



SEKISUI HOUSE REIT, INC.

Financial Results Briefing

June 17, 2020

Fiscal Period 11 Ended April 30, 2020

Executive Summary (1)

See slide 27 for the status of office tenant renewals.

■ Effects of COVID-19: Office

- Some office and retail tenants have requested relief in the form of reduced or postponed rent payments.

Note: Retail space accounts for about 3.8 thousand m² (or 3.0%) of the office portfolio.

- An office tenant prospect that had informally agreed to lease space later canceled, but that space has been leased by another tenant.
- The office portfolio occupancy rate is 99.9% as of June 15, 2020.
- Prospects for in-place tenants to renew their office leases look solid.
 - Of those tenants scheduled to renew in FP 12 (ending October 2020), the majority have committed to renew. We saw 2 departures from a total of about 0.5 thousand m², and one tenant returned space (about 0.1 thousand m²).
 - A little more than 2,000 m² is due to renew in FP 13 (ending April 2021) and we will look to renew those tenants in time.

Note that 74.3% are on fixed-term leases and an average lease period is 6.9 years (and an average remaining lease life of 4.4 years).

No recent tenant departures due to COVID-19.

In the near-term, the impact on the office portfolio has been limited, however, the mid- to long-term effects on demand need to be monitored closely moving forward.

Executive Summary (2)

■ Effects of COVID-19: Residential

- Some residential tenants and retail tenants, who occupy space on lower floors, have requested relief in the form of reduced or postponed rent payments.
Note: Retail space accounts for about 9 thousand m² (or 2.5%) of the residential portfolio.
- Residential market trends in March to May 2020 (Figures for May are projections.)
 - While occupancy in March 2020 was flat year-on-year, April and May are projected to fall below last year's levels.
 - In April and May, both move-outs and new contracts are trending downward compared to last year.

	Occupancy rate		Number of move-outs		Number of new contract	
	2020	2019	2020	2019	2020	2019
Mar.	97.7%	97.6%	180	197	187	194
Apr.	96.6%	96.7%	223	240	108	165
May	96.1%	96.6%	139	156	82	137

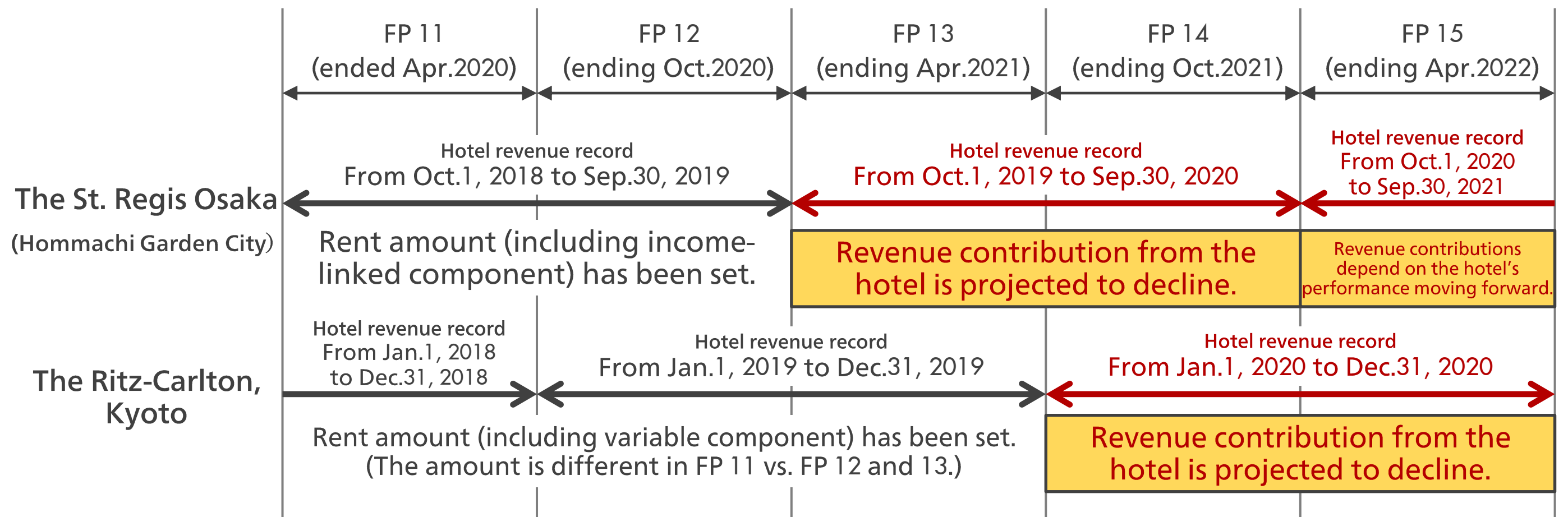
Through March, there was nearly no impact from COVID-19.

Recently, there have been signs of recovery to the downward trend in new contracts in the residential market, but the situation requires monitoring over the mid- to long-term.

Executive Summary (3)

■ Effects of COVID-19: Hotels

- Operational status of hotels (as of June 15, 2020)
 - The St. Regis Osaka closed in the middle of April and plans to reopen on July 1.
 - The Ritz-Carlton, Kyoto, closed toward the end of April and reopened on June 1.
- See below for a schedule of hotel operational periods arranged by the timing of their contribution to SHR revenues in FP 11 (ended April 2020) and beyond.

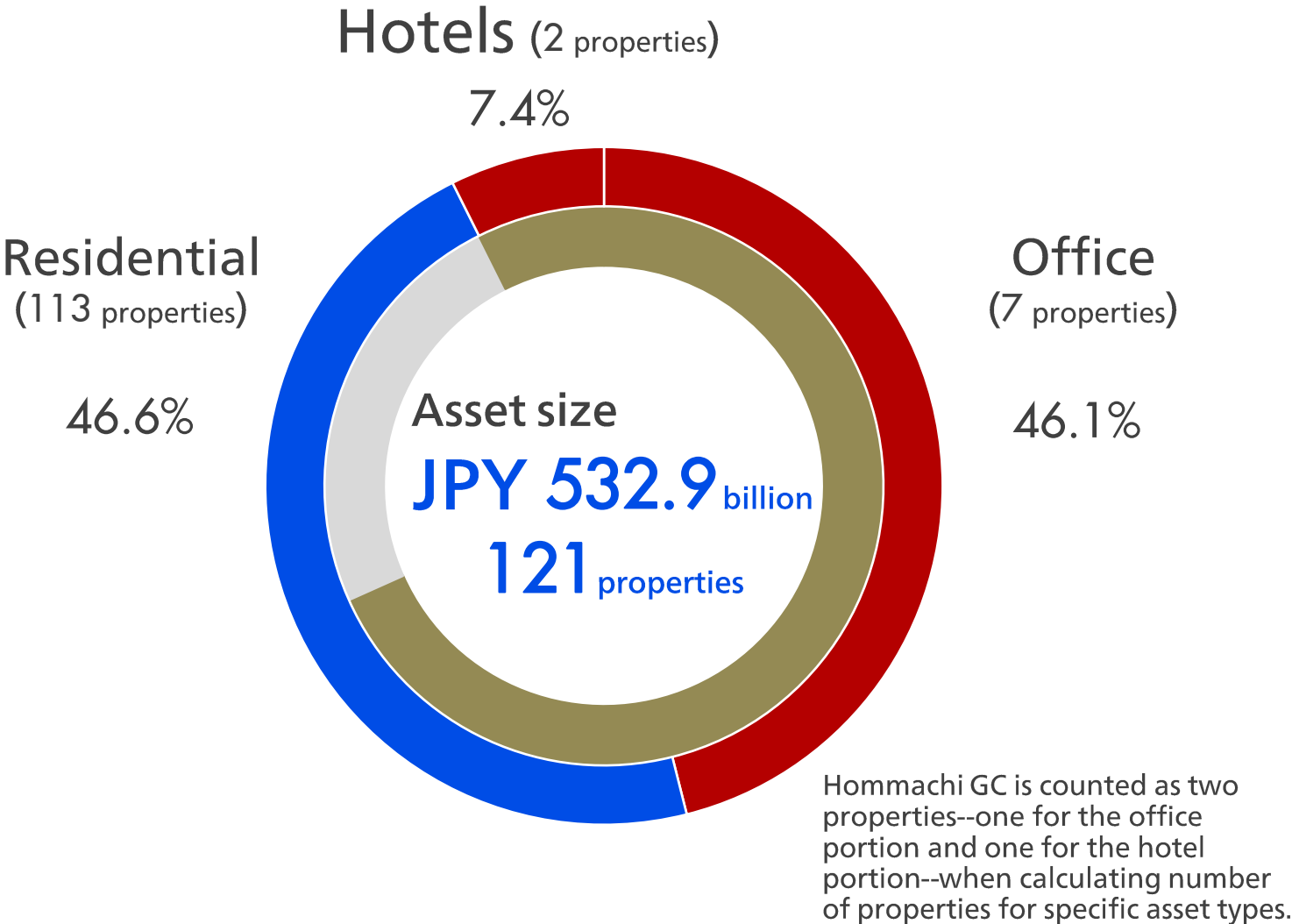


The significant decline in occupancy due to COVID-19 is projected to continue at the hotels for some time.

SHR's Portfolio

See slide 22 for an overview of newly acquired assets.
See slides 24 and 25 for the status of the portfolio.

■ SHR's Portfolio (as of the end of FP 11)



Acquisition from Sekisui House Group

75.7%

JPY 403.3 billion/ 59 properties

Sekisui House, Ltd.
JPY 385.2 billion/ 46 properties

Sekisui House Real Estate Companies
JPY 18.1 billion/ 13 properties

- Average building age 10.6 years
 - Office and Hotels 9.7 years
 - Residential 11.6 years
- Three Major Metropolitan areas 95.4 %
 - Office and Hotels 100 %
- Greater Tokyo areas (Residential) 76.8 %

■ Asset acquired in FP 11

- Esty Maison Shizuoka Takajo JPY 0.6 billion
- GRAND MAST Hirose-dori JPY 0.8 billion
- The Ritz-Carlton, Kyoto JPY 4.3 billion
Acquired additional 9% stake

Acquisition price: JPY 5.8 billion

Appraisal Value

See slide 21 for DPU and NAV per unit

■ Unrealized capital gains as of the end of FP 11 (as of Apr. 30, 2020)

➤ Unrealized capital gains ratio period-on-period

Entire portfolio	+14.4%	+0.5pt.
· Office	+23.1%	+0.2pt.
· Residential	+7.0%	+0.6pt.
· Hotels	+7.5%	+3.2pt.

	Office	Residential	Hotels	Entire portfolio	period-on-period
Number of properties	7 ^{properties}	113 ^{properties}	2 ^{properties}	121 ^{properties}	+2 ^{properties}
Appraisal Value	295.5 ^{JPY billion}	262.8 ^{JPY billion}	42.2 ^{JPY billion}	600.5 ^{JPY billion}	+7.5 ^{JPY billion}
Unrealized capital gains	55.5 ^{JPY billion}	17.1 ^{JPY billion}	2.9 ^{JPY billion}	75.6 ^{JPY billion}	+3.3 ^{JPY billion}

Hommachi GC is counted as two properties--one for the office portion and one for the hotel portion--when calculating number of properties for specific asset types.

■ Actual for FP 11

➤ NAV per Unit JPY82,738 (period-on-period increased +JPY 780 by +1.0%)

Financial Results

See slide 19 for an analysis of FP 11 results vs. previous period and guidance.

- FP 11 revenues and profits are down period-on-period due to the disappearance of capital gains. But total distributions are up versus the previous period and guidance.

	FP 11 (ended Apr. 2020) Result	Vs. Previous Period	Comparison with Forecast
Operating Revenue	14,590 ^{JPY million}	(93) ^{JPY million}	+64 ^{JPY million}
Operating Income	7,874 ^{JPY million}	(352) ^{JPY million}	+179 ^{JPY million}
Ordinary Income	6,991 ^{JPY million}	(414) ^{JPY million}	+187 ^{JPY million}
Net Income	6,991 ^{JPY million}	(414) ^{JPY million}	+187 ^{JPY million}
Reversal of Internal Reserve	149 ^{JPY million}	Reversal No provision to internal reserves this period (215) ^{JPY million} 775 ^{JPY million}	(7) ^{JPY million}
Total Distribution	7,140 ^{JPY million}	+145 ^{JPY million}	+180 ^{JPY million}
DPU	1,665 ^{JPY}	+34 ^{JPY}	+42 ^{JPY}

(as of the end of FP 11)

Internal Reserve: JPY 1,715 million

(JPY 969 million in reserve for temporary adjustments (RTA) and JPY 746 million in reserve for reduction entry)

Financial Forecast

See slide 20 for differences in performance forecasts.

- The FP 12 forecast calls for revenue growth but lower profits on the expensing of property taxes and conservative assumptions for cost increases in residential properties. FP 13 forecasts call for growth in the topline and bottomline.

	Forecast		Result
	FP 12 (ending Oct. 2020)	FP 13 (ending Apr. 2021)	FP 11 (ended Apr. 2020)
Operating Revenue	14,847 JPY million	14,939 JPY million	14,590 JPY million
Operating Income	7,779 JPY million	7,897 JPY million	7,874 JPY million
Ordinary Income	6,886 JPY million	6,958 JPY million	6,991 JPY million
Net Income	6,885 JPY million	6,958 JPY million	6,991 JPY million
Reversal of Internal Reserve	250 JPY million	173 JPY million	149 JPY million
Total Distribution	7,136 JPY million	7,132 JPY million	7,140 JPY million
DPU	1,664 JPY	1,663 JPY	1,665 JPY

(as of the end of FP 13)

Internal Reserve: JPY 1,291 million

(JPY 670 million in reserve for temporary adjustments (RTA) and JPY 620 million in reserve for reduction entry)

Results and Forecast of NOI and NOI Yield

	Results	Forecast	
	FP 11 (ended Apr. 2020)	FP 12 (ending Oct. 2020)	FP 13 (ending Apr. 2021)
NOI	11,630 <small>JPY million</small>	11,532 <small>JPY million</small>	11,690 <small>JPY million</small>
NOI Yield	4.4 %	4.3 %	4.4 %
NOI after depreciation	9,217 <small>JPY million</small>	9,090 <small>JPY million</small>	9,229 <small>JPY million</small>
NOI Yield after depreciation	3.5 %	3.4 %	3.5 %
Average occupancy rate during the period	98.0 %	97.5 %	97.8 %

Office Portfolio

	Results	Forecast	
	FP 11 (ended Apr. 2020)	FP 12 (ending Oct. 2020)	FP 13 (ending Apr. 2021)
NOI	5,159 <small>JPY million</small>	5,094 <small>JPY million</small>	5,152 <small>JPY million</small>
NOI Yield	4.2 %	4.2 %	4.2 %
NOI after depreciation	4,341 <small>JPY million</small>	4,275 <small>JPY million</small>	4,331 <small>JPY million</small>
NOI Yield after depreciation	3.5 %	3.5 %	3.5 %
Average occupancy rate during the period	99.7 %	99.8 %	99.6 %

■ Office rent scheme

- Only the office portion of Hommachi Garden City remains on a fixed-rent master lease with Sekisui House.
- Discussions with Sekisui House have begun, with the aim to move the property onto a pass-through lease in the future.
 - The anchor tenant renewed its lease at nearly the same terms as before.
 - As we understand it, the other tenants are underrented vs. the market.

After Hommachi GC is moved to a pass-through lease, there will be no other fixed-rent master leases with Sekisui House remaining in the office portfolio.

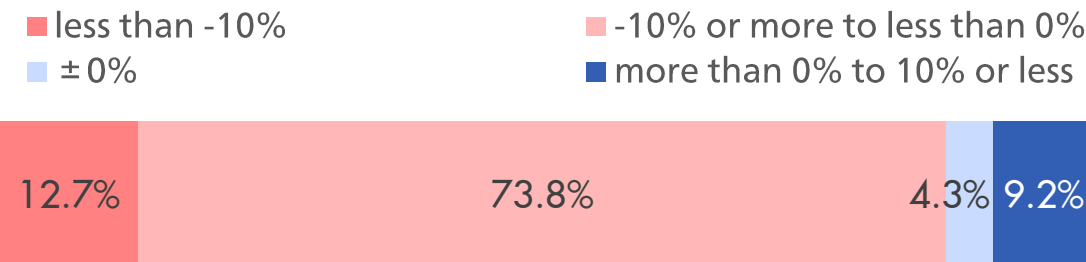
Office Rent Trends

	Fixed-rent ML Rent (JPY/tsubo)	End-tenant rent (JPY/tsubo)		End-tenant occupancy rate		
		FP 10 (ended Oct. 2019)	FP 11 (ended Apr. 2020)	FP 10 (ended Oct. 2019)	FP 11 (ended Apr. 2020)	As of June 15, 2020
Akasaka Garden City	-	28,908	29,821	98.4 %	100.0 %	100.0 %
Garden City Shinagawa Gotenyama	-	26,518	26,586	97.4 %	99.9 %	100.0 %
Hommachi Minami Garden City	-	22,479	22,479	100.0 %	100.0 %	99.4 %
Hommachi Garden City (office portion)	29,280	32,084	32,077	99.7 %	99.7 %	99.7 %
HK Yodoyabashi Garden Avenue	-	16,164	16,164	100.0 %	100.0 %	100.0 %
Hirokoji Garden Avenue	-	23,637	23,746	100.0 %	100.0 %	100.0 %
Gotenyama SH Building	-	30,000	30,000	100.0 %	100.0 %	100.0 %

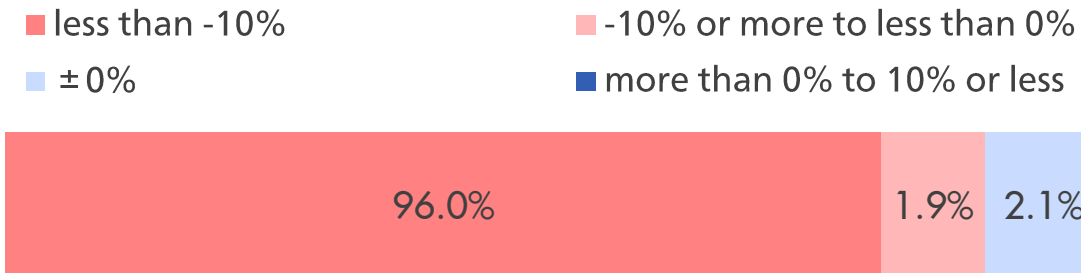
■ Rent gap based on monthly rent (as of the end of FP 11)

- End-tenant rent below market rent: Greater Tokyo 86.5%, Osaka area 97.9%
- Rent Gap: Greater Tokyo 3.6% lower, Osaka area 18.1% lower

➤ Greater Tokyo: GC Shinagawa Gotenyama, Akasaka GC



➤ Osaka area: Hommachi Minami GC, HK Yodoyabashi GA



Residential Portfolio

See slide 28 for occupancy status of the residential portfolio.
See slide 29 for rent trends of residential (1).

	Results	Forecast	
	FP 11 (ended Apr. 2020)	FP 12 (ending Oct. 2020)	FP 13 (ending Apr. 2021)
NOI	5,805 <small>JPY million</small>	5,644 <small>JPY million</small>	5,762 <small>JPY million</small>
NOI Yield	4.7 %	4.6 %	4.6 %
NOI after depreciation	4,324 <small>JPY million</small>	4,144 <small>JPY million</small>	4,245 <small>JPY million</small>
NOI Yield after depreciation	3.5 %	3.3 %	3.4 %
Average occupancy rate during the period	97.4 %	96.6 %	97.0 %

■ Status of residential

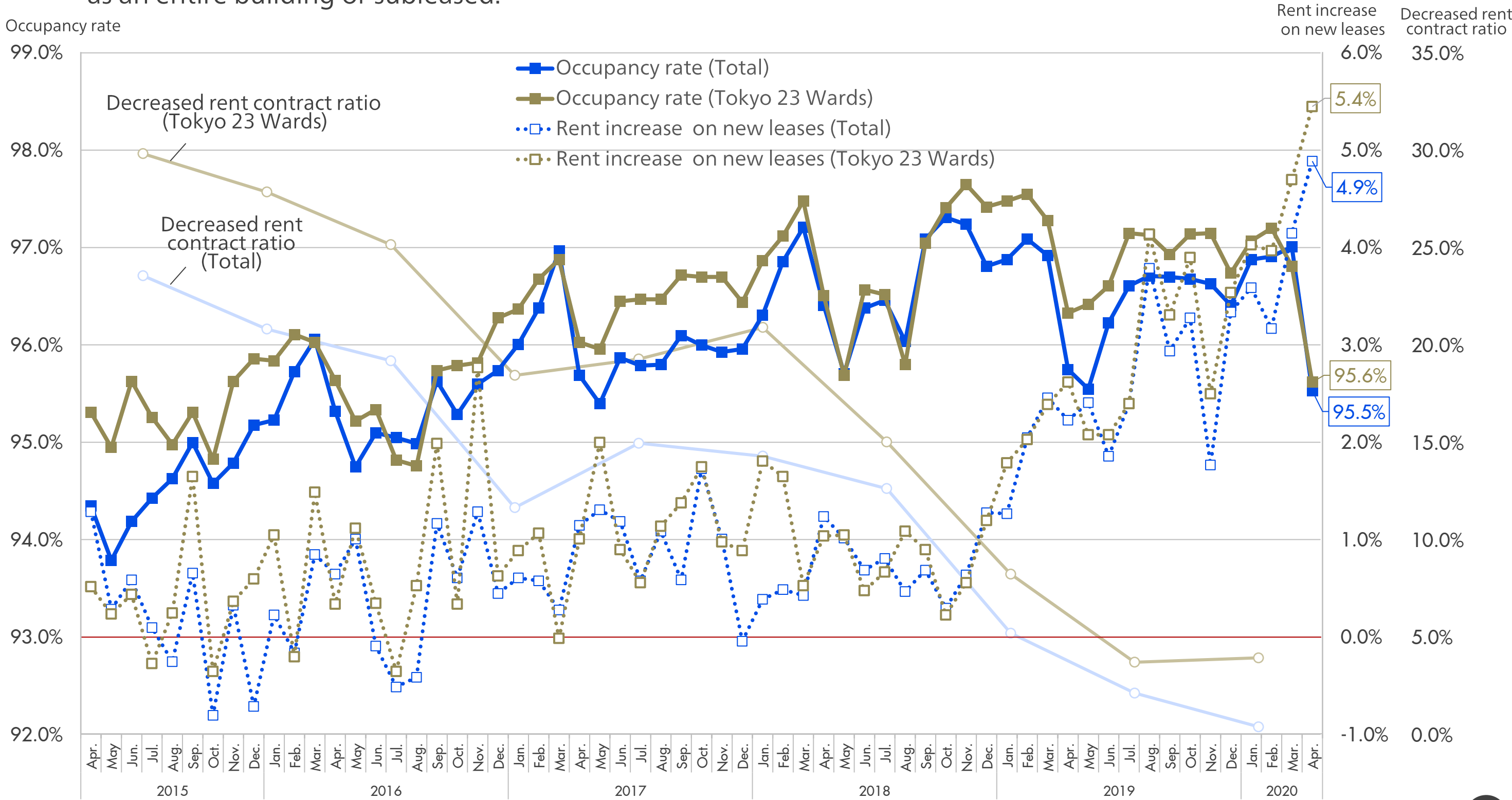
	FP 11 (ended Apr. 2020)	FP 10 (ended Oct. 2019)	FP 9 (ended Apr. 2019)
Average occupancy rate during the period	97.4 %	96.9 %	97.5 %
Occupancy rate at period-end	96.6 %	97.5 %	96.7 %
Rent increase on new leases	+3.5 %	+2.7 %	+1.8 %
Rent increase on leases renewals	+0.3 %	+0.3 %	+0.1 %
Nonrefundable deposit received	76.6 %	65.7 %	68.9 %
Rate of renewal	88.8 %	86.7 %	86.2 %

Residential Rend Trends

See slide 28 for occupancy status of the residential portfolio.
See slide 29 for rent trends of residential (1).

■ Change in occupancy rate and rent increase on new leases by month

- Calculated for residential portfolio, excluding retail and office space. Also excludes apartment buildings leased as an entire building or subleased.



Decreased rent contract ratio are average values for the relevant period (May through October or November through April of the following year)

Hotels Portfolio

	Results	Forecast	
	FP 11 (ended Apr. 2020)	FP 12 (ending Oct. 2020)	FP 13 (ending Apr. 2021)
NOI	666 <small>JPY million</small>	793 <small>JPY million</small>	775 <small>JPY million</small>
NOI Yield	3.8 %	4.0 %	3.9 %
NOI after depreciation	551 <small>JPY million</small>	670 <small>JPY million</small>	651 <small>JPY million</small>
NOI Yield after depreciation	3.1 %	3.4 %	3.3 %
Average occupancy rate during the period	100.0 %	100.0 %	100.0 %

■ Rent by hotel

	FP 11 (ended Apr. 2020)	FP 12 (ending Oct. 2020)	FP 13 (ending Apr. 2021)
The St. Regis Osaka (Income-linked Rent)	Income-linked rent Fixed 410 <small>JPY million</small> (8 <small>JPY million</small>)	Income-linked rent Fixed 410 <small>JPY million</small> (8 <small>JPY million</small>)	402 <small>JPY million</small> - <small>JPY million</small>
The Ritz-Carlton, Kyoto (Variable Rent)	Variable rent Fixed 357 <small>JPY million</small> (178 <small>JPY million</small>)	Variable rent Fixed 475 <small>JPY million</small> (259 <small>JPY million</small>)	Variable rent Fixed 475 <small>JPY million</small> (259 <small>JPY million</small>)

Comparison of FP 11 results vs. FP 12 forecast for The Ritz-Carlton, Kyoto

- Increase of variable rent of 40% stake acquired in FP 9: JPY 35 million
- Full-period contribution from 9% stake acquired in FP 11: +JPY 82 million

Financial Base

See slide 31 for financial results.

■ Financial indicators

	as of June 15, 2020	End of FP 10
Total interest-bearing liabilities	249.9 ^{JPY} billion	244.2 ^{JPY} billion
Long-term debt ratio	98.0 %	94.7 %
Fixed interest rate debt ratio	91.4 %	91.2 %
Average maturity	6.8 years	6.7 years
Average period remaining to maturity	3.6 years	3.5 years
Average interest rate	0.64 %	0.68 %
LTV (as of end of FP 11)	45.1 %	44.6 %

LTV ratio at mid-40% range

■ Credit ratings (Issuer ratings)

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

■ 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

- Bank loans (since last earnings release)

Lender	Balance (JPY million)	Interest Rate	Drawdown Date	Borrowing Period (years)
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	8,000	Base Rate (JBA1-month JPY TIBOR) +0.17000%	May 29, 2020	1
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	4,300	Base Rate (JBA1-month JPY TIBOR) +0.17000%	Apr. 20, 2020	0.95
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	800	Base Rate (JBA1-month JPY TIBOR) +0.17000%	Apr. 20, 2020	0.95
MUFG Bank, Ltd.	2,500	0.28000 %	Feb. 28, 2020	5.5
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	1,405	0.29150 %	Feb. 28, 2020	5.5
MUFG Bank, Ltd.	1,542	0.47500 %	Feb. 28, 2020	8.5
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.	1,945	0.49500 %	Feb. 28, 2020	8.5
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	600	Base Rate (JBA1-month JPY TIBOR) +0.17000%	Jan. 31, 2020	1

- Investment corporation bonds (current period results)

	Issue Amount (JPY million)	Interest Rate	Drawdown Date	Redemption period (years)
Green Bonds	2,000	0.50000 %	Feb. 28, 2020	10
Green Bonds	5,000	0.22000 %	Nov. 1, 2019	5

Policy on the Reversal of Internal Reserves

■ Response to the effects of COVID-19

New policies

- Response to revenue shortfalls related to 2020 hotel operations
 - Response to revenue shortfalls in FP 14 and 15 tied to The Ritz-Carlton, Kyoto
 - For the 9% stake acquired in FP 11: Internal reserves will be reversed to offset any revenue shortfalls in FP 14 and FP 15, using FP 13 as a benchmark.
 - For the existing 40% stake: We will study reversing internal reserves to offset in part any revenue shortfalls in FP 14 and FP 15, using FP 13 as a benchmark.
 - Our view on the risk of a rent cut at The St. Regis Osaka
 - We aim to stabilize DPU by reversing internal reserves to absorb the effects of COVID-19.
- Response to revenue shortfalls due to requests for rent relief from retail tenants, etc.

■ Measures supporting office leasing activities

Existing policies

- Policies to be implemented in parallel to policies aimed at addressing the effects of COVID-19.
(New policies (to address the effects of COVID-19) to take priority)

Internal reserve assumptions

FP 12: JPY 250 million (Reserve for temporary adjustments (RTA): JPY 137 million, Reserve for Reduction Entry: JPY 113 million)

FP 13: JPY 173 million (Reserve for temporary adjustments (RTA): JPY 161 million, Reserve for Reduction Entry: JPY 12 million)

Balance of internal reserves (as of the end of FP 13): JPY 1,291 million

(JPY 670 million in reserve for temporary adjustments (RTA) and JPY 620 million in reserve for reduction entry)

Future Growth Strategy

■ About DPU targets

- The focus will be on stabilizing DPU levels while the effects of COVID-19 last.
- While continue initiatives aimed at achieving the mid- to long-term JPY 1,800 DPU target, indicate timing of reaching the target after the effects of COVID-19 have dissipated, given the uncertainties surrounding the impact of market deterioration.

■ Management policy

- External growth:
 - Continue to work to build a portfolio focused on office and residential.
 - Advance strategy to replace assets depending on market conditions.
- Internal growth:
 - In the office portfolio, strengthen focus on locking in tenants through lease renewals.
 - Continue to seek rent hikes but advance that strategy with an eye on market conditions.
- Financing strategies:
 - Closely monitor financial market conditions and continue to lower financing costs upon refinancing.
 - Study acting with agility on potential share buybacks depending on the market environment, but for the time being give priority to operations that strengthen cash on hand.
- ESG policy:
 - Make efforts aimed at inclusion in major ESG indexes.
 - Advancing strong focus on social (S) initiatives.

ESG Initiatives

■ Participation in international initiatives

➤ GRESB Real Estate Assessment in 2019

- Selected as "Sector Leader" in Asia/Diversified-Office/Residential Sector.
- Acquired "Green Star" in "GRESB Real Estate Assessment" conducted in 2019 in three consecutive years.



➤ Acquisition of external certification for ESG

- Acquired DBJ Green Building certification for 51 of 121 properties.
- Acquired "S", the highest rank in Certification for CASBEE for Real Estate for Akasaka GC and certified for 5 properties in total (as of March 2020)
- Acquisition ratio of environmental certification: 55.9% (total floor area basis)

➤ Principles for Responsible Investment (PRI)

Signatory of:



➤ Support for the United Nations Global Compact

- Announced support for the 10 principles of the United Nations Global Compact by Sekisui House Group.



	Evaluation rank	Number of properties		
		Office	Residential	Total
	5 stars (2018)	1	2	3
DBJ Green Building Certification	4 stars (2017-2019)	4	10	14
	3 stars (2017-2019)	-	34	34
Certification for CASBEE for Real Estate S (Superior)		5	-	5

■ Advancing strong focus on social (S) initiatives

➤ Continue response to the effects of COVID-19

- Provide support in the form of rent payment extensions and the like for retail tenants, etc.
- Advance measures aimed at preventing the spread of infections in collaboration with property managers.
- Protect the health and safety of employees at the asset management company by working from home and advocating office work shifts.

➤ Strengthen efforts aimed at enhancing tenant satisfaction

- Leverage tenant satisfaction surveys and the like to enhance communications with tenants and respond to tenant needs.
- Promote measures aimed at enhancing tenant peace of mind, safety and comfort.

Appendix

Analysis of FP 11 Results vs. Previous Period and Guidance

	FP 11 results (2020/4)	FP 10 results (2019/10)	FP 11 guidance (2020/4) (announced on Dec. 13, 2019)
Operating Revenue	14,590 JPY million	14,683 JPY million	14,526 JPY million
Operating Income	7,874 JPY million	8,226 JPY million	7,694 JPY million
Ordinary Income	6,991 JPY million	7,406 JPY million	6,804 JPY million
Net Income	6,991 JPY million	7,405 JPY million	6,803 JPY million
Reversal of Internal Reserve	149 JPY million	Reversals from RTA Provision to reserve for reduction entry 364 JPY million (775) JPY million	156 JPY million
Total Distribution	7,140 JPY million	6,994 JPY million	6,960 JPY million
DPU	1,665 JPY	1,631 JPY	1,623 JPY

➤ Comparison of FP 11 results vs. FP 10 results

Impact on profit or total distributions

Operating P/L

- Disappearance of accounting capital gain from EM Yokohama (804)
- Increase in profit from real estate leasing business +463
 - Increase from sale of EM Yokohama +4
 - Full-period contribution from acquisitions in FP 10 +308
 - Contribution from acquisitions in FP 11 +10
 - Other existing properties +139
 - Office +58
 - Residential +104
 - Hotel (23)
- Increase in SG&A (11)

Non-operating P/L

- Decrease in non-operating income (43)
- Increase in non-operating expenses (18)

➤ Comparison of FP 11 forecast vs. FP 11 results

Impact on profit or total distributions

Operating P/L

- Increase in profit from real estate leasing business +182
 - Contribution from acquisitions in FP 10 +16
 - Contribution from acquisitions in FP 11 +10
 - Other existing properties +154
 - Office +22
 - Residential +133
 - Hotel (1)
 - Increase in SG&A (2)
- ### Non-operating P/L
- Increase in non-operating income +1
 - Decrease in non-operating expenses +5

Differences in Performance Forecasts

	FP 11 results (2020/4)	FP 12 guidance (2020/10)	FP 13 guidance (2021/4)
Operating Revenue	14,590 JPY million	14,847 JPY million	14,939 JPY million
Operating Income	7,874 JPY million	7,779 JPY million	7,897 JPY million
Ordinary Income	6,991 JPY million	6,886 JPY million	6,958 JPY million
Net Income	6,991 JPY million	6,885 JPY million	6,958 JPY million
Reversal of Internal Reserve	149 JPY million	250 JPY million	173 JPY million
Total Distribution	7,140 JPY million	7,136 JPY million	7,132 JPY million
DPU	1,665 JPY	1,664 JPY	1,663 JPY

➤ Comparison of FP 12 forecast vs. FP 11 results

Impact on profit or total distributions

Operating P/L

- Decrease in profit from real estate leasing business (126)
 - Contribution from acquisitions in FP 11 +99
 - Other existing properties (225)
 - Office (66)
 - Residential (204)
 - Hotel +45
 - Decrease in SG&A +32
- Non-operating P/L
- Increase in non-operating income +1
 - Increase in non-operating expenses (12)

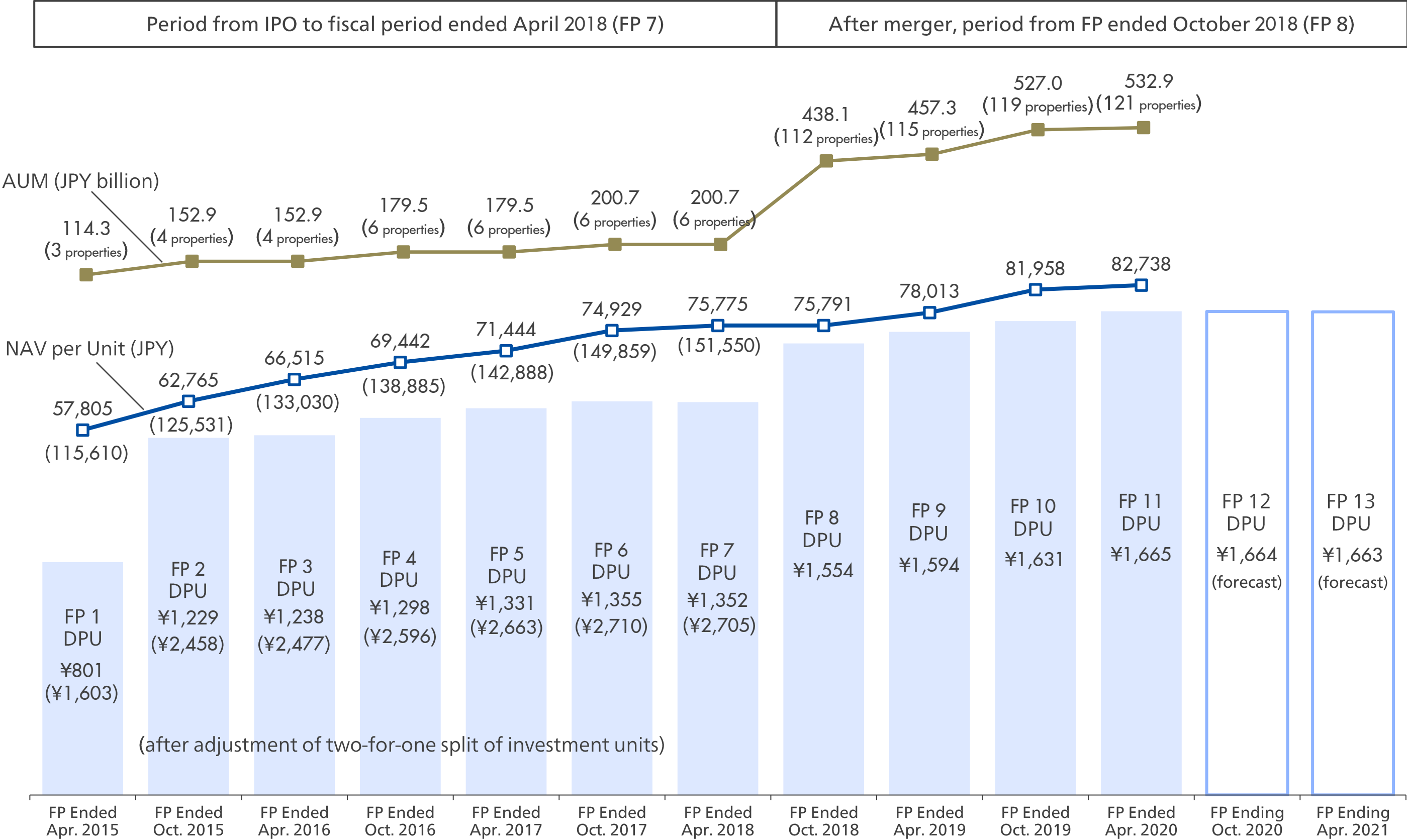
➤ Comparison of FP 13 forecast vs. FP 12 forecast

Impact on profit or total distributions

Operating P/L

- Increase in profit from real estate leasing business +138
 - Acquisitions in FP 11 (6)
 - Other existing properties +145
 - Office +55
 - Residential +104
 - Hotel (15)
 - Increase in SG&A (20)
- Non-operating P/L
- Decrease in non-operating income (9)
 - Increase in non-operating expenses (36)

DPU and NAV per Unit



* 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.

Overview of Newly Acquired Assets

H-002

Marriott International's highest end brand hotel

The Ritz-Carlton, Kyoto (acquired additional 9% quasi-co-ownership stake on April 20, 2020)



- Located on the bank of the Kamogawa River where it is crossed by the Nijo-Ohashi bridge. Close to famous entertainment districts in Kyoto, including Gion, Kawaramachi and Ponto-cho.
- A 6-minute walk from Sanjo Station on the Keihan Main Line.
- The hotel has a total of 134 guest rooms. Average room size is expansive, at more than 50 m².

Acquisition price	Appraisal value (As of April 1, 2020)	Appraisal NOI yield
JPY 4,320 Million	JPY 4,446 Million	4.0%
Location (address)	Kamogawa Nijo-Ohashi Hotori, Nakagyo-ku, Kyoto-shi, Kyoto	
Structure and floors	RC with stainless steel sheet roof / 5F, B3F (completed October 2013)	
Gross floor area	23,461.39 m ² (entire building)	
Leasable area	2,111.53 m ²	
Form of ownership	Ownership rights	
Master lessor (type)	-	

* Leasable area is the product of gross leasable area (23,461.39 m²) for the entire building and the additional 9% quasi-co-ownership stake acquired by SHR, rounded to the second decimal place. With this incremental acquisition, SHR now owns a 49% quasi-co-ownership stake in the real estate trust beneficiary interests associated with this property.

R-113

Esty Maison Shizuoka Takajo (acquired January 31, 2020)



- About 10 minutes on foot from JR's Shizuoka Station and about 5 minutes on foot from Shin-Shizuoka Station on Shizuoka Railway's Shizuoka Shimizu Line.
- Located in Aoi-ku, Shizuoka-shi, where there is a concentration of central governmental and commercial functions.

Acquisition price	Appraisal value (As of January 1, 2020)	Appraisal NOI yield
JPY 660 Million	JPY 661 Million	5.7%
Location (address)	2-14-8 Takajo, Aoi-ku, Shizuoka-shi, Shizuoka	
Structure and floors	RC structure / 12F (completed February 2006)	
Gross leasable area	1,731.52 m ² (45 rental units)	
Master lessor (type)	Sekisui House Real Estate Chubu, Ltd. (Fixed-rent type)	

R-114

GRAND MAST Hirose-dori (acquired April 20, 2020)





- About 6 minutes on foot from Omachi Nishi-koen Station on the Sendai Municipal Subway's Tozai Line and about 8 minutes on foot from Hirose-dori Station on the Sendai Municipal Subway's Namboku Line.
- Located in the Aoba district of Sendai, where there is a concentration of retail stores and governmental offices.

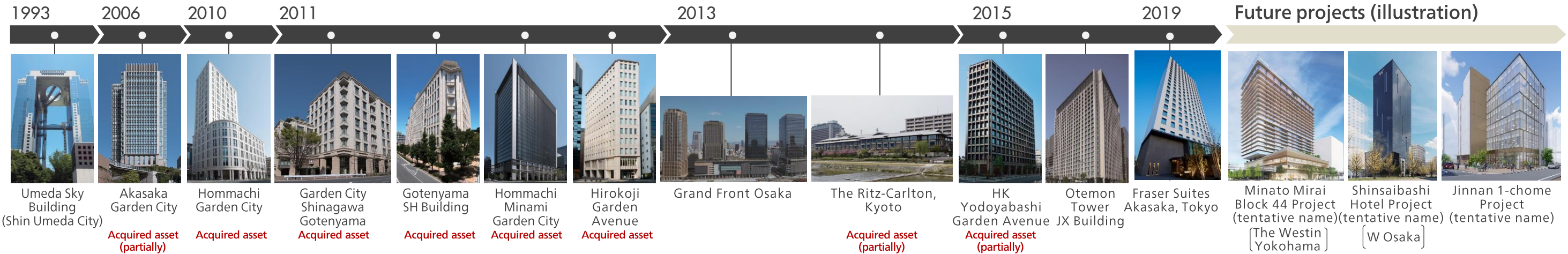
Acquisition price	Appraisal value (As of March 1, 2020)	Appraisal NOI yield
JPY 865 Million	JPY 869 Million	5.3%
Location (address)	2-14 Tachimachi, Aoba-ku, Sendai-shi, Miyagi	
Structure and floors	RC structure / 13F (completed January 2006)	
Gross leasable area	2,552.40 m ² (60 rental units)	
Master lessor (type)	Sekisui House Real Estate Tohoku, Ltd. (Fixed-rent type)	

Sekisui House Development Track Record

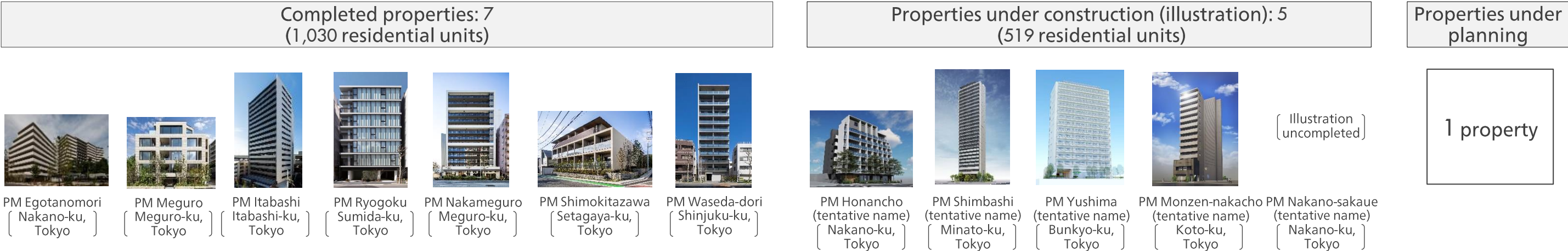
■ Office and hotels developed by Sekisui House for which SHR enjoys first right of refusal

Property name		Location	Remaining stake not yet acquired by SHR	Acquisition track record
Akasaka Garden City		Minato-ku, Tokyo	34.55%	—Acquired 65.45% quasi-co-ownership stake for JPY 28.7 billion (June 10, 2019)
The Ritz-Carlton, Kyoto		Kyoto-shi, Kyoto	51.00%	—Acquired 40% quasi-co-ownership stake for JPY 17.8 billion (January 31, 2019) —Acquired incremental 9% quasi-co-ownership stake for JPY 4.32 billion (April 20, 2020)

■ Major projects from Sekisui House’s urban redevelopment business (including participation in joint projects)



■ Prime Maison (PM) Projects Planned and Developed by Sekisui House



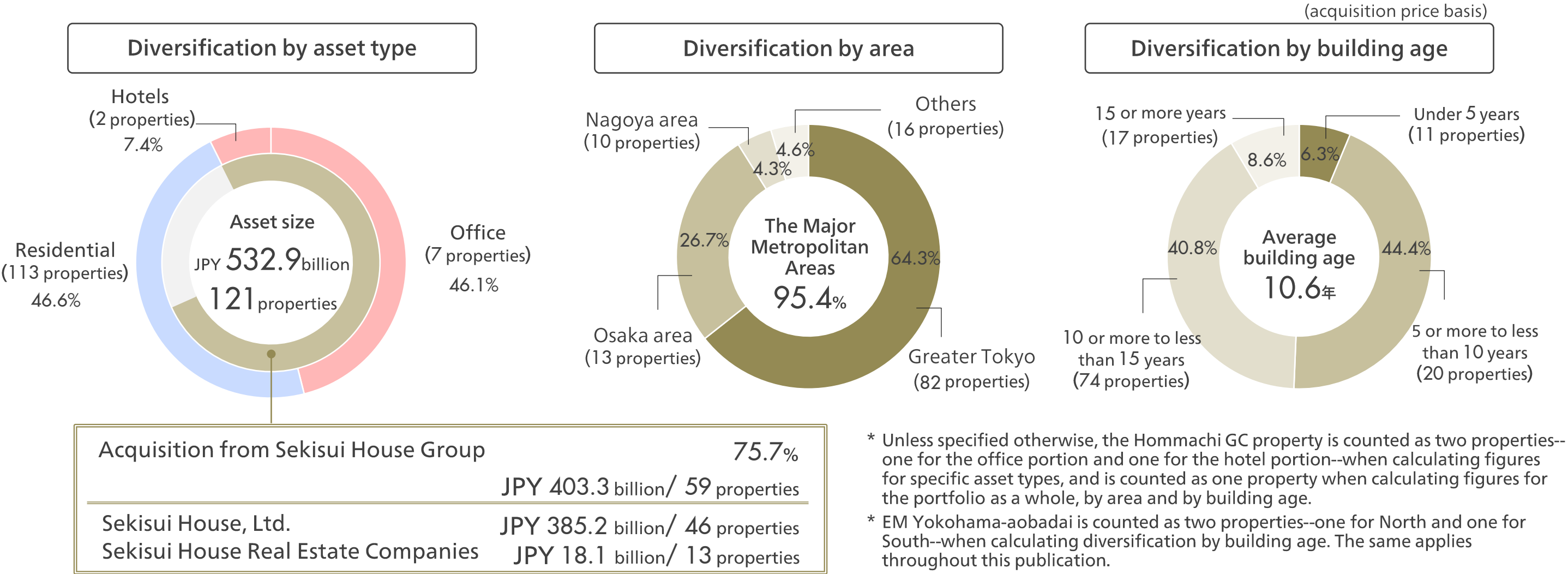
* As of the date of this publication, there are no specific plans to acquire the assets identified here as not yet acquired by SHR (including quasi-co-ownership stakes not yet acquired).

The Status of the Portfolio (1)

(As of June 15, 2020)

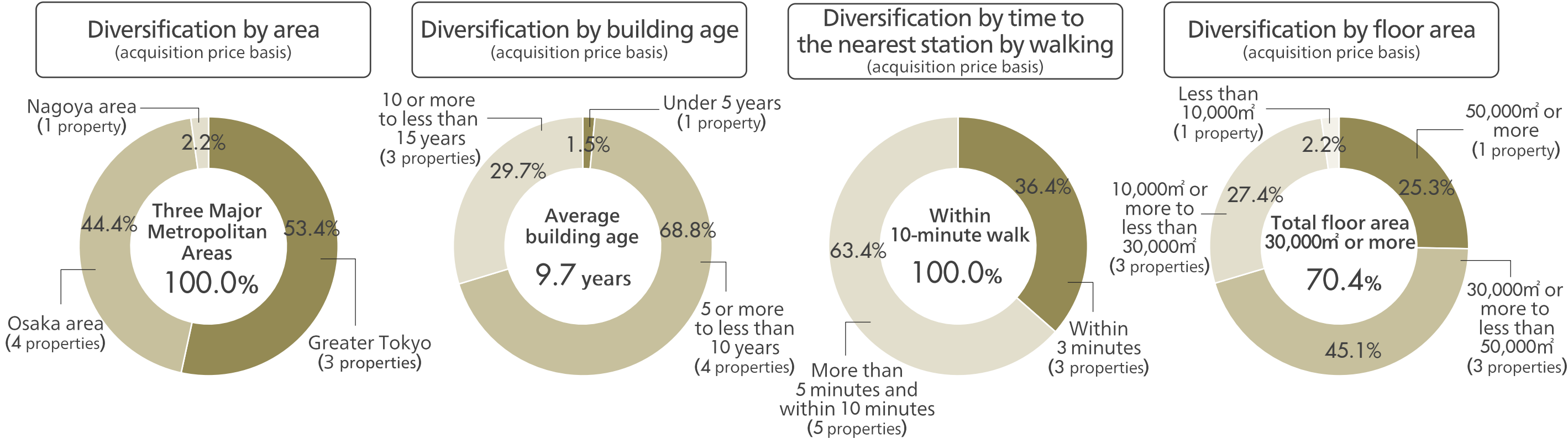
	Asset size	Number of properties	Forecast NOI yield (FP 12)		Ratio of Prime Properties
			Before depreciation	After depreciation	
Office	245.5 JPY billion	7 properties	4.2%	3.5%	100.0% (7 properties)
Residential	248.0 JPY billion	113 properties	4.6%	3.3%	81.4% (84 properties)
Hotels	39.3 JPY billion	2 properties	4.0%	3.4%	100.0% (2 properties)
Entire portfolio	532.9 JPY billion	121 properties	4.3%	3.4%	91.3% (92 properties)

* Ratio of Prime Properties is calculated based on the acquisition price of assets that qualify as Prime Properties. SHR designates to high quality real estate located in strategic location as Prime Properties. The same applies throughout this publication.

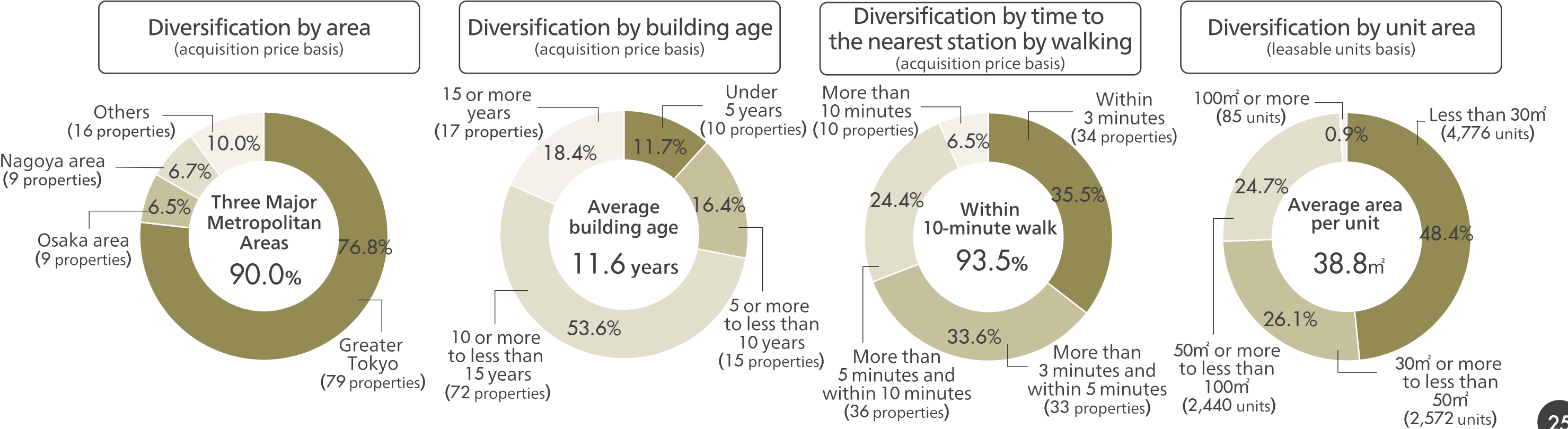


The Status of the Portfolio (2)

Office / Hotels

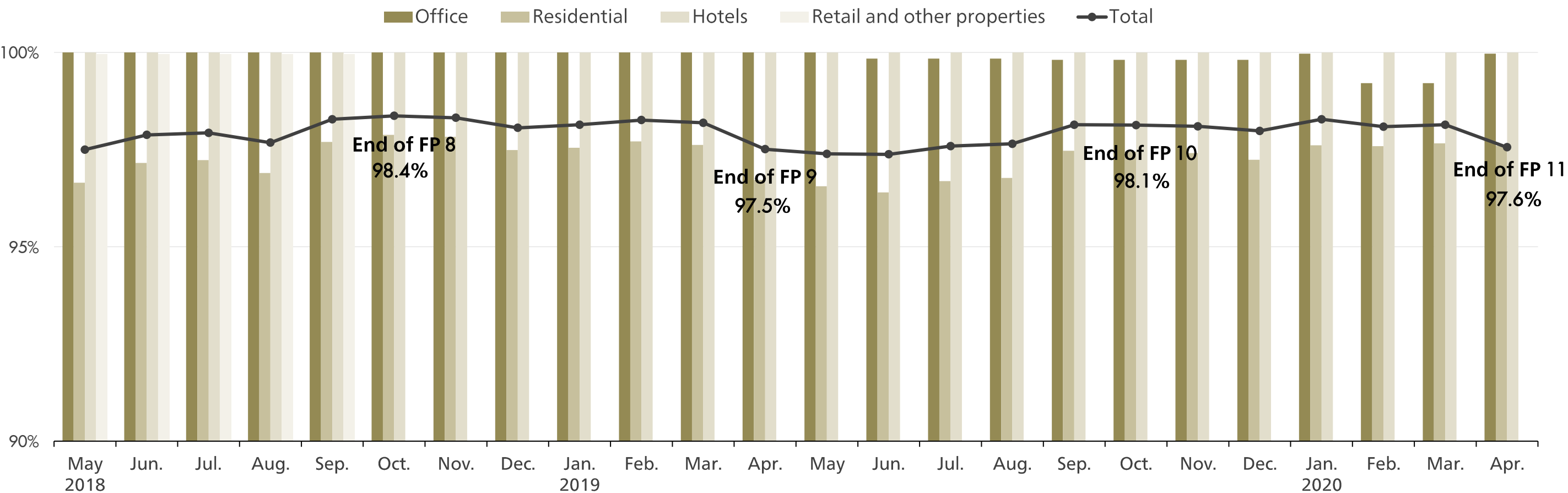


Residential



Occupancy Rate by Asset Type

■ Occupancy rate by month



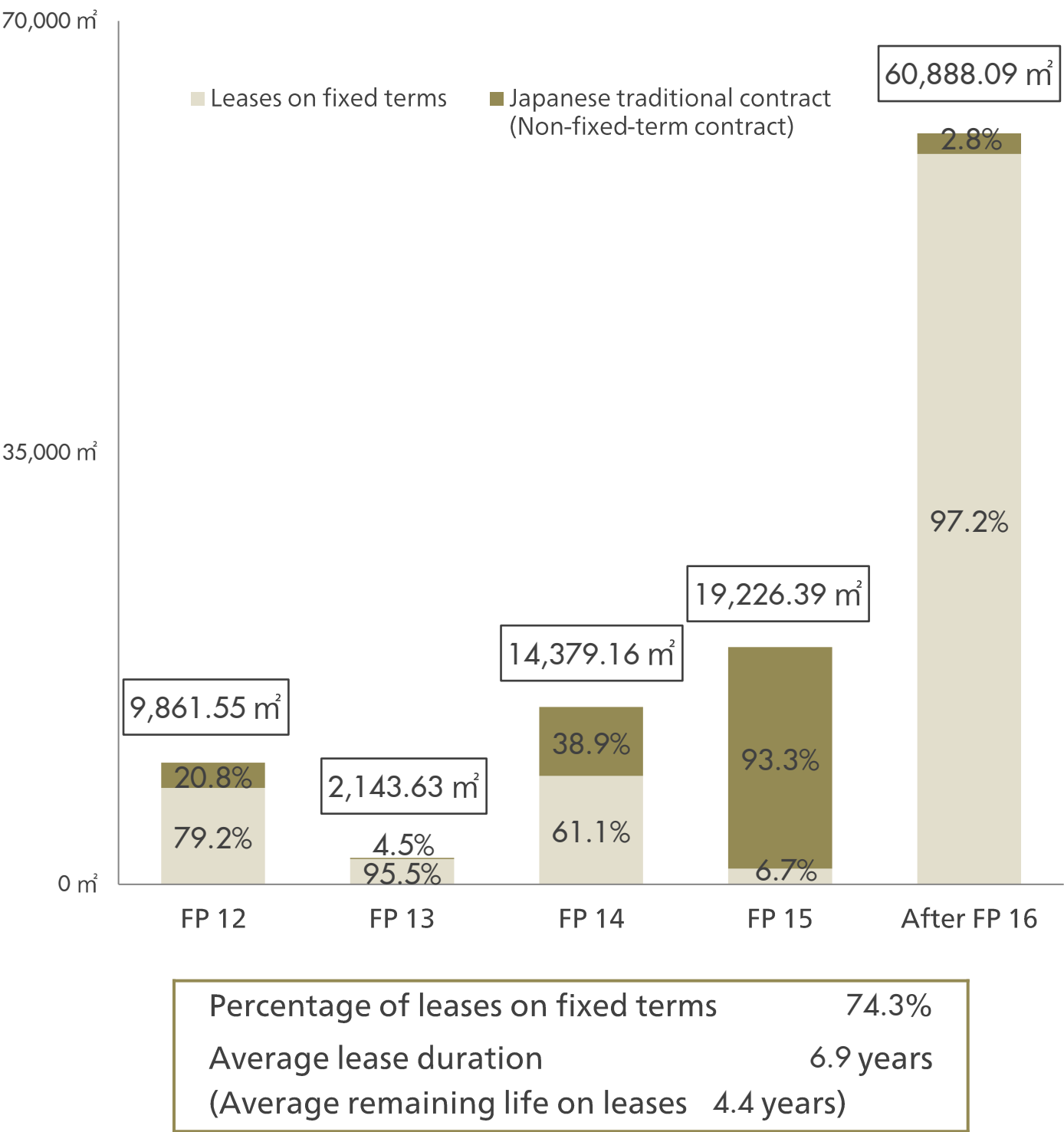
* The occupancy rate in the above graph records the ratio of the total leased area of the total leasable area of operating assets that belong to the asset type for SHR as of the end of each month from May 2018 to April 2020.

■ Occupancy rate by asset type

	FP ended Oct. 2018 (FP 8)			FP ended Apr. 2019 (FP 9)			FP ended Oct. 2019 (FP 10)			FP ended Apr. 2020 (FP 11)		
	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%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	99.9%	End of May 100.0%	100.0%	99.7%	End of Jan. and Apr. 100.0%
Residential	97.9%	97.3%	End of Oct. 97.9%	96.7%	97.5%	End of Nov. 97.8%	97.5%	96.9%	End of Sep. 97.5%	96.6%	97.4%	End of Mar. 97.7%
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%
Retail and other properties	—	100.0%	100.0%	—	—	—	—	—	—	—	—	—
Entire portfolio	98.4%	97.9%	End of Oct. 98.4%	97.5%	98.1%	End of Nov. 98.3%	98.1%	97.7%	End of Sep. 98.1%	97.6%	98.0%	End of Jan. 98.3%

Status of Office Tenant Renewals

■ End tenant lease expiration ladder
(as of the end of April 2020 -- FP 11)
(Excludes Hommachi GC)



■ Status of end tenants in the office portfolio
(confirmed as of the date of this publication)
(Excludes Hommachi GC)

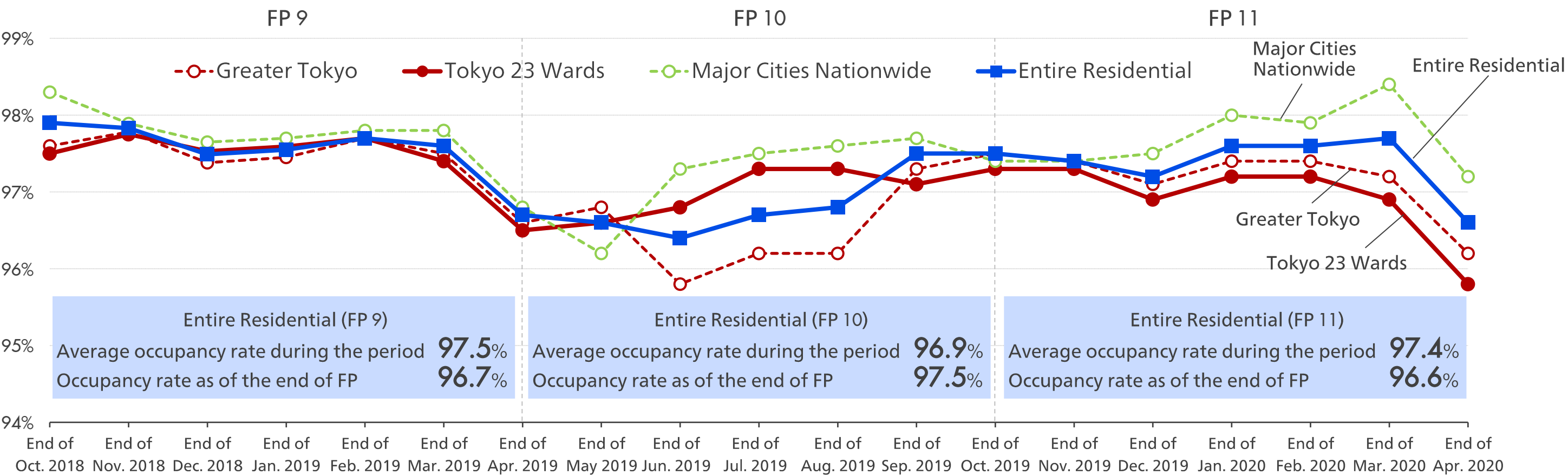
	Area leased (Number of leases)	Area vacated (Number of leases)	Area renewed (Number of renewals)	Contribution to revenue from turnover and renewals
FP 11 (Results)	1,362.78 m² (3)	197.52 m² (1)	19,586.77 m² (11)	Net monthly rent: JPY 2,488 thousand
FP 12 (Projections)	126.14 m² (1)	656.86 m² (3)	9,861.55 m² (11)	Net monthly rent: JPY 4,817 thousand

- FP 11 (Results)
 - Akasaka GC: 1 cancellation (197.52 m²) effective March 1
(Space filled by existing tenant adding space effective March 1)
- FP 12 (Projections)
 - Hommachi Minami GC: 1 cancellation (187.18 m²) effective May 1
 - HK Yodoyabashi GA: 1 tenant returning space (126.14 m²) effective August 1
(MOU for new tenant to fill space effective August 1)
 - Hommachi Minami GC: 1 cancellation (343.54 m²) effective October 1
- FP 13
 - Planned renewals: 6 (2,143.63 m²)

* Above calculations based on office space only.
* Revenue contribution from turnover and renewal does not include move-ins to vacant space.

Occupancy Status of the Residential Portfolio

Monthly Trends in Occupancy Rate for Residential by Investment Area



Occupancy Rate for Residential by Investment Area

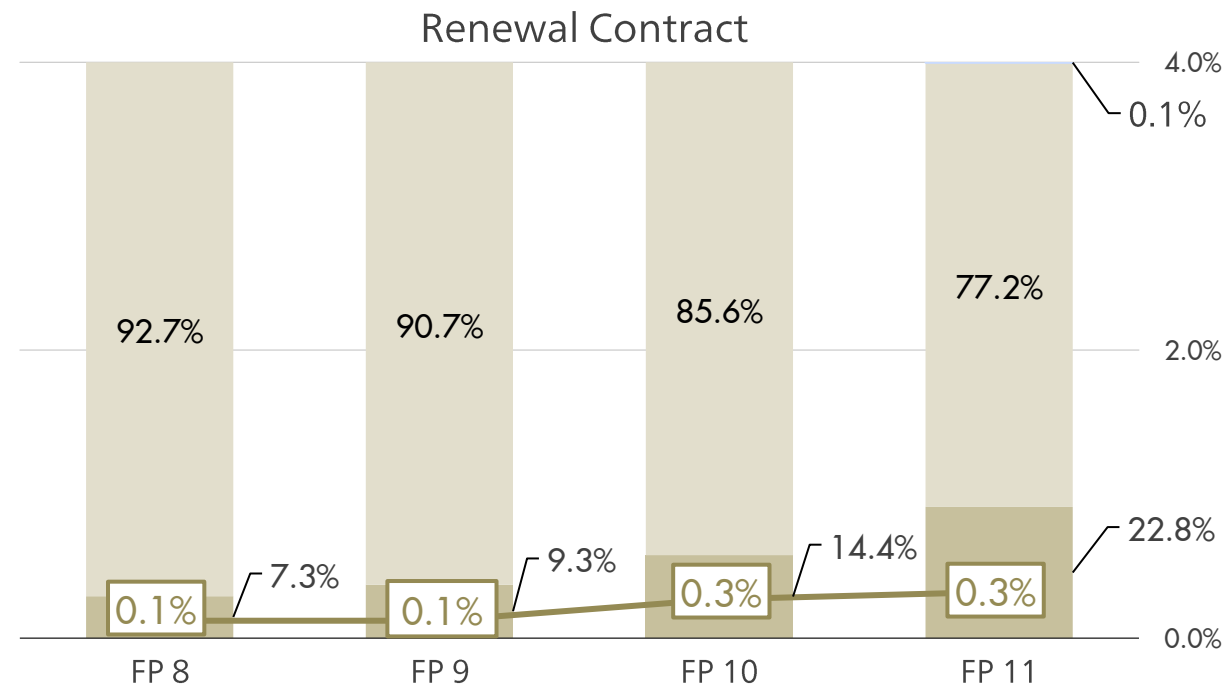
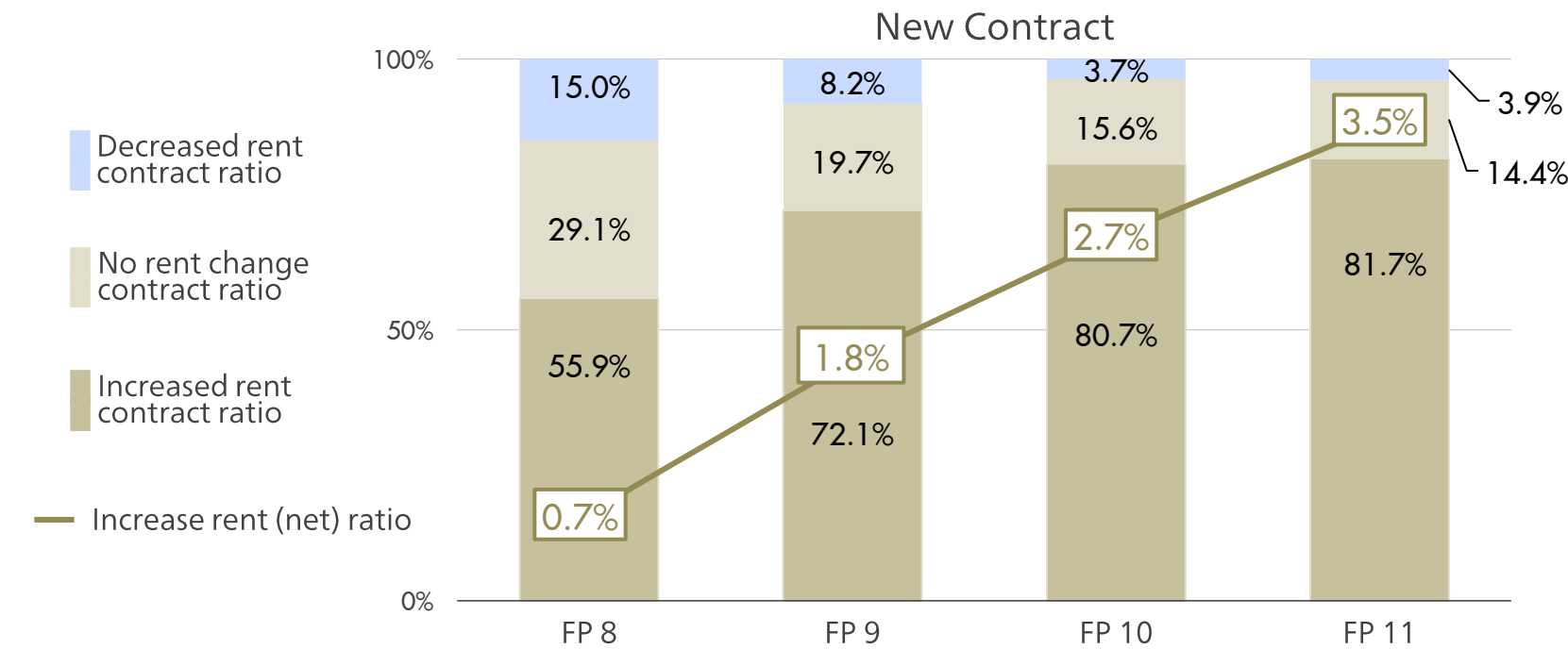
	FP ended Apr. 2019 (FP 9)		FP ended Oct. 2019 (FP 10)		FP ended Apr. 2020 (FP 11)	
	Period-average	End of the FP	Period-average	End of the FP	Period-average	End of the FP
Greater Tokyo	97.4%	96.6%	96.6%	97.5%	97.1%	96.2%
Tokyo 23 Wards	97.4%	96.5%	97.0%	97.3%	96.9%	95.8%
Major Cities Nationwide	97.6%	96.8%	97.3%	97.4%	97.7%	97.2%
Nagoya-shi	96.6%	95.7%	96.6%	96.4%	96.9%	95.5%
Osaka-shi	97.1%	97.6%	95.8%	96.4%	96.6%	97.0%
Fukuoka-shi	99.1%	97.9%	98.5%	99.3%	99.1%	98.5%
Sapporo-shi	95.2%	92.8%	94.2%	93.4%	94.2%	95.2%
Entire Residential	97.5%	96.7%	96.9%	97.5%	97.4%	96.6%

Rent Trends of Residential (1)

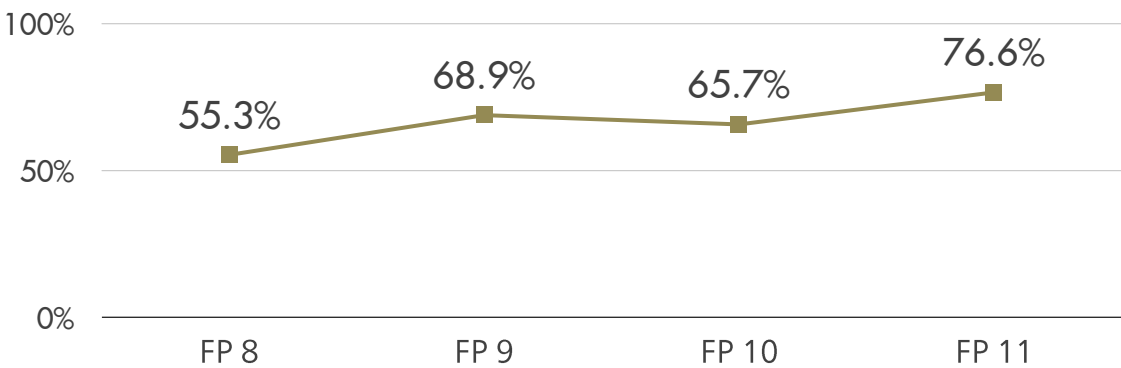
Contract Rent (Comparison of Monthly Rent including Utilities)

	New Contract			
	FP ended Oct. 2018 (FP 8)	FP ended Apr. 2019 (FP 9)	FP ended Oct. 2019 (FP 10)	FP ended Apr. 2020 (FP 11)
Monthly rent /no. of contracts	JPY115.31 million / 859	JPY104.91 million / 814	JPY124.80 million / 891	JPY107.54 million / 764
Increase in rent /no. of contracts	JPY1.54 million / 480	JPY2.21 mil / 587	JPY3.61 million / 719	JPY3.85 million / 624
Decrease in rent /no. of contracts	JPY(0.78) million / 129	JPY(0.37) million / 67	JPY(0.32) million / 33	JPY(0.20) million / 30
Increase rent (net)	JPY0.75 million	JPY1.84 million	JPY3.28 million	JPY3.65 million

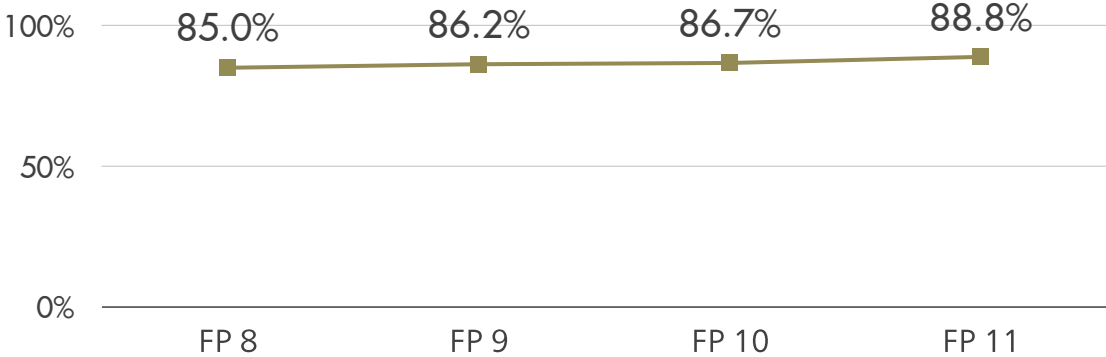
	Renewal Contract			
	FP ended Oct. 2018 (FP 8)	FP ended Apr. 2019 (FP 9)	FP ended Oct. 2019 (FP 10)	FP ended Apr. 2020 (FP 11)
Monthly rent /no. of contracts	JPY146.25 million / 1,127	JPY170.60 million / 1,361	JPY147.74 million / 1,121	JPY200.11 million / 1,615
Increase in rent /no. of contracts	JPY0.18 million / 82	JPY0.21 million / 126	JPY0.41 million / 161	JPY0.63 million / 368
Decrease in rent /no. of contracts	- / -	- / -	- / -	JPY(0.00) million / 1
Increase rent (net)	JPY0.18 million	JPY0.21 million	JPY0.41 million	JPY0.63 million



Non Refundable Deposit Received



Rate of Renewal



Rent Trends of Residential (2)

■ Rent Trends by Investment Area (Unit Rent per tsubo)

Based on the residential held from the end of FP 10 to the end of FP 11

	FP ended October 2019 (end of FP 10)		FP ended April 2020 (end of FP 11)		Change	
	(A)		(B)		(B) – (A)	((B)-(A))/(A)
Greater Tokyo	JPY	13,557 / tsubo	JPY	13,619 / tsubo	+ JPY 62 / tsubo	+ 0.5 %
Tokyo 23 Wards	JPY	13,845 / tsubo	JPY	13,918 / tsubo	+ JPY 73 / tsubo	+ 0.5 %
Others	JPY	10,939 / tsubo	JPY	10,931 / tsubo	JPY (8) / tsubo	(0.1)%
Major Cities Nationwide	JPY	7,075 / tsubo	JPY	7,092 / tsubo	+ JPY 17 / tsubo	+ 0.2 %
Total	JPY	11,649 / tsubo	JPY	11,686 / tsubo	+ JPY 37 / tsubo	+ 0.3 %

■ Rent Trends in New Contracts by Investment Area and Building Age

	FP ended April 2020 (end of FP 11)		
	Number of new contracts	Change in rent (net)	Ratio of change in rent
By Area			
Greater Tokyo	579	+ JPY 3,342 thousand	+ 4.0 %
Tokyo 23 Wards	515	+ JPY 3,134 thousand	+ 4.1 %
Other	64	+ JPY 208 thousand	+ 3.2 %
Major Cities Nationwide	185	+ JPY 311 thousand	+ 1.5 %
Total	764	+ JPY 3,653 thousand	+ 3.5 %
By Building Age (Tokyo 23 Wards)			
Less than 5 years	103	+ JPY 498 thousand	+ 2.6 %
5 years or more to less than 10 years	57	+ JPY 330 thousand	+ 4.0 %
10 years or more to less than 15 years	299	+ JPY 1,754 thousand	+ 4.5 %
More than 15 years	56	+ JPY 552 thousand	+ 5.4 %
Total	515	+ JPY 3,134 thousand	+ 4.1 %

■ Rent Gap

Rent Gap:

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 Style Act) exceed end tenant contract rents in effect as of the end April 2020 (FP 11).

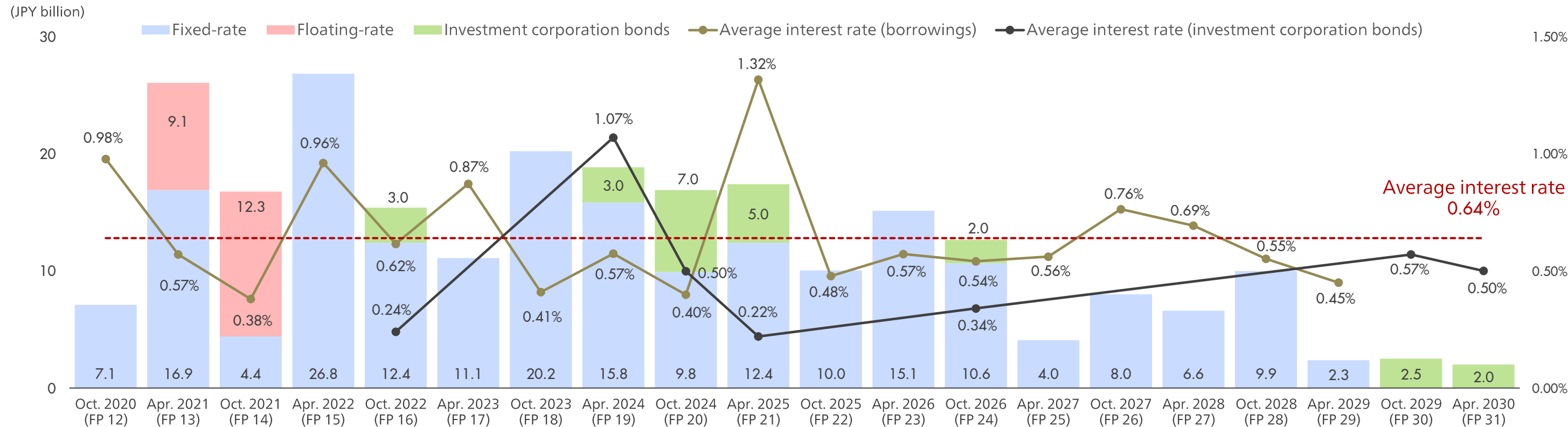
	Rent Gap
Greater Tokyo	5.6 % lower
Tokyo23 Wards	5.6 % lower
Other	4.8 % lower
Major Cities Nationwide	4.4 % lower
Total	5.4 % lower

* Rent and floor area for stores and offices in residential, as well as the rent and floor area of residential in which fixed-rent type 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.

Financial Results

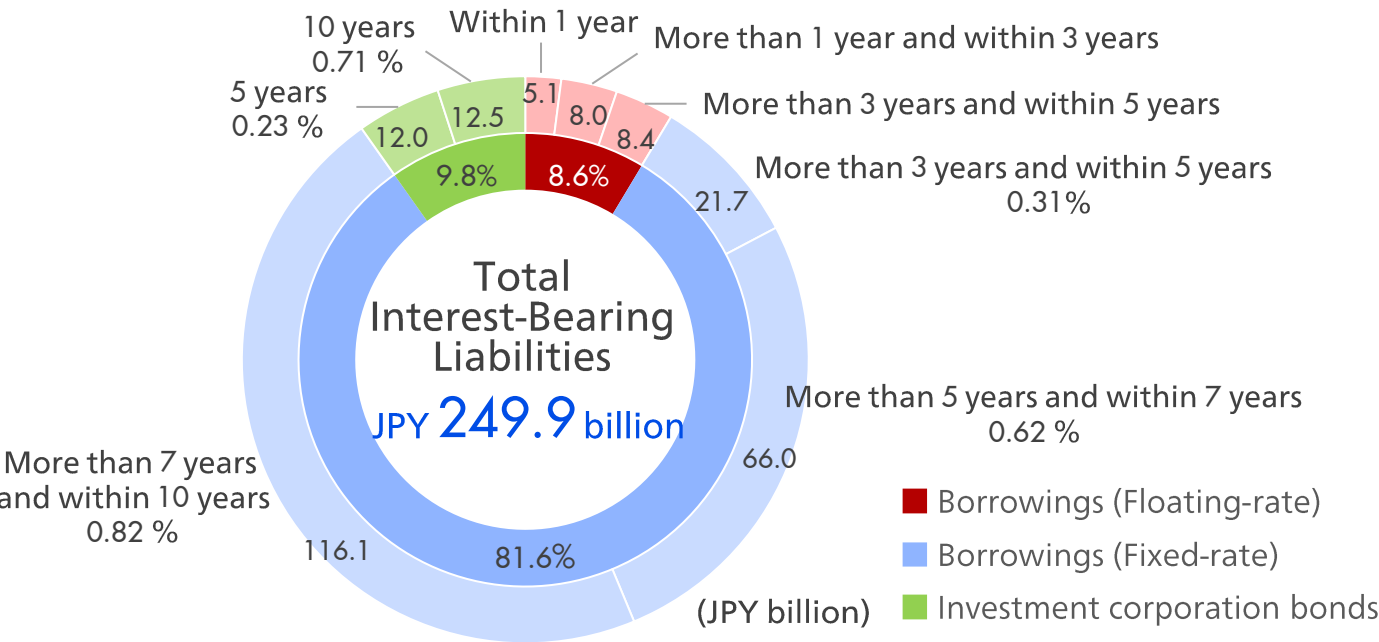
Diversification of Maturity Dates

(As of June 15, 2020)

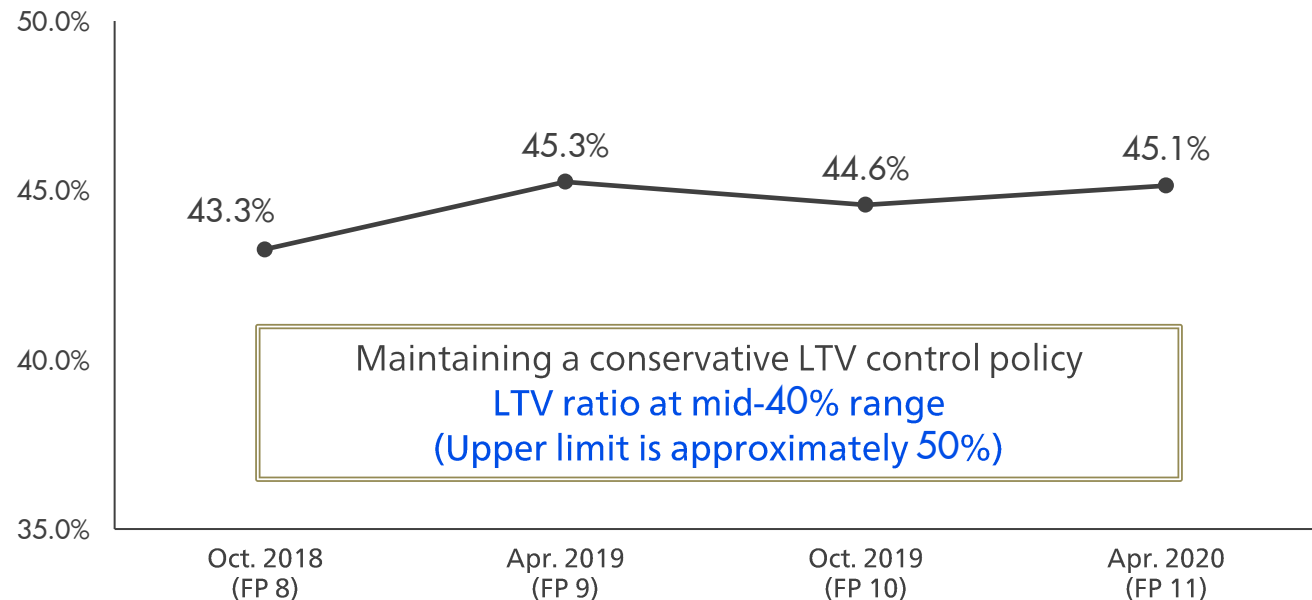


* For interest-bearing liabilities as a whole, "average interest rate" represents the weighted average (annual rate) of the interest rates applicable as of June 15, 2020 based on the amounts of total interest-bearing liabilities, while "average interest rate" of each fiscal period represents the weighted average (annual rate) of the interest rates applicable as of June 15, 2020, based on the borrowings to be repaid or investment corporation bonds to be redeemed at the respective fiscal periods. Borrowings fixed under interest rate swap agreements are calculated using interest rates fixed under interest rate swap agreements.

Diversification of Maturity Period



LTV Trends (Total asset basis)



* The rates shown under each maturity period represent average interest rate of the borrowings or Investment corporation bonds for the respective period.

Balance Sheet

	FP 10 (October 31, 2019)	FP 11 (April 30, 2020)		FP 10 (October 31, 2019)	FP 11 (April 30, 2020)
Assets			(Unit: JPY thousand)		
Current assets			Liabilities		
Cash and deposits	7,551,248	8,712,829	Current liabilities		
Cash and deposits in trust	17,134,730	17,828,103	Operating accounts payable	974,618	800,601
Operating accounts receivable	196,322	193,901	Short-term loans payable	13,000,000	13,100,000
Prepaid expenses	198,915	219,243	Current portion of investment corporation bonds	2,000,000	–
Other	153,267	2,922	Current portion of long-term loans payable	27,892,500	28,050,000
Allowance for doubtful accounts	(778)	(1,726)	Accounts payable – other	1,205,134	1,169,454
Total current assets	25,233,705	26,955,273	Accrued expenses	196,924	185,218
Non-current assets			Income taxes payable	588	586
Property, plant and equipment			Accrued consumption taxes	–	474,411
Buildings in trust	172,504,565	174,333,341	Advances received	431,905	430,486
Accumulated depreciation	(10,454,347)	(12,740,101)	Derivative debt	50,959	55,983
Buildings in trust, net	162,050,217	161,593,240	Other	269,336	140,795
Structures in trust	1,564,478	1,571,922	Total current liabilities	46,021,967	44,407,537
Accumulated depreciation	(152,627)	(184,087)	Non-current liabilities		
Structures in trust, net	1,411,851	1,387,834	Investment corporation bonds	17,500,000	24,500,000
Machinery and equipment in trust	2,193,249	2,217,849	Long-term loans payable	183,850,000	184,292,000
Accumulated depreciation	(133,771)	(183,002)	Tenant leasehold and security deposits in trust	13,836,639	14,074,235
Machinery and equipment in trust, net	2,059,477	2,034,846	Derivative debt	424,718	284,954
Vehicles in trust	153	153	Other	163,835	106,366
Accumulated depreciation	(19)	(57)	Total non-current liabilities	215,775,192	223,257,555
Vehicles in trust, net	134	96	Total liabilities	261,797,160	267,665,093
Tools, furniture and fixtures in trust	214,116	309,530	Net assets		
Accumulated depreciation	(24,980)	(46,432)	Unitholders' equity		
Tools, furniture and fixtures in trust, net	189,135	263,097	Unitholders' capital	149,210,081	149,210,081
Land in trust	352,572,801	357,199,586	Surplus		
Construction in progress in trust	5,494	–	Capital surplus	128,598,415	128,598,415
Total property, plant and equipment	518,289,113	522,478,701	Voluntary retained earnings		
Intangible assets			Reserve for reduction entry	–	775,495
Leasehold rights in trust	2,475,748	2,450,322	Reserve for temporary difference adjustments	1,454,196	1,089,341
Other	5,442	4,517	Total voluntary retained earnings	1,454,196	1,864,837
Total intangible assets	2,481,190	2,454,840	Unappropriated retained earnings	7,405,454	6,991,331
Investments and other assets			Total surplus	137,458,066	137,454,583
Lease and guarantee deposits	790,700	790,700	Total unitholders' equity	286,668,148	286,664,665
Long-term prepaid expenses	498,514	544,044	Valuation and translation adjustments		
Other	403,137	482,274	Deferred hedging gain/loss	(475,678)	(340,937)
Total investments and other assets	1,692,352	1,817,018	Total of valuation and translation adjustments	(475,678)	(340,937)
Total non-current assets	522,462,655	526,750,560	Total net assets	286,192,469	286,323,727
Deferred assets			Total liabilities and net assets		
Investment corporation bond issuance costs	65,615	105,431		547,989,630	553,988,820
Investment unit issuance costs	227,653	177,554			
Total deferred assets	293,268	282,986			
Total assets	547,989,630	553,988,820			

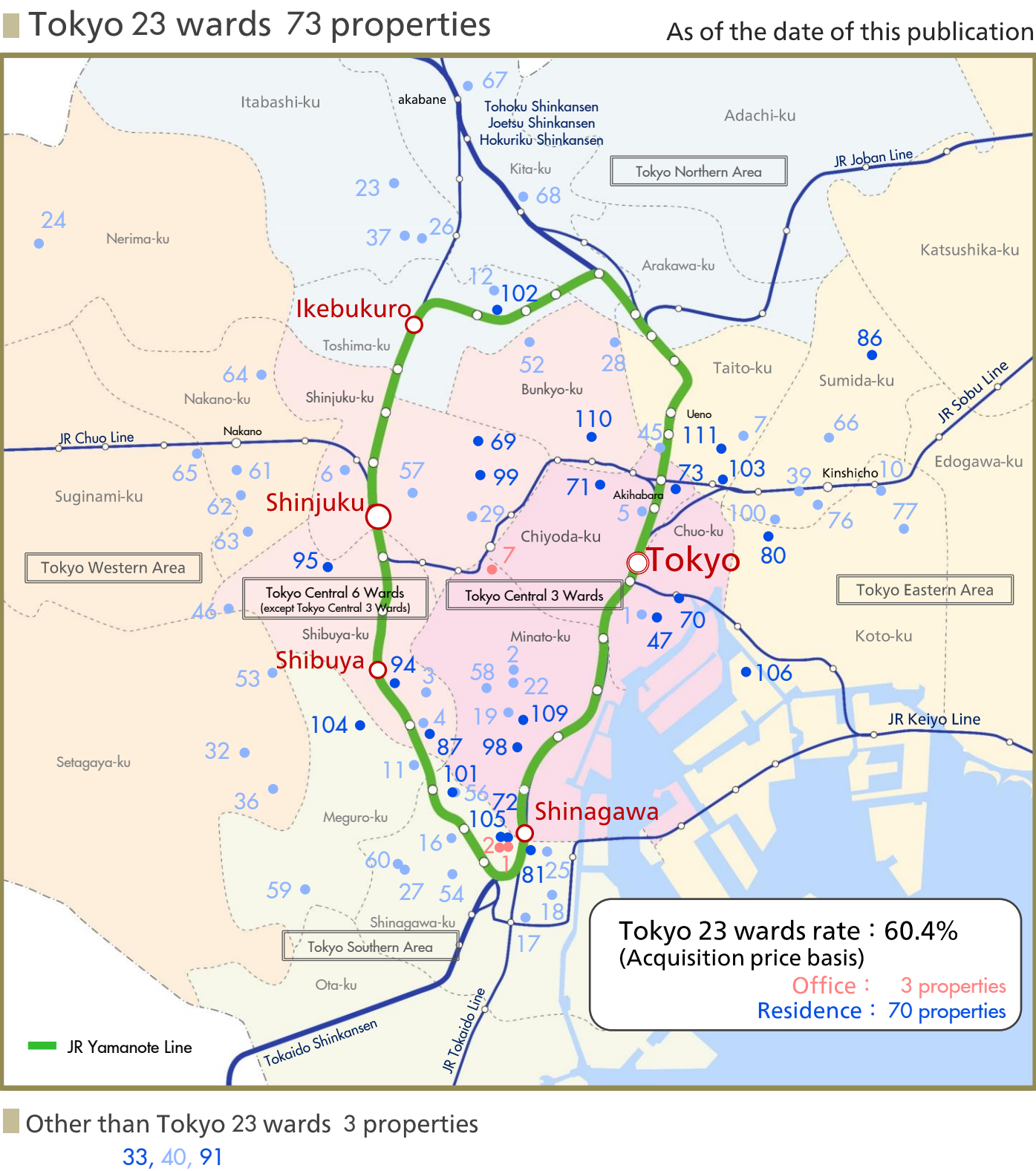
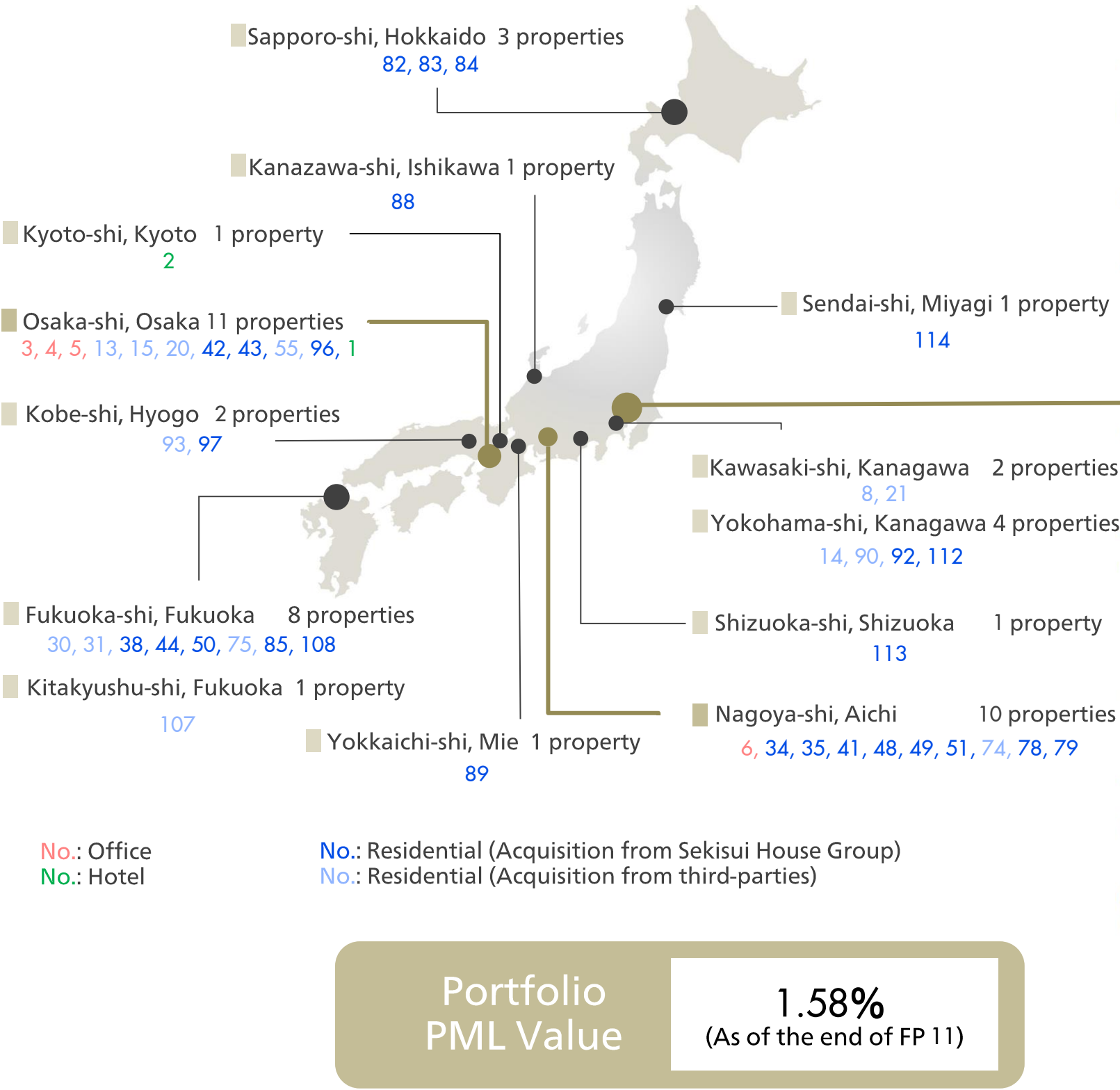
* As of the date of this publication, audit procedures for the financial documents based on the Act on Investment Trusts and Investment Corporations have been completed but audit procedures for the financial statements based on the Financial Instruments and Exchange Act have yet to be completed.

Statement of Income and Retained Earnings

	(Unit: JPY thousand)	
	FP 10 From May 1, 2019 to October 31, 2019	FP 11 From November 1, 2019 to April 30, 2020
Operating revenue		
Rent revenue - real estate	13,539,686	14,196,787
Other lease business revenue	339,644	393,545
Gain on sales of real estate properties	804,126	—
Total operating revenue	14,683,458	14,590,332
Operating expenses		
Expenses related to rent business	5,124,966	5,372,698
Asset management fee	1,036,070	1,015,215
Asset custody fee	9,344	10,295
Administrative service fees	43,689	47,879
Directors' compensations	3,600	3,600
Provision of allowance for doubtful accounts	226	947
Other operating expenses	239,489	265,655
Total operating expenses	6,457,387	6,716,291
Operating income	8,226,071	7,874,041
Non-operating income		
Interest income	106	119
Reversal of distributions payable	1,415	1,238
Consumption tax refund	49,005	5,468
Other	684	607
Total non-operating income	51,211	7,433
Non-operating expenses		
Interest expenses	672,439	659,469
Interest expenses on investment corporation bond	53,448	61,150
Borrowing related expenses	93,436	105,456
Amortization of investment unit issuance costs	42,905	49,973
Amortization of investment corporation bond issuance costs	5,212	9,880
Other	3,779	3,607
Total non-operating expenses	871,223	889,538
Ordinary Income	7,406,059	6,991,936
Income before income taxes	7,406,059	6,991,936
Income taxes – current	605	605
Total income taxes	605	605
Net income	7,405,454	6,991,331
Unappropriated retained earnings	7,405,454	6,991,331

* 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.

Portfolio Map



Appendix

Portfolio List (1)

■ Overview of Portfolio

Asset category	Number of properties	Number of PP	PP ratio (%)	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate as of FP 11 (%)	Average building age
Office	7	7	100.0	245,500	46.1	126,712.50	100.0	10.0
Residential	113	84	81.4	248,090	46.6	396,478.74	96.6	11.6
Hotels	2	2	100.0	39,320	7.4	29,589.06	100.0	8.2
Total	121	92	91.3	532,910	100.0	552,780.30	97.6	10.6

■ Owned Properties

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate as of FP 11 (%)	Completion date
O-001	★	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.5	38,577.99	99.9	Feb. 2011
O-002	★	Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.7	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	7.2	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	12,472.80	100.0	Jan. 2006
Office Subtotal				245,500	46.1	126,712.50	100.0	
R-001	★	Esty Maison Ginza	Chuo-ku, Tokyo	6,540	1.2	5,515.43	95.4	Feb. 2005
R-002	★	Esty Maison Azabunagasaka	Minato-ku, Tokyo	1,790	0.3	2,019.10	93.4	Jan. 2004
R-003	★	Esty Maison Ebisu II	Shibuya-ku, Tokyo	2,040	0.4	2,062.10	98.1	Jun. 2003
R-004	★	Esty Maison Ebisu	Shibuya-ku, Tokyo	873	0.2	781.02	86.4	Oct. 2004
R-005	★	Esty Maison Kanda	Chiyoda-ku, Tokyo	1,610	0.3	1,706.54	91.1	Feb. 2004
R-006	★	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	1,590	0.3	1,881.19	97.6	Aug. 2004
R-007	★	Esty Maison Asakusakomagata	Taito-ku, Tokyo	2,190	0.4	2,978.28	93.5	Jul. 2004
R-008		Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	2,400	0.5	3,741.01	100.0	Jul. 2004
R-010	★	Esty Maison Kameido	Koto-ku, Tokyo	1,580	0.3	2,279.21	93.9	Nov. 2005
R-011	★	Esty Maison Meguro	Meguro-ku, Tokyo	1,060	0.2	1,070.13	97.5	Nov. 2005
R-012		Esty Maison Sugamo	Toshima-ku, Tokyo	1,630	0.3	2,619.17	94.7	Feb. 2007
R-013	★	Esty Maison Kyobashi	Osaka-shi, Osaka	2,970	0.6	4,613.04	97.3	Mar. 2006
R-014		Esty Maison Hakuraku	Yokohama-shi, Kanagawa	931	0.2	1,285.83	93.0	Feb. 2006
R-015	★	Esty Maison Minamihorie	Osaka-shi, Osaka	1,060	0.2	1,804.48	98.2	Feb. 2007
R-016	★	Esty Maison Gotanda	Shinagawa-ku, Tokyo	3,110	0.6	3,871.15	92.4	Mar. 2006
R-017	★	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	2,720	0.5	2,979.85	96.0	Aug. 2006
R-018		Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	2,050	0.4	2,602.30	91.9	Jun. 2006

(As of June 15, 2020)

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate as of FP 11 (%)	Completion date
R-019	★	Esty Maison Minamiazabu	Minato-ku, Tokyo	1,250	0.2	1,082.12	100.0	Aug. 2006
R-020	★	Esty Maison Tsukamoto	Osaka-shi, Osaka	1,080	0.2	2,321.04	97.9	Aug. 2006
R-021		Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	1,910	0.4	2,824.86	99.2	Feb. 2007
R-022		Esty Maison Azabujuban	Minato-ku, Tokyo	2,690	0.5	1,755.31	97.5	Feb. 2007
R-023		Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	937	0.2	1,274.49	100.0	Feb. 2007
R-024		Esty Maison Oizumigakuen	Nerima-ku, Tokyo	790	0.1	1,362.36	92.9	Feb. 2007
R-025	★	Esty Maison Higashishinagawa	Shinagawa-ku, Tokyo	2,390	0.4	2,936.72	96.5	May 2008
R-026	★	Esty Maison Itabashikuyakushomae	Itabashi-ku, Tokyo	2,540	0.5	3,915.81	95.2	Apr. 2007
R-027		Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	1,050	0.2	1,176.78	97.6	Nov. 2007
R-028	★	Esty Maison Sendagi	Bunkyo-ku, Tokyo	698	0.1	897.30	100.0	Jan. 2008
R-029	★	Esty Maison Yotsuyasakamachi	Shinjuku-ku, Tokyo	2,090	0.4	2,453.17	96.4	Mar. 2008
R-030	★	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	2,400	0.5	9,106.08	96.3	Nov. 2007
R-031		Esty Maison Kamigofuku	Fukuoka-shi, Fukuoka	821	0.2	2,261.91	98.5	Mar. 2008
R-032	★	Esty Maison Sangenjaya	Setagaya-ku, Tokyo	822	0.2	856.08	94.5	Jan. 2008
R-033	★	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	1,850	0.3	3,924.58	97.6	Dec. 2007
R-034	★	Prime Maison Higashisakura	Nagoya-shi, Aichi	1,500	0.3	3,118.11	94.4	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	92.2	Jan. 2008
R-037	★	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	2,560	0.5	4,036.66	93.4	Mar. 2008
R-038	★	MAST 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	97.1	Feb. 2005
R-041	★	Prime Maison Gokiso	Nagoya-shi, Aichi	1,950	0.4	4,427.65	91.2	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	100.0	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	96.2	Feb. 2006
R-046		Esty Maison Sasazuka	Shibuya-ku, Tokyo	3,340	0.6	3,701.70	96.3	Sep. 2004
R-047	★	Prime Maison Ginza East	Chuo-ku, Tokyo	6,250	1.2	6,177.20	99.2	Feb. 2006
R-048	★	Prime Maison Takami	Nagoya-shi, Aichi	1,050	0.2	2,016.79	96.7	Aug. 2008
R-049	★	Prime Maison Yadaminami	Nagoya-shi, Aichi	812	0.2	2,168.59	84.6	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	98.7	Aug. 2009
R-053	★	Esty Maison Daizawa	Setagaya-ku, Tokyo	2,270	0.4	2,352.90	96.5	Feb. 2010
R-054		Esty Maison Togoshi	Shinagawa-ku, Tokyo	1,770	0.3	1,943.17	100.0	Jun. 2009
R-055	★	Esty Maison Nishitemma	Osaka-shi, Osaka	1,680	0.3	2,877.90	95.5	Nov. 2007

Appendix

Portfolio List (2)

(As of June 15, 2020)

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate as of FP 11 (%)	Completion date
R-056	★	Esty Maison Shirokanedai	Shinagawa-ku, Tokyo	2,400	0.5	2,675.11	96.1	Sep. 2003
R-057	★	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	1,680	0.3	1,889.50	91.2	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	94.9	Feb. 2009
R-060	★	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	1,030	0.2	1,073.59	94.7	May 2009
R-061		Esty Maison Nakano	Nakano-ku, Tokyo	1,870	0.4	2,023.72	98.7	Jun. 2009
R-062		Esty Maison Shinnakano	Nakano-ku, Tokyo	1,020	0.2	1,107.57	100.0	Oct. 2009
R-063		Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	984	0.2	1,299.60	100.0	Feb. 2009
R-064		Esty Maison Tetsugakudo	Nakano-ku, Tokyo	1,160	0.2	1,531.89	95.2	Oct. 2009
R-065		Esty Maison Koenji	Suginami-ku, Tokyo	1,160	0.2	1,527.52	94.6	Mar. 2009
R-066	★	Esty Maison Oshiage	Sumida-ku, Tokyo	2,490	0.5	3,180.90	96.5	Apr. 2010
R-067	★	Esty Maison Akabane	Kita-ku, Tokyo	3,290	0.6	4,302.84	95.8	Nov. 2009
R-068		Esty Maison Oji	Kita-ku, Tokyo	1,650	0.3	2,289.44	97.8	Jul. 2010
R-069	★	Prime Maison Waseda	Shinjuku-ku, Tokyo	1,580	0.3	1,650.66	95.4	Nov. 2012
R-070	★	Prime Maison Hatchobori	Chuo-ku, Tokyo	1,460	0.3	1,382.32	91.9	Nov. 2012
R-071	★	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	1,960	0.4	1,819.90	100.0	Mar. 2013
R-072	★	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	2,910	0.5	2,512.91	100.0	Jan. 2011
R-073	★	MAST LIFE 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	89.2	Oct. 2007
R-075	★	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	2,430	0.5	5,213.51	97.3	Feb. 2006
R-076	★	Esty Maison Kinshicho II	Sumida-ku, Tokyo	8,250	1.5	9,469.65	96.6	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	92.6	Apr. 2007
R-079	★	Esty Maison Tsurumai	Nagoya-shi, Aichi	4,490	0.8	13,812.40	100.0	Nov. 1999
R-080	★	Prime Maison Morishita	Koto-ku, Tokyo	1,930	0.4	2,180.78	96.5	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	89.9	Dec. 2008
R-083	★	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	1,930	0.4	6,019.09	99.1	Nov. 2009
R-084	★	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	1,250	0.2	4,102.08	99.0	Oct. 2009
R-085	★	Prime Maison Central Park	Fukuoka-shi, Fukuoka	2,309	0.4	10,268.74	97.2	Feb. 2011
R-086	★	MAST LIFE 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	97.2	Jun. 2014
R-088		Granmast Kanazawa Nishiizumi	Kanazawa-shi, Ishikawa	1,080	0.2	4,634.50	100.0	Sep. 2007
R-089		Granmast Unomori	Yokkaichi-shi, Mie	830	0.2	2,280.00	100.0	Apr. 2009
R-090		Esty Maison Kohoku Tsunashima	Yokohama-shi, Kanagawa	2,750	0.5	6,867.48	100.0	Mar. 2002
R-091	★	MAST LIFE Hino	Hino-shi, Tokyo	1,390	0.3	2,827.55	98.4	Jan. 2010
R-092	★	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	4,870	0.9	5,461.13	94.9	Jun. 2014
R-093		Kobe Women's Student Housing	Kobe-shi, Hyogo	5,880	1.1	15,341.68	100.0	Feb. 2002

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m)	Occupancy rate as of FP 11 (%)	Completion date
R-094	★	Prime Maison Shibuya	Shibuya-ku, Tokyo	2,430	0.5	1,972.59	90.2	Jul. 2014
R-095	★	Prime Maison Hatsudai	Shibuya-ku, Tokyo	3,010	0.6	2,879.20	95.1	Dec. 2014
R-096		Esty Maison Uemachidai	Osaka-shi, Osaka	1,040	0.2	2,225.52	94.7	Aug. 2005
R-097		Esty Maison Kobe-sannomiya	Kobe-shi, Hyogo	971	0.2	2,007.00	94.1	Mar. 2007
R-098	★	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	4,900	0.9	3,923.76	95.4	Jun. 2015
R-099	★	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	4,220	0.8	4,099.04	87.5	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	96.7	May 2016
R-102	★	Prime Maison Otsuka	Toshima-ku, Tokyo	3,700	0.7	3,921.35	93.5	Jan. 2017
R-103	★	Prime Maison Asakusabashi	Taito-ku, Tokyo	1,680	0.3	2,033.06	91.4	Oct. 2016
R-104	★	Prime Maison Daikanyama	Meguro-ku, Tokyo	2,520	0.5	1,779.17	88.7	Jan. 2017
R-105	★	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	3,400	0.6	3,569.73	96.3	Jan. 2011
R-106	★	Esty Maison Toyosu Residence	Koto-ku, Tokyo	6,050	1.1	23,538.73	96.9	Feb. 2008
R-107		Esty Maison Kokura	Kitakyushu-shi, Fukuoka	1,040	0.2	3,062.59	89.9	Feb. 2006
R-108		MAST 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	90.1	Oct. 2017
R-110	★	Prime Maison Hongo	Bunkyo-ku, Tokyo	2,600	0.5	2,423.46	88.6	Mar. 2018
R-111	★	Prime Maison Kuramae	Taito-ku, Tokyo	2,190	0.4	2,259.40	95.7	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
Residential Subtotal				248,090	46.6	396,478.74	96.6	
H-001	★	The St. Regis Osaka (Hommachi Garden City (Hotel portion))	Osaka-shi, Osaka	17,200	3.2	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	

- * 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: April 30, 2020)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Direct capitalization yield (%)		Discount rate (%)		Final capitalization yield (%)		Appraisal NOI (JPY million)
			Period-on-period				Period-on-period		Period-on-period		Period-on-period	
O-001	Garden City Shinagawa Gotenyama	89,100	—	70,635	18,464	3.2	—	3.0	—	3.4	—	2,962
O-002	Gotenyama SH Building	61,700	(300)	50,024	11,675	3.3	—	3.3	—	3.5	—	2,062
O-003	Hommachi Minami Garden City	56,400	—	43,032	13,367	3.5	—	3.2	—	3.7	—	2,073
O-004	Hommachi Garden City (Office portion)	44,800	—	36,987	7,812	3.4	—	3.2	—	3.6	—	1,552
O-005	HK Yodoyabashi Garden Avenue	6,360	230	4,282	2,077	3.6	(0.1)	3.7	—	3.8	—	238
O-006	Hirokoji Garden Avenue	7,190	(180)	6,232	957	4.1	—	3.9	—	4.3	—	302
O-007	Akasaka Garden City	30,000	(100)	28,815	1,184	3.4	—	3.2	—	3.6	—	1,033
Office Subtotal		295,550	(350)	240,010	55,539	—	—	—	—	—	—	10,225
R-001	Esty Maison Ginza	6,940	40	6,494	445	3.7	—	3.9	—	3.9	—	272
R-002	Esty Maison Azabunagasaka	1,860	(70)	1,768	91	3.8	—	3.9	—	4.0	—	76
R-003	Esty Maison Ebisu II	2,190	10	2,023	166	3.8	—	3.9	—	4.0	—	88
R-004	Esty Maison Ebisu	903	—	922	(19)	3.7	—	3.8	—	3.9	—	36
R-005	Esty Maison Kanda	1,740	—	1,574	165	3.8	—	3.9	—	4.0	—	69
R-006	Esty Maison Kitashinjuku	1,710	—	1,556	153	4.0	—	4.0	—	4.2	—	70
R-007	Esty Maison Asakusakomagata	2,370	10	2,128	241	4.0	—	4.0	—	4.2	—	99
R-008	Esty Maison Kawasaki	2,660	—	2,467	192	4.1	—	4.1	—	4.3	—	115
R-010	Esty Maison Kameido	1,760	—	1,531	228	4.3	—	4.1	—	4.5	—	81
R-011	Esty Maison Meguro	1,190	—	1,084	105	3.8	—	3.6	—	4.0	—	47
R-012	Esty Maison Sugamo	1,740	—	1,607	132	3.9	—	3.7	—	4.1	—	72
R-013	Esty Maison Kyobashi	3,000	—	3,019	(19)	4.6	—	4.5	—	4.7	—	143
R-014	Esty Maison Hakuraku	982	7	908	73	4.4	—	4.2	—	4.6	—	46
R-015	Esty Maison Minamihorie	1,100	(10)	1,051	48	4.2	—	4.0	—	4.4	—	51
R-016	Esty Maison Gotanda	3,290	10	3,065	224	4.2	—	3.9	—	4.4	—	143
R-017	Esty Maison Oisendaizaka	2,860	—	2,764	95	4.0	—	3.8	—	4.2	—	119
R-018	Esty Maison Shinagawa Seaside	2,360	190	2,134	225	3.9	—	3.7	—	4.1	—	97
R-019	Esty Maison Minamiazabu	1,340	10	1,242	97	3.6	—	3.4	—	3.8	—	51
R-020	Esty Maison Tsukamoto	1,120	—	1,048	71	4.7	—	4.5	—	4.9	—	56
R-021	Esty Maison Kawasaki II	2,070	—	1,953	116	4.1	—	3.9	—	4.3	—	94
R-022	Esty Maison Azabujuban	2,890	—	2,726	163	3.6	—	3.4	—	3.8	—	108
R-023	Esty Maison Itabashihoncho	994	—	913	80	4.0	—	3.8	—	4.2	—	43
R-024	Esty Maison Oizumigakuen	838	—	777	60	4.1	—	3.9	—	4.3	—	38
R-025	Esty Maison Higashishinagawa	2,390	—	2,325	64	4.2	—	4.0	—	4.4	—	108
R-026	Esty Maison Itabashikuyakushomae	2,680	—	2,481	198	4.0	—	3.8	—	4.2	—	116
R-027	Esty Maison Musashikoyama	1,130	—	1,030	99	4.0	—	3.8	—	4.2	—	48
R-028	Esty Maison Sendagi	753	5	686	66	4.0	—	3.8	—	4.2	—	32
R-029	Esty Maison Yotsuyasakamachi	2,280	10	2,073	206	3.9	—	3.7	—	4.1	—	92
R-030	Esty Maison Hakatahigashi	2,410	—	2,300	109	5.0	—	5.0	—	5.1	—	130
R-031	Esty Maison Kamigofuku	813	(1)	791	21	4.8	—	4.8	—	4.9	—	44
R-032	Esty Maison Sangenjaya	871	—	807	63	3.9	—	4.0	—	4.1	—	37
R-033	Prime Maison Musashinonomori	1,960	—	1,806	153	4.5	—	4.4	—	4.7	—	96
R-034	Prime Maison Higashisakura	1,590	—	1,460	129	4.5	—	4.4	—	4.7	—	76
R-035	Prime Maison Kayabakoen	881	5	843	37	4.7	—	4.6	—	4.9	—	44
R-036	Esty Maison Sangenjaya II	842	—	770	71	4.0	—	4.1	—	4.2	—	36
R-037	Esty Maison Itabashi C6	2,690	—	2,502	187	4.2	—	4.0	—	4.4	—	121

Period-end Appraisal Values (2)

(Appraisal date: April 30, 2020)												
Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Direct capitalization yield (%)		Discount rate (%)		Final capitalization yield (%)		Appraisal NOI (JPY million)
			Period-on-period				Period-on-period		Period-on-period		Period-on-period	
R-038	MAST Hakata	2,500	—	2,234	265	4.8	—	4.2	—	5.0	—	133
R-039	Esty Maison Kinshicho	1,300	—	1,228	71	4.1	—	3.9	—	4.3	—	57
R-040	Esty Maison Musashikoganei	1,980	—	1,764	215	4.1	—	4.2	—	4.3	—	85
R-041	Prime Maison Gokiso	2,050	—	1,890	159	4.5	—	4.5	—	4.7	—	99
R-042	Prime Maison Yuhigaoka	980	8	886	93	4.4	—	4.2	—	4.6	—	45
R-043	Prime Maison Kitatanabe	635	1	583	51	4.7	—	4.5	—	4.9	—	32
R-044	Prime Maison Momochihama	2,080	—	1,924	155	4.7	—	4.4	—	4.9	—	110
R-045	Esty Maison Akihabara	2,010	—	1,937	72	4.1	—	3.9	—	4.3	—	89
R-046	Esty Maison Sasazuka	3,500	—	3,402	97	4.0	—	3.8	—	4.2	—	145
R-047	Prime Maison Ginza East	6,650	50	6,125	524	3.9	—	3.7	—	4.1	—	270
R-048	Prime Maison Takami	1,110	—	1,036	73	4.3	—	4.4	—	4.5	—	51
R-049	Prime Maison Yadaminami	865	1	871	(6)	4.7	—	4.6	—	4.9	—	43
R-050	Prime Maison Teriha	1,290	—	1,211	78	4.9	—	4.7	—	5.1	—	74
R-051	Esty Maison Higashishirakabe	1,640	—	1,654	(14)	4.6	—	4.5	—	4.8	—	79
R-052	Esty Maison Sengoku	1,380	10	1,342	37	3.9	—	3.7	—	4.1	—	57
R-053	Esty Maison Daizawa	2,300	—	2,242	57	3.9	—	3.7	—	4.1	—	93
R-054	Esty Maison Togoshi	1,820	—	1,740	79	3.9	—	4.0	—	4.1	—	75
R-055	Esty Maison Nishitemma	1,690	—	1,644	45	4.3	—	4.4	—	4.5	—	77
R-056	Esty Maison Shirokanedai	2,580	20	2,386	193	3.9	—	3.7	—	4.1	—	105
R-057	Esty Maison Higashishinjuku	1,760	—	1,637	122	3.9	—	4.0	—	4.1	—	73
R-058	Esty Maison Motoazabu	1,610	30	1,521	88	3.7	—	3.8	—	3.9	—	62
R-059	Esty Maison Toritsudaigaku	870	7	848	21	3.8	—	3.9	—	4.0	—	34
R-060	Esty Maison Musashikoyama II	1,060	—	1,009	50	4.0	—	3.8	—	4.2	—	44
R-061	Esty Maison Nakano	1,860	—	1,837	22	4.0	—	3.8	—	4.2	—	79
R-062	Esty Maison Shinnakano	1,030	—	998	31	4.1	—	3.9	—	4.3	—	44
R-063	Esty Maison Nakanofujimicho	1,020	—	966	53	4.0	—	4.1	—	4.2	—	42
R-064	Esty Maison Tetsugakudo	1,180	—	1,132	47	4.1	—	3.9	—	4.3	—	50
R-065	Esty Maison Koenji	1,200	—	1,140	59	3.9	—	4.0	—	4.1	—	49
R-066	Esty Maison Oshiage	2,520	(40)	2,433	86	4.1	0.1	4.1	0.1	4.3	0.1	109
R-067	Esty Maison Akabane	3,360	(10)	3,198	161	4.2	—	4.0	—	4.4	—	149
R-068	Esty Maison Oji	1,740	—	1,608	131	4.1	—	3.9	—	4.3	—	75
R-069	Prime Maison Waseda	1,660	10	1,541	118	3.8	—	3.6	—	4.0	—	66
R-070	Prime Maison Hatchobori	1,520	—	1,420	99	3.8	—	3.6	—	4.0	—	60
R-071	Prime Maison Jimbocho	1,970	—	1,913	56	4.0	—	3.8	—	4.2	—	82
R-072	Prime Maison Gotenyama East	2,980	—	2,881	98	3.8	—	3.6	—	4.0	—	117
R-073	MAST LIFE Akihabara	569	—	547	21	4.1	—	3.9	—	4.3	—	25
R-074	Esty Maison Aoi	2,440	(100)	2,401	38	4.5	—	4.5	—	4.7	—	117
R-075	Esty Maison Yakuin	2,460	—	2,607	(147)	4.3	—	4.4	—	4.5	—	114
R-076	Esty Maison Kinshicho II	8,800	—	8,075	724	4.0	—	3.8	—	4.2	—	369
R-077	Esty Maison Ojima	9,270	110	8,450	819	4.0	—	3.8	—	4.2	—	389
R-078	Prime Maison Fujimidai	2,120	—	2,051	68	4.8	—	4.6	—	5.0	—	109
R-079	Esty Maison Tsurumai	4,790	200	4,623	166	4.9	—	4.7	—	5.1	—	250
R-080	Prime Maison Morishita	2,020	—	1,879	140	4.0	—	4.0	—	4.2	—	85
R-081	Prime Maison Shinagawa	2,040	—	1,921	118	4.0	—	3.8	—	4.2	—	84

Period-end Appraisal Values (3)

(Appraisal date: April 30, 2020)													
Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Direct capitalization yield (%)		Discount rate (%)		Final capitalization yield (%)		Appraisal NOI (JPY million)	
			Period-on-period				Period-on-period		Period-on-period		Period-on-period		
R-082	Prime Maison Odorikoen	3,010	－	3,100	(90)	4.7	－	4.5	－	4.9	－	159	
R-083	Prime Maison Minami 2-jo	1,710	(30)	1,865	(155)	4.8	0.1	4.6	0.1	5.0	0.1	97	
R-084	Prime Maison Kamokamogawa	1,110	(20)	1,226	(116)	4.8	0.1	4.6	0.1	5.0	0.1	63	
R-085	Prime Maison Central Park	2,295	1	2,223	71	5.1	－	4.9	－	5.2	－	128	
R-086	MAST LIFE Yahiro	1,970	－	1,860	109	4.3	－	4.1	－	4.5	－	89	
R-087	Prime Maison Ebisu	4,760	20	4,305	454	3.6	－	3.4	－	3.8	－	179	
R-088	Granmast Kanazawa Nishiizumi	1,030	(30)	1,038	(8)	5.1	－	4.9	－	5.3	－	57	
R-089	Granmast Unomori	825	(10)	798	26	5.2	－	5.0	－	5.4	－	46	
R-090	Esty Maison Kohoku Tsunashima	East West Annex	2,922	(10)	2,714	207	4.4	－	4.2	－	4.6	－	139
							4.4	－	4.2	－	4.6	－	
							4.4	－	4.2	－	4.6	－	
R-091	MAST LIFE Hino	1,410	－	1,343	66	4.7	－	4.5	－	4.8	－	69	
R-092	Prime Maison Yokohama Nihon-odori	5,010	－	4,740	269	4.1	－	3.9	－	4.3	－	212	
R-093	Kobe Women’s Student Housing	6,140	30	5,545	594	5.0	－	4.8	－	5.2	－	326	
R-094	Prime Maison Shibuya	2,610	－	2,404	205	3.7	－	3.5	－	3.9	－	99	
R-095	Prime Maison Hatsudai	3,210	－	2,959	250	3.8	－	3.6	－	4.0	－	125	
R-096	Esty Maison Uemachidai	1,060	－	1,081	(21)	4.4	－	4.1	－	4.6	－	50	
R-097	Esty Maison Kobe-sannomiya	977	－	944	32	4.6	－	4.4	－	4.8	－	50	
R-098	Prime Maison Shirokane-takanawa	5,260	－	4,840	419	3.7	－	3.5	－	3.9	－	200	
R-099	Prime Maison Ichigayayamabushicho	4,240	(20)	4,160	79	4.0	－	3.8	－	4.2	－	177	
R-100	Esty Maison Morishita	673	－	642	30	4.2	－	4.0	－	4.4	－	28	
R-101	Prime Maison Shirokanedai Tower	9,650	60	8,006	1,643	3.7	－	3.8	－	3.9	－	369	
R-102	Prime Maison Otsuka	4,330	－	3,731	598	3.9	－	4.0	－	4.1	－	174	
R-103	Prime Maison Asakusabashi	1,960	－	1,694	265	3.9	－	4.0	－	4.1	－	79	
R-104	Prime Maison Daikanyama	3,040	50	2,540	499	3.7	－	3.8	－	3.9	－	115	
R-105	Prime Maison Gotenyama West	4,130	－	3,433	696	3.7	－	3.8	－	3.9	－	158	
R-106	Esty Maison Toyosu Residence	6,800	130	6,036	763	－	－	4.2	－	－	－	344	
R-107	Esty Maison Kokura	1,020	(30)	1,086	(66)	5.0	－	4.8	－	5.1	－	54	
R-108	MAST Ijiri	419	(1)	399	19	4.6	－	4.4	－	4.8	－	21	
R-109	Prime Maison Mitatsunamachi	2,180	10	2,062	117	4.0	－	3.8	－	4.2	－	89	
R-110	Prime Maison Hongo	2,690	(10)	2,630	59	4.0	－	3.8	－	4.2	－	110	
R-111	Prime Maison Kuramae	2,290	20	2,219	70	4.1	－	3.9	－	4.3	－	95	
R-112	Esty Maison Yokohama- aobadai	North South	3,160	(10)	3,051	108	4.5	－	4.3	－	4.7	－	151
							4.6	－	4.4	－	4.8	－	
R-113	Esty Maison Shizuoka Takajo	661	－	679	(18)	5.0	－	4.8	－	5.2	－	37	
R-114	GRAND MAST Hirose-dori	869	－	889	(20)	4.6	－	4.4	－	4.8	－	45	
Residential Subtotal		262,827	663	245,661	17,165	－	－	－	－	－	－	11,582	
H-001	The St. Regis Osaka (Hommachi Garden City (Hotel portion))	18,000	－	16,991	1,008	3.6	－	3.4	－	3.8	－	665	
H-002	The Ritz-Carlton, Kyoto	24,206	1,240	22,265	1,940	3.3	－	3.1	－	3.5	－	936	
Hotel Subtotal		42,206	1,240	39,257	2,948	－	－	－	－	－	－	1,601	
Portfolio Total		600,583	1,553	524,929	75,653	－	－	－	－	－	－	23,408	

* Period-end appraisal value, direct capitalization yield, discount rate, final capitalization yield and appraisal NOI are values set forth in the real estate appraisal documents or values set forth in the real estate survey documents, which are the result of pricing surveys that do not follow real estate appraisal evaluation standards.

* Period-on-period figures are comparisons as of the end of April 2020 versus the end of October 2019. For properties acquired during the period ended April 2020, a comparison of the end of April 2020 versus the pricing date for the appraisal document obtained at the time of acquisition is provided. The total change is provided for the office subtotal, residential subtotal, hotel subtotal and the portfolio total.

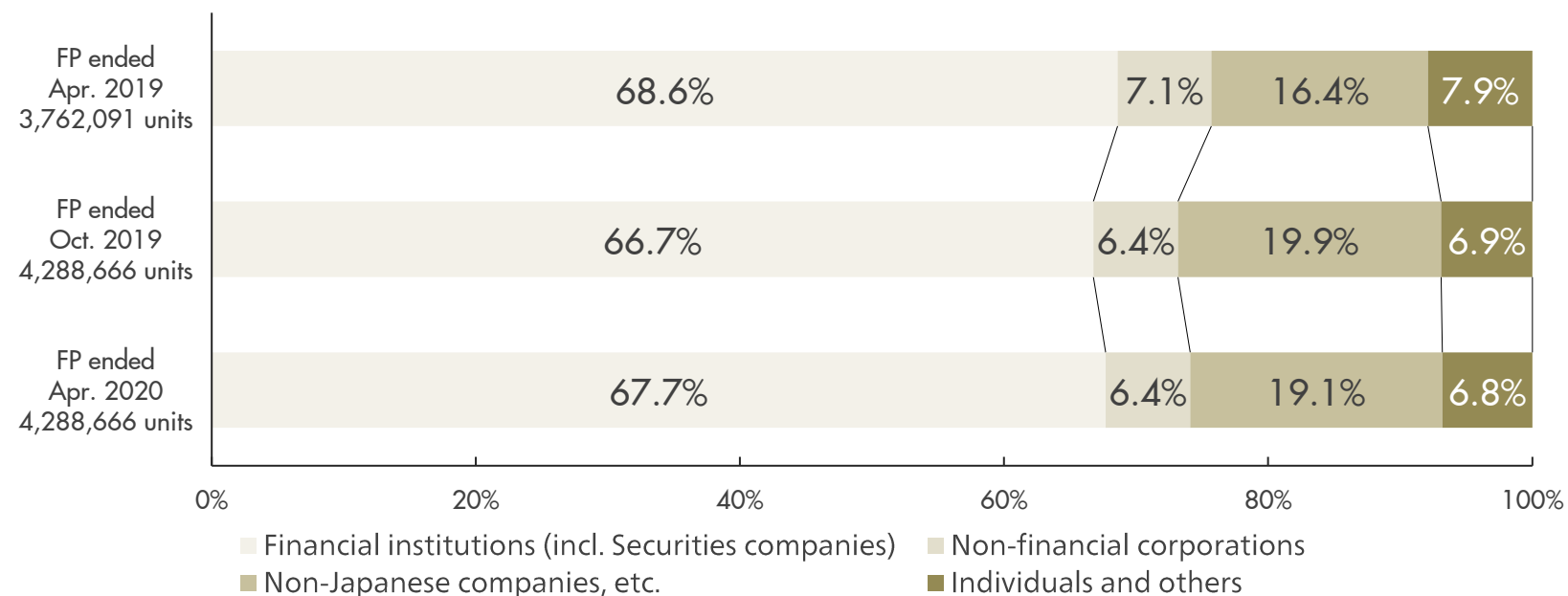
See slide 41 for terminology.

Unitholders Composition

■ Number of Unitholders and Investment Units by Unitholder Type

Unitholder type	Investment Units						Unitholders					
	FP ended Oct. 2019		FP ended Apr. 2020		Change		FP ended Oct. 2019		FP ended Apr. 2020		Change	
	units(a)	ratio(b)	units(c)	ratio(d)	(c)-(a)	(d)-(b)	units(e)	ratio(f)	units(g)	ratio(h)	(g)-(e)	(h)-(f)
Individuals and others	297,697	6.9%	290,765	6.8%	(6,932)	(0.1)pt	18,193	95.8%	18,451	95.9%	+258	+0.1pt
Financial institutions	2,718,214	63.4%	2,795,173	65.2%	+76,959	+1.8pt	205	1.1%	191	1.0%	(14)	(0.1) pt
City banks	—	—	—	—	—	—	—	—	—	—	—	—
Regional banks	375,475	8.8%	388,608	9.1%	+13,133	+0.3pt	47	0.2%	48	0.2%	+1	—
Trust banks	2,043,688	47.7%	2,113,843	49.3%	+70,155	+1.6pt	11	0.1%	12	0.1%	+1	—
Life insurers	55,669	1.3%	68,504	1.6%	+12,835	+0.3pt	7	0.0%	7	0.0%	—	—
Casualty insurers	35,241	0.8%	6,915	0.2%	(28,326)	(0.6) pt	2	0.0%	1	0.0%	(1)	—
Shinkin banks	111,962	2.6%	115,605	2.7%	+3,643	+0.1pt	71	0.4%	64	0.3%	(7)	(0.1) pt
Others	96,179	2.2%	101,698	2.4%	+5,519	+0.2pt	67	0.4%	59	0.3%	(8)	(0.1) pt
Non-financial corporations	275,568	6.4%	276,486	6.4%	+918	—	340	1.8%	338	1.8%	(2)	—
Non-Japanese corporations, etc.	853,469	19.9%	817,332	19.1%	(36,137)	(0.8) pt	227	1.2%	229	1.2%	+2	—
Securities companies	143,718	3.4%	108,910	2.5%	(34,808)	(0.9) pt	21	0.1%	21	0.1%	—	—
Total	4,288,666	100.0%	4,288,666	100.0%	—	—	18,986	100.0%	19,230	100.0%	+244	—

■ Change Ratio in Investment Units



■ Fiscal Period Ended April 2020 – Top 5 Unitholders

Company name	No. of investment units owned	Ratio
Japan Trustee Services Bank, Ltd. (Trust Account)	1,055,699	24.6%
The Master Trust Bank of Japan, Ltd. (Trust Account)	676,488	15.8%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	204,996	4.8%
Sekisui House, Ltd.	200,750	4.7%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	104,975	2.4%

About the terminology used in this presentation

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 ML may be used to refer to master lease.
- Unless specified otherwise, monetary values have been rounded down and percentages have been rounded to the first decimal place.

P.1 Executive Summary (1)

- The percentage of leases on fixed terms is fixed-term leases, based on end-tenant leases in effect as of the end of April 2020 (FP 11), as a percentage of gross leasable area. In addition, the calculation is made excluding end tenants whose cancellation has been confirmed. The same applies throughout this publication.
- The average lease duration and the average remaining life of leases are calculated using an average of the durations or remaining life on leases weighted by area leased, based on end-tenant leases in effect as of the end of April 2020 (FP 11). However, for those end tenants who have executed a lease renewal as of the date of this publication (including automatic renewal), the duration and remaining life on the lease renewal is taken into consideration and end tenants whose cancellation has been confirmed is excluded. The same applies throughout this publication.

P.4 SHR's Portfolio

- The Sekisui House Real Estate companies are: Sekisui House Real Estate Tokyo, Ltd., Sekisui House Real Estate Tohoku, 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.* Effective February 1, 2020, Sekisui House Real Estate companies that used the Sekiwa brand in their company name now all use the Sekisui House Real Estate brand name.
- Average building age is the building age as of June 15, 2020, the date of earnings release, weighted by acquisition price. The same applies throughout this publication.

P.5 Appraisal Value

- NAV per unit is calculated using NAV, an amount arrived at by deducting total distributions from net assets at market value (net assets per the balance sheet plus unrealized gain for the FP 11). The same applies throughout this publication.

P.8 Results and Forecast of NOI and NOI Yield

- NOI yield is the yield calculated by dividing annualized NOI by the total acquisition value of assets under management. Actual NOI refers to results, while forecast NOI refers to forecasts. NOI yield after depreciation is calculated by using actual depreciation costs for the relevant fiscal period for actual NOI and assumed depreciation costs for forecast NOI. The same applies throughout this publication.
- 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.

P.10 Office Rent Trends

- Fixed rent master lease rent refers to the monthly rent divided by leasable area (tsubo), based on the fixed-rent master lease agreement with the master lessee in effect as of the end of April 2020 (FP 11).
- End-tenant 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.
- Rent gap is expressed as the percentage difference between contract rents with end tenants as of the end of FP 11 (ended April 2020) and market rents (expected new rents on standard floors assessed by CBRE). In addition, the calculation is made excluding end tenants whose cancellation has been confirmed.

P.35-36 Portfolio List

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

P.37-39 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.

MEMO



SEKISUI HOUSE REIT, INC.

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