

Fiscal Results Briefing

The 10th Fiscal Period Ended October 31, 2019

10th

May 1, 2019 to October 31, 2019



SEKISUI HOUSE REIT, INC.



Presentation Material

December 16, 2019

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Asset Management Company: Sekisui House Asset Management, Ltd.

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Member of the Investment Trusts Association, Japan)

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Executive Summary (1)

Characteristics of Sekisui House Reit, Inc. ("SHR")

Characteristic 1	<ul style="list-style-type: none">■ SHR's sponsor is Sekisui House, Ltd. ("Sekisui House"), one of the leading homebuilders in Japan.	SHR's Current AUM (aggregate acquisition price) JPY 527.0 billion
Characteristic 2	<ul style="list-style-type: none">■ SHR is a "diversified REIT" with core assets of "high quality" office buildings and residential properties.<ul style="list-style-type: none">• Changing the office rent scheme to seek greater growth.• Residential properties are highly stable and growth.• Japan's leading luxury hotels and show strong results.	Current Portfolio (asset type) Office buildings 46.6% Residences 46.8% Hotels 6.6%
	<ul style="list-style-type: none">■ Investing in Commercial Properties located in three major metropolitan areas (100%); Greater Tokyo, the Osaka area and the Nagoya area (acquisition price basis) and Residential properties located in Greater Tokyo (77.2%) .■ Investing in Prime Properties featuring "strategic locations" and "high quality".	Current Portfolio (area) Three major metropolitan areas 95.6% Ratio of acquisition from Sekisui House Group 75.4%
Characteristic 3	<ul style="list-style-type: none">■ Strong relationships with major domestic financial institutions.	LTV (as of end of 10 th FP) 44.6%

Note 1: Money amounts less than the indicated figures are rounded down and percentage figures are rounded to the nearest first decimal place unless otherwise indicated in this document. The same shall apply hereinafter.

Note 2: Unless otherwise indicated, the figures are as of December 16, 2019

Note 3: The "Three Major Metropolitan Areas" is Greater Tokyo, Osaka area and Nagoya area. "Greater Tokyo" includes Tokyo, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture; "Osaka area" includes Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture and Nara Prefecture; and "Nagoya area" includes Aichi Prefecture. The same shall apply hereinafter.

Executive Summary (2)

Profile of Sekisui House Reit, Inc.

■ Corporate Profile:

- Trade name: Sekisui House Reit, Inc. (TSE:3309)
- Asset management company: Sekisui House Asset Management, Ltd.
- Sponsor: Sekisui House, Ltd.



■ Owned Assets:

- Aggregate acquisition price: JPY 527.0 billion
- Number of properties: 119 properties

■ Distributions:

- Fiscal period ends: April and October of each year
- Actual for 10th fiscal period: JPY 1,631 per unit
- Forecast for 11th fiscal period: JPY 1,623 per unit
- Forecast for 12th fiscal period: JPY 1,630 per unit

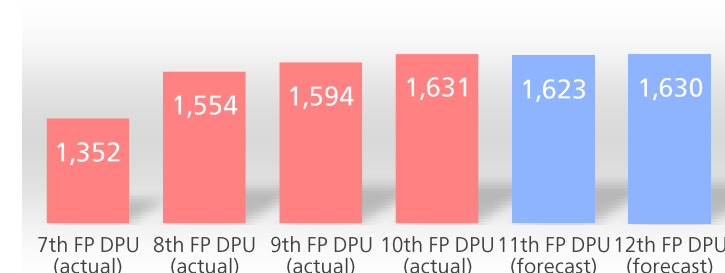
■ Net Asset Value:

- Actual for 10th fiscal period: JPY 81,958 per unit

■ Financial information:

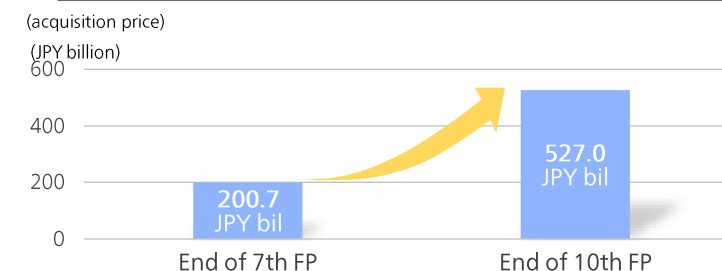
- Number of investment units issued and outstanding: 4,288,666 units
- Total interest-bearing liabilities: JPY 244.2 billion
- Unitholders' capital: JPY 149.2 billion
- Long-term issuer rating: R&I: AA- (stable)
JCR: AA (stable)

< Major Owned Assets >



Highlight

Around a **2.6-fold expansion** of asset size since the end of 7th FP through the merger with SHI and 4th follow on PO.



Growth Strategies Utilizing Sekisui House's Support

Strength and Track record of Sekisui House's Development Business

■ Sekisui House's Corporate Profile (As of January 31, 2019):

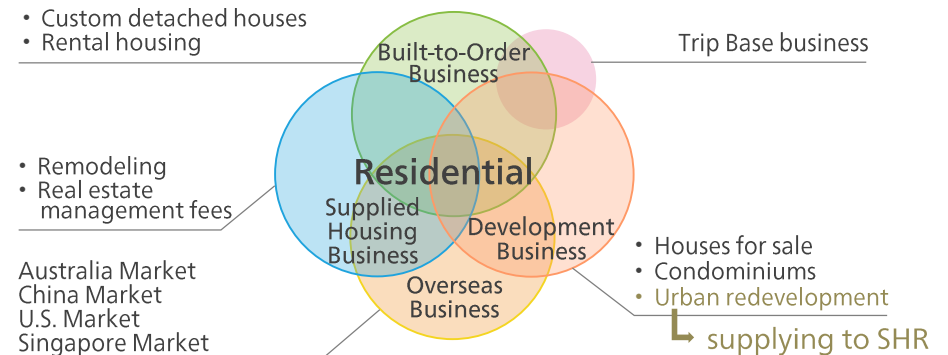
- Corporation Name: Sekisui House, Ltd. [TSE:1928]
- Date of Establishment: August 1, 1960
- Capital Stock: JPY 202,591.2 million
- Cumulative Number of Houses Built: 2,425,372 houses

■ How Sekisui House involved in J-REIT:

- Since 2005, Sekisui House has been entered into the J-REIT field by acquiring an equity stake in Japan Excellent Asset Management Co., Ltd., the asset manager for Japan Excellent, Inc. ("JEI" [TSE: 8987])
- In May 2010, Sekisui House acquired 75% of Joint Capital Partners, asset manager of Joint Reit Investment Corporation, which is renamed Sekisui House SI Investment Corporation ("SSI" [TSE: 8973]).
- In May 2014, Sekisui House withdrew from sponsorship of JEI.
- In Dec. 2014, SHR was listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. [TSE:3309]
- In Mar. 2017, Sekisui House became sole sponsor of SSI, which is renamed to Sekisui House Residential Investment Corporation ("SHI").
- In May 2018, SHR merged with SHI.

■ Sekisui House Group Business Strategies:

Our development business invests in the future growth of environmental creation development, aiming for stable growth through sustainable community development and an improved asset turnover rate.



Source: Sekisui House

■ Sekisui House's Consolidated Financial Statement (FY2018 (18/2-19/1))

				(JPY billion)	
				73	
				245	
				411	
				655	
				774	
				■ Other businesses	
				■ Overseas business	
				■ Development Business	
				■ Supplied Housing Business	
				■ Built-to Order Business	
Total Assets	JPY 2,413 billion	▶			
Net Sales	JPY 2,160 billion				
Operating Income	JPY 189 billion				
Profit attributable to owners of parent	JPY 128 billion				

Sponsor's Rating and AUM

Sponsor's rating is AA (JCR) - one of the highest class among sponsors of J-REIT

REIT (Sponsor)	AUM	Market capitalization ¹	REIT's Rating		Sponsor's Rating	
Sekisui House Reit, Inc. (Sekisui House, Ltd.)	JPY 527 billion	JPY388 billion	R&I: AA- JCR: AA		R&I: AA- JCR: AA	
Nippon Building Fund Inc. (Mitsui Fudosan Co., Ltd. ²)	JPY 1,132 billion	JPY 1,114 billion	R&I: AA JCR: AA+	S&P: A+	R&I: AA- JCR: AA	MDY: A2 S&P: A
Japan Real Estate Investment Corporation (Mitsubishi Estate Co., Ltd. ²)	JPY 1,019 billion	JPY 993 billion	R&I: AA	MDY: A1 S&P: A+	R&I: AA-	MDY: A2 S&P: A+
Nomura Real Estate Master Fund, Inc. (Nomura Real Estate Holdings, Inc.)	JPY 1,011 billion	JPY 834 billion	R&I: A+ JCR: AA	S&P: A	R&I: A- JCR: A	
Daiwa House Reit Investment Corporation (Daiwa House Industry Co., Ltd.)	JPY 745 billion	JPY 590 billion	R&I: AA- JCR: AA		R&I: AA- JCR: AA	
Advance Residence Investment Corporation (Itochu Corporation)	JPY 452 billion	JPY 464 billion	R&I: AA- JCR: AA		R&I: AA- JCR: AA	MDY: A3 S&P: A
Japan Prime Realty Investment Corporation (Tokyo Tatemono Co., Ltd. ²)	JPY 439 billion	JPY 436 billion	R&I: AA-	S&P: A	JCR: A-	
Activia Properties Inc. (Tokyu Fudosan Holdings Corporation)	JPY 498 billion	JPY 410 billion	JCR: AA		JCR: A	
Nippon Accommodations Fund Inc. (Mitsui Fudosan Co., Ltd.)	JPY 309 billion	JPY 321 billion	R&I: AA-	S&P: A+	R&I: AA- JCR: AA	MDY: A2 S&P: A
Mori Hills Reit Investment Corporation (Mori Building Co., Ltd.)	JPY 390 billion	JPY 330 billion	JCR: AA		JCR: A+	
Japan Excellent, Inc. (Nippon Steel Kowa Real Estate Co., Ltd. ²)	JPY 281 billion	JPY 231 billion	JCR: AA-	MDY: A3	JCR: A-	
Comforia Residential Reit, Inc. (Tokyu Fudosan Holdings Corporation)	JPY 228 billion	JPY 214 billion	JCR: AA-		JCR: A	
Premier Investment Corporation (NTT Urban Development Corporation)	JPY 243 billion	JPY 203 billion	R&I: A+ JCR: AA-		R&I: A+	

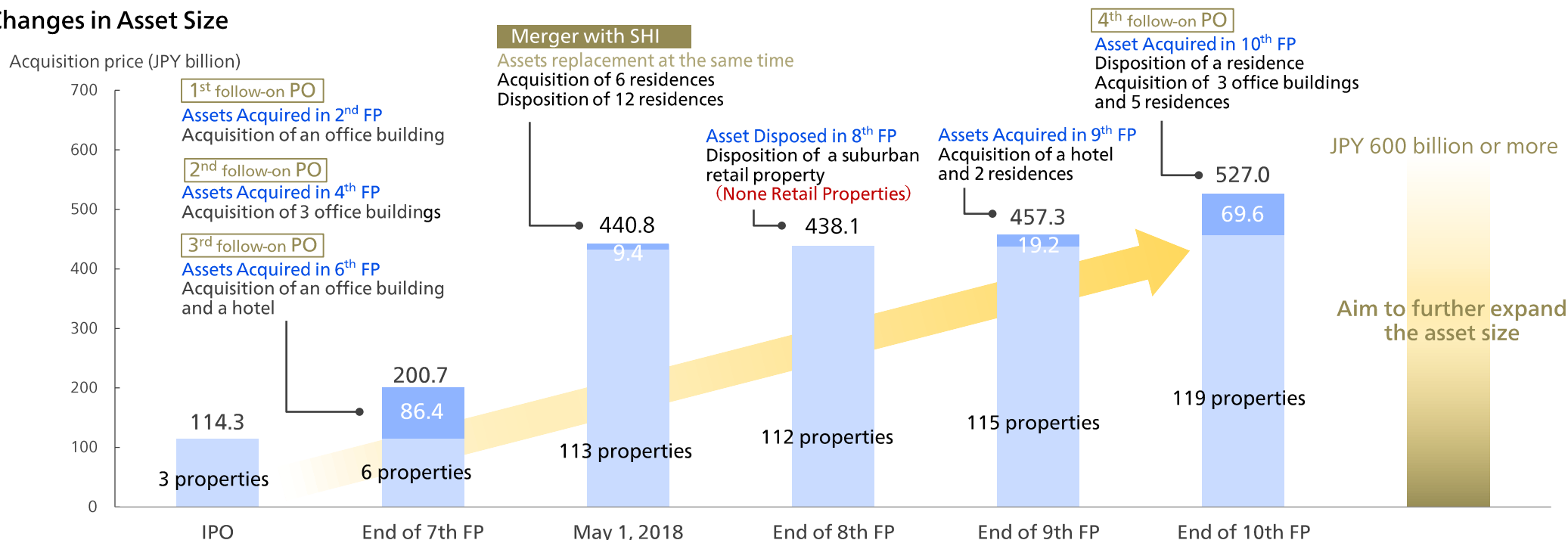
Note 1: The above are based on disclosure information, as of December 16, 2019. Market capitalization is based on the closing price of each REIT's unit as of December 16, 2019.

Note 2: Of all sponsors, main sponsor is indicated.

History of SHR's AUM

AUM expanded to JPY 500 billion in five years through PO and the Merger

■ Changes in Asset Size



Unrealized capital gains ¹	JPY 36.6 billion	JPY 37.9 billion	JPY 45.3 billion	JPY 53.7 billion	JPY 72.2 billion (+JPY 18.4 billion)
Unrealized capital gains ratio ¹	18.6 %	8.7 %	10.4 %	11.9 %	13.9 % (+2.0 pt.)
Market capitalization ²	JPY 136.6 billion	JPY 266.7 billion	JPY 265.2 billion	JPY 302.0 billion	JPY 428.4 billion (+JPY 126.3 billion)

■ Unrealized capital gains as of the end of 10th FP (Oct. 31, 2019)

	Residences	Office buildings	Hotels	Entire portfolio
Unrealized capital gains ^{1, 3}	JPY 15.6 billion (+JPY 5.4 billion)	JPY 55.1 billion (+JPY 12.8 billion)	JPY 1.5 billion (+JPY 0.2 billion)	JPY 72.2 billion (+JPY 18.4 billion)
Unrealized capital gains ratio ^{1, 3}	6.4% (+2.1pt.)	22.9% ((0.7)pt.)	4.3% (+0.7pt.)	13.9% (+2.0pt.)

Note 1: "Unrealized capital gains" is calculated by deducting the book value from the appraisal value at each point in time and "Unrealized capital gains ratio" is calculated by dividing unrealized capital gains at each point by the book value.

Note 2: "Market capitalization" is calculated based on the closing price of investment units at each time point and the total number of investment units issued and outstanding.

Note 3: The amounts in parentheses are the comparison between the amount as of the end of the 10th FP and the 9th FP.

Assets Acquisition and Replacement after the Merger

Promote strengthen portfolio through acquisition and replacement

- Through the below acquisition and replacement, asset size has expanded and quality of the portfolio has been enhanced.
- In addition, through the replacement conducted on the 10th FP, reserve for reduction entry has been reserved and enable to utilize it for stabilizing distribution level.
- Aiming to improve NOI and make building age of the properties younger through future replacement.

Acquisition

Total: + JPY 95.6 billion*

* acquisition price basis

Disposition

➤ Replacement on the Merger (8th FP)

Deal on
May 1,
2018



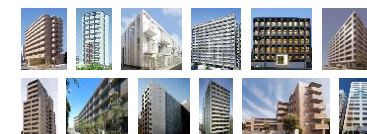
JPY 25.3 billion / 6 residential properties from Sekisui House

+ JPY 9.4 billion*



Disposition of older and low yield properties

Deal on
May 1,
2018



JPY 16.4 billion / 12 residential properties
to Third party

➤ Disposition on 8th FP & Acquisition on 9th FP

Deal on
Nov. 29,
2018



Deal on
Jan. 31,
2019



JPY 19.2 billion / 1 hotel and 2 residential properties
from Sekisui House Group and Third party

+ JPY 16.5 billion*



Elimination of retail property

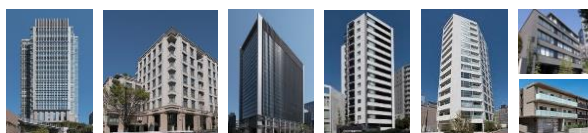
Deal on
Oct. 29,
2018



JPY 2.7 billion / 1 retail property
to Third party

➤ Replacement on 10th FP

Deal on
Jun. 10,
2019



Deal on
Sep. 27,
2019



JPY 71.8 billion / 3 office buildings & 5 residential properties from Sekisui House

+ JPY 69.6 billion*



Disposition due to tenant withdrawal

Deal on
Sep. 27,
2019

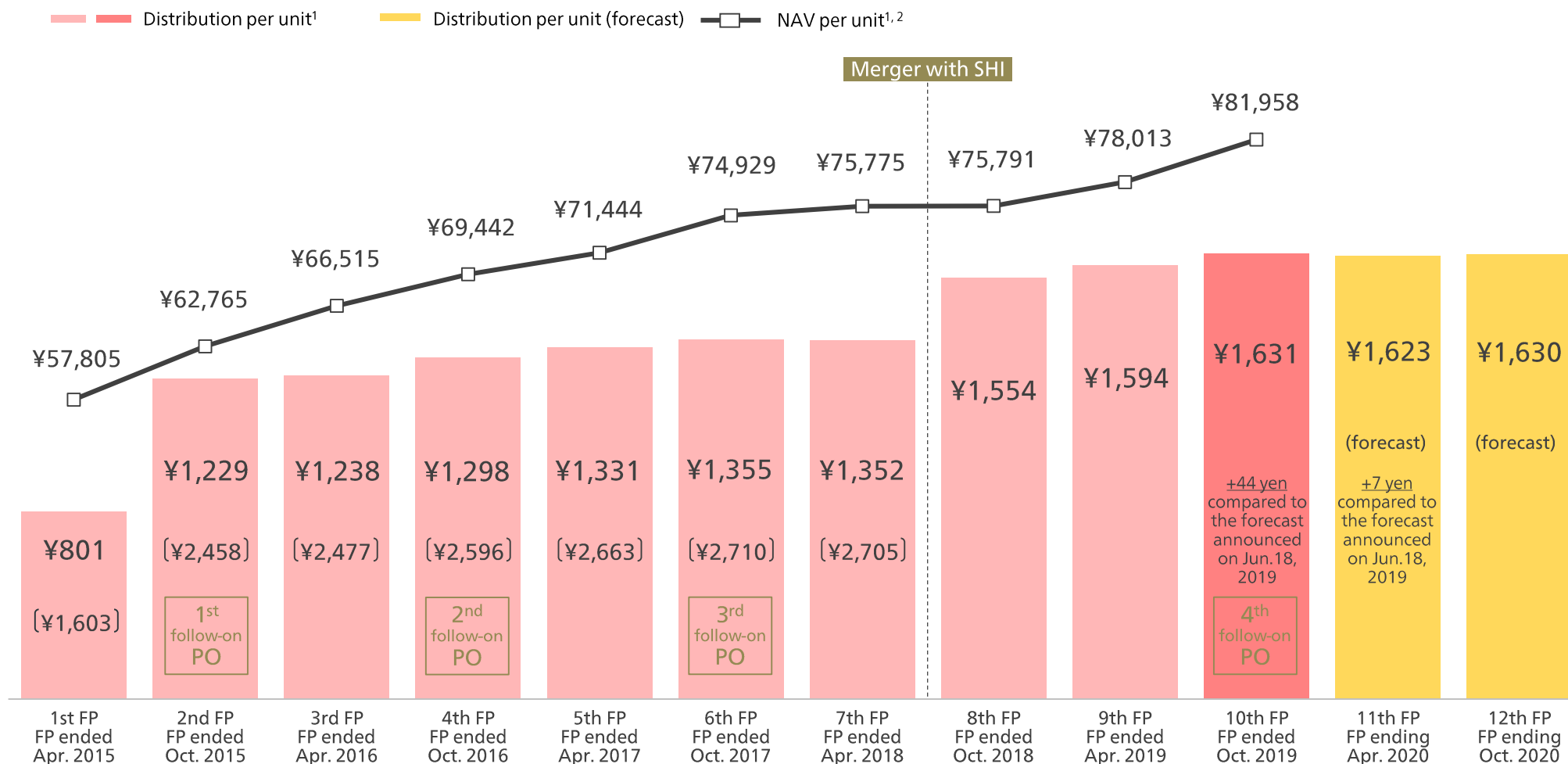


JPY 3.0 billion / 1 residential property
to Third party

Continuous Improvement of Unitholder Value

Maximize utilizing the sponsor support and promote DPU and NAV per unit

■ Changes in DPU and NAV per unit



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

Note 2: "NAV per unit" is calculated based on net assets on the balance sheet as of the end of each period plus unrealized capital gains, less total distributions (NAV).

Financial Results and Forecast

■ Actual Results and Forecast

	FP ended Apr. 2019 (9 th FP)	FP ended Oct. 2019 (10 th FP)		FP ending Apr. 2020 (11 th FP)	FP ending Oct. 2020 (12 th FP)
	Result	Forecast announced on Jun. 18, 2019	Result	Forecast	Forecast
Operating Revenue	12,369 JPY million	13,849 JPY million	14,683 JPY million	14,526 JPY million	14,765 JPY million
Operating Income	6,627 JPY million	7,475 JPY million	8,226 JPY million	7,694 JPY million	7,718 JPY million
Ordinary Income	5,894 JPY million	6,636 JPY million	7,406 JPY million	6,804 JPY million	6,832 JPY million
Net income	5,894 JPY million	6,635 JPY million	7,405 JPY million	6,803 JPY million	6,831 JPY million
Reserve for Temporary Difference Adjustment (RTA)	102 JPY million	170 JPY million	364 JPY million	117 JPY million	136 JPY million
Reserve for Reduction Entry	-	-	Reserve (775) JPY million	Reversal 38 JPY million	Reversal 22 JPY million
Total Distribution	5,996 JPY million	6,806 JPY million	6,994 JPY million	6,960 JPY million	6,990 JPY million
DPU (Distribution per unit)	1,594 JPY	1,587 JPY	1,631 JPY	1,623 JPY	1,630 JPY
NOI	9,915 JPY million	11,060 JPY million	11,123 JPY million	11,444 JPY million	11,453 JPY million
NOI Yield ¹	4.4 %	4.3 %	4.3 %	4.3 %	4.3 %
NOI after depreciation	7,726 JPY million	8,685 JPY million	8,754 JPY million	9,035 JPY million	9,028 JPY million
NOI Yield after depreciation ¹	3.5 %	3.4 %	3.4 %	3.4 %	3.4 %
Occupancy Rate period-average ²	98.1 %	97.6 %	97.7 %	97.8 %	97.6 %

■ Utilization policy for Internal Reserve JPY 1,864 million (RTA: JPY 1,089 million, Reserve for Reduction Entry : JPY 775 million) (as of the end of 10th FP)

- (RTA) Distribution for amount equivalent to the inconsistency between accounting and taxation purposes (avoid occurrence of tax burden)
- (Reserve for Reduction Entry) Distribution aiming to stabilize distribution levels
Backfill of rent during free rent period when office tenants are replaced (cf. page 34)

Note 1: Yield is calculated by dividing annualized NOI or NOI after depreciation (actual depreciation of the applicable fiscal period is used for calculating actual yield and estimated depreciation of the applicable fiscal period is used for calculating forecast yield) by total acquisition price as of December 16, 2019.

Note 2: "Occupancy rate period-average" for each period indicates the average amount of occupancy rate (ratio of the total leased area of the total leasable area) as of the end of each month that belongs to each period. The same shall apply hereinafter.

Results and Forecast of NOI and NOI Yield by Use

	FP ended Apr. 2019 (9 th FP)	FP ended Oct. 2019 (10 th FP)		Change		FP ending Apr.2020 (11 th FP)	FP ending Oct. 2020 (12 th FP)
	Results (A)	Forecast announced on June 18, 2019 (B)	Results (C)	(C)-(A)	(C)-(B)	Forecast	Forecast
Office building							
Operating Revenue	4,260 <small>JPY million</small>	5,491 <small>JPY million</small>	5,497 <small>JPY million</small>	+ 1,237 <small>JPY million</small>	+ 6 <small>JPY million</small>	6,033 <small>JPY million</small>	6,277 <small>JPY million</small>
NOI	3,792 <small>JPY million</small>	4,818 <small>JPY million</small>	4,842 <small>JPY million</small>	+ 1,050 <small>JPY million</small>	+ 24 <small>JPY million</small>	5,128 <small>JPY million</small>	5,129 <small>JPY million</small>
NOI Yield	4.1 %	4.2 %	4.2 %	+ 0.1 pt.	- pt.	4.2 %	4.2 %
NOI after depreciation	3,127 <small>JPY million</small>	4,025 <small>JPY million</small>	4,052 <small>JPY million</small>	+ 925 <small>JPY million</small>	+ 26 <small>JPY million</small>	4,310 <small>JPY million</small>	4,309 <small>JPY million</small>
NOI Yield after depreciation	3.4 %	3.5 %	3.5 %	+ 0.1 pt.	-	3.5 %	3.5 %
Occupancy Rate period-average	100.0 %	99.9 %	99.9 %	(0.1) pt.	-	99.5 %	99.7 %
Hotel							
Operating Revenue	584 <small>JPY million</small>	757 <small>JPY million</small>	757 <small>JPY million</small>	+ 172 <small>JPY million</small>	-	762 <small>JPY million</small>	796 <small>JPY million</small>
NOI	509 <small>JPY million</small>	664 <small>JPY million</small>	684 <small>JPY million</small>	+ 174 <small>JPY million</small>	+ 20 <small>JPY million</small>	663 <small>JPY million</small>	700 <small>JPY million</small>
NOI Yield	3.9 %	3.8 %	3.9 %	-	+ 0.1 pt.	3.8 %	4.0 %
NOI after depreciation	412 <small>JPY million</small>	552 <small>JPY million</small>	571 <small>JPY million</small>	+ 158 <small>JPY million</small>	+ 19 <small>JPY million</small>	549 <small>JPY million</small>	586 <small>JPY million</small>
NOI Yield after depreciation	3.3 %	3.2 %	3.3 %	-	+ 0.1 pt.	3.1 %	3.3 %
Occupancy Rate period-average	100.0 %	100.0 %	100.0 %	-	-	100.0 %	100.0 %
Residence							
Operating Revenue	7,525 <small>JPY million</small>	7,600 <small>JPY million</small>	7,624 <small>JPY million</small>	+ 99 <small>JPY million</small>	+ 23 <small>JPY million</small>	7,730 <small>JPY million</small>	7,691 <small>JPY million</small>
NOI	5,613 <small>JPY million</small>	5,578 <small>JPY million</small>	5,596 <small>JPY million</small>	(17) <small>JPY million</small>	+ 17 <small>JPY million</small>	5,652 <small>JPY million</small>	5,623 <small>JPY million</small>
NOI Yield	4.7 %	4.5 %	4.6 %	(0.1) pt.	+ 0.1 pt.	4.6 %	4.6 %
NOI after depreciation	4,186 <small>JPY million</small>	4,106 <small>JPY million</small>	4,130 <small>JPY million</small>	(56) <small>JPY million</small>	+ 23 <small>JPY million</small>	4,175 <small>JPY million</small>	4,133 <small>JPY million</small>
NOI Yield after depreciation	3.5 %	3.4 %	3.4 %	(0.1) pt.	-	3.4 %	3.4 %
Occupancy Rate period-average	97.5 %	96.7 %	96.9 %	(0.6) pt.	+ 0.2 pt.	97.1 %	96.8 %

Portfolio of SHR

Sekisui House Gotenyama Project

- Garden City Shinagawa Gotenyama
 - Gotenyama SH Building
 - Prime Maison Gotenyama East
 - Prime Maison Gotenyama West
- All properties are SHR ownership

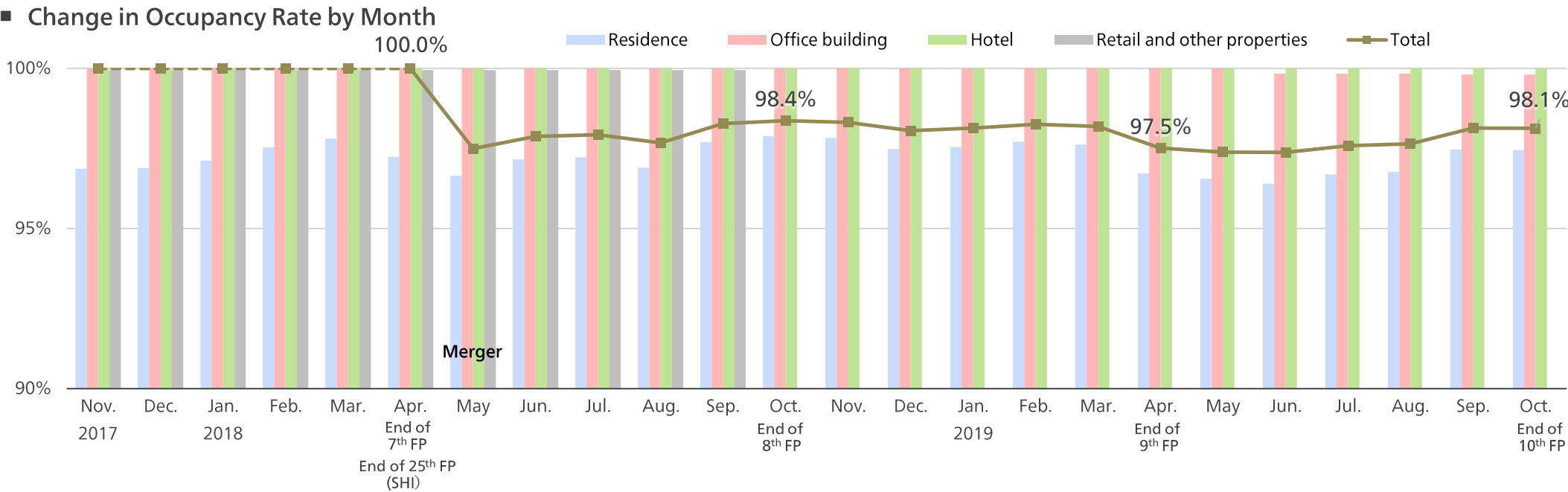


Gotenyama SH Building



Garden City Shinagawa Gotenyama

Changes in Occupancy Rate



■ Occupancy Rate by Use

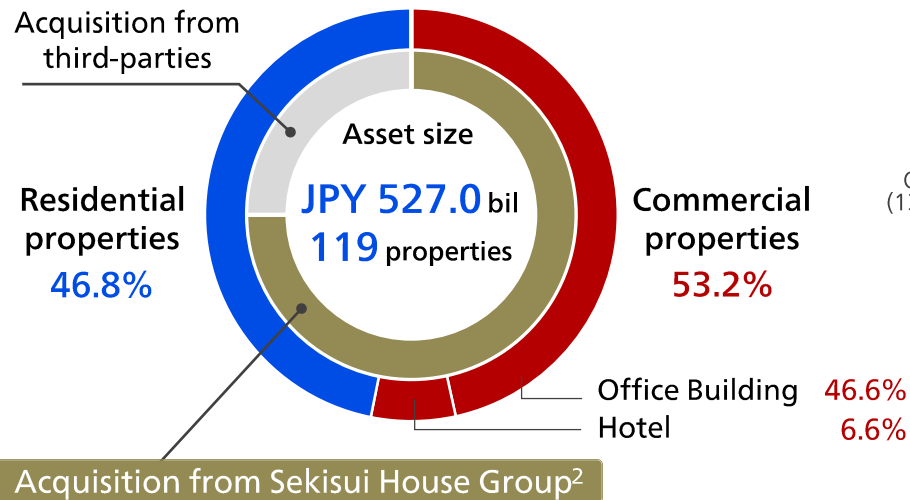
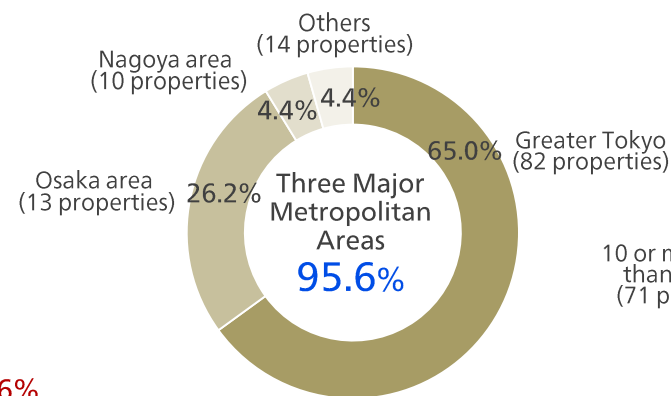
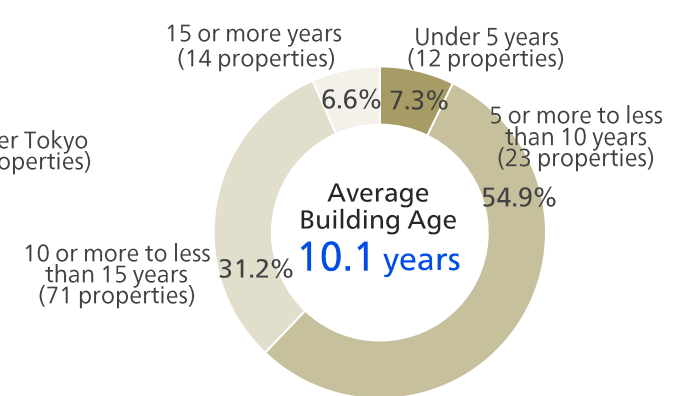
		FP ended Apr. 2018 (7 th FP / 25 th FP)			FP ended Oct. 2018 (8 th FP)			FP ended Apr. 2019 (9 th FP)			FP ended Oct. 2019 (10 th FP)		
		End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest
Commercial properties	Office buildings	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	99.9%	End of May 100.0%
	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%	100.0%	—	100.0%	100.0%	—	—	—	—	—	—
Residential properties		97.2%	97.2%	End of Mar. 97.8%	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%
Entire portfolio after the merger on May 1, 2018					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%

Note: 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 use for SHR and SHI as of the end of each month from November 2017 to October 2019. In addition, "Total" in the above graph before the merger, prior to the end of 7th FP, shows the occupancy rate of entire portfolio for SHR before the merger.

Overview of Portfolio

	Asset size	Number of properties	Average acquisition price	Forecast NOI Yield (11 th FP forecast)		Ratio of Prime Properties ^{2, 3} (acquisition price basis)
				Before depreciation	After depreciation	
Commercial properties (Office building and hotel)	JPY 280.5 billion	8 properties ²	JPY 35.0 billion/property	4.1%	3.5%	100% (8 properties)
Residential properties (Residence)	JPY 246.5 billion	111 properties	JPY 2.2 billion/property	4.6%	3.4%	81.9% (84 properties)
Total	JPY 527.0 billion	119 properties	JPY 4.4 billion/property	4.3%	3.4%	91.5% (92 properties)

(acquisition price basis)

Diversification by use²Diversification by area²Diversification by building age^{2, 5}

75.4%	JPY397.4 billion	57properties
Sekisui House, Ltd.		Sekisui House Real Estate Companies ⁴
JPY380.8 billion	46 properties	JPY16.5 billion 11 properties

Portfolio PML Value (as of the end of 10th FP)

1.60%

Note 1: Unless otherwise indicated, the figures are as of December 16, 2019. As ratios are rounded to the first decimal place, there are cases when the total ratio does not match 100%. The same shall apply hereinafter.

Note 2: In calculating "Diversification by use", "Hommachi Garden City" is recorded as one property each in an office building and a hotel, but is calculated as one building when calculating "Number of properties" of "Commercial properties", "Ratio of Prime Properties", "Acquisition from Sekisui House Group", "Diversification by area" and "Diversification by building age".

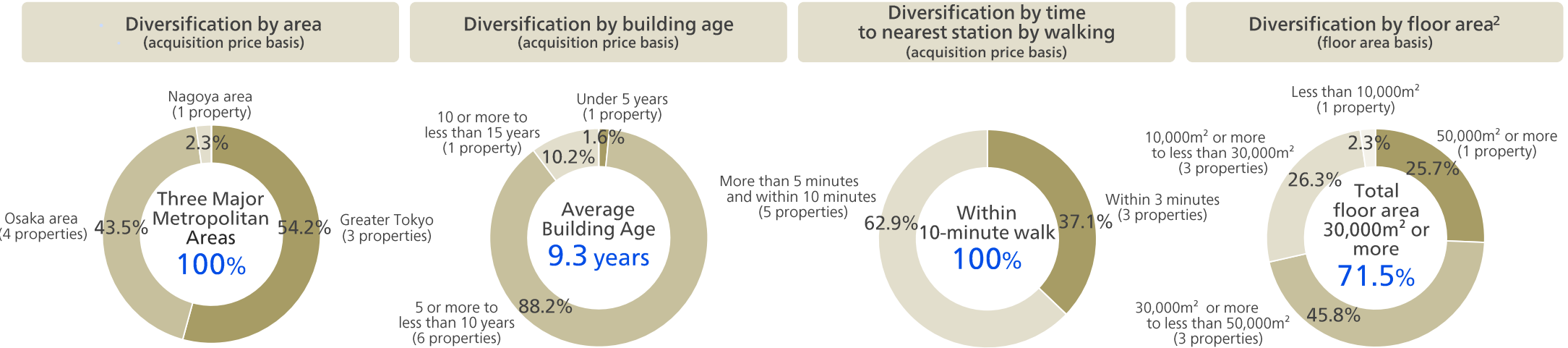
Note 3: "Ratio of Prime Properties" is calculated based on the acquisition price of assets that qualify as Prime Properties (hereinafter may be referred as "PP"; the same shall apply hereinafter). In calculating "number of Prime Properties", "Esty Maison Yokohama-aobadai" is deemed to be a Prime Property, even though "Esty Maison Yokohama-aobadai North", which was acquired on June 10, 2019, qualifies as a Prime Property and "Esty Maison Yokohama-aobadai South", which was acquired on September 27, 2019, does not qualify as a Prime Property, as the two buildings are located on the same site and managed as a single property, collectively referred to as "Esty Maison Yokohama-aobadai". However, in calculating "ratio of Prime Properties", only "Esty Maison Yokohama-aobadai North" is deemed as a Prime Property.

Note 4: As of February 1, 2020, Sekiwa Real Estate Companies shall change the company name to Sekisui House Real Estate Companies.

Note 5: "Average building age" is weighted average by acquisition price. The building age of "Esty Maison Yokohama-aobadai" is calculated for "Esty Maison Yokohama-aobadai North" and "Esty Maison Yokohama-aobadai South" respectively and indicated as two separate buildings for calculating number of properties of "diversification of building age". The same shall apply hereinafter.

Diversification Status of Commercial Properties Portfolio

(as of the date of this document)



Property Name		Area	Acquisition Price	Appraisal Value	Occupancy Rate ³	Investment Ratio (acquisition price basis)	Building Age
O-001	Garden City Shinagawa Gotenyama	Tokyo	JPY 71.95 billion	JPY 89.1 billion	99.9%	13.7%	8.8 years
O-002	Gotenyama SH Building	Tokyo	JPY 51.5 billion	JPY 62.0 billion	100.0%	9.8%	8.9 years
O-003	Hommachi Minami Garden City	Osaka	JPY 44.0 billion	JPY 56.4 billion	100.0%	8.3%	8.8 years
O-004	Hommachi Garden City (Office building portion)	Osaka	JPY 38.6 billion	JPY 44.8 billion	100.0%	7.3%	9.6 years
O-005	HK Yodoyabashi Garden Avenue	Osaka	JPY 4.4 billion	JPY 6.13 billion	100.0%	0.8%	4.4 years
O-006	Hirokoji Garden Avenue	Nagoya	JPY 6.35 billion	JPY 7.37 billion	100.0%	1.2%	8.7 years
O-007	Akasaka Garden City	Tokyo	JPY 28.7 billion	JPY 30.1 billion	98.4%	5.4%	13.9 years
Office building Sub Total			JPY 245.5 billion	JPY 295.9 billion	99.8%	46.6%	-
H-001	The St. Regis Osaka (Hommachi Garden City)	Osaka	JPY 17.2 billion	JPY 18.0 billion	100.0%	3.3%	9.6 years
H-002	The Ritz-Carlton, Kyoto	Kyoto	JPY 17.8 billion	JPY 18.52 billion	100.0%	3.4%	6.2 years
Hotel Sub Total			JPY 35.0 billion	JPY 36.52 billion	100.0%	6.6%	-

Note 1: In calculating the diversification status of commercial properties portfolio, "Hommachi Garden City" is calculated as one building.

Note 2: "Diversification by floor area" is based on the floor area stated in the registry for the entire building and the ratio is calculated based on the acquisition price.

Note 3: "Occupancy rate" is as of October 31, 2019.

Selection of a Lease Scheme for Commercial Properties (1)

■ Lease agreement for Office Buildings

(as of the FP ended Oct. 2019 (10th FP))

Property Name		Total Leasable Area	Lease Scheme	Rent (JPY /tsubo)		End tenant occupancy rate
				End tenant	Fixed-rent type ML	
Akasaka Garden City		12,472.80 m ²	Pass-through type ML	28,908	-	98.4%
Garden City Shinagawa Gotenyama	Acquired on 10 th FP	7,341.65 m ²	Pass-through type ML	23,502	-	99.6%
	Owned	31,236.34 m ²	Change to Pass-through type ML from Fixed-rent type ML	27,246	23,250	96.9%
Hommachi Minami Garden City	Acquired on 10 th FP	12,958.07 m ²	Pass-through type ML	22,877	-	100.0%
	Owned	16,699.46 m ²	Change to Pass-through type ML from Fixed-rent type ML	22,170	19,360	100.0%
Hommachi Garden City (Office building portion)		17,006.94 m ²	Fixed-rent type ML (due on May 18, 2020)	32,084	29,280	99.7%
HK Yodoyabashi Garden Avenue		4,554.52 m ²	Pass-through type ML	16,164	-	100.0%
Hirokoji Garden Avenue		4,442.75 m ²	Pass-through type ML	23,637	-	100.0%
Gotenyama SH Building		19,999.97 m ²	Direct Lease	30,000	-	100.0%

Policy of the lease scheme at the end of the Fixed-Rent ML contract:

Select either fixed rent ML or pass-through type ML at the expiration of the original contract based on the renewal status of the end tenant and the office market.

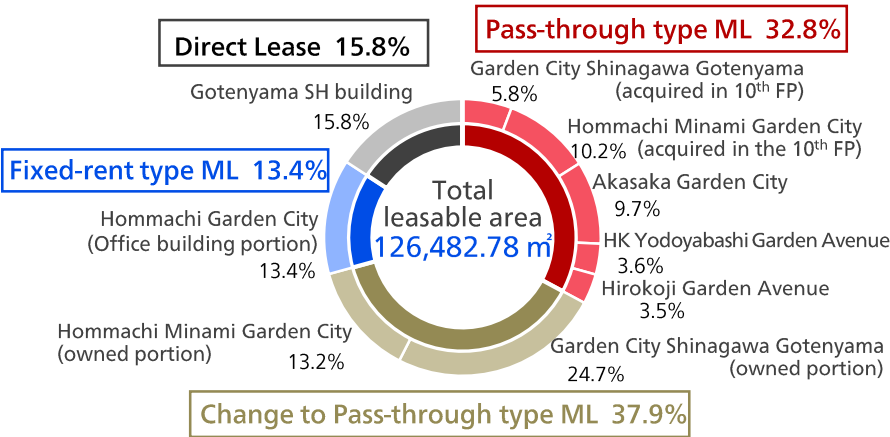
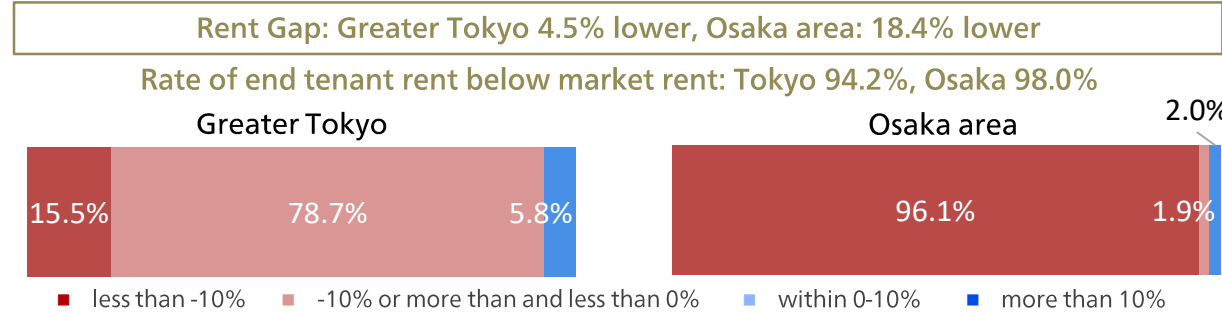
Property Name	Improving profitability by changing to Pass-through type ML	
	11 th FP compared to 10 th FP (forecast)	12 th FP compared to 11 th FP (forecast)
Garden City Shinagawa Gotenyama	+JPY 5.4 /units	+JPY 7.3 /units
Hommachi Minami Garden City	+JPY 8.4 /units	+JPY 1.6 /units
Total	+JPY 13.8 /units	+JPY 8.9 /units

- Hommachi Minami Garden City: Changed to Pass-through type ML on Dec.1, 2019
- Garden City Shinagawa Gotenyama: Changing to Pass-through type ML on Feb.1, 2020
- Hommachi Garden City: To be decided by May 2020

■ Office Buildings Rent Gap based on Monthly rent^{2, 3}

Rent Gap:

Ratio of the contract rent regarding end tenant deviating from the market rent for each building assessed by the CBRE K.K as of the end of Oct. 2019 (excluding Gotenyama SH Building and Hommachi Garden City)

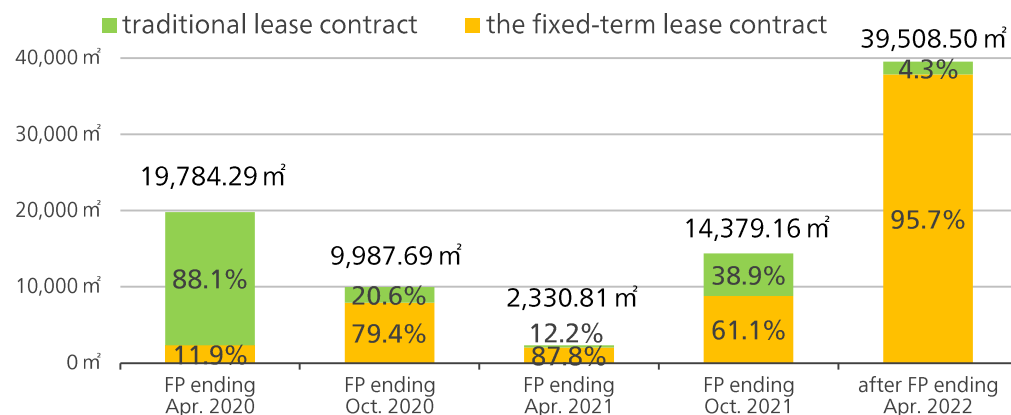


Note 1: "Master lease" may be abbreviated as "ML". The same shall apply hereinafter.
Note 2: "Office buildings rent gap based on monthly rent" is calculating based the compartments used for offices, excluding the compartment used for retails or others.
Note 3: The compartments where there is no deviations are included to "within 0-10%".

Selection of a Lease Scheme for Commercial Properties (2)

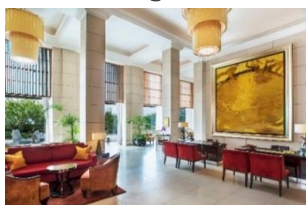
■ Office buildings contract form ratio by renewal period¹

(excluding Gotenyama SH Building and Hommachi Garden City) (as of the end of Oct. 2019)



■ Lease agreement for Hotels

• The St. Regis Osaka (Hommachi Garden City)



- Leasable Area: 18,092.98 m²
- Lease Scheme: Variable Rent +Fixed Rent (ML Contract Period: From May 2017 to May 2020)
- Calculation of Income-linked rent:
Receiving income-linked rent from Nov. when the hotel's annual revenue (from Oct. 1 to Sep. 30 of the following year) exceeds to certain amount

• The Ritz-Carlton, Kyoto



- Leasable Area: 9,384.56 m²
- Lease Scheme: Variable Rent +Fixed Rent (Contract Period: From Jan. 2019 to Apr. 2021)
- Calculation of Variable rent:
Monthly rent for one year from May of the following year based on a one-year hotel revenue record from Jan.1 of each year (Variable rent of 12th FP is not definite value)

■ Forecast of replacement and renewal of tenants in 11th FP¹

(excluding Gotenyama SH Building and Hommachi Garden City)

- Area of new tenants: 395.04m² (2 tenants)
- Area of tenants vacating: 197.52m² (1 tenant)
- Renewal area of lease contracts: 19,586.77m² (11 tenants)
- For one leaving tenant (Akasaka Garden City), backfill is scheduled due to the need to increase the floor of existing tenants.
- There is a tenant candidate for the vacancy of 967.74 m² at Garden City Shinagawa Gotenyama, but this has not been factored into the earnings forecast.

Impact of replacement/renewal on revenues:

JPY 2,488 thousand per month²

*excluding the effect of a tenant candidate for the vacancy at Garden City Shinagawa Gotenyama

Property Name	Rent per month (JPY thousand)			Change			
	10 th FP Results (C)	11 th FP Forecast (D)	12 th FP Forecast (E)	(D) - (C)	((D) - (C))/(C)	(E) - (D)	((E) - (D))/(D)
The St. Regis Osaka (Hommachi Garden City)	67,478 (395) ³	68,432 (1,348) ³	68,432(1,348) ³	+953	+1.4 %	-	-
The Ritz-Carlton, Kyoto	58,704 (29,352) ³	58,704 (29,352) ³	64,252 (34,900) ³	-	-	+5,547	+9.5 %

Note 1: "Office buildings contract form ratio by renewal period" and "forecast of replacement and renewal of tenants in 11th FP" is calculated based on the compartments used for offices, excluding the compartment used for retails or others.

Note 2: Excluding the effect of a tenant who move in the compartment which was vacant from the time of the acquisition.

Note 3: Figures indicated in parentheses is income-linked rent for The St. Regis Osaka and variable rent for The Ritz-Carlton, Kyoto.

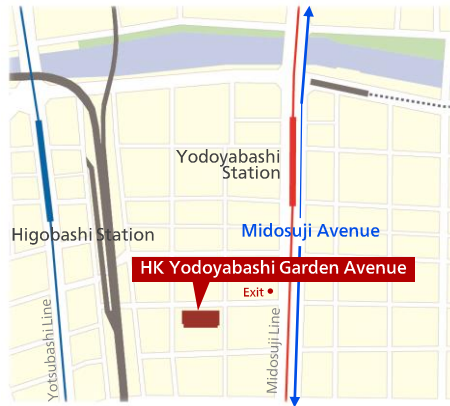
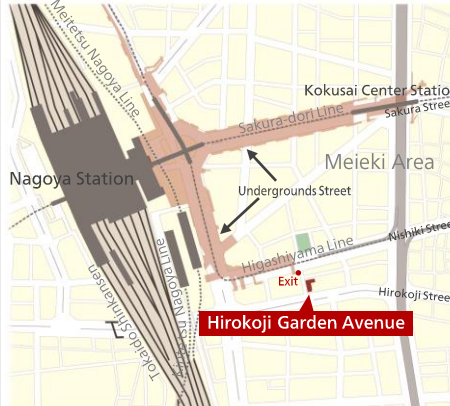

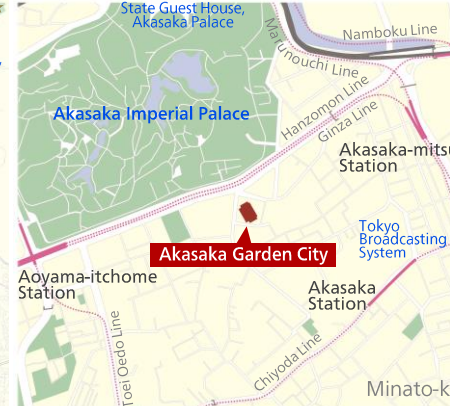
Outline of Commercial Properties (1)

Property name	O-001 Garden City Shinagawa Gotenyama	O-002 Gotenyama SH Building	O-003 Hommachi Minami Garden City	O-004 / H-001 Hommachi Garden City (The St. Regis Osaka)
Map of Properties				
Description of Rights				
Ownership Ratio	100%	100%	100%	100%
Average NOI yield ¹ (Forecast)	4.1%	4.0%	4.5%	4.1%
Environmental Certifications	DBJ Green Building Certification: 5 Stars ² CASBEE: RANK S ²	-	DBJ Green Building Certification: 4 Stars ² CASBEE: RANK S ²	DBJ Green Building Certification: 4 Stars ² CASBEE: RANK S ²
Completion Date	Feb. 2011	Feb. 2011	Feb. 2011	May 2010

Note 1: "Average NOI yield" is calculated by dividing total of forecast NOI of 11th FP and 12th FP by total acquisition price. The same shall apply hereinafter.

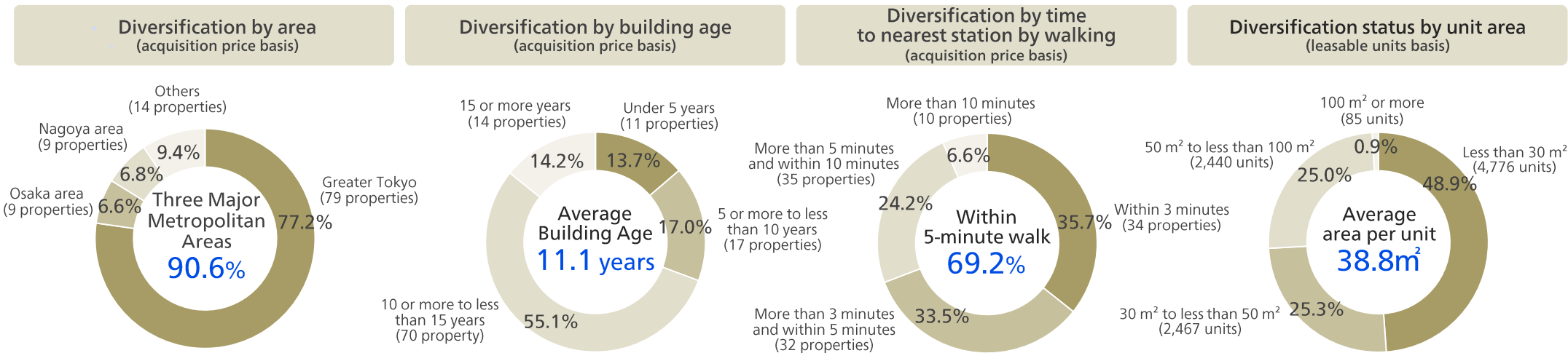
Note 2: As for Garden City Shinagawa Gotenyama and Hommachi Minami Garden City, the portions which have already owned at the time of (re)acquisitions of certification have been granted those certifications. As for Hommachi Garden City, office building portion has been granted those certifications.

Outline of Commercial Properties (2)

Property name	O-005	O-006	H-002	O-007
	HK Yodoyabashi Garden Avenue	Hirokoji Garden Avenue	The Ritz-Carlton, Kyoto	Akasaka Garden City
Map of Properties				
Description of Rights	<div> <div>13F</div> <div>12F</div> <div>11F</div> <div>10F</div> <div>9F</div> <div>8F</div> <div>7F</div> <div>6F</div> <div>5F</div> <div>4F</div> <div>3F</div> <div>2F</div> <div>1F</div> <div>B1F</div> <div>B2F</div> </div> <div> <div>Office (Portion held by Third-party)</div> <div>Office (SHR ownership)</div> <div>Common Area</div> <div>Retail</div> </div>	<div> <div>12F</div> <div>11F</div> <div>10F</div> <div>9F</div> <div>8F</div> <div>7F</div> <div>6F</div> <div>5F</div> <div>4F</div> <div>3F</div> <div>2F</div> <div>1F</div> <div>B1F</div> </div> <div>Office (SHR ownership)</div>	<div> <div>5F</div> <div>4F</div> <div>3F</div> <div>2F</div> <div>1F</div> <div>B1F</div> <div>B2F</div> <div>B3F</div> </div> <div> <div>Hotel</div> <div>(SHR co-ownership interest 40.0%)</div> <div>Other co-ownership by Sekisui House</div> </div>	<div> <div>19F</div> <div>~</div> <div>11F</div> </div> <div>Office (SHR co-ownership interest 65.45%)</div> <div>Other co-ownership by Sekisui House</div> <div> <div>10F</div> <div>~</div> <div>5F</div> </div> <div>Office (Portion held by Third-party)</div> <div> <div>4F</div> <div>3F</div> <div>2F</div> <div>1F</div> <div>B1F</div> <div>B2F</div> </div> <div>Office (SHR co-ownership interest 65.45%)</div> <div>Retail</div> <div>Common Area</div>
Ownership Ratio	About 40.6%	100%	40.0%	about 43% (co-ownership interest 65.45%)
Average NOI yield (Forecast)	5.1%	5.2%	3.8%	3.8%
Environmental Certifications	DBJ Green Building Certification:4 Stars	DBJ Green Building Certification:4 Stars CASBEE: RANK S	-	-
Completion Date	July 2015	Mar. 2011	Oct. 2013	Jan. 2006

Diversification Status of Residential Properties Portfolio

(as of the date of this document)



■ Sekisui House Group brands and nationwide marketing capabilities

- Changed company name to Sekisui House Real Estate companies
- Covered all of the SHR's investment areas
 - Sekisui House Real Estate Tohoku, Ltd.
 - Sekisui House Real Estate Tokyo, Ltd.¹
 - Sekisui House Real Estate Chubu, Ltd.
 - Sekisui House Real Estate Kansai, Ltd.
 - Sekisui House Real Estate Chugoku&Shikoku, Ltd.
 - Sekisui House Real Estate Kyushu, Ltd.
- Have a strong track record as a property management company
 - Housing management business started in 1976
 - Number of houses under management 630,709 units (as of the end of July 2019)
 - Occupancy Rate 97.8% (as of the end of July 2019)

Sekisui House Real Estate Companies are entrusted property management at 72.7% of SHR Residential Portfolio²

■ Representative properties of the Residential Properties Portfolio

- Largest appraisal price: Prime Maison Shirokanedai Tower
- Largest acquisition price in Tokyo Central 3 wards: Esty Maison Ginza

(as of Oct. 31, 2019)

Property Name	(R-101) Prime Maison Shirokanedai Tower	(R-001) Esty Maison Ginza
Location	 Kamiosaki Shinagawa-ku, Tokyo	 Ginza Chuo-ku, Tokyo
Unit	Unit Type for Single/Compact /Family Total 220 units	Unit Type for Compact/Retail Total 134 units
Acquisition Price	JPY 7.95 billion	JPY 6.54 billion
Appraisal Value	JPY 9.59 billion	JPY 6.90 billion
Total Leasable Area	6,772.89 m²	5,515.43 m²
Occupancy Rate	96.2%	96.8%
Investment Ratio (acquisition price basis)	1.5%	1.2%
Building Age (as of Dec. 16, 2019)	3.6 years	14.9 years

Note 1: As of February 1, 2020, Sekiwa Real Estate Companies shall change the company name to Sekisui House Real Estate Companies and at the same time, Sekiwa Real Estate, Ltd. and Sekiwa Real Estate Kanto, Ltd. shall be merged and shall be Sekisui House Real Estate Tokyo, Ltd.

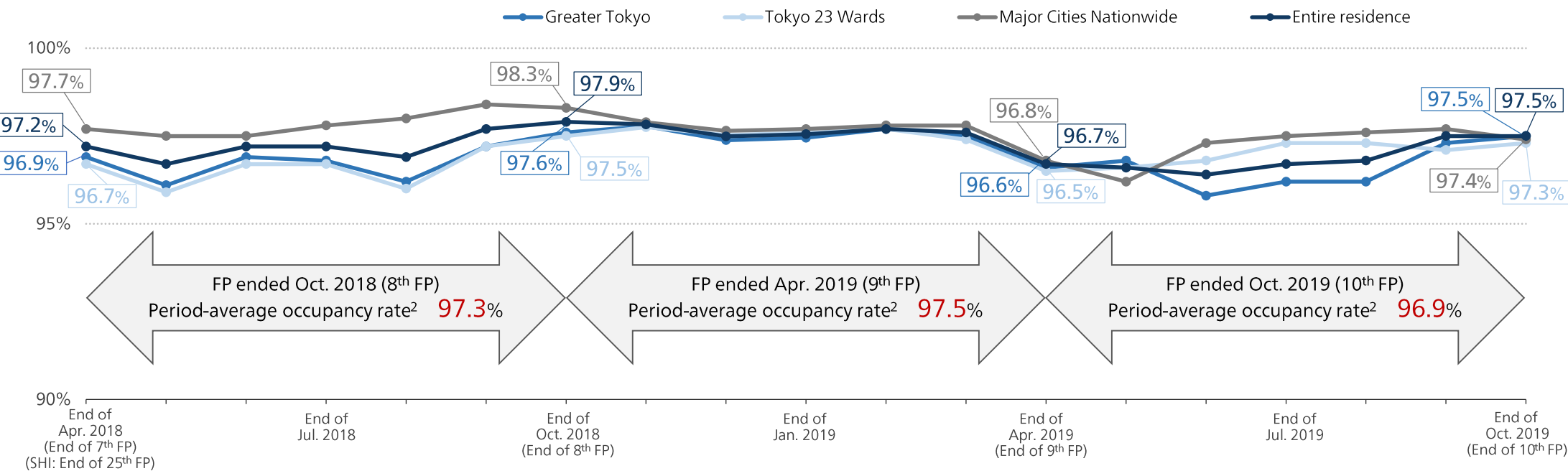
Note 2: The ratio of residences which Sekisui House Real Estate Companies are entrusted property management of all residences owned by SHR on acquisition price basis.

Occupancy Status of Residences

■ Occupancy Rate for Residences by Investment Area¹

		Greater Tokyo		Major Cities Nationwide					Total
		Total	Tokyo 23 Wards	Total	Nagoya-shi	Osaka-shi	Fukuoka-shi	Sapporo-shi	
FP ended Oct. 2018 (End of 8 th FP)	End of the FP	97.6%	97.5%	98.3%	97.4%	96.8%	99.1%	97.8%	97.9%
	Period average	96.8%	96.7%	97.9%	96.7%	96.0%	98.9%	97.6%	97.3%
FP ended Apr. 2019 (End of 9 th FP)	End of the FP	96.6%	96.5%	96.8%	95.7%	97.6%	97.9%	92.8%	96.7%
	Period average	97.4%	97.4%	97.6%	96.6%	97.1%	99.1%	95.2%	97.5%
FP ended Oct. 2019 (End of 10 th FP)	End of the FP	97.5%	97.3%	97.4%	96.4%	96.4%	99.3%	93.4%	97.5%
	Period average	96.6%	97.0%	97.3%	96.6%	95.8%	98.5%	94.2%	96.9%

■ Monthly Trends in Occupancy Rate for Residences by Investment Area¹

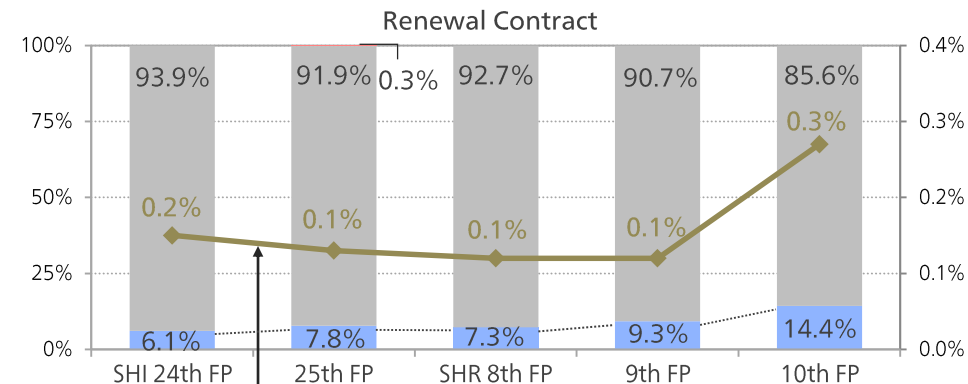
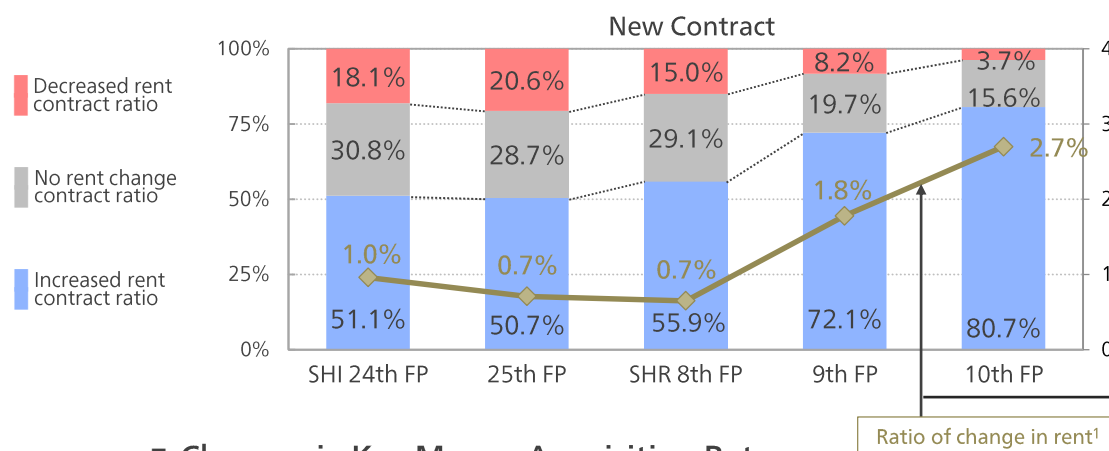


Note 1: "Occupancy Rate for Residences by Investment Area" is the rate of the total leased area of the total leasable area at the end of each month broken down by investment area, based on residences owned as of the end of each month.

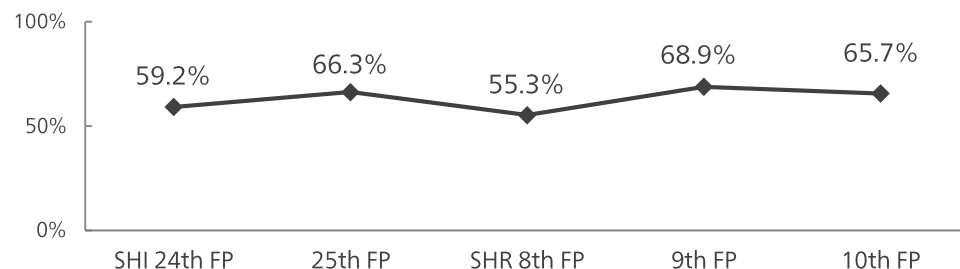
Rent Trends of Residences (1)

Change in Contract Rent

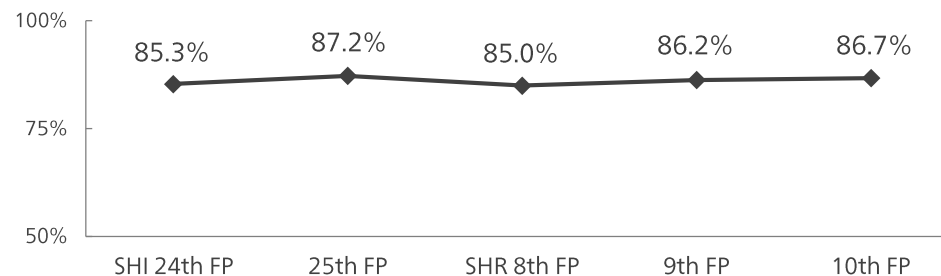
	New Contract					Renewal Contract				
	FP ended Sep. 2017 (24th FP)	FP ended Apr. 2018 (25th FP)	FP ended Oct. 2018 (8th FP)	FP ended Apr. 2019 (9th FP)	FP ended Oct. 2019 (10th FP)	FP ended Sep. 2017 (24th FP)	FP ended Apr. 2018 (25th FP)	FP ended Oct. 2018 (8th FP)	FP ended Apr. 2019 (9th FP)	FP ended Oct. 2019 (10th FP)
Monthly rent ¹ /no. of contracts	JPY 108.77 mil / 880	JPY 122.36 mil / 1,030	JPY 115.31 mil / 859	JPY 104.91 mil / 814	JPY 124.80 mil / 891	JPY 137.24 mil / 1,127	JPY 214.50 mil / 1,860	JPY 146.25 mil / 1,127	JPY 170.60 mil / 1,361	JPY 147.74 mil / 1,121
Increase in rent /no. of contracts	JPY 1.91 mil / 450	JPY 2.20 mil / 522	JPY 1.54 mil / 480	JPY 2.21 mil / 587	JPY 3.61 mil / 719	JPY 0.21 mil / 69	JPY 0.29 mil / 145	JPY 0.18 mil / 82	JPY 0.21 mil / 126	JPY 0.41 mil / 161
Decrease in rent /no. of contracts	JPY(0.87) mil / 159	JPY(1.33) mil / 212	JPY(0.78) mil / 129	JPY (0.37) mil / 67	JPY (0.32) mil / 33	- /-	JPY(0.06) mil / 5	- /-	- /-	- /-
Change in rent (net)	JPY 1.04 mil / 1.0% up	JPY 0.86 mil / 0.7% up	JPY 0.75 mil / 0.7% up	JPY 1.84 mil / 1.8% up	JPY 3.28 mil / 2.7% up	JPY 0.21 mil / 0.2% up	JPY 0.23 mil / 0.1% up	JPY 0.18 mil / 0.1% up	JPY 0.21 mil / 0.1% up	JPY 0.41 mil / 0.3% up



Changes in Key Money Acquisition Rate



Changes in Renewal Rate



Note 1: "Monthly rent" of new contract and renewal contract (including common service fees) are the total monthly rent at the time of new and renewal contracts in each period. In addition, "ratio of change in rent" represents the ratio of the total change in rent (net) at the time of new or renewal contracts to the total of the previous rent. The same shall apply hereinafter.

Rent Trends of Residences (2)

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

	Based on the residences held from the end of 9 th FP to the end of 10 th FP				Based on the residences held as of the end of the 10 th FP
	FP ended April 2019 (end of 9 th FP)	FP ended October 2019 (end of 10 th FP)	Change		FP ended October 2019 (end of 10 th FP)
	(A)	(B)	(B) – (A)	((B)-(A))/(A)	
Greater Tokyo	JPY 13,400 / tsubo	JPY 13,462 / tsubo	+JPY 62 / tsubo	+0.5%	JPY 13,557 / tsubo
Tokyo 23 Wards	JPY 13,685 / tsubo	JPY 13,748 / tsubo	+JPY 63 / tsubo	+0.5%	JPY 13,845 / tsubo
Others	JPY 10,876 / tsubo	JPY 10,939 / tsubo	+JPY 63 / tsubo	+0.6%	JPY 10,939 / tsubo
Major Cities Nationwide	JPY 7,057 / tsubo	JPY 7,075 / tsubo	+JPY 18 / tsubo	+0.3%	JPY 7,075 / tsubo
Total	JPY 11,498 / tsubo	JPY 11,546 / tsubo	+JPY 48 / tsubo	+0.4%	JPY 11,649 / tsubo

■ Rent Trends in Contracts by Investment Area

	FP ended Oct. 2019 (end of 10 th FP)		
	Number of new contracts	Change in rent(net)	Ratio of change in rent
New Contracts			
Greater Tokyo	695	JPY 2,915 thousand	+2.9%
Tokyo23 Wards	613	JPY 2,717 thousand	+2.9%
Other	82	JPY 198 thousand	+2.4%
Major Cities Nationwide	196	JPY 373 thousand	+1.8%
Total	891	JPY 3,288 thousand	+2.7%
Renewal Contracts			
Greater Tokyo	826	JPY 411 thousand	+0.4%
Tokyo23 Wards	731	JPY 384 thousand	+0.4%
Other	95	JPY 27 thousand	+0.3%
Major Cities Nationwide	295	—	—
Total	1,121	JPY 411 thousand	+0.3%

■ Rent Gap

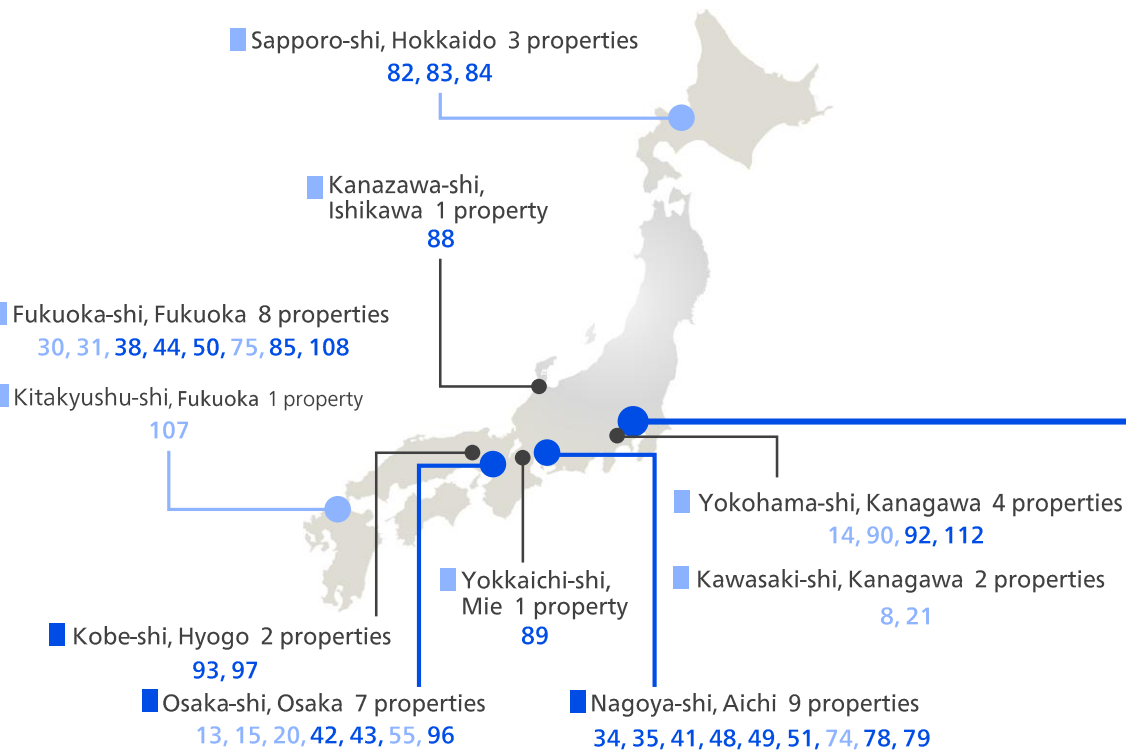
Rent Gap:

Ratio of contract rents to end tenants deviating from market rents (assessed by Style Act Co., Ltd.) calculated for end tenants whose market rents exceed the contract rents as of the end of the 10th FP.

	Rent Gap
Greater Tokyo	5.1% lower
Tokyo23 Wards	5.1% lower
Other	4.8% lower
Major Cities Nationwide	4.2% lower
Total	5.0% lower

Note 1: Rent and floor area for stores and offices in residences, as well as the rent and floor area of residences 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.

Residential Properties Portfolio Map



■ Gross Prefectural Products

2016 (JPY trillion)

1 Tokyo	104.4	19.0%
2 Aichi	39.4	7.2%
3 Osaka	38.9	7.1%
4 Kanagawa	34.6	6.3%
5 Saitama	22.6	4.1%
6 Hyogo	20.9	3.8%
7 Chiba	20.3	3.7%
8 Fukuoka	19.1	3.5%
9 Hokkaido	19.0	3.5%
10 Shizuoka	17.0	3.1%
Total of JAPAN	549.8	100.0%

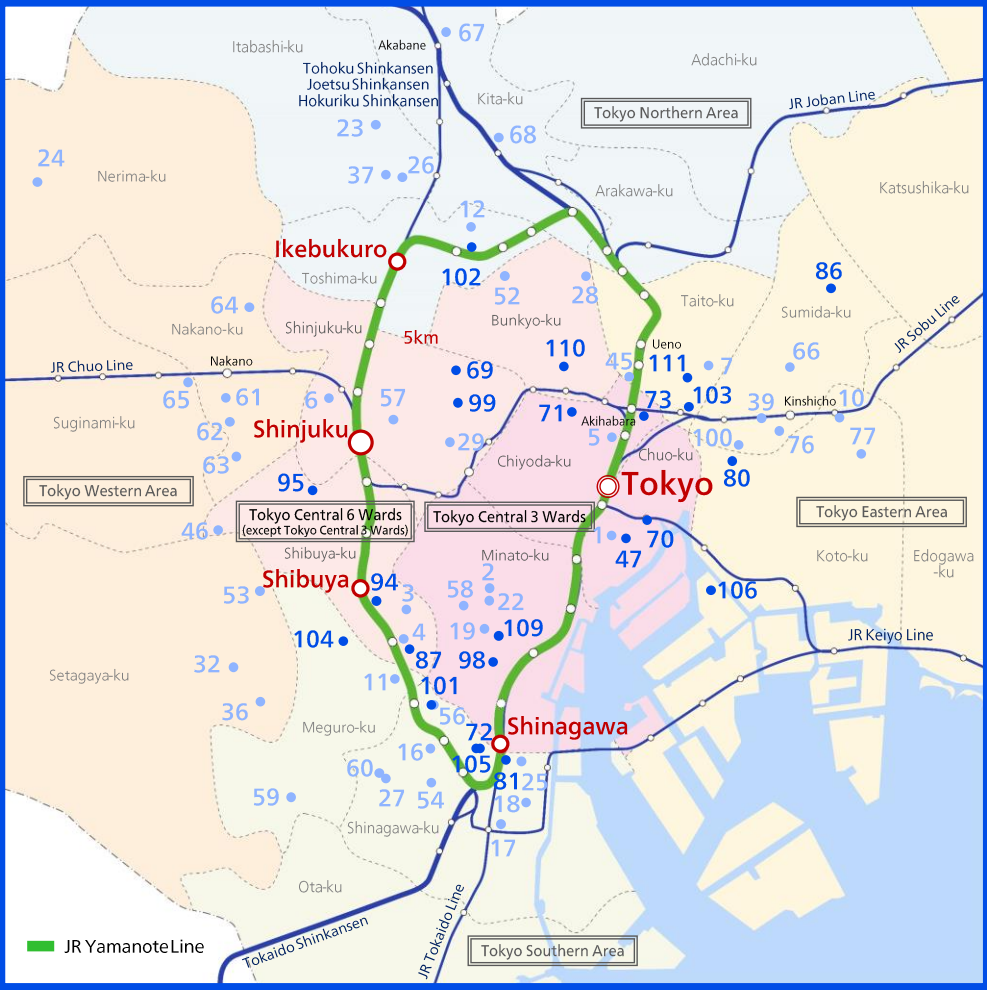
■ Average number of passengers per day at major stations at Tokyo

Shinjuku	3.8	million
Ikebukuro	2.6	million
Shibuya	2.4	million
Tokyo	2.1	million

Source : Based on the disclosure of each railway company (East Japan Railway Company, Tokyo Metro Co., Ltd., Toei Subway and other private railways companies) in 2017 or 2018, the asset management company aggregated.

No.: Acquisition from Sekisui House Group
No.: Acquisition from third-parties

■ Tokyo 23 wards 70 properties As of the date of this document



■ Kodaira-shi, Tokyo 1 property 33
■ Koganei-shi, Tokyo 1 property 40
■ Hino-shi, Tokyo 1 property 91

Source : Cabinet Office, Government of Japan

Residential Properties Portfolio List

GREATER TOKYO (79 properties)

Tokyo 23 wards (70 properties)

Tokyo Central 3wards 12 properties

Chiyoda-ku		units
5 Esty Maison Kanda	PP	68 S C
71 Prime Maison Jimbocho	PP	63 S C
73 MAST LIFE Akihabara	PP	22 C F
Chuo-ku		units
1 Esty Maison Ginza	PP	134 C
47 Prime Maison Ginza East	PP	143 C F
70 Prime Maison Hatchobori	PP	45 S C F
Minato-ku		units
2 Esty Maison Azabunagasaka	PP	46 S C F L
19 Esty Maison Minamiazabu	PP	52 S
22 Esty Maison Azabujuban		60 S C
58 Esty Maison Motoazabu	PP	7 F L
98 Prime Maison Shirokane-takanawa	PP	147 S F
109 Prime Maison Mitatsunamachi	PP	18 F

Tokyo Southern Area 15 properties

Meguro-ku		units
11 Esty Maison Meguro	PP	37 S C
59 Esty Maison Toritsudaigaku		20 S C F
104 Prime Maison Daikanyama	PP	27 C F
Shinagawa-ku		units
16 Esty Maison Gotanda	PP	83 S C F
17 Esty Maison Oisendaizaka	PP	83 S C F
18 Esty Maison Shinagawa Seaside		110 S C F
25 Esty Maison Higashishinagawa	PP	94 S C F
27 Esty Maison Musashikoyama		50 S C F
54 Esty Maison Togoshi		83 S C
56 Esty Maison Shirokanedai	PP	37 C F L
60 Esty Maison Musashikoyama II	PP	41 S
72 Prime Maison Gotenyama East	PP	22 F L
81 Prime Maison Shinagawa	PP	49 S C F
101 Prime Maison Shirokanedai Tower	PP	220 S C F
105 Prime Maison Gotenyama West	PP	26 L

Tokyo Western Area 9 properties

Setagaya-ku		units
32 Esty Maison Sangenjaya	PP	36 S
36 Esty Maison Sangenjaya II	PP	24 S C
53 Esty Maison Daizawa	PP	71 S C F
Nakano-ku		units
61 Esty Maison Nakano		62 S C F
62 Esty Maison Shinnakano		41 S C F
63 Esty Maison Nakano Fujimicho		38 S C F
64 Esty Maison Tetsugakudo		48 S C F
Suginami-ku		units
65 Esty Maison Koenji		35 S C F
Nerima-ku		units
24 Esty Maison Oizumigakuen		57 S

Tokyo Central 6wards(except 3wards) 14 properties

Shinjuku-ku		
6 Esty Maison Kitashinjuku	PP	41 S C F
29 Esty Maison Yotsuyasakamachi	PP	59 C F
57 Esty Maison Higashishinjuku	PP	50 S C F
69 Prime Maison Waseda	PP	60 S C
99 Prime Maison Ichigayayamabushicho	PP	117 S C F
Shibuya-ku		
3 Esty Maison Ebisu II	PP	42 C F
4 Esty Maison Ebisu	PP	27 S C
46 Esty Maison Sasazuka		90 C F
87 Prime Maison Ebisu	PP	98 S C
94 Prime Maison Shibuya	PP	70 S C F
95 Prime Maison Hatsudai	PP	106 S C
Bunkyo-ku		
28 Esty Maison Sendagi	PP	39 S C
52 Esty Maison Sengoku	PP	56 S C
110 Prime Maison Hongo	PP	67 S C

Tokyo Eastern Area 13 properties

Taito-ku		units
7 Esty Maison Asakusakomagata	PP	86 S C F
45 Esty Maison Akihabara	PP	79 S C
103 Prime Maison Asakusabashi	PP	64 S C F
111 Prime Maison Kuramae	PP	65 S C F
Sumida-ku		units
39 Esty Maison Kinshicho	PP	54 S C
66 Esty Maison Oshiage	PP	102 S C
76 Esty Maison Kinshicho II	PP	294 S C F
86 MAST LIFE Yahiro	PP	102 S C
100 Esty Maison Morishita	PP	24 S C
Koto-ku		units
10 Esty Maison Kameido	PP	87 S
77 Esty Maison Ojima	PP	313 S C F
80 Prime Maison Morishita	PP	86 S C
106 Esty Maison Toyosu Residence	PP	384 C F

Tokyo Northern Area 7 properties

Toshima-ku		units
12 Esty Maison Sugamo		38 F
102 Prime Maison Otsuka	PP	144 S C
Itabashi-ku		units
23 Esty Maison Itabashihoncho		60 S
26 Esty Maison Itabashikuyakushomae	PP	124 C
37 Esty Maison Itabashi C6	PP	120 S C F
Kita-ku		units
67 Esty Maison Akabane	PP	120 S F
68 Esty Maison Oji		68 S C F

Major Cities Nationwide (32 properties)

FUKUOKA AREA (9 properties)

Fukuoka 9 properties

Fukuoka-shi		units
30 Esty Maison Hakatahigashi	PP	160 C F
31 Esty Maison Kamigofuku		62 S C F
38 MAST Hakata	PP	156 F
44 Prime Maison Momochihama	PP	100 F
50 Prime Maison Teriha	PP	100 F
75 Esty Maison Yakuin	PP	168 S C
85 Prime Maison Central Park	PP	136 F
108 MAST Ijiri		30 C F
Kitakyushu-shi		units
107 Esty Maison Kokura		61 C F

SAPPORO AREA (3 properties)

Hokkaido 3 properties

Sapporo-shi		units
82 Prime Maison Odorikoen	PP	125 C F L
83 Prime Maison Minami 2-jo	PP	117 C F
84 Prime Maison Kamokamogawa	PP	96 C F

Suburban Tokyo (3 properties)

Tokyo Area other than 23wards 3 properties

Kodaira-shi		units
33 Prime Maison Musashinonomori	PP	77 C F
Koganei-shi		units
40 Esty Maison Musashikoganei	PP	96 S
Hino-shi		units
91 MAST LIFE Hino	PP	72 S C F

Kanagawa (6 properties)

Kanagawa 6 properties

Yokohama-shi		units
14 Esty Maison Hakuraku		57 S
90 Esty Maison Kohoku Tsunashima		149 S C F
92 Prime Maison Yokohama Nihon-odori	PP	126 S C F
112 Esty Maison Yokohama-aobadai ¹	PP	71 F
Kawasaki-shi		units
8 Esty Maison Kawasaki		146 S F
21 Esty Maison Kawasaki II		99 S C F

OSAKA AREA (9 properties)

Osaka 7 properties

Osaka-shi		units
13 Esty Maison Kyobashi	PP	166 S C
15 Esty Maison Minamihorie	PP	60 S C
20 Esty Maison Tsukamoto	PP	96 S
42 Prime Maison Yuhigaoka	PP	26 F
43 Prime Maison Kitatanabe	PP	26 F
55 Esty Maison Nishitemma	PP	83 S C F
96 Esty Maison Uemachidai		41 C F

Hyogo 2 properties

Kobe-shi		units
93 Kobe Women's Student Housing		770 S
97 Esty Maison Kobe-sannomiya		56 C F

NAGOYA AREA (9 properties)

Aichi 9 properties

Nagoya-shi		units
34 Prime Maison Higashisakura	PP	64 C F
35 Prime Maison Kayabakoen	PP	27 F
41 Prime Maison Gokiso	PP	58 F
48 Prime Maison Takami	PP	28 F
49 Prime Maison Yadaminami	PP	26 F
51 Esty Maison Higashishirakabe	PP	45 F L
74 Esty Maison Aoi	PP	72 C F L
78 Prime Maison Fujimidai	PP	66 F L
79 Esty Maison Tsurumai	PP	183 F L

Others (2 properties)

Ishikawa 1 property

Kanazawa-shi		Units
88 Granmast Kanazawa Nishiizumi		60 F L

Mie 1 property

Yokkaichi-shi		units
89 Granmast Unomori		76 S C

PP: Prime Property
S: Less than 30 m² per unit (Single Type Unit)
C: 30 m² to less than 50 m² per unit (Compact Type Unit)
F: 50 m² to less than 100 m² per unit (Family Type Unit)
L: 100 m² or more per unit (Large Type Unit)

Note 1: "PP" refers the assets that fall under the category of Prime Properties. As for "Esty Maison Yokohama-aobadai", which comprises two buildings (North and South), although "Esty Maison Yokohama-aobadai South" does not fall under the category of Prime Properties, "Esty Maison Yokohama-aobadai North" falls under it. Therefore, "Esty Maison Yokohama-aobadai" is indicated as Prime Properties above. The same shall apply hereinafter.

Financial Base

Hommachi Garden City



Hommachi Garden City

Financial Results (1)

■ Financial Indicators (as of the date of this document)

Total interest-bearing liabilities	Long-term debt ratio	Fixed interest rate debt ratio	Average maturity	Average period remaining to maturity	Average interest rate ¹	LTV (Total Asset Basis)
JPY 244.2 billion	96.7%	93.3%	6.9 years	3.8 years	0.67%	44.6%

■ Recent Financial Activities (cf. page31)

- Loans :
 - Fixed Interest Rate Borrowing: (Balance) JPY 16.31 billion², (Drawdown date) Sep. 30, 2019
 - Fixed Interest Rate Borrowing: (Balance) JPY 14.00 billion², (Drawdown date) Nov. 29, 2019
- Investment Corporation Bonds:
 - Green Bonds: (Issue amount) JPY 6.5 billion, (Issue date) Jul.11, 2019
 - Green Bonds: (Issue amount) JPY 5.0 billion, (Issue date) Nov.1, 2019

■ Commitment Line Contracts

Lender	Maximum amount	Contract period
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	JPY15.0 billion	From November 1, 2019 to October 31, 2020

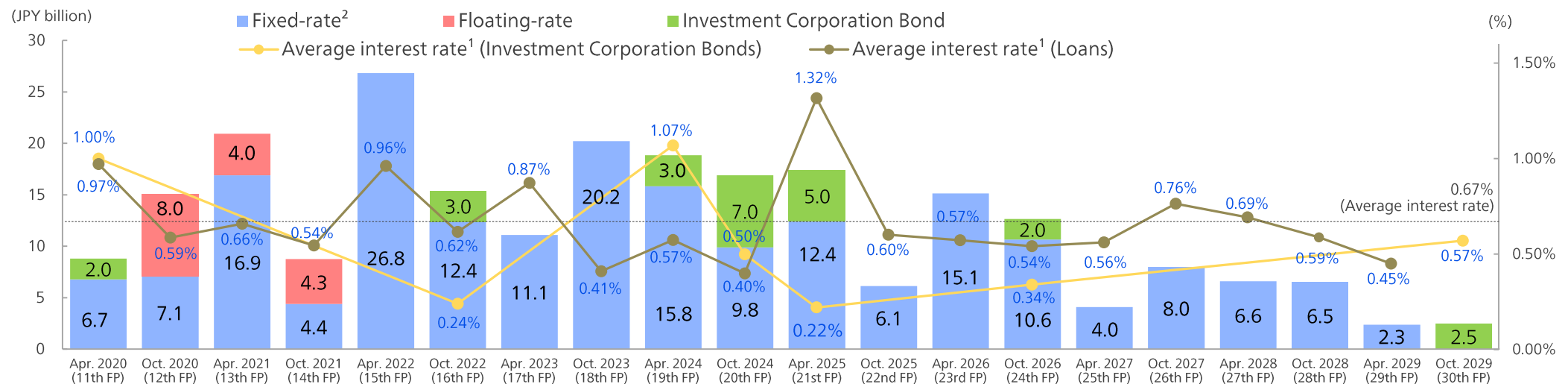
■ Credit Ratings (Issuer ratings)

- Rating and Investment Information, Inc. (R&I):
 - AA-(Stable) Acquired in Nov. 2019
- Japan Credit Rating Agency, Ltd. (JCR):
 - AA(Stable) Upgraded from AA- to AA in Feb. 2019

■ Index, etc.

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

■ Diversification of Repayment Dates (as of the date of this document)

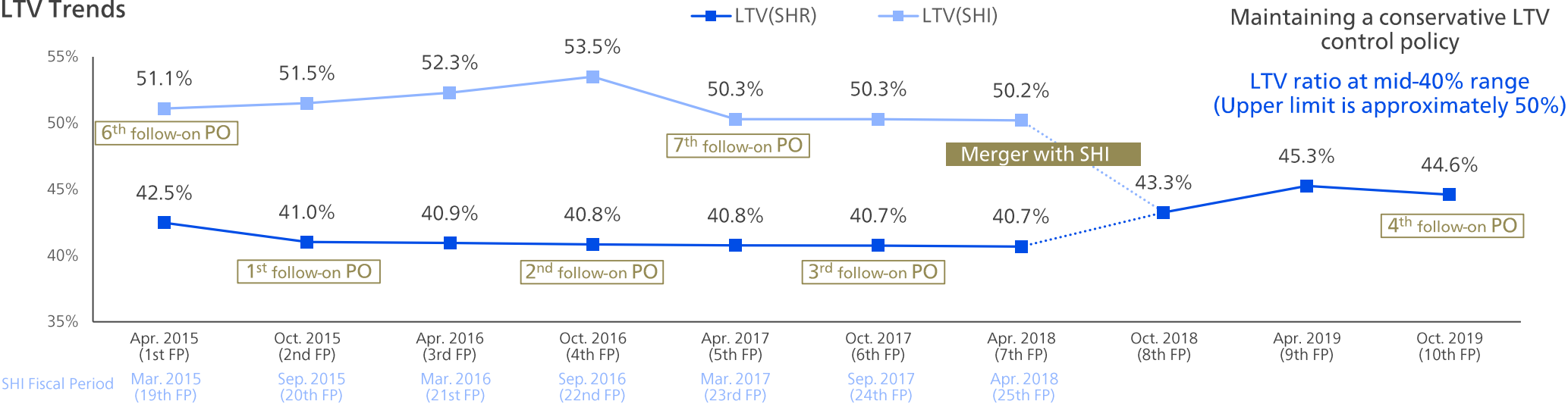


Note 1: "Average interest rate" is annual rate which is calculated by weighting the interest rate applicable as of the date of this document by the amount of interest-bearing liabilities at each point in time. As for the borrowings whose rates have been fixed by swap agreement, the fixed rates are used for the calculation.

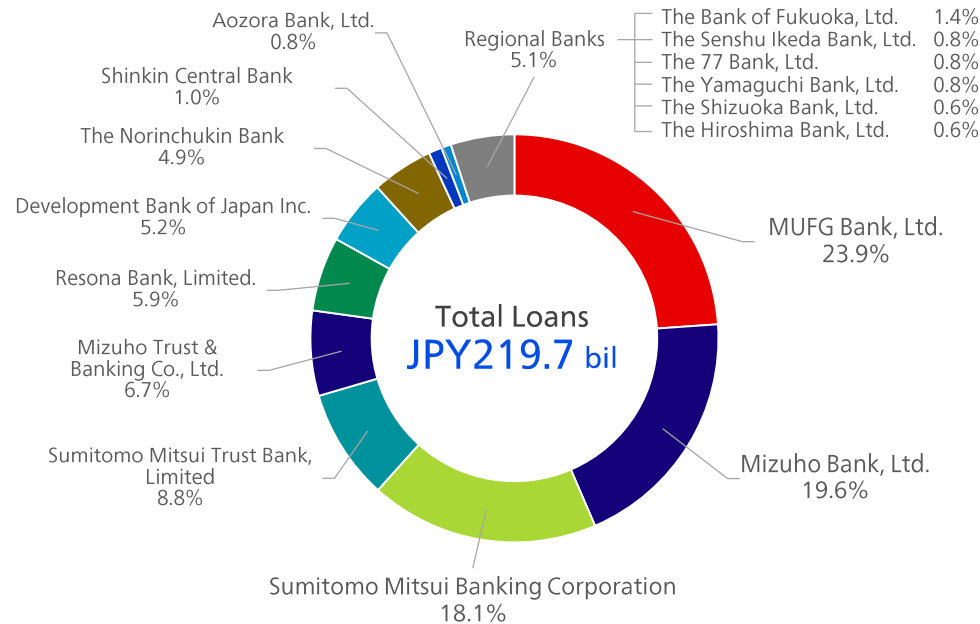
Note 2: Including the floating-rate borrowings which have concluded interest rate swap agreement to fix the interest rate.

Financial Results (2)

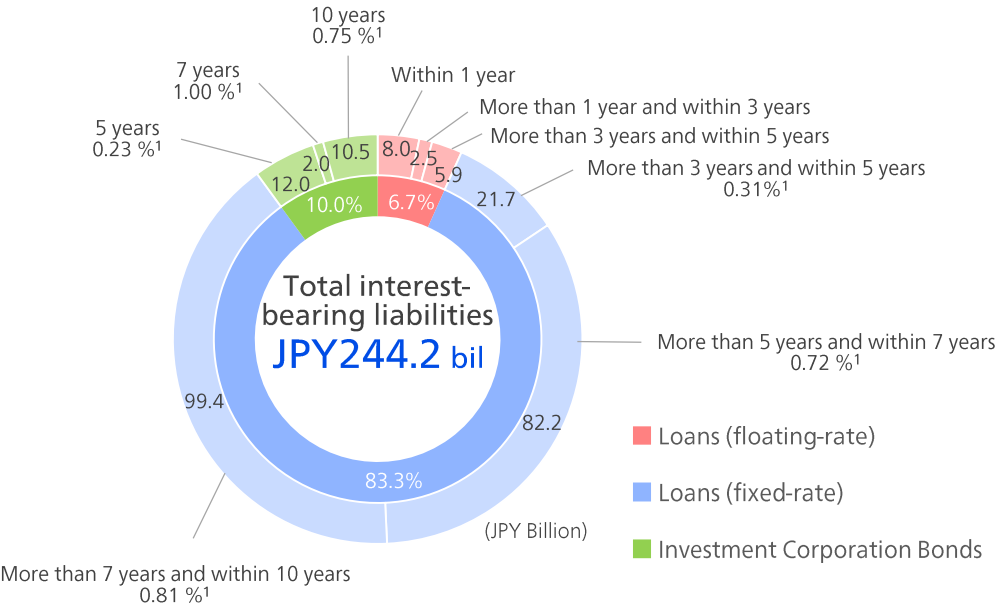
LTV Trends



Distribution of Lenders (as of the date of this document)



Borrowing period (as of the date of this document)



Note1: Average Interest Rate

Overview of Interest-Bearing Liabilities (1)

Loans (as of the date of this document)

Short-term loans payable

	Lender	Balance (JPY million)	Interest Rate	Drawdown Date	Repayment Date	Remarks
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		8,000	Base Rate (JBA 1-month JPY TIBOR) +0.17000%	Jun. 10, 2019	May 29, 2020	Unsecured and Unguaranteed

Current portion of long-term loans payable

	Lender	Balance (JPY million)	Interest Rate	Drawdown Date	Repayment Date	Remarks
MUFG Bank, Ltd., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.		5,242	1.02225% ¹	Feb. 28, 2013	Feb. 28, 2020	Unsecured and Unguaranteed
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Aozora Bank, Ltd.		5,500	1.17200% ¹	Aug. 30, 2013	Aug. 31, 2020	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		1,550	0.79614% ¹	Feb. 28, 2014	Feb. 28, 2020	
MUFG Bank, Ltd.		1,650	0.61760%	Jul. 31, 2015	Nov. 30, 2020	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank		5,350	0.62760% ¹	Jul. 31, 2015	Nov. 30, 2020	
Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Development Bank of Japan Inc., The Norinchukin Bank		4,050	Base Rate (JBA 1-month JPY TIBOR) +0.22500%	Sep. 9, 2016	Nov. 30, 2020	
Sumitomo Mitsui Banking Corporation		1,600	0.31000%	Feb. 28, 2017	Aug. 31, 2020	

Long-term loans payable

	Lender	Balance (JPY million)	Interest Rate	Drawdown Date	Repayment Date	Remarks
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited		1,800	1.17350% ¹	Jan. 31, 2014	Feb. 28, 2022	Unsecured and Unguaranteed
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Senshu Ikeda Bank, Ltd., The Yamaguchi Bank, Ltd.		3,900	0.95225% ¹	Feb. 28, 2014	Feb. 26, 2021	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.		4,680	1.11000% ¹	Feb. 28, 2014	Feb. 28, 2022	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Shinkin Central Bank, The Shizuoka Bank, Ltd.		2,100	0.97300% ¹	Mar. 28, 2014	Feb. 26, 2021	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		4,400	0.83600% ¹	Aug. 29, 2014	Aug. 31, 2021	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		5,400	0.96475% ¹	Aug. 29, 2014	Aug. 31, 2022	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Development Bank of Japan Inc., The Norinchukin Bank		17,000	0.94060% ¹	Dec. 3, 2014	Nov. 30, 2021	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc.		10,000	1.47450% ¹	Dec. 3, 2014	Nov. 30, 2024	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Norinchukin Bank, Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd.		3,900	0.62800% ¹	Feb. 27, 2015	Feb. 26, 2021	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited., The Norinchukin Bank, The Bank of Fukuoka, Ltd. Development Bank of Japan Inc.		3,350	0.73975% ¹	Feb. 27, 2015	Feb. 28, 2022	
		1,000	0.85250%	Feb. 27, 2015	Feb. 28, 2023	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd., The Yamaguchi Bank, Ltd.		7,100	0.86650% ¹	Feb. 27, 2015	Feb. 28, 2023	
MUFG Bank, Ltd.		700	0.88470%	Jul. 31, 2015	Nov. 30, 2022	
Development Bank of Japan Inc.		650	0.88500%	Jul. 31, 2015	Nov. 30, 2022	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited.		1,650	0.89470% ¹	Jul. 31, 2015	Nov. 30, 2022	
MUFG Bank, Ltd.		750	1.00850%	Jul. 31, 2015	Nov. 30, 2023	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.		2,350	1.01850% ¹	Jul. 31, 2015	Nov. 30, 2023	
Mizuho Bank, Ltd., Development Bank of Japan Inc.		2,200	0.67400%	Jan. 29, 2016	Aug. 31, 2023	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd.		1,900	0.68030% ¹	Jan. 29, 2016	Aug. 31, 2023	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, Aozora Bank, Ltd., The Yamaguchi Bank, Ltd.		4,750	0.63800% ¹	Apr. 1, 2016	Feb. 29, 2024	
MUFG Bank, Ltd., Development Bank of Japan Inc., The Bank of Fukuoka, Ltd., Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd.		1,750	0.50500%	Apr. 1, 2016	Feb. 29, 2024	

Note: Notes regarding this page can be found on page 31.

Overview of Interest-Bearing Liabilities (2)

Lender	Balance (JPY million)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	1,900	0.49500%	Aug. 31, 2016	Aug. 30, 2024	
MUFG Bank, Ltd.	600	0.57000%	Aug. 31, 2016	Aug. 29, 2025	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc.	3,000	0.59750%	Aug. 31, 2016	Aug. 29, 2025	
MUFG Bank, Ltd.	1,810	0.60500%	Sep. 9, 2016	Sep. 8, 2026	
MUFG Bank, Ltd., Mizuho Bank, Ltd.	1,340	0.67000%	Sep. 9, 2016	Sep. 8, 2026	
MUFG Bank, Ltd.	600	0.61000%	Feb. 28, 2017	Feb. 28, 2025	
Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Shinkin Central Bank	1,800	0.67000%	Feb. 28, 2017	Feb. 28, 2025	
MUFG Bank, Ltd.	1,500	0.72500%	Feb. 28, 2017	Feb. 27, 2026	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Development Bank of Japan Inc., The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Yamaguchi Bank, Ltd.	4,000	0.77880%	Feb. 28, 2017	Feb. 27, 2026	
Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited., The Norinchukin Bank	1,860	Base Rate (JBA 1-month JPY TIBOR) +0.20000%	Aug. 31, 2017	Aug. 31, 2021	
MUFG Bank, Ltd.	990	0.37000%	Aug. 31, 2017	Nov. 30, 2023	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc.	1,250	0.45254%	Aug. 31, 2017	Nov. 30, 2023	
Mizuho Bank, Ltd., The Norinchukin Bank	2,528	0.61380%	Aug. 31, 2017	Aug. 29, 2025	
MUFG Bank, Ltd.	750	0.32000%	Nov. 30, 2017	Jul. 13, 2022	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	5,050	0.34800% ¹	Nov. 30, 2017	Jul. 13, 2022	
MUFG Bank, Ltd., Development Bank of Japan Inc.	1,200	0.35341%	Nov. 30, 2017	Jul. 13, 2022	
MUFG Bank, Ltd.	750	0.34000%	Nov. 30, 2017	May 31, 2023	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	5,050	0.41800% ¹	Nov. 30, 2017	May 31, 2023	Unsecured and Unguaranteed
MUFG Bank, Ltd., Development Bank of Japan Inc.	1,200	0.42622%	Nov. 30, 2017	May 31, 2023	
MUFG Bank, Ltd.	500	0.56500%	Feb. 28, 2018	Feb. 27, 2026	
MUFG Bank, Ltd., Mizuho Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd.	1,600	0.63500%	Feb. 28, 2018	Feb. 27, 2026	
MUFG Bank, Ltd.	1,900	0.70000%	May 31, 2018	Aug. 31, 2027	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	6,100	0.78300% ¹	May 31, 2018	Aug. 31, 2027	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd.	2,500	Base Rate (JBA 1-month JPY TIBOR) +0.17000%	Aug. 31, 2018	Aug. 31, 2021	
Development Bank of Japan Inc.	376	0.28568%	Feb. 28, 2019	Aug. 30, 2024	
MUFG Bank, Ltd.	300	0.34900%	Feb. 28, 2019	Aug. 30, 2024	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd.	3,619	0.35900% ¹	Feb. 28, 2019	Aug. 30, 2024	
Development Bank of Japan Inc.	565	0.48000%	Feb. 28, 2019	Feb. 26, 2027	
MUFG Bank, Ltd.	450	0.56500%	Feb. 28, 2019	Feb. 26, 2027	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd.	3,072	0.57500% ¹	Feb. 28, 2019	Feb. 26, 2027	
MUFG Bank, Ltd.	500	0.29900%	Mar. 29, 2019	May 31, 2023	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	2,200	0.30900% ¹	Mar. 29, 2019	May 31, 2023	
MUFG Bank, Ltd.	1,000	0.39580%	Mar. 29, 2019	Aug. 30, 2024	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	2,700	0.40580% ¹	Mar. 29, 2019	Aug. 30, 2024	
Shinkin Central Bank	200	0.41388%	Mar. 29, 2019	Aug. 31, 2026	
MUFG Bank, Ltd.	1,000	0.55600%	Mar. 29, 2019	Aug. 31, 2026	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	2,800	0.56600% ¹	Mar. 29, 2019	Aug. 31, 2026	

Overview of Interest-Bearing Liabilities (3)

Lender	Balance (JPY million)	Interest Rate	Drawdown Date	Repayment Date	Remarks
MUFG Bank, Ltd.	1,400	0.68500%	Mar. 29, 2019	Feb. 29, 2028	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Bank of Fukuoka, Ltd., The Senshu Ikeda Bank, Ltd., The 77 Bank, Ltd., The Yamaguchi Bank, Ltd.	5,200	0.69500% ¹	Mar. 29, 2019	Feb. 29, 2028	
MUFG Bank, Ltd.	1,000	0.27100%	Sep. 30, 2019	Aug. 31, 2023	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Shinkin Central Bank	5,410	0.28100% ¹	Sep. 30, 2019	Aug. 31, 2023	
MUFG Bank, Ltd.	1,000	0.41000%	Sep. 30, 2019	Feb. 27, 2026	
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, The Bank of Fukuoka, Ltd., Shinkin Central Bank, The 77 Bank, Ltd., The Yamaguchi Bank, Ltd.	6,530	0.42000% ¹	Sep. 30, 2019	Feb. 27, 2026	Unsecured and Unguaranteed
Development Bank of Japan Inc., The Senshu Ikeda Bank, Ltd.	1,200	0.44000%	Sep. 30, 2019	Feb. 28, 2029	
MUFG Bank, Ltd.	1,170	0.46000%	Sep. 30, 2019	Feb. 28, 2029	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited	4,000	0.27300% ¹	Nov. 29, 2019	Nov. 30, 2023	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Norinchukin Bank	3,500	0.44100% ¹	Nov. 29, 2019	May 29, 2026	
Development Bank of Japan Inc.	800	0.50000%	Nov. 29, 2019	May 31, 2028	
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.	5,700	0.59900% ¹	Nov. 29, 2019	May 31, 2028	
Total Loans	219,742	-	-	-	-

■ Investment Corporation Bonds (as of the date of this document)

➤ Current portion of investment corporation bonds

		Issue Amount (JPY million)	Interest Rate	Issue Date	Redemption Date	Remarks
Sekisui House Residential Investment Corporation Second Series Unsecured Investment Corporation Bonds	with a clause that ranks them pari passu among specified investment corporation bonds	2,000	1.00000%	Feb. 28, 2013	Feb. 28, 2020	Unsecured and Unguaranteed

➤ Investment corporation bonds with repayment period date exceeding one year

		Issue Amount (JPY million)	Interest Rate	Issue Date	Redemption Date	Remarks
Sekisui House Residential Investment Corporation Fourth Series Unsecured Investment Corporation Bonds	with a clause that ranks them pari passu among specified investment corporation bonds	3,000	1.06900%	Feb. 28, 2014	Feb. 28, 2024	
Sekisui House Residential Investment Corporation Fifth Series Unsecured Investment Corporation Bonds	with a clause that ranks them pari passu among specified investment corporation bonds	3,000	0.87100%	Aug. 29, 2014	Aug. 30, 2024	
Sekisui House Reit, Inc. First Series Unsecured Investment Corporation Bonds	with a clause that ranks them pari passu among specified investment corporation bonds	2,000	0.34000%	Sep. 08, 2016	Sep. 08, 2026	
Sekisui House Reit, Inc. Second Series Unsecured Investment Corporation Bonds	with a clause that ranks them pari passu among specified investment corporation bonds	3,000	0.24000%	Jul. 13, 2017	Jul. 13, 2022	Unsecured and Unguaranteed
Sekisui House Reit, Inc. Third Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	4,000	0.22000%	Jul. 11, 2019	Jul. 11, 2024	
Sekisui House Reit, Inc. Fourth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	2,500	0.57000%	Jul. 11, 2019	Jul. 11, 2029	
Sekisui House Reit, Inc. Fifth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	5,000	0.22000%	Nov. 1, 2019	Nov. 1, 2024	
Total Investment Corporation Bonds		24,500	-	-	-	

Note 1: Interest rate swap agreements are concluded in order to avoid the risk of rising interest rates, and the interest rates indicated are the rates fixed with the interest rate swap agreements

Growth Strategy



Akasaka Garden 5

Future Growth Strategy

Mid-term new target for DPU

- Reached the target of securing a distribution of JPY 1,600 at the time of the merger in 1.5 years
- Aiming to achieve sustainable growth and become a core diversified REIT in J-REIT markets

Achieving distribution of JPY 1,800 level per unit (3-year time horizon)

■ Management Stance

- Making maximum use of Sekisui House Group's sponsor support and group collaboration
- Active management considering distributions per unit and NAV per unit growth, which are considered to be key KPIs

■ Immediate Policy

- External Growth:
 - Continuing carefully selected investments centered on Prime Properties
(also utilizing public offerings that take advantage of opportunities in capital markets)
- Internal Growth:
 - Considering actively increasing rents for office buildings and residences and replacing some properties
(aiming to improve profitability by leveraging favorable real estate market conditions)
- Financial Strategy:
 - Promoting diversification of financing methods and reduction of financial costs
(building a stronger financial base against the backdrop of the low interest rate environment)
- ESG:
 - Aiming to be included in major ESG-related indices by implementing various measures
(responding to increasing requests from investors)

Policy for Utilizing Internal Reserve

RTA prioritizes inconsistency between accounting and taxation purposes response, and flexibly utilizes reserve for reduction entry to respond to stabilization of distribution level, etc.

Utilization policy

1. Utilizing to avoid taxable burden due to inconsistency between accounting and taxation purposes

Expected reversal period of RTA: 17th FP

Withdrawing and distributing the amount equivalent to inconsistency between accounting and taxation purposes related to the merger that are expected to be incurred on a continuing basis and other reasons from the balance of RTA.
After completion of RTA, distributing as allowance for temporary difference adjustment (ATA).
2. Utilizing for measures to stabilize or improve distribution levels

Expected reversal period of reserve for reduction entry : 17th FP (Period completion of RTA)

Withdrawing and distributing the reserve for reduction entry preferentially, in cases where distributable profits are expected to decline temporarily.

(Example)

 - Free rent applied for the replaced office tenants
 - Absence of rental business profit due to the disposition of owned properties
 - Large repair costs incurred in connection with temporary equipment upgrades, etc.

*The Investment Trusts Act stipulates that distributions in excess of earnings by ATA is not allowed when reserve for reduction entry balances remains.

■ Distribution of Esty Maison Yokohama’s gain on transfer

- Sale of property with differences in taxation and accounting book values as a result of the Merger
- Gain on transfer differs from gain on transfer in accounting and gain on transfer in taxation
- Differences in gains on transfer between the accounting and taxation will be distributed on 10th FP (Avoid tax burden by allocating RTA)
 - Disposition price: JPY 3,000 million
 - Capital gains for tax purposes: JPY 1,055 million →
 - Distribution on 10th FP: JPY 279 million
 - Internal Reserves: JPY 775 million² → Utilization policy 2

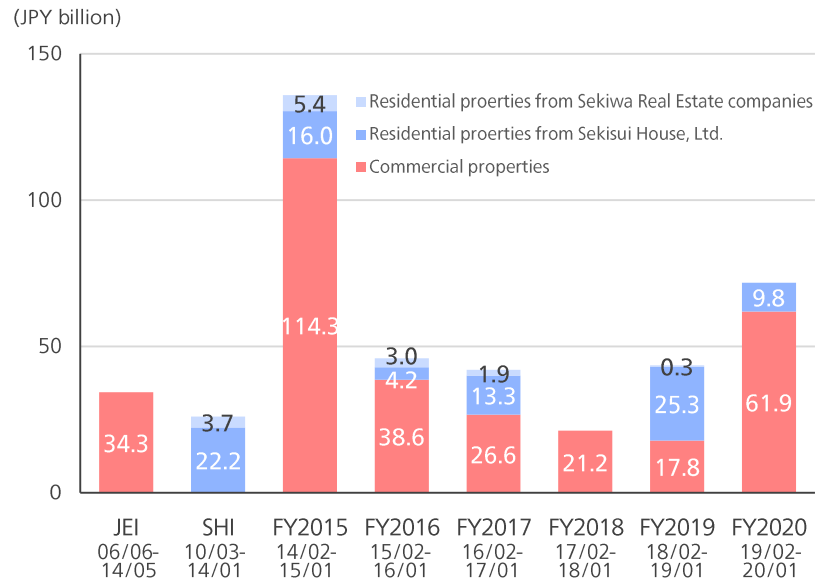
Internal Reserve as of the end of 12th FP: JPY 1,549 million (RTA: JPY 835 million, Reserve for Reduction Entry : JPY 714 million)

Note 1: In order to stabilize distribution levels, or in the event of a reversal of RTA due to a new inconsistency between accounting and taxation purposes arising from the disposition of properties owned, etc., the timing of the reversal of RTA and reserve for reduction entry may be accelerated.

Note 2: The above figures are estimated and any future distribution or distribution excess in earning is not guaranteed.

Sekisui House Sponsor's Pipeline

■ Supplying to J-REITs from Sekisui House Group



■ Prime Maison Planned and Developed by Sekisui House¹

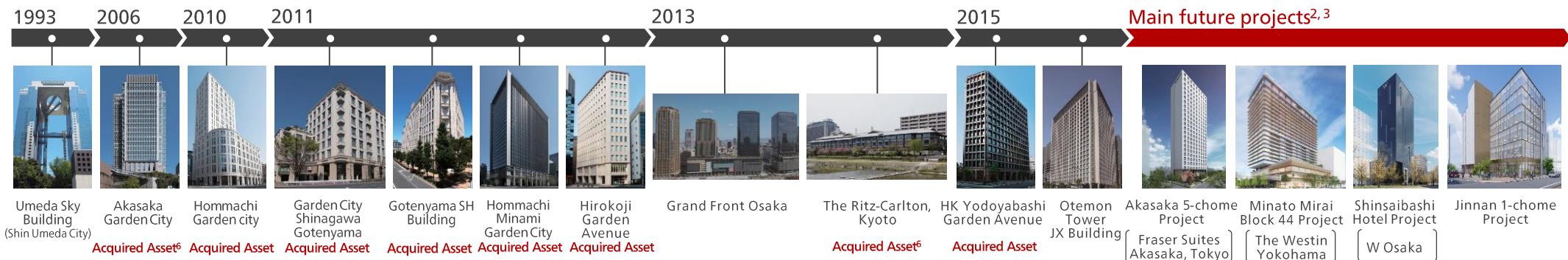
➢ Sekisui House continues to focus on developing residential properties in Tokyo



■ SHR has Preferential Negotiation Rights from Sekisui House¹

Property name	Location	Unacquired quasi-co-ownership interests ⁴
Akasaka Garden City	Minato-ku, Tokyo	34.55%
The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	60.00%

■ Main Projects in Sekisui House's Urban Redevelopment Business^{1,5}



Note 1: As of the date of this document, there are no specific acquisition plans for unacquired portions of the properties indicated as "Prime Maison Planned and Developed by Sekisui House", "SHR has Preferential Negotiation Rights from Sekisui House" or "Main Projects in Sekisui House's Urban Redevelopment Business".

Note 2: The figures labeled "Properties under construction" and "Main future projects" are conceptual drawings created based on the drawing and specifications, and may differ from actual ones. In addition, the name of each property is a provisional name.

Note 3: "Properties under planning" and "Main future projects" are currently under consideration by Sekisui House; subject to change or cancellation without notice.

Note 4: "Unacquired quasi-co-ownership interests" refers to the percentage of unacquired quasi-co-ownership interests for which SHR has a preferential negotiating right for the acquisition of trust beneficiary interests.

Note 5: The indicated properties include joint ventures with other companies and properties that have been sold.

Note 6: SHR has acquired a portion of the quasi-co-ownership interests, but has a preferential negotiating right covering the quasi-co-ownership interests that have not yet been acquired.

ESG initiatives of SHR (1)

■ Participation in International Initiatives

- Signing of the Principles for Responsible Investment (PRI) in March 2019 by the asset management company of SHR
- Announced support for the 10 principles of the United Nations Global Compact by Sekisui House Group



■ Acquisition of external certification for ESG

- GRESB Real Estate Assessment, Selected as "Sector Leader" in Asia/Diversified - Office/Residential Sector
Acquired "Green Star", the high ranking in "GRESB Real Estate Assessment" conducted in 2019 in three consecutive years
- Acquired "S-Rank", the highest rating in "MUFG ESG Rating Certificate for J-REIT supported by JCR"
- Acquired DBJ Green Building certification for 51 of 119 properties, all 3 Stars or above (50.1%: acquisition price basis)
Three residential properties acquired in June 2019 acquired DBJ Green Building certification
- Certification for CASBEE for Real Estate, for 4 of 7 office buildings, all with the highest appraisal "S (Superior)"

Environmental certification	Evaluation rank	Number of properties		Total
		Residence	Office Buildings	
DBJ Green Building Certification	2018	2	1	3
	2019	1	-	1
	2018	2	4	6
	2017	7	-	7
	2019	2	-	2
	2018	12	-	12
Certification for CASBEE for Real Estate	2017	20	-	20
	S (Superior)	-	4	4



Acquired both DBJ Green Building certification and CASBEE property appraisal certification

- Garden City Shinagawa Gotenyama (Owned)
- Hommachi Minami Garden City (Owned)
- Hommachi Garden City (Office building portion)
- Hirokoji Garden Avenue

Environment

Initiatives for a Low-Carbon Society and the Efficient Use of Energy

- Effects of the introduction of environmentally conscious equipment in residential properties

Installation equipment	Shift to LED lighting in Common Areas	Energy-efficient air-conditioners in Exclusive Areas
Implemented in the10 th FP	5 properties	254 units
Cumulative total	Already implemented 53 Properties	already implemented 1,348 units
Expected annual reduction for electricity consumption ¹	Approx. 1,320,102 kWh	Approx. 300,604 kWh
Expected annual reduction in CO ₂ emissions ¹	Approx. 650 t-CO ₂	Approx. 136 t-CO ₂

Solar panels

Garden City Shinagawa Gotenyama

Low-e double-glazed glass

Hommachi Minami Garden City

Biodiversity Activities

- "Gotenyama Project", large-scale complex developments by Sekisui House

"Gotenyama Project" was highly evaluated because it creates large scale green land that contributes to nature regeneration in the area, receiving "The Minister of Land, Infrastructure and Transport Prize" the highest-ranked award at the 11th "Competition for Rooftops, Wall Facings and New Green Spaces."

ESG initiatives of SHR (2)

Social Initiatives of the Asset Manager

- Encouraging male employees to take parental leave for more than one month
In Sep. 2018, Sekisui House announced that it would fully take parental leave for at least one month for male employees. As a "Kids' First Company," Sekisui House is implementing initiatives to promote diversity as a leader in a society that supports child-rearing. As a member of the Sekisui House Group, the asset management company is encouraging male employees to take parental leave for at least one month.

Acquisition results: 100% for applicable employees

Initiative for Creating Comfortable Workplace Environment

- Employee Satisfaction Survey**
 - Conducting Sekisui House Group's governance awareness survey once a year
 - Holding Health Committee including a occupational physician once a month
 - Promoting of improvement workplace environment by discussing employee request about once a month
- Initiative for health**
 - Conducting stress check
 - Participating to "walking challenge" conducted by Sekisui House Group

Comfort and Safety Measures

Emergency electric supply unit 24-hour disaster prevention center



Garden City Shinagawa Gotenyama



Emergency cabinets for elevators



Prime Maison Gotenyama East and others

Disaster prevention stockpiles to tenants



Esty Maison Ojima and others

Stockpiling of emergency toilets



Prime Maison Shinagawa

Contributing to Regions and Communities

Disaster-relief Vending Machines



Prime Maison Ginza East and others

Concert held at an entrance hall



Hommachi Garden City

Bike share



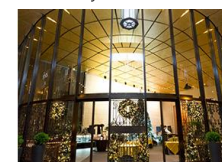
Garden City Shinagawa Gotenyama

Installment of AED Automatic Exterior Defibrillator



Prime Maison Yokohama Nihon-odori and others

Participation in Midosuji Illumination



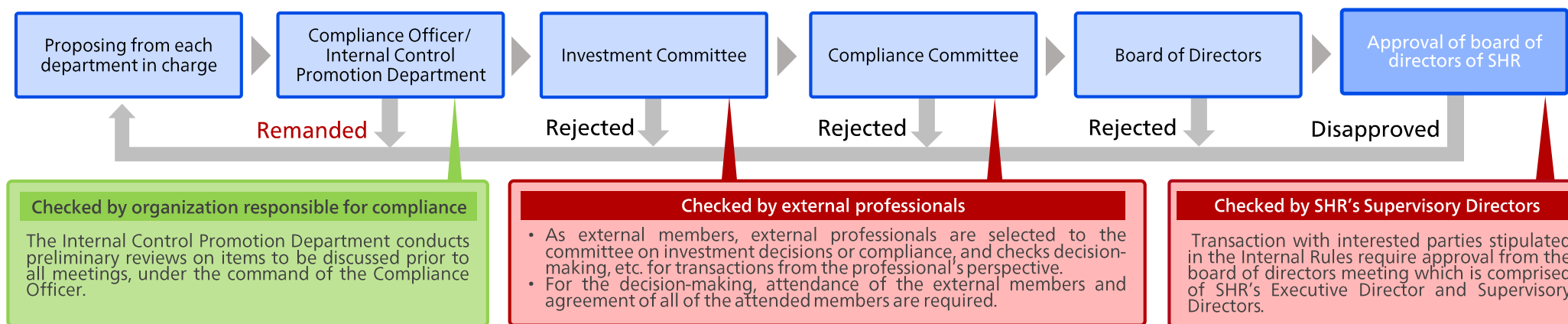
Hommachi Garden City

Food Trucks



Akasaka Garden City

Governance Decision making Process of the transaction with Interested Parties

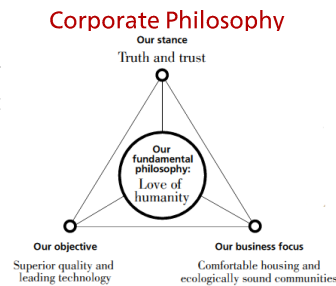


- Investment Committee and Compliance Committee are indicated on page 54
- Board of Directors of SHR is indicated on page 51

ESG initiatives of Sekisui House

■ Development of Philosophy and Value Creation

Sekisui House made a "Declaration of Sustainability" in 2005 as the vision to aspire under the corporate philosophy of "a love of humanity," announcing its vision to achieve balanced management based on four key values – environmental, economic, social and homeowner. Moreover, 13 guidelines were established based on the four key values.



■ A leading company of ESG management

Sekisui House has, in 2008, announced its "2050 Vision", which targets zero CO₂ emissions from residences and having established a long-term vision for 2050, "Sustainability Vision 2050," in 2016. It has also displayed its medium-term initiatives with an outlook for 2030 to share status of progress with stakeholders in 2017. With the realization of "Sustainability Vision 2050" as the long-term goal of ESG management, Sekisui House is making steady progress toward the realization of a sustainable society with the aim of becoming the leader in ESG management.

2050 challenges

Zero CO ₂ Emissions within the Housing Lifecycle	Maximize Ecosystem Networks through Business
Expanding Zero Emissions Initiatives Within the Housing Lifecycle	Maximizing Abundance in Housing and Communities

■ ESG Initiatives Aimed at Sustainable Growth

Environmental management

Net-zero-energy housing drives the world
Contribute to the world by RE 100

- Global Warming Prevention
 - Promoting the net-zero energy housings (ZEH)
 - RE100 (100% electricity supply from renewable energy)
 - SBT (Acquired certification for setting goals to limit temperature rise to less than 2°C)
- Ecosystem Conservation
 - Gohon no ki (Five trees) project
 - FairWood procurement
- Resource Recycling
 - 100% Recycling Wastes

Social improvement

Make diversity a driver of growth

- Workstyle Reforms

Creating exiting workplaces

 - Fair evaluations and visualization
 - Higher operational efficiency using IT
 - Achieving a work-life balance
⇒ Improved productivity
- Diversity promotion

Participating in the organization in your own way

 - Promoting active female participation
 - Support for people childrearing, providing nursing care and curing while working
 - Creation of pleasant workplaces for people with disabilities

Strengthen Governance

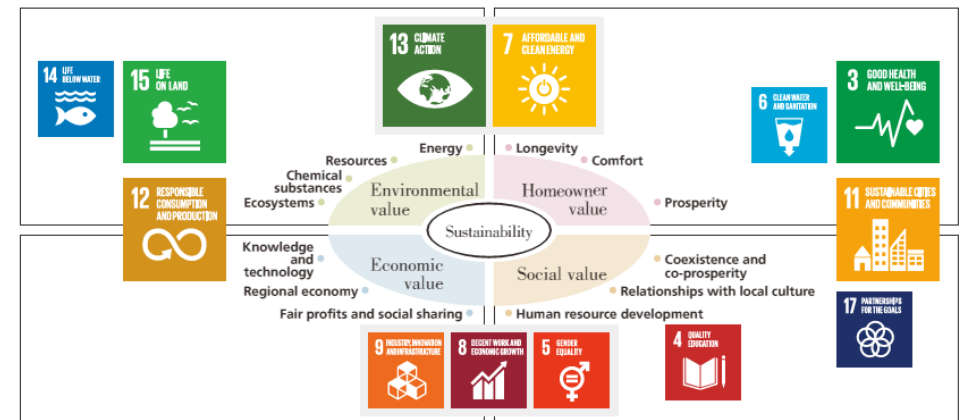
Innovation and communication
(Strengthening the Corporate Governance)

- New Actions
 - Ensuring independence and strengthening internal checks of Senior Manager of General Affairs Dept. in Sales Administration Headquarters and General Manager of General Affairs of Branch
 - Improving the integrity of branch managers
 - Introduction of restricted stock remuneration plan
 - Abolishing officers' bonus system for external directors
- Future Considerations
 - Revision in directors' term of office to one year from two
 - Drastic revision in officers' remunerations
 - Appointment and dismissal of senior management

■ CSR management based on the Four key values and 13 Guidelines

The Four key values and 13 Guidelines set forth in the Sustainable Vision in 2005 share the same direction with "SDGs (Sustainable Development Goals," which is a common goal of the international community. Through the business to create residential environments, Sekisui House face the challenge of "sustainability" and are continually promoting the achievement of the "SDGs" goals.

The Four Key Values, 13 Guidelines and SDGs (Direct and indirect contributions made through our business)



Source: Sekisui House "Sustainability Report 2019" (Japanese version)

Changing Management Fee Structure for Investors

■ Introduction of SHR's Investment Unit Price Performance Linked Rate

- Create a price-performance component of total asset-based fee rate and Change fee level downward
- To be resolved at the next general meeting of unitholders to be held on January 29, 2020 (Adopting from 12th FP)

■ Current rules

- Management Fee I (linked to total assets):
Total assets × 0.15% (annual rate) (fixed)
- Management Fee II (linked to DPU and Operating income):
DPU × Operating income × 0.002% × 2 (split ratio)



■ New rules

- Management Fee I (linked to total assets and investment units performance):
Total assets × 0.12-0.16% (annual rate) (~~fixed~~)
↓
Depends on performance of SHR's investment unit price to TSE REIT index
- Management Fee II (linked to DPU and Operating income):
No change

■ Revised Rate Calculation Process

Revised Rate (Annual Rate) = 0.14% + ([A] – [B]) × 1/1,000 (rounded to the fifth decimal place) (A)- (B):

- Upper limit +0.02% (Outperform +20%)
- Lower limit -0.02% (Underperform -20%)
- Upper limit Zero if (a) < 0

- Rate of the increase and decrease in SHR's Investment unit prices (distribution inclusive): (A)

$$(A) = \frac{\text{Investment unit price for the previous FP} + \text{Distribution for previous FP} - \text{Investment unit price for the FP preceding the previous FP}}{\text{Investment unit price for the FP preceding the previous FP}}$$

- Rate of the increase and decrease in TSE REIT Index (distribution inclusive): (B)

$$(B) = \frac{\text{TSE REIT Total Return Index for the previous FP} - \text{TSE REIT Total Return Index for the FP preceding the previous FP}}{\text{TSE REIT Total Return Index for the FP preceding the previous FP}}$$

- the increase and decrease in SHR's Investment unit prices: (a)

$$(a) = \text{Investment unit price at end of previous period} - \text{Investment unit price at end of the before previous period}$$

(Reference I) Calculated by replacing Management fee I on 10th FP with the applicable rates

	End of 8 th FP	End of 9 th FP	Distribution of 9 th FP
SHR's Investment unit price	JPY 70,500	JPY 80,300	JPY 1,594
TSE REIT Index(dividend inclusive)	3,459.73pt	3,822.76pt	-

(A): +16.2%, (B): +10.5%, (a): +9,800 (A) – (B) = +5.7% Outperform and (a) > 0

10th FP Revised Rate (Annual Rate) = 0.14% + 5.7% × 1/1,000 = 0.146%
(Down 0.04% from the current rate of 0.15%)

(Reference II) Partial Amendments to the Articles of Incorporation

- Management Fee I :
Total assets × Base rate → (Change) Total assets × (Base rate + Rate linked to TSE REIT Index)
0.14% shall be applied to the base rate set at the upper limit of 0.5%

- Management Fee II, III, IV and V are no changes
→ Management Fees on page 54

Appendix

Prime Maison Shirokanedai Tower



Esty Maison Ginza



Prime Maison Odorikoen



Prime Maison Ginza East

Balance Sheet

	9 th FP (Apr. 30, 2019)	10 th FP (Oct. 31, 2019)
Assets		
Current assets		
Cash and deposits	7,657,644	7,551,248
Cash and deposits in trust	13,301,529	17,134,730
Operating accounts receivable	157,133	196,322
Prepaid expenses	168,285	198,915
Other	212,703	153,267
Allowance for doubtful accounts	(973)	(778)
Total current assets	21,496,324	25,233,705
Non-current assets		
Property, plant and equipment		
Buildings in trust	158,892,235	172,504,565
Accumulated depreciation	(8,236,920)	(10,454,347)
Buildings in trust, net	150,655,315	162,050,217
Structures in trust	1,500,004	1,564,478
Accumulated depreciation	(121,928)	(152,627)
Structures in trust, net	1,378,076	1,411,851
Machinery and equipment in trust	2,153,877	2,193,249
Accumulated depreciation	(91,694)	(133,771)
Machinery and equipment in trust, net	2,062,182	2,059,477
Vehicles in trust	-	153
Accumulated depreciation	-	(19)
Vehicles in trust, net	-	134
Tools, furniture and fixtures in trust	117,224	214,116
Accumulated depreciation	(10,983)	(24,980)
Tools, furniture and fixtures in trust, net	106,240	189,135
Land in trust	295,079,081	352,572,801
Construction in progress in trust	98,534	5,494
Total property, plant and equipment	449,379,431	518,289,113
Intangible assets		
Leasehold rights in trust	2,501,173	2,475,748
Other	6,894	5,442
Total intangible assets	2,508,068	2,481,190
Investments and other assets		
Lease and guarantee deposits	790,700	790,700
Long-term prepaid expenses	396,558	498,514
Other	373,282	403,137
Total investments and other assets	1,560,540	1,692,352
Total non-current assets	453,448,040	522,462,655
Deferred assets		
Investment corporation bond issuance costs	26,285	65,615
Investment unit issuance costs	14,755	227,653
Total deferred assets	41,040	293,268
Total assets	474,985,405	547,989,630

	9 th FP (Apr. 30, 2019)	10 th FP (Oct. 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	751,690	974,618
Short-term loans payable	6,500,000	13,000,000
Current portion of investment corporation bonds	2,000,000	2,000,000
Current portion of long-term loans payable	20,792,500	27,892,500
Accounts payable – other	986,348	1,205,134
Accrued expenses	189,758	196,924
Income taxes payable	590	588
Advances received	309,077	431,905
Derivative debt	27,894	50,959
Other	189,700	269,336
Total current liabilities	31,747,560	46,021,967
Non-current liabilities		
Investment corporation bonds	11,000,000	17,500,000
Long-term loans payable	174,640,000	183,850,000
Tenant leasehold and security deposits in trust	11,148,044	13,836,639
Derivative debt	515,034	424,718
Other	239,015	163,835
Total non-current liabilities	197,542,094	215,775,192
Total liabilities	229,289,654	261,797,160

Net assets		
Unitholders' equity		
Unitholders' capital	110,189,294	149,210,081
Surplus		
Capital surplus	128,598,415	128,598,415
Voluntary retained earnings		
Reserve for temporary difference adjustments	1,556,827	1,454,196
Total voluntary retained earnings	1,556,827	1,454,196
Unappropriated retained earnings	5,894,142	7,405,454
Total surplus	136,049,385	137,458,066
Total unitholders' equity	246,238,679	286,668,148
Valuation and translation adjustments		
Deferred hedging gain/loss	(542,929)	(475,678)
Total of valuation and translation adjustments	(542,929)	(475,678)
Total net assets	245,695,750	286,192,469
Total liabilities and net assets	474,985,405	547,989,630

Note 1: 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. The same shall apply hereinafter.

Statement of Income and Retained Earnings

(JPY thousand)

	9th Fiscal Period From November 1, 2018 to April 30, 2019	10th Fiscal Period From May 1, 2019 to October 31, 2019
Operating revenue		
Rent revenue - real estate	12,085,814	13,539,686
Other lease business revenue	284,165	339,644
Gain on sales of real estate properties	-	804,126
Total operating revenue	12,369,980	14,683,458
Operating expenses		
Expenses related to rent business	4,643,232	5,124,966
Asset management fee	826,100	1,036,070
Asset custody fee	9,083	9,344
Administrative service fees	42,953	43,689
Directors' compensations	3,600	3,600
Provision of allowance for doubtful accounts	483	226
Other operating expenses	216,612	239,489
Total operating expenses	5,742,066	6,457,387
Operating income	6,627,913	8,226,071
Non-operating income		
Interest income	111	106
Reversal of distributions payable	1,135	1,415
Consumption tax refund	30,680	49,005
Other	-	684
Total non-operating income	31,927	51,211
Non-operating expenses		
Interest expenses	607,995	672,439
Interest expenses on investment corporation bond	48,755	53,448
Borrowing related expenses	89,904	93,436
Amortization of investment unit issuance costs	14,384	42,905
Amortization of investment corporation bond issuance costs	2,919	5,212
Other	1,135	3,779
Total non-operating expenses	765,094	871,223
Ordinary Income	5,894,747	7,406,059
Income before income taxes	5,894,747	7,406,059
Income taxes – current	605	605
Total income taxes	605	605
Net income	5,894,142	7,405,454
Unappropriated retained earnings	5,894,142	7,405,454

List of Portfolio (1)

■ Overview of Portfolio

Asset Category	Number of properties	Number of PP	PP Ratio (%)	Acquisition Price (JPY million)	Investment Ratio (%)	Leasable Area (m ²)	Occupancy Rate (%)	Average Building Age
Residence	111	84	81.9	246,565	46.8	392,194.82	97.5	11.1 year
Office Building	7	7	100.0	245,500	46.6	126,712.50	99.8	9.5 years
Hotel	2	2	100.0	35,000	6.6	27,477.54	100.0	7.9 years
Retail and other property	-	-	-	-	-	-	-	-
Total	119	92	91.5	527,065	100.0	546,384.86	98.1	10.1 years

■ Properties Owned as of the Date of this Document

Property No.	PP	Property name	Location	Acquisition Price (JPY million)	Investment Ratio (%)	Leasable Area (m ²)	Occupancy Rate (%)	Completion Date
O-001	★	Garden City Shinagawa- Gotenyama	Shinagawa-ku, Tokyo	71,950	13.7	38,577.99	99.9	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 building 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	12,472.80	98.4	Jan. 2006
Office Building Subtotal				245,500	46.6	126,712.50	99.8	
H-001	★	The St. Regis Osaka (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	17,800	3.4	9,384.56	100.0	Oct. 2013
Hotel Subtotal				35,000	6.6	27,477.54	100.0	
R-001	★	Esty Maison Ginza	Chuo-ku, Tokyo	6,540	1.2	5,515.43	96.8	Feb. 2005
R-002	★	Esty Maison Azabunagasaka	Minato-ku, Tokyo	1,790	0.3	2,019.10	95.5	Jan. 2004
R-003	★	Esty Maison Ebisu II	Shibuya-ku, Tokyo	2,040	0.4	2,062.10	95.9	Jun. 2003
R-004	★	Esty Maison Ebisu	Shibuya-ku, Tokyo	873	0.2	781.02	96.1	Oct. 2004
R-005	★	Esty Maison Kanda	Chiyoda-ku, Tokyo	1,610	0.3	1,706.54	97.4	Feb. 2004
R-006	★	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	1,590	0.3	1,881.19	95.2	Aug. 2004
R-007	★	Esty Maison Asakusakomagata	Taito-ku, Tokyo	2,190	0.4	2,978.28	97.7	Jul. 2004
R-008		Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	2,400	0.5	3,741.01	98.7	Jul. 2004
R-010	★	Esty Maison Kameido	Koto-ku, Tokyo	1,580	0.3	2,279.21	97.9	Nov. 2005
R-011	★	Esty Maison Meguro	Meguro-ku, Tokyo	1,060	0.2	1,070.13	100.0	Nov. 2005
R-012		Esty Maison Sugamo	Toshima-ku, Tokyo	1,630	0.3	2,619.17	100.0	Feb. 2007
R-013	★	Esty Maison Kyobashi	Osaka-shi, Osaka	2,970	0.6	4,613.04	98.2	Mar. 2006
R-014		Esty Maison Hakuraku	Yokohama-shi, Kanagawa	931	0.2	1,285.83	96.5	Feb. 2006
R-015	★	Esty Maison Minamihorie	Osaka-shi, Osaka	1,060	0.2	1,804.48	96.8	Feb. 2007
R-016	★	Esty Maison Gotanda	Shinagawa-ku, Tokyo	3,110	0.6	3,871.15	92.0	Mar. 2006
R-017	★	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	2,720	0.5	2,979.85	96.8	Aug. 2006

Property No.	PP	Property name	Location	Acquisition Price (JPY million)	Investment Ratio (%)	Leasable Area (m ²)	Occupancy Rate (%)	Completion Date
R-018		Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	2,050	0.4	2,602.30	98.3	Jun. 2006
R-019	★	Esty Maison Minamiazabu	Minato-ku, Tokyo	1,250	0.2	1,082.12	94.2	Aug. 2006
R-020	★	Esty Maison Tsukamoto	Osaka-shi, Osaka	1,080	0.2	2,321.04	99.0	Aug. 2006
R-021		Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	1,910	0.4	2,824.86	99.1	Feb. 2007
R-022		Esty Maison Azabujuban	Minato-ku, Tokyo	2,690	0.5	1,755.31	100.0	Feb. 2007
R-023		Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	937	0.2	1,274.49	98.4	Feb. 2007
R-024		Esty Maison Oizumigakuen	Nerima-ku, Tokyo	790	0.1	1,362.36	98.3	Feb. 2007
R-025	★	Esty Maison Higashishinagawa	Shinagawa-ku, Tokyo	2,390	0.5	2,936.72	98.5	May 2008
R-026	★	Esty Maison Itabashikuyakushomae	Itabashi-ku, Tokyo	2,540	0.5	3,915.81	97.6	Apr. 2007
R-027		Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	1,050	0.2	1,176.78	100.0	Nov. 2007
R-028	★	Esty Maison Sendagi	Bunkyo-ku, Tokyo	698	0.1	897.30	95.8	Jan. 2008
R-029	★	Esty Maison Yotsuyasakamachi	Shinjuku-ku, Tokyo	2,090	0.4	2,453.17	98.3	Mar. 2008
R-030	★	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	2,400	0.5	9,106.08	99.3	Nov. 2007
R-031		Esty Maison Kamigofuku	Fukuoka-shi, Fukuoka	821	0.2	2,261.91	97.0	Mar. 2008
R-032	★	Esty Maison Sangenjaya	Setagaya-ku, Tokyo	822	0.2	856.08	94.4	Jan. 2008
R-033	★	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	1,850	0.4	3,924.58	93.2	Dec. 2007
R-034	★	Prime Maison Higashisakura	Nagoya-shi, Aichi	1,500	0.3	3,118.11	98.7	Feb. 2008
R-035	★	Prime Maison Kayabakoen	Nagoya-shi, Aichi	801	0.2	2,163.98	88.6	Nov. 2006
R-036	★	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	785	0.1	894.64	97.1	Jan. 2008
R-037	★	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	2,560	0.5	4,036.66	98.2	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	98.6	Sep. 2006
R-040	★	Esty Maison Musashikoganei	Koganei-shi, Tokyo	1,790	0.3	2,275.24	96.1	Feb. 2005
R-041	★	Prime Maison Gokiso	Nagoya-shi, Aichi	1,950	0.4	4,427.65	98.5	Oct. 2008
R-042	★	Prime Maison Yuhigaoka	Osaka-shi, Osaka	909	0.2	2,040.35	91.8	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	100.0	Feb. 2006
R-046		Esty Maison Sasazuka	Shibuya-ku, Tokyo	3,340	0.6	3,701.70	98.0	Sep. 2004
R-047	★	Prime Maison Ginza East	Chuo-ku, Tokyo	6,250	1.2	6,177.20	97.9	Feb. 2006
R-048	★	Prime Maison Takami	Nagoya-shi, Aichi	1,050	0.2	2,016.79	85.3	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	100.0	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	99.0	Jun. 2009
R-055	★	Esty Maison Nishitemma	Osaka-shi, Osaka	1,680	0.3	2,877.90	95.6	Nov. 2007
R-056	★	Esty Maison Shiokanedai	Shinagawa-ku, Tokyo	2,400	0.5	2,675.11	100.0	Sep. 2003
R-057	★	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	1,680	0.3	1,889.50	100.0	Apr. 2009
R-058	★	Esty Maison Motoazabu	Minato-ku, Tokyo	1,540	0.3	1,199.86	100.0	Nov. 2009

List of Portfolio (2)

Property No.	PP	Property name	Location	Acquisition Price (JPY million)	Investment Ratio (%)	Leasable Area (m ²)	Occupancy Rate (%)	Completion Date	Property No.	PP	Property name	Location	Acquisition Price (JPY million)	Investment Ratio (%)	Leasable Area (m ²)	Occupancy Rate (%)	Completion Date
R-059		Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	861	0.2	1,035.78	100.0	Feb. 2009	R-087	★	Prime Maison Ebisu	Shibuya-ku, Tokyo	4,360	0.8	3,010.66	98.3	Jun. 2014
R-060	★	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	1,030	0.2	1,073.59	97.3	May 2009	R-088		Granmast Kanazawa Nishiizumi	Kanazawa-shi, Ishikawa	1,080	0.2	4,634.50	100.0	Sep. 2007
R-061		Esty Maison Nakano	Nakano-ku, Tokyo	1,870	0.4	2,023.72	98.1	Jun. 2009	R-089		Granmast Unomori	Yokkaichi-shi, Mie	830	0.2	2,280.00	100.0	Apr. 2009
R-062		Esty Maison Shinnakano	Nakano-ku, Tokyo	1,020	0.2	1,107.57	100.0	Oct. 2009	R-090		Esty Maison Kohoku Tsunashima	Yokohama-shi, Kanagawa	2,750	0.5	6,867.48	100.0	Note 9
R-063		Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	984	0.2	1,299.60	100.0	Feb. 2009	R-091	★	MAST LIFE Hino	Hino-shi, Tokyo	1,390	0.3	2,827.55	100.0	Jan. 2010
R-064		Esty Maison Tetsugakudo	Nakano-ku, Tokyo	1,160	0.2	1,531.89	92.1	Oct. 2009	R-092	★	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	4,870	0.9	5,461.13	99.0	Jun. 2014
R-065		Esty Maison Koenji	Suginami-ku, Tokyo	1,160	0.2	1,527.52	100.0	Mar. 2009	R-093		Kobe Women's Student Housing	Kobe-shi, Hyogo	5,880	1.1	15,341.68	100.0	Feb. 2002
R-066	★	Esty Maison Oshiage	Sumida-ku, Tokyo	2,490	0.5	3,180.90	95.0	Apr. 2010	R-094	★	Prime Maison Shibuya	Shibuya-ku, Tokyo	2,430	0.5	1,972.59	100.0	Jul. 2014
R-067	★	Esty Maison Akabane	Kita-ku, Tokyo	3,290	0.6	4,302.84	100.0	Nov. 2009	R-095	★	Prime Maison Hatsudai	Shibuya-ku, Tokyo	3,010	0.6	2,879.20	98.3	Dec. 2014
R-068		Esty Maison Oji	Kita-ku, Tokyo	1,650	0.3	2,289.44	95.5	Jul. 2010	R-096		Esty Maison Uemachidai	Osaka-shi, Osaka	1,040	0.2	2,225.52	92.1	Aug. 2005
R-069	★	Prime Maison Waseda	Shinjuku-ku, Tokyo	1,580	0.3	1,650.66	93.0	Nov. 2012	R-097		Esty Maison Kobe-sannomiya	Kobe-shi, Hyogo	971	0.2	2,007.00	98.2	Mar. 2007
R-070	★	Prime Maison Hatchobori	Chuo-ku, Tokyo	1,460	0.3	1,382.32	100.0	Nov. 2012	R-098	★	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	4,900	0.9	3,923.76	95.7	Jun. 2015
R-071	★	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	1,960	0.4	1,819.90	98.6	Mar. 2013	R-099	★	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	4,220	0.8	4,099.04	96.7	Oct. 2015
R-072	★	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	2,910	0.6	2,512.91	100.0	Jan. 2011	R-100	★	Esty Maison Morishita	Sumida-ku, Tokyo	655	0.1	748.92	100.0	Feb. 2017
R-073	★	MAST LIFE Akihabara	Chiyoda-ku, Tokyo	555	0.1	803.36	100.0	Oct. 2006	R-101	★	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	7,950	1.5	6,772.89	96.2	May 2016
R-074	★	Esty Maison Aoi	Nagoya-shi, Aichi	2,460	0.5	4,809.68	91.2	Oct. 2007	R-102	★	Prime Maison Otsuka	Toshima-ku, Tokyo	3,700	0.7	3,921.35	95.7	Jan. 2017
R-075	★	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	2,430	0.5	5,213.51	97.5	Feb. 2006	R-103	★	Prime Maison Asakusabashi	Taito-ku, Tokyo	1,680	0.3	2,033.06	97.5	Oct. 2016
R-076	★	Esty Maison Kinshicho II	Sumida-ku, Tokyo	8,250	1.6	9,469.65	98.2	Jan. 2008	R-104	★	Prime Maison Daikanyama	Meguro-ku, Tokyo	2,520	0.5	1,779.17	84.7	Jan. 2017
R-077	★	Esty Maison Ojima	Koto-ku, Tokyo	8,630	1.6	9,905.97	98.3	Sep. 2007	R-105	★	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	3,400	0.6	3,569.73	96.8	Jan. 2011
R-078	★	Prime Maison Fujimidai	Nagoya-shi, Aichi	2,070	0.4	5,704.63	92.4	Apr. 2007	R-106	★	Esty Maison Toyosu Residence	Koto-ku, Tokyo	6,050	1.1	23,538.73	96.2	Feb. 2008
R-079	★	Esty Maison Tsurumai	Nagoya-shi, Aichi	4,490	0.9	13,812.40	100.0	Nov. 1999	R-107		Esty Maison Kokura	Kitakyushu-shi, Fukuoka	1,040	0.2	3,062.59	90.3	Feb. 2006
R-080	★	Prime Maison Morishita	Koto-ku, Tokyo	1,930	0.4	2,180.78	97.7	May 2013	R-108		MAST Ijiri	Fukuoka-shi, Fukuoka	390	0.1	1,430.60	100.0	Jan. 2008
R-081	★	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	1,960	0.4	2,107.88	98.2	Feb. 2014	R-109	★	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	2,040	0.4	1,387.12	88.9	Oct. 2017
R-082	★	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	3,160	0.6	7,360.37	89.0	Dec. 2008	R-110	★	Prime Maison Hongo	Bunkyo-ku, Tokyo	2,600	0.5	2,423.46	91.7	Mar. 2018
R-083	★	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	1,930	0.4	6,019.09	97.5	Nov. 2009	R-111	★	Prime Maison Kuramae	Taito-ku, Tokyo	2,190	0.4	2,259.40	96.8	Nov. 2018
R-084	★	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	1,250	0.2	4,102.08	95.2	Oct. 2009	R-112	★	Esty Maison Yokohama-aobadai	Yokohama-shi, Kanagawa	3,020	0.6	6,808.84	100.0	Note 10
R-085	★	Prime Maison Central Park	Fukuoka-shi, Fukuoka	2,309	0.4	10,268.74	98.8	Feb. 2011	Residence Subtotal				246,565	46.8	392,194.82	97.5	
R-086	★	MAST LIFE Yahiro	Sumida-ku, Tokyo	1,910	0.4	3,409.16	100.0	Jan. 2011									

Note 1: "PP ratio" refers the ratio of the assets that fall under the category of Prime Properties based on acquisition price. For Prime Properties, please refer to page 45.

Note 2: As "Investment ratio" indicates the ratio of acquisition price of each asset to the total acquisition price of assets held, there is a case when the total of the investment ratio of residences, office building and hotel does not match 100%.

Note 3: "Occupancy rate" is indicated based on the information as of October 31, 2019.

Note 4: "Average building age" in the overview of portfolio is stated as the weighted average calculated on the basis of the building age as of the date of this document based on the acquisition price.

Note 5: Data on "Hommachi Garden City" is stated as if the office building portion and hotel portion are separate buildings according to the use of each portion, and when calculating the total number of properties, the property is treated as one property. Therefore, items in the total column of "Number of properties" and "Number of PP" in the overview of portfolio differ from the total for each item.

Note 6: "Property No." is classified by use of properties held by SHR, whereby each property is given a number and any of the following letters: R representing residences, O representing office buildings, and H representing hotels, respectively.

Note 7: "Acquisition price" is the appraisal value as of April 30, 2018, the day before the effective date of the merger, for the assets succeeded from SHI. As for the assets held by SHR, the acquisition price is indicated.

Note 8: As for "Akasaka Garden City" and "The Ritz-Carlton, Kyoto", all figures other than "occupancy rate" and "completion date" reflect quasi-co-ownership interests which are owned by SHR.

Note 9: "Esty Maison Kohoku Tsunashima" comprises three buildings (East, West, and Annex), and the "completion dates" are March 2002, October 2002, and September 2002, respectively.

Note 10: "Esty Maison Yokohama-aobadai" comprises two buildings (North and South), and the completion dates are July 2018 and July 1990, respectively.

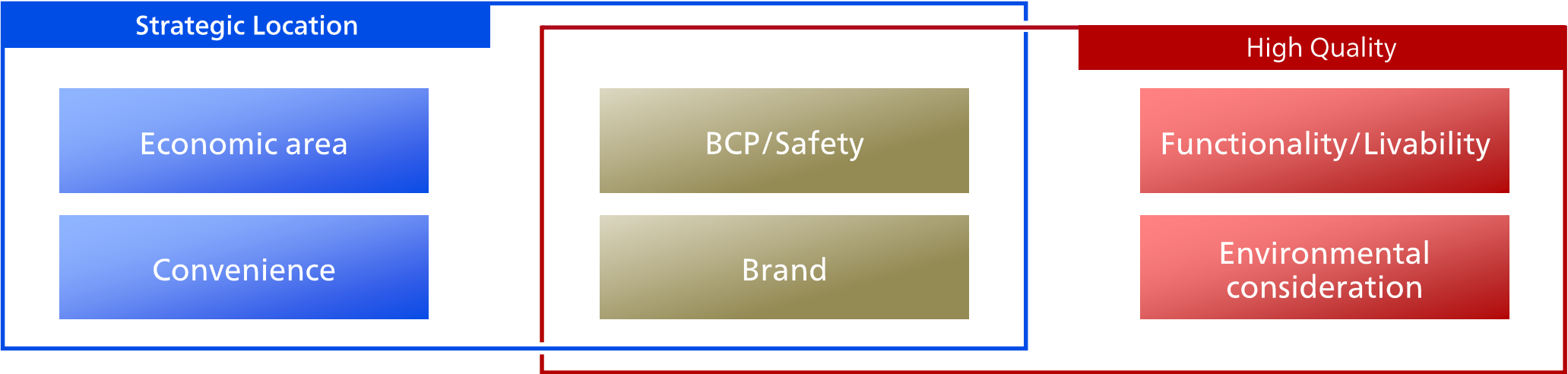
Continuous Investment in Prime Properties

Priority investment in Prime Properties will be continued with the aim of enhancing the quality of the portfolio

■ Prime Properties centered on “Strategic Location” and “High Quality”

	Strategic Location	High Quality
Commercial Properties	Sites suited for “sustainable bases of operation” of tenant companies.	In addition to the functionality sought by tenant companies, give consideration to the environment as a societal request and establish specifications suitable for BCP sites to make comprehensive determinations regarding buildings suited to the neighborhoods and the like.
Residential Properties	Sites suited for “bases for sustainable living” for residents.	As residences, provide high-class fundamental functionality, such as comfort and safety, and give due consideration to the environment as a societal request to make comprehensive determinations regarding buildings suited to the neighborhoods and the like.

■ Elements of “Strategic Location” and “High Quality”



Portfolio Development Policy

■ Portfolio Development Policy by Use

Build a portfolio with “residences” as “the bases of living for residents” and “office buildings” as “the bases of operation for business”, as core assets.
Promote investment in hotels for which continuous growth is expected.

(Changes) Serviced apartments from Hotel categories to Retail and other properties (No Serviced apartment as of the date of this document)

Asset Category	Type	Investment Ratio by Type (acquisition price basis)	As of the date of this document	Target of investment ratio (at the time of achieving asset size of ¥600 billion ¹)
Residential Properties	Residence	30–55%	46.8%	Around 45%
	Residences, Student dormitories, Company housing			
Commercial Properties	Office building	30–55%	46.6%	Around 45%
	Office buildings, Data centers			
	Hotel	0–30%	6.6%	Around 10%
	Hotels			
	Retail and other properties	0–10%	0%	Around 0–10%
	Retail properties, Serviced apartments, Senior properties (Housing for the elderly with services, Fee-based homes for the aged, Daycare centers)			

■ Investment Areas by Asset Category

Priority investment areas will be set in light of the characteristics of each asset category.
Regarding investment in overseas real estate: investment in residences and commercial properties will be allowed, but we will maintain a cautious stance for now.

Asset Category	Priority Investment Area	Investment Ratio by Area (acquisition price basis)	As of the date of this document
Residential Properties	Greater Tokyo	70% or higher	77.2%
Commercial Properties	Three Major Metropolitan Areas (Greater Tokyo, Osaka Area, Nagoya Area)	80% or higher	100.0%

Note 1: Target of investment ratio in mid to long term. SHR does not guarantee or promise that these ratios will be realized, and actual ratios could drastically differ.

Note 2: Actual ratios may deviate from the above ratio temporarily in case of acquisition of properties meeting the investment criteria based on the growth strategy.

Investment Policy for Hotel

■ Investment Policy for Hotel

- Invest in hotels that are expected to be highly competitive over the mid to long term (Simplified accommodations are not invested in principle)
- Plan to invest primarily in hotels regarded as Prime Properties, most of which we invest in Luxury or Upper Upscale hotels in Class S Area.

Main investment targets ¹		As of the date of this document	<ul style="list-style-type: none"> ➤ Prime Properties • Strategic Location: Class S or A area • High Quality: Luxury, Upper Upscale or Upscale
Class S Area	80% or higher	100%	
Luxury or Upper Upscale	70% or higher	100% (all Luxury)	

- Area Class: Independently selected by asset management company based on business and tourist demand
- Main investment Area:
 - Class S Area: Tokyo 23 wards, Yokohama-shi, Hakone-machi, Kyoto-shi, Osaka-shi, Kobe-shi, Sapporo-shi, Fukuoka-shi, Nagoya-shi, Hiroshima-shi, Kanazawa-shi, Naha-shi and Urayasu-shi
- Investable Area:
 - Class A Area: Tokyo, Kanagawa, Osaka, Kyoto, Hyogo, Hokkaido, Fukuoka, Okinawa, Nara, Nagano, Shizuoka and Miyagi other than Class S Area, or areas where hotels that capture narrowed demand are located (ex. Airport Terminal Hotel, etc.)
- Investment in other than Class S or A area is strictly selected
- Hotel Class: Selected independently by asset management company
- Main investment:
 - Luxury: Worldwide luxury hotel brands
 - Upper Upscale: Worldwide exclusive hotel brands
- Investable class:
 - Upscale: Globally recognized standard hotel brands for higher end-level business / tourist use
 - Upper Midscale: Globally recognized standard hotel brands for general business / tourist use
- Not invested in principle:
 - Midscale: Budget and economic hotel brands
 - Economy: Lower price range than Midscale

Estimated Value at the End of Period (1)

■ Properties Owned as of the End of October 2019

No.	Property Name	Estimated Value (JPY million)		Book Value (JPY million)	Unrealized Capital Gain/Loss (JPY million)	Direct Capitalization Rate		Discount Rate		Terminal Capitalization Rate		Appraisal NOI (JPY million)
						FP ended Oct. 31, 2019	Period-on-period	FP ended Oct. 31, 2019	Period-on-period	FP ended Oct. 31, 2019	Period-on-period	
O-001	Garden City Shinagawa Gotenyama (Acquired in 10 th FP) (owned portion)	89,100	2,900	70,825	18,274	3.2 %	(0.1) pt.	3.0 %	-	3.4 %	(0.1) pt.	2,964
							(0.1) pt.		-		(0.1) pt.	
O-002	Gotenyama SH Building	62,000	100	50,164	11,835	3.3 %	-	3.3 %	-	3.5 %	-	2,065
O-003	Hommachi Minami Garden City (Acquired in 10 th FP) (owned portion)	56,400	2,300	43,204	13,195	3.5 %	(0.1) pt.	3.2 %	(0.1) pt.	3.7 %	(0.1) pt.	2,047
							(0.1) pt.		(0.1) pt.		(0.1) pt.	
O-004	Hommachi Garden City (Office building portion)	44,800	100	37,178	7,621	3.4 %	(0.1) pt.	3.2 %	(0.1) pt.	3.6 %	(0.1) pt.	1,554
O-005	HK Yodoyabashi Garden Avenue	6,130	200	4,302	1,827	3.7 %	(0.1) pt.	3.7 %	(0.1) pt.	3.8 %	(0.1) pt.	238
O-006	Hirokoji Garden Avenue	7,370	200	6,246	1,123	4.1 %	(0.1) pt.	3.9 %	(0.1) pt.	4.3 %	(0.1) pt.	310
O-007	Akasaka Garden City	30,100	200	28,855	1,244	3.4 %	-	3.2 %	-	3.6 %	-	1,043
Office Building Subtotal		295,900	6,000	240,777	55,122							10,224
H-001	Hommachi Garden City (Hotel portion)	18,000	200	17,061	938	3.6 %	(0.1) pt.	3.4 %	(0.1) pt.	3.8 %	(0.1) pt.	666
H-002	The Ritz-Carlton, Kyoto	18,520	-	17,941	578	3.3 %	-	3.1 %	-	3.5 %	-	711
Hotel Subtotal		36,520	200	35,002	1,517							1,377
R-001	Esty Maison Ginza	6,900	30	6,504	395	3.7 %	(0.1) pt.	3.9 %	(0.1) pt.	3.9 %	(0.1) pt.	270
R-002	Esty Maison Azabunagasaka	1,930	50	1,773	156	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	77
R-003	Esty Maison Ebisu II	2,180	60	2,027	152	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	88
R-004	Esty Maison Ebisu	903	23	868	34	3.7 %	(0.1) pt.	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	36
R-005	Esty Maison Kanda	1,740	50	1,583	156	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	69
R-006	Esty Maison Kitashinjuku	1,710	60	1,564	145	4.0 %	(0.1) pt.	4.0 %	(0.1) pt.	4.2 %	(0.1) pt.	70
R-007	Esty Maison Asakusakomagata	2,360	60	2,144	215	4.0 %	(0.1) pt.	4.0 %	(0.1) pt.	4.2 %	(0.1) pt.	99
R-008	Esty Maison Kawasaki	2,660	60	2,492	167	4.1 %	(0.1) pt.	4.1 %	(0.1) pt.	4.3 %	(0.1) pt.	115
R-010	Esty Maison Kameido	1,760	140	1,542	217	4.3 %	(0.1) pt.	4.1 %	(0.1) pt.	4.5 %	(0.1) pt.	81
R-011	Esty Maison Meguro	1,190	80	1,088	101	3.8 %	(0.2) pt.	3.6 %	(0.2) pt.	4.0 %	(0.2) pt.	48
R-012	Esty Maison Sugamo	1,740	50	1,613	126	3.9 %	(0.1) pt.	3.7 %	(0.1) pt.	4.1 %	(0.1) pt.	72
R-013	Esty Maison Kyobashi	3,000	-	2,903	96	4.6 %	-	4.5 %	-	4.7 %	-	144
R-014	Esty Maison Hakuraku	975	23	913	61	4.4 %	(0.1) pt.	4.2 %	(0.1) pt.	4.6 %	(0.1) pt.	46
R-015	Esty Maison Minamihorie	1,110	20	1,051	58	4.2 %	(0.1) pt.	4.0 %	(0.1) pt.	4.4 %	(0.1) pt.	51
R-016	Esty Maison Gotanda	3,280	80	3,073	206	4.2 %	(0.1) pt.	3.9 %	(0.1) pt.	4.4 %	(0.1) pt.	143
R-017	Esty Maison Oisendaizaka	2,860	70	2,679	180	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	120
R-018	Esty Maison Shinagawa Seaside	2,170	50	2,140	29	3.9 %	(0.1) pt.	3.7 %	(0.1) pt.	4.1 %	(0.1) pt.	94
R-019	Esty Maison Minamiazabu	1,330	40	1,243	86	3.6 %	(0.1) pt.	3.4 %	(0.1) pt.	3.8 %	(0.1) pt.	52
R-020	Esty Maison Tsukamoto	1,120	20	1,054	65	4.7 %	(0.1) pt.	4.5 %	(0.1) pt.	4.9 %	(0.1) pt.	56
R-021	Esty Maison Kawasaki II	2,070	70	1,968	101	4.1 %	(0.1) pt.	3.9 %	(0.1) pt.	4.3 %	(0.1) pt.	94
R-022	Esty Maison Azabujuban	2,890	70	2,727	162	3.6 %	(0.1) pt.	3.4 %	(0.1) pt.	3.8 %	(0.1) pt.	108
R-023	Esty Maison Itabashihoncho	994	23	918	75	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	43
R-024	Esty Maison Oizumigakuen	838	20	779	58	4.1 %	(0.1) pt.	3.9 %	(0.1) pt.	4.3 %	(0.1) pt.	38
R-025	Esty Maison Higashishinagawa	2,390	10	2,341	48	4.2 %	(0.1) pt.	4.0 %	(0.1) pt.	4.4 %	(0.1) pt.	108
R-026	Esty Maison Itabashikuyakushomae	2,680	60	2,497	182	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	116
R-027	Esty Maison Musashikoyama	1,130	30	1,035	94	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	48
R-028	Esty Maison Sendagi	748	18	689	58	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	32
R-029	Esty Maison Yotsuyasakamachi	2,270	80	2,077	192	3.9 %	(0.1) pt.	3.7 %	(0.1) pt.	4.1 %	(0.1) pt.	92
R-030	Esty Maison Hakatahigashi	2,410	-	2,325	84	5.0 %	-	5.0 %	-	5.1 %	-	130
R-031	Esty Maison Kamigofuku	814	(1)	798	15	4.8 %	-	4.8 %	-	4.9 %	-	44
R-032	Esty Maison Sangenjaya	871	21	809	61	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	37
R-033	Prime Maison Musashinonomori	1,960	40	1,817	142	4.5 %	(0.1) pt.	4.4 %	(0.1) pt.	4.7 %	(0.1) pt.	96

Note: Notes regarding this page can be found on page 50.

Estimated Value at the End of Period (2)

No.	Property Name	Estimated Value (JPY million)		Book Value (JPY million)	Unrealized Capital Gain/Loss (JPY million)	Direct Capitalization Rate		Discount Rate		Terminal Capitalization Rate		Appraisal NOI (JPY million)
		FP ended Oct. 31, 2019	Period-on-period			FP ended Oct. 31, 2019	Period-on-period	FP ended Oct. 31, 2019	Period-on-period	FP ended Oct. 31, 2019	Period-on-period	
R-034	Prime Maison Higashisakura	1,590	20	1,467	122	4.5 %	(0.1) pt.	4.4 %	(0.1) pt.	4.7 %	(0.1) pt.	76
R-035	Prime Maison Kayabakoen	876	41	848	27	4.7 %	(0.1) pt.	4.6 %	(0.1) pt.	4.9 %	(0.1) pt.	44
R-036	Esty Maison Sangenjaya II	842	20	773	68	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	4.2 %	(0.1) pt.	36
R-037	Esty Maison Itabashi C6	2,690	70	2,516	173	4.2 %	(0.1) pt.	4.0 %	(0.1) pt.	4.4 %	(0.1) pt.	121
R-038	MAST Hakata	2,500	50	2,266	233	4.8 %	(0.1) pt.	4.2 %	(0.1) pt.	5.0 %	(0.1) pt.	134
R-039	Esty Maison Kinshicho	1,300	-	1,232	67	4.1 %	-	3.9 %	-	4.3 %	-	57
R-040	Esty Maison Musashikoganei	1,980	50	1,770	209	4.1 %	(0.1) pt.	4.2 %	(0.1) pt.	4.3 %	(0.1) pt.	85
R-041	Prime Maison Gokiso	2,050	70	1,904	145	4.5 %	(0.1) pt.	4.5 %	(0.1) pt.	4.7 %	(0.1) pt.	99
R-042	Prime Maison Yuhigaoka	972	21	892	79	4.4 %	(0.1) pt.	4.2 %	(0.1) pt.	4.6 %	(0.1) pt.	44
R-043	Prime Maison Kitatanabe	634	10	588	45	4.7 %	(0.1) pt.	4.5 %	(0.1) pt.	4.9 %	(0.1) pt.	32
R-044	Prime Maison Momochihama	2,080	30	1,916	163	4.7 %	(0.1) pt.	4.4 %	(0.1) pt.	4.9 %	(0.1) pt.	110
R-045	Esty Maison Akihabara	2,010	10	1,888	121	4.1 %	-	3.9 %	-	4.3 %	-	88
R-046	Esty Maison Sasazuka	3,500	80	3,408	91	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	146
R-047	Prime Maison Ginza East	6,600	90	6,156	443	3.9 %	-	3.7 %	-	4.1 %	-	268
R-048	Prime Maison Takami	1,110	40	1,040	69	4.3 %	(0.1) pt.	4.4 %	(0.1) pt.	4.5 %	(0.1) pt.	51
R-049	Prime Maison Yadaminami	864	16	878	(14)	4.7 %	(0.1) pt.	4.6 %	(0.1) pt.	4.9 %	(0.1) pt.	43
R-050	Prime Maison Teriha	1,290	30	1,222	67	4.9 %	(0.1) pt.	4.7 %	(0.1) pt.	5.1 %	(0.1) pt.	74
R-051	Esty Maison Higashishirakabe	1,640	20	1,666	(26)	4.6 %	(0.1) pt.	4.5 %	(0.1) pt.	4.8 %	(0.1) pt.	80
R-052	Esty Maison Sengoku	1,370	10	1,347	22	3.9 %	-	3.7 %	-	4.1 %	-	56
R-053	Esty Maison Daizawa	2,300	-	2,250	49	3.9 %	-	3.7 %	-	4.1 %	-	93
R-054	Esty Maison Togoshi	1,820	-	1,748	71	3.9 %	-	4.0 %	-	4.1 %	-	75
R-055	Esty Maison Nishitemma	1,690	30	1,653	36	4.3 %	(0.1) pt.	4.4 %	(0.1) pt.	4.5 %	(0.1) pt.	77
R-056	Esty Maison Shirokanedai	2,560	90	2,386	173	3.9 %	(0.1) pt.	3.7 %	(0.1) pt.	4.1 %	(0.1) pt.	104
R-057	Esty Maison Higashishinjuku	1,760	40	1,648	111	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	73
R-058	Esty Maison Motoazabu	1,580	-	1,525	54	3.7 %	-	3.8 %	-	3.9 %	-	61
R-059	Esty Maison Toritsudaigaku	863	10	850	12	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	34
R-060	Esty Maison Musashikoyama II	1,060	10	1,015	44	4.0 %	-	3.8 %	-	4.2 %	-	44
R-061	Esty Maison Nakano	1,860	-	1,846	13	4.0 %	-	3.8 %	-	4.2 %	-	79
R-062	Esty Maison Shinnakano	1,030	10	1,003	26	4.1 %	-	3.9 %	-	4.3 %	-	44
R-063	Esty Maison Nakanofujimicho	1,020	25	969	50	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	4.2 %	(0.1) pt.	42
R-064	Esty Maison Tetsugakudo	1,180	-	1,139	40	4.1 %	-	3.9 %	-	4.3 %	-	51
R-065	Esty Maison Koenji	1,200	30	1,145	54	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	49
R-066	Esty Maison Oshiage	2,560	50	2,447	112	4.0 %	(0.1) pt.	4.0 %	(0.1) pt.	4.2 %	(0.1) pt.	108
R-067	Esty Maison Akabane	3,370	50	3,221	148	4.2 %	-	4.0 %	-	4.4 %	-	149
R-068	Esty Maison Oji	1,740	40	1,618	121	4.1 %	(0.1) pt.	3.9 %	(0.1) pt.	4.3 %	(0.1) pt.	75
R-069	Prime Maison Waseda	1,650	40	1,551	98	3.8 %	(0.1) pt.	3.6 %	(0.1) pt.	4.0 %	(0.1) pt.	66
R-070	Prime Maison Hatchobori	1,520	30	1,430	89	3.8 %	(0.1) pt.	3.6 %	(0.1) pt.	4.0 %	(0.1) pt.	60
R-071	Prime Maison Jimbocho	1,970	-	1,924	45	4.0 %	-	3.8 %	-	4.2 %	-	82
R-072	Prime Maison Gotenyama East	2,980	10	2,888	91	3.8 %	-	3.6 %	-	4.0 %	-	117
R-073	MAST LIFE Akihabara	569	14	549	19	4.1 %	(0.1) pt.	3.9 %	(0.1) pt.	4.3 %	(0.1) pt.	26
R-074	Esty Maison Aoi	2,540	30	2,412	127	4.5 %	(0.1) pt.	4.5 %	(0.1) pt.	4.7 %	(0.1) pt.	119
R-075	Esty Maison Yakuin	2,460	30	2,622	(162)	4.3 %	(0.1) pt.	4.4 %	(0.1) pt.	4.5 %	(0.1) pt.	114
R-076	Esty Maison Kinshicho II	8,800	200	8,117	682	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	369
R-077	Esty Maison Ojima	9,160	350	8,495	664	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	384
R-078	Prime Maison Fujimidai	2,120	40	2,050	69	4.8 %	(0.1) pt.	4.6 %	(0.1) pt.	5.0 %	(0.1) pt.	109
R-079	Esty Maison Tsurumai	4,590	50	4,652	(62)	4.9 %	-	4.7 %	-	5.1 %	-	242
R-080	Prime Maison Morishita	2,020	10	1,892	127	4.0 %	(0.1) pt.	4.0 %	(0.1) pt.	4.2 %	(0.1) pt.	85
R-081	Prime Maison Shinagawa	2,040	20	1,930	109	4.0 %	(0.1) pt.	3.8 %	(0.1) pt.	4.2 %	(0.1) pt.	84

Note: Notes regarding this page can be found on page 50.

Estimated Value at the End of Period (3)

No.	Property Name		Estimated Value (JPY million)		Book Value (JPY million)	Unrealized Capital Gain/Loss (JPY million)	Direct Capitalization Rate		Discount Rate		Terminal Capitalization Rate		Appraisal NOI (JPY million)
			FP ended Oct. 31, 2019	Period-on-period			FP ended Oct. 31, 2019	Period-on-period	FP ended Oct. 31, 2019	Period-on-period	FP ended Oct. 31, 2019	Period-on-period	
R-082	Prime Maison Odorikoen		3,010	(210)	3,115	(105)	4.7 %	(0.1) pt.	4.5 %	(0.1) pt.	4.9 %	(0.1) pt.	159
R-083	Prime Maison Minami 2-jo		1,740	(250)	1,882	(142)	4.7 %	(0.1) pt.	4.5 %	(0.1) pt.	4.9 %	(0.1) pt.	96
R-084	Prime Maison Kamokamogawa		1,130	(180)	1,239	(109)	4.7 %	(0.1) pt.	4.5 %	(0.1) pt.	4.9 %	(0.1) pt.	63
R-085	Prime Maison Central Park		2,294	(69)	2,245	48	5.1 %	-	4.9 %	-	5.2 %	-	127
R-086	MAST LIFE Yahiro		1,970	20	1,872	97	4.3 %	(0.1) pt.	4.1 %	(0.1) pt.	4.5 %	(0.1) pt.	89
R-087	Prime Maison Ebisu		4,740	160	4,318	421	3.6 %	(0.2) pt.	3.4 %	(0.2) pt.	3.8 %	(0.2) pt.	178
R-088	Granmast Kanazawa Nishiizumi		1,060	-	1,049	10	5.1 %	(0.1) pt.	4.9 %	(0.1) pt.	5.3 %	(0.1) pt.	57
R-089	Granmast Unomori		835	5	805	29	5.2 %	-	5.0 %	-	5.4 %	-	46
R-090	Esty Maison Kohoku Tsunashima	East	2,932	55	2,724	207	4.4 %	(0.1) pt.	4.2 %	(0.1) pt.	4.6 %	(0.1) pt.	140
		West					4.4 %	(0.1) pt.	4.2 %	(0.1) pt.	4.6 %	(0.1) pt.	
		Annex					4.4 %	(0.1) pt.	4.2 %	(0.1) pt.	4.6 %	(0.1) pt.	
R-091	MAST LIFE Hino		1,410	-	1,355	54	4.7 %	-	4.5 %	-	4.8 %	-	69
R-092	Prime Maison Yokohama Nihon-odori		5,010	130	4,772	237	4.1 %	(0.1) pt.	3.9 %	(0.1) pt.	4.3 %	(0.1) pt.	212
R-093	Kobe Women's Student Housing		6,110	120	5,631	478	5.0 %	(0.1) pt.	4.8 %	(0.1) pt.	5.2 %	(0.1) pt.	325
R-094	Prime Maison Shibuya		2,610	70	2,410	199	3.7 %	(0.1) pt.	3.5 %	(0.1) pt.	3.9 %	(0.1) pt.	99
R-095	Prime Maison Hatsudai		3,210	90	2,971	238	3.8 %	(0.1) pt.	3.6 %	(0.1) pt.	4.0 %	(0.1) pt.	125
R-096	Esty Maison Uemachidai		1,060	-	1,084	(24)	4.4 %	-	4.1 %	-	4.6 %	-	50
R-097	Esty Maison Kobe-sannomiya		977	-	951	25	4.6 %	-	4.4 %	-	4.8 %	-	50
R-098	Prime Maison Shirokane-takanawa		5,260	140	4,855	404	3.7 %	(0.1) pt.	3.5 %	(0.1) pt.	3.9 %	(0.1) pt.	200
R-099	Prime Maison Ichigayayamabushicho		4,260	10	4,174	85	4.0 %	-	3.8 %	-	4.2 %	-	177
R-100	Esty Maison Morishita		673	1	645	27	4.2 %	-	4.0 %	-	4.4 %	-	28
R-101	Prime Maison Shirokanedai Tower		9,590	350	8,028	1,561	3.7 %	(0.1) pt.	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	365
R-102	Prime Maison Otsuka		4,330	130	3,746	583	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	174
R-103	Prime Maison Asakusabashi		1,960	60	1,700	259	3.9 %	(0.1) pt.	4.0 %	(0.1) pt.	4.1 %	(0.1) pt.	79
R-104	Prime Maison Daikanyama		2,990	110	2,546	443	3.7 %	(0.1) pt.	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	114
R-105	Prime Maison Gotenyama West		4,130	180	3,440	689	3.7 %	(0.1) pt.	3.8 %	(0.1) pt.	3.9 %	(0.1) pt.	158
R-106	Esty Maison Toyosu Residence		6,670	110	6,094	575	-	-	4.2 %	(0.1) pt.	-	-	337
R-107	Esty Maison Kokura		1,050	-	1,094	(44)	5.0 %	-	4.8 %	-	5.1 %	-	55
R-108	MAST Ijiri		420	11	402	17	4.6 %	(0.1) pt.	4.4 %	(0.1) pt.	4.8 %	(0.1) pt.	21
R-109	Prime Maison Mitatsunamachi		2,170	10	2,068	101	4.0 %	-	3.8 %	-	4.2 %	-	89
R-110	Prime Maison Hongo		2,700	-	2,634	65	4.0 %	-	3.8 %	-	4.2 %	-	110
R-111	Prime Maison Kuramae		2,270	10	2,227	42	4.1 %	-	3.9 %	-	4.3 %	-	94
R-112	Esty Maison Yokohama-aobadai	North South	3,170	-	3,062	107	4.5 %	-	4.3 %	-	4.7 %	-	151
							4.6 %	-	4.4 %	-	4.8 %	-	
	Residence Subtotal		260,634	4,357	244,979	15,654							11,468
	Portfolio Total		593,054	10,557	520,759	72,294							23,069

Note 1: "Estimated value," "direct capitalization rate," "discount rate," "terminal capitalization rate" and "appraisal NOI" for each period ended in April are the amount recorded in appraisal reports as of the end of the relevant period, while for each period ended in October are the amount recorded in appraisal reports as of the end of the relevant period or the results of appraisal reports that do not conform to real estate appraisal standards. "Book Value" indicates the amount recorded on the balance sheets as of October 31, 2019.

Note 2: In calculating "Period on Period," the comparison between the figures as of April 30, 2019 and those as of October 31, 2019 is indicated. As for the properties acquired on the FP ended October 31, 2019, the comparison between the figures as of the date of the appraisal report obtained at the time of the acquisition and those as of October 31, 2019. Residence subtotal, office building subtotal, hotel subtotal, and portfolio total indicate the aggregate amount of changes of properties owned at each point in time.

Note 3: As for the "estimated value," "book value," "unrealized capital gain/loss" and "appraisal NOI" of "Akasaka Garden City" and "The Ritz-Carlton, Kyoto", the amounts reflected the ratio of quasi-co-ownership interest which SHR owns are indicated.

Note 4: A fixed-rent type master lease agreement has been concluded with Sekiwa Real Estate Kyushu, Ltd. with regard to "Prime Maison Momochihama". While discount rates differ based on the agreement period, for the sake of convenience, the above chart shows the "discount rate" until the expiry of the agreement.

Note 5: A fixed-rent type master lease agreement has been concluded with Sekiwa Real Estate Chubu, Ltd. with regard to "Esty Maison Higashishirakabe". While discount rates differ based on the agreement period, for the sake of convenience, the above chart shows the "discount rate" until the expiry of the agreement.

Note 6: Part of the land of "Prime Maison Central Park" (Lot: 23-32) is leased land and the income approach value for the leased land is calculated through the DCF method, thus no "direct capitalization rate" or "terminal capitalization rate" for the leased land are established. Therefore, the above "direct capitalization rate," "discount rate" and "terminal capitalization rate" only indicate those for the residential portion. Moreover, as mentioned above, because the DCF method is used to calculate the income approach value for the leased land, the above "estimated value" is the result of adding the income approach value of the residential portion and the income approach value of the leased land portion calculated through the DCF method, and the above "appraisal NOI" is the result of adding the appraisal NOI of the residential portion with the appraisal NOI of the first fiscal year of the leased land portion calculated through the DCF method.

Note 7: "Esty Maison Kohoku Tsunashima" comprises three buildings (East, West and Annex), and the "estimated value," "book value," "unrealized capital gain/loss" and "appraisal NOI" are the total value of each building.

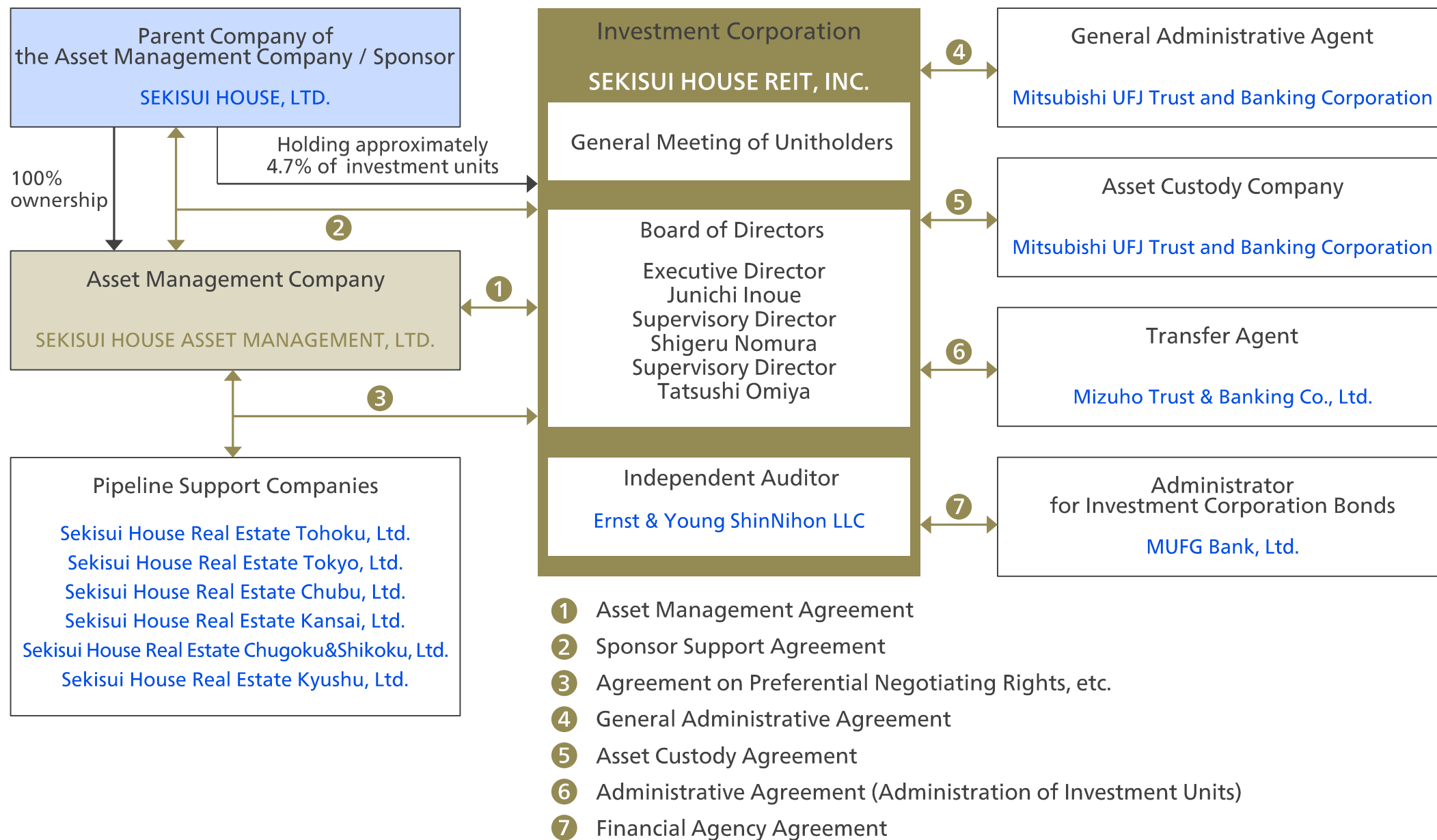
Note 8: As for "Esty Maison Toyosu Residence", the capitalization method over a definite term is adopted as the right to use the land is a fixed-term land leasehold and thus the income period is limited. Therefore, no "direct capitalization rate" or "terminal capitalization rate" are established. For the sake of convenience, the above chart shows the discount rates until the expiry of the agreements.

Note 9: "Esty Maison Yokohama-aobadai" comprises two buildings (North and South), and the "estimated value," "book value," "unrealized capital gain/loss" and "appraisal NOI" are the total value of each building.

Structure of Sekisui House Reit

(as of October 31, 2019)

■ Structure Diagram

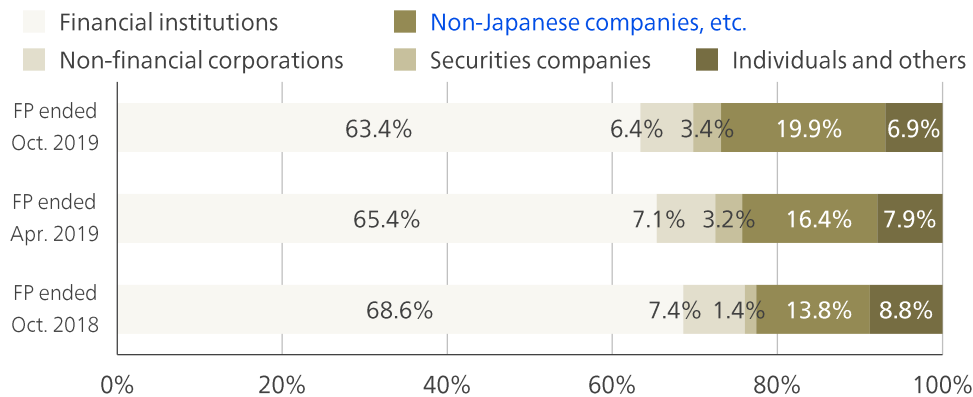


Unitholders Composition

■ Number of Unitholders and Investment Units by Unitholder Type

Unitholder type	Unitholders						Investment Units					
	FP ended Apr. 2019		FP ended Oct. 2019		Change		FP ended Apr. 2019		FP ended Oct. 2019		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	17,977	95.9%	18,193	95.8%	216	(0.1)pt	296,683	7.9%	297,697	6.9%	1,014	(1.0) pt
Financial institutions	184	1.0%	205	1.1%	21	0.1pt	2,458,934	65.4%	2,718,214	63.4%	259,280	(2.0) pt
City banks	-	-	-	-	-	-	-	-	-	-	-	-
Regional banks	45	0.2%	47	0.2%	2	-	374,349	10.0%	375,475	8.8%	1,126	(1.2) pt
Trust banks	11	0.1%	11	0.1%	-	-	1,824,616	48.5%	2,043,688	47.7%	219,072	(0.8) pt
Life insurers	7	0.0%	7	0.0%	-	-	46,219	1.2%	55,669	1.3%	9,450	0.1pt
Casualty insurers	2	0.0%	2	0.0%	-	-	24,646	0.7%	35,241	0.8%	10,595	0.1pt
Shinkin banks	66	0.4%	71	0.4%	5	-	104,758	2.8%	111,962	2.6%	7,204	(0.2) pt
Others	53	0.3%	67	0.4%	14	0.1pt	84,346	2.2%	96,179	2.2%	11,833	-
Non-financial corporations	339	1.8%	340	1.8%	1	-	268,030	7.1%	275,568	6.4%	7,538	(0.7) pt
Non-Japanese corporations, etc.	210	1.1%	227	1.2%	17	0.1pt	616,753	16.4%	853,469	19.9%	236,716	3.5pt
Securities companies	26	0.1%	21	0.1%	(5)	-	121,691	3.2%	143,718	3.4%	22,027	0.2pt
Total	18,736	100.0%	18,986	100.0%	250	-	3,762,091	100.0%	4,288,666	100.0%	526,575	-

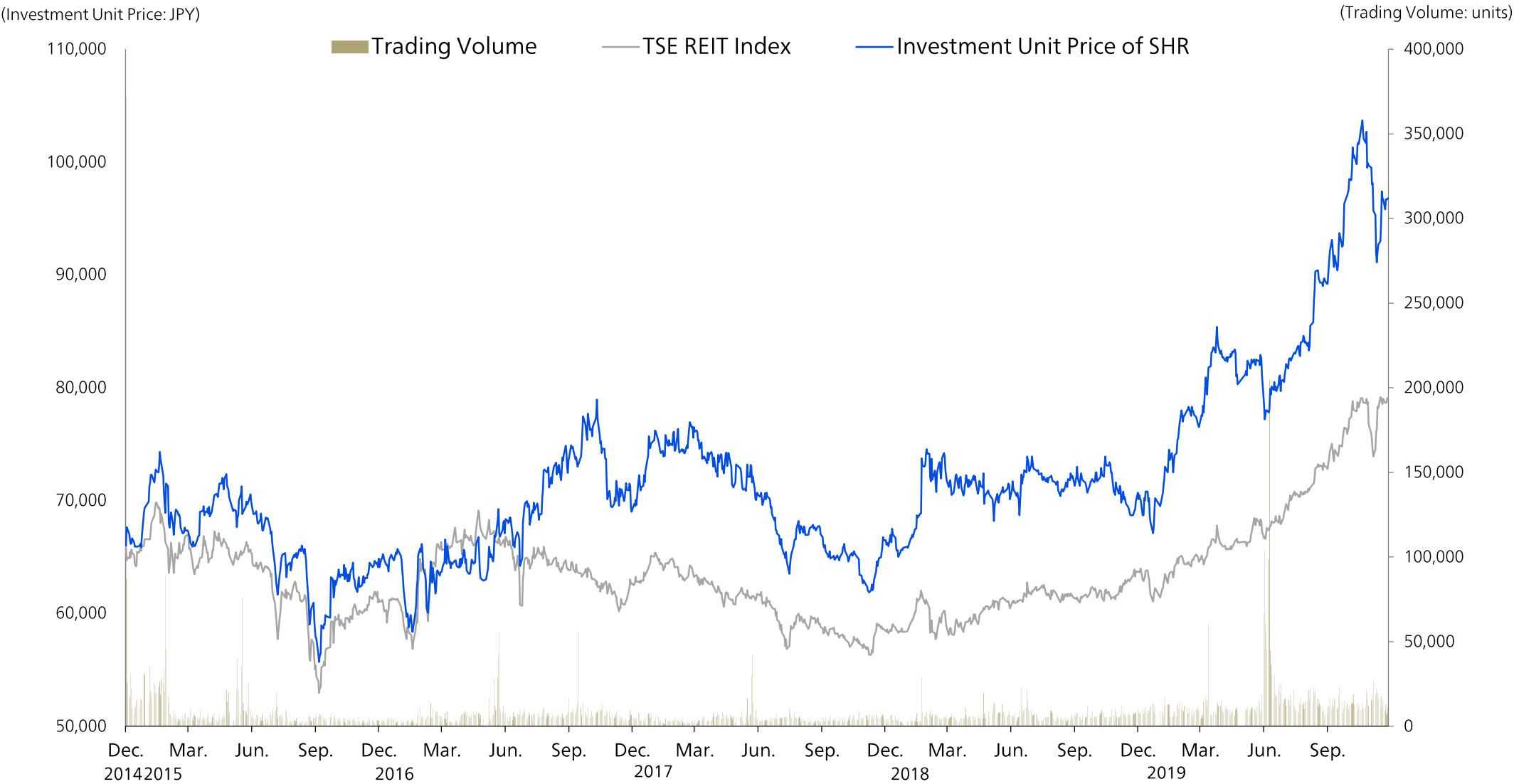
■ Change ratio in investment units



■ Fiscal Period Ended October 2019 - Top 5 Unitholders

Company Name	Number of Investment Units Owned	Ratio
Japan Trustee Services Bank, Ltd. (Trust Account)	1,010,534 units	23.6%
The Master Trust Bank of Japan, Ltd. (Trust Account)	667,883 units	15.6%
Sekisui House, Ltd.	200,750 units	4.7%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	173,539 units	4.0%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	90,878 units	2.1%

Changes in Unit Price (December 3, 2014 – November 29, 2019)



Source: Tokyo Stock Exchange

Note 1: As a two-for-one split of investment units was implemented on May 1, 2018, investment units have been traded at one-second (the ex-rights) unit price on and after April 25, 2018. In consideration of the impact of the split, the above graph is based on actual figures of "Investment Unit Price" for April 24, 2018 and earlier being divided by two and actual figures of "Trading Volume" for April 24, 2018 being multiplied by two.

Note 2: For easier comparison with change in price of SHR, change in TSE REIT Index is converted by setting the closing price of TSE REIT Index on SHR's listing date (December 3, 2014) as 66,000 yen, which is an amount obtained after applying adjustment for the two-for-one split to the closing price of regular trading of SHR investment unit as of the same day. "TSE REIT Index" refers to the weighted average-type index of market capitalization of all REIT counters.

Overview of Asset Management Company

■ Overview of Asset Management Company

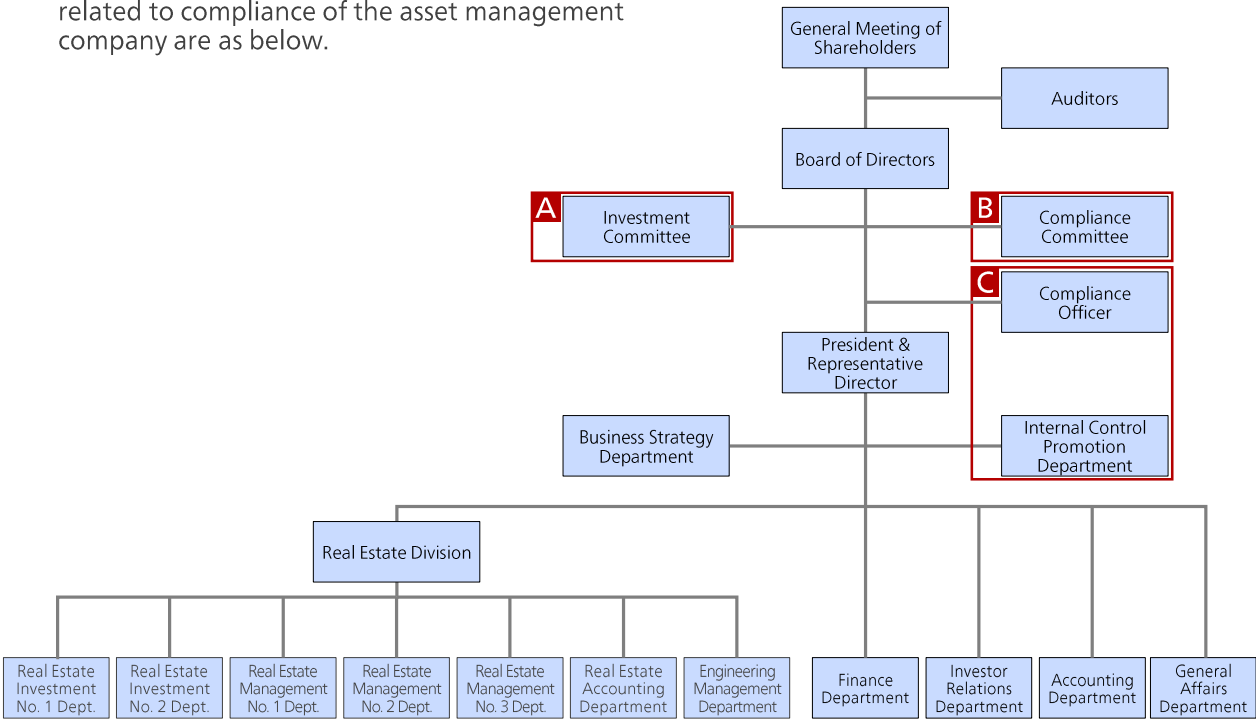


President &
Representative
Director
Junichi Inoue

- Corporate name: Sekisui House Asset Management, Ltd.
- Head office: 4-15-1 Akasaka, Minato-ku, Tokyo
- Capital: 400 million yen
- Number of Employees: 57 (As of the date of this document)
- 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

The organization chart and administrative organs related to compliance of the asset management company are as below.



■ Asset Management Fee (Adopting from 12th FP)

- Management Fee I (linked to total assets and Investment units performance):
Total assets × 0.12%-0.16% (Depends on performance of SHR's investment unit price to TSE REIT index)
 - Management Fee II (linked to DPU and Operating income):
DPU² × Operating income³ × 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: With regard to rates, applicable rates or expected rates are stated.
- 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

An 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. and General Affair Dept. While the selection and dismissal of the external committee members is conducted at the asset management company's Board of Directors Meeting, the approval of the SHR's board of directors' meeting is required either before or afterwards.

Note 1: 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 the asset management company, the asset management company's officers and employees, nor its related parties.

B

An 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 the asset management company's Board of Directors Meeting, the approval of SHR's board of directors' meeting is required either before or afterwards.

Note 2: Currently one attorney has been selected as an external committee member who has no significant relationship with the asset management company, the asset management company's officers and employees, nor its related parties.

C

Organization responsible for compliance

Compliance officer
Person responsible for the compliance of SHR and the asset management company in addition to the integration of the operations of Internal Control Promotion Department. 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 the asset management company's risk management, work related to monitoring the status of legislation and regulations, and work related to internal auditing.



SEKISUI HOUSE REIT, INC.