "Itabashi-kuyakushomae" Station on the Toei Subway Mita Line, approximately 8-minute walk from "Shimo-itabashi" Station on the Tobu Tojo Line, and approximately 10-minute walk from "Itabashi" Station on the JR Saikyo Line
- There are a number of facilities, such as ward office, banks, post office, police station, and supermarkets
- The surrounding area includes Mitsugi Park, Itabashi Art Museum, and Akatsuka Botanical Garden
- The types of room are 1R, 1K, and 1LDK

Location (address)	3-1-8 Itabashi, Itabashi-ku, Tokyo
Planned acquisition date	February 1, 2022
Planned acquisition price	4,800 million yen
Appraisal value	4,810 million yen (As of the end of Oct. 2021)
Appraisal NOI yield	3.9%
Structure / Floors	RC / 18F
Completed / Building age	February 2019 / 2.7 years (As of the date of announcement of public offering, etc.)
Gross leasable area	4,557.89㎡ (rental units:154 (including 1 store))
Occupancy rate	86.6% (As of the end of Oct. 2021)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (planned)(Pass-through type (planned))

SHR's Portfolio

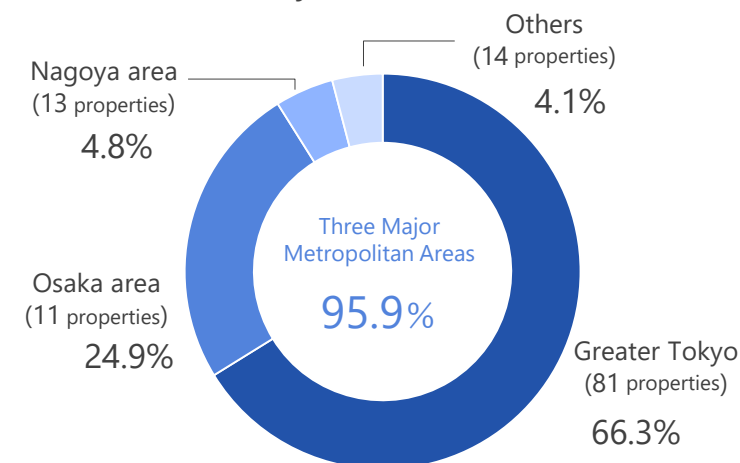
► Diversification of SHR's Portfolio (After acquisition of the Assets to be Acquired / Acquisition price basis)

■ Diversification by asset type



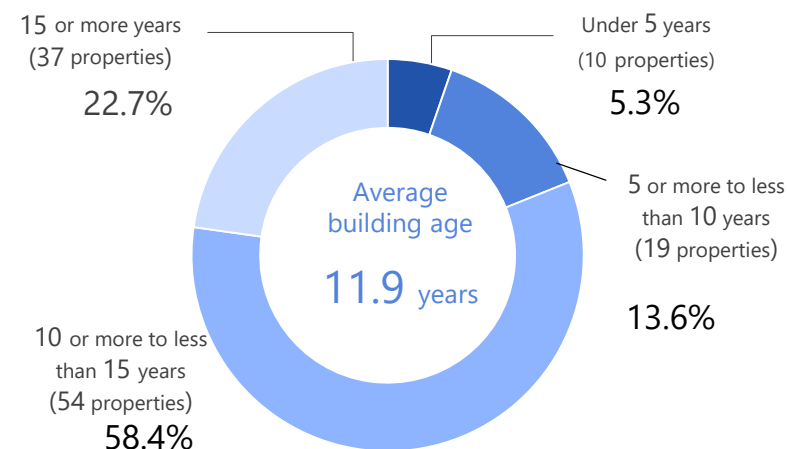
	Acquisition from Sekisui House Group		79.6%
	JPY 448.6 billion/ 66 properties		
	Sekisui House, Ltd.	JPY 406.4 billion/ 51 properties	

■ Diversification by area



Three Major Metropolitan Areas by assets
Office 100.0%/ Residential 91.1%/ Hotels 100.0%

■ Diversification by building age (As of February 1, 2022)



Average building age by assets
Office 11.9 years/ Residential 12.2 years/ Hotels 9.8 years

Financial Result (FP 14)

Vs. Previous Period : Substantial increase in revenue and profit due to the recording of capital gain on disposition of 9 residential properties.

Secure funds for stable cash distributions by retaining JPY 1,195 million of capital gains.

	FP14 (ended Oct. 2021) Result	Vs. Previous Period	Vs. Guidance	FP 13 (ended Apr. 2021) Result	FP 14 guidance (announced on Jul. 30, 2021)
Operating Revenue	17,291 JPY million	+2,236 JPY million	+28 JPY million	15,055 JPY million	17,262 JPY million
Operating Income	9,413 JPY million	+1,424 JPY million	+96 JPY million	7,989 JPY million	9,317 JPY million
Ordinary Income	8,520 JPY million	+1,417 JPY million	+107 JPY million	7,103 JPY million	8,412 JPY million
Net Income	8,520 JPY million	+1,417 JPY million	+107 JPY million	7,103 JPY million	8,412 JPY million
Reversal of Internal Reserve	408 JPY million	+224 JPY million	(18) JPY million	184 JPY million	427 JPY million
Internal Reserve	(1,195) JPY million	(1,092) JPY million	+9 JPY million	(103) JPY million	(1,205) JPY million
Total Distribution	7,732 JPY million	+548 JPY million	+98 JPY million	7,183 JPY million	7,633 JPY million
Net Income per unit	1,986 JPY	+330 JPY	+25 JPY	1,656 JPY	1,961 JPY
DPU	1,803 JPY	+128 JPY	+23 JPY	1,675 JPY	1,780 JPY

Balance of Internal Reserve (after distribution of FP 14) : JPY 2,189 million (JPY 604 million in RTA and JPY 1,584 million in reserve for reduction entry)

	NOI		NOI Yield		Average occupancy rate during the period	
	FP14 (Result)	Vs. Previous Period	FP14 (Result)	Vs. Previous Period	FP14 (Result)	Vs. Previous Period
Office	5,079 JPY million	(129) JPY million	4.1 %	(0.1) pt.	98.3 %	(1.3) pt.
Residential	5,561 JPY million	(133) JPY million	4.5 %	(0.1) pt.	96.2 %	(0.4) pt.
Hotels	520 JPY million	(263) JPY million	2.6 %	(1.4) pt.	100.0 %	— pt.
Entire portfolio	11,160 JPY million	(526) JPY million	4.2 %	(0.2) pt.	96.9 %	(0.6) pt.

Analysis of Change Factors in FP 14

Vs. FP 13 Results

Office

Lower rent revenue	JPY (130) Million
Higher utilities revenue	JPY + 39 Million
Higher repair expenses	JPY (25) Million
Higher utilities expenses	JPY (17) Million

Residential

Disappearance of capital gain (disposition in FP13)	JPY (130) Million
Capital gain and loss booked (due to 9 property disposition)	JPY +2,452 Million
Lower property-related operating income (due to property reshuffling)	JPY (85) Million
Higher repair expenses (existing properties)	JPY (43) Million

Hotels

Lower rent revenue (The Ritz-Carlton, Kyoto variable rent)	JPY (259) Million
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SG&A

Higher asset management fees	JPY (279) Million
Higher taxes and public charges (effect of increase in percentage of tax-exempt sales due to disposition)	JPY (113) Million

Vs. FP 14 Guidance

Higher rent revenue	JPY +12 Million
Lower property management fees	JPY +5 Million
Lower rent revenue	JPY (13) Million
Higher other miscellaneous income (insurance claim income)	JPY +18 Million
Higher repair expenses	JPY (10) Million

Lower repair expenses	JPY +3 Million
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Higher asset management fees	JPY (23) Million
Lower taxes and public charges	JPY +9 Million

Financial Forecast (FP 15/FP 16)

Vs. FP 14 Result : Revenue and profit are expected to decrease due to the disappearance of capital gains from dispositions, but NOI is expected to increase due to the effects of acquisitions accompanying the public offering

	FP 15 (ending Apr. 2022) Forecast	Vs. FP 14 (ended Oct. 2021) Result	FP 16 (ending Oct. 2022) Forecast	Vs. FP 15 (ending Apr. 2022) Forecast
Operating Revenue	14,748 JPY million	(2,542) JPY million	14,848 JPY million	+100 JPY million
Operating Income	7,603 JPY million	(1,810) JPY million	7,560 JPY million	(42) JPY million
Ordinary Income	6,702 JPY million	(1,818) JPY million	6,651 JPY million	(51) JPY million
Net Income	6,701 JPY million	(1,818) JPY million	6,650 JPY million	(51) JPY million
Reversal of Internal Reserve	822 JPY million	+413 JPY million	829 JPY million	+6 JPY million
Internal Reserve	— JPY million	+1,195 JPY million	— JPY million	— JPY million
Total Distribution	7,524 JPY million	(208) JPY million	7,479 JPY million	(44) JPY million
Net Income per unit	1,512 JPY	(474) JPY	1,500 JPY	(12) JPY
DPU	1,698 JPY	(105) JPY	1,688 JPY	(10) JPY

Balance of Internal Reserve (after distribution of FP 16) : JPY 538 million (JPY 206 million in RTA and JPY 331 million in reserve for reduction entry)

	NOI		NOI Yield		Average occupancy rate during the period	
	FP15 Forecast	FP16 Forecast	FP15 Forecast	FP16 Forecast	FP15 Forecast	FP16 Forecast
Office	5,250 JPY million	5,197 JPY million	3.9 %	3.9 %	97.6 %	99.7 %
Residential	5,582 JPY million	5,667 JPY million	4.4 %	4.4 %	96.3 %	96.0 %
Hotels	515 JPY million	516 JPY million	2.6 %	2.6 %	100.0 %	100.0 %
Entire portfolio	11,349 JPY million	11,381 JPY million	4.1 %	4.0 %	96.8 %	97.1 %

* For the forecasts for the FP 15 and FP 16th, the number of investment units issued and outstanding is calculated at 4,431,133 units.

Analysis of Change Factors Assumed in FP 15 & FP 16 Guidance

FP 15 vs. FP 14 Results

Office

Higher property-related operating income (due to acquisition of Akasaka GC)	JPY + 248 Million
Lower rent revenue (existing properties)	JPY (54) Million
Lower utilities revenue (existing properties)	JPY (41) Million
Lower utilities expenses (existing properties)	JPY +11 Million

FP 16 vs. FP 15 Guidance

Higher property-related operating income (due to acquisition of Akasaka GC)	JPY + 37 Million
Lower rent revenue (existing properties, vacancy risk, etc.)	JPY (130) Million
Higher utilities revenue (existing properties)	JPY + 40 Million
Higher utilities expenses (existing properties)	JPY (17) Million

Residential

Disappearance of capital gain and loss	JPY (2,452) Million
Higher property-related operating income (due to property reshuffling in FP 14 and FP 15)	JPY +36 Million
Higher rent revenue (existing properties)	JPY + 22 Million
Lower other miscellaneous income (insurance claim income)	JPY (18) Million
Lower repair expenses (existing properties)	JPY + 17 Million

Higher property-related operating income (due to property reshuffling in FP 14 and FP 15)	JPY +104 Million
Lower rent revenue (existing properties)	JPY (30) Million
Higher taxes and public charges (existing properties and city-planning taxes)	JPY (9) Million
Higher repair expenses (existing properties)	JPY (15) Million

Hotels

Higher taxes and public charges (city-planning taxes)	JPY (2) Million
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Higher depreciation costs	JPY (7) Million
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SG&A

Lower asset management fees	JPY +404 Million
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Higher asset management fees	JPY (31) Million
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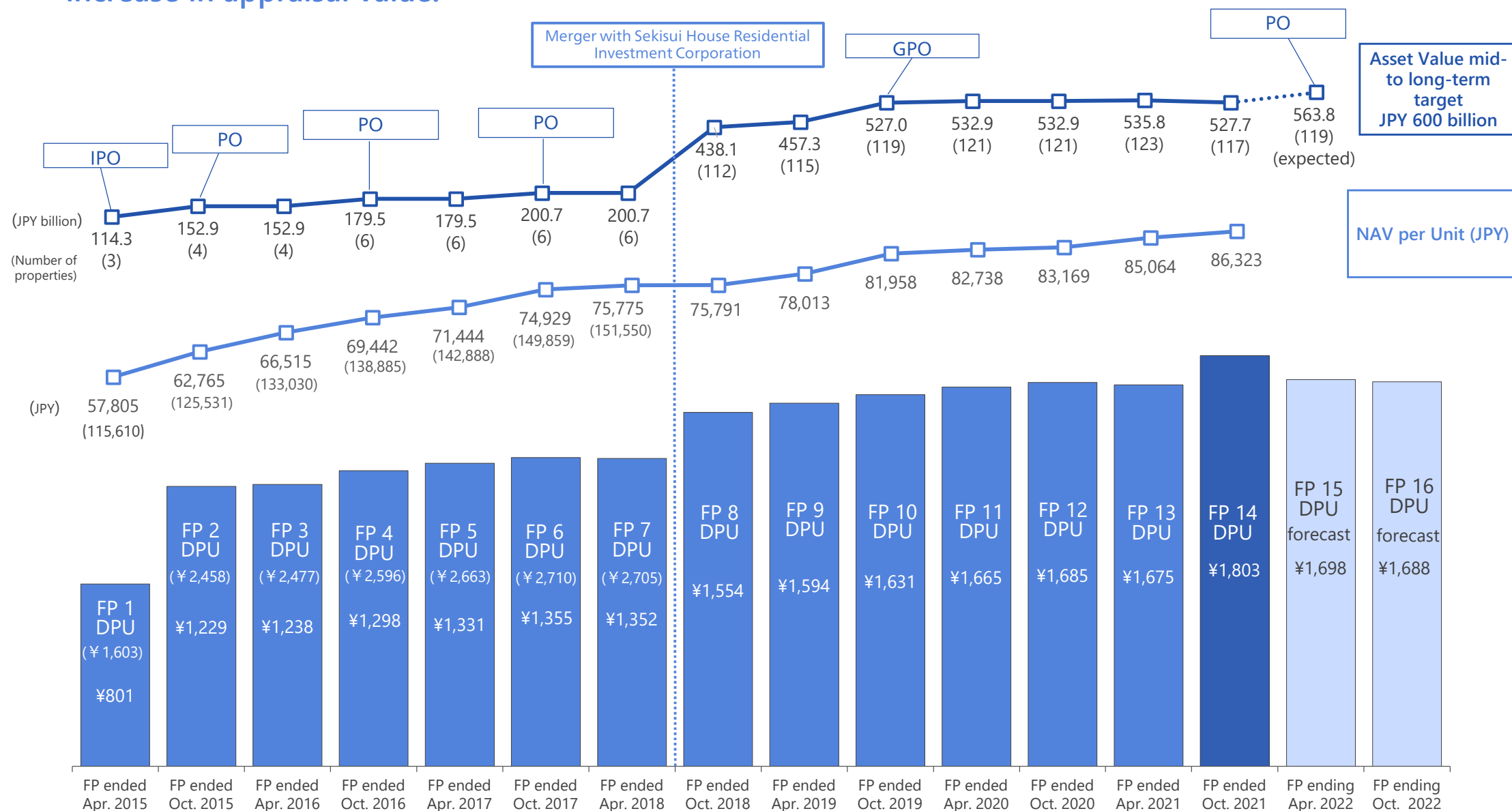
Profit and Loss Comparison

(unit : JPY million)

		FP13	FP14		FP15		FP16		FP14	
		Result	Result	Vs. FP13 Result	Vs. Guidance	Forecast	Vs. FP14 Result	Forecast	Vs. FP15 Guidance	Guidance
Property-related operating revenue		14,925	14,474	(450)	+26	14,748	+274	14,848	+100	14,447
Rent revenue – real estate		14,537	14,065	(471)	(1)	14,374	+308	14,431	+57	14,067
Other lease business revenue		387	408	+20	+27	373	(34)	416	+43	380
Utilities revenue		146	186	+40	(1)	166	(20)	219	+53	188
Non-refundable deposits received		61	63	+2	+3	57	(5)	57	(0)	59
Renewal fees income		127	118	(8)	+4	130	+11	123	(7)	114
Other miscellaneous income		52	39	(13)	+20	18	(20)	16	(2)	18
Property-related operating expenses		5,706	5,769	+63	(58)	5,890	+121	6,012	+121	5,827
Subcontract expenses		559	566	+6	(0)	570	+4	575	+4	567
Property management fees		449	432	(16)	(14)	468	+35	458	(10)	447
Trust fees		41	41	(0)	(0)	43	+2	43	(0)	41
Utilities expenses		249	272	+22	(4)	280	+7	309	+29	277
Property and other taxes		1,032	1,028	(3)	(4)	1,023	(4)	1,095	+72	1,032
Property tax		1,004	1,002	(1)	(2)	997	(4)	1,068	+70	1,004
Insurance expenses		17	17	+0	+0	17	+0	18	+0	17
Repair expenses		302	370	+68	+7	326	(44)	335	+8	363
Other expenses related to rent business		585	583	(2)	(42)	666	+83	630	(36)	625
Depreciation		2,468	2,455	(12)	+0	2,491	+36	2,545	+53	2,455
Property-related operating income and loss		9,218	8,704	(514)	+85	8,857	+152	8,836	(21)	8,619
Gain and loss on sale of real estate properties		130	2,452	+2,322	+3	—	(2,452)	—	—	2,449
Selling, general and administrative expenses		1,359	1,744	+384	(8)	1,254	(489)	1,276	+21	1,752
Asset management fees		1,029	1,308	+279	+23	904	(404)	936	+31	1,285
Operating income		7,989	9,413	+1,424	+96	7,603	(1,810)	7,560	(42)	9,317
Non-operating income		1	0	(0)	+0	0	(0)	0	—	0
Non-operating expenses		886	893	+7	(10)	900	+6	909	+8	904
Ordinary income		7,103	8,520	+1,417	+107	6,702	(1,818)	6,651	(51)	8,412
Net Income		7,103	8,520	+1,417	+107	6,701	(1,818)	6,650	(51)	8,412
Capital Expenditures		654	727	+72	+0	786	+59	1,167	+380	726
Property-related operating revenue	(Office)	6,274	6,184	(89)	+11	6,453	+268	6,427	(25)	6,173
	(Residential)	7,772	7,671	(101)	+15	7,676	+5	7,802	+126	7,655
	(Hotels)	878	618	(259)	—	618	—	618	—	618
Property-related operating income and loss	(Office)	4,387	4,256	(131)	+36	4,394	+138	4,338	(55)	4,219
	(Residential)	4,170	4,053	(117)	+42	4,074	+21	4,116	+41	4,010
	(Hotels)	660	395	(265)	+5	388	(6)	382	(6)	389

DPU and NAV per Unit

NAV per unit increased by JPY+1,259 from the previous period to JPY 86,323, mainly due to the increase in appraisal value.

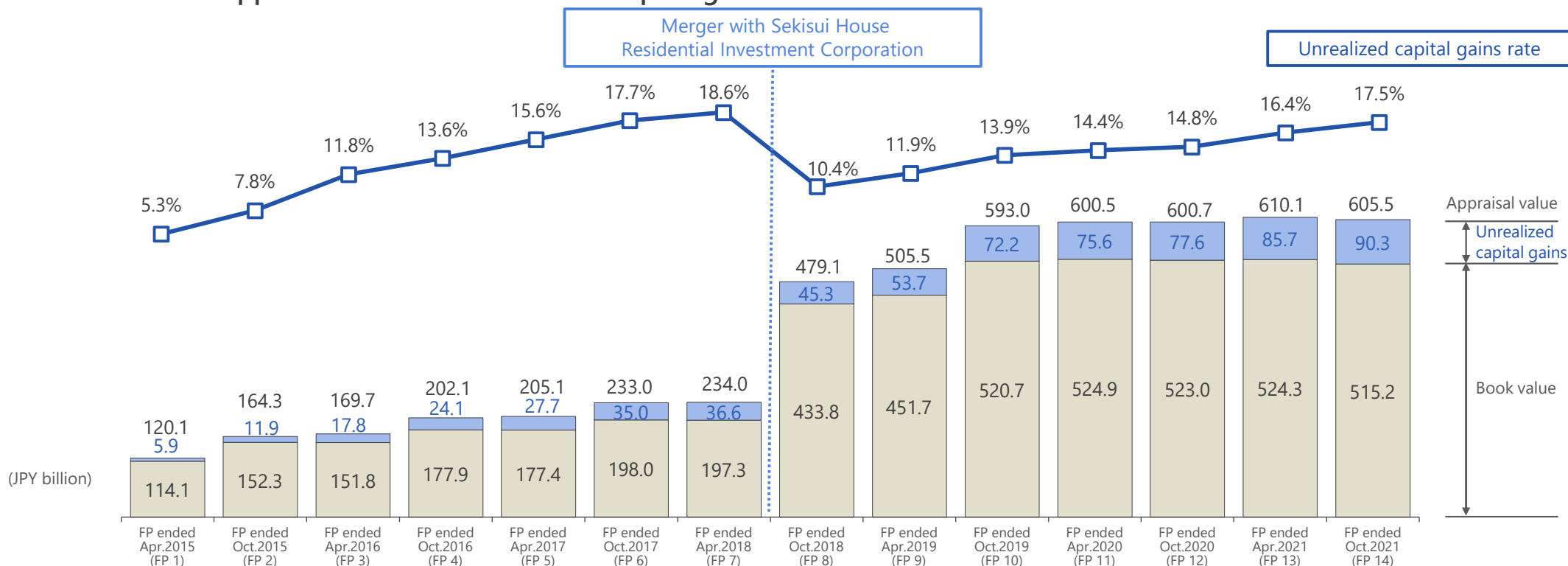


* As a two-for-one split of investment units was implemented on May 1, 2018, and in consideration of the impact of the split, DPU and NAV per unit for each period prior to the FP 8 are calculated by dividing the actual figures by two, and the amounts are rounded down to the nearest decimal.

Trends of Appraisal Value

Appraisal value increased mainly due to a decrease in cap rates for residential properties, and unrealized capital gains increased by JPY+4.5 billion from the previous period to JPY 90.3 billion.

■ Trends of Appraisal value and unrealized capital gains rate



■ Breakdown of appraisal value by asset type as of FP 14

	Office		Residential		Hotels		Entire portfolio	
	FP 14 Result	Vs. FP 13	FP 14 Result	Vs. FP 13	FP 14 Result	Vs. FP 13	FP 14 Result	Vs. FP 13
Appraisal value	295.2 <small>JPY billion</small>	(0.3) <small>JPY billion</small>	270.0 <small>JPY billion</small>	(4.2) <small>JPY billion</small>	40.2 <small>JPY billion</small>	(0) <small>JPY billion</small>	605.5 <small>JPY billion</small>	(4.6) <small>JPY billion</small>
Average cap rate	3.4 %	— pt.	3.9 %	(0.1) pt.	3.5 %	— pt.	3.6 %	(0.1) pt.
Unrealized capital gains	57.4 <small>JPY billion</small>	+0.3 <small>JPY billion</small>	31.5 <small>JPY billion</small>	+4.1 <small>JPY billion</small>	1.3 <small>JPY billion</small>	+0 <small>JPY billion</small>	90.3 <small>JPY billion</small>	+4.5 <small>JPY billion</small>
Unrealized capital gains rate	24.2 %	+0.3 pt.	13.2 %	+2.1 pt.	3.4 %	+0.1 pt.	17.5 %	+1.1 pt.

Portfolio Status



Office Portfolio

► Portfolio list

(As of the end of Oct. 2021)

	Location	Acquisition price		Leasable area		End-tenant average rent (JPY/tsubo)		End-tenant occupancy rate	
		(JPY million)	%	(m ²)	%	As of end of FP 13	As of end of FP 14	As of end of FP 13	As of end of FP 14
Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.6%	38,577.99	7.2%	26,626	26,684	100.0 %	95.5 %
Akasaka Garden City	Minato-ku, Tokyo	28,700	5.4%	12,472.81	2.3%	30,125	30,212	95.9 %	87.8 %
Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	8.3%	29,657.53	5.5%	22,690	22,740	99.2 %	100.0 %
Hommachi Garden City (office portion)	Osaka-shi, Osaka	38,600	7.3%	17,006.94	3.2%	32,009	31,897	99.7 %	100.0 %
HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8%	4,554.52	0.8%	17,950	17,950	100.0 %	100.0 %
Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.2%	4,442.75	0.8%	23,618	23,512	100.0 %	100.0 %
Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.8%	19,999.97	3.7%	30,000	30,000	100.0 %	100.0 %
Office total		245,500	46.5%	126,712.51	23.6%	26,880	26,868	99.4 %	97.4 %
The office portion of Hommachi GC on a fixed-rent master lease (the timing of pass-through is yet to be determined)						29,280	29,280	100.0 %	100.0 %
Office portfolio total (considering with fixed-rent master lease)						26,514	26,508	99.4 %	97.4 %

► Renewal Result and Trends in leases (including existing tenants returning or adding spaces)

(As of the end of Nov. 2021)
(cases)

	FP 12	FP 13	FP 14	FP 15 (Forecast)	FP 16 (Forecast)	FP 17 (Forecast)
Slated for renewal	10,331.23m ² (12)	2,143.63m ² (6)	14,379.16m ² (6)	23,050.01m ² (11)	6,847.83m ² (7)	4,854.75m ² (6)
Renewed	9,861.55m ² (11)	875.33m ² (4)	12,662.30m ² (6)	18,406.81m ² (8)	— (—)	— (—)
Vacated	(343.54)m ² (1)	(2,285.39)m ² (3)	— (—)	(819.58)m ² (2)	— (—)	— (—)
Space retuned	(126.14)m ² (1)	— (—)	(1,716.86)m ² (1)	— (—)	— (—)	— (—)
Newly leased	656.86m ² (3)	508.55m ² (1)	251.21m ² (1)	819.58m ² (2)	— (—)	— (—)
Change in lease area	+187.18m ²	(1,776.84)m ²	(1,465.65)m ²	—	—	—
Rate of rent increase	10.6 %	5.3 %	6.8 %	—	—	—

* Figures for Akasaka Garden City in the "Portfolio list" exclude the additional acquisition portion acquired on November 1, 2021.

* The existing fixed-rent master lease for the office portion of Hommachi Garden City expires May 18, 2022 (however the lease may be terminated before that date).

* Percentages for the acquisition price and leasable area are provided as percentages of the total portfolio.

* Figures for end tenants in the office portion of Hommachi Garden City, which is on a fixed-rent master lease, and retail tenants in office have been excluded from calculations on this page.

* The rate of rent increase has calculated based on space where rent was increased.

Operation Status of Office

Although there are no key tenant departures in Greater Tokyo, we are faced with lease cancellations and reduced rented space and we are focusing on quick backfill. The operations of office buildings located in Osaka and Nagoya areas and Gotenyama SH Building remain well

Garden City Shinagawa Gotenyama (Shinagawa-ku, Tokyo)



- Vacancy of 0.3 floor (1,716.86m²)
 - Received an application for 0.2 floor (1,189.94m²). Currently under negotiation.
 - Leveraging its appeal as a high-quality environmentally friendly office building with low CO₂ emissions, studying measures to further enhance convenience and comfort
- Currently negotiating space reduction with one major tenant.
 - Assuming the space reduction would occur in FP 16
 - Leasing activities underway, including the possibility of splitting up the space.
- Vacancy risk : around JPY 50/unit has already been baked into FP 16

Akasaka Garden City (Minato-ku, Tokyo)



- Vacancy of 2 floors (2,302.64m²)
 - Signed lease with a new tenant for 0.5 floors (508.55m²)
 - Inquiries received between January and November 2021: 85
- Cancellation of 0.8 floor (819.58m²) confirmed for FP 15
 - of which, 0.3 floor (311.03m²) is small. Therefore, it was leased up with a downtime of 2 months.
 - Marketing the space based on a leasing strategy that factors the floor and scale of the vacant space. Given restrictions on tours of the space due to COVID-19, we are using VR imaging to appeal to a broad range of potential tenants and stimulate interest to quickly backfill the space

Hommachi Minami Garden City (Osaka-shi, Osaka)

- Expect major tenant due in FP 15 to renew the lease
- No lease renewals except the above up to FP 18

Hommachi Garden City (Office building portion) (Osaka-shi, Osaka)

- Concluded a fixed-rent master lease agreement with Sekisui House (contract expiration date : May 18, 2022)
- Timing of pass-through yet to be determined

HK Yodoyabashi Garden Avenue (Osaka-shi, Osaka)

- Mainly five-year leases. No leases to be renewed in FP 16 to FP 22

Hirokoji Garden Avenue (Nagoya-shi, Aichi)

- Sekisui House Real Estate Chubu occupying approx. 70% of the total leasable area

Gotenyama SH Building (Shinagawa-ku, Tokyo)

- Single tenant property
- Concluded a long-term lease (20 years) (9.2 years to expiry, as of the date of this document)

Office: Tenant Profile

While market rents are on a downward trend in both Greater Tokyo and Osaka area, there is room for rent increases in Osaka area

Rent gap

Greater Tokyo: GC Shinagawa Gotenyama, Akasaka GC



End-tenant rent below market rent : 2.7%

Greater Tokyo Rent Gap: +15.9%

Osaka area: Hommachi Minami GC, HK Yodoyabashi GA



End-tenant rent below market rent : 94.7%

Osaka area Rent Gap: -13.4%

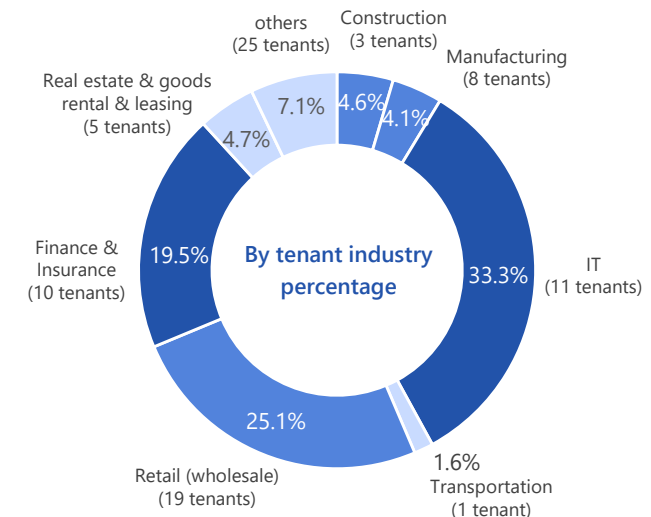
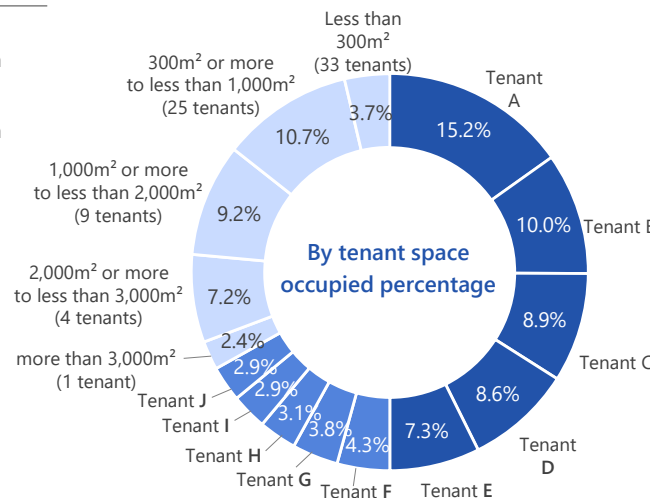
End tenant diversification (Based on 82 end tenants in the total)

✓ Top 5 tenants by leasable area 50.0 %

Tenant	Industry	Leasable area	Property
A	IT	19,999.97 m ²	Gotenyama SH Building
B	IT	13,126.72 m ²	GC Shinagawa Gotenyama
C	Retail (wholesale)	11,769.00 m ²	Hommachi GC
D	Retail (wholesale)	11,366.43 m ²	GC Shinagawa Gotenyama
E	Finance & Insurance	9,690.83 m ²	Hommachi Minami GC

✓ Top 10 tenants by leasable area 66.9%

Property	% of portfolio	Tenant(s)
GC Shinagawa Gotenyama	21.6 %	Tenants B, D, and H
Hommachi Minami GC	15.4 %	Tenants E, F, and G
Gotenyama SH building	15.2 %	Tenant A
Hommachi GC	8.9 %	Tenant C
Akasaka GC	5.8 %	Tenant I, J



* Rent gap calculated for office portfolio as of the end of FP 14 and includes Akasaka Garden City (additional acquisition portion) acquired on November 1, 2021 and excludes Gotenyama SH building, which is a single tenant property, and the office portion of Hommachi Garden City, which is on a fixed-rent master lease.

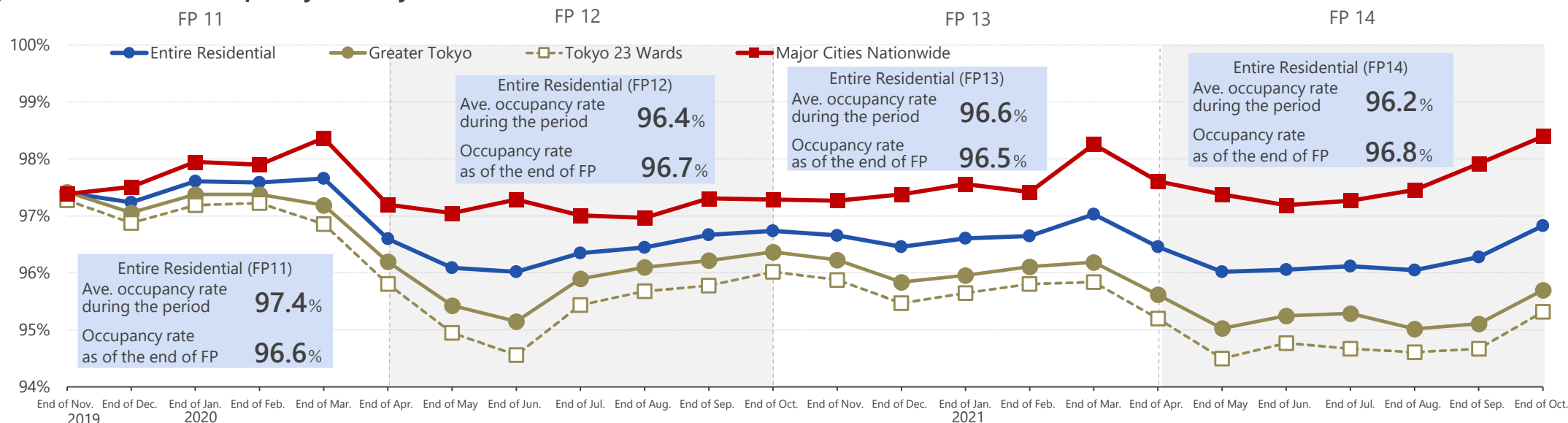
* End tenant diversification calculated for office portfolio as of the end of FP 14 and includes Akasaka Garden City (additional acquisition portion) acquired on November 1, 2021.

* End tenant industry diversification is made by SHAM based on "Japan Standard Industrial Classification".

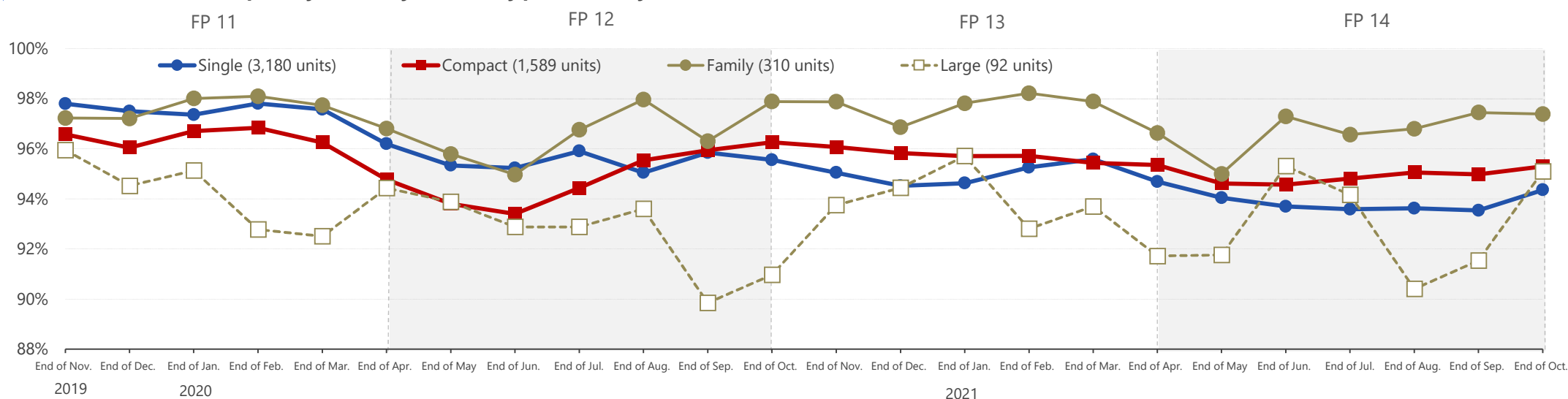
Residential Portfolio

Entire residential occupancy rate has been stable at 96% range and the occupancy rate of major cities nationwide is strong. Family performed well and Single is bottoming out by room type in Tokyo 23 wards

Residential occupancy rate by area (FP 11 and thereafter)



Residential occupancy rate by room type in Tokyo 23 wards (FP 11 and thereafter)



* For the definitions of "Single type", "Compact type", "Family type", and "Large type", please refer to P.55.

* The number of units in Residential occupancy rate by room type is as of the end of October 2021.

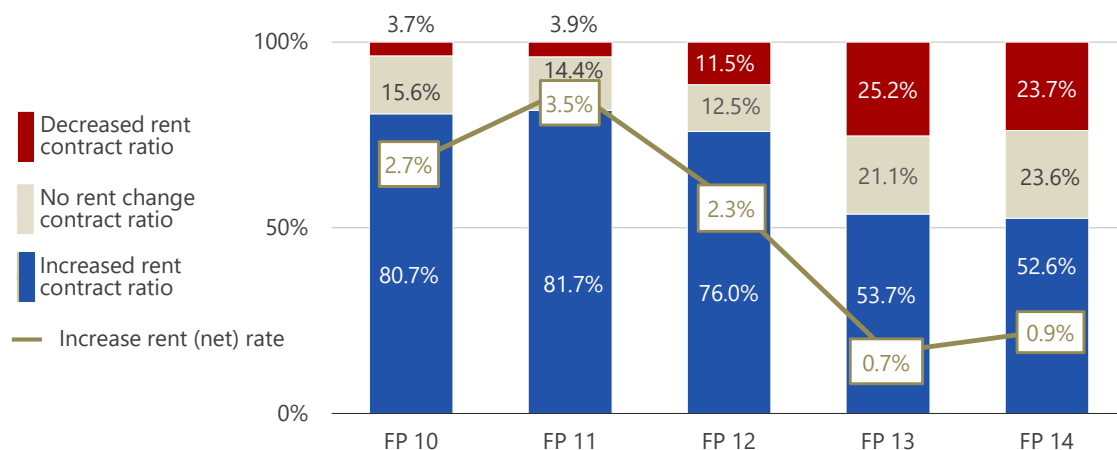
Rent Trends of Residential Portfolio

Increase rent rate in new contracts increased from the previous period and is on a gradual recovery trend. Non refundable deposit received rate also shows signs of recovery and rate of renewal remains stable.

Rent trend in new contract

New Contract

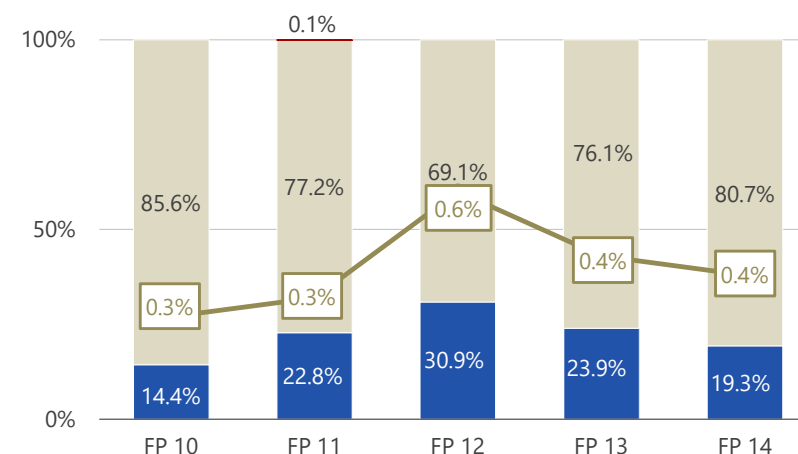
	FP ended Oct. 2019 (FP 10)	FP ended Apr. 2020 (FP 11)	FP ended Oct. 2020 (FP 12)	FP ended Apr. 2021 (FP 13)	FP ended Oct. 2021 (FP 14)
Monthly rent /no. of contracts	JPY124.80 million / 891	JPY107.54 million / 764	JPY119.72 million / 845	JPY121.34 million / 897	JPY121.54 million / 834
Increase in rent /no. of contracts	JPY3.61 million / 719	JPY3.85 million / 624	JPY3.72 million / 642	JPY2.44 million / 482	JPY2.57 million / 439
Decrease in rent /no. of contracts	JPY(0.32) million / 33	JPY(0.20) million / 30	JPY(1.02) million / 97	JPY(1.64) million / 226	JPY(1.49) million / 198
Increase rent (net)	JPY3.28 million	JPY3.65 million	JPY2.69 million	JPY0.79 million	JPY1.07 million



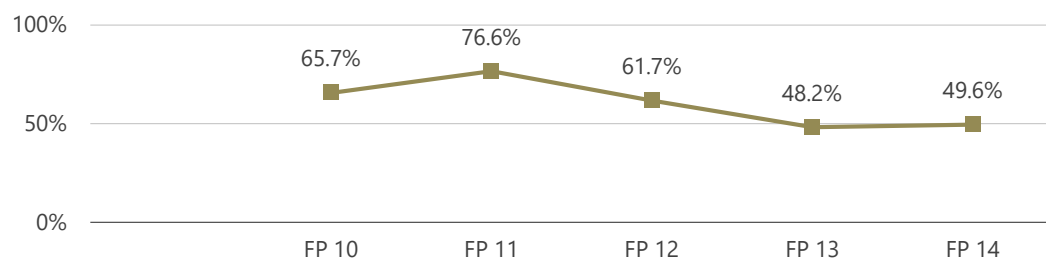
Rent trend in renewal contract

Renewal Contract

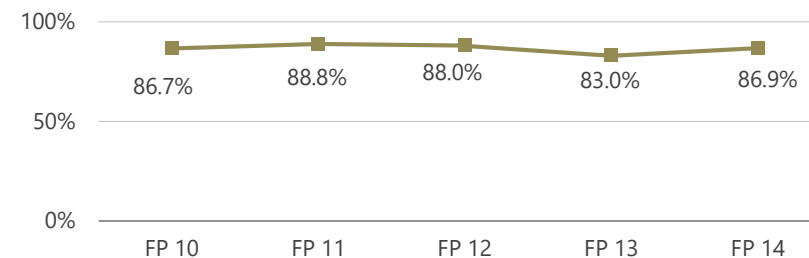
	FP ended Oct. 2019 (FP 10)	FP ended Apr. 2020 (FP 11)	FP ended Oct. 2020 (FP 12)	FP ended Apr. 2021 (FP 13)	FP ended Oct. 2021 (FP 14)
Monthly rent /no. of contracts	JPY147.74 million / 1,121	JPY200.11 million / 1,615	JPY170.26 million / 1,296	JPY172.06 million / 1,345	JPY161.67 million / 1,184
Increase in rent /no. of contracts	JPY0.41 million / 161	JPY0.63 million / 368	JPY1.02 million / 400	JPY0.72 million / 322	JPY0.61 million / 229
Decrease in rent /no. of contracts	- / -	JPY(0.00) million / 1	- / -	- / -	- / -
Increase rent (net)	JPY0.41 million	JPY0.63 million	JPY1.02 million	JPY0.72 million	JPY0.61 million



Non Refundable Deposit Received



Rate of Renewal

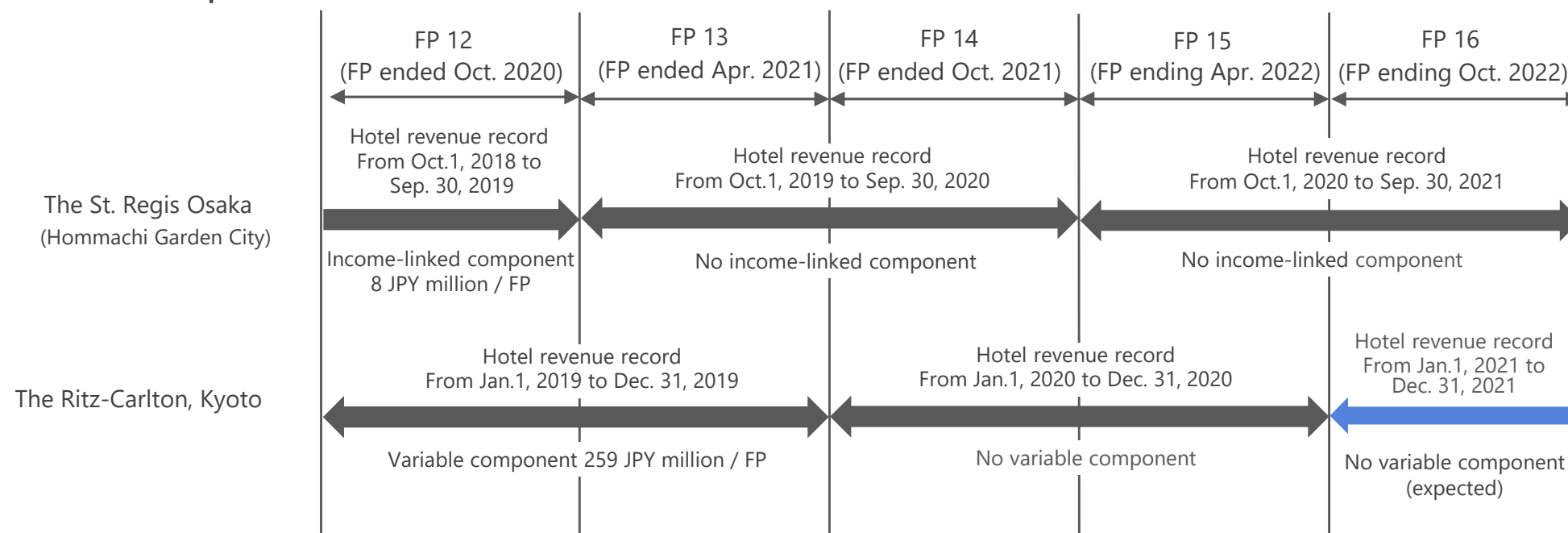


* Monthly rent comparison of new contract and renewal contract is calculated including utilities.

Hotels Portfolio

As a result of the worsening of operating conditions due to the impact from the COVID-19 pandemic, SHR receives no variable component in FP 14 / FP 15 and expects to no variable component in FP 16 for The Ritz-Carlton, Kyoto.

▶ The relationship between hotel revenue records and SHR's rental income



▶ Hotel rental income by fiscal period

In FP 14 to FP 16, the difference of JPY 259 million in rental income vs. FP 13 for The Ritz-Carlton, Kyoto, is to be offset by reversing internal reserves to pay cash distributions at each fiscal period.

	FP 12 (FP ended Oct. 2020)	FP 13 (FP ended Apr. 2021)	FP 14 (FP ended Oct. 2021)	FP 15 Forecast (FP ending Apr. 2022)	FP 16 Forecast (FP ending Oct. 2022)
The St. Regis Osaka	410 JPY million	402 JPY million	402 JPY million	402 JPY million	402 JPY million
(income-linked component)	(8 JPY million)	(- JPY million)	(- JPY million)	(- JPY million)	(- JPY million)
(Fixed component)	(402 JPY million)	(402 JPY million)	(402 JPY million)	(402 JPY million)	(402 JPY million)
The Ritz-Carlton, Kyoto	475 JPY million	475 JPY million	215 JPY million	215 JPY million	215 JPY million
(Variable component)	(259 JPY million)	(259 JPY million)	(- JPY million)	(- JPY million)	(- JPY million)
(Fixed component)	(215 JPY million)	(215 JPY million)	(215 JPY million)	(215 JPY million)	(215 JPY million)

Financial Base



Financial Base (1)

If the LTV(Total asset basis) is raised to 47%, the remaining acquisition capacity is around JPY 17.0 billion.

■ Financial indicators

	As of Dec. 15, 2021	End of FP 13
Total interest-bearing liabilities	249.9 JPY billion	252.9 JPY billion
Long-term debt ratio	100.0 %	98.8 %
Fixed interest rate debt ratio	97.3 %	96.3 %
Average maturity	7.2 years	7.0 years
Average period remaining to maturity	3.9 years	3.7 years
Average interest rate	0.57 %	0.61 %
LTV (Total asset basis)	45.0 %	(End of FP 14)
	45.4 %	(End of FP 13)

■ Credit ratings (Issuer ratings)

- Japan Credit Rating Agency, Ltd. (JCR): AA (Stable)
- Rating and Investment Information, Inc. (R&I): AA- (Stable)

■ Incorporated Global Index

- FTSE EPRA/NAREIT Global Real Estate Index Series
- MSCI Japan Small Cap Index
- Thomson Reuters GPR / APREA Investable 100 Index
- S&P Global Property
- GPR 250 Index/ GPR 250 REIT Index
- TSE REIT Core Index

■ Commitment line contracts

- Set a limit of JPY 15 billion with a 3-bank syndicate (MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation)

■ Recent financial activities (from Jun. 16, 2021 to Dec. 15, 2021)

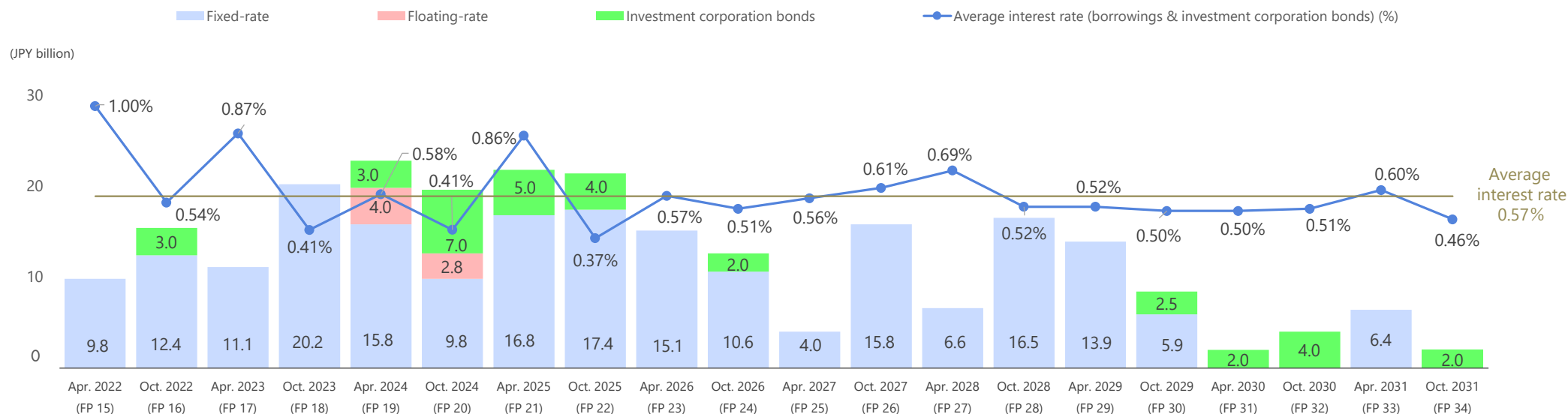
• Borrowings

Lender	Borrowing amount (JPY million)	Interest Rate	Drawdown Date	Borrowing Period (years)
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited	2,810	Floating Base rate (JBA 3-month JPY TIBOR) +0.190%	Aug. 31, 2021	3
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited. The Norinchukin Bank	5,950	0.475%	Aug. 31, 2021	8
MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation	4,000	Floating Base rate (JBA 1-month JPY TIBOR) +0.190%	Nov. 30, 2021	2
MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited. Development Bank of Japan Inc. The Norinchukin Bank	6,560	0.460%	Nov. 30, 2021	6.5
MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd.	6,440	Fixed by interest rate swap transactions 0.602%	Nov. 30, 2021	9

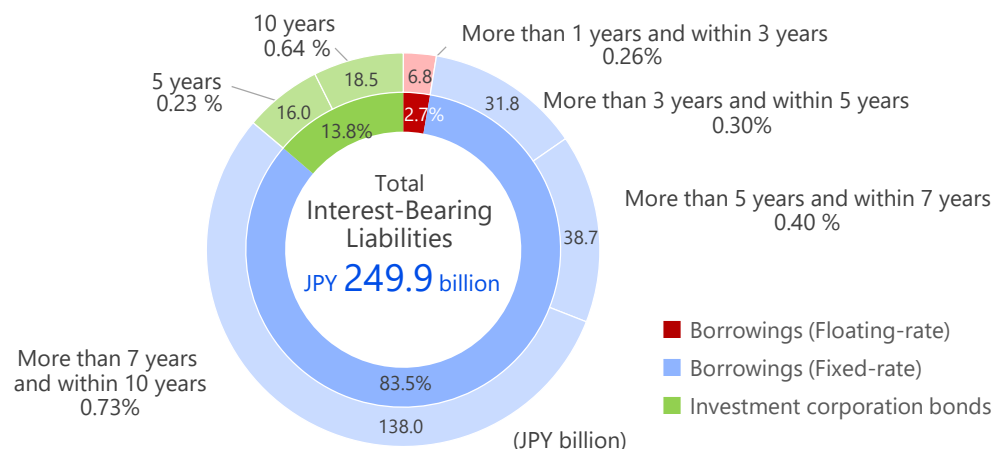
Financial Base (2)

(As of December 15, 2021)

■ Diversification of Maturity Dates

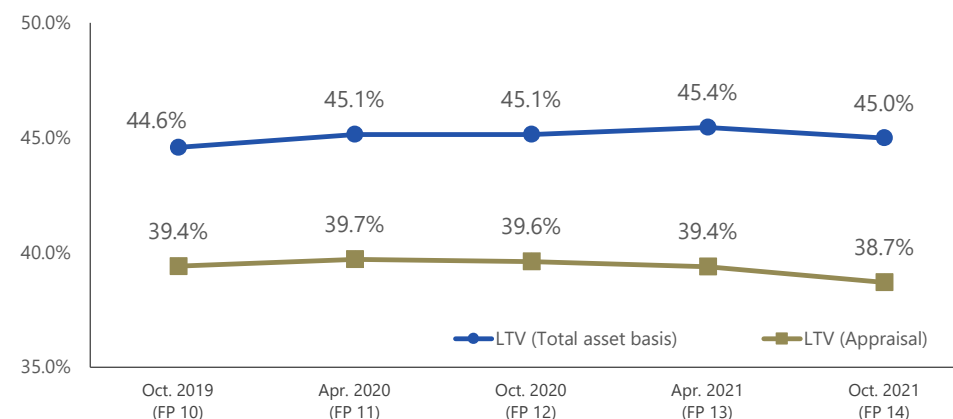


■ Diversification of Maturity Period



■ LTV Trends (end of each Fiscal Periods)

LTV control policy (Total asset basis) : Maintaining a conservative policy
LTV ratio at mid-40% range (Upper limit is approximately 50%)



* Diversification of Maturity Dates as a whole, "average interest rate" (Borrowings fixed under interest rate swap agreements are calculated using interest rates fixed under interest rate swap agreements.) represents the weighted average (annual rate) of the interest rates applicable as of December 15, 2021 based on the amounts of total interest-bearing liabilities, while "average interest rate" of each fiscal period represents the weighted average (annual rate) of the interest rates applicable as of December 15, 2021, based on the borrowings to be repaid or investment corporation bonds to be redeemed at the respective fiscal periods.

Growth Strategy



Excellent Sponsor Support by Sekisui House Group

Utilize the sponsor's real estate development capabilities to create more opportunities for acquiring properties nationwide. Total amount of pipeline is about JPY 230 billion.

▶ Sekisui House

■ New development of rental housing "Prime Maison"

	Property name (including temporary name)	Location	Units (planned)	Total floor area (m ²) (planned)
Completed properties 5 properties 862 units	Prime Maison Egotanomori	Nakano-ku, Tokyo	525	41,548.25
	Prime Maison Waseda-dori	Shinjuku-ku, Tokyo	65	2,582.62
	Prime Maison Honancho	Nakano-ku, Tokyo	70	3,210.49
	Prime Maison Shimbashi Tower	Minato-ku, Tokyo	124	9,762.76
	Prime Maison Monzen-nakacho	Koto-ku, Tokyo	78	3,184.03
Properties under construction 7 properties 678 units	Prime Maison Yushima	Bunkyo-ku, Tokyo	139	9,829.43
	Prime Maison Nakano-sakaue	Nakano-ku, Tokyo	115	4,544.16
	Prime Maison Sumida-honjo	Sumida-ku, Tokyo	49	2,226.84
	Prime Maison Sakura-shimmachi	Setagaya-ku, Tokyo	40	1,932.04
	Prime Maison Nishiwaseda	Shinjuku-ku, Tokyo	49	2,248.30
	Prime Maison Kamata	Ota-ku, Tokyo	141	5,464.23
	Prime Maison Yokohama WEST	Yokohama-shi, Kanagawa	145	8,708.53
Properties under planning 6 properties	-	-	-	-

■ First right of refusal by SHR

Property name	Location	Asset type	Remaining quasi-co-ownership not yet acquired by SHR
Akasaka Garden City	Minato-ku, Tokyo	Office	34.55%
The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	Hotel	51.00%

■ Major urban redevelopment projects

Property name (Project name)	Location	Asset type	Completion Date (planned)
Fraser Suites Akasaka, Tokyo	Minato-ku, Tokyo	Service Apartment	Dec. 2019
Garden Cube Shibuya jinnan	Shibuya-ku, Tokyo	Office, Retail	Jan. 2021
The Westin Yokohama	Yokohama-shi, Kanagawa	Hotel, Service apartment	Feb. 2022



Prime Maison
Egotanomori
(Nakano-ku, Tokyo)



Prime Maison
Honancho
(Nakano-ku, Tokyo)



Fraser Suites
Akasaka, Tokyo
(Minato-ku, Tokyo)



Garden Cube
Shibuya jinnan
(Shibuya-ku, Tokyo)



The Westin Yokohama
(Yokohama-shi,
Kanagawa)

▶ Sekisui House Real Estate Companies (6 companies)

First right of refusal of real estate owned or developed by 6 Sekisui House Real Estate Companies

Provision of information on sale of real estate owned or developed by third parties in Japan (Sekisui House Real Estate Tokyo)



Secure opportunities
to acquire residentials
nationwide

Policy on the Reversal of Internal Reserves

To address the impact of COVID-19, SHR plans to stabilize DPU by reversing internal reserves

► Reversal of internal reserves due to the impact of COVID-19, stabilizing DPU level

Policy on the reversal of internal reserves
SHR plans to continue to reverse internal reserves to resolve discrepancies between tax and accounting reporting and to stabilize DPU.



Policy in the future
Addressing revenue shortfalls resulting from the impact of COVID-19 <ul style="list-style-type: none"> In response to decrease of variable component from The Ritz-Carlton, Kyoto, SHR plans to make distributions by reversing internal reserves by an amount equal to the difference versus Apr. 2021 (FP 13). Planning to act with caution and flexibility considering current circumstances in response to revenue shortfalls due to requests for rent cuts from retail tenants, etc.
Supporting office leasing activities <ul style="list-style-type: none"> In the event a temporary revenue shortfall from office tenant renewal, SHR will establish a DPU policy upon consideration of the balance of internal reserves.

► Balance of internal reserves (after distributions for each fiscal period) (FP 14: Results, FP 15 and subsequent FP : Forecasts or estimates)

(million yen)

	FP ended Oct. 31, 2021 (FP 14)	FP ending Apr. 30, 2022 (FP 15)	FP ending Oct. 31, 2022 (FP 16)	FP ending Apr. 30, 2023 (FP 17)	FP ending Oct. 31, 2023 (FP 18)
Reversal of Internal Reserve	408	822	829	538	
Reversal of RTA	70	191	206	206	
Reversal of Reserve for Reduction Entry	337	631	622	331	
Reserve for Reduction Entry	1,195	–	–	–	
Balance of Internal reserves as of the end of each fiscal period	2,189	1,367	538	–	
Balance of RTA	604	413	206	–	
Balance of Reserve for Reduction Entry	1,584	953	331	–	
Distributions in excess of profits using ATA				20	231
Amount corresponding to discrepancies between tax and accounting reporting	67	187	205	223	229

- After the RTA has been fully reversed, SHR plans to pay out cash distributions in excess of profits as the Allowance for Temporary Adjustments (ATA) to avoid being subject to taxation. (The balance of RTA is expected to be zero in FP ending Apr. 2023 (FP 17))
- SHR also plans to reverse all of Reserve for Reduction Entry through FP ending Apr. 2023 (FP 17) when the reversal of RTA will be completed.

* The policy for the reversal of retained earnings is current as of the date of this document, and the schedule for the reversal of retained earnings is not necessarily in accordance with the above policy and may be subject to change in the future.

Growth Strategy

Policy is to strive to maintain a distribution level of approximately JPY 1,700

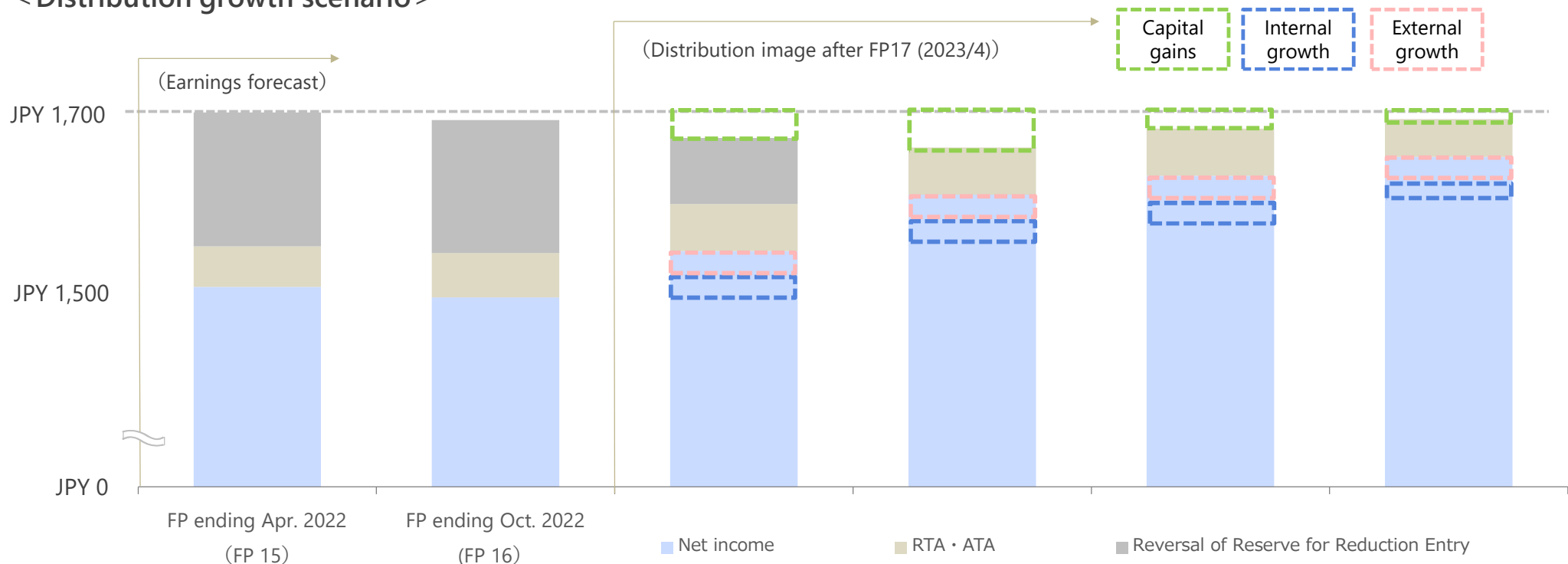
► Measures to stabilize the level of distributions

Plan to leverage internal reserves to stabilize the DPU out through FP 17 (2023/4).

In FP 18 (2023/10) and thereafter, we will strive to maintain DPU, considering the following measures.

- Prompt leasing of office vacancies and the accrual of variable rent driven by a recovery in hotel business performance.
- Strengthened earnings base by acquiring assets with a public offering and cash in hand.
- Booked a capital gain due to asset reshuffling aimed at upgrading portfolio quality.

< Distribution growth scenario >



* Distribution growth scenario is an indication of the distribution growth image that SHR aims to achieve as of the date of this document, and does not guarantee the maintenance or increase of distributions. It is also subject to change depending on future conditions and other factors.

ESG



ESG initiatives (1) Recent Major Initiatives

Review KPI's based on achievement of targets, changes in the business environment, etc.

▶ Invest in green real estate

- Percentage of portfolio with green certifications (based on total floor area)

70%
(Target year : FY 2030)

➡

70% or more
(Target year : FY 2022)

Bring forward the target date

Achievement **58.2%** (As of the date of this document)

- Status of acquisition of green certifications

- Newly acquired DBJ Green Building Certification (5 residentials)



Sha Maison Stage Yahiro
Sha Maison Stage Kanazawa Nishiizumi
Sha Maison Stage Hino
Sha Maison Stage Hirose-dori



Sha Maison Stage Akihabara

- Up graded DBJ Green Building Certification (3 Stars → 4 Stars)



Prime Maison Gokiso
Prime Maison Yadaminami
Prime Maison Fujimidai

▶ Reduction of CO₂ emissions

- Portfolio CO₂ emissions (intensity) (Target year : FY 2030)

Reduce 20% vs.
FY 2018 levels

➡

Reduce **50%** vs.
FY 2018 levels

Increase in the reduction range

Although the original environmental performance of the properties SHR owns is high and the room for reducing energy consumption is limited, SHR judged that we can revise the target upward by switching to renewable energy electricity.

- Switching to renewable energy electricity

By switching to electricity, CO₂ emissions from the use of electricity at the property can be reduced to virtually zero.

Already switched to renewable energy electricity in 2 office buildings.

(HK Yodoyabashi GA and Hommachi Minami GC)

Switching is scheduled to start in January 2022 in common areas of residentials.

▶ Promote diversity

Plan to propose the selection of a female supervisory director at the general meeting of unitholders scheduled for January 2022. If the proposal is approved as proposed, the ratio of female executives will increase to 33.3%.

The female ratio of SHAM is 28.6% as of this document.

ESG initiatives (2) Disclosure in line with the framework of TCFD

Identify risks and opportunities and analyze using 1.5°C and 4 °C scenarios

Already taken proactive measures to address each risk and impact on our business from both scenarios will be limited

Type		Related to real estate management	Potential Financial Impacts	Classification	financial implications 4°C		financial implications 1.5°C		Countermeasures
					Medium term	Long term	Medium term	Long term	
Transition Risks	Policy and Legal	Enhanced emissions-reporting obligations	Tax burden on GHG emissions of properties	Risk	S	S	M	L	Set reduction targets for GHG emission intensity, and disclose the status of achievement Renovate energy-conservation for properties Encourage to expand sourcing of renewable energy Increasing the percentage of investment in properties with excellent environmental performance by reshuffling Acquire ZEH and ZEB properties
		Enhancement of energy-saving standards	Increase in renovation costs of properties (fines in some cases)	Risk	S	S	M	M	
		Improving competitiveness of properties by complying with laws and regulations	Increase in rental income by attracting residents and tents	Opportunity	S	S	M	L	
	Technology	Evolution and dissemination of re-energy and energy-saving technologies	Increase in the cost of introducing new technologies	Risk	S	S	M	M	Collecting information and introducing new technologies and services to our portfolio Conversion of owned properties to ZEH or ZEB standards
			Reduction of utilities expenses through improved environmental performance	Opportunity	S	S	S	M	
	Market	Decline in asset value of properties	Decrease in NAV	Risk	S	M	M	M	Collecting information in trends in real estate appraisals and responding as appropriate Same as "Policy and Legal"
		Deterioration in procurement conditions due to inadequate responses to climate change	Increase in the cost of raising funds Increase in the capital cost	Risk	S	S	S	S	Improving investor valuation by enhancing information disclosure such as TCFD Promotion of green finance
		Changes in the demand of residents and tenant companies (Select properties that are more responsive to climate change or avoid properties that are not responsive them)	Occupancy and rent increase for properties with excellent environmental performance	Opportunity	S	S	M	L	Identify needs through tenant satisfaction surveys, etc. and implementation of energy-saving renovations Acquire ZEH and ZEB properties Acquire Green Certifications
	Reputation	Decrease of the brand value	Deterioration of relations with stakeholders due to lack of progress in addressing climate change	Risk	S	S	S	M	Maintaining brand image through a solid response to climate change Strengthen collaboration within the Sekisui House Group
Physical Risks	Acute	Damage to the property due to typhoons	Increase in repair and insurance costs	Risk	S	M	S	M	Understand risks through hazard maps, etc. implement BCP measures such as emergency power supply measures and disaster prevention stockpiles Provision of disaster prevention information to tenants Cash flow management in preparation for increasing fire insurance premiums Do not invest in properties with the risk Monitoring of changes in usage due to changes in weather and temperature Implement appropriate air-conditioning management through the operation of high-efficiency air-conditioning equipment and BAS, etc. Through inspection for deterioration of facilities due to and increase in operations
		Inundation and inland flooding due to intensive heavy rains and the destruction of neighboring rivers, etc.	Decrease in rental income due to decrease in occupancy	Risk	S	M	S	M	
	Chronic	Inundation of low sea level properties due to rise in sea level	Increase in countermeasure costs for storm surge damage	Risk	S	M	S	S	
		Air conditioning operation increased due to an increase in extreme events such as hot days and extreme cold days	Increase in air-conditioning operation, maintenance, and repair costs	Risk	S	S	S	S	

* This verification was conducted based on the situation of the properties owned by SHR and other factors, while referring to the scenarios published by the IEA, IPCC, etc., which can be collected at this point in time, and objective forecast data published by other third party specialized organizations, etc. However, there are known or unknown risks and other factors inherent in the information, and the accuracy of the information is not necessarily guaranteed. Please refer to the "ESG Report 2021"

ESG initiatives (3) Materiality, KPI, and achievements

“Reduction of CO₂ emissions” and “Invest in real estate with excellent environmental performance” targets are upwardly revised “Strengthen corporate governance system” is newly established quantitative target

	Materiality	Target (KPI)	Achievements
Environment	Reduction of CO ₂ emissions	• Reduce 50% CO ₂ emissions intensity of portfolio by FY 2030 compared to FY 2018	<ul style="list-style-type: none"> • CO₂ emissions intensity : Reduced 18.8% compared to FY 2018 • Waste emissions intensity : Reduced 50.7% compared to FY 2018 • Water use intensity : Reduced 5.9% compared to FY 2018 • Green certification : 58.2% (As of the date of this document)
	Coexistence of humankind and nature and activities for the resources environment	<ul style="list-style-type: none"> • Advance greenification and respect biodiversity • No increasing waste emission intensity of portfolio compared to FY 2018 • No increasing water use intensity of portfolio compared to FY 2018 	
	Invest in real estate with excellent environmental performance	• Achieve 70% or more of the portfolio with green certification by FY 2022	
Social	Provide residents and tenants with secure and comfortable space that offers peace of mind	<ul style="list-style-type: none"> • Regular surveys on resident and tenant satisfaction • Regular monitoring and disclosing risks of earthquakes and flooding • Regular monitoring of initiatives toward ESG in the supply chain 	<ul style="list-style-type: none"> • Implement measures to improve service in light of satisfaction survey results • Portfolio seismic PML rating : 1.56% (As of the end of Oct. 2021) • Percentage of portfolio with water immersion risk (0.5m or more water immersion) : 46.0% (As of the end of Oct. 2021)
	Contributions to society	<ul style="list-style-type: none"> • As a member of society, contributing to greater vitality in the community and countermeasures aimed at preventing damage from natural and other disasters • Sekisui House Matching Program (a joint donation system for employees and the company) participation rate : 40% by FY 2023 	<ul style="list-style-type: none"> • Introduced disaster prevention facilities, such as damage relief vending machines and AED (automatic external defibrillator), etc. • Introduced Share Bikes and Food Trucks • Provided conference room space for blood donation events • Introduced Sekisui House Matching Program in May 2021
	Create a rewarding workplace	By FY 2023, <ul style="list-style-type: none"> a. Percentage of female managers: 7% b. Average monthly work hours per person: 162 hours c. Annual paid leave take-up rate : 70% d. Take-up rate for male childcare leave: 100% <ul style="list-style-type: none"> • Annual participation in external training events per person : twice • Annual internal training participation rate : 100% • Practicing Sekisui House Group Human Rights Policy 	FY 2020 achievements <ul style="list-style-type: none"> a. Percentage of female managers positions : 3.6% b. Average monthly work hours per person : 166.3 hours c. Annual paid leave take-up rate : 40.5% d. Take-up rate for male childcare leave : not applicable <ul style="list-style-type: none"> • Annual participation in external training events : 1.5 times per person • Annual internal training participation rate : 100%
Governance	Strengthen corporate governance system	<ul style="list-style-type: none"> • Enhance effectiveness of executive committee and board of directors Conducting effectiveness evaluation questionnaire (once/year) • Penetration of compliance Conducting compliance training by external experts etc. (four times/year) participation rate : 100% • Strengthening internal controls structure Conducting Internal Audit (twice/year) • Strengthen risk management system Conducting risk management meeting (twice/year) 	FY 2021 achievements (As of the date of this document) <ul style="list-style-type: none"> • Conducted compliance training by external experts : five times • Conducted Internal Audit : Once • Conducted risk management meeting : Once
	Disclosure to and dialog with stakeholders	<ul style="list-style-type: none"> • Timely and appropriate disclosure of information and enhanced utility of disclosures • Building relationships of trust with stakeholders 	<ul style="list-style-type: none"> • Issuance of ESG report(Japanese ver.) in December 2021 • Participated in online seminars for individual investors • Held non-face-to-face IR meetings with institutional investors

ESG initiatives (4) External Certifications and International Initiatives

GRESB assessment 2021

- Acquired “3 Stars” under the GRESB Real Estate Assessment
- Acquired highest rank “A” under the GRESB Disclosure Assessment



Acquired green certifications

- DBJ Green Building Certification
Acquired “3 stars” or higher in 54 of 55 properties (4 offices and 51 residential)
- Acquired Certification for CASBEE Real Estate for highest rank, “S” (6 office buildings)

PRI (Principles for Responsible Investing)

- SHAM agreed with and ratified the Principles for Responsible Investing (PRI) (March 2019)
- Deepen the initiatives through commitment to the goals set in the PRI



TCFD (The Task Force on Climate-related Financial Disclosures)

- SHAM expressed agreement with TCFD recommendations (July 2020)
- Analyze the risks and opportunities posed by climate change and promote responses in line with TCFD framework



MSCI ESG rating

- Acquired “A” under the MSCI ESG rating, which serves as the selection criterion for MSCI Japan ESG Select Leaders Index (in 2021)

MUFG ESG Rating Certificate for J-REIT Supported by JCR

- SHR and SHAM acquired the highest “S rank”
- Highly praised for reducing CO₂ emissions, collaborating with residents, tenants, tenant companies, and local communities, and thorough compliance awareness

United Nations Global Compact

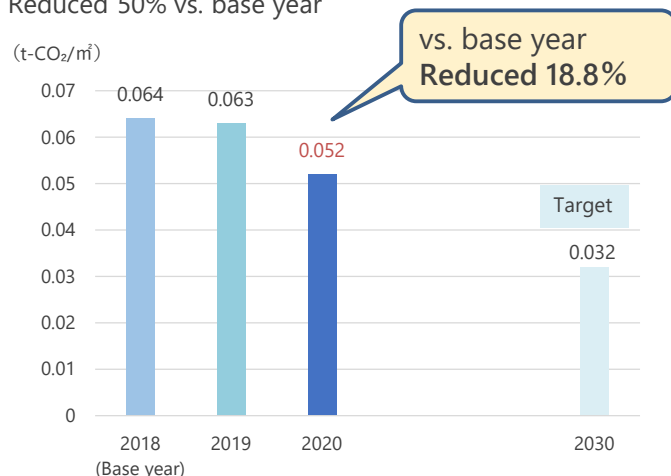
- Sekisui House Group expressed its support for the “Ten Principles of the United Nations Global Compact”

ESG initiatives (5) Environment

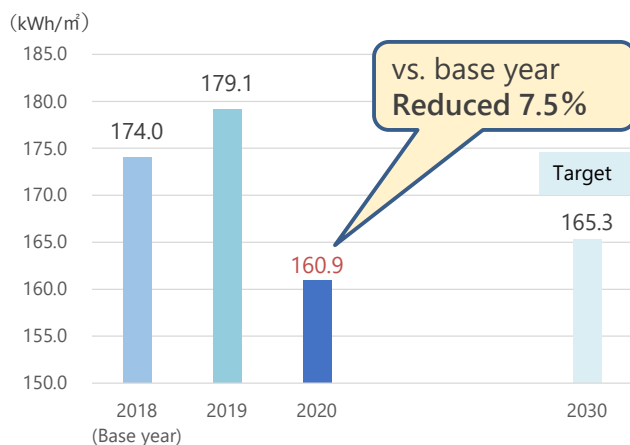
Environment

■ KPI promote status

Portfolio CO₂ emissions intensity
KPI : Reduced 50% vs. base year



Portfolio energy consumption intensity
KPI : Reduced 5% vs. base year



In principle, the policy is to set energy consumption target every 5 years after 2023

■ Initiatives to reduce CO₂ emission

Introduced environmentally friendly features such as solar panels, LED lighting and laminated Low-e double glazed windows, which features insulating and heat-reflecting capabilities.

Total number of introduction of environmental consideration facilities
(As of the end of October 2021)

- Solar panels installed on 7 properties
- LED lighting installed in 62 properties
- Energy efficient air conditioner installed 3,154 units

Effects of installing LED lighting and energy efficient air conditioners on residential portfolio

Expect to reduce annual CO₂ emissions about 6.8% (vs. FY 2018)

Results of switching to renewable energy electricity

- HK Yodoyabashi Garden Avenue From January 2021
- Hommachi Minami Garden City From September 2021

■ Appropriate management of waste materials

Received the following certification and excellence mark from the Osaka city environmental bureau for our excellent performance in promoting the reduction and proper disposal of business waste.

- Hommachi Garden City
Certified "Superior waste reduction building"
- HK Yodoyabashi Garden Avenue
Received "Excellent mark of waste reduction"



ESG initiatives (6) Social and Governance

Social

Contributions to society

Matching employee donations program "Sekisui House Matching Program"

Employees set aside the amount they want from their salaries and Sekisui House adds the same amount of subsidies to make donations. SHAM introduced it from May 2021.



Participation in the Minato-ku Adopt Program

Signed an agreement with Minato-ku, Tokyo, where SHAM's office is located, to regularly conduct cleanup activities around the office through participation in the "Minato-ku Adopt Program"

Tenant safety, comfort and peace of mind

Building certified under the Barrier-free law : Hommachi Minami GC

- First office building in Osaka city to be certified under the Barrier-free law
- Design based on the Building Movement Facilitation Guidance Standard
- Wide corridor width and three wheelchair-accessible parking spaces in the parking lot for wheelchair users



* The Barrier-free law is the law on promotion of smooth transportation for the elderly and persons with disabilities.

Governance

Initiatives that linked to unitholder interests

- Sekisui House ownership of SHR's investment units (same boat investment)

Sekisui House ownership (units) (Percentage of outstanding shares)	200,750 (4.5%)
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- Performance is adopted as part of asset management fee

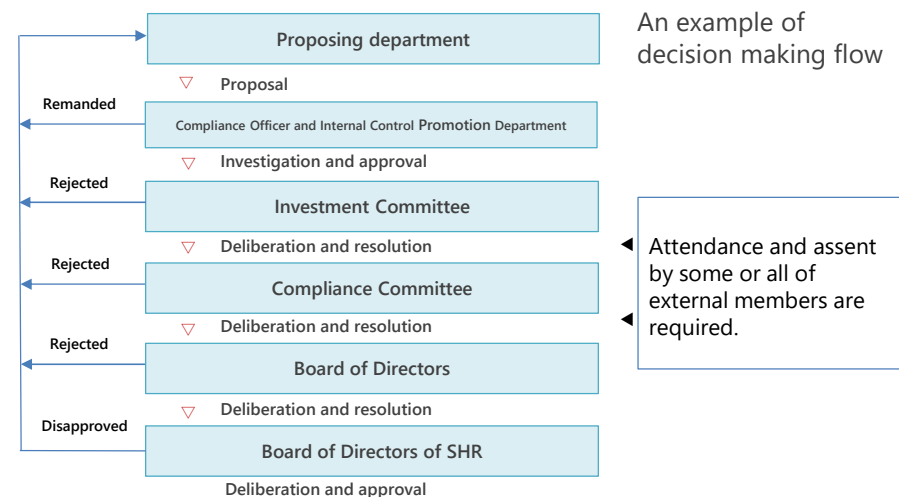
(1) Linked to asset size and investment units performance

Total Assets × (0.14% (annual) + rate of performance versus TSE REIT Index)^{Note 1}

(2) Linked to DPU and operating income

(DPU^{Note 2} × operating Income^{Note 3} × 0.002%) × 2 (split ratio)

Conflicts of interest policy



The investment committee and the compliance committee require the attendance and approval of outside committee members, respectively, to ensure fairness, objectivity, and appropriateness in the committee's decision-making.

Note 1: The rate is fluctuated depending on the performance-comparison of the SHR's investment units and the TSE REIT Index.

Note 2: Calculated as the distributable amount before deduction of Management Fee II divided by the total number of issued investment units.

Note 3: Operating Income before deduction of Management Fee II

Appendix



Balance Sheet

(Unit: JPY thousand)

	FP 13 (April 30, 2021)	FP 14 (October 31, 2021)
Assets		
Current assets		
Cash and deposits	10,572,674	23,040,298
Cash and deposits in trust	19,136,112	15,051,403
Operating accounts receivable	172,760	164,021
Prepaid expenses	240,044	234,965
Other	624	35,114
Allowance for doubtful accounts	(1,914)	(1,914)
Total current assets	30,120,301	38,523,889
Non-current assets		
Property, plant and equipment		
Buildings in trust	176,427,935	172,993,457
Accumulated depreciation	(17,338,960)	(19,081,364)
Buildings in trust, net	159,088,974	153,912,093
Structures in trust	1,598,252	1,570,228
Accumulated depreciation	(247,163)	(270,436)
Structures in trust, net	1,351,088	1,299,791
Machinery and equipment in trust	2,249,222	2,277,190
Accumulated depreciation	(284,113)	(330,564)
Machinery and equipment in trust, net	1,965,109	1,946,626
Vehicles in trust	153	153
Accumulated depreciation	(134)	(153)
Vehicles in trust, net	19	0
Tools, furniture and fixtures in trust	545,942	664,503
Accumulated depreciation	(118,298)	(158,552)
Tools, furniture and fixtures in trust, net	427,644	505,950
Land in trust	359,142,655	355,167,709
Total property, plant and equipment	521,975,492	512,832,171
Intangible assets		
Leasehold rights in trust	2,399,470	2,374,044
Other	3,941	3,361
Total intangible assets	2,403,411	2,377,406
Investments and other assets		
Lease and guarantee deposits	790,715	801,516
Long-term prepaid expenses	596,753	564,888
Other	458,272	358,970
Total investments and other assets	1,845,740	1,725,376
Total non-current assets	526,224,644	516,934,954
Deferred assets		
Investment corporation bond issuance costs	131,998	136,439
Investment unit issuance costs	92,328	49,715
Total deferred assets	224,326	186,154
Total assets	556,569,273	555,644,998

	FP 13 (April 30, 2021)	FP 14 (October 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	706,342	1,071,071
Short-term loans payable	3,000,000	–
Current portion of investment corporation bonds	–	3,000,000
Current portion of long-term loans payable	35,590,000	39,230,000
Accounts payable – other	1,184,669	1,502,916
Accrued expenses	192,116	201,082
Income taxes payable	583	582
Accrued consumption taxes	229,907	492,221
Advances received	686,522	688,358
Derivative debt	50,169	37,980
Other	88,569	57,492
Total current liabilities	41,728,880	46,281,705
Non-current liabilities		
Investment corporation bonds	32,500,000	31,500,000
Long-term loans payable	181,852,000	176,212,000
Tenant leasehold and security deposits in trust	14,118,413	13,950,345
Derivative debt	123,070	49,396
Other	26,510	8,783
Total non-current liabilities	228,619,994	221,720,526
Total liabilities	270,348,874	268,002,231
Net assets		
Unitholders' equity		
Unitholders' capital	149,210,081	149,210,081
Surplus		
Capital surplus	128,598,415	128,598,415
Voluntary retained earnings		
Reserve for reduction entry	649,425	726,488
Reserve for temporary difference adjustments	832,707	675,138
Total voluntary retained earnings	1,482,132	1,401,626
Unappropriated retained earnings	7,103,009	8,520,020
Total surplus	137,183,557	138,520,062
Total unitholders' equity	286,393,638	287,730,143
Valuation and translation adjustments		
Deferred hedging gain/loss	(173,239)	(87,376)
Total of valuation and translation adjustments	(173,239)	(87,376)
Total net assets	286,220,398	287,642,766
Total liabilities and net assets	556,569,273	555,644,998

* As of the date of this document, audit procedures for the financial documents based on the Act on Investment Trusts and Investment Corporations have been completed but audit procedures for the financial statements based on the Financial Instruments and Exchange Act have yet to be completed.

Statement of Income and Retained Earnings

(Unit: JPY thousand)

	FP 13 From November 1, 2020 to April 30, 2021	FP 14 From May 1, 2021 to October 31, 2021
Operating revenue		
Rent revenue – real estate	14,537,588	14,065,955
Other lease business revenue	387,419	408,122
Gain on sale of real estate properties	130,080	2,817,273
Total operating revenue	15,055,088	17,291,351
Operating expenses		
Expenses related to rent business	5,706,053	5,769,153
Loss on sale of real estate properties	–	364,362
Asset management fees	1,029,670	1,308,717
Asset custody fees	10,368	10,398
Administrative service fees	48,207	48,320
Directors' compensation	3,600	3,600
Provision of allowance for doubtful accounts	284	–
Other operating expenses	267,820	373,112
Total operating expenses	7,066,004	7,877,666
Operating income	7,989,083	9,413,685
Non-operating income		
Interest income	143	147
Reversal of distribution payable	915	649
Total non-operating income	1,059	797
Non-operating expenses		
Interest expenses	640,664	647,886
Interest expenses on investment corporation bonds	72,701	77,935
Borrowing related expenses	113,927	107,191
Amortization of investment unit issuance costs	42,613	42,613
Amortization of investment corporation bond issuance costs	14,202	15,183
Other	2,419	3,046
Total non-operating expenses	886,528	893,857
Ordinary income	7,103,614	8,520,625
Income before income taxes	7,103,614	8,520,625
Income taxes – current	605	605
Total income taxes	605	605
Net Income	7,103,009	8,520,020
Unappropriated retained earnings	7,103,009	8,520,020

* As of the date of this publication, audit procedures for the financial documents based on the Act on Investment Trusts and Investment Corporations have been completed but audit procedures for the financial statements based on the Financial Instruments and Exchange Act have yet to be completed.

Trends of Major Management Indexes

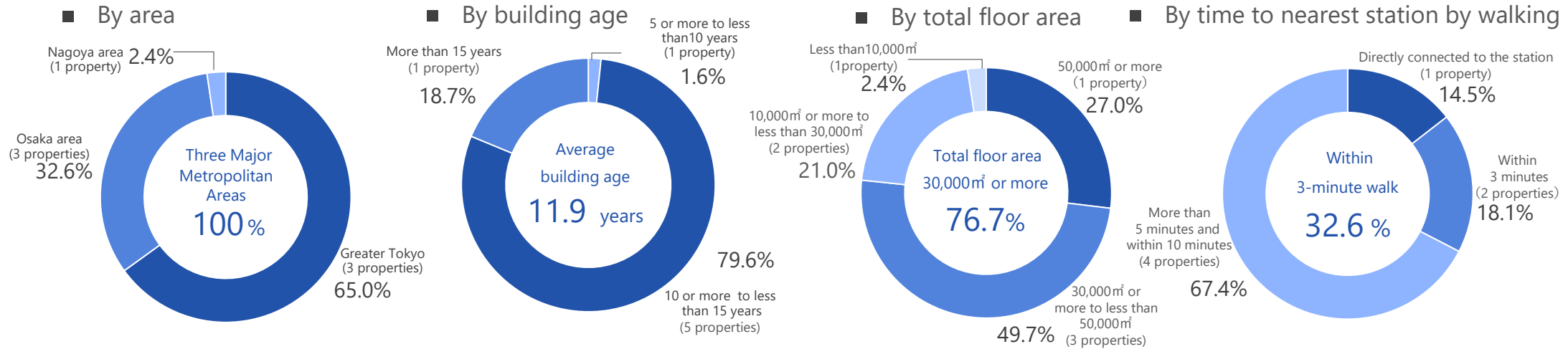
Fiscal Period Month/Year		FP10 Oct. 2019	FP11 Apr. 2020	FP12 Oct. 2020	FP13 Apr. 2021	FP14 Oct. 2021
Operating days	days	184	182	184	181	184
Profit from real estate leasing business	JPY million	13,879	14,590	14,826	14,925	14,474
Gain and loss on sale of real estate properties	JPY million	804	—	—	130	2,452
Leasing NOI	JPY million	11,123	11,630	11,610	11,687	11,160
Depreciation	JPY million	2,369	2,413	2,444	2,468	2,455
Net Income	JPY million	7,405	6,991	6,992	7,103	8,520
Capital Expenditures	JPY million	826	650	591	654	727
Total assets	JPY million	547,989	553,988	554,067	556,569	555,644
Total interest-bearing liabilities	JPY million	244,242	249,942	249,942	252,942	249,942
LTV (total asset basis)	%	44.6	45.1	45.1	45.4	45.0
LTV based on appraisal value	%	39.4	39.7	39.6	39.4	38.7
Net assets	JPY million	286,192	286,323	286,259	286,220	287,642
Total Distributions	JPY million	6,994	7,140	7,226	7,183	7,732
ROE (annualized)	%	5.5	4.9	4.8	5.0	5.9
DSCR (Debt service coverage ratio)	times	11.9	12.3	12.7	13.3	12.1
FFO (Funds from operations)	JPY million	8,971	9,405	9,438	9,441	8,523
AFFO (Adjusted funds from operations)	JPY million	8,145	8,755	8,847	8,787	7,796
FFO pay out ratio	%	78.0	75.9	76.6	76.1	90.7
Total number of investment units issued	units	4,288,666	4,288,666	4,288,666	4,288,666	4,288,666
Net asset per unit	JPY	66,732	66,762	66,747	66,738	67,070
NAV per unit	JPY	81,958	82,738	83,169	85,064	86,323
Net Income per unit	JPY	1,775	1,630	1,630	1,656	1,986
DPU (Distributions per unit)	JPY	1,631	1,665	1,685	1,675	1,803
FFO per unit	JPY	2,091	2,193	2,200	2,201	1,987
Reversal of internal reserve	JPY million	364	149	233	184	408
Reversal of RTA	JPY million	364	119	136	157	70
Reserve for Internal reserve	JPY million	775	—	—	103	1,195
Internal reserve at the end of the period (after cash distributions paid)	JPY million	1,864	1,715	1,482	1,401	2,189
Period-end investment unit price (closing price)	JPY	99,900	66,000	73,000	91,000	86,200
Implied cap rate (based on period-end investment unit price)	%	3.3	4.5	4.2	3.8	3.7
Number of owned properties at period-end	units	119	121	121	123	117
Total acquisition price	JPY million	527,065	532,910	532,910	535,838	527,786
Total appraisal value	JPY million	593,054	600,583	600,728	610,153	605,508
Unrealized capital gains	JPY million	72,294	75,653	77,652	85,777	90,301
Unrealized capital gains as a percentage of portfolio value	%	13.9	14.4	14.8	16.4	17.5

- Leasing NOI = Property-related operating revenue - Property-related operating expenses + Depreciation
- Total asset LTV = Total interest-bearing liabilities ÷ Total asset × 100
- LTV based on appraisal value = Total interest-bearing liabilities ÷ Total appraisal value × 100
- ROE = Net Income ÷ [(Net assets at beginning of the period + Net assets at end of period) ÷ 2] × 100
- DSCR = (Ordinary income + interest expenses on borrowing and corporation bond + depreciation +/- Gains or losses from the sale of real estate properties, etc.) ÷ interest expense

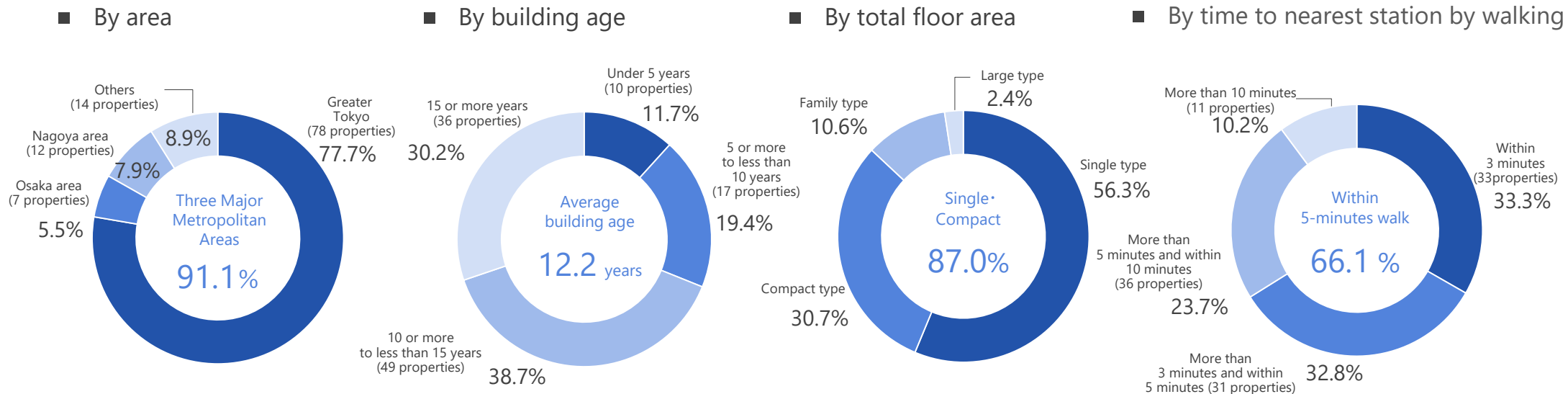
- FFO = Net Income + Depreciation +/- Gains or losses from the sale of real estate properties, etc. +/- extraordinary income or losses
- AFFO = FFO - Capital Expenditure
- FFO Pay out ratio = Total Distribution ÷ FFO
- NAV per unit = (Net assets at end of period + Unrealized capital gain - Total Distribution) ÷ Total number of investment
- Net Income per unit = Net Income ÷ Investment units on a weighted average based on the number of days
- Implied cap rate = NOI (annualized) ÷ (Market capitalization at end of each period + Interest-bearing liabilities + Refundable deposits held in trust - Cash deposits)

Portfolio Structures by Asset Types

► Diversification of the office portfolio (Acquisition price base)



► Diversification of the residential portfolio (After acquisition of the Assets to be Acquired, ((Planned) Acquisition price base), By room types is "number of room" base)

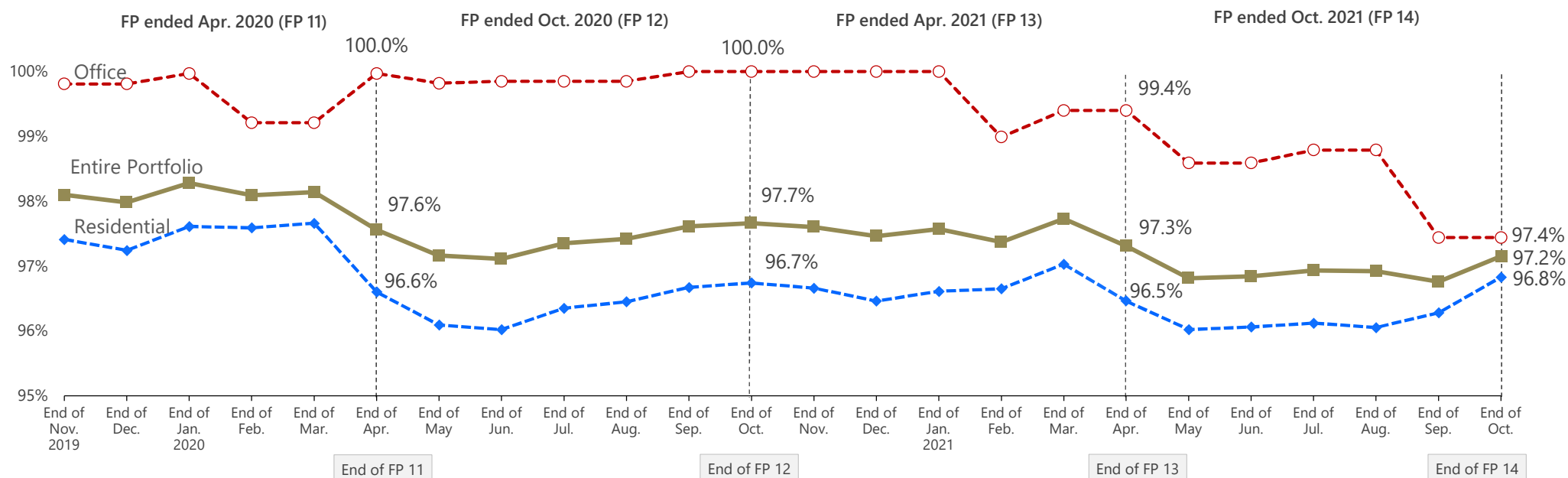


* Diversification by room types is calculated excluding retail, offices, and residential building leased as entire building or subleased.

* By building age calculated as of February 1, 2022.

Occupancy Rate by Asset Type

Monthly Trends in Occupancy Rates by Asset type



Occupancy rate by asset type

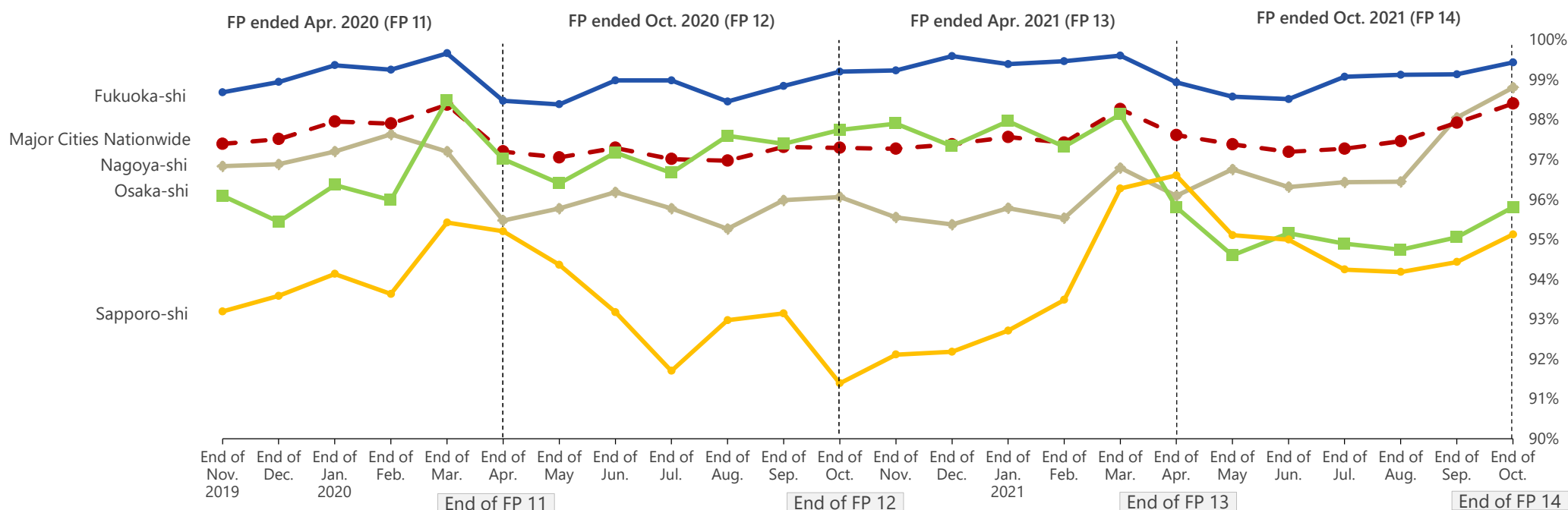
	FP ended Apr. 2020 (FP 11)			FP ended Oct. 2020 (FP 12)			FP ended Apr. 2021 (FP 13)			FP ended Oct. 2021 (FP 14)		
	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest
Office	100.0%	99.7%	End of Jan./Apr. 100.0%	100.0%	99.9%	End of Sep./Oct. 100.0%	99.4%	99.6%	End of Nov./Dec./Jan. 100.0%	97.4%	98.3%	End of July./Aug. 98.8%
Residential	96.6%	97.4%	End of Mar. 97.7%	96.7%	96.4%	End of Oct. 96.7%	96.5%	96.6%	End of Mar. 97.0%	96.8%	96.2%	End of Oct. 96.8%
Hotels	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Entire portfolio	97.6%	98.0%	End of Jan. 98.3%	97.7%	97.4%	End of Oct. 97.7%	97.3%	97.5%	End of Mar. 97.7%	97.2%	96.9%	End of Oct. 97.2%

* The occupancy rate in the above graph records the ratio of the total leased area of the total leasable area of operating assets that belong to the asset type for SHR as of the end of each month from November 2019 to October 2021.

* Occupancy rate of Hotels is 100% as each hotels is leased as entire building. It is difference between that in business.

Residential Portfolio Status (Occupancy rate by area)

Monthly trends of occupancy rate by area



Occupancy rate by area

	FP ended Apr. 2020 (FP 11)		FP ended Oct. 2020 (FP 12)		FP ended Apr. 2021 (FP 13)		FP ended Oct. 2021 (FP 14)	
	Average rate during the period	The rate at the end of the Period	Average rate during the period	The rate at the end of the Period	Average rate during the period	The rate at the end of the Period	Average rate during the period	The rate at the end of the Period
Greater Tokyo	97.1%	96.2%	95.9%	96.4%	96.0%	95.6%	95.2%	95.7%
Tokyo 23 wards	96.9%	95.8%	95.4%	96.0%	95.6%	95.2%	94.8%	95.3%
Major Cities Nationwide	97.7%	97.2%	97.2%	97.3%	97.6%	97.6%	97.6%	98.4%
Nagoya-shi	96.9%	95.5%	95.8%	96.1%	95.9%	96.1%	97.1%	98.8%
Osaka-shi	96.6%	97.0%	97.2%	97.7%	97.4%	95.8%	95.0%	95.8%
Fukuoka-shi	99.1%	98.5%	98.8%	99.2%	99.4%	98.9%	99.0%	99.4%
Sapporo-shi	94.2%	95.2%	92.8%	91.4%	93.9%	96.6%	94.7%	95.1%
Entire Area	97.4%	96.6%	96.4%	96.7%	96.6%	96.5%	96.2%	96.8%

Residential : Rent Trends by Area

Rent Trends by Investment Area (Unit Rent per tsubo)

Based on the residential held from the end of FP 13 to the end of FP 14

	FP ended April 2021 (end of FP 13)		FP ended October 2021 (end of FP 14)		Change	
	(A)		(B)		(B) – (A)	((B)-(A))/(A)
Greater Tokyo	JPY	13,753 / tsubo	JPY	13,770 / tsubo	+ JPY 17 / tsubo	+ 0.1 %
Tokyo 23 Wards	JPY	14,081 / tsubo	JPY	14,097 / tsubo	+ JPY 16 / tsubo	+ 0.1 %
Others	JPY	10,982 / tsubo	JPY	11,037 / tsubo	+ JPY 55 / tsubo	+ 0.5 %
Major Cities Nationwide	JPY	7,062 / tsubo	JPY	7,069 / tsubo	+ JPY 7 / tsubo	+ 0.1 %
Total	JPY	11,800 / tsubo	JPY	11,792 / tsubo	JPY (8) / tsubo	(0.1) %

Rent Trends in New Contracts by Investment Area and Building Age

FP ended October 2021 (end of FP 14)

	Number of new contracts		Change in rent (net)	Ratio of change in rent
By Area				
Greater Tokyo	638	+ JPY	1,098 thousand	+ 1.1 %
Tokyo 23 Wards	571	+ JPY	983 thousand	+ 1.1 %
Others	67	+ JPY	115 thousand	+ 1.6 %
Major Cities Nationwide	196	JPY	(24) thousand	(0.1) %
Total	834	+ JPY	1,073 thousand	+ 0.9 %
Less than 5 years	52	JPY	(168) thousand	(1.5) %
5 years or more to less than 10 years	131	JPY	(162) thousand	(0.8) %
10 years or more to less than 15 years	263	+ JPY	1,084 thousand	+ 2.7 %
More than 15 years	125	+ JPY	229 thousand	+ 1.2 %
Total	571	+ JPY	983 thousand	+ 1.1 %

Rent Gap

Based on the residential held as of the end of FP 14
(Target units for which market rent has not been achieved)

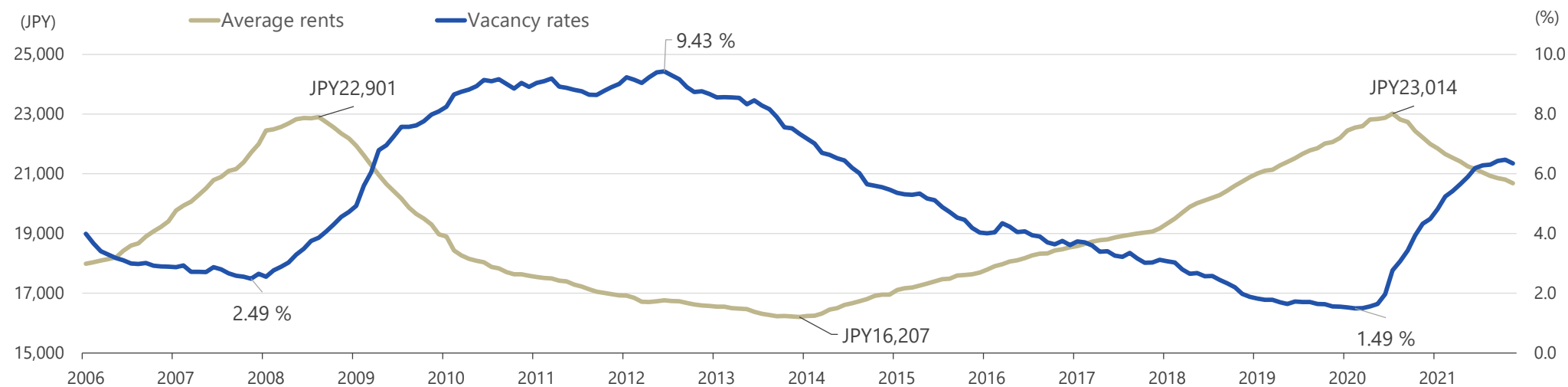
	Rent Gap
Greater Tokyo	4.6 % lower
Tokyo 23 Wards	4.6 % lower
Others	4.1 % lower
Major Cities Nationwide	4.5 % lower
Total	4.6 % lower

* Unit rent per tsubo and change in rent (net) excluding stores and offices in residential, as well as the rent of residential in which fixed-rent master lease agreements have been concluded and which are leased to specific end tenants collectively for a long time are not included in calculating the above figures.

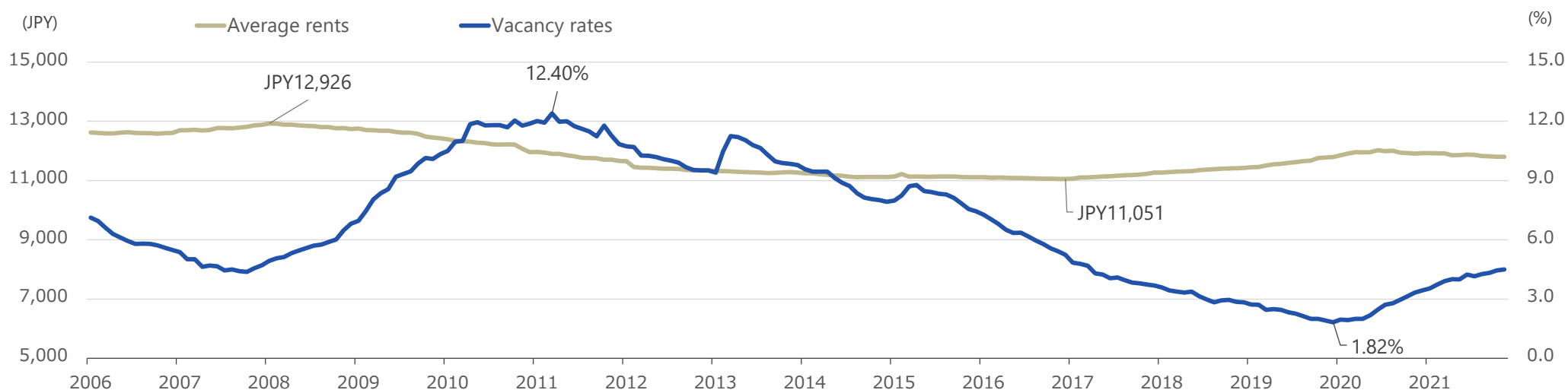
* Building age is categorized the years of construction as of the FP ended October 2021 (FP 14).

Trends in Office Market (Tokyo•Osaka)

Average rents and vacancy rates in Tokyo's business districts



Average rents and vacancy rates in Osaka's business districts



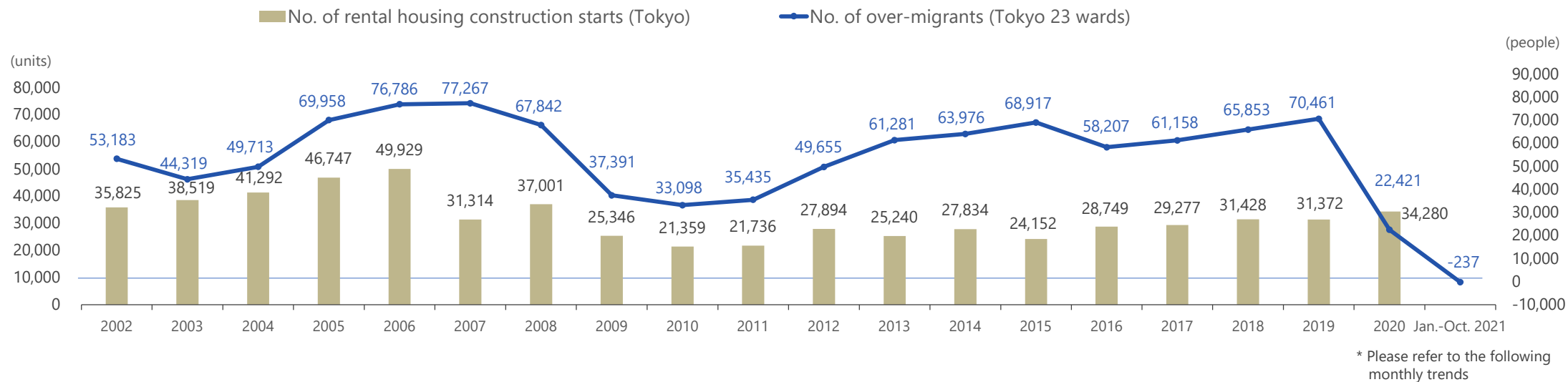
* Information on "Average rents and vacancy rates in Tokyo's business districts" "Average rents and vacancy rates in Osaka's business districts" are prepared by SHAM based on Office Market Data by Miki Shoji Co., Ltd.

* Tokyo's business districts : 5 wards of central Tokyo (Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shibuya-ku)

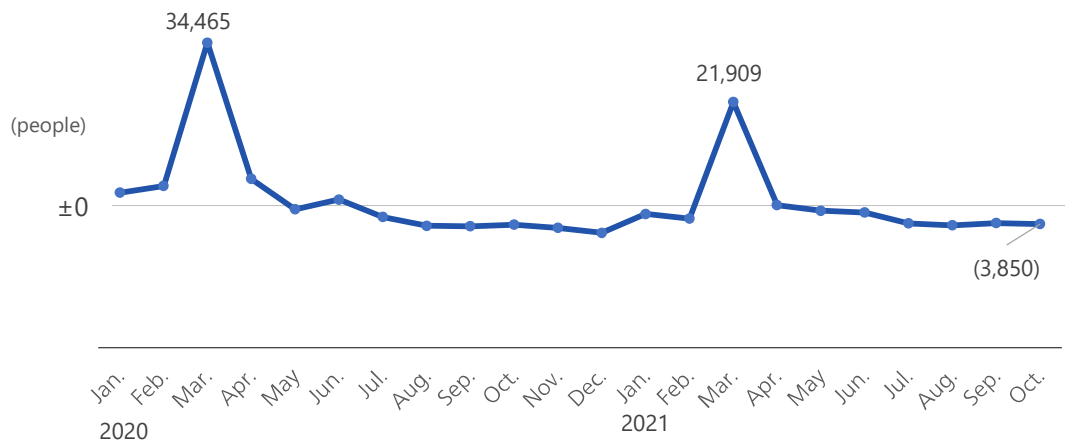
* Osaka's business districts : Major 6 districts (Umeda district, Minamimorimachi district, Yodoyabashi・Hommachi district, Funaba district, Shinsaibashi・Namba district, Shin-Osaka district)

Status of Residential Market (Tokyo 23 Wards)

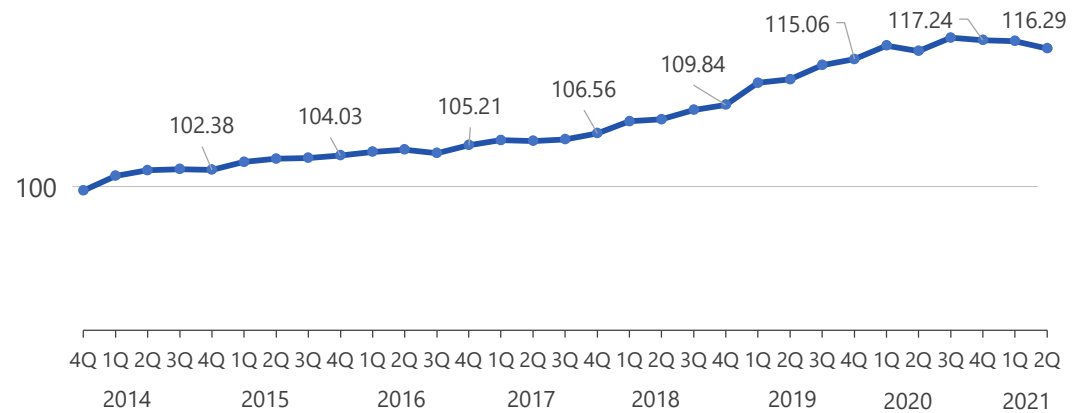
Population change (Tokyo 23 wards/Japanese/Yearly) and new rental housing starts (units) (Tokyo/Yearly)



Population change (Tokyo 23 wards/Japanese/Monthly)



Apartment rent index (Tokyo 23 wards/Quarter)



* New rental housing starts (units) information is prepared by SHAM based on Housing Starts Statistics from Construction Research and Statistics Office, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism.

* Population change information is prepared by SHAM based The Report on Internal Migration in Japan Derived from the Basic Resident Registration, published by the Statistics Bureau, Ministry of Internal Affairs and Communications.

* The apartment rent index is prepared by SHAM based on the Apartment Rent Index, published by At Home Co., Ltd. and Sumitomo Mitsui Trust Research Institute Co., Ltd. The apartment rent index (for living space of 18m² up to less than 100m²) uses values as of Q4 2013 as 100.

Portfolio Development Policy

■ Portfolio composition by asset type

Building the residential of bases sustainable living and office of sustainable bases of operation as core assets of portfolio.

Asset type	Specific examples of asset type	Percentage of portfolio (based on acquisition price)	Mid- to long-term target for portfolio composition*	After acquisition of the Asset to be Acquired
Core assets				
Office	Office Data center	30~55%	About 45%	47.3%
Residential	Residential Student and corporate dormitories	30~55%	About 45%	45.7%
Hotels	Hotels	0~30%	About 15% (Hotels at about 10%)	7.0%
Retail, etc.	Retail Serviced apartments Senior assets (Serviced apartments for seniors, Private nursing homes, Day care centers)	0~10%		—

* Represents approximate guidelines for portfolio composition to target over the mid- to long-term. Does not represent a guarantee or commitment to reach the composition targets, and actual portfolio composition may differ substantially.

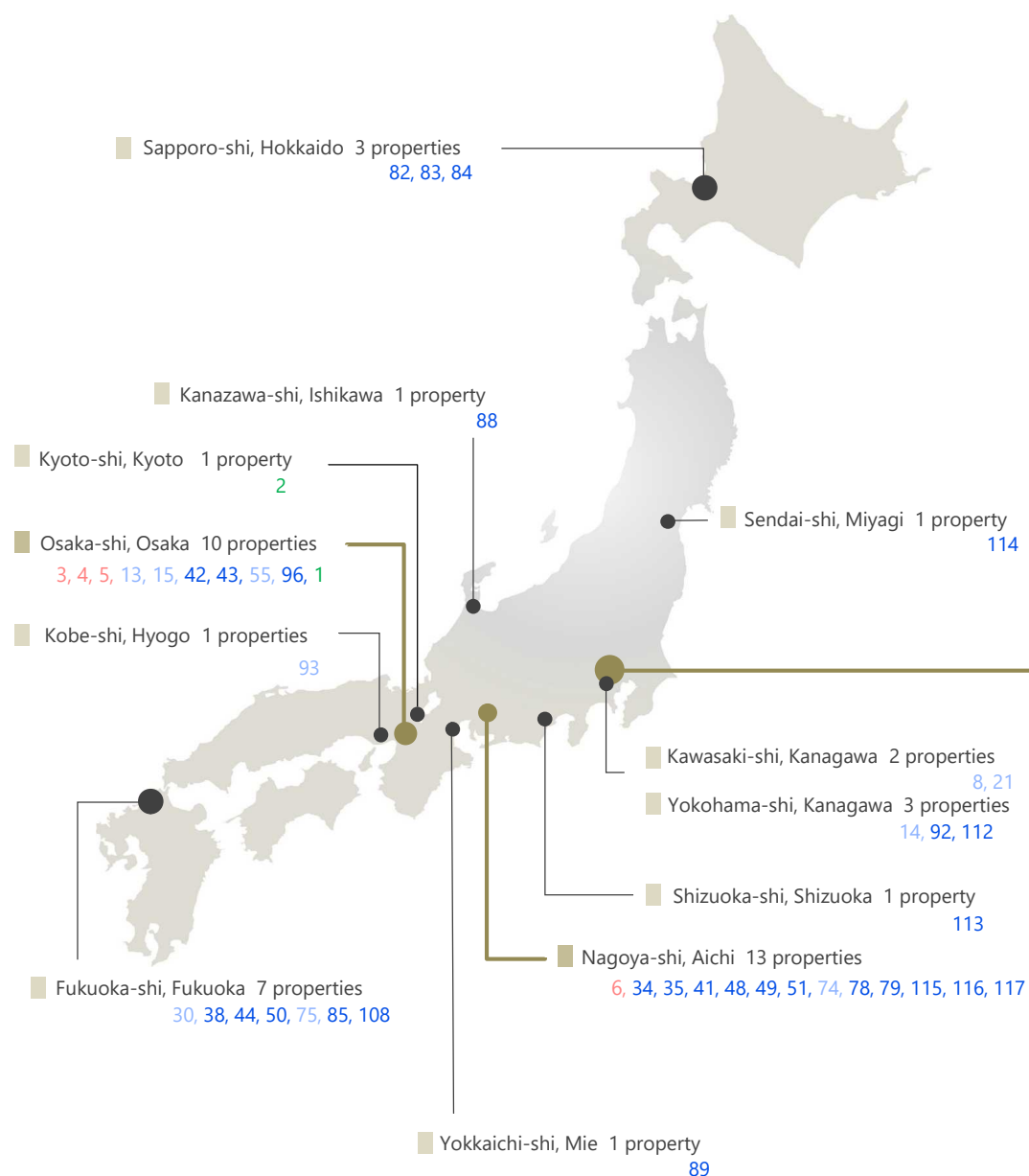
■ Investment geography by asset type

Asset type	Priority geography	Portfolio composition by geography (based on acquisition price)	After acquisition of the Asset to be Acquired
Office, Hotels, Retail, etc.	Three major metropolitan areas (Greater Tokyo, Osaka, Nagoya)	80% or more	100.0%
Residential	Greater Tokyo	70% or more	77.7%

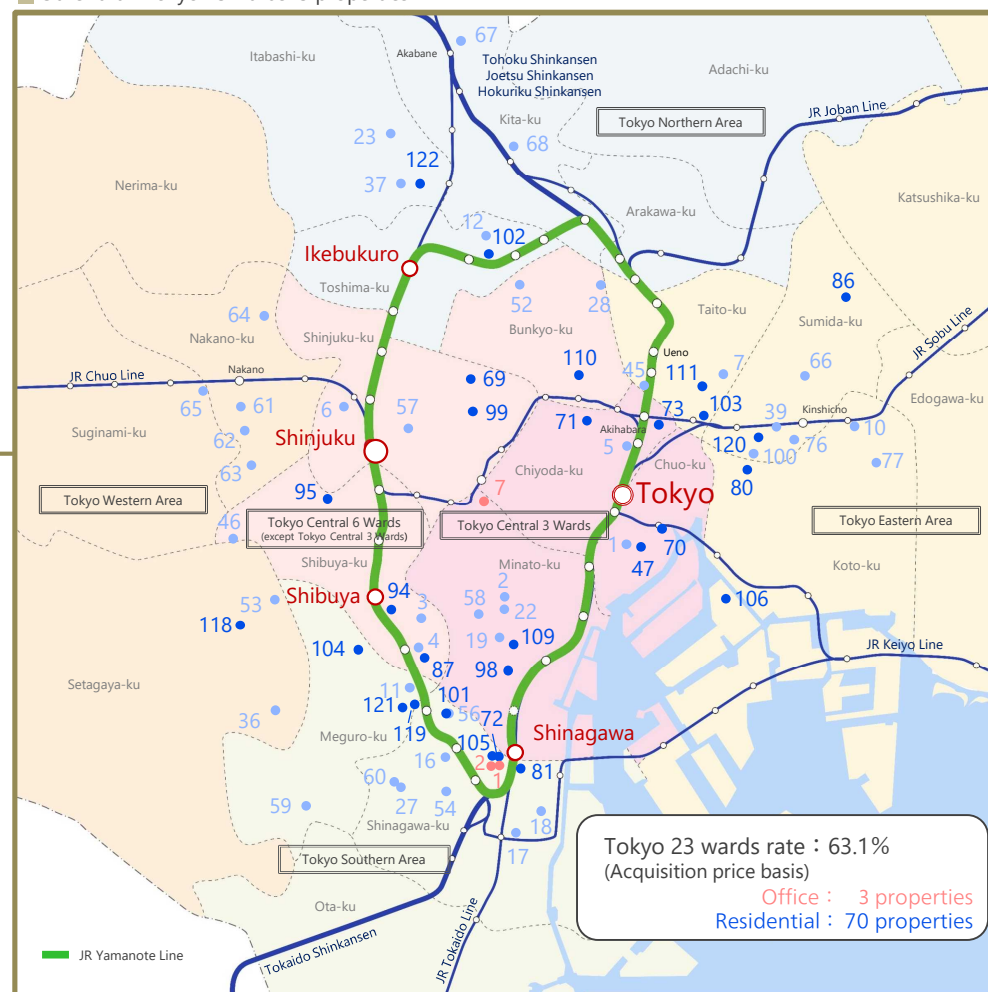
Portfolio MAP

(After acquisition of the Assets to be Acquired)

Total 119 properties



■ Tokyo 23 wards 73 properties
■ Other than Tokyo 23 wards 3 properties 33, 40, 91



No. : Office
No. : Hotels
No. : Residential (Acquisition from Sekisui House Group)
No. : Residential (Acquisition from third-parties)

The numbers on the map represent the property number.

Portfolio List (1)

Overview of Portfolio

Asset type	Number of properties	Number of PP	PP ratio (%) (Acquisition price base)	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate (%)	Average building age
Office	7	7	100.0	245,500	46.5	126,712.51	97.4	11.3
Residential	109	84	82.7	242,966	46.0	381,528.32	96.8	12.5
Hotels	2	2	100.0	39,320	7.4	29,589.06	100.0	9.6
Total	117	92	92.0	527,786	100.0	537,829.89	97.2	11.8

Owned Properties

Property No.	pp	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate (%)	Completion date
O-001	★	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.6	38,577.99	95.5	Feb. 2011
O-002	★	Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.8	19,999.97	100.0	Feb. 2011
O-003	★	Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	8.3	29,657.53	100.0	Feb. 2011
O-004	★	Hommachi Garden City (Office portion)	Osaka-shi, Osaka	38,600	7.3	17,006.94	100.0	May 2010
O-005	★	HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8	4,554.52	100.0	Jul. 2015
O-006	★	Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.2	4,442.75	100.0	Mar. 2011
O-007	★	Akasaka Garden City	Minato-ku, Tokyo	28,700	5.4	12,472.81	87.8	Jan. 2006
Office Subtotal				245,500	46.5	126,712.51	97.4	
R-001	★	Esty Maison Ginza	Chuo-ku, Tokyo	6,540	1.2	5,515.43	95.7	Feb. 2005
R-002	★	Esty Maison Azabunagasaka	Minato-ku, Tokyo	1,790	0.3	2,019.10	90.3	Jan. 2004
R-003	★	Esty Maison Ebisu II	Shibuya-ku, Tokyo	2,040	0.4	2,062.10	96.8	Jun. 2003
R-004	★	Esty Maison Ebisu	Shibuya-ku, Tokyo	873	0.2	781.02	92.1	Oct. 2004
R-005	★	Esty Maison Kanda	Chiyoda-ku, Tokyo	1,610	0.3	1,706.54	94.8	Feb. 2004
R-006	★	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	1,590	0.3	1,881.19	92.2	Aug. 2004
R-007	★	Esty Maison Asakusakomagata	Taito-ku, Tokyo	2,190	0.4	2,978.28	97.4	Jul. 2004
R-008		Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	2,400	0.5	3,741.01	96.7	Jul. 2004
R-010	★	Esty Maison Kameido	Koto-ku, Tokyo	1,580	0.3	2,279.21	94.9	Nov. 2005
R-011	★	Esty Maison Meguro	Meguro-ku, Tokyo	1,060	0.2	1,070.13	92.4	Nov. 2005
R-012		Esty Maison Sugamo	Toshima-ku, Tokyo	1,630	0.3	2,619.17	97.1	Feb. 2007
R-013	★	Esty Maison Kyobashi	Osaka-shi, Osaka	2,970	0.6	4,613.04	94.7	Mar. 2006
R-014		Esty Maison Hakuraku	Yokohama-shi, Kanagawa	931	0.2	1,285.83	100.0	Feb. 2006
R-015	★	Esty Maison Minamihorie	Osaka-shi, Osaka	1,060	0.2	1,804.48	98.4	Feb. 2007
R-016	★	Esty Maison Gotanda	Shinagawa-ku, Tokyo	3,110	0.6	3,871.15	96.8	Mar. 2006
R-017	★	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	2,720	0.5	2,979.85	94.7	Aug. 2006
R-018		Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	2,050	0.4	2,602.30	96.5	Jun. 2006

(As of the end of October, 2021)

Property No.	pp	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate (%)	Completion date
R-019	★	Esty Maison Minamiazabu	Minato-ku, Tokyo	1,250	0.2	1,082.12	90.4	Aug. 2006
R-021		Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	1,910	0.4	2,824.86	94.3	Feb. 2007
R-022		Esty Maison Azabujuban	Minato-ku, Tokyo	2,690	0.5	1,755.31	98.3	Feb. 2007
R-023		Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	937	0.2	1,274.49	98.5	Feb. 2007
R-027		Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	1,050	0.2	1,176.78	98.3	Nov. 2007
R-028	★	Esty Maison Sendagi	Bunkyo-ku, Tokyo	698	0.1	897.30	94.9	Jan. 2008
R-030	★	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	2,400	0.5	9,106.08	99.5	Nov. 2007
R-033	★	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	1,850	0.4	3,924.58	98.6	Dec. 2007
R-034	★	Prime Maison Higashisakura	Nagoya-shi, Aichi	1,500	0.3	3,118.11	98.5	Feb. 2008
R-035	★	Prime Maison Kayabakoen	Nagoya-shi, Aichi	801	0.2	2,163.98	100.0	Nov. 2006
R-036	★	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	785	0.1	894.64	100.0	Jan. 2008
R-037	★	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	2,560	0.5	4,036.66	94.1	Mar. 2008
R-038	★	Sha Maison Stage Hakata	Fukuoka-shi, Fukuoka	2,360	0.4	9,614.80	100.0	Jan. 2005
R-039	★	Esty Maison Kinshicho	Sumida-ku, Tokyo	1,260	0.2	1,611.54	100.0	Sep. 2006
R-040	★	Esty Maison Musashikoganei	Koganei-shi, Tokyo	1,790	0.3	2,275.24	99.0	Feb. 2005
R-041	★	Prime Maison Gokiso	Nagoya-shi, Aichi	1,950	0.4	4,427.65	98.3	Oct. 2008
R-042	★	Prime Maison Yuhigaoka	Osaka-shi, Osaka	909	0.2	2,040.35	96.4	Feb. 2007
R-043	★	Prime Maison Kitatanabe	Osaka-shi, Osaka	601	0.1	1,798.97	93.2	Jun. 2006
R-044	★	Prime Maison Momochihama	Fukuoka-shi, Fukuoka	1,940	0.4	7,514.76	100.0	Feb. 1996
R-045	★	Esty Maison Akihabara	Taito-ku, Tokyo	1,930	0.4	2,324.65	94.9	Feb. 2006
R-046		Esty Maison Sasazuka	Shibuya-ku, Tokyo	3,340	0.6	3,701.70	97.5	Sep. 2004
R-047	★	Prime Maison Ginza East	Chuo-ku, Tokyo	6,250	1.2	6,177.20	90.9	Feb. 2006
R-048	★	Prime Maison Takami	Nagoya-shi, Aichi	1,050	0.2	2,016.79	100.0	Aug. 2008
R-049	★	Prime Maison Yadaminami	Nagoya-shi, Aichi	812	0.2	2,168.59	100.0	Jul. 2007
R-050	★	Prime Maison Teriha	Fukuoka-shi, Fukuoka	1,260	0.2	6,728.20	100.0	Aug. 2005
R-051	★	Esty Maison Higashishirakabe	Nagoya-shi, Aichi	1,580	0.3	4,014.07	100.0	Feb. 2006
R-052	★	Esty Maison Sengoku	Bunkyo-ku, Tokyo	1,360	0.3	1,498.13	88.1	Aug. 2009
R-053	★	Esty Maison Daizawa	Setagaya-ku, Tokyo	2,270	0.4	2,352.90	98.8	Feb. 2010
R-054		Esty Maison Togoshi	Shinagawa-ku, Tokyo	1,770	0.3	1,943.17	96.8	Jun. 2009
R-055	★	Esty Maison Nishitemma	Osaka-shi, Osaka	1,680	0.3	2,877.90	93.9	Nov. 2007
R-056	★	Esty Maison Shirokanedai	Shinagawa-ku, Tokyo	2,400	0.5	2,675.11	93.9	Sep. 2003
R-057	★	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	1,680	0.3	1,889.50	96.0	Apr. 2009
R-058	★	Esty Maison Motoazabu	Minato-ku, Tokyo	1,540	0.3	1,199.86	100.0	Nov. 2009
R-059		Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	861	0.2	1,035.78	96.0	Feb. 2009
R-060	★	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	1,030	0.2	1,073.59	97.8	May 2009
R-061		Esty Maison Nakano	Nakano-ku, Tokyo	1,870	0.4	2,023.72	98.9	Jun. 2009
R-062		Esty Maison Shinnakano	Nakano-ku, Tokyo	1,020	0.2	1,107.57	91.6	Oct. 2009

Portfolio List (2)

(As of the end of October, 2021)

Property No.	pp	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m ²)	Occupancy rate (%)	Completion date
R-063		Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	984	0.2	1,299.60	94.4	Feb. 2009
R-064		Esty Maison Tetsugakudo	Nakano-ku, Tokyo	1,160	0.2	1,531.89	97.0	Oct. 2009
R-065		Esty Maison Koenji	Suginami-ku, Tokyo	1,160	0.2	1,527.52	96.7	Mar. 2009
R-066	★	Esty Maison Oshiage	Sumida-ku, Tokyo	2,490	0.5	3,180.90	98.3	Apr. 2010
R-067	★	Esty Maison Akabane	Kita-ku, Tokyo	3,290	0.6	4,302.84	97.6	Nov. 2009
R-068		Esty Maison Oji	Kita-ku, Tokyo	1,650	0.3	2,289.44	95.5	Jul. 2010
R-069	★	Prime Maison Waseda	Shinjuku-ku, Tokyo	1,580	0.3	1,650.66	89.3	Nov. 2012
R-070	★	Prime Maison Hatchobori	Chuo-ku, Tokyo	1,460	0.3	1,382.32	91.2	Nov. 2012
R-071	★	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	1,960	0.4	1,819.90	97.3	Mar. 2013
R-072	★	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	2,910	0.6	2,512.91	95.9	Jan. 2011
R-073	★	Sha Maison Stage Akihabara	Chiyoda-ku, Tokyo	555	0.1	803.36	100.0	Oct. 2006
R-074	★	Esty Maison Aoi	Nagoya-shi, Aichi	2,460	0.5	4,809.68	93.4	Oct. 2007
R-075	★	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	2,430	0.5	5,213.51	98.1	Feb. 2006
R-076	★	Esty Maison Kinshicho II	Sumida-ku, Tokyo	8,250	1.6	9,469.65	96.2	Jan. 2008
R-077	★	Esty Maison Ojima	Koto-ku, Tokyo	8,630	1.6	9,905.97	96.4	Sep. 2007
R-078	★	Prime Maison Fujimidai	Nagoya-shi, Aichi	2,070	0.4	5,704.63	98.6	Apr. 2007
R-079	★	Esty Maison Tsurumai	Nagoya-shi, Aichi	4,490	0.9	13,812.40	100.0	Nov. 1999
R-080	★	Prime Maison Morishita	Koto-ku, Tokyo	1,930	0.4	2,180.78	97.7	May 2013
R-081	★	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	1,960	0.4	2,107.88	100.0	Feb. 2014
R-082	★	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	3,160	0.6	7,360.37	91.0	Dec. 2008
R-083	★	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	1,930	0.4	6,019.09	100.0	Nov. 2009
R-084	★	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	1,250	0.2	4,102.08	95.3	Oct. 2009
R-085	★	Prime Maison Central Park	Fukuoka-shi, Fukuoka	2,309	0.4	10,268.74	98.7	Feb. 2011
R-086	★	Sha Maison Stage Yahiro	Sumida-ku, Tokyo	1,910	0.4	3,409.16	100.0	Jan. 2011
R-087	★	Prime Maison Ebisu	Shibuya-ku, Tokyo	4,360	0.8	3,010.66	99.2	Jun. 2014
R-088		Sha Maison Stage Kanazawa Nishiizumi	Kanazawa-shi, Ishikawa	1,080	0.2	4,634.50	100.0	Sep. 2007
R-089		Esty Maison Unomori	Yokkaichi-shi, Mie	830	0.2	2,280.00	100.0	Apr. 2009
R-091	★	Sha Maison Stage Hino	Hino-shi, Tokyo	1,390	0.3	2,827.55	99.0	Jan. 2010
R-092	★	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	4,870	0.9	5,461.13	97.8	Jun. 2014
R-093		Kobe Women's Student Housing	Kobe-shi, Hyogo	5,880	1.1	15,341.68	98.9	Feb. 2002
R-094	★	Prime Maison Shibuya	Shibuya-ku, Tokyo	2,430	0.5	1,972.59	93.6	Jul. 2014
R-095	★	Prime Maison Hatsudai	Shibuya-ku, Tokyo	3,010	0.6	2,879.20	97.4	Dec. 2014
R-096		Esty Maison Uemachidai	Osaka-shi, Osaka	1,040	0.2	2,225.52	100.0	Aug. 2005
R-098	★	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	4,900	0.9	3,923.76	91.1	Jun. 2015
R-099	★	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	4,220	0.8	4,099.04	88.0	Oct. 2015
R-100	★	Esty Maison Morishita	Sumida-ku, Tokyo	655	0.1	748.92	100.0	Feb. 2017
R-101	★	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	7,950	1.5	6,772.89	94.3	May 2016
R-102	★	Prime Maison Otsuka	Toshima-ku, Tokyo	3,700	0.7	3,921.35	93.5	Jan. 2017

Property No.	pp	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m ²)	Occupancy rate (%)	Completion date
R-103	★	Prime Maison Asakusabashi	Taito-ku, Tokyo	1,680	0.3	2,033.06	89.8	Oct. 2016
R-104	★	Prime Maison Daikanyama	Meguro-ku, Tokyo	2,520	0.5	1,779.17	91.6	Jan. 2017
R-105	★	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	3,400	0.6	3,569.73	93.3	Jan. 2011
R-106	★	Esty Maison Toyosu Residence	Koto-ku, Tokyo	6,050	1.1	23,538.73	95.9	Feb. 2008
R-108		Esty Maison Ijiri	Fukuoka-shi, Fukuoka	390	0.1	1,430.60	100.0	Jan. 2008
R-109	★	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	2,040	0.4	1,387.12	89.5	Oct. 2017
R-110	★	Prime Maison Hongo	Bunkyo-ku, Tokyo	2,600	0.5	2,423.46	93.3	Mar. 2018
R-111	★	Prime Maison Kuramae	Taito-ku, Tokyo	2,190	0.4	2,259.40	95.8	Nov. 2018
R-112	★	Esty Maison Yokohama-aobadai	Yokohama-shi, Kanagawa	3,020	0.6	6,808.84	100.0	Jul. 1990
R-113		Esty Maison Shizuoka Takajo	Shizuoka-shi, Shizuoka	660	0.1	1,731.52	100.0	Feb. 2006
R-114		GRAND MAST Hirose-dori	Sendai-shi, Miyagi	865	0.2	2,552.40	100.0	Jan. 2006
R-115		MAST STYLE HIGASHIBETSUIN	Nagoya-shi, Aichi	2,190	0.4	4,856.22	100.0	Feb. 2009
R-116	★	Granmast Kayaba	Nagoya-shi, Aichi	900	0.2	2,170.80	96.2	Feb. 2012
R-117	★	MAST STYLE SHIRAKABEMINAMI	Nagoya-shi, Aichi	660	0.1	1,240.28	100.0	Jan. 2014
R-118	★	Prime Maison Shimokitazawa	Setagaya-ku, Tokyo	2,580	0.5	1,991.72	98.3	Dec. 2019
R-119	★	Prime Maison Meguro	Meguro-ku, Tokyo	2,310	0.4	1,335.62	92.6	Aug. 2018
R-120	★	Prime Maison Ryogoku	Sumida-ku, Tokyo	1,530	0.3	1,499.10	91.0	Feb. 2019
Residential Subtotal				242,966	46.0	381,528.32	96.8	
H-001	★	Hommachi Garden City (Hotel portion)	Osaka-shi, Osaka	17,200	3.3	18,092.98	100.0	May 2010
H-002	★	The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	22,120	4.2	11,496.08	100.0	Oct. 2013
Hotels Subtotal				39,320	7.4	29,589.06	100.0	

■ Acquired asset in FP 15 (Acquired on November 1, 2021)

Property No.	pp	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m ²)	Occupancy rate (%)	Completion date
O-007	★	Akasaka Garden City (additional acquisition)	Minato-ku, Tokyo	21,300	—	9,262.62	91.6	Jan. 2016

■ Assets to be Acquired in FP 15 (Planned to acquire on February 1, 2022)

Property No.	pp	Property name	Location	Planned Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m ²)	Occupancy rate (%)	Completion date
R-121	★	Prime Maison Nakameguro	Meguro-ku, Tokyo	10,000	—	6,033.98	94.7	Nov. 2019
R-122	★	Prime Maison Itabashi	Itabashi-ku, Tokyo	4,800	—	4,557.89	86.6	Feb. 2019

* PP refers to "prime properties" which are high quality real estate located in strategic location.

* The acquisition price of assets taken over as a result of the merger with Sekisui House Residential Investment Corporation use the appraisal value as priced on April 30, 2018, the day before the merger took effect.

Period-end Appraisal Values (1)

(Appraisal date: End of October 2021)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method			Discounted cash flow method				Appraisal NOI (JPY million)	
		Period-on-period	Revenue price (JPY million)			Direct capitalization yield (%)		Revenue price (JPY million)	Discount rate (%)		Final capitalization yield (%)			
						Period-on-period	Period-on-period		Period-on-period	Period-on-period	Period-on-period	Period-on-period		
O-001	Garden City Shinagawa Gotenyama	89,100	—	70,119	18,980	92,000	3.2	—	87,800	3.0	—	3.4	—	2,963
O-002	Gotenyama SH Building	61,700	—	49,606	12,093	63,200	3.3	—	61,000	3.3	—	3.5	—	2,063
O-003	Hommachi Minami Garden City	56,000	(400)	42,483	13,516	57,500	3.5	—	55,400	3.2	—	3.7	—	2,040
O-004	Hommachi Garden City (Office portion)	44,800	—	36,439	8,360	45,700	3.4	—	43,900	3.2	—	3.6	—	1,554
O-005	HK Yodoyabashi Garden Avenue	6,410	20	4,220	2,189	6,580	3.6	—	6,330	3.7	—	3.8	—	239
O-006	Hirokoji Garden Avenue	7,190	—	6,167	1,022	7,310	4.1	—	7,140	3.9	—	4.3	—	306
O-007	Akasaka Garden City	30,000	—	28,700	1,299	30,600	3.4	—	29,700	3.2	—	3.6	—	1,033
	Office Subtotal	295,200	(380)	237,737	57,462	302,890	—	—	291,270	—	—	—	—	10,201
R-001	Esty Maison Ginza	7,320	200	6,471	848	7,560	3.5	(0.1)	7,220	3.7	(0.1)	3.7	(0.1)	272
R-002	Esty Maison Azabunagasaka	1,940	30	1,763	176	2,000	3.6	(0.1)	1,920	3.7	(0.1)	3.8	(0.1)	76
R-003	Esty Maison Ebisu II	2,340	70	2,020	319	2,400	3.6	(0.1)	2,320	3.7	(0.1)	3.8	(0.1)	89
R-004	Esty Maison Ebisu	920	4	918	1	946	3.5	(0.1)	909	3.6	(0.1)	3.7	(0.1)	35
R-005	Esty Maison Kanda	1,850	50	1,554	295	1,890	3.6	(0.1)	1,830	3.7	(0.1)	3.8	(0.1)	70
R-006	Esty Maison Kitashinjuku	1,770	20	1,539	230	1,800	3.8	(0.1)	1,760	3.8	(0.1)	4.0	(0.1)	70
R-007	Esty Maison Asakusakomagata	2,450	20	2,092	357	2,490	3.8	(0.1)	2,430	3.8	(0.1)	4.0	(0.1)	98
R-008	Esty Maison Kawasaki	2,760	60	2,403	356	2,810	3.9	(0.1)	2,740	3.9	(0.1)	4.1	(0.1)	114
R-010	Esty Maison Kameido	1,880	40	1,495	384	1,910	4.0	(0.1)	1,870	3.8	(0.1)	4.2	(0.1)	81
R-011	Esty Maison Meguro	1,270	20	1,072	197	1,290	3.5	(0.1)	1,240	3.3	(0.1)	3.7	(0.1)	47
R-012	Esty Maison Sugamo	1,830	30	1,595	234	1,870	3.7	(0.1)	1,790	3.5	(0.1)	3.9	(0.1)	72
R-013	Esty Maison Kyobashi	3,070	—	2,956	113	3,110	4.3	(0.1)	3,050	4.2	(0.1)	4.4	(0.1)	139
R-014	Esty Maison Hakuraku	976	4	891	84	990	4.2	(0.1)	970	4.0	(0.1)	4.4	(0.1)	45
R-015	Esty Maison Minamihorie	1,140	10	1,040	99	1,160	4.0	(0.1)	1,120	3.8	(0.1)	4.2	(0.1)	50
R-016	Esty Maison Gotanda	3,500	60	3,039	460	3,520	3.9	(0.1)	3,490	3.6	(0.1)	4.1	(0.1)	142
R-017	Esty Maison Oisendaizaka	3,000	50	2,725	274	3,060	3.7	(0.1)	2,980	3.5	(0.1)	3.9	(0.1)	118
R-018	Esty Maison Shinagawa Seaside	2,470	50	2,116	353	2,520	3.7	(0.1)	2,420	3.5	(0.1)	3.9	(0.1)	96
R-019	Esty Maison Minamiazabu	1,380	10	1,285	94	1,410	3.4	(0.1)	1,340	3.2	(0.1)	3.6	(0.1)	50
R-021	Esty Maison Kawasaki II	2,420	70	1,909	510	2,460	3.9	(0.1)	2,370	3.7	(0.1)	4.1	(0.1)	97
R-022	Esty Maison Azabujuban	3,040	40	2,714	325	3,100	3.4	(0.1)	2,970	3.2	(0.1)	3.6	(0.1)	106
R-023	Esty Maison Itabashihoncho	1,030	30	902	127	1,050	3.8	(0.1)	1,010	3.6	(0.1)	4.0	(0.1)	42
R-027	Esty Maison Musashikoyama	1,190	20	1,015	174	1,210	3.8	(0.1)	1,160	3.6	(0.1)	4.0	(0.1)	47
R-028	Esty Maison Sendagi	800	18	678	121	814	3.8	(0.1)	785	3.6	(0.1)	4.0	(0.1)	33
R-030	Esty Maison Hakatahigashi	2,560	—	2,233	326	2,590	4.6	(0.1)	2,540	4.6	(0.1)	4.7	(0.1)	129
R-033	Prime Maison Musashinonomori	2,120	110	1,778	341	2,130	4.3	(0.1)	2,110	4.2	(0.1)	4.5	(0.1)	98
R-034	Prime Maison Higashisakura	1,660	40	1,433	226	1,670	4.3	(0.1)	1,650	4.2	(0.1)	4.5	(0.1)	76
R-035	Prime Maison Kayabakoen	925	19	824	100	930	4.5	(0.1)	923	4.4	(0.1)	4.7	(0.1)	45
R-036	Esty Maison Sangenjaya II	871	14	762	108	890	3.8	(0.1)	863	3.9	(0.1)	4.0	(0.1)	36
R-037	Esty Maison Itabashi C6	2,830	40	2,478	351	2,870	3.9	(0.1)	2,810	3.7	(0.1)	4.1	(0.1)	118
R-038	Sha Maison Stage Hakata	2,740	120	2,405	334	2,730	4.5	(0.1)	2,750	3.9	(0.1)	4.7	(0.1)	137
R-039	Esty Maison Kinshicho	1,350	30	1,208	141	1,370	3.9	(0.1)	1,340	3.7	(0.1)	4.1	(0.1)	57
R-040	Esty Maison Musashikoganei	2,090	60	1,747	342	2,140	3.9	(0.1)	2,070	4.0	(0.1)	4.1	(0.1)	85
R-041	Prime Maison Gokiso	2,140	60	1,968	171	2,160	4.3	(0.1)	2,130	4.3	(0.1)	4.5	(0.1)	99
R-042	Prime Maison Yuhigaoka	1,060	20	875	184	1,070	4.1	(0.1)	1,040	3.9	(0.1)	4.3	(0.1)	45
R-043	Prime Maison Kitatanabe	671	14	622	48	679	4.4	(0.1)	662	4.2	(0.1)	4.6	(0.1)	32
R-044	Prime Maison Momochihama	2,150	40	1,912	237	2,160	4.5	(0.1)	2,140	4.4	0.1	4.7	(0.1)	109
R-045	Esty Maison Akihabara	2,060	10	1,907	152	2,090	3.9	(0.1)	2,050	3.7	(0.1)	4.1	(0.1)	86
R-046	Esty Maison Sasazuka	3,780	100	3,386	393	3,850	3.7	(0.1)	3,750	3.5	(0.1)	3.9	(0.1)	145
R-047	Prime Maison Ginza East	7,000	170	6,058	941	7,090	3.7	(0.1)	6,960	3.5	(0.1)	3.9	(0.1)	270

Period-end Appraisal Values (2)

(Appraisal date: End of October 2021)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method			Discounted cash flow method				Appraisal NOI (JPY million)	
		Period-on-period	Revenue price (JPY million)			Direct capitalization yield (%)		Revenue price (JPY million)	Discount rate (%)		Final capitalization yield (%)			
						Period-on-period	Period-on-period		Period-on-Period	Period-on-period				
R-048	Prime Maison Takami	1,160	30	1,069	90	1,170	4.1	(0.1)	1,150	4.2	(0.1)	4.3	(0.1)	51
R-049	Prime Maison Yadaminami	891	12	853	37	896	4.5	(0.1)	889	4.4	(0.1)	4.7	(0.1)	42
R-050	Prime Maison Teriha	1,320	—	1,178	141	1,320	4.8	—	1,320	4.6	—	5.0	—	74
R-051	Esty Maison Higashishirakabe	1,730	50	1,622	107	1,740	4.4	(0.1)	1,720	4.3	(0.1)	4.6	(0.1)	79
R-052	Esty Maison Sengoku	1,470	20	1,331	138	1,500	3.6	(0.1)	1,460	3.4	(0.1)	3.8	(0.1)	56
R-053	Esty Maison Daizawa	2,510	70	2,223	286	2,560	3.6	(0.1)	2,490	3.4	(0.1)	3.8	(0.1)	94
R-054	Esty Maison Togoshi	1,950	70	1,724	225	1,990	3.7	(0.1)	1,930	3.8	(0.1)	3.9	(0.1)	76
R-055	Esty Maison Nishitemma	1,730	20	1,617	112	1,760	4.1	(0.1)	1,710	4.2	(0.1)	4.3	(0.1)	76
R-056	Esty Maison Shirokanedai	2,930	140	2,377	552	2,980	3.6	(0.1)	2,880	3.4	(0.1)	3.8	(0.1)	111
R-057	Esty Maison Higashishinjuku	1,860	50	1,608	251	1,900	3.7	(0.1)	1,840	3.8	(0.1)	3.9	(0.1)	73
R-058	Esty Maison Motoazabu	1,710	60	1,512	197	1,740	3.5	(0.1)	1,690	3.6	(0.1)	3.7	(0.1)	62
R-059	Esty Maison Toritsudaigaku	919	25	841	77	941	3.6	(0.1)	910	3.7	(0.1)	3.8	(0.1)	35
R-060	Esty Maison Musashikoyama II	1,130	20	999	130	1,140	3.7	(0.1)	1,120	3.5	(0.1)	3.9	(0.1)	43
R-061	Esty Maison Nakano	2,010	50	1,820	189	2,040	3.7	(0.1)	1,990	3.5	(0.1)	3.9	(0.1)	79
R-062	Esty Maison Shinnakano	1,070	—	984	85	1,090	3.8	(0.1)	1,060	3.6	(0.1)	4.0	(0.1)	43
R-063	Esty Maison Nakanofujimicho	1,050	—	953	96	1,070	3.8	(0.1)	1,040	3.9	(0.1)	4.0	(0.1)	42
R-064	Esty Maison Tetsugakudo	1,240	10	1,114	125	1,250	3.8	(0.1)	1,230	3.6	(0.1)	4.0	(0.1)	49
R-065	Esty Maison Koenji	1,270	40	1,127	142	1,300	3.7	(0.1)	1,250	3.8	(0.1)	3.9	(0.1)	49
R-066	Esty Maison Oshiage	2,670	40	2,410	259	2,700	3.9	(0.1)	2,650	3.9	(0.1)	4.1	(0.1)	110
R-067	Esty Maison Akabane	3,550	60	3,131	418	3,610	3.9	(0.1)	3,530	3.7	(0.1)	4.1	(0.1)	147
R-068	Esty Maison Oji	1,850	40	1,577	272	1,880	3.9	(0.1)	1,830	3.7	(0.1)	4.1	(0.1)	76
R-069	Prime Maison Waseda	1,810	40	1,512	297	1,850	3.5	(0.1)	1,770	3.3	(0.1)	3.7	(0.1)	67
R-070	Prime Maison Hatchobori	1,620	20	1,390	229	1,650	3.5	(0.1)	1,590	3.3	(0.1)	3.7	(0.1)	59
R-071	Prime Maison Jimbocho	2,070	50	1,877	192	2,090	3.8	(0.1)	2,060	3.6	(0.1)	4.0	(0.1)	82
R-072	Prime Maison Gotenyama East	3,200	100	2,874	325	3,180	3.6	(0.1)	3,210	3.4	(0.1)	3.8	(0.1)	118
R-073	Sha Maison Stage Akihabara	608	13	542	65	618	3.8	(0.1)	603	3.6	(0.1)	4.0	(0.1)	25
R-074	Esty Maison Aoi	2,510	30	2,361	148	2,540	4.3	(0.1)	2,490	4.3	(0.1)	4.5	(0.1)	115
R-075	Esty Maison Yakuin	2,570	60	2,571	(1)	2,620	4.1	(0.1)	2,550	4.2	(0.1)	4.3	(0.1)	114
R-076	Esty Maison Kinshicho II	9,500	240	7,957	1,542	9,670	3.7	(0.1)	9,330	3.5	(0.1)	3.9	(0.1)	369
R-077	Esty Maison Ojima	10,200	290	8,343	1,856	10,400	3.7	(0.1)	10,000	3.5	(0.1)	3.9	(0.1)	397
R-078	Prime Maison Fujimidai	2,180	20	2,170	9	2,210	4.6	(0.1)	2,170	4.4	(0.1)	4.8	(0.1)	108
R-079	Esty Maison Tsurumai	4,960	80	4,545	414	5,020	4.7	(0.1)	4,930	4.5	(0.1)	4.9	(0.1)	249
R-080	Prime Maison Morishita	2,130	70	1,841	288	2,160	3.8	(0.1)	2,110	3.8	(0.1)	4.0	(0.1)	85
R-081	Prime Maison Shinagawa	2,170	50	1,895	274	2,210	3.7	(0.1)	2,150	3.5	(0.1)	3.9	(0.1)	83
R-082	Prime Maison Odorikoen	3,120	30	3,052	67	3,150	4.4	(0.1)	3,080	4.2	(0.1)	4.6	(0.1)	155
R-083	Prime Maison Minami 2-jo	1,890	60	1,820	69	1,910	4.5	(0.1)	1,870	4.3	(0.1)	4.7	(0.1)	100
R-084	Prime Maison Kamokamogawa	1,180	30	1,197	(17)	1,190	4.5	(0.1)	1,170	4.3	(0.1)	4.7	(0.1)	63
R-085	Prime Maison Central Park	2,424	29	2,163	260	2,310	4.8	(0.1)	2,280	4.6	(0.1)	4.9	(0.1)	128
R-086	Sha Maison Stage Yahiro	2,030	40	1,825	204	2,060	4.1	(0.1)	2,020	3.9	(0.1)	4.3	(0.1)	88
R-087	Prime Maison Ebisu	5,170	140	4,265	904	5,280	3.3	(0.1)	5,060	3.1	(0.1)	3.5	(0.1)	178
R-088	Sha Maison Stage Kanazawa Nishiizumi	956	(84)	1,012	(56)	971	5.1	—	950	4.9	—	5.3	—	55
R-089	Esty Maison Unomori	813	—	772	40	825	5.2	—	808	5.0	—	5.4	—	46
R-091	Sha Maison Stage Hino	1,480	30	1,308	171	1,490	4.4	(0.1)	1,480	4.2	(0.1)	4.5	(0.1)	69
R-092	Prime Maison Yokohama Nihon-odori	5,010	100	4,642	367	5,100	3.9	(0.1)	4,920	3.7	(0.1)	4.1	(0.1)	209
R-093	Kobe Women's Student Housing	5,870	(450)	5,319	550	5,930	4.7	(0.1)	5,810	4.5	(0.1)	4.9	(0.1)	320
R-094	Prime Maison Shibuya	2,660	50	2,385	274	2,710	3.5	(0.1)	2,600	3.3	(0.1)	3.7	(0.1)	97
R-095	Prime Maison Hatsudai	3,200	(80)	2,921	278	3,260	3.6	(0.1)	3,130	3.4	(0.1)	3.8	(0.1)	121

Period-end Appraisal Values (3)

(Appraisal date: End of October 2021)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method		Revenue price (JPY million)	Discounted cash flow method		Appraisal NOI (JPY million)
		Period-on-period				Revenue price (JPY million)	Direct capitalization yield (%)		Discount rate (%)	Final capitalization yield (%)	
			Period-on-period				Period-on-period		Period-on-period	Period-on-period	
R-096	Esty Maison Uemachidai	1,150	20	1,065	84	1,160	4.2 (0.1)	1,150	3.9 (0.1)	4.4 (0.1)	50
R-098	Prime Maison Shirokane-takanawa	5,470	90	4,796	673	5,580	3.5 (0.1)	5,350	3.3 (0.1)	3.7 (0.1)	198
R-099	Prime Maison Ichigayayamabushicho	4,270	—	4,115	154	4,360	3.7 (0.1)	4,230	3.5 (0.1)	3.9 (0.1)	165
R-100	Esty Maison Morishita	709	20	633	75	718	4.0 (0.1)	705	3.8 (0.1)	4.2 (0.1)	28
R-101	Prime Maison Shirokanedai Tower	10,300	300	7,939	2,360	10,600	3.5 (0.1)	10,200	3.6 (0.1)	3.7 (0.1)	373
R-102	Prime Maison Otsuka	4,510	80	3,687	822	4,610	3.7 (0.1)	4,470	3.8 (0.1)	3.9 (0.1)	173
R-103	Prime Maison Asakusabashi	2,060	50	1,678	381	2,100	3.7 (0.1)	2,040	3.8 (0.1)	3.9 (0.1)	78
R-104	Prime Maison Daikanyama	3,170	80	2,520	649	3,250	3.5 (0.1)	3,140	3.6 (0.1)	3.7 (0.1)	115
R-105	Prime Maison Gotenyama West	4,360	130	3,412	947	4,460	3.6 (0.1)	4,320	3.7 (0.1)	3.8 (0.1)	164
R-106	Esty Maison Toyosu Residence	7,160	90	5,854	1,305	7,360	—	7,070	4.0 (0.1)	—	355
R-108	Esty Maison Ijiri	421	2	393	27	425	4.5 —	419	4.3 —	4.7 —	21
R-109	Prime Maison Mitatsunamachi	2,330	70	2,047	282	2,370	3.8 (0.1)	2,310	3.6 (0.1)	4.0 (0.1)	91
R-110	Prime Maison Hongo	2,830	80	2,605	224	2,870	3.8 (0.1)	2,810	3.6 (0.1)	4.0 (0.1)	111
R-111	Prime Maison Kuramae	2,410	70	2,193	216	2,440	3.9 (0.1)	2,390	3.7 (0.1)	4.1 (0.1)	96
R-112	Esty Maison Yokohama- aobadai	3,330	90	3,020	309	1,570	4.3 (0.1)	1,540	4.1 (0.1)	4.5 (0.1)	152
						1,810	4.4 (0.1)	1,760	4.2 (0.1)	4.6 (0.1)	
R-113	Esty Maison Shizuoka Takajo	662	—	671	(9)	672	5.0 —	657	4.8 —	5.2 —	37
R-114	Sha Maison Stage Hirose-dori	909	20	876	32	919	4.4 (0.1)	904	4.2 (0.1)	4.6 (0.1)	45
R-115	Esty Maison HIGASHIBETSUIN	2,200	—	2,275	(75)	2,220	4.4 —	2,190	4.2 —	4.6 —	104
R-116	Esty Maison Kayaba	946	—	938	7	957	4.6 —	941	4.4 —	4.8 —	46
R-117	Esty maison SHIRAKABEMINAMI	682	—	686	(4)	689	4.4 —	679	4.2 —	4.6 —	31
R-118	Prime Maison Shimokitazawa	2,580	—	2,655	(75)	2,650	3.5 —	2,550	3.6 —	3.7 —	93
R-119	Prime Maison Meguro	2,310	—	2,368	(58)	2,370	3.5 —	2,290	3.6 —	3.7 —	83
R-120	Prime Maison Ryogoku	1,540	—	1,585	(45)	1,570	3.7 —	1,520	3.8 —	3.9 —	58
Residential Subtotal		270,013	4,710	238,481	31,531	274,500	—	266,947	—	—	11,248
H-001	Hommachi Garden City (Hotel portion)	18,000	—	16,819	1,180	18,300	3.6 —	17,700	3.4 —	3.8 —	667
H-002	The Ritz-Carlton, Kyoto	22,295	(49)	22,169	125	22,834	3.5 —	22,050	3.2 —	3.6 —	919
Hotel Subtotal		40,295	(49)	38,988	1,306	41,134	—	39,750	—	—	1,587
Portfolio Total		605,508	4,281	515,206	90,301	618,524	—	597,967	—	—	23,037

■ Acquired asset in FP 15 (Acquired on November 1, 2021)

(Appraisal date: September 1, 2021)

Property No.	Property name	Appraisal value (JPY million)	Acquisition price (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method		Revenue price (JPY million)	Discounted cash flow method		Appraisal NOI (JPY million)
					Revenue price (JPY million)	Direct capitalization yield (%)		Discount rate (%)	Final capitalization yield (%)	
O-007	Akasaka Garden City (additional acquisition portion)	21,700	21,300	400	22,700	3.4	21,200	3.2	3.6	769

■ Assets to be Acquired in FP 15 (Planned to acquire on February 1, 2022)

(Appraisal date: End of October 2021)

Property No.	Property name	Estimated value (JPY million)		Planned Acquisition price (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method		Revenue price (JPY million)	Discounted cash flow method		Appraisal NOI (JPY million)
		Vs the time of acquisition announcement				Revenue price (JPY million)	Direct capitalization yield (%)		Discount rate (%)	Final capitalization yield (%)	
R-121	Prime Maison Nakameguro	10,300	—	10,000	300	10,600	3.5 —	10,200	3.6 —	3.7 —	373
R-122	Prime Maison Itabashi	4,810	—	4,800	10	4,920	3.7 —	4,760	3.8 —	3.9 —	185

* Estimated value, revenue price, direct capitalization yield, discount rate, final capitalization yield and appraisal NOI are based on respective real estate appraisal documents or real estate price survey documents, which is the result of price survey not follow real estate appraisal evaluation standards.

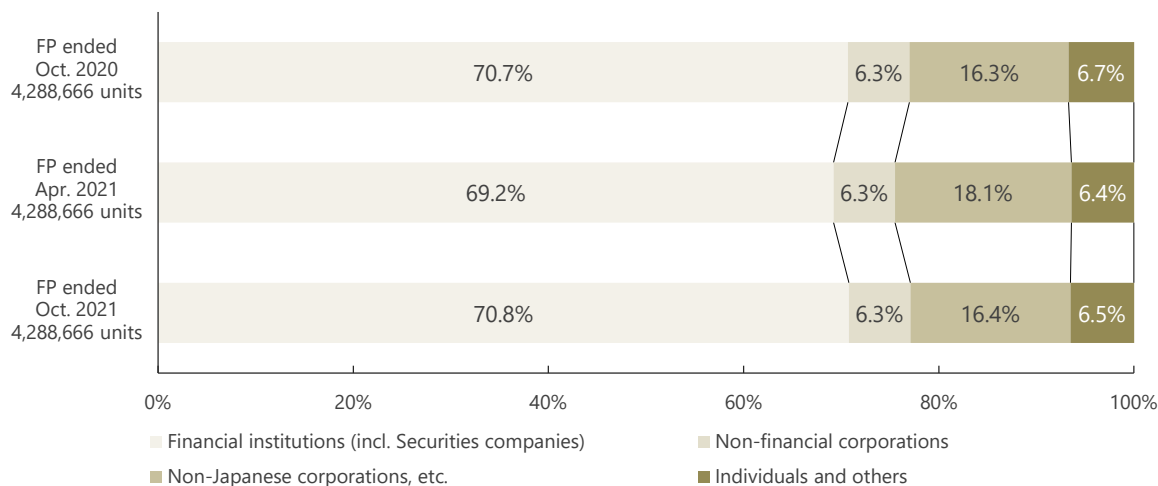
* Period-on-period figures are comparisons as of the end of April 2021 versus the end of October 2021. Properties acquired on September 1, 2021 are compared at the end of October 2021 with the value of the appraisal report acquired at the time of acquisition. The total change is provided for the office subtotal, residential subtotal, hotel subtotal and the portfolio total.

Unitholders Composition

■ Number of Investment Units by Unitholder Type and Unitholders

Unitholder type	Investment Units						Unitholders				
	FP ended Apr. 2021		FP ended Oct. 2021		Change		FP ended Apr. 2021		FP ended Oct. 2021		Change
	units(a)	ratio(b)	units(c)	ratio(d)	(c)-(a)	(d)-(b)	units(e)	ratio(f)	units(g)	ratio(h)	(g)-(e)
Individuals and others	276,300	6.4%	278,161	6.5%	+1,861	+0.1pt	18,107	95.6%	17,788	95.4%	(319)
Financial institutions	2,858,920	66.7%	2,770,037	64.6%	(88,883)	(2.1)pt	198	1.0%	196	1.1%	(2)
City banks	—	—	—	—	—	—	—	—	—	—	—
Regional banks	392,239	9.1%	367,549	8.6%	(24,690)	(0.5)pt	50	0.3%	48	0.3%	(2)
Trust banks	2,115,567	49.3%	2,060,676	48.0%	(54,891)	(1.3)pt	10	0.1%	10	0.1%	—
Life insurers	84,500	2.0%	80,195	1.9%	(4,305)	(0.1)pt	8	0.0%	7	0.0%	(1)
Casualty insurers	14,300	0.3%	—	—	(14,300)	(0.3)pt	1	0.0%	—	—	(1)
Shinkin banks	106,624	2.5%	106,090	2.5%	(534)	—	63	0.3%	62	0.3%	(1)
Others	145,690	3.4%	155,527	3.6%	+9,837	+0.2pt	66	0.3%	69	0.4%	+3
Non-financial corporations	271,375	6.3%	271,440	6.3%	+65	—	334	1.8%	327	1.8%	(7)
Non-Japanese corporations, etc.	774,499	18.1%	703,511	16.4%	(70,988)	(1.7)pt	278	1.5%	300	1.6%	+22
Securities companies	107,572	2.5%	265,517	6.2%	+157,945	+3.7pt	25	0.1%	26	0.1%	+1
Total	4,288,666	100.0%	4,288,666	100.0%	—	—	18,942	100.0%	18,637	100.0%	(305)

■ Change Ratio in Investment Units



■ Top 5 Unitholders (FP ended October 2021 (FP 14))

Company name	No. of investment units owned	Ratio
Custody Bank of Japan, Ltd. (Trust Account)	973,034	22.7%
The Master Trust Bank of Japan, Ltd. (Trust Account)	725,159	16.9%
Sekisui House, Ltd.	200,750	4.7%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	154,911	3.6%
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	132,291	3.1%

Overview of Asset Management Company

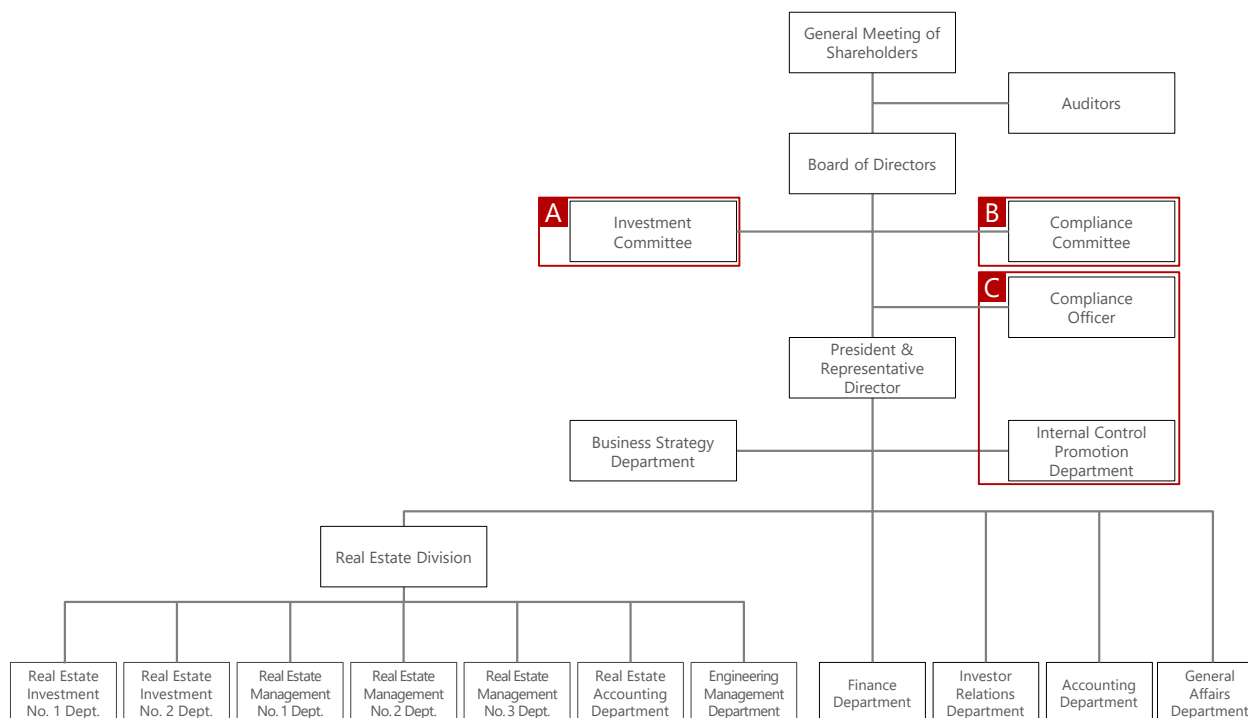
Overview of Asset Management Company



President &
Representative Director
Toru Abe

- Corporate name: Sekisui House Asset Management, Ltd.
- Head office: 4-15-1 Akasaka, Minato-ku, Tokyo
- Capital: 400 million yen
- Number of Directors and Employees: 63 (As of the date of this publication)
- Shareholder: Sekisui House, Ltd. (100%)
- Licenses and registration, etc. :
 - Licensed for building lots and buildings transaction business
License No.(2) 96411 issued by the Governor of Tokyo
 - Certified as an entrustment-based agency
License No.82 issued by the Minister of Land, Infrastructure, Transportation and Tourism
 - Registered as a financial instruments business operator
Registration (Kinsho) No.2791 issued by the Director of Kanto Local Finance Bureau

Organization Chart



Asset Management Fee

- Management Fee I (linked to total assets and Investment units performance):
Total assets × 0.12%-0.16% (annual) ^{Note 1}
- Management Fee II (linked to DPU and Operating income):
DPU ^{Note 2} × Operating income ^{Note 3} × 0.002% × 2 (split ratio)
- Management Fee III (acquisition fees):
Acquisition price × 0.3% (Transactions with related parties: None)
- Management Fee IV (disposition fees):
Sale price × 0.3% (Transactions with related parties: None)
- Management Fee V (merger fees):
Value of Real Estate-Related Assets held by counter party × 0.4%

Note 1: The rate is fluctuated depending on the performance-comparison of the SHR's investment units and the TSE REIT Index.

Note 2: Calculated as the distributable amount before deduction of Management Fee II divided by the total number of issued investment units.

Note 3: Operating Income before deduction of Management Fee II

Compliance Structure

- A** The organization that deliberates and makes decisions on matters related to management policy and other asset management issues

Investment committee

Committee members: The external committee members¹, President & Representative Director (chairman), all full-time Directors including Compliance Officer who has the status as a Director, and General Manager of Real Estate Division, Chief Manager of Business Strategy Dept., Finance Dept., IR Dept., Accounting Dept., General Affairs Dept., and Internal Control Dept. While the selection and dismissal of the external committee members is conducted at SHAM's Board of Directors Meeting, the approval of the SHR's Board of Directors' Meeting is required either before or afterwards.

Note : Currently a total of two members are selected as the external committee members including one real estate appraiser and one attorney, who have no significant stakeholder relationship with SHAM, SHAM's officers and employees, nor its related parties.

- B** The organization that deliberates and makes decisions on matters related to compliance in asset management

Compliance committee

Committee members: The external committee members², Compliance Officer (chairman) , President & Representative Director and all full-time Directors.

While the selection and dismissal of external committee members is conducted at SHAM's Board of Directors Meeting, the approval of SHR's Board of Directors' Meeting is required either before or afterwards.

Note : Currently one attorney has been selected as an external committee member who has no significant relationship with SHAM, SHAM's officers and employees, nor its related parties.

- C** Organization responsible for compliance

Compliance officer

Person responsible for the compliance of SHR and SHAM. Personnel with sufficient screening and surveillance capabilities are selected to observe compliance with legislation and norms.

Internal Control Promotion Department

Internal Control Promotion Department conducts work related to SHAM's risk management, monitoring the status of legislation and regulations, and internal auditing.

About the Terminology used in this Presentation

P.1 Executive summary

- "Average building age" is the weighted average of building age as of the announcement date of the public offering, etc. by the (planned) acquisition price for the five residential properties newly acquired (including planned) through public offering, etc., and rounded to the first decimal place. "As of the date of announcement of public offering, etc." means as of October 18, 2021. The same applies throughout this publication.
- "Average Appraisal NOI yield (weighted average)" is the Appraisal NOI yield calculated by dividing appraisal NOI by each acquisition (planned) price based on each appraisal report most recently obtained at the acquisition announcement date for each (planned) acquisition asset, weighted average by the acquisition (planned) price. The figures for "Akasaka Garden City (Additional Acquisition)" is based on the appraisal report as of September 1, 2021, and the figures for the five residential are based on the respective appraisal reports as of July 1, 2021.

P.2 14 results / FP 15•FP 16 forecasts and assumptions

- The occupancy rates of the four office buildings located in the Osaka area and Nagoya area are all 100.0% as of the date of this document.
- The remaining period until expiration of the lease contract for the Gotenryama SH Building indicates the remaining period as of the date of this document.

P.3 Strengthened earnings base through public offering and asset acquisition and reshuffling

- "Total Appraisal NOI" is based on the most recent appraisal reports as of the date of the announcement of the disposition for the disposed assets, the most recent appraisal reports as of the date of the announcement of the acquisition for the acquired assets, the appraisal report as of September 1, 2021 for "Akasaka Garden City (additional acquisition portion)" among the (planned) acquisition assets, the appraisal reports as of July 1, 2021 for "Prime Maison Nakameguro" and "Prime Maison Itabashi" among the Assets to be Acquired, and the appraisal reports as of July 1, 2021 for the Acquired assets in the FP 14 (Prime Maison Shimokitazawa, Prime Maison Meguro, and Prime Maison Ryogoku).
- "Appraisal NOI yield" is calculated by dividing the above "Appraisal NOI" by the disposed price for the disposed assets and by the acquisition (planned) price for the acquired assets, and is calculated by weighted average and rounded to the first decimal place.
- "Average building age" is calculated by weighting the building age as of the date of disposition on the acquisition price of the disposed assets. For (planned) acquisition assets, the weighted average of the building age as of the announcement date of public offering, etc. is calculated by the acquisition (planned) price.

P.6 SHR's Portfolio

- "After acquisition of Assets to be Acquired" refers to the date of February 1, 2022, after acquisition of two residential properties (Prime Maison Nakameguro and Prime Maison Itabashi) scheduled to be acquired in the future. The same applies throughout this publication.
- "Sekisui House Group" refers to the corporate group comprising Sekisui House, Ltd. ("Sekisui House"), its consolidated subsidiaries, and its affiliates accounted for by the equity method.
- Average building age is the building age as of end of February 2022, weighted by acquisition price. The same applies throughout this publication.
- Esty Maison Yokohama-aobadai is counted as two properties- one for North and one for South –when calculating diversification by building age. The same applies throughout this publication.
- Unless specified otherwise, Hommachi Garden City is counted as two properties –one for the office portion and one for the hotel portion- when calculating figures for specific asset types, and is counted as one property when calculating figures for the portfolio as a whole, by area and by building age. The same applies throughout this publication.

P.7 Financial Results (FP 14)

- "RTA" refers to reserve for temporary difference adjustments.
- "NOI yield" is the yield calculated by dividing annualized actual NOI by the total acquisition value of assets under management. Average occupancy rate during the period is the average actual and forecast monthly occupancy rate as of the end of each month that falls within the relevant period. The same applies throughout this publication.

About the Terminology used in this Presentation

P.9 Financial Forecast (FP 15/FP 16)

- “NOI yield” is the yield calculated by dividing annualized forecast NOI by the total acquisition value of assets under management. “Average occupancy rate” during each period is the average forecast monthly occupancy rate as of the end of each month that falls within the relevant period. The same applies throughout this publication.

P.12 DPU and NPV per Unit

- “Nav per unit” is calculated using NAV, an amount arrived at by deducting total distributions from net assets at market value (net assets on the balance sheet plus unrealized gain for the end of each FP). The same applies throughout this publication.

P.13 Trends of Appraisal Value

- “Average cap rate” is calculated by taking the capitalization yield of each property using the direct capitalization method as a weighted average by the appraisal value of each property. See pages 49 to 51 for details on capitalization yields and appraisal values for each property.

P.15 Office Portfolio

- “End-tenant average rent” is the total monthly rent of each tenant per each lease agreement (including utilities, but not including fees for parking, storage and signage, etc.) divided by total leasable area (tsubo). However, any free rent incentives in effect at the time are not applied and variable rent components are counted by using an average value from the past year.
- “End-tenant average rent” of office portfolio total is calculated using an average of the each end-tenant rent leases weighted by area leased, based on end-tenant leases.

P.17 Office : Tenant Profile

- “Rent gap” is the percentage difference between market rents and end tenant contract rents in cases where market rents (expected rents on new leases as assessed by CBRE) exceed end tenant contract rents in effect as of the end of October 2021 (FP 14). Also, Rent gap calculated for office portfolio as of the end of FP 14 and includes Akasaka Garden City (additional acquisition portion) acquired on November 1, 2021 and excludes Gotenyama SH building, which is a single tenant property, and the office portion of Hommachi Garden City, which is on a fixed-rent master lease.

P.18 Residential Portfolio

- “Occupancy rate by room types” covered residential portfolio (excluding retail, offices, and residential building leased as entire building or subleased) based on the following matrix is categorized and calculated by area and layout: S for single type; C for compact type; F for family type; and L for large type.

No. of room ※	less than 30㎡	30 or more to less than 40㎡	40 or more to less than 50㎡	50 or more to less than 60㎡	60 or more to less than 70㎡	70 or more to less than 80㎡	80 or more to less than 90㎡	90 or more to less than 100㎡	more than 100㎡
STUDIO	S	S	C	C	L	L	L	L	L
1BED	S	C	C	C	L	L	L	L	L
2BED		C	C	C	F	F	F	L	L
3BED					F	F	F	F	L
4BED以上					F	F	F	F	L

※ Main floor plans STUDIO : STUDIO, 1K, 1R 1BED : 1K+S, 1DK, 1LDK 2BED : 2K, 2DK, 2LDK 3BED : 3LDK 4BED以上 : 4LDK, 5LDK

P.25 Excellent Sponsor Support by Sekisui House Group

- “Sekisui House Real Estate companies (6 companies)” : Sekisui House Real Estate Tohoku, Ltd., Sekisui House Real Estate Tokyo, Ltd., Sekisui House Real Estate Chubu, Ltd., Sekisui House Real Estate Kansai, Ltd., Sekisui House Real Estate Chugoku & Shikoku, Ltd., and Sekisui House Real Estate Kyushu, Ltd.

P.33 ESG initiatives (5) Environment

- The number of properties installed “LED lighting” in total number of introduction of environmental consideration facilities indicates the number of residential which installed LED lighting in common area.

About the Terminology used in this Presentation

P.42 Residential: Rent Trends by Area

- Rent gap is expressed as the percentage difference between contract rents with end tenants as of the end of October 2021 (FP 14) and market rents (expected new rents on standard floors assessed by Style Act). In addition, the calculation is made excluding end tenants whose rents are exceeded the market rents.

P.47-48 Portfolio List

- Where the asset comprises multiple buildings with different completion dates, the completion date of the building first completed is used.

P.49-51 Period-end Appraisal Values

- Prime Maison Momochihama and Esty Maison Higashishirakabe are under fixed-rent master lease agreements. The discount rate differs depending on the contract duration, per the master lease agreement. For the sake of convenience, the discount rate provided here assumes a duration extending out to the expiration of the agreements.
- A portion of the land under Prime Maison Central Park (lot number 23-32) is leased land. DCF is the method to find the income value for the portion of leased land, so figures for direct capitalization yield, discount rate, and final capitalization yield apply to the residential portion only. The period-end appraisal value is the sum of the income value for the residential portion and the income value for the leased land portion found by DCF. Appraisal NOI is the sum of appraisal NOI for the residential portion and appraisal NOI from the first fiscal year, found by DCF, for the leased land portion.
- At Esty Maison Toyosu Residence, the source of land use rights lie in a fixed-term land leasehold. Therefore, given the fact that the income period is a limited period of time, a capitalization method over a definite term is used. Therefore, no direct capitalization yield or final capitalization yield have been established. For the sake of convenience, the discount rate provided is the discount rate out to the holding period expiration.

Explanation of this Presentation

- This presentation may use the following abbreviations: PM for Prime Maison, EM for Esty Maison, GC for Garden City and GA for Garden Avenue, which are brand names for portfolio properties. Also, the abbreviation fixed-rent ML may be used to refer to fixed-rent master lease.
- Unless specified otherwise, monetary values have been rounded down and percentages have been rounded to the first decimal place.

This image shows a digital representation of a memo template. At the top, there is a solid dark blue horizontal bar. Inside this bar, the word "Memo" is written in a white, bold, sans-serif font, positioned towards the left side. Below the blue bar, the rest of the page is white and contains ten evenly spaced, thin light blue horizontal lines that extend across the width of the page, providing a guide for writing.

SEKISUI HOUSE REIT, INC.

