



SEKISUI HOUSE RESIDENTIAL INVESTMENT CORPORATION

# Business Results for the 24th Fiscal Period

November 16, 2017

## Business Results

for the 24th Fiscal Period from April 1, 2017 to September 30, 2017

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**Asset Management Company: Sekisui House Asset Management, Ltd.**

( Registered by the Director of Kanto Local Finance Bureau, as a Financial Instruments Business Operator Registration (Kinsho) No. 337.  
Member of the Investment Trusts Association, Japan )

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I

# Summary of Business Results for the 24th FP, Forecast of Future Management Status, and Current Management Policy





# Highlights

After Sekisui House became the sole sponsor in March 2017, the Investment Corporation changed its corporate name to **Sekisui House Residential Investment Corporation**. The 24th FP was the first fiscal period following the name change, and a cash distribution per unit of ¥2,255 was achieved, exceeding the level in the previous period.

Corporate name	Sekisui House Residential Investment Corporation (Abbreviation: SHI)	
Security code	8973	
Sponsor	Sekisui House, Ltd.	
Asset Management Company	Sekisui House Asset Management, Ltd.	
History	July 2005	Listed on the J-REIT market of the Tokyo Stock Exchange REIT
	March 2010	Changed to collaborative sponsors system with Sekisui House as the main sponsor
	June 2014	Limited investments to real estate-related assets that are mainly used as residences
	<b>March 2017</b>	<b>Transitioned to structure with Sekisui House as the sole sponsor</b>
	<b>June 2017</b>	<b>Changed the corporate name to Sekisui House Residential Investment Corporation</b>

## Status of cash distribution per unit (Announced on November 15, 2017)

- **Actual** cash distribution for the 24th FP **¥ 2,255**
- **Forecast** of cash distribution for the 25th FP **¥ 2,230**
- **Forecast** of cash distribution for the 26th FP **¥ 2,200**

## Asset size (As of the date of this document)

Total acquisition price	Total owned properties
<b>¥206.9</b> billion	<b>113</b> properties

## Management status (for the 24th FP)

Average occupancy ratio during the FP (Entire portfolio)	<b>96.9%</b>	Average NOI yield (Before depreciation) (Entire portfolio)	<b>5.0%</b>
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## Financial status (for the 24th FP)

The FP-end total assets LTV	Average borrowing cost rates during the FP
<b>50.3%</b>	<b>0.95%</b>

## Status of credit rating (As of the date of this document)

Japan Credit Rating Agency, Ltd. (JCR)	<b>AA-</b> (Stable)	Rating and Investment Information, Inc. (R&I)	<b>A+</b> (Stable)
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**Cumulative internal reserves of gains on sales from property disposition**

The 24th FP-End reserve for reduction entry

**¥214 million**

# Business Results for the 24th FP : Comparison with Forecasts

Actual cash  
distribution for  
the 24th FP

**¥2,255**  
per unit

Comparison  
with the 24th FP forecast  
**+¥55 (+2.5%)**

Cash distributions increased due to an increase in non-operating revenue, in addition to the fact that the average occupancy ratio during the fiscal period of the entire portfolio exceeded the forecast by 0.1pt

		Forecast for the 24th FP	Results for the 24th FP	Difference	Major factors, etc.	
	Rent revenue	¥6,700 million	<b>¥6,710 million</b>	¥10 million	<ul style="list-style-type: none"> <li>• Increase in rent revenue, etc. (including common-service fee) : +¥10 million</li> <li>• Decrease in key money: -¥3 million / Increase in renewal fee : +¥1 million</li> <li>• Increase in other miscellaneous revenue : +¥10 million</li> </ul>	
	Other rent business revenue	¥195 million	<b>¥205 million</b>	¥9 million		
	Operating revenue	¥6,896 million	<b>¥6,916 million</b>	¥19 million		
	Expenses related to rent business (Out of which, depreciation)	¥3,303 million (¥1,601 million)	<b>¥3,298 million</b> <b>(¥1,602 million)</b>	-¥5 million (¥0 million)	<ul style="list-style-type: none"> <li>• Increase in utilities expenses : +¥3 million</li> <li>• Decrease in repair expenses : -¥9 million</li> </ul>	
	Other ordinary expenses	¥617 million	<b>¥616 million</b>	-¥1 million		
	Operating income	¥2,974 million	<b>¥3,001 million</b>	¥26 million		
	Non-operating revenue	¥0 million	<b>¥30 million</b>	¥30 million	<ul style="list-style-type: none"> <li>• Receipt of settlement money from a lawsuit with a construction company of disposed property : +¥30 million</li> <li>• Decrease in borrowing cost : -¥3 million</li> </ul>	
	Non-operating expenses	¥540 million	<b>¥537 million</b>	-¥3 million		
	Ordinary income	¥2,434 million	<b>¥2,494 million</b>	¥60 million		
	Net income	¥2,432 million	<b>¥2,493 million</b>	¥60 million		
	Cash distribution per unit	¥2,200	<b>¥2,255</b>	¥55	<ul style="list-style-type: none"> <li>• Total number of investment units issued and outstanding : 1,105,510 units (No change)</li> </ul>	
Assets under management	Number of properties	113 properties	<b>113 properties</b>	-	<ul style="list-style-type: none"> <li>• No property acquisitions or dispositions were made during the 24th FP</li> </ul>	
	Total acquisition price	¥206,943 million	<b>¥206,943 million</b>	-		
	Average occupancy ratio during the FP	Total	96.8%	<b>96.9%</b>	0.1pt	<ul style="list-style-type: none"> <li>• Forecast occupancy ratios and actual occupancy ratios at end of each month during the 24th FP are compared on an average basis</li> </ul>
		Residences only	96.6%	<b>96.8%</b>	0.2pt	
	Period-end total assets LTV	Almost the same as the end of the 23rd FP (50.3%)	<b>50.3%</b>	-	<ul style="list-style-type: none"> <li>• Although total interest-bearing debt decreased compared to preconditions for forecasts during the 24th FP, there is no significant discrepancy</li> </ul>	

Note: Amounts of less than the indicated unit are rounded down, and the "Average occupancy ratio during the FP" and "Period-end total assets LTV" figures are rounded to the first decimal place. The same applies hereafter.

# Business Results for the 24th FP : Comparison with Previous Fiscal Period

Actual cash  
distribution for  
the 24th FP

**¥2,255**  
per unit

Comparison  
with the 23rd FP results

**+¥21** (+0.9%)

Gains on sales of real estate property, etc. were absent and the extra expense of property and other asset taxes, etc. for the properties acquired in 2016 appeared, but cash distribution increased because 3 properties acquired in the 23rd FP were in operation throughout the FP and non-operating revenue increased

		Results for the 23rd FP	Results for the 24th FP	Difference	Major factors, etc.	
Rent revenue		¥6,668 million	<b>¥6,710 million</b>	¥42 million	<ul style="list-style-type: none"> <li>• Increase in rent revenue, etc. (including common-service fee) : +¥42 million</li> <li>• Decrease in key money : -¥7 million / Decrease in renewal fee : -¥20 million</li> <li>• Increase in other miscellaneous revenue : +¥13 million</li> </ul>	
Other rent business revenue		¥218 million	<b>¥205 million</b>	-¥13 million		
Gain on sales of real estate property, etc.		¥32 million	-	-¥32 million		
Operating revenue		¥6,919 million	<b>¥6,916 million</b>	-¥2 million		
Expenses related to rent business (Out of which, depreciation)		¥3,259 million (¥1,606 million)	<b>¥3,298 million</b> (¥1,602 million)	¥39 million (-¥4 million)	<ul style="list-style-type: none"> <li>• Decrease in outsourcing expenses : -¥15 million</li> <li>• Increase in repair expenses : +¥9 million</li> <li>• Increase in property and other asset taxes, etc. : +¥50 million</li> </ul>	
Other ordinary expenses		¥599 million	<b>¥616 million</b>	¥17 million		
Operating income		¥3,060 million	<b>¥3,001 million</b>	-¥58 million		
Non-operating revenue		¥0 million	<b>¥30 million</b>	¥29 million	<ul style="list-style-type: none"> <li>• Receipt of settlement money from a lawsuit with a construction company of disposed properties : +¥30million</li> <li>• Decrease in borrowing cost : -¥16 million</li> </ul>	
Non-operating expenses		¥558 million	<b>¥537 million</b>	-¥21 million		
Ordinary income		¥2,502 million	<b>¥2,494 million</b>	-¥7 million		
Net income		¥2,501 million	<b>¥2,493 million</b>	-¥8 million		
Provision for reserve for reduction entry		¥31 million	-	-¥31 million		
Cash distribution per unit		¥2,234	<b>¥2,255</b>	¥21	<ul style="list-style-type: none"> <li>• Total number of investment units issued and outstanding : 1,105,510 units (No change)</li> </ul>	
Assets under management	Number of properties	113 properties	<b>113 properties</b>	-	<ul style="list-style-type: none"> <li>• No property acquisitions or dispositions were made during the 24th FP</li> </ul>	
	Total acquisition price	¥206,943 million	<b>¥206,943 million</b>	-		
	Average occupancy ratio during the FP	Total	97.1%	<b>96.9%</b>	-0.2pt	<ul style="list-style-type: none"> <li>• Actual occupancy ratios at the end of each month during the 23rd FP and the 24th FP were compared on an average basis</li> </ul>
		Residences only	97.0%	<b>96.8%</b>	-0.2pt	
Period-end total assets LTV		50.3%	<b>50.3%</b>	-	<ul style="list-style-type: none"> <li>• Although total interest-bearing debt decreased compared to the previous fiscal period, there are no significant discrepancies</li> </ul>	

# Forecast of Management Status for the 25th FP

Revised forecast cash distribution for the 25th FP

**¥2,230**  
per unit

Revised from the initial forecast of ¥2,220

Comparison with the 24th FP results

**-¥25** (-1.1%)

Cash distributions are expected to exceed the initial forecast for the 25th FP due to anticipated increases in rent business income following asset management, starting at the high level of the actual occupancy ratio of 97.1% at the end of the 24th FP

		Results for the 24th FP	Revised forecast for the 25th FP	Difference	Major factors, etc.	Reference Initial forecast for the 25th FP (Announced on May 12, 2017)	
	Rent revenue	¥6,710 million	<b>¥6,728 million</b>	¥17 million	<ul style="list-style-type: none"> <li>Increase in rent revenue, etc. (including common-service fee) : +¥9 million</li> <li>Increase in parking lot revenue : +¥9 million</li> <li>Increase in key money: +¥4 million / Increase in renewal fee : +¥42 million</li> <li>Decrease in other miscellaneous revenue : -¥13 million</li> </ul>	¥6,707 million	
	Other rent business revenue	¥205 million	<b>¥236 million</b>	¥31 million		¥231 million	
Operating revenue		¥6,916 million	<b>¥6,965 million</b>	¥48 million		¥6,938 million	
	Expenses related to rent business (Out of which, depreciation)	¥3,298 million (¥1,602 million)	<b>¥3,358 million (¥1,603 million)</b>	¥60 million (¥0 million)		<ul style="list-style-type: none"> <li>Increase in administration service fees : +¥30 million</li> <li>Increase in repair expenses : +¥21 million</li> </ul>	¥3,333 million (¥1,601 million)
	Other ordinary expenses	¥616 million	<b>¥620 million</b>	¥3 million	¥616 million		
Operating income		¥3,001 million	<b>¥2,986 million</b>	-¥15 million		¥2,989 million	
	Non-operating revenue	¥30 million	<b>¥0 million</b>	-¥30 million	<ul style="list-style-type: none"> <li>Absence of settlement money from a lawsuit with a construction company of disposed property : -¥30 million</li> <li>Decrease in borrowing cost : -¥10 million</li> </ul>	¥0 million	
	Non-operating expenses	¥537 million	<b>¥519 million</b>	-¥18 million		¥532 million	
Ordinary income		¥2,494 million	<b>¥2,467 million</b>	-¥27 million		¥2,456 million	
Net income		¥2,493 million	<b>¥2,465 million</b>	-¥27 million		¥2,454 million	
Cash distribution per unit		¥2,255	<b>¥2,230</b>	-¥25	<ul style="list-style-type: none"> <li>Total number of investment units issued and outstanding : 1,105,510 units (No change)</li> </ul>	¥2,220	
Assets under management	Number of properties	113 properties	<b>113 properties</b>	-	<ul style="list-style-type: none"> <li>Assuming no new property acquisitions and dispositions</li> </ul>	113 properties	
	Total acquisition price	¥206,943 million	<b>¥206,943 million</b>	-		¥206,943 million	
	Average occupancy ratio during the FP	Total	96.9%	<b>97.0%</b>	0.1pt	<ul style="list-style-type: none"> <li>Actual occupancy ratios at the end of each month in the 24th FP and forecast occupancy ratios at the end of each month in the 25th FP were compared on an average basis</li> </ul>	96.8%
		Residences only	96.8%	<b>96.9%</b>	0.1pt		96.7%
Period-end total assets LTV		50.3%	<b>Almost the same as the end of the 24th FP</b>	-	<ul style="list-style-type: none"> <li>Assuming no fluctuation in total interest-bearing debt</li> </ul>	50.3%	

Note: The above forecast figures are calculated based upon certain assumptions made as of November 15, 2017. Actual operating revenue, operating income, ordinary income, net income, and cash distribution per unit, etc. may differ as a result of subsequent acquisitions or dispositions of real estate, trends in the real estate markets, changes in the operating environment, or any other conditions affecting the Investment Corporation, etc. The above forecasts are not intended to be guarantees of business results or cash distribution. The same applies hereafter.



# Forecast of Management Status for the 26th FP

Forecast cash  
distribution  
for the 26th FP

**¥2,200**  
per unit

Comparison  
with the 25th FP revised forecast

**-¥30** (-1.3%)

Cash distributions are expected to maintain the ¥2,200 level despite the anticipated decrease in rent business income for the low season

	Revised forecast for the 25th FP	Forecast for the 26th FP	Difference	Major factors, etc.		
Rent revenue	¥6,728 million	<b>¥6,690 million</b>	-¥37 million	<ul style="list-style-type: none"> <li>Decrease in rent revenue, etc. (including common-service fee) : -¥40 million</li> <li>Increase in parking lot revenue : +¥2 million</li> <li>Decrease in renewal fee : -¥28 million</li> </ul>		
Other rent business revenue	¥236 million	<b>¥211 million</b>	-¥24 million			
Operating revenue	¥6,965 million	<b>¥6,902 million</b>	-¥62 million			
Expenses related to rent business (Out of which, depreciation)	¥3,358 million (¥1,603 million)	<b>¥3,332 million</b> <b>(¥1,615 million)</b>	-¥26 million (¥12 million)	<ul style="list-style-type: none"> <li>Decrease in administration service fees : -¥15 million</li> <li>Decrease in repair expenses : -¥20 million</li> <li>Increase in depreciation for capital expenditures (large-scale repair works, etc.) : +¥12 million</li> </ul>		
Other ordinary expenses	¥620 million	<b>¥620 million</b>	¥0 million			
Operating income	¥2,986 million	<b>¥2,950 million</b>	-¥36 million			
Non-operating revenue	¥0 million	<b>¥0 million</b>	-			
Non-operating expenses	¥519 million	<b>¥515 million</b>	-¥3 million			
Ordinary income	¥2,467 million	<b>¥2,434 million</b>	-¥33 million			
Net income	¥2,465 million	<b>¥2,432 million</b>	-¥33 million			
Cash distribution per unit	¥2,230	<b>¥2,200</b>	-¥30	<ul style="list-style-type: none"> <li>Total number of investment units issued and outstanding : 1,105,510 units (No change)</li> </ul>		
Assets under management	Number of properties	113 properties	<b>113 properties</b>	-	<ul style="list-style-type: none"> <li>Assuming no new property acquisitions and dispositions</li> </ul>	
	Total acquisition price	¥206,943 million	<b>¥206,943 million</b>	-		
	Average occupancy ratio during the FP	Total	97.0%	<b>96.6%</b>	-0.4pt	<ul style="list-style-type: none"> <li>Forecast occupancy ratios at the end of each month in both periods were compared on an average basis for a revised forecast of the 25th FP and a forecast of the 26th FP</li> </ul>
		Residences only	96.9%	<b>96.5%</b>	-0.4pt	
Period-end total assets LTV	Almost the same as the end of the 24th FP (50.3%)	<b>Almost the same as the end of the 24th FP (50.3%)</b>	-	<ul style="list-style-type: none"> <li>Assuming no fluctuation in total interest-bearing debt</li> </ul>		

Note: The above forecast figures are calculated based upon certain assumptions made as of November 15, 2017. Actual operating revenue, operating income, ordinary income, net income, and cash distribution per unit, etc. may differ as a result of subsequent acquisitions or dispositions of real estate, trends in the real estate markets, changes in the operating environment, or any other conditions affecting the Investment Corporation, etc. The above forecasts are not intended to be guarantees of business results or cash distribution. The same applies hereafter.

# Current Management Policy

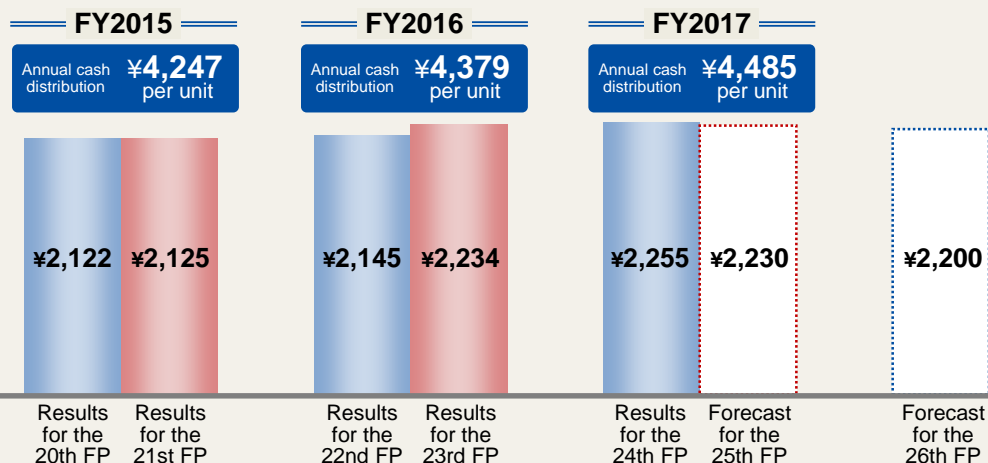
**Deepen collaborative relationship with Sekisui House Group**

**To maximize unitholder value, the Investment Corporation aims to further strengthen its stable financial base to support ongoing external growth and steady internal growth**

	External growth strategy	Internal growth strategy	Financial strategy
Assessment of environment	<ul style="list-style-type: none"> <li>The real estate market remains overheated, and the Cap Rate tends to decline</li> <li>Information on prime residential properties that would be suitable acquisitions is becoming less available</li> </ul>	<ul style="list-style-type: none"> <li>The population influx to major urban areas is increasing due to an improved employment environment</li> <li>There is a limited supply of the kind of prime rental condominiums that we invest in</li> </ul>	<ul style="list-style-type: none"> <li>Interest rates remain low, despite concerns that rates will rise in Japan as they increase in the US</li> <li>Although the number of Investment Corporation Bonds issued increased, the issuance amount per bond issuance is on a downward trend</li> </ul>
Specific measures	<ul style="list-style-type: none"> <li>Maintain focus on appropriate acquisition yields, based on the pipeline of properties with Sekisui House Group</li> <li>Strengthen collecting of information on properties from external sources while cautiously reviewing the information, and invest selectively prime residential properties</li> </ul>	<ul style="list-style-type: none"> <li>Maintain stable occupancy at high levels through leasing grounded in the key features of each unit</li> <li>Maximize profitability by aggressively increasing rents while maintaining an optimal balance between occupancy and rents</li> </ul>	<ul style="list-style-type: none"> <li>Keep ratio of long-term and fixed interest rate loans at 90% or higher, while utilizing short-term and floating interest rate loans as well</li> <li>Select the optimal fund procurement measures and further enhance the stability of the financial base</li> </ul>

## (Reference) Current Target Cash Distributions per Unit in Growth Strategy Phase III (announced in May 2017)

■ 1H (Low season) (Forecast) cash distribution per unit    ■ 2H (High season) (Forecast) cash distribution per unit



**Raise the cash distribution level per FP to the 2,300 yen range**

**Target annual cash distribution**

**Aim for the 4,600 yen range**

# Residential Properties Planned, Developed or Owned by Sekisui House Group

## Prime Maison

Sekisui House holds property planning meetings periodically

The Asset Management Company participates as an observer

Sekisui House plans and develops "Prime Maison" etc. based on the property planning meetings

Sponsor



**Sekisui House**  
Development Department

Supply information

Exchange of opinions

Demand information

Asset management company



**Sekisui House Asset Management**  
Real Estate Investment Department

All 14 properties are in Greater Tokyo / Major Urban Areas (Tokyo 23 wards:13, Yokohama-shi:1)

### Completed properties

5 properties 473 units in total



**Prime Maison SHIROKANEDAI TOWER**  
(Shinagawa-ku, Tokyo)  
220 units  
<Completed in May 2016>



**Prime Maison ASAKUSABASHI**  
(Taito-ku, Tokyo)  
64 units  
<Completed in Oct. 2016>



**Prime Maison OTSUKA**  
(Toshima-ku, Tokyo)  
144 units  
<Completed in Jan. 2017>



**Prime Maison DAIKANYAMA**  
(Meguro-ku, Tokyo)  
27 units  
<Completed in Jan. 2017>



**Prime Maison MITATSUNAMACHI**  
(Minato-ku, Tokyo)  
18 units  
<Completed in Oct. 2017>



(Tentative name)  
**Prime Maison EGOTANOMORI**  
(Nakano-ku, Tokyo)  
526 units

### Properties in the planning stage

3 properties  
(all in Tokyo 23 wards)

## Prime Maison

An example of "Prime Maison" properties owned by Sekisui House other than the above



**Prime Maison GOTENYAMA WEST**  
(Shinagawa-ku, Tokyo)  
26 units  
<Completed in Jan. 2011>

## MAST

An example of "MAST" properties planned, developed or owned in recognition of their values by Sekiwa Real Estate companies (7 companies)

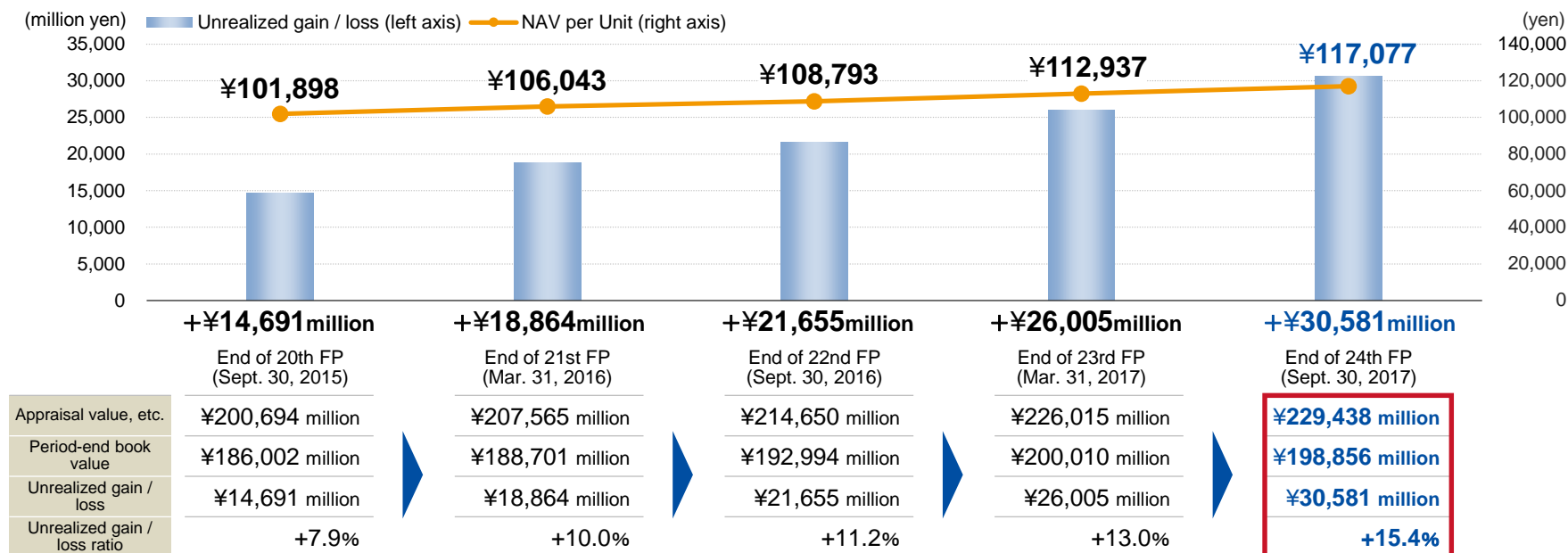


**Granmast KAYABA**  
(Nagoya-shi, Aichi)  
27 units  
<Completed in Feb. 2012>

Note: With regard to properties on this page, the Investment Corporation has no specific plans to acquire any of the properties above as of the date of this document. Also, the images of "Prime Maison MITATSUNAMACHI" in the "Completed properties" and the property that is "Under construction" are renderings based on the design documents and may differ from the actual building.

# Status of the 24th FP-End Appraisal Value, etc.

## Changes in Unrealized Gain / Loss of the Entire Portfolio and NAV per Unit



Note 1: "NAV per unit" for each fiscal period is calculated by subtracting total distribution in each fiscal period from the amount of market value net assets based on appraisal value, etc. and dividing the obtained amount with the number of investment units issued and outstanding as of the end of each fiscal period. Also, the "Appraisal value, etc." indicates either the appraisal value or survey value. The same applies hereafter.

Note 2: Period-end unrealized gain/loss = Period-end appraisal value, etc. - Period-end book value    Period-end unrealized gain/loss ratio = Period-end unrealized gain/loss ÷ Period-end book value

## Status by Asset Class

	End of 23rd FP	End of 24th FP	Major factors in the change	
Residence	Appraisal value, etc.	¥223,213 million	¥226,547 million	<ul style="list-style-type: none"> <li>The appraisal value, etc. increased at 94 of the 112 residential properties continuously owned from the end of the 23rd FP, due to factors such as the decrease of the Cap Rate (The values increased at 94 properties, stayed the same at 11 properties, and decreased at 7 properties)</li> </ul>
	Period-end book value	¥196,296 million	¥195,150 million	
	Unrealized gain / loss	+¥26,916 million	+¥31,396 million	
Retail Property	Appraisal value, etc.	¥2,802 million	¥2,891 million	<ul style="list-style-type: none"> <li>The Cap Rate of HAMAMATSU Plaza decreased by 30bp due to factors such as the opening of the Costco Hamamatsu Warehouse and transaction examples of similar real estate (10bp of decrease of discount rate for the underlying land (<i>sokochi</i>)), and the appraisal value increased (+¥88 million)</li> </ul>
	Period-end book value	¥3,714 million	¥3,705 million	
	Unrealized gain / loss	-¥911 million	-¥814 million	

# II

## Management Status of Portfolio for the 24th FP

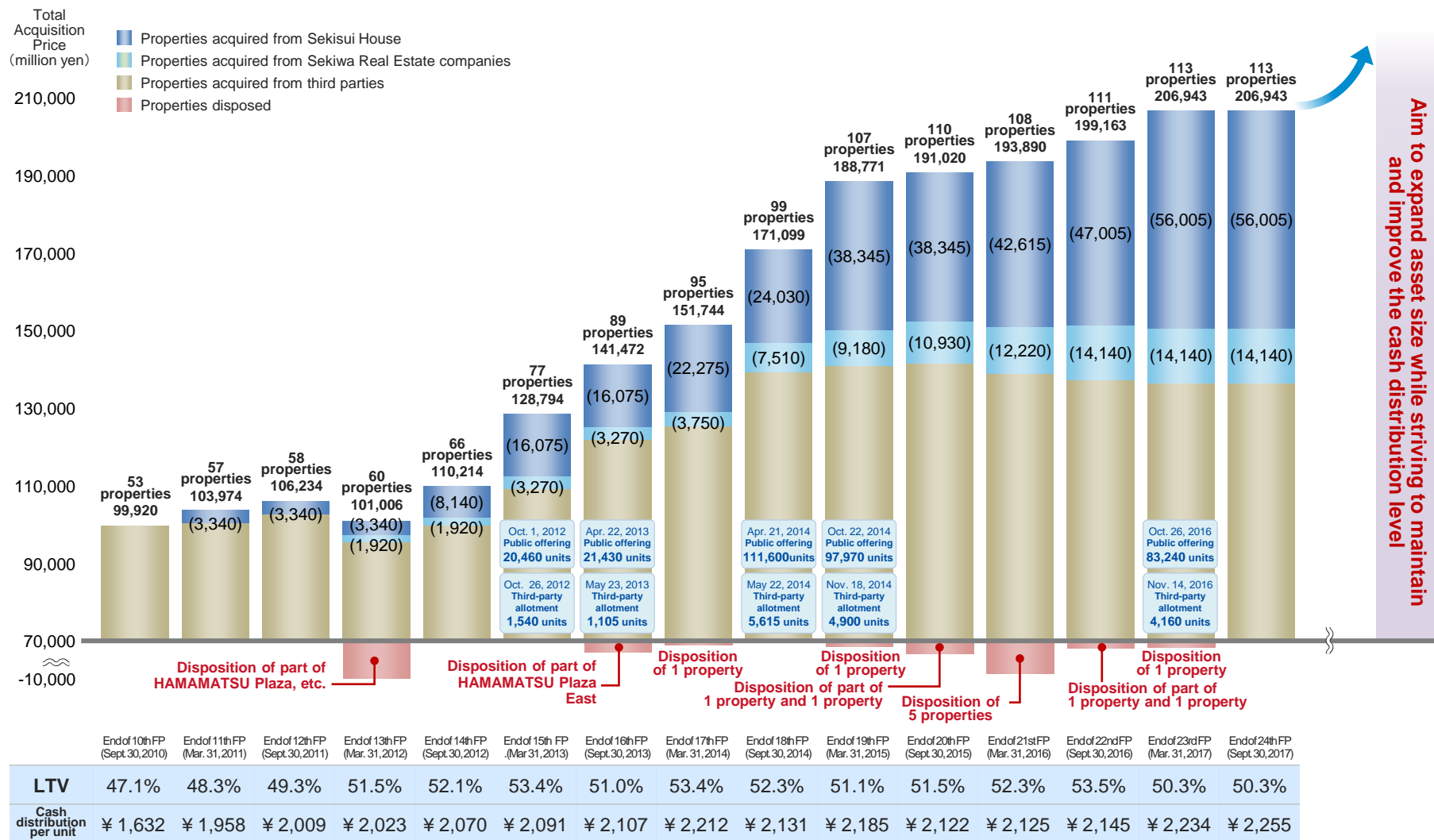




# Changes in Asset Size, LTV, and Cash Distribution

Business managed through joint sponsorship, with Sekisui House as the main sponsor

Transition to structure with Sekisui House as sole sponsor



Note 1: "LTV" is calculated by dividing the total interest-bearing debt at the end of each period by total assets at the end of each period. These figures are rounded to the nearest first decimal place.

Note 2: A five-for-one split of investment units was implemented on April 1, 2014. To account for the effect of the split, the actual figures for the "Cash distribution per unit" in and before the 17th FP (ended March 31, 2014) have been divided by five.

# Summary of Residential Portfolio

## Asset size (Total acquisition price)

¥ 203.1 billion (and ¥3.8 billion for retail property)

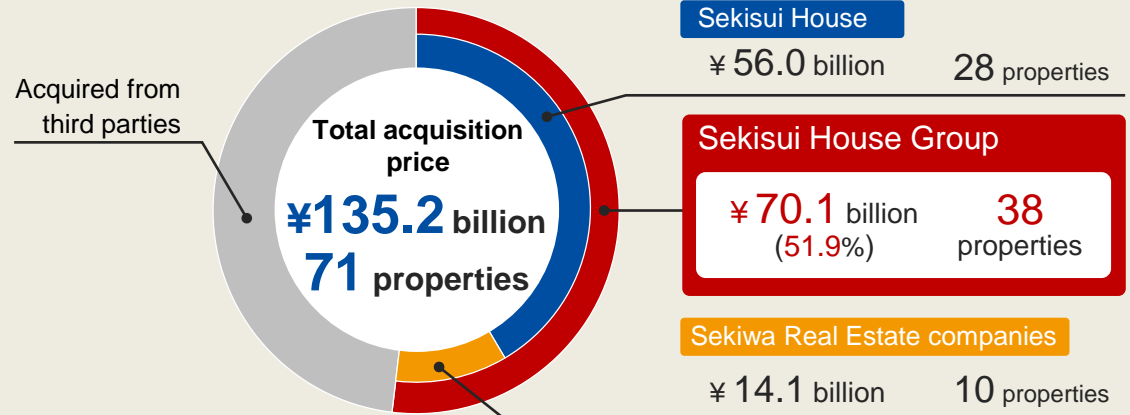
## Total number of owned properties

112 properties (and 1 retail property)

## Average acquisition price per property

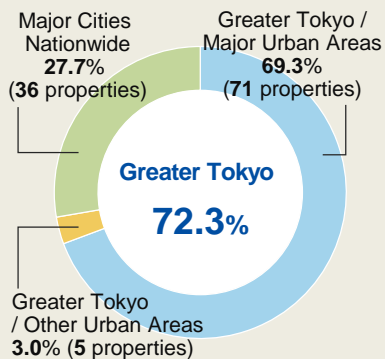
¥ 1.8 billion (Average only of residential properties)

## Status of property acquisitions since Sekisui House became a sponsor in March 2010

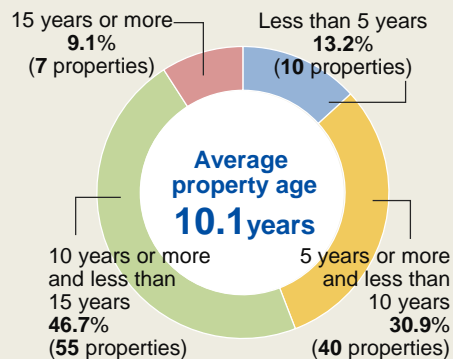


## Diversification Status of Residential Portfolio

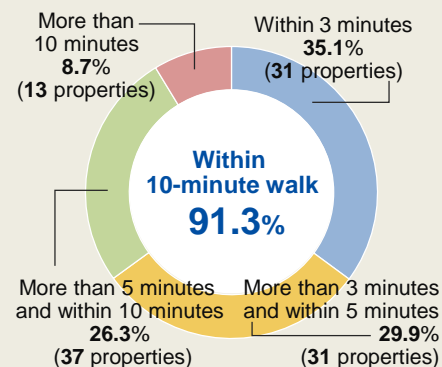
### Diversification status by area (based on acquisition price)



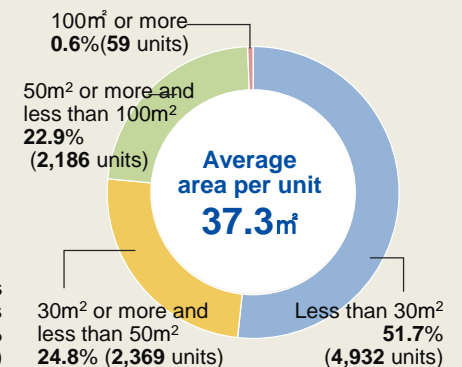
### Diversification status by property age (based on acquisition price)



### Diversification status by walking distance to station (based on acquisition price)



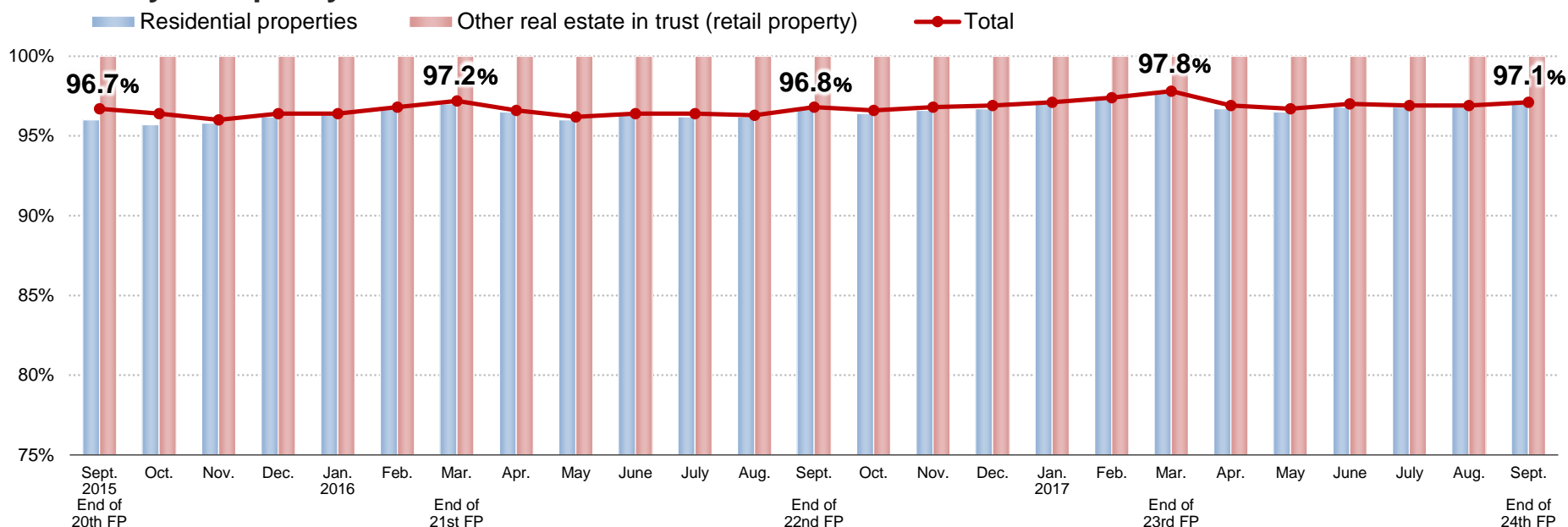
### Diversification status by floor area (based on leasable residential units)



Note: The ratios of the above diversification statuses are rounded to the first decimal place. Accordingly, the ratios may not add up to 100% respectively. Also, "Average property age" uses the date of this document as the reference date and is calculated by seeking the weighted average of the property age of each property with the investment ratio calculated based on the acquisition price. "Average area per unit" is calculated based on the total leasable residential area and the total number of leasable residential units of owned properties. Both are rounded down to the first decimal place.

# Occupancy Ratio and NOI Yield

## Monthly Occupancy Ratio



Occupancy Ratios						Average NOI yield (before depreciation)			
	FP ended Sept. 30, 2016 (22nd FP)		FP ended Mar. 31, 2017 (23rd FP)		FP ended Sept. 30, 2017 (24th FP)		FP ended Sept. 30, 2016 (22nd FP) Owned properties	FP ended Mar. 31, 2017 (23rd FP) Owned properties	FP ended Sept. 30, 2017 (24th FP) Owned properties
	As of the end of the FP	Average during the FP	As of the end of the FP	Average during the FP	As of the end of the FP	Average during the FP			
Residential properties	96.7%	96.3%	97.7%	97.0%	97.0%	96.8%	5.1%	5.1%	5.1%
Other real estate in trust (retail property)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	3.6%	3.4%	3.4%
Total	96.8%	96.5%	97.8%	97.1%	97.1%	96.9%	5.0%	5.0%	5.0%

Note 1: Occupancy ratios in the above chart indicate the rate of total leased floor area to the total leasable floor area for the properties in each category owned by the Investment Corporation as of the end of each month from September 2015 to September 2017.

Note 2: Among occupancy ratios in the above table, "Average during the FP" figures for each period indicate the average of occupancy ratios as of the end of each month during the fiscal period ended September 30, 2016 (22nd FP), the fiscal period ended March 31, 2017 (23rd FP) and the fiscal period ended September 30, 2017 (24th FP).

Note 3: "Average NOI yield (before depreciation)" in the above table are percentages calculated by dividing the total annualized actual NOI of each fiscal period by the total acquisition price with regard to each asset class the Investment Corporation owns as of the end of the fiscal period ended September 30, 2016 (22nd FP), the fiscal period ended March 31, 2017 (23rd FP) and the fiscal period ended September 30, 2017 (24th FP).

Note 4: All of the figures above are rounded to the nearest first decimal place.

# Residential Properties Occupancy Status by Investment Area

## Greater Tokyo / Major Urban Areas

The occupancy ratios surpassed 96% in all the months during the FP, and following the previous FP, occupancy ratios were consistently high

Average occupancy ratio during the FP : **96.7%** [+1.0pt year-on-year]

Average NOI yield of owned properties at period-end : **4.9%** [before depreciation]

### Area data

Number of properties : 71 properties  
 Total leasable area : 186,098.87m<sup>2</sup>  
 Number of leasable units : 5,499 units

## Greater Tokyo / Other Urban Areas

The occupancy ratio went below 95% at the beginning of the FP, but after that, there was a slow recovery with the exception of some properties, and the occupancy ratio was maintained at a level of 95% or higher

Average occupancy ratio during the FP : **95.3%** [-0.1pt year-on-year]

Average NOI yield of owned properties at period-end : **5.2%** [before depreciation]

### Area data

Number of properties : 5 properties  
 Total leasable area : 13,847.88m<sup>2</sup>  
 Number of leasable units : 359 units

## Major Cities Nationwide

Occupancy ratios for some areas slowly declined, but high occupancy ratios for other areas contributed to the maintenance of a 97% average ratio during the FP

Average occupancy ratio during the FP : **97.0%** [±0pt year-on-year]

Average NOI yield of owned properties at period-end : **5.5%** [before depreciation]

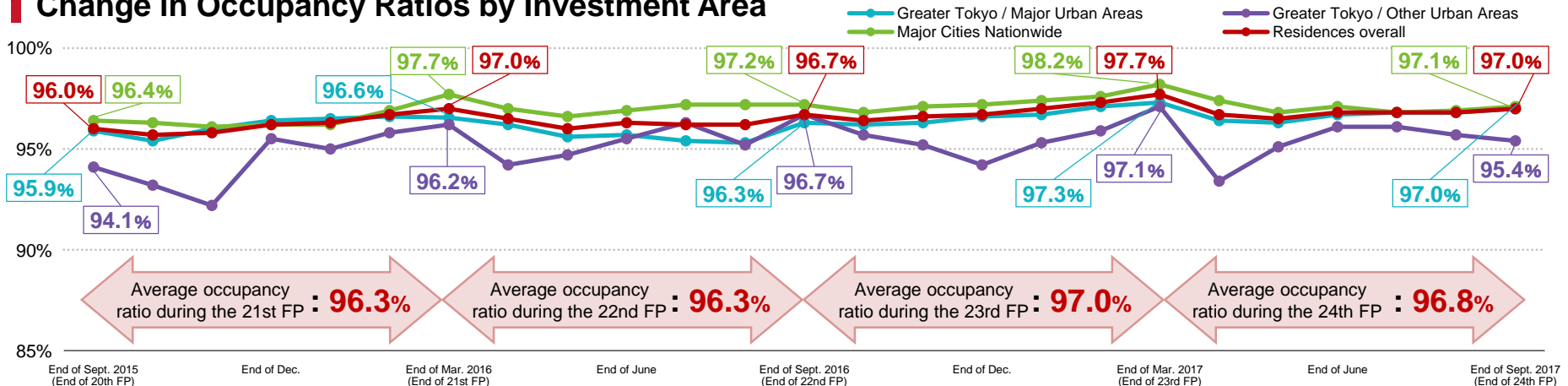
### Area data

Number of properties : 36 properties  
 Total leasable area : 166,829.56m<sup>2</sup>  
 Number of leasable units : 3,742 units

Note: The "Area data" above shows figures for properties owned as of the end of the 24th FP (ended September 30, 2017).

Leasing with an optimum balance between occupancy ratio and rent achieved a **96.8 % average ratio during the FP, and recorded the highest in the FP ending September 30, which is usually the low season**

## Change in Occupancy Ratios by Investment Area

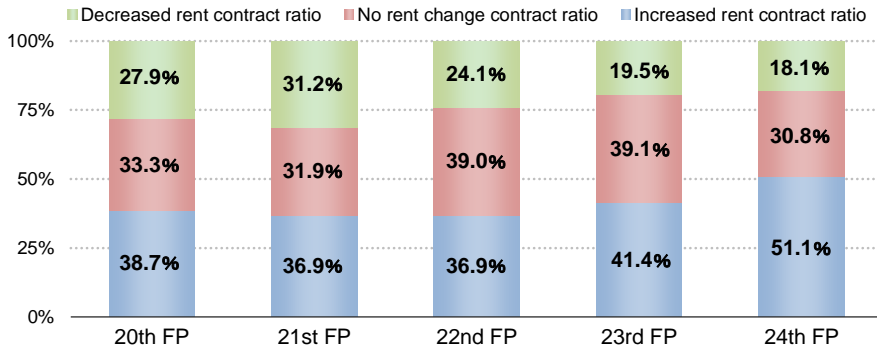


Note: "Change in Occupancy Ratios by Investment Area" above shows the month-end occupancy ratios with classification by investment area based on residential properties owned as of the end of each month and are rounded to the nearest first decimal place. Moreover, the "Average occupancy ratios" during each FP are the average occupancy ratios of the month-end occupancy ratios during each FP.

# Residential Properties New / Renewed Contract Rent Trends

## Rent Trends in New Contracts

	20th FP	21st FP	22nd FP	23rd FP	24th FP
No. of new contracts	816	887	885	944	<b>880</b>
Total increase in rent (number of cases)	¥1,744 thousand (316)	¥1,576 thousand (327)	¥1,472 thousand (327)	¥1,871 thousand (391)	<b>¥1,913 thousand (450)</b>
Total decrease in rent (number of cases)	-¥1,326 thousand (228)	-¥1,517 thousand (277)	-¥1,150 thousand (213)	-¥1,220 thousand (184)	<b>-¥873 thousand (159#)</b>
Change in rent (net)	¥417 thousand	¥59 thousand	¥321 thousand	¥650 thousand	<b>¥1,040 thousand</b>
Rate of change in rent against previous rent	0.4%	0.1%	0.3%	0.6%	<b>1.0%</b>

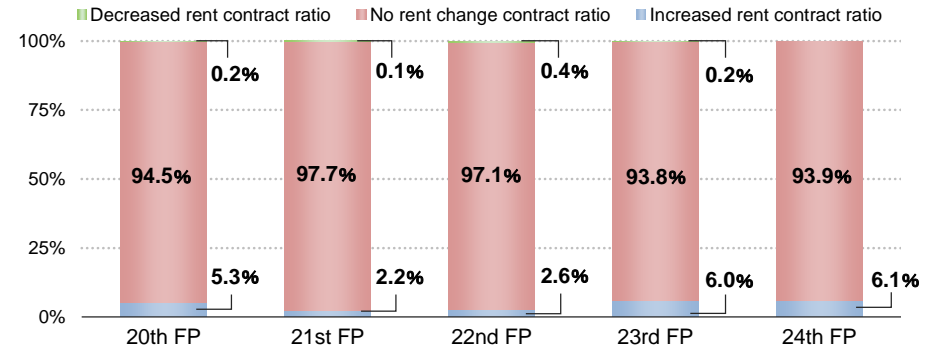


### Rent Trends in New Contracts by Investment Area

24th FP	No. of new contracts	Change in rent (net)	Rate of change in rent
Greater Tokyo / Major Urban Areas	575	¥895 thousand	1.2%
Greater Tokyo / Other Urban Areas	52	¥7 thousand	0.1%
Major Cities Nationwide	253	¥138 thousand	0.6%
<b>Total</b>	<b>880</b>	<b>¥1,040 thousand</b>	<b>1.0%</b>

## Rent Trends in Contract Renewals

	20th FP	21st FP	22nd FP	23rd FP	24th FP
No. of renewed contracts	1,013	1,406	1,135	1,251	<b>1,127</b>
Total increase in rent (number of cases)	¥130 thousand (54)	¥62 thousand (31)	¥91 thousand (29)	¥124 thousand (75)	<b>¥216 thousand (69)</b>
Total decrease in rent (number of cases)	-¥5 thousand (2)	-¥7 thousand (2)	-¥17 thousand (4)	-¥15 thousand (2)	<b>- (-)</b>
Change in rent (net)	¥125 thousand	¥55 thousand	¥74 thousand	¥109 thousand	<b>¥216 thousand</b>
Rate of change in rent against previous rent	0.1%	0.0%	0.1%	0.1%	<b>0.2%</b>



### Rent Trends in Contract Renewals by Investment Area

24th FP	No. of renewed contracts	Change in rent (net)	Rate of change in rent
Greater Tokyo / Major Urban Areas	660	¥212 thousand	0.2%
Greater Tokyo / Other Urban Areas	40	¥4 thousand	0.1%
Major Cities Nationwide	427	-	-
<b>Total</b>	<b>1,127</b>	<b>¥216 thousand</b>	<b>0.2%</b>

Note: The "Rate of change in rent against previous rent" and "Rate of change in rent" above are the ratio of the total change in rent (net) for each fiscal period for new or renewed contracts against the total of previous rent, and both ratios are rounded to the first decimal place.



# Status of Selected Management Data on Residential Properties

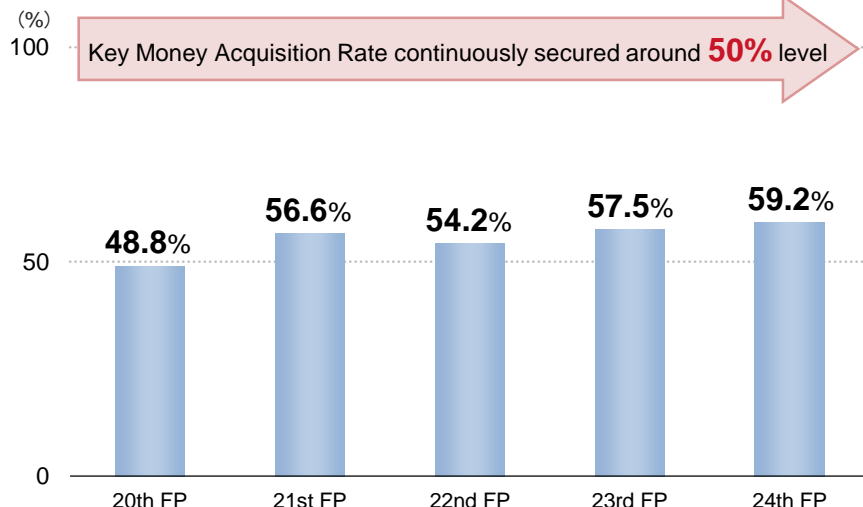
## Trend in Unit Rent per Tsubo for Occupied Space

Based on residential properties owned as of the end of the 24th FP (No properties were acquired or disposed from the end of the 23rd FP)

	End of FP ended March 2017 (end of 23rd FP)		End of FP ended September 2017 (end of 24th FP)		Amount of change in unit rent per tsubo (against end of 23rd FP)	Rate of change in unit rent per tsubo (against end of 23rd FP)
	Period-end occupancy ratio	Period-end unit rent per tsubo	Period-end occupancy ratio	Period-end unit rent per tsubo		
Greater Tokyo / Major Urban Areas	97.0%	¥13,103	96.8%	¥13,122	¥19	0.1%
Greater Tokyo / Other Urban Areas	97.1%	¥8,746	95.4%	¥8,735	-¥11	-0.1%
Major Cities Nationwide	97.1%	¥7,364	95.3%	¥7,356	-¥8	-0.1%
Overall	97.0%	¥10,855	96.2%	¥10,886	¥31	0.3%

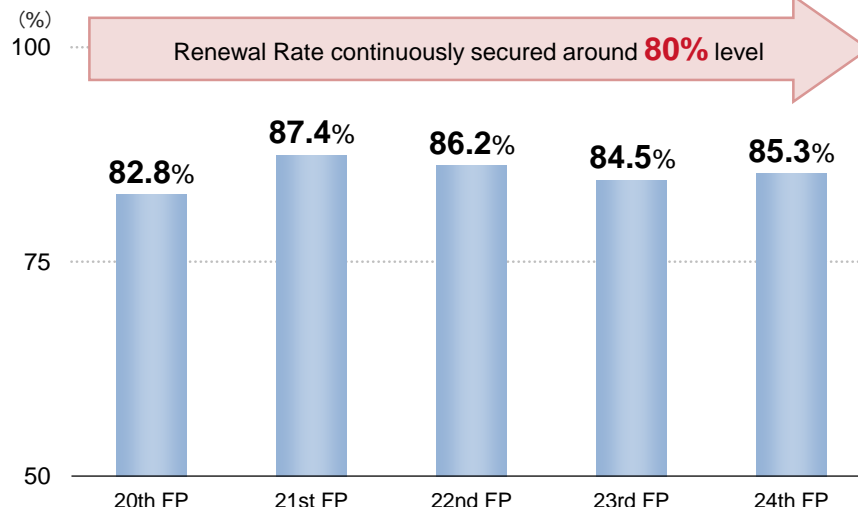
Note: The figures do not include the rent and the floor area of shops and offices within residential properties, as well as the rent and the floor area of residential properties in relation to which master lease agreements with rent guarantee have been concluded with master lease companies, for its calculation.

## Changes in Key Money Acquisition Rate



Note: The "Key Money Acquisition Rate" indicates the ratio of cases in which the Investment Corporation acquired key money from among the number of new contracts during each FP, and the "Renewal Rate" is the ratio of the number of residential units in relation to which contracts were renewed, among the number of residential units with contracts maturing during each FP. Both of these ratios are rounded to the first decimal place.

## Changes in Renewal Rate



# Measures to Improve Profitability of Residential Properties

## Construction for Replacement to LED Light Fixtures

- Implemented LED light fixture replacement work in common areas in order to reduce electricity costs, etc. and pay consideration to the environment.

Implementation fiscal period	Property name	Construction cost	Expected amount of annual decrease
18th FP to 23rd FP	Prime Maison GINZA EAST and 25 other properties	¥ 77 million	¥ 24.4 million
24th FP	Prime Maison MOMOCHIHAMA and 11 other properties (Additional construction was implemented for 6 properties after the announcement of the 23rd FP financial statements)	¥ 21 million	¥ 6.8 million
Total	38 properties Progress at 33.9% of the total of 112 residential properties	¥ 98 million	¥ 31.3 million

- The expected decrease in costs, including that of total electricity costs due to replacement to LED light fixtures, is **¥31.3 million per year**
- All construction costs are capital expenditures, and each fiscal period's construction costs are **expected to be recovered in 3 to 4 years** with the reduction of electricity use costs and the like

**Plans for the 25th FP and after call for continuing to make these replacements mainly at properties where it is expected to be highly cost effective**

Note: The "Expected amount of annual decrease" through replacement work to LED light fixtures was calculated by the Asset Management Company based on proposal materials prepared by the companies that performed the replacement work. There is no guarantee that the construction costs will be recovered as stated above.

## Change of Elevator Maintenance Inspection Companies and Other Measures

- Changed elevator maintenance inspection companies and negotiated with existing contractors in order to reduce the expense of elevator maintenance and inspection work.

Implementation fiscal period	Number of properties	Annual expense of such work (total)		Amount of annual decrease
		Before change	After change	
23rd FP	50 properties	¥ 32 million	¥ 22 million	¥ 9.6 million
24th FP	44 properties (Including 6 properties for which we have negotiated with existing contractors)	¥ 32 million	¥ 22 million	¥ 10.4 million
Total	94 properties	¥ 65 million	¥ 45 million	¥ 20.0 million

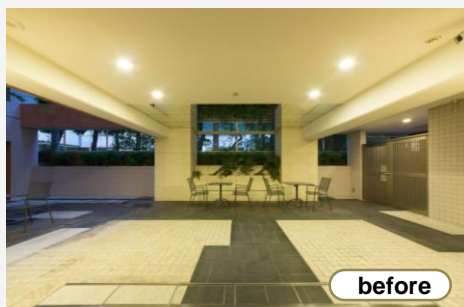
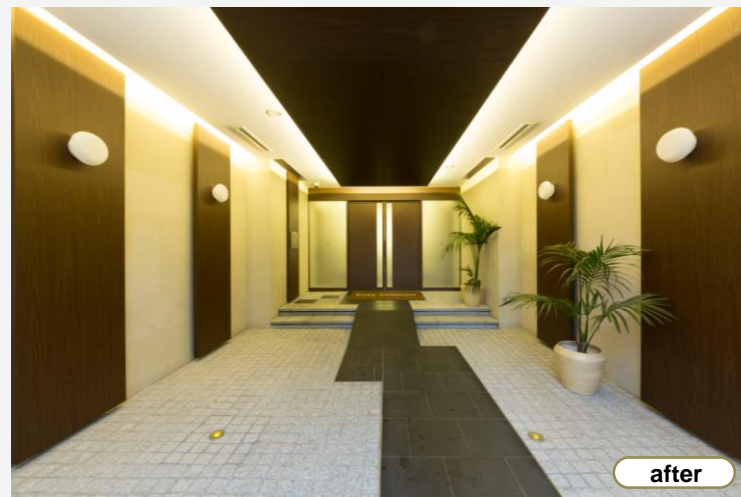
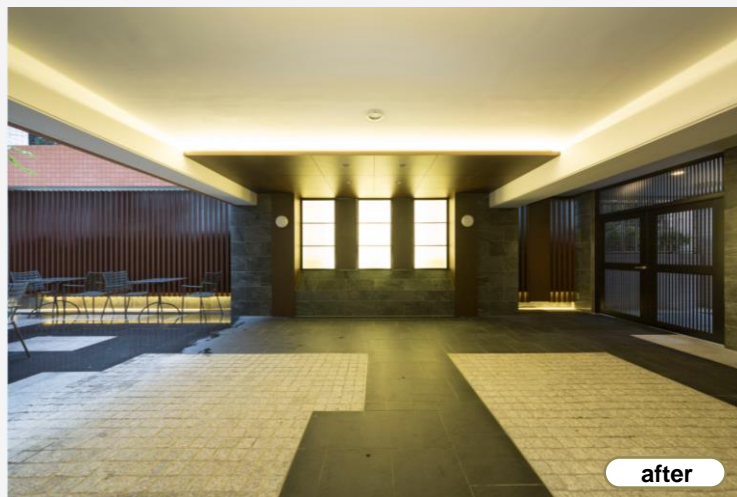
- Maintained and improved the quality of the maintenance and inspection work for elevators
- These changes cut the expense of elevator maintenance and inspection work by roughly **30%** in total

# Major Initiatives for Enhancing Leasing of Residential Properties

## Entrance renovation work at Esty Maison EBISU II

- Updated the entrance of the property, which had been constructed about 14 years ago, to maintain and improve the competitiveness of the property.

Details of work	Construction cost (Excluding consumption tax)	Construction period
<ul style="list-style-type: none"> <li>Install wall fixtures, ceiling fixtures, and indirect lighting in the entrance hall and the entrance approach</li> </ul>	<p><b>¥16 million</b></p> <p>(All was capital expenditure)</p>	<p>August 2017 to September 2017</p>



### Entrance hall

- Vertical louvers maintain partitioning from the surrounding areas
- Indirect lighting and a structure emphasizing horizontal and vertical lines create an elegant, luxurious space

### Entrance approach

- The spatial design preserving continuity with the hallway
- Wood-grained wall and ceiling fixtures create a space with a sense of depth

A hotel-like space with stone as a base and wood-grained accents



# Measures to Maintain / Improve Asset Values of Residential Properties

- Implemented large-scale repair work during the 24th FP (ended September 30, 2017) in a planned manner based on the long-term repair work plan

Property		Construction cost (excluding consumption tax)	Details of work	Construction period	
Esty Maison HAKATAHIGASHI	Property age <b>9.9</b> years	<b>¥159 million</b>		Repair and painting work for exterior walls and common area hallway floors and walls, as well as waterproofing work for roof, balconies and common area hallways, etc.  Washing and painting work for exterior walls	December 2016 to September 2017
Esty Maison SUGAMO	Property age <b>10.7</b> years	<b>¥57 million</b>	Out of which, <b>¥278 million</b> was capital expenditure		June 2017 to September 2017
Esty Maison TSUTSUJIGAOKA	Property age <b>15.7</b> years	<b>¥48 million</b>			May 2017 to September 2017
Prime Maison FUJIMIDAI	Property age <b>10.5</b> years	<b>¥18 million</b>	June 2017 to August 2017		

Esty Maison HAKATAHIGASHI

Waterproofing work for roof



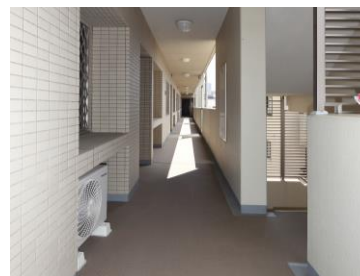
before



after

Esty Maison SUGAMO

Repairs of common area hallway floors and walls



before



after

Esty Maison TSUTSUJIGAOKA

Repairs of common area hallway floors and ceilings



before



after

Prime Maison FUJIMIDAI

Washing and painting work for exterior walls



before



after



# Present Status of HAMAMATSU Plaza

- Costco Hamamatsu Warehouse opened on September 1, 2017.

[ Adjacent Costco gas station opened in advance on August 5, 2017 ]



Appearance

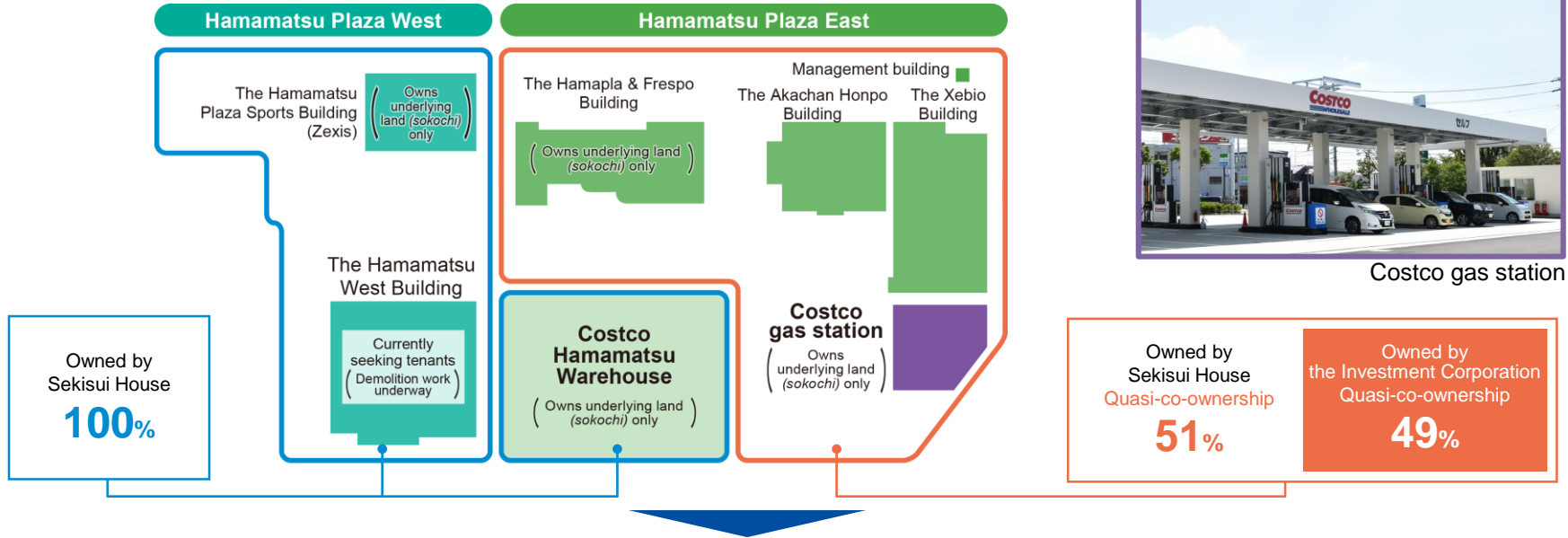


Store entrance



Inside the store

## 【Status of ownership of HAMAMATSU Plaza】



Costco gas station

In addition to striving for stable management in the near term, collaborating with Sekisui House to raise the asset value of the facility and considering making a decision on a disposition when the time is appropriate.



# III

## Financial Activities in and after the 24th FP



# Financial Activities for the 24th FP and Thereafter

## Overview of Debt Financing

- Refinanced debt of ¥2.705 billion due on August 31, 2017

	Borrowing period	Debt	Interest rate on procurement
Before refinancing	5 years and 1 month	¥2.705 billion	0.95750% [fixed by interest rate swap]
After refinancing	8 years	¥2.528 billion	0.61380% [fixed]

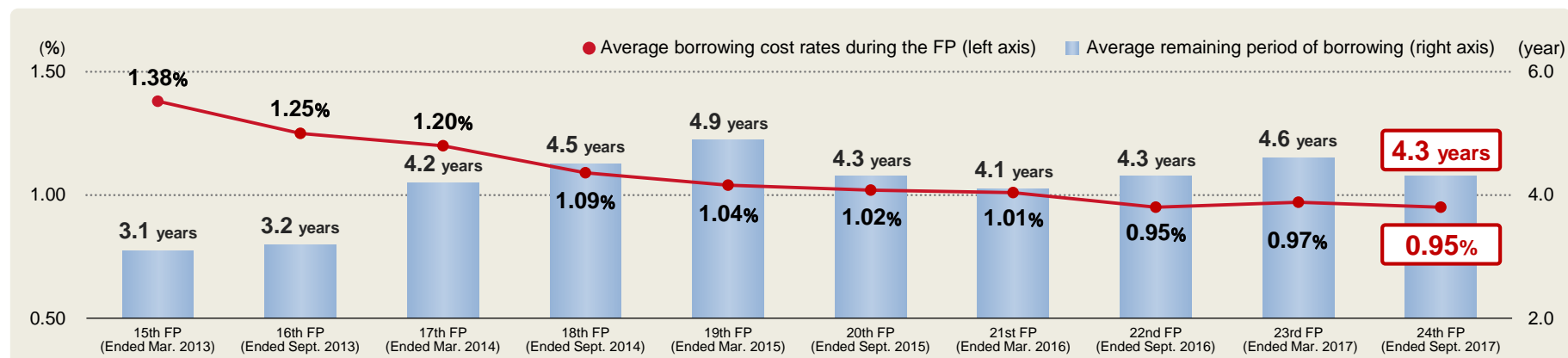
**Aimed to extend borrowing period while refinancing at lower interest rate on procurement than before refinancing**

\* Cash on hand was used to cover the difference of ¥177 million of debt before and after refinancing

- New agreement executed for commitment line to replace the one ended on October 31, 2017

Maximum commitment line amount	Date of agreement	Term of Commitment line	Lenders	Use of funds
¥10 billion	October 6, 2017	November 1, 2017 ~ October 31, 2018	Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation	<ul style="list-style-type: none"> <li>Funds for acquiring new properties</li> <li>Funds for refinancing (including redemption of investment corporation bonds)</li> <li>Funds for repair and renovation works of owned properties</li> </ul>

**Reduces borrowing cost rates, and continues the approach of extending borrowing periods and fixing borrowing rates**



Note 1: The "Average borrowing cost rates during the FP" above are calculated by dividing the (annualized) borrowing cost for each FP by the balance of FP average interest-bearing debt during the FP, and rounded to the nearest second decimal place. "Borrowing costs" are calculated by adding borrowing-related expenses and interest expenses on investment corporation bonds to interest expenses (excluding expenses related to early repayments and commitment line agreement).

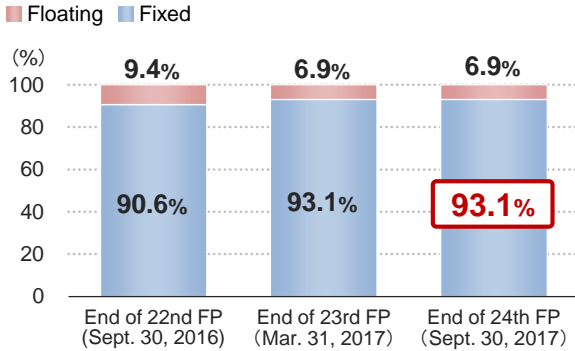
Note 2: The "Average remaining period of borrowing" above are the weighted average of the remaining periods until the repayment (redemption) dates of borrowings and investment corporation bonds at the end of each period divided by the balance of interest-bearing debt at the end of each period. These figures are rounded down to the first decimal place.

# Major Financial Indices Related to Financial Status (1)

## Ratios of Floating and Fixed Interest Rates

(Note 1,2)

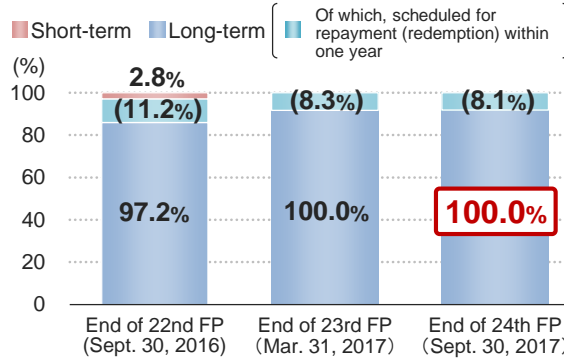
Maintain stable ratio of borrowings with fixed interest



## Ratios of Short-Term and Long-Term Borrowings

(Note 1,2)

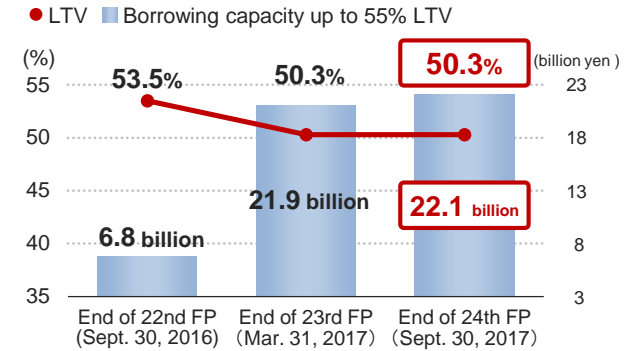
Maintain stable ratio of long-term borrowings



## LTV Trends

(Note 1,3)

Conservative LTV control



Note 1: The ratios above are rounded to the nearest first decimal place.

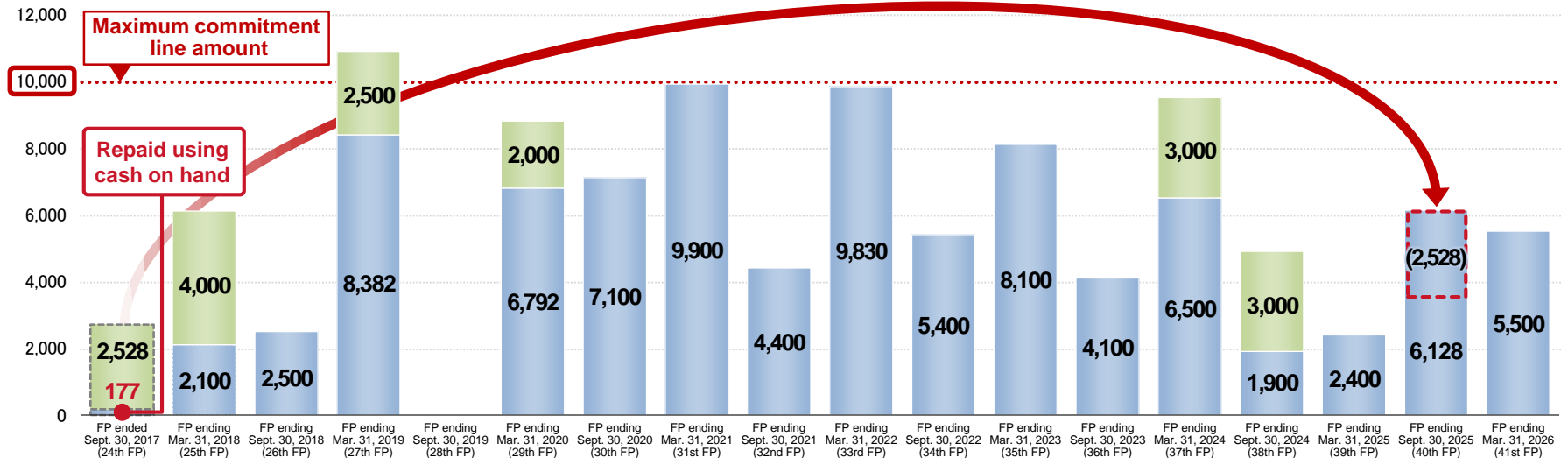
Note 2: These are the ratios for the total interest-bearing debt.

Note 3: LTV was calculated by dividing the total interest-bearing debt at the end of each period by total assets at the end of each period.

## Maturity Ladder (as of the date of this document)

Diversify repayment deadlines by targeting ¥10 billion, the maximum commitment line amount

(million yen) Long-term borrowings Investment corporation bonds



Note: Concerning the amounts in the graphs above, money amounts of less than 1 million yen are rounded down.

# Major Financial Indices Related to Financial Status (2)

## Overview of Interest-Bearing Debt

	End of 23rd FP (Mar. 31, 2017)		End of 24th FP (Sept. 30, 2017)	
	Balance	Average Interest Rate on Procurement	Balance	Average Interest Rate on Procurement
Short-term loans payable	—	—	—	—
Long-term loans payable	¥91,209 million	0.8%	¥91,032 million	0.8%
Investment corporation bonds	¥14,500 million	0.8%	¥14,500 million	0.8%
Total interest-bearing debt	¥105,709 million	0.8%	¥105,532 million	0.8%
<b>LTV</b>	50.3%		50.3%	

## Status of Credit Rating (as of the date of this document)

Japan Credit Rating Agency, Ltd.  
(JCR)

**AA-**  
(Stable)

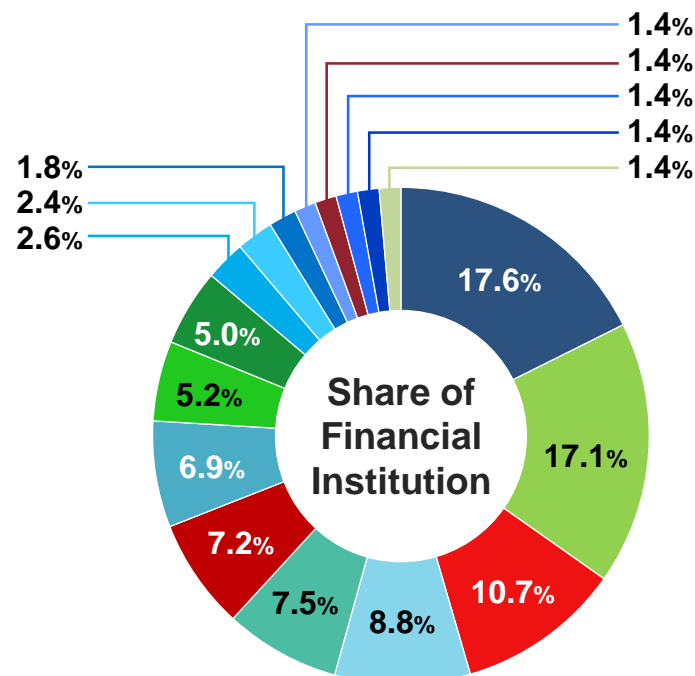
Rating and Investment Information, Inc.  
(R&I)

**A+**  
(Stable)

## Loans Payable Outstanding Balance by Financial Institution

As of the date of this document

Financial Institution	Outstanding Balance	Share
Mizuho Bank, Ltd.	¥16,001 million	17.6%
Sumitomo Mitsui Banking Corporation	¥15,565 million	17.1%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥9,750 million	10.7%
Mizuho Trust & Banking Co., Ltd.	¥8,030 million	8.8%
Sumitomo Mitsui Trust Bank, Limited	¥6,850 million	7.5%
Mitsubishi UFJ Trust and Banking Corporation	¥6,592 million	7.2%
Development Bank of Japan Inc.	¥6,241 million	6.9%
The Norinchukin Bank	¥4,752 million	5.2%
Resona Bank, Limited	¥4,550 million	5.0%
The Bank of Fukuoka, Ltd.	¥2,400 million	2.6%
Aozora Bank, Ltd.	¥2,200 million	2.4%
Shinkin Central Bank	¥1,600 million	1.8%
The Senshu Ikeda Bank, Ltd.	¥1,300 million	1.4%
The Shizuoka Bank, Ltd.	¥1,300 million	1.4%
The 77 Bank, Ltd.	¥1,300 million	1.4%
The Hiroshima Bank, Ltd.	¥1,300 million	1.4%
The Yamaguchi Bank, Ltd.	¥1,300 million	1.4%
<b>Total debt</b>	<b>¥91,032 million</b>	<b>100.0%</b>



Note 1: Concerning figures in the tables and graph above, money amounts of less than one million yen are rounded down and percentage figures are rounded to the nearest first decimal place.

Note 2: The "Average Interest Rate on Procurement" above is the weighted average of applied interest rates as of March 31, 2017 and September 30, 2017 based on the balances of debts. These figures are rounded to the nearest first decimal place.

Note 3: The "Long-term loans payable" and "Investment corporation bonds" in the table above of overview of interest-bearing debt include long-term loans payable and investment corporation bonds scheduled for repayment (redemption) within one year.

# IV

## CSR and Environmental Activities ■ ■ ■





# Sustainability Policy

Based on the “Sustainability Vision” of Sekisui House, the sponsor of the Investment Corporation and the first company in the industry to earn recognition as an “Eco-First Company” from the Minister of the Environment, we formulated a “Sustainability Policy” in March 2015 to conduct real estate investment management with due consideration given to “the environment, society and governance (ESG)”

## Sustainability Policy

### Compliance with Environment-related Laws and Regulations and Rules

In addition to performing in-house training for the purpose of enhancing knowledge with regard to environment-related laws and regulations and rules, we conduct real estate investment and management while maintaining compliance with environment-related laws and regulations and rules toward the realization of a sustainable society.

### Energy Conservation Measures

We conduct measurement and management of energy consumption levels of properties owned by the Investment Corporation, and proactively promote activities toward the conservation of energy.

### Resource Depletion Countermeasures

Through the effective use of limited resources and energy conservation measures, we proactively undertake measures against the depletion of resources.

### Biodiversity Activities

In accordance with the “Gohon no ki” (Five Trees) Planning promoted by Sekisui House, we conduct maintenance and management of planting, selecting tree species while considering vegetation existing within each region.

### Information Disclosure

While regularly monitoring environmental activities, we disclose information concerning sustainability performance at our website. Furthermore, we will continue our efforts to acquire recognition from outside agencies, such as the DBJ Green Building Certification.

### Contributing to Regions in which We Own Properties

While promoting the establishment of facilities to enable tenants to continue living safely and securely in the event of a disaster, by opening our facilities to neighborhood residents when a disaster occurs, we are contributing to the areas in which we own properties.

#### ■ The “Sustainability Vision” of Sekisui House

In order to contribute to the formulation of a sustainable society, Sekisui House Group indicates the creation and provision of the “Four Key Values” as their “Sustainability Vision”: Environmental value, Economic value, Social value, and Homeowner value.

#### ■ “Gohon no ki” (Five Trees) Planning Promoted by Sekisui House

“Gohon no ki” (Five Trees) Planning is a Sekisui House original proposal for the creation of gardens and communities where the ecosystem is taken into consideration and local indigenous trees are used for gardening. In this planning, “Five Trees” indicates that Japanese indigenous trees will be promoted as “three trees for birds and two trees for butterflies.”

# CSR and Environmental Activity Case Studies

## Energy Conservation Measures

### LED light fixture replacement work in common areas

Implemented at a total of **38** properties as of September 30, 2017

#### Electricity consumption

Expected total annual reduction of approx. **1,189,098** kwh

#### Greenhouse gas emissions

Expected total annual reduction of approx. **610** t-CO<sub>2</sub>



### Switching to energy-efficient air conditioners in exclusive areas

Replaced a total of **677** A/C units as of September 30, 2017

#### Electricity consumption

Expected total annual reduction of approx. **150,971** kwh

#### Greenhouse gas emissions

Expected total annual reduction of approx. **71** t-CO<sub>2</sub>



## Resource Depletion Countermeasures

### Installing water-saving equipment (flow control valves)

Water saving equipments were installed in common areas in a total of **168** locations as of September 30, 2017

#### Expected results

Installing flow control valves can help save water without negatively affecting water pressure or other functionality, and each flow control valve is expected to reduce consumption by roughly **30%**

\* In addition to above, replacement works of bathroom water faucets, shower heads, and kitchen water faucets, etc. to water-saving models have been conducted, that allow to expect approx. **20% to 30%** water saving compared to previous models

## Contributing to Regions in Which We Own Properties

### Installing emergency equipment, etc.

Major initiatives implemented as of September 30, 2017:

- Installing disaster-relief vending machines
- Installing automated external defibrillators (AED)
- Installing emergency cabinets for elevators



Note: The figures for expected reductions above are estimated by Asset Management Company based on materials provided by the replacement work operator and materials published by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry; there is no guarantee that the expected reductions will be realized.

# Record of Acquisition of Environmental Certification from External Agencies

## Global Real Estate Sustainability Benchmark (GRESB)

- Selected as a **“Sector Leader”** in the Asian residential sector of the 2017 GRESB sustainability survey, **for the third consecutive year**

[Overview of assessment results]



GRESB assessment	Green Star (the third consecutive year)
GRESB rating	★★★★ (4 Stars)
GRESB Public Disclosure	C (global average)



**[Overview]** GRESB is a benchmark system for evaluating sustainability performance in the real estate sector to enhance shareholder value by applying environmental, social and governance (ESG) considerations to real estate investment and management. It was established in 2009, primarily by major European pension fund groups which initiated Principles for Responsible Investment (PRI).

## DBJ Green Building Certification

- Since obtaining certification for Prime Maison SHINAGAWA and Prime Maison GOTENYAMA EAST in 2015, as **the first residential REIT** to acquire it for its owned properties, **we have acquired this certification for a total of 6 properties** as of the date of this document.

Certification rank	Property name
 (five stars)	Prime Maison SHINAGAWA
 (four stars)	Prime Maison GOTENYAMA EAST Prime Maison GINZA EAST Prime Maison YOKOHAMA NIHON-ODORI
 (three stars)	Esty Maison OJIMA KOBE Women's Student Housing



**[Overview]** The DBJ Green Building Certification System recognizes outstanding properties that respond to the demands of the times. The system was established based on a proprietary scoring model developed by the Development Bank of Japan, and serves to improve the environmental functionality of buildings while encouraging the prevalence of properties that demonstrate awareness of societal demands.

# MEMO

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V

# Appendix



# Balance Sheet (1)

	23rd Fiscal Period (As of March 31, 2017)		24th Fiscal Period (As of September 30, 2017)		Change	
	Million yen	Percent of total	Million yen	Percent of total	Million yen	Period on period (%)
<b>Assets</b>						
<b>Current assets</b>						
Cash and deposits	3,793		5,259		1,466	
Cash and deposits in trust	5,096		4,658		-437	
Operating accounts receivable	146		115		-31	
Prepaid expenses	150		167		16	
Deferred tax assets	0		0		0	
Other	0		0		0	
Allowance for doubtful accounts	-2		-2		0	
<b>Total current assets</b>	<b>9,184</b>	<b>4.4</b>	<b>10,199</b>	<b>4.9</b>	<b>1,014</b>	<b>11.0</b>
<b>Non-current assets</b>						
Property, plant and equipment						
Buildings in trust	106,007		106,390		383	
Accumulated depreciation	-16,309		-17,796		-1,486	
Buildings in trust, net	89,697		88,594		-1,103	
Structures in trust	983		987		4	
Accumulated depreciation	-243		-269		-26	
Structures in trust, net	739		717		-22	
Machinery and equipment in trust	2,022		2,029		7	
Accumulated depreciation	-618		-685		-66	
Machinery and equipment in trust, net	1,403		1,344		-59	
Tools, furniture and fixtures in trust	298		349		51	
Accumulated depreciation	-100		-120		-20	
Tools, furniture and fixtures in trust, net	197		229		31	
Land in trust	107,827		107,828		0	
Construction in progress in trust	-		35		35	
<b>Total property, plant and equipment</b>	<b>199,866</b>	<b>95.1</b>	<b>198,749</b>	<b>94.6</b>	<b>-1,116</b>	<b>-0.6</b>
Intangible assets						
Leasehold rights in trust	143		141		-2	
Other	0		0		-0	
<b>Total intangible assets</b>	<b>144</b>	<b>0.1</b>	<b>142</b>	<b>0.1</b>	<b>-2</b>	<b>-1.4</b>
Investments and other assets						
Lease and guarantee deposits	242		242		-0	
Long-term prepaid expenses	473		438		-35	
Other	152		158		6	
<b>Total investments and other assets</b>	<b>868</b>	<b>0.4</b>	<b>839</b>	<b>0.4</b>	<b>-29</b>	<b>-3.4</b>
<b>Total non-current assets</b>	<b>200,879</b>	<b>95.6</b>	<b>199,731</b>	<b>95.1</b>	<b>-1,147</b>	<b>-0.6</b>



# Balance Sheet (2)

	23rd Fiscal Period (As of March 31, 2017)		24th Fiscal Period (As of September 30, 2017)		Change	
	Million yen	Percent of total	Million yen	Percent of total	Million yen	Period on period (%)
<b>Assets</b>						
<b>Deferred assets</b>						
Investment corporation bond issuance costs	52		44		-7	
Investment unit issuance costs	49		33		-16	
Total deferred assets	102	0.0	78	0.0	-23	-23.4
<b>Total assets</b>	<b>210,166</b>	<b>100.0</b>	<b>210,009</b>	<b>100.0</b>	<b>-156</b>	<b>-0.1</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Operating accounts payable	314		249		-65	
Current portion of investment corporation bonds	4,000		4,000		-	
Current portion of long-term loans payable	4,805		4,600		-205	
Accounts payable – other	569		657		88	
Accrued expenses	54		52		-1	
Income taxes payable	1		1		0	
Accrued consumption taxes	11		19		8	
Advances received	230		245		15	
Other	10		4		-5	
Total current liabilities	9,996	4.8	9,831	4.7	-165	-1.7
<b>Non-current liabilities</b>						
Investment corporation bonds	10,500		10,500		-	
Long-term loans payable	86,404		86,432		28	
Tenant leasehold and security deposits in trust	1,946		1,903		-43	
Total non-current liabilities	98,850	47.0	98,835	47.0	-15	-0.0
<b>Total liabilities</b>	<b>108,847</b>	<b>51.8</b>	<b>108,667</b>	<b>51.7</b>	<b>-180</b>	<b>-0.2</b>
<b>Net assets</b>						
Unitholders' equity						
Unitholders' capital	98,633	46.9	98,633	47.0	-	0.0
Surplus						
Voluntary retained earnings						
Reserve for reduction entry	183		214		31	
Total voluntary retained earnings	183		214		31	
Unappropriated retained earnings	2,501		2,493		-8	-0.3
Total surplus	2,684	1.3	2,707	1.3	23	0.9
Total unitholders' equity	101,318	48.2	101,341	48.3	23	0.0
<b>Total net assets</b>	<b>101,318</b>	<b>48.2</b>	<b>101,341</b>	<b>48.3</b>	<b>23</b>	<b>0.0</b>
<b>Total liabilities and net assets</b>	<b>210,166</b>	<b>100.0</b>	<b>210,009</b>	<b>100.0</b>	<b>-156</b>	<b>-0.1</b>

# Statement of Income and Retained Earnings

	23rd Fiscal Period (from October 1, 2016 to March 31, 2017)		24th Fiscal Period (from April 1, 2017 to September 30, 2017)		Change	
	Million yen	Percent of total	Million yen	Percent of total	Million yen	Period on period (%)
<b>Operating revenue</b>						
Rent revenue - real estate	6,886		6,916		29	
Gain on sales of real estate properties	32		-		-32	
<b>Total operating revenue</b>	<b>6,919</b>	<b>100.0</b>	<b>6,916</b>	<b>100.0</b>	<b>-2</b>	<b>-0.0</b>
<b>Operating expenses</b>						
Expenses related to rent business	3,259		3,298		39	
Asset management fee	360		364		3	
Asset custody fee	16		16		0	
Administrative service fees	36		37		1	
Directors' compensations	3		3		-	
Provision of allowance for doubtful accounts	1		1		0	
Other operating expenses	181		193		11	
<b>Total operating expenses</b>	<b>3,858</b>	<b>55.8</b>	<b>3,914</b>	<b>56.6</b>	<b>56</b>	<b>1.5</b>
<b>Operating income</b>	<b>3,060</b>	<b>44.2</b>	<b>3,001</b>	<b>43.4</b>	<b>-58</b>	<b>-1.9</b>
<b>Non-operating income</b>						
Interest income	0		0		-0	
Reversal of distributions payable	0		0		-0	
Settlement received	-		30		30	
Other	0		0		0	
<b>Total non-operating income</b>	<b>0</b>	<b>0.0</b>	<b>30</b>	<b>0.4</b>	<b>29</b>	<b>4,381.4</b>
<b>Non-operating expenses</b>						
Interest expenses	394		379		-14	
Interest expenses on investment corporation bonds	56		56		0	
Amortization of investment corporation bond issuance costs	7		7		0	
Borrowing related expenses	79		76		-2	
Amortization of investment unit issuance costs	21		16		-4	
Other	0		0		-0	
<b>Total non-operating expenses</b>	<b>558</b>	<b>8.0</b>	<b>537</b>	<b>7.7</b>	<b>-21</b>	<b>-3.8</b>
<b>Ordinary income</b>	<b>2,502</b>	<b>36.2</b>	<b>2,494</b>	<b>36.1</b>	<b>-7</b>	<b>-0.3</b>
Income before income taxes	2,502	36.2	2,494	36.1	-7	-0.3
Income taxes – current	1		1		0	51.7
Income taxes – deferred	0		-0		-0	-1,989.0
<b>Total income taxes</b>	<b>1</b>	<b>0.0</b>	<b>1</b>	<b>0.0</b>	<b>0</b>	<b>47.9</b>
<b>Net income</b>	<b>2,501</b>	<b>36.2</b>	<b>2,493</b>	<b>36.0</b>	<b>-8</b>	<b>-0.3</b>
Retained earnings brought forward	-		-		-	
Unappropriated retained earnings	2,501	36.2	2,493	36.0	-8	-0.3

# Statements of Cash Flows / Cash Distributions

## Statement of Cash Flows

	23rd Fiscal Period from October 1, 2016 to March 31, 2017	24th Fiscal Period from April 1, 2017 to September 30, 2017
	Million yen	Million yen
<b>Cash flows from operating activities</b>		
Income before income taxes	2,502	2,494
Depreciation	1,606	1,602
Amortization of investment corporation bond issuance costs	7	7
Amortization of investment unit issuance costs	21	16
Increase (decrease) in allowance for doubtful accounts	-1	-0
Interest income	-0	-0
Interest expenses	450	436
Decrease (increase) in operating accounts receivable	-33	31
Decrease (increase) in prepaid expenses	23	-16
Decrease (increase) in consumption taxes receivable	1	-
Increase (decrease) in operating accounts payable	24	-62
Increase (decrease) in accounts payable – other	-141	4
Increase (decrease) in accrued consumption taxes	11	8
Increase (decrease) in advances received	-6	15
Decrease due to sale of property, plant and equipment in trust	1,168	-
Decrease (increase) in long-term prepaid expenses	-28	35
Other, net	-2	-6
Subtotal	5,603	4,566
Interest income received	0	0
Interest expenses paid	-452	-437
Income taxes paid	-1	-1
Net cash provided by operating activities	5,150	4,127
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	-9,751	-402
Purchase of intangible assets	-0	-
Proceeds from tenant leasehold and security deposits in trust	155	119
Repayments of tenant leasehold and security deposits in trust	-143	-162
Decrease (increase) in investments and other assets, net	-7	-6
Net cash used in investing activities	-9,747	-452

	23rd Fiscal Period from October 1, 2016 to March 31, 2017	24th Fiscal Period from April 1, 2017 to September 30, 2017
	Million yen	Million yen
<b>Cash flows from financing activities</b>		
Repayments of short-term loans payable	-3,000	-
Proceeds from long-term loans payable	9,500	2,528
Repayments of long-term loans payable	-9,500	-2,705
Proceeds from the issuance of new investment units	9,661	-
Dividends paid	-2,183	-2,469
Net cash provided by financing activities	4,477	-2,646
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-119</b>	<b>1,028</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>9,009</b>	<b>8,889</b>
<b>Cash and cash equivalents at the end of period</b>	<b>8,889</b>	<b>9,918</b>

## Statement of Cash Distributions

	23rd Fiscal Period from October 1, 2016 to March 31, 2017	24th Fiscal Period from April 1, 2017 to September 30, 2017
	yen	yen
I Unappropriated retained earnings	2,501,336,041	2,493,073,959
II Cash distributions	2,469,709,340	2,492,925,050
[Cash distributions per unit]	[2,234]	[2,255]
III Voluntary retained earnings		
Provision for reserve for reduction entry	31,626,701	0
IV Retained earnings carried forward	0	148,909

# Summary of Selected Financial Data

	23rd Fiscal Period from October 1, 2016 to March 31, 2017	24th Fiscal Period from April 1, 2017 to September 30, 2017
Business days	182 days	183 days
Total assets	210,166 million yen	210,009 million yen
Net assets	101,318 million yen	101,341 million yen
Unitholders' capital	98,633 million yen	98,633 million yen
Investment units issued	1,105,510 units	1,105,510 units
Net assets per unit	91,648 yen	91,669 yen
Total cash distributions	2,469 million yen	2,492 million yen
Cash distributions per unit	2,234 yen	2,255 yen
Ordinary income to total assets (annualized) (Note 1)	2.4%	2.4%
Return on unitholders' equity (annualized) (Note 2)	5.2%	4.9%
Unitholders' equity ratio (Note 3)	48.2%	48.3%
Total number of properties	113	113
Total leasable floor area	380,893.44m <sup>2</sup>	382,734.80m <sup>2</sup>
Period-end occupancy ratio	97.8%	97.1%
Depreciation expense (Expenses related to rent business)	1,606 million yen	1,602 million yen
Capital expenditures	397 million yen	446 million yen
Leasing Net Operating Income (NOI) (Note 4)	5,234 million yen	5,220 million yen
Funds from Operation (FFO) (Note 5)	4,075 million yen	4,095 million yen
FFO per unit	3,686 yen	3,704 yen
Total interest-bearing debt	105,709 million yen	105,532 million yen
Loan to Value (LTV) (Note 6)	50.3%	50.3%
Interest-bearing debt ratio (Note 7)	51.7%	51.7%
Debt Service Coverage Ratio (DSCR) (Note 8)	10.1 times	10.4 times

Note 1: Ordinary income to total assets = Ordinary income (annualized) / Average total assets  
Average total assets = (Period-beginning total assets + Period-end total assets) / 2

Note 2: Return on unitholders' equity = Net income (annualized) / Average net assets  
Average net assets = (Period-beginning net assets + Period-end net assets) / 2

Note 3: Unitholders' equity ratio = Period-end net assets / Period-end total assets

Note 4: Leasing NOI = Leasing income for the fiscal period (Rent revenue-real estate - Expenses related to rent business) + Depreciation expense (Expenses related to rent business)

Note 5: FFO = Net income - Gain on sales of real estate properties + Loss on sales of real estate properties + Depreciation

Note 6: LTV = Period-end total interest-bearing debt / Period-end total assets  
Interest-bearing debt = Borrowings + Investment corporation bonds

Note 7: Interest-bearing debt ratio = Period-end interest-bearing debt  
/ (Period-end interest-bearing debt + Unitholders' capital)

Note 8: DSCR = (Net income + Repayment of interest-bearing debt + Interest expenses + Depreciation)  
/ (Repayment of interest-bearing debt + Interest expenses)

\* Ratios are rounded to the nearest first decimal place.

# Portfolio Development Policy

## Investment Target

- Invests only in real estate-related assets that are mainly used (Note) as **residences**
- Residences include student dorms, company housing and serviced housing for the elderly

Note : "Mainly used" means that a majority of the total exclusive area of the relevant real estate-related asset is allocated for the specific use.

Promote the establishment of a portfolio that centers on high-quality rental residential properties planned and developed by the Sekisui House Group

Considering making the decision to sell the Existing Retail Property in a timely manner while striving for their stable management

## Target Investment Areas

- Set **Greater Tokyo / Major Urban Areas** as the **focused investment area** for the portfolio
- Establish an investment area called **Major Cities Nationwide** in the investment area categories outside Greater Tokyo and diversify investment

Maximally utilize the nationwide network of the Sekisui House Group

	Investment area category	Specific area	Allocation ratio (Note 3) (based on acquisition price)
Greater Tokyo	Greater Tokyo / Major Urban Areas <b>Focused investment area</b>	① Tokyo : Tokyo 23 wards, Musashino-shi, Mitaka-shi, and Koganei-shi ② Kanagawa : Yokohama-shi and Kawasaki-shi	Approx. 70%
	Greater Tokyo / Other Urban Areas	① Tokyo areas (except islands) and Kanagawa other than the above ② Chiba and Saitama	
Major Cities Nationwide	Major Urban Areas	① Sapporo-shi, Sendai-shi, Nagoya-shi, Kyoto-shi, Osaka-shi, Kobe-shi, Hiroshima-shi and Fukuoka-shi ② Areas within commuting distance from ① above (Note 1)	Approx. 30% 10% or less for Other Major Cities Nationwide
	Other Major Cities Nationwide	Government designated cities, etc. other than the above (Note 2)	

Note 1: "Areas within commuting distance" represent the peripheral areas from which it generally requires around 30 minutes to commute to the central parts of Sapporo-shi, Sendai-shi, Nagoya-shi, Kyoto-shi, Osaka-shi, Kobe-shi, Hiroshima-shi and Fukuoka-shi.

Note 2: "Government designated cities, etc. other than the above" represent cities in areas other than Greater Tokyo and that fall under the category of either government designated cities, core cities, special ordinance cities at the entry into force or prefectural capitals in areas other than Major Urban Areas.

Note 3: "Approx." in the allocation ratio means  $\pm 10\%$ .

Note 4: Retail property owned as of the date of this document has been excluded from the calculation of the above allocation ratio.

## Residence Type

- With regard to the types of rental housing that will be targets of investment, **investment will be made in a wide range of rental housing types in order to respond to the various needs of residents.**

### Single / Compact

Had already been positioned as a **main investment target**

Participate in the Sekisui House's development department's planning meeting as an observer

### Family

Properties that are expected to have **stable profitability** considering their area's characteristics will be included as investment target

Sekisui House has extensive performance in development

### Large

Invest **selectively** after carefully analyzing the location environment, etc.

Acquired 2 properties after public offering in 16th FP



# Portfolio Map (2)

## Greater Tokyo / Major Urban Areas

Residence	
Residence-1	Esty Maison GINZA
Residence-3	Esty Maison AZABUNAGASAKA
Residence-4	Esty Maison EBISU II
Residence-5	Esty Maison EBISU
Residence-6	Esty Maison KANDA
Residence-8	Esty Maison KITASHINJUKU
Residence-10	Esty Maison ASAKUSA KOMAGATA
Residence-12	Esty Maison KAWASAKI
Residence-14	Esty Maison SHINKAWASAKI
Residence-15	Esty Maison YOKOHAMA
Residence-16	Esty Maison KAMEIDO
Residence-17	Esty Maison MEGURO
Residence-19	Esty Maison SUGAMO
Residence-21	Esty Maison MEGUROHONCHO
Residence-22	Esty Maison HAKURAKU
Residence-24	Esty Maison GOTANDA
Residence-25	Esty Maison OISENDAIZAKA
Residence-26	Esty Maison SHINAGAWA SEASIDE
Residence-27	Esty Maison MINAMIAZABU
Residence-30	Esty Maison KAWASAKI II
Residence-31	Esty Maison AZABUJUBAN
Residence-33	Esty Maison ITABASHIHONCHO
Residence-34	Esty Maison OIZUMIGAKUEN
Residence-39	Esty Maison HIGASHISHINAGAWA
Residence-42	Esty Maison ITABASHIKUYAKUSHOMAE
Residence-43	Esty Maison MUSASHIKOYAMA
Residence-44	Esty Maison SENDAGI
Residence-45	Esty Maison YOTSUYASAKAMACHI
Residence-48	Esty Maison SANGENJAYA
Residence-53	Esty Maison SANGENJAYA II
Residence-54	Esty Maison ITABASHI C6
Residence-56	Esty Maison KINSHICHO
Residence-57	Esty Maison MUSASHIKOGANEI
Residence-62	Esty Maison AKIHABARA

Residence	
Residence-63	Esty Maison SASAZUKA
Residence-64	Prime Maison GINZA EAST
Residence-69	Esty Maison SENGOKU
Residence-70	Esty Maison DAIZAWA
Residence-71	Esty Maison TOGOSHI
Residence-74	Esty Maison SHIROKANEDAI
Residence-75	Esty Maison HIGASHISHINJUKU
Residence-76	Esty Maison MOTOAZABU
Residence-77	Esty Maison TORITSUDAIGAKU
Residence-78	Esty Maison MUSASHIKOYAMA II
Residence-79	Esty Maison NAKANO
Residence-80	Esty Maison SHINNAKANO
Residence-81	Esty Maison NAKANOFUJIMICHO
Residence-82	Esty Maison TETSUGAKUDO
Residence-83	Esty Maison KOENJI
Residence-84	Esty Maison OSHIAGE
Residence-85	Esty Maison AKABANE
Residence-86	Esty Maison OJI
Residence-87	Prime Maison WASEDA
Residence-88	Prime Maison HATCHOBORI
Residence-89	Prime Maison JINBOCHO
Residence-90	Prime Maison GOTENYAMA EAST
Residence-91	MAST LIFE AKIHABARA
Residence-94	Esty Maison KINSHICHO II
Residence-95	Esty Maison OJIMA
Residence-98	Prime Maison MORISHITA
Residence-99	Prime Maison SHINAGAWA
Residence-104	MAST LIFE YAHIRO
Residence-105	Prime Maison EBISU
Residence-106	Esty Maison SHIBAURA
Residence-110	Esty Maison KOHOKU TSUNASHIMA
Residence-112	Prime Maison YOKOHAMA NIHON-ODORI
Residence-114	Prime Maison SHIBUYA
Residence-115	Prime Maison HATSUDAI

Residence	
Residence-118	Prime Maison SHIROKANE-TAKANAWA
Residence-119	Prime Maison ICHIGAYAYAMABUSHICHO
Residence-120	Esty Maison MORISHITA

## Greater Tokyo / Other Urban Areas

Residence	
Residence-11	Esty Maison MACHIDA
Residence-40	Esty Maison HACHIOJIMINAMINO
Residence-50	Prime Maison MUSASHINONOMORI

Residence	
Residence-109	Esty Maison TSUTSUJIGAOKA
Residence-111	MAST LIFE HINO

## Major Cities Nationwide

Residence	
Residence-20	Esty Maison KYOBASHI
Residence-23	Esty Maison MINAMIHORIE
Residence-28	Esty Maison JOTO
Residence-29	Esty Maison TSUKAMOTO
Residence-35	Esty Maison TENJINHIGASHI I
Residence-36	Esty Maison TENJINHIGASHI II
Residence-37	Esty Maison SHIJONISHINOTOIN
Residence-41	Esty Maison NISHINAKAJIMA
Residence-46	Esty Maison HAKATAHIGASHI
Residence-47	Esty Maison KAMIGOFUKU
Residence-51	Prime Maison HIGASHISAKURA
Residence-52	Prime Maison KAYABAKOEN
Residence-55	MAST HAKATA
Residence-58	Prime Maison GOKISO
Residence-59	Prime Maison YUHIGAOKA
Residence-60	Prime Maison KITATANABE
Residence-61	Prime Maison MOMOCHIHIAMA
Residence-65	Prime Maison TAKAMI
Residence-66	Prime Maison YADAMINAMI

Residence	
Residence-67	Prime Maison TERIHA
Residence-68	Esty Maison HIGASHISHIRAKABE
Residence-72	Esty Maison KAWARAMACHI
Residence-73	Esty Maison NISHITENMA
Residence-92	Esty Maison AOI
Residence-93	Esty Maison YAKUIN
Residence-96	Prime Maison FUJIMIDAI
Residence-97	Esty Maison TSURUMAI
Residence-100	Prime Maison ODORI KOEN
Residence-101	Prime Maison MINAMI 2-JO
Residence-102	Prime Maison KAMOKAMOGAWA
Residence-103	Prime Maison CENTRAL PARK
Residence-107	Granmast KANAZAWA NISHIZUMI
Residence-108	Granmast UNOMORI
Residence-113	KOBE Women's Student Housing
Residence-116	Esty Maison UEMACHIDAI
Residence-117	Esty Maison KOBE-SANNOMIYA

## Other Real Estate in Trust (Retail Property)

Retail-1	HAMAMATSU Plaza
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# List of Properties Owned at End of Fiscal Period (1)

Property No	Property Name	Location	Site Area (㎡)	Total Floor Area (㎡)	Acquisition Price		Acquisition Date	Occupancy Ratio(%)		Completion Date
					Price (Million yen)	Ratio (%)		As of Mar. 31, 2017	As of Sept. 30, 2017	
Residence- 1	Esty Maison GINZA	Ginza, Chuo-ku, Tokyo	636.36	7,836.57	5,290	2.6	August 2, 2005	98.0	97.4	February 7, 2005
Residence- 3	Esty Maison AZABUNAGASAKA	Roppongi, Minato-ku, Tokyo	677.45	2,317.87	1,730	0.8	August 2, 2005	91.5	91.5	January 16, 2004
Residence- 4	Esty Maison EBISU II	Higashi, Shibuya-ku, Tokyo	561.58	2,452.69	1,960	0.9	August 2, 2005	97.5	97.9	June 13, 2003
Residence- 5	Esty Maison EBISU	Hiroo, Shibuya-ku, Tokyo	169.00	871.90	700	0.3	August 2, 2005	85.0	100.0	October 20, 2004
Residence- 6	Esty Maison KANDA	Kandata-cho, Chiyoda-ku, Tokyo	307.69	2,028.19	1,360	0.7	August 2, 2005	95.6	96.3	February 20, 2004
Residence- 8	Esty Maison KITASHINJUKU	Kita-shinjuku, Shinjuku-ku, Tokyo	504.41	2,204.07	1,290	0.6	August 2, 2005	92.9	100.0	August 6, 2004
Residence-10	Esty Maison ASAKUSA KOMAGATA	Komagata, Taito-ku, Tokyo	663.54	3,406.10	1,870	0.9	August 2, 2005	100.0	94.5	July 28, 2004
Residence-11	Esty Maison MACHIDA	Hara-machida, Machida-shi, Tokyo	587.48	4,033.59	1,360	0.7	August 2, 2005	98.4	91.8	February 23, 2004
Residence-12	Esty Maison KAWASAKI	Ogawa-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	683.69	4,656.10	2,130	1.0	August 2, 2005	96.6	95.3	July 15, 2004
Residence-14	Esty Maison SHINKAWASAKI	Furuichiba, Saiwai-ku, Kawasaki-shi, Kanagawa	1,992.09	3,737.47	1,018	0.5	November 1, 2005	100.0	100.0	March 5, 1999
Residence-15	Esty Maison YOKOHAMA	Tsuruya-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	611.41	3,076.45	2,090	1.0	February 28, 2007	100.0	100.0	January 23, 2007
Residence-16	Esty Maison KAMEIDO	Kameido, Koto-ku, Tokyo	438.43	2,899.67	1,650	0.8	January 31, 2006	98.9	97.0	November 30, 2005
Residence-17	Esty Maison MEGURO	Mita, Meguro-ku, Tokyo	578.01	1,283.92	887	0.4	February 1, 2006	100.0	95.0	November 28, 2005
Residence-19	Esty Maison SUGAMO	Sugamo, Toshima-ku, Tokyo	965.70	2,785.83	1,510	0.7	March 9, 2007	97.3	100.0	February 22, 2007
Residence-20	Esty Maison KYOBASHI	Higashinoda-cho, Miyakojima-ku, Osaka-shi, Osaka	799.68	5,995.82	2,774	1.3	April 3, 2006	99.4	96.9	March 2, 2006
Residence-21	Esty Maison MEGUROHONCHO	Megurohoncho, Meguro-ku, Tokyo	865.22	1,975.84	1,220	0.6	March 30, 2006	93.4	86.0	February 22, 2006
Residence-22	Esty Maison HAKURAKU	Rokkakubashi, Kanagawa-ku, Yokohama-shi, Kanagawa	457.54	1,593.68	844	0.4	April 3, 2006	92.7	96.5	February 2, 2006
Residence-23	Esty Maison MINAMIHORIE	Minamihorie, Nishi-ku, Osaka-shi, Osaka	475.06	1,994.14	1,055	0.5	March 9, 2007	97.0	96.8	February 19, 2007
Residence-24	Esty Maison GOTANDA (Note 4)	Nishi-gotanda, Shinagawa-ku, Tokyo	593.32	5,590.34	3,043	1.5	September 14, 2006	96.6	94.3	March 2, 2006
Residence-25	Esty Maison OISENDAIZAKA	Higashi-oi, Shinagawa-ku, Tokyo	558.39	3,440.73	2,440	1.2	September 14, 2006	97.9	98.7	August 10, 2006
Residence-26	Esty Maison SHINAGAWA SEASIDE	Higashi-Shinagawa, Shinagawa-ku, Tokyo	1,049.00	3,127.48	2,200	1.1	September 14, 2006	98.3	93.4	June 23, 2006
Residence-27	Esty Maison MINAMIAZABU	Minamiazabu, Minato-ku, Tokyo	487.27	1,479.61	1,300	0.6	October 23, 2006	100.0	98.1	August 23, 2006
Residence-28	Esty Maison JOTO	Noe, Joto-ku, Osaka-shi, Osaka	740.49	2,232.26	1,075	0.5	November 15, 2006	100.0	93.6	August 31, 2006
Residence-29	Esty Maison TSUKAMOTO	Tsukamoto, Yodogawa-ku, Osaka-shi, Osaka	808.54	2,565.66	1,250	0.6	December 1, 2006	100.0	97.9	August 10, 2006
Residence-30	Esty Maison KAWASAKI II	Ogawa-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	601.38	3,193.14	1,900	0.9	March 28, 2007	100.0	96.9	February 27, 2007
Residence-31	Esty Maison AZABUJUBAN	Azabujuban, Minato-ku, Tokyo	380.26	2,097.45	2,700	1.3	May 11, 2007	98.8	91.8	February 22, 2007
Residence-33	Esty Maison ITABASHIHONCHO	Yamato-cho, Itabashi-ku, Tokyo	220.85	1,446.78	1,000	0.5	August 21, 2007	98.4	95.4	February 27, 2007
Residence-34	Esty Maison OIZUMIGAKUEN	Higashi-Oizumi, Nerima-ku, Tokyo	618.00	1,542.16	871	0.4	August 21, 2007	96.2	89.8	February 22, 2007
Residence-35	Esty Maison TENJINHIGASHI I	Susaki-machi, Hakata-ku, Fukuoka-shi, Fukuoka	239.18	1,158.70	445	0.2	September 28, 2007	94.4	100.0	January 31, 2007

# List of Properties Owned at End of Fiscal Period (2)

Property No	Property Name	Location	Site Area (㎡)	Total Floor Area (㎡)	Acquisition Price		Acquisition Date	Occupancy Ratio(%)		Completion Date
					Price (Million yen)	Ratio (%)		As of Mar. 31, 2017	As of Sept. 30, 2017	
Residence-36	Esty Maison TENJINHIGASHI II	Susaki-machi, Hakata-ku, Fukuoka-shi, Fukuoka	514.89	2,108.69	840	0.4	September 28, 2007	98.8	93.9	May 23, 2007
Residence-37	Esty Maison SHIJONISHINOTOIN	Myodenji-cho, Shijo-sagaru, Nishinotoin-dori, Shimogyo-ku, Kyoto-shi, Kyoto	400.59	3,374.74	1,420	0.7	April 25, 2008	100.0	95.5	April 8, 2008
Residence-39	Esty Maison HIGASHISHINAGAWA	Higashi-Shinagawa, Shinagawa-ku, Tokyo	1,028.92	3,338.12	2,610	1.3	July 1, 2008	93.6	94.4	May 23, 2008
Residence-40	Esty Maison HACHIOJIMINAMINO	Nishikatakura, Hachioji-shi, Tokyo	1,134.50	2,243.06	1,000	0.5	November 1, 2007	96.5	97.7	March 6, 2007
Residence-41	Esty Maison NISHINAKAJIMA	Higashinakajima, Higashiyodogawa-ku, Osaka-shi, Osaka	969.02	3,947.24	2,250	1.1	November 1, 2007	96.9	92.1	April 18, 2007
Residence-42	Esty Maison ITABASHIKUYAKUSHOMAE	Itabashi, Itabashi-ku, Tokyo	731.71	4,322.19	2,700	1.3	November 1, 2007	99.2	96.0	April 22, 2007
Residence-43	Esty Maison MUSASHIKOYAMA (Note 4)	Ebara, Shinagawa-ku, Tokyo	512.62	1,616.87	1,012	0.5	November 30, 2007	98.2	100.0	November 5, 2007
Residence-44	Esty Maison SENDAGI (Note 4)	Sendagi, Bunkyo-ku, Tokyo	250.44	1,239.10	757	0.4	February 6, 2008	93.1	100.0	January 9, 2008
Residence-45	Esty Maison YOTSUYASAKAMACHI (Note 4)	Yotsuyasakamachi, Shinjuku-ku, Tokyo	905.08	3,675.01	2,300	1.1	April 25, 2008	100.0	96.7	March 29, 2008
Residence-46	Esty Maison HAKATAHIGASHI	Yoshizuka, Hakata-ku, Fukuoka-shi, Fukuoka	4,590.91	9,465.09	2,250	1.1	March 26, 2008	97.6	97.5	November 21, 2007
Residence-47	Esty Maison KAMIGOFUKU	Kamigofukumachi, Hakata-ku, Fukuoka-shi, Fukuoka	606.49	2,523.71	900	0.4	April 25, 2008	98.5	98.5	March 14, 2008
Residence-48	Esty Maison SANGENJAYA	Sangenjaya, Setagaya-ku, Tokyo	153.83	954.94	871	0.4	December 15, 2008	94.4	88.8	January 22, 2008
Residence-50	Prime Maison MUSASHINONOMORI	Josuihoncho, Kodaira-shi, Tokyo	5,116.62	4,412.42	1,560	0.8	October 1, 2010	97.9	96.4	December 19, 2007
Residence-51	Prime Maison HIGASHISAKURA	Higashisakura, Higashi-ku, Nagoya-shi, Aichi	846.05	3,517.62	1,140	0.6	October 1, 2010	98.6	88.9	February 15, 2008
Residence-52	Prime Maison KAYABAKOEN	Kayaba, Chikusa-ku, Nagoya-shi, Aichi	1,129.02	2,301.42	640	0.3	October 1, 2010	100.0	93.0	November 7, 2006
Residence-53	Esty Maison SANGENJAYA II	Shimoura, Setagaya-ku, Tokyo	473.85	1,006.89	714	0.3	March 25, 2011	100.0	88.8	January 28, 2008
Residence-54	Esty Maison ITABASHI C6	Oyama-higashi-cho, Itabashi-ku, Tokyo	773.48	5,249.34	2,260	1.1	June 10, 2011	97.9	97.0	March 12, 2008
Residence-55	MAST HAKATA (Note 5)	Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka	2,457.01	11,621.67	1,920	0.9	February 1, 2012	100.0	100.0	January 15, 2005
Residence-56	Esty Maison KINSHICHO	Kinshi, Sumida-ku, Tokyo	338.57	1,718.10	1,050	0.5	February 1, 2012	100.0	91.6	September 6, 2006
Residence-57	Esty Maison MUSASHIKOGANEI	Honcho, Koganei-shi, Tokyo	520.25	2,676.36	1,450	0.7	March 2, 2012	95.1	98.0	February 2, 2005
Residence-58	Prime Maison GOKISO	Ayuchitori, Showa-ku, Nagoya-shi, Aichi	1,429.67	4,691.72	1,640	0.8	April 2, 2012	98.4	92.7	October 28, 2008
Residence-59	Prime Maison YUHIGAOKA	Ueshio, Tennoji-ku, Osaka-shi, Osaka	547.15	2,336.49	810	0.4	April 2, 2012	100.0	100.0	February 16, 2007
Residence-60	Prime Maison KITATANABE	Kitatanabe, Higashisumiyoshi-ku, Osaka-shi, Osaka	640.92	2,112.46	540	0.3	April 2, 2012	100.0	96.6	June 13, 2006
Residence-61	Prime Maison MOMOCHIHAMA	Momochihama, Sawara-ku Fukuoka-shi, Fukuoka	4,069.42	8,945.61	1,810	0.9	April 2, 2012	100.0	100.0	February 29, 1996
Residence-62	Esty Maison AKIHABARA	Ueno, Taito-ku, Tokyo	458.32	2,821.47	1,560	0.8	June 29, 2012	96.2	97.5	February 24, 2006
Residence-63	Esty Maison SASAZUKA	Sasazuka, Shibuya-ku, Tokyo	909.33	4,263.10	2,830	1.4	September 5, 2012	96.6	97.5	September 7, 2004
Residence-64	Prime Maison GINZA EAST	Tsukiji, Chuo-ku, Tokyo	969.10	8,724.48	5,205	2.5	October 1, 2012	97.2	95.9	February 28, 2006
Residence-65	Prime Maison TAKAMI	Takami, Chikusa-ku, Nagoya-shi, Aichi	1,129.17	2,354.34	905	0.4	October 1, 2012	89.9	92.9	August 27, 2008

# List of Properties Owned at End of Fiscal Period (3)

Property No	Property Name	Location	Site Area (㎡)	Total Floor Area (㎡)	Acquisition Price		Acquisition Date	Occupancy Ratio(%)		Completion Date
					Price (Million yen)	Ratio (%)		As of Mar. 31, 2017	As of Sept. 30, 2017	
Residence-66	Prime Maison YADAMINAMI	Yadaminami, Higashi-ku, Nagoya-shi, Aichi	1,148.53	2,430.23	715	0.3	October 1, 2012	96.6	96.1	July 18, 2007
Residence-67	Prime Maison TERIHA	Kashiiteriha, Higashi-ku, Fukuoka-shi, Fukuoka	4,130.59	7,953.60	1,110	0.5	October 1, 2012	100.0	100.0	August 31, 2005
Residence-68	Esty Maison HIGASHISHIRAKABE	Yoshino, Higashi-ku, Nagoya-shi, Aichi	1,959.76	4,232.39	1,350	0.7	October 1, 2012	100.0	100.0	February 27, 2006
Residence-69	Esty Maison SENGOKU	Sengoku, Bunkyo-ku, Tokyo	1,002.14	2,068.21	1,075	0.5	February 8, 2013	91.7	98.4	August 6, 2009
Residence-70	Esty Maison DAIZAWA	Daizawa, Setagaya-ku, Tokyo	1,901.36	2,948.98	1,870	0.9	February 8, 2013	97.6	98.9	February 18, 2010
Residence-71	Esty Maison TOGOSHI	Togoshi, Shinagawa-ku, Tokyo	679.82	2,545.90	1,370	0.7	February 8, 2013	99.0	97.8	June 25, 2009
Residence-72	Esty Maison KAWARAMACHI	Kawaramachi, Chuo-ku, Osaka-shi, Osaka	655.89	4,580.48	1,640	0.8	March 1, 2013	94.7	95.0	October 17, 2006
Residence-73	Esty Maison NISHITENMA	Nishitenma, Kita-ku, Osaka-shi, Osaka	519.65	4,514.05	1,440	0.7	March 1, 2013	94.8	97.1	November 30, 2007
Residence-74	Esty Maison SHIROKANEDAI	Kamiosaki, Shinagawa-ku, Tokyo	1,279.67	2,797.66	1,900	0.9	March 1, 2013	94.1	97.8	September 16, 2003
Residence-75	Esty Maison HIGASHISHINJUKU (Note 6)	Shinjuku, Shinjuku-ku, Tokyo	679.19	2,227.87	1,363	0.7	May 1, 2013	98.2	97.8	April 17, 2009
Residence-76	Esty Maison MOTOAZABU	Motoazabu, Minato-ku, Tokyo	755.99	1,699.44	1,170	0.6	May 1, 2013	100.0	100.0	November 9, 2009
Residence-77	Esty Maison TORITSUDAIGAKU	Tairamachi, Meguro-ku, Tokyo	766.84	1,399.75	729	0.4	May 1, 2013	95.3	100.0	February 23, 2009
Residence-78	Esty Maison MUSASHIKOYAMA II	Koyama, Shinagawa-ku, Tokyo	609.81	1,436.58	844	0.4	May 1, 2013	100.0	97.8	May 25, 2009
Residence-79	Esty Maison NAKANO	Chuo, Nakano-ku, Tokyo	687.47	2,608.04	1,540	0.7	May 1, 2013	97.9	100.0	June 24, 2009
Residence-80	Esty Maison SHINNAKANO	Honcho, Nakano-ku, Tokyo	747.64	1,508.07	847	0.4	May 1, 2013	95.9	98.0	October 22, 2009
Residence-81	Esty Maison NAKANOFUJIMICHO	Yayoicho, Nakano-ku, Tokyo	907.66	1,531.56	863	0.4	May 1, 2013	93.4	100.0	February 16, 2009
Residence-82	Esty Maison TETSUGAKUDO	Matsugaoka, Nakano-ku, Tokyo	686.93	1,858.00	954	0.5	May 1, 2013	97.6	96.9	October 21, 2009
Residence-83	Esty Maison KOENJI	Koenjiminami, Suginami-ku, Tokyo	1,100.15	1,977.24	958	0.5	May 1, 2013	95.1	100.0	March 10, 2009
Residence-84	Esty Maison OSHIAGE	Narihira, Sumida-ku, Tokyo	1,134.70	4,344.84	1,950	0.9	May 1, 2013	98.8	100.0	April 23, 2010
Residence-85	Esty Maison AKABANE	Akabane, Kita-ku, Tokyo	1,157.02	5,675.18	2,730	1.3	May 1, 2013	97.0	98.2	November 25, 2009
Residence-86	Esty Maison OJI	Oji, Kita-ku, Tokyo	518.87	2,939.76	1,380	0.7	May 1, 2013	98.9	100.0	July 6, 2010
Residence-87	Prime Maison WASEDA	Waseda Tsurumaki-cho, Shinjuku-ku, Tokyo	358.54	1,914.93	1,280	0.6	October 1, 2013	93.0	96.1	November 8, 2012
Residence-88	Prime Maison HATCHOBORI	Hatchobori, Chuo-ku, Tokyo	302.07	1,901.58	1,160	0.6	October 1, 2013	90.0	96.9	November 16, 2012
Residence-89	Prime Maison JINBOCHO	Kandajinbo-cho, Chiyoda-ku, Tokyo	389.48	2,341.30	1,640	0.8	October 1, 2013	93.6	93.6	March 1, 2013
Residence-90	Prime Maison GOTENYAMA EAST	Kitashinagawa, Shinagawa-ku, Tokyo	2,167.60	3,727.89	2,120	1.0	October 1, 2013	95.7	89.0	January 18, 2011
Residence-91	MAST LIFE AKIHABARA	Kanda Sakumagashi, Chiyoda-ku, Tokyo	151.48	939.79	480	0.2	January 21, 2014	100.0	100.0	October 3, 2006
Residence-92	Esty Maison AOI	Aoi, Higashi-ku, Nagoya-shi, Aichi	906.67	5,107.47	2,160	1.0	January 31, 2014	96.3	88.7	October 3, 2007
Residence-93	Esty Maison YAKUIN	Hirao, Chuo-ku, Fukuoka-shi, Fukuoka	1,342.00	5,590.13	2,008	1.0	March 28, 2014	96.4	97.1	February 2, 2006
Residence-94	Esty Maison KINSHICHO II	Kotobashi, Sumida-ku, Tokyo	1,679.75	11,160.19	6,720	3.2	May 1, 2014	95.8	97.6	January 17, 2008

# List of Properties Owned at End of Fiscal Period (4)

Property No	Property Name	Location	Site Area (㎡)	Total Floor Area (㎡)	Acquisition Price		Acquisition Date	Occupancy Ratio(%)		Completion Date
					Price (Million yen)	Ratio (%)		As of Mar. 31, 2017	As of Sept. 30, 2017	
Residence-95	Esty Maison OJIMA	Ojima, Koto-ku, Tokyo	3,003.87	11,940.22	7,120	3.4	May 1, 2014	98.9	98.0	September 13, 2007
Residence-96	Prime Maison FUJIMIDAI	Fujimidai, Chikusa-ku, Nagoya-shi, Aichi	4,882.14	6,173.03	1,755	0.8	May 1, 2014	91.0	91.2	April 24, 2007
Residence-97	Esty Maison TSURUMAI	Chiyoda, Naka-ku, Nagoya-shi, Aichi	3,470.05	21,577.20	3,760	1.8	May 1, 2014	100.0	100.0	November 27, 1999
Residence-98	Prime Maison MORISHITA	Morishita, Koto-ku, Tokyo	461.60	2,668.30	1,720	0.8	November 4, 2014	100.0	94.3	May 14, 2013
Residence-99	Prime Maison SHINAGAWA	Kita-Shinagawa, Shinagawa-ku, Tokyo	972.94	2,693.31	1,680	0.8	November 4, 2014	100.0	98.3	February 18, 2014
Residence-100	Prime Maison ODORI KOEN	Odori-nishi, Chuo-ku, Sapporo-shi, Hokkaido	1,007.42	11,090.88	2,660	1.3	November 4, 2014	92.3	96.0	December 15, 2008
Residence-101	Prime Maison MINAMI 2-JO	Minami 2-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	1,085.66	8,477.68	1,470	0.7	November 4, 2014	99.1	96.5	November 30, 2009
Residence-102	Prime Maison KAMOKAMOGAWA	Minami 7-jo Nishi, Chuo-ku, Sapporo-shi, Hokkaido	754.61	6,160.49	970	0.5	November 4, 2014	98.0	92.5	October 30, 2009
Residence-103	Prime Maison CENTRAL PARK (Note 7)	Kashii Teriha, Higashi-ku, Fukuoka-shi, Fukuoka	5,000.02	10,249.72	2,230	1.1	November 4, 2014	100.0	98.6	February 3, 2011
Residence-104	MAST LIFE YAHIRO	Yahiro, Sumida-ku, Tokyo	1,296.64	4,012.49	1,670	0.8	November 4, 2014	100.0	100.0	January 14, 2011
Residence-105	Prime Maison EBISU	Ebisu, Shibuya-ku, Tokyo	587.16	3,798.12	3,585	1.7	January 15, 2015	100.0	94.8	June 5, 2014
Residence-106	Esty Maison SHIBAURA	Shibaaura, Minato-ku, Tokyo	1,217.25	4,855.53	2,730	1.3	March 31, 2015	95.8	98.6	August 26, 1996
Residence-107	Granmast KANAZAWA NISHIIIZUMI	Nishiizumi, Kanazawa-shi, Ishikawa	1,633.40	5,181.40	1,005	0.5	April 2, 2015	100.0	100.0	September 14, 2007
Residence-108	Granmast UNOMORI	Unomori, Yokkaichi-shi, Mie	790.45	2,444.91	745	0.4	April 2, 2015	100.0	100.0	April 13, 2009
Residence-109	Esty Maison TSUTSUJIGAOKA	Nishitsutsujigaoka, Chofu-shi, Tokyo	1,503.25	2,456.48	871	0.4	May 14, 2015	92.2	89.7	March 9, 2002
Residence-110	Esty Maison KOHOKU TSUNASHIMA	Shin-yoshida Higashi, Kohoku-ku, Yokohama-shi, Kanagawa	5,632.35	7,408.15	2,680	1.3	July 10, 2015	100.0	100.0	(Note 8)
Residence-111	MAST LIFE HINO	Shinmachi, Hino-shi, Tokyo	600.20	3,341.96	1,290	0.6	October 1, 2015	98.1	100.0	January 13, 2010
Residence-112	Prime Maison YOKOHAMA NIHON-ODORI	Honcho, Naka-ku, Yokohama-shi, Kanagawa, and another	887.06	8,196.14	4,270	2.1	January 29, 2016	98.1	92.8	June 27, 2014
Residence-113	KOBE Women's Student Housing	Koyochi Naka, Higashinada-ku, Kobe-shi, Hyogo	4,494.55	23,773.26	5,700	2.8	March 1, 2016	100.0	100.0	February 28, 2002
Residence-114	Prime Maison SHIBUYA	Shibuya, Shibuya-ku, Tokyo	431.80	2,238.04	2,190	1.1	April 1, 2016	96.6	100.0	July 4, 2014
Residence-115	Prime Maison HATSUDAI	Hatsudai, Shibuya-ku, Tokyo	644.33	3,761.80	2,700	1.3	April 1, 2016	94.7	96.6	December 11, 2014
Residence-116	Esty Maison UEMACHIDAI	Uehonmachi-nishi, Chuo-ku, Osaka-shi, Osaka	407.96	2,609.61	950	0.5	April 1, 2016	97.5	100.0	August 17, 2005
Residence-117	Esty Maison KOBE-SANNOMIYA	Onoe-dori, Chuo-ku, Kobe-shi, Hyogo	446.71	2,304.05	970	0.5	April 1, 2016	98.3	94.8	March 22, 2007
Residence-118	Prime Maison SHIROKANE-TAKANAWA	Mita, Minato-ku, Tokyo	832.92	5,503.55	4,500	2.2	November 1, 2016	98.1	96.9	June 15, 2015
Residence-119	Prime Maison ICHIGAYAYAMABUSHICHO	Ichigaya yamabushicho, Shinjuku-ku, Tokyo	1,113.91	5,771.76	4,000	1.9	November 1, 2016	93.9	99.4	October 13, 2015
Residence-120	Esty Maison MORISHITA	Kikukawa, Sumida-ku, Tokyo	263.84	922.68	628	0.3	March 17, 2017	95.1	100.0	February 9, 2017
<b>Residence Subtotal</b>			<b>125,627.31</b>	<b>456,158.33</b>	<b>203,122</b>	<b>98.2</b>		<b>97.7</b>	<b>97.0</b>	

# List of Properties Owned at End of Fiscal Period (5)

Property No	Property Name	Location	Site Area (㎡)	Total Floor Area (㎡)	Acquisition Price		Acquisition Date	Occupancy Ratio(%)		Completion Date
					Price (Million yen)	Ratio (%)		As of Mar. 31, 2017	As of Sept. 30, 2017	
Retail-1	HAMAMATSU Plaza (Note 9)	Kaminishi-cho, Higashi-ku, Hamamatsu-shi, Shizuoka, and others	73,937.28	11,229.79	3,820	1.8	July 28, 2005	100.0	100.0	(Note 9)
<b>Other real estate in trust (retail property) Subtotal</b>			<b>73,937.28</b>	<b>11,229.79</b>	<b>3,820</b>	<b>1.8</b>		<b>100.0</b>	<b>100.0</b>	
<b>Portfolio Total</b>			<b>199,564.59</b>	<b>467,388.12</b>	<b>206,943</b>	<b>100.0</b>		<b>97.8</b>	<b>97.1</b>	

Note 1: Based on information as of September 30, 2017. The occupancy ratios in the residence subtotal, other real estate in trust (retail property) subtotal and portfolio total are occupancy ratios for properties owned at the end of each FP, and are rounded to the first decimal place.

Note 2: Concerning the "Acquisition Price", amounts of less than one million yen are rounded down, and ratios indicate the portion of the total acquisition price described in the "Portfolio Total" for properties owned and are rounded to the first decimal place.

Note 3: The listed "Site Area", "Total Floor Area" figures and "Completion Date" are based on indications given in the register.

Note 4: The ratio of site rights (co-ownership rights) for Esty Maison GOTANDA, Esty Maison MUSASHIKOYAMA, Esty Maison SENDAGI and Esty Maison YOTSUYASAKAMACHI are 387,036 / 426,933, 117,678 / 127,609, 89,730 / 103,842 and 245,317 / 329,739, respectively. However, the "Site Area" indicates the total land area of the real estate in trust and the "Total Floor Area" indicates the floor area of the entire building. The exclusive portions of the total floor area that the Investment Corporation has acquired are 3,637.18㎡, 1,148.58㎡, 867.27㎡ and 2,253.07㎡, respectively.

Note 5: MAST HAKATA is a leasehold property with a general fixed-term land leasehold of 50 years lease period which began on December 1, 2002, with the Urban Renaissance Agency as the land owner. As such, its "Site Area" is that which is indicated in the land leasehold agreement.

Note 6: The Investment Corporation acquired trust beneficiary interest in real estate for Esty Maison HIGASHISHINJUKU at the acquisition price of 1,370 million yen on May 1, 2013 and started operations, but a part of the land (measured area: 6.62㎡) was disposed on July 29, 2016. The "Site Area" and "Acquisition Price" do not include the disposed portion.

Note 7: Part of the land of Prime Maison CENTRAL PARK (Lot: 23-32) is leased land and the building (store) on the leased land is owned by the leaseholder, and thus the floor area of the building (store) is not included in the "Total Floor Area" above and "Completion Date" of the building (store) is not indicated.

Note 8: Esty Maison KOHOKU TSUNASHIMA is comprised of three buildings, the "East", the "West" and the "Annex". The "Completion Date" are March 11, 2002, October 23, 2002 and September 19, 2002, respectively.

Note 9: As of the date of this document, HAMAMATSU Plaza is a commercial complex centered on Costco Hamamatsu Warehouse, which opened on September 1, 2017, and is comprised of the Costco Hamamatsu Warehouse Building, Xebio Building, Akachan Honpo Building, Hamapla & Frespo Building, a management building and a gas station for Costco members in the Hamamatsu Plaza East area, and Hamamatsu West Building (being demolished as of the date of this document) as well as the Hamamatsu Plaza Sports Building (Zexis) in the Hamamatsu Plaza West area.

The Investment Corporation acquired trust beneficiary interests in real estate of HAMAMATSU Plaza other than certain buildings, etc. on July 28, 2005, and started operations, but disposed the entire Hamamatsu Plaza West area and a part of Hamamatsu Plaza East area to Sekisui House on March 30, 2012, and September 30, 2013, and thus holds only 49% quasi-co-ownership of trust beneficiary interests in real estate in Hamamatsu Plaza East, excluding the site and building of Costco Hamamatsu Warehouse Building, the building of Hamapla & Frespo Building and the facilities of the gas station for Costco members (collectively referred to as "Hamamatsu Plaza East Xebio Building and Other Portions" hereafter) as of the date of this document. Furthermore, for the "Site Area" and "Total Floor Area" above, those for the entire Hamamatsu Plaza East Xebio Building and Other Portions are indicated. In addition, the building of the Hamapla & Frespo Building and facilities of the gas station for Costco members are owned by the tenants and those sites are for rent, so the site area is not included in the "Total Floor Area".

Furthermore, the "Acquisition Price" is the amount that corresponds to the Investment Corporation's 49% quasi-co-ownership, and thus do not include the disposed portion.

With regard to the "Completion Date", the management building was completed on November 7, 2000, and the Akachan Honpo and Xebio Buildings were completed on November 9, 2000, but no "Completion Date" is shown for the building of the Hamapla & Frespo Building and facilities of the gas station for Costco members because, as mentioned above, the buildings and facilities are owned by the tenants.

# List of Fiscal Period-End Estimated Values (1)

Property No.	Property Name	Estimated value at the end of period (Million yen)		Direct capitalization rate (%)		Discount rate (%)		Terminal capitalization rate (%)		Acquisition price (Million yen)	Balance sheet amount (Million yen)	Unrealized gain / loss (Million yen)
		As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period			
Residence- 1	Esty Maison GINZA	6,390	150	4.1	-0.1	4.3	-0.1	4.3	-0.1	5,290	4,687	1,702
Residence- 3	Esty Maison AZABUNAGASAKA	1,760	30	4.2	-0.1	4.3	-0.1	4.4	-0.1	1,730	1,605	154
Residence- 4	Esty Maison EBISU II	2,000	30	4.2	-0.1	4.3	-0.1	4.4	-0.1	1,960	1,885	114
Residence- 5	Esty Maison EBISU	855	20	4.1	-0.1	4.2	-0.1	4.3	-0.1	700	634	220
Residence- 6	Esty Maison KANDA	1,570	30	4.2	-0.1	4.3	-0.1	4.4	-0.1	1,360	1,260	309
Residence- 8	Esty Maison KITASHINJUKU	1,550	30	4.4	-0.1	4.4	-0.1	4.6	-0.1	1,290	1,206	343
Residence-10	Esty Maison ASAKUSA KOMAGATA	2,140	40	4.4	-0.1	4.4	-0.1	4.6	-0.1	1,870	1,686	453
Residence-11	Esty Maison MACHIDA	1,550	20	4.8	-0.1	4.7	-0.1	5.0	-0.1	1,360	1,133	416
Residence-12	Esty Maison KAWASAKI	2,360	-	4.5	-0.1	4.5	-0.1	4.7	-0.1	2,130	1,800	559
Residence-14	Esty Maison SHINKAWASAKI	1,230	30	5.1	-0.1	3.9	-0.1	5.3	-0.1	1,018	919	310
Residence-15	Esty Maison YOKOHAMA	2,130	40	4.5	-0.1	4.3	-0.1	4.7	-0.1	2,090	1,866	263
Residence-16	Esty Maison KAMEIDO	1,580	30	4.5	-0.1	4.3	-0.1	4.7	-0.1	1,650	1,393	186
Residence-17	Esty Maison MEGURO	1,060	20	4.2	-0.1	4.0	-0.1	4.4	-0.1	887	783	276
Residence-19	Esty Maison SUGAMO	1,590	40	4.3	-0.1	4.1	-0.1	4.5	-0.1	1,510	1,498	91
Residence-20	Esty Maison KYOBASHI	2,970	60	4.7	-0.1	4.6	-0.1	4.8	-0.1	2,774	2,246	723
Residence-21	Esty Maison MEGUROHONCHO	1,130	10	4.2	-0.1	4.0	-0.1	4.4	-0.1	1,220	1,106	23
Residence-22	Esty Maison HAKURAKU	932	15	4.6	-0.1	4.4	-0.1	4.8	-0.1	844	701	230
Residence-23	Esty Maison MINAMIHORIE	1,040	30	4.6	-0.1	4.4	-0.1	4.8	-0.1	1,055	934	105
Residence-24	Esty Maison GOTANDA	3,090	60	4.4	-0.1	4.1	-0.1	4.6	-0.1	3,043	2,719	370
Residence-25	Esty Maison OISENDAIZAKA	2,730	70	4.2	-0.1	4.0	-0.1	4.4	-0.1	2,440	2,204	525
Residence-26	Esty Maison SHINAGAWA SEASIDE	2,010	30	4.3	-0.1	4.1	-0.1	4.5	-0.1	2,200	1,953	56
Residence-27	Esty Maison MINAMIAZABU	1,220	30	4.0	-0.1	3.8	-0.1	4.2	-0.1	1,300	1,184	35
Residence-28	Esty Maison JOTO	951	2	5.0	-0.1	4.8	-0.1	5.2	-0.1	1,075	966	-15
Residence-29	Esty Maison TSUKAMOTO	1,080	20	5.0	-0.1	4.8	-0.1	5.2	-0.1	1,250	1,103	-23
Residence-30	Esty Maison KAWASAKI II	1,860	10	4.5	-0.1	4.3	-0.1	4.7	-0.1	1,900	1,705	154
Residence-31	Esty Maison AZABUJUBAN	2,620	40	4.0	-0.1	3.8	-0.1	4.2	-0.1	2,700	2,589	30
Residence-33	Esty Maison ITABASHIHONCHO	927	20	4.4	-0.1	4.2	-0.1	4.6	-0.1	1,000	903	23
Residence-34	Esty Maison OIZUMIGAKUEN	773	9	4.5	-0.1	4.3	-0.1	4.7	-0.1	871	783	-10
Residence-35	Esty Maison TENJINHIGASHI I	364	5	5.1	-0.1	4.9	-0.1	5.3	-0.1	445	373	-9



# List of Fiscal Period-End Estimated Values (2)

Property No.	Property Name	Estimated value at the end of period (Million yen)		Direct capitalization rate (%)		Discount rate (%)		Terminal capitalization rate (%)		Acquisition price (Million yen)	Balance sheet amount (Million yen)	Unrealized gain / loss (Million yen)
		As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period			
Residence-36	Esty Maison TENJINHIGASHI II	738	10	5.1	-0.1	4.9	-0.1	5.3	-0.1	840	700	37
Residence-37	Esty Maison SHIJONISHINOTOIN	1,170	20	4.9	-0.1	4.7	-0.1	5.1	-0.1	1,420	1,263	-93
Residence-39	Esty Maison HIGASHISHINAGAWA	2,400	50	4.3	-0.1	4.1	-0.1	4.5	-0.1	2,610	2,413	-13
Residence-40	Esty Maison HACHIOJIMINAMINO	875	-	5.0	-0.1	4.9	-0.1	5.1	-0.1	1,000	871	3
Residence-41	Esty Maison NISHINAKAJIMA	1,900	-	4.9	-	4.7	-	5.1	-	2,250	1,880	19
Residence-42	Esty Maison ITABASHIKUYAKUSHOMAE	2,480	-	4.4	-	4.2	-	4.6	-	2,700	2,453	26
Residence-43	Esty Maison MUSASHIKOYAMA	1,040	20	4.3	-0.1	4.1	-0.1	4.5	-0.1	1,012	932	107
Residence-44	Esty Maison SENDAGI	697	15	4.3	-0.1	4.1	-0.1	4.5	-0.1	757	701	-4
Residence-45	Esty Maison YOTSUYASAKAMACHI	2,090	40	4.2	-0.1	4.0	-0.1	4.4	-0.1	2,300	2,161	-71
Residence-46	Esty Maison HAKATAHIGASHI	2,400	10	5.1	-	5.1	-	5.2	-	2,250	2,154	245
Residence-47	Esty Maison KAMIGOFUKU	821	2	4.9	-	4.9	-	5.0	-	900	793	27
Residence-48	Esty Maison SANGENJAYA	824	19	4.2	-0.1	4.3	-0.1	4.4	-0.1	871	826	-2
Residence-50	Prime Maison MUSASHINONOMORI	1,860	40	4.8	-0.1	4.7	-0.1	5.0	-0.1	1,560	1,472	387
Residence-51	Prime Maison HIGASHISAKURA	1,490	20	4.8	-0.1	4.7	-0.1	5.0	-0.1	1,140	1,021	468
Residence-52	Prime Maison KAYABAOKEN	787	22	5.1	-0.1	5.0	-0.1	5.3	-0.1	640	590	196
Residence-53	Esty Maison SANGENJAYA II	786	9	4.3	-0.1	4.4	-0.1	4.5	-0.1	714	659	126
Residence-54	Esty Maison ITABASHI C6	2,640	50	4.3	-0.1	4.1	-0.1	4.5	-0.1	2,260	2,076	563
Residence-55	MAST HAKATA	2,360	-120	5.1	-0.1	4.5	-0.1	5.3	-0.1	1,920	1,749	610
Residence-56	Esty Maison KINSHICHO	1,220	-60	4.3	-	4.1	-	4.5	-	1,050	1,013	206
Residence-57	Esty Maison MUSASHIKOGANEI	1,740	30	4.5	-0.1	4.6	-0.1	4.7	-0.1	1,450	1,512	227
Residence-58	Prime Maison GOKISO	1,890	-20	4.8	-0.1	4.8	-0.1	5.0	-0.1	1,640	1,507	382
Residence-59	Prime Maison YUHIGAOKA	909	-11	4.7	-0.1	4.5	-0.1	4.9	-0.1	810	744	164
Residence-60	Prime Maison KITATANABE	601	-3	5.0	-0.1	4.8	-0.1	5.2	-0.1	540	495	105
Residence-61	Prime Maison MOMOCHIYAMA	1,900	-130	5.1	-0.1	4.8 (Note 4)	-0.1	5.3	-0.1	1,810	1,891	8
Residence-62	Esty Maison AKIHABARA	1,980	-	4.3	-	4.1	-	4.5	-	1,560	1,473	506
Residence-63	Esty Maison SASAZUKA	3,350	70	4.2	-0.1	4.0	-0.1	4.4	-0.1	2,830	2,756	593
Residence-64	Prime Maison GINZA EAST	6,160	10	4.1	-	3.9	-	4.3	-	5,205	4,924	1,235
Residence-65	Prime Maison TAKAMI	1,050	20	4.6	-0.1	4.7	-0.1	4.8	-0.1	905	849	200



# List of Fiscal Period-End Estimated Values (3)

Property No.	Property Name	Estimated value at the end of period (Million yen)		Direct capitalization rate (%)		Discount rate (%)		Terminal capitalization rate (%)		Acquisition price (Million yen)	Balance sheet amount (Million yen)	Unrealized gain / loss (Million yen)
		As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period			
Residence-66	Prime Maison YADAMINAMI	821	8	5.1	-	5.0	-	5.3	-	715	666	154
Residence-67	Prime Maison TERIHA	1,360	50	5.1	-0.2	4.9	-0.2	5.3	-0.2	1,110	1,027	332
Residence-68	Esty Maison HIGASHISHIRAKABE	1,580	20	5.0	-0.1	4.9 (Note 4)	-	5.2	-0.1	1,350	1,246	333
Residence-69	Esty Maison SENGOKU	1,360	30	4.0	-0.1	3.8	-0.1	4.2	-0.1	1,075	1,072	287
Residence-70	Esty Maison DAIZAWA	2,280	60	4.0	-0.1	3.8	-0.1	4.2	-0.1	1,870	1,869	410
Residence-71	Esty Maison TOGOSHI	1,730	40	4.2	-0.1	4.3	-0.1	4.4	-0.1	1,370	1,351	378
Residence-72	Esty Maison KAWARAMACHI	1,940	50	4.7	-0.1	4.8	-0.1	4.9	-0.1	1,640	1,546	393
Residence-73	Esty Maison NISHITENMA	1,680	20	4.6	-0.1	4.7	-0.1	4.8	-0.1	1,440	1,359	320
Residence-74	Esty Maison SHIROKANEDAI	2,390	60	4.1	-0.1	3.9	-0.1	4.3	-0.1	1,900	1,942	447
Residence-75	Esty Maison HIGASHISHINJUKU (Note 5)	1,640	40	4.2	-0.1	4.3	-0.1	4.4	-0.1	1,363	1,325	314
Residence-76	Esty Maison MOTOAZABU	1,510	20	4.0	-0.1	4.1	-0.1	4.2	-0.1	1,170	1,162	347
Residence-77	Esty Maison TORITSUDAIGAKU	842	9	4.1	-0.1	4.2	-0.1	4.3	-0.1	729	726	115
Residence-78	Esty Maison MUSASHIKOYAMA II	1,040	20	4.1	-0.1	3.9	-0.1	4.3	-0.1	844	829	210
Residence-79	Esty Maison NAKANO	1,870	30	4.1	-0.1	3.9	-0.1	4.3	-0.1	1,540	1,512	357
Residence-80	Esty Maison SHINNAKANO	1,020	27	4.2	-0.1	4.0	-0.1	4.4	-0.1	847	832	187
Residence-81	Esty Maison NAKANOFUJIMICHO	967	19	4.3	-0.1	4.4	-0.1	4.5	-0.1	863	852	114
Residence-82	Esty Maison TETSUGAKUDO	1,170	30	4.2	-0.1	4.0	-0.1	4.4	-0.1	954	930	239
Residence-83	Esty Maison KOENJI	1,140	30	4.2	-0.1	4.3	-0.1	4.4	-0.1	958	949	190
Residence-84	Esty Maison OSHIAGE	2,440	40	4.4	-0.1	4.4	-0.1	4.6	-0.1	1,950	1,904	535
Residence-85	Esty Maison AKABANE	3,300	80	4.3	-0.1	4.1	-0.1	4.5	-0.1	2,730	2,637	662
Residence-86	Esty Maison OJI	1,660	30	4.3	-0.1	4.1	-0.1	4.5	-0.1	1,380	1,335	324
Residence-87	Prime Maison WASEDA	1,580	20	4.1	-0.1	3.9	-0.1	4.3	-0.1	1,280	1,232	347
Residence-88	Prime Maison HATCHOBORI	1,460	30	4.1	-0.1	3.9	-0.1	4.3	-0.1	1,160	1,112	347
Residence-89	Prime Maison JINBOCHO	1,920	-	4.2	-	4.0	-	4.4	-	1,640	1,584	335
Residence-90	Prime Maison GOTENYAMA EAST	2,820	30	4.0	-	3.8	-	4.2	-	2,120	2,087	732
Residence-91	MAST LIFE AKIHABARA	555	12	4.3	-0.1	4.1	-0.1	4.5	-0.1	480	471	83
Residence-92	Esty Maison AOI	2,490	40	4.8	-0.1	4.8	-0.1	5.0	-0.1	2,160	2,066	423
Residence-93	Esty Maison YAKUIN	2,370	40	4.7	-0.1	4.8	-0.1	4.9	-0.1	2,008	2,016	353
Residence-94	Esty Maison KINSHICHO II	8,340	240	4.2	-0.1	4.0	-0.1	4.4	-0.1	6,720	6,602	1,737

# List of Fiscal Period-End Estimated Values (4)

Property No.	Property Name	Estimated value at the end of period (Million yen)		Direct capitalization rate (%)		Discount rate (%)		Terminal capitalization rate (%)		Acquisition price (Million yen)	Balance sheet amount (Million yen)	Unrealized gain / loss (Million yen)
		As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period			
Residence-95	Esty Maison OJIMA	8,730	210	4.2	-0.1	4.0	-0.1	4.4	-0.1	7,120	7,005	1,724
Residence-96	Prime Maison FUJIMIDAI	2,080	60	5.0	-0.1	4.8	-0.1	5.2	-0.1	1,755	1,756	323
Residence-97	Esty Maison TSURUMAI	4,500	80	5.0	-0.1	4.8	-0.1	5.2	-0.1	3,760	3,781	718
Residence-98	Prime Maison MORISHITA	1,920	20	4.4	-0.1	4.4	-0.1	4.6	-0.1	1,720	1,727	192
Residence-99	Prime Maison SHINAGAWA	1,980	40	4.2	-0.1	4.0	-0.1	4.4	-0.1	1,680	1,691	288
Residence-100	Prime Maison ODORI KOEN	3,160	70	4.9	-0.1	4.7	-0.1	5.1	-0.1	2,660	2,675	484
Residence-101	Prime Maison MINAMI 2-JO	1,940	30	5.0	-0.1	4.8	-0.1	5.2	-0.1	1,470	1,479	460
Residence-102	Prime Maison KAMOKAMOGAWA	1,250	30	5.0	-0.1	4.8	-0.1	5.2	-0.1	970	979	270
Residence-103	Prime Maison CENTRAL PARK (Note 6)	2,309	11	5.2	-	5.0	-	5.3	-	2,230	2,266	42
Residence-104	MAST LIFE YAHIRO	1,910	30	4.5	-0.1	4.3	-0.1	4.7	-0.1	1,670	1,686	223
Residence-105	Prime Maison EBISU	4,360	110	4.0	-0.1	3.8	-0.1	4.2	-0.1	3,585	3,622	737
Residence-106	Esty Maison SHIBAURA	2,910	-	4.3	-	4.1	-	4.5	-	2,730	2,870	39
Residence-107	Granmast KANAZAWA NISHIIZUMI	1,090	-10	5.3	-	5.1	-	5.5	-	1,005	1,031	58
Residence-108	Granmast UNOMORI	830	13	5.2	-0.1	5.0	-0.1	5.4	-0.1	745	757	72
Residence-109	Esty Maison TSUTSUJIGAOKA	913	-	4.5	-0.1	4.6	-0.1	4.7	-0.1	871	955	-42
Residence-110	Esty Maison KOHOKU TSUNASHIMA	2,751	1	4.7	-	4.5	-	4.9	-	2,680	2,833	-82
Residence-111	MAST LIFE HINO	1,390	20	4.8	-0.1	4.6	-0.1	4.9	-0.1	1,290	1,323	66
Residence-112	Prime Maison YOKOHAMA NIHON-ODORI	4,790	100	4.4	-0.1	4.2	-0.1	4.6	-0.1	4,270	4,391	398
Residence-113	KOBE Women's Student Housing	5,880	100	5.2	-0.1	5.0	-0.1	5.4	-0.1	5,700	6,006	-126
Residence-114	Prime Maison SHIBUYA	2,360	50	4.1	-0.1	3.9	-0.1	4.3	-0.1	2,190	2,232	127
Residence-115	Prime Maison HATSUDAI	2,940	80	4.2	-0.1	4.0	-0.1	4.4	-0.1	2,700	2,764	175
Residence-116	Esty Maison UEMACHIDAI	1,020	-	4.6	-	4.3	-	4.8	-	950	977	42
Residence-117	Esty Maison KOBE-SANNOMIYA	976	-	4.7	-	4.5	-	4.9	-	970	998	-22
Residence-118	Prime Maison SHIROKANE-TAKANAWA	4,800	110	4.1	-0.1	3.9	-0.1	4.3	-0.1	4,500	4,596	203
Residence-119	Prime Maison ICHIGAYAYAMABUSHICHO	4,220	20	4.1	-0.1	3.9	-0.1	4.3	-0.1	4,000	4,089	130
Residence-120	Esty Maison MORISHITA	643	-	4.4	-	4.2	-	4.6	-	628	656	-13
<b>Residence Subtotal / Average</b>		<b>226,547</b>	<b>3,334</b> (Note 7)	<b>4.5</b>		<b>4.4</b>		<b>4.7</b>		<b>203,122</b>	<b>195,150</b>	<b>31,396</b>

# List of Fiscal Period-End Estimated Values (5)

Property No.	Property Name	Estimated value at the end of period (Million yen)		Direct capitalization rate (%)		Discount rate (%)		Terminal capitalization rate (%)		Acquisition price (Million yen)	Balance sheet amount (Million yen)	Unrealized gain / loss (Million yen)
		As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period	As of Sept. 30, 2017	Period on period			
Retail-1	HAMAMATSU Plaza (Note 8)	2,891	88	5.9	-0.3	5.6 (Note 9)	-0.3	6.0	-0.3	3,820	3,705	-814
<b>Other real estate in trust (retail property) subtotal / average</b>		<b>2,891</b>	<b>88</b> (Note 7)	<b>5.9</b>		<b>5.6</b>		<b>6.0</b>		<b>3,820</b>	<b>3,705</b>	<b>-814</b>
<b>Portfolio total / average</b>		<b>229,438</b>	<b>3,422</b> (Note 7)	<b>4.5</b>		<b>4.4</b>		<b>4.7</b>		<b>206,943</b>	<b>198,856</b>	<b>30,581</b>

Note 1: Amounts of less than one million yen are rounded down.

Note 2: The "Estimated value at the end of period", "Direct capitalization rate", "Discount rate" and "Terminal capitalization rate" are the amount based on real estate appraisal or on real estate price survey by real estate appraisers while the "Balance sheet amount" is the amount recorded on the balance sheet as of September 30, 2017.

Note 3: The "Direct capitalization rate", "Discount rate" and "Terminal capitalization rate" in the residence subtotal / average, other real estate in trust (retail property) subtotal / average and portfolio total / average are the simple averages of the figures for the owned properties at the end of the fiscal period ended September 30, 2017 (the 24th fiscal period), and are rounded to the first decimal place. Also, when a part of an owned asset is a leased land, such part is excluded from the basis of the calculation of the simple average.

Note 4: A master lease agreement with rent guarantees has been concluded with Sekiwa Real Estate Kyushu, Ltd. with regard to Prime Maison MOMOCHIYAMA. In calculating the period-end estimated value as of September 30, 2017, the property's discount rate until the expiry of the agreement is 4.8% (Period on period: -0.1%) and the discount rate after expiry of the agreement is 5.0% (Period on period: -0.1%). Also, a master lease agreement with rent guarantees has been concluded with Sekiwa Real Estate Chubu, Ltd. with regard to Esty Maison HIGASHISHIRAKABE. In calculating the period-end estimated value as of September 30, 2017, the property's discount rate until the expiry of the agreement is 4.9% (Period on period: 0.0%) and the discount rate after expiry of the agreement is 5.0% (Period on period: -0.1%). For the sake of convenience, the above chart shows the discount rates until the expiry of the agreements.

Note 5: The Investment Corporation acquired trust beneficiary interest in real estate for Esty Maison HIGASHISHINJUKU at the acquisition price of 1,370 million yen on May 1, 2013 and started operations, but a part of the land (measured area: 6.62㎡) was disposed on July 29, 2016. The "Estimated value at the end of period", "Acquisition price" and "Balance sheet amount" as of September 30, 2017 do not include the disposed portion.

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 by the DCF method, and thus no "Direct capitalization rate" or "Terminal capitalization rate" for the leased land are established. Therefore, the "Direct capitalization rate" and "Terminal capitalization rate" in the above table only indicate those for the residential portion. The "Discount rate" of the leased land portion are calculated to be 4.7% (Period on period: 0.0%), at the fiscal period ended September 30, 2017 by the DCF method.

Note 7: The residence subtotal / average, other real estate in trust (retail property) subtotal / average and portfolio total / average of the "Period on period" column indicate the aggregate amount of changes of properties owned as of the end of the 23rd FP (ended March 31, 2017).

Note 8: HAMAMATSU Plaza is a commercial complex centered on Costco Hamamatsu Warehouse, which opened on September 1, 2017, and, as of the date of this document, is comprised of the Costco Hamamatsu Warehouse Building, Xebio Building, Akachan Honpo Building, Hamapla & Frespo Building, a management building and a gas station for Costco members in the Hamamatsu Plaza East area, and Hamamatsu West Building (being demolished as of the date of this document) as well as the Hamamatsu Plaza Sports Building (Zexis) in the Hamamatsu Plaza West area. The Investment Corporation acquired trust beneficiary interests in real estate of HAMAMATSU Plaza other than certain buildings, etc. on July 28, 2005, and started operations, but disposed entire Hamamatsu Plaza West area and a part of Hamamatsu Plaza East area to Sekisui House, Ltd. on March 30, 2012, and September 30, 2013, and thus holds only 49% quasi-co-ownership of trust beneficiary interests in real estate of Hamamatsu Plaza East Xebio Building and Other Portions as of the date of this document. Therefore, the "Estimated value at end of period", "Acquisition Price" and "Balance Sheet Amount" above are the amounts that correspond to the Investment Corporation's 49% quasi-co-ownership, and thus do not include the disposed portion.

Note 9: As mention in Note 8 above, the Hamapla & Frespo Building and the gas station for Costco Members located in the Hamamatsu Plaza East area are leased land; therefore, the DCF method was used to calculate the income approach value for the leased land portion, and the "Direct capitalization rate" and "Terminal capitalization rate" are not indicated. In addition, the "Discount rate" in the table above is indicated for the property excluding the Hamapla & Frespo Building and the gas station for Costco Members. The discount rates as of September 30, 2017 for leased land for the Hamapla & Frespo Building and the gas station for Costco Members, calculated using the DCF method, are both 4.8% (period-on-period: -0.1%).

# Overview of Interest-Bearing Debt (1)

## Loans

As of the date of this document

	Contract	Borrowing period	Drawdown Date	Balance (Note 1)	Interest Rate (Note 2)	Fixed / Floating	Repayment Date
Current portion of long-term loans payable	The individual loan contract dated February 25, 2013	5 years	February 28, 2013	¥2,100 million	0.75600%	Fixed (Note 3)	February 28, 2018
	The individual loan contract dated August 27, 2013	5 years	August 30, 2013	¥2,500 million	0.45727%	Floating	August 31, 2018
	Subtotal			¥4,600 million			
Long-term loans payable	The individual loan contract dated July 30, 2012	6 years and 7 months	August 2, 2012	¥3,882 million	1.15475%	Fixed (Note 3)	February 28, 2019
	The individual loan contract dated February 5, 2013	6 years and 1 month	February 8, 2013	¥4,500 million	0.89900%	Fixed (Note 3)	February 28, 2019
	The individual loan contract dated February 25, 2013	7 years	February 28, 2013	¥5,242 million	1.02225%	Fixed (Note 3)	February 28, 2020
	The individual loan contract dated August 27, 2013	7 years	August 30, 2013	¥5,500 million	1.17200%	Fixed (Note 3)	August 31, 2020
	The individual loan contract dated January 28, 2014	8 years and 1 month	January 31, 2014	¥1,800 million	1.17350%	Fixed (Note 3)	February 28, 2022
	The individual loan contract dated February 25, 2014	8 years	February 28, 2014	¥4,680 million	1.11000%	Fixed (Note 3)	February 28, 2022
		7 years	February 28, 2014	¥3,900 million	0.95225%	Fixed (Note 3)	February 26, 2021
		6 years	February 28, 2014	¥1,550 million	0.79614%	Fixed (Note 3)	February 28, 2020
	The individual loan contract dated March 25, 2014	7 years	March 28, 2014	¥2,100 million	0.97300%	Fixed (Note 3)	February 26, 2021
	The individual loan contract dated August 26, 2014	8 years	August 29, 2014	¥5,400 million	0.96475%	Fixed (Note 3)	August 31, 2022
		7 years	August 29, 2014	¥4,400 million	0.83600%	Fixed (Note 3)	August 31, 2021
	The individual loan contract dated February 24, 2015	8 years	February 27, 2015	¥7,100 million	0.86650%	Fixed (Note 3)	February 28, 2023
		8 years	February 27, 2015	¥1,000 million	0.85250%	Fixed	February 28, 2023
		7 years	February 27, 2015	¥3,350 million	0.73975%	Fixed (Note 3)	February 28, 2022
		6 years	February 27, 2015	¥3,900 million	0.62800%	Fixed (Note 3)	February 26, 2021
	The individual loan contract dated January 26, 2016	7 years and 7 months	January 29, 2016	¥2,200 million	0.67400%	Fixed	August 31, 2023
		7 years and 7 months	January 29, 2016	¥1,900 million	0.68030%	Fixed (Note 3)	August 31, 2023
	The individual loan contract dated March 29, 2016	7 years and 11 months	April 1, 2016	¥4,750 million	0.46864%	Floating	February 29, 2024
		7 years and 11 months	April 1, 2016	¥1,750 million	0.50500%	Fixed	February 29, 2024

# Overview of Interest-Bearing Debt (2)

Contract		Borrowing period	Drawdown Date	Balance (Note 1)	Interest Rate (Note 2)	Fixed / Floating	Repayment Date
Long-Term loans payable	The individual loan contract dated August 26, 2016	9 years	August 31, 2016	¥3,000 million	0.59750%	Fixed	August 29, 2025
		9 years	August 31, 2016	¥600 million	0.57000%	Fixed	August 29, 2025
		8 years	August 31, 2016	¥1,900 million	0.49500%	Fixed	August 30, 2024
	The individual loan contract dated February 23, 2017	9 years	February 28, 2017	¥4,000 million	0.77880%	Fixed	February 27, 2026
		9 years	February 28, 2017	¥1,500 million	0.72500%	Fixed	February 27, 2026
		8 years	February 28, 2017	¥1,800 million	0.67000%	Fixed	February 28, 2025
		8 years	February 28, 2017	¥600 million	0.61000%	Fixed	February 28, 2025
	The individual loan contract dated August 28, 2017	3 years and 6 months	February 28, 2017	¥1,600 million	0.31000%	Fixed	August 31, 2020
		8 years	August 31, 2017	¥2,528 million	0.61380%	Fixed	August 29, 2025
Subtotal				¥86,432 million			
<b>Total loans</b>				<b>¥91,032 million</b>			

## Investment Corporation Bonds

As of the date of this document

Name		Date of issuance	Balance (Note 1)	Interest Rate (Note 2)	Fixed / Floating	Redemption Date
Scheduled for redemption within one year	First Series Unsecured Investment Corporation Bonds	February 28, 2013	¥4,000 million	0.63000%	Fixed	February 28, 2018
	Subtotal		¥4,000 million			
Other than the above	Second Series Unsecured Investment Corporation Bonds	February 28, 2013	¥2,000 million	1.00000%	Fixed	February 28, 2020
	Third Series Unsecured Investment Corporation Bonds	February 28, 2014	¥2,500 million	0.37400%	Fixed	February 28, 2019
	Fourth Series Unsecured Investment Corporation Bonds	February 28, 2014	¥3,000 million	1.06900%	Fixed	February 28, 2024
	Fifth Series Unsecured Investment Corporation Bonds	August 29, 2014	¥3,000 million	0.87100%	Fixed	August 30, 2024
Subtotal			¥10,500 million			
<b>Total Investment Corporation Bonds</b>			<b>¥14,500 million</b>			
<b>Total interest-bearing debt</b>			<b>¥105,532 million</b>			

Note 1: Amounts are rounded down to the nearest million yen.

Note 2: Interest rates as of the date of this document are indicated.

Note 3: 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.

Note 4: Above borrowings are unsecured and unguaranteed.

# Overview of Unitholders as of September 30, 2017

## Major Unitholders

Name / Company Name	Number of Investment Units Owned (units)	Ratio of Investment Units Owned to Total Investment Units Issued (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	289,331	26.17
The Master Trust Bank of Japan, Ltd. (Trust Account)	123,568	11.17
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	42,104	3.80
Sekisui House, Ltd.	39,000	3.52
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	27,624	2.49
Mitsubishi UFJ Trust and Banking Corporation	20,103	1.81
THE HACHIJUNI BANK, LTD.	19,964	1.80
DEUTSCHE BANK AG LOMDON-GPF CLIENTS OMNI-FULL TAX 613	19,785	1.78
State Street Bank-West Pension Fund Clients-Exempt 505233	19,035	1.72
THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED	17,130	1.54
<b>Total</b>	<b>617,644</b>	<b>55.86</b>

Note: The above ratios are rounded down to the second decimal place.

- ▶ The status of large holdings as determined by the large share holdings reports (including reports of changes) submitted by November 7, 2017 is as follows.

Name	Asset Management One Co., Ltd.	The Bank of Japan
Total units held	111,123 units	55,479 units
Total percentage of ownership	10.05%	5.02%
Submission date	June 27, 2017	July 21, 2017

Note: The above ratios are rounded to the second decimal place.

## Investment Units by Type of Owner

	As of Sept. 30, 2017		Change from the Previous Period	
	Owned (units)	Ratio (%)	Owned (units)	Ratio (points)
Individuals and others	107,685	9.74	96	0.01
Financial institutions	756,672	68.45	10,085	0.92
City banks	-	-	-	-
Regional banks	141,168	12.77	11,251	1.02
Trust banks	522,050	47.22	- 9,002	- 0.82
Life and non-life insurance companies	36,095	3.27	4,419	0.40
Other financial institutions	57,359	5.19	3,417	0.31
Other domestic firms	75,056	6.79	- 2,317	- 0.21
Foreign firms	158,124	14.30	- 10,176	- 0.92
Securities companies	7,973	0.72	2,312	0.21

Note: The above ratios are rounded to the second decimal place.

## Number of Unitholders by Type of Owner

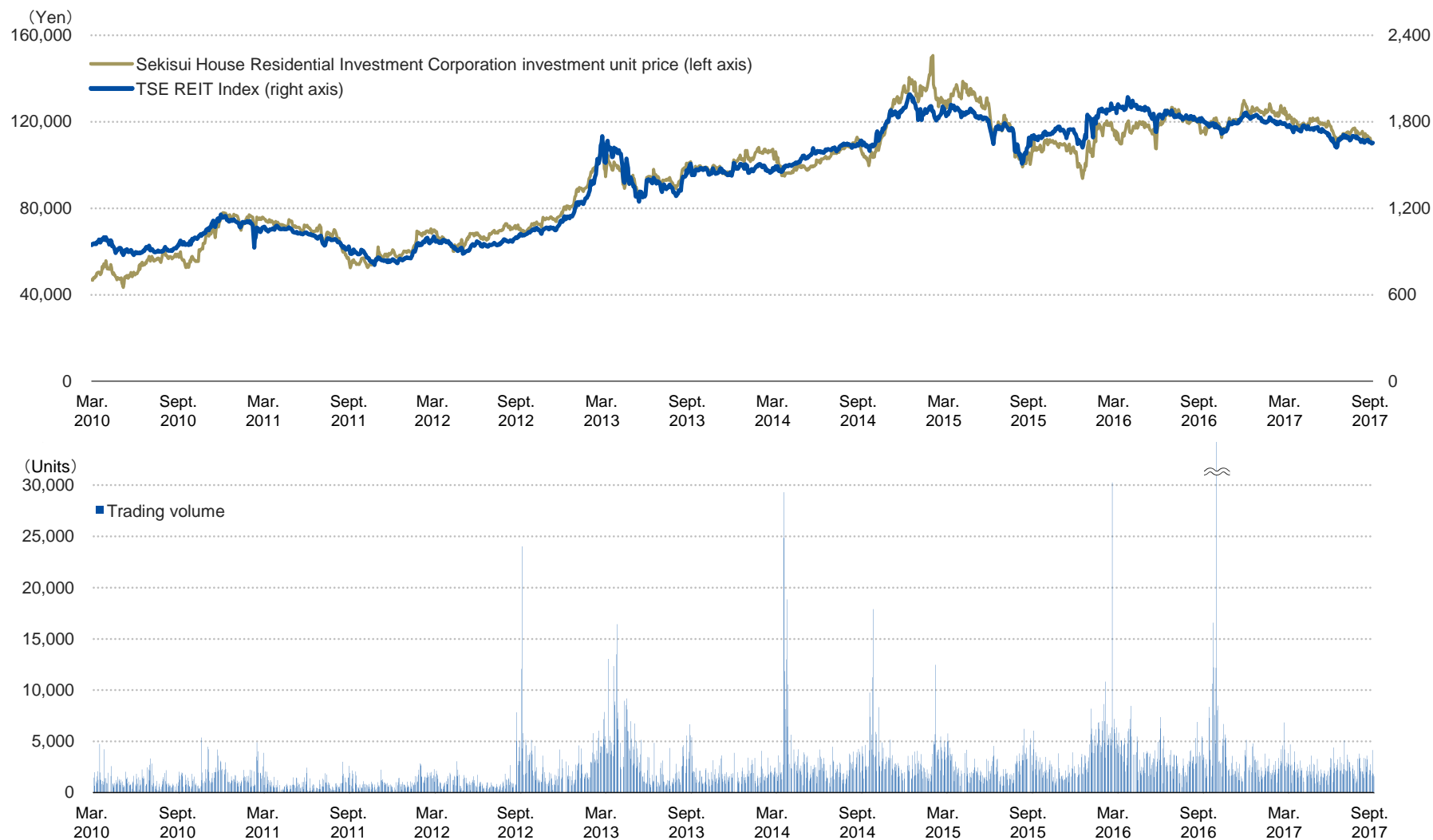
	As of Sept. 30, 2017		Change from the Previous Period	
	Unitholders	Ratio (%)	Unitholders	Ratio (points)
Individuals and others	10,087	95.17	- 91	0.07
Financial institutions	134	1.26	2	0.03
City banks	-	-	-	-
Regional banks	36	0.34	-	-
Trust banks	12	0.11	1	0.01
Life and non-life insurance companies	8	0.08	2	0.02
Other financial institutions	78	0.74	- 1	- 0.00
Other domestic firms	202	1.91	- 4	- 0.01
Foreign firms	158	1.49	- 7	- 0.05
Securities companies	18	0.17	- 3	- 0.03

Note: The above ratios are rounded to the second decimal place.



# Change in Investment Unit Price and Trading Volume

## Change in Investment Unit Price and Trading Volume since Sekisui House became Sponsor in March 2010



Note: As a five-for-one split of investment units was implemented on April 1, 2014, investment units have been traded at one-fifth (the ex-rights) unit price on and after March 27, 2014. In consideration of the impact of the split, the above graph is based on actual figures of "Investment Unit Price" for March 27, 2014 and earlier being divided by five and actual figures of "Trading Volume" being multiplied by five.

# Overview of Asset Management Company

## Overview of Asset Management Company

Corporate name	Sekisui House Asset Management, Ltd.
Head office	3-1-31 Minami-Aoyama, Minato-ku, Tokyo
Capital	200 million yen (as of the date of this document)
Shareholder	Sekisui House, Ltd.
Number of employees	37 employees (excluding part-time officers) (as of the date of this document)
Licenses and registration, etc.	Licensed for building lots and buildings transaction business License No.(3)83732 issued by the Governor of Tokyo Certified as an entrustment-based agency License No.31 issued by the Minister of Land, Infrastructure, Transportation and Tourism Registered as a financial instruments business operator Registration (Kinsho) No.337 issued by the Director of Kanto Local Finance Bureau

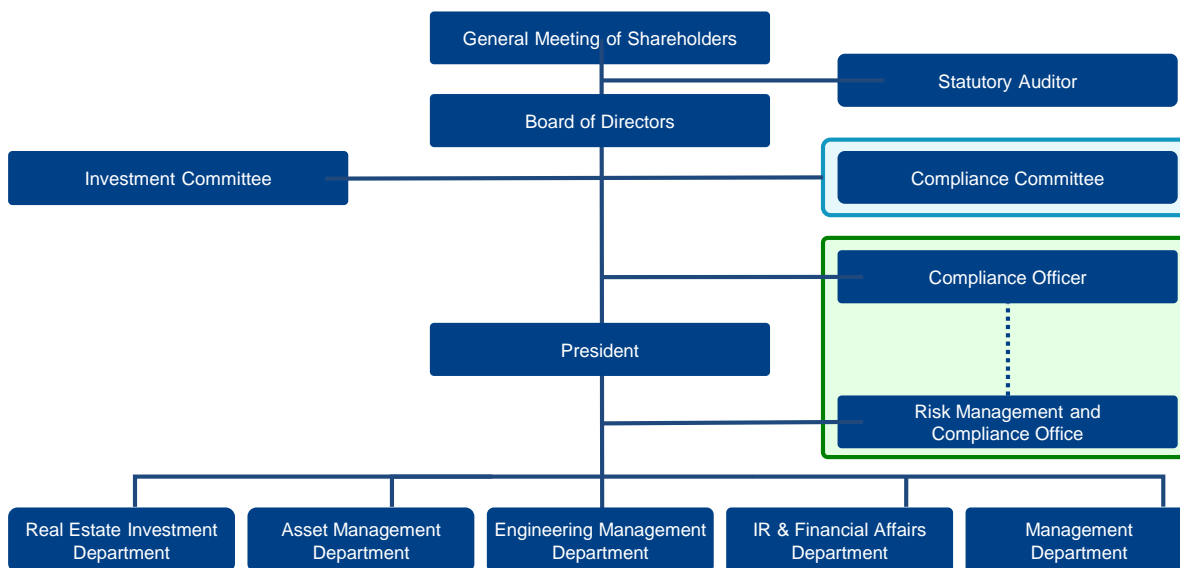
## Asset Management Fee System

Classification	Formula		Maximum fee rate	Applicable fee rate
Asset management fee (1)	Amount of total assets × Fee rate (annual rate)	Portion up to ¥200 billion	0.22% per annum	0.15% per annum
		Portion above ¥200 billion		0.10% per annum
Asset management fee (2)	NOI (real estate rental income before depreciation) × Fee rate		5.0%	4.0%
Acquisition/disposition fees	Acquisition or disposition price × Fee rate		0.8% (0.4%*)	0.8% (0.4%*)
Merger fee	Appraisal value of real estate-related assets inherited through merger × Fee rate		0.8%	(**)

\* The figure in parenthesis (0.4%) will be applied in cases of transactions with interested parties, etc.

\*\* The applicable rate for the merger fee has been left undetermined as there is no specific plan for any merger. The applicable rate will be determined in the future as needed upon discussion.

## Organization Chart



Organization to discuss and decide on basic and important compliance matters

### Compliance Committee

The Compliance Committee consists of the Compliance Officer, President, and external experts in compliance.

Organization in charge of compliance

### Compliance Officer

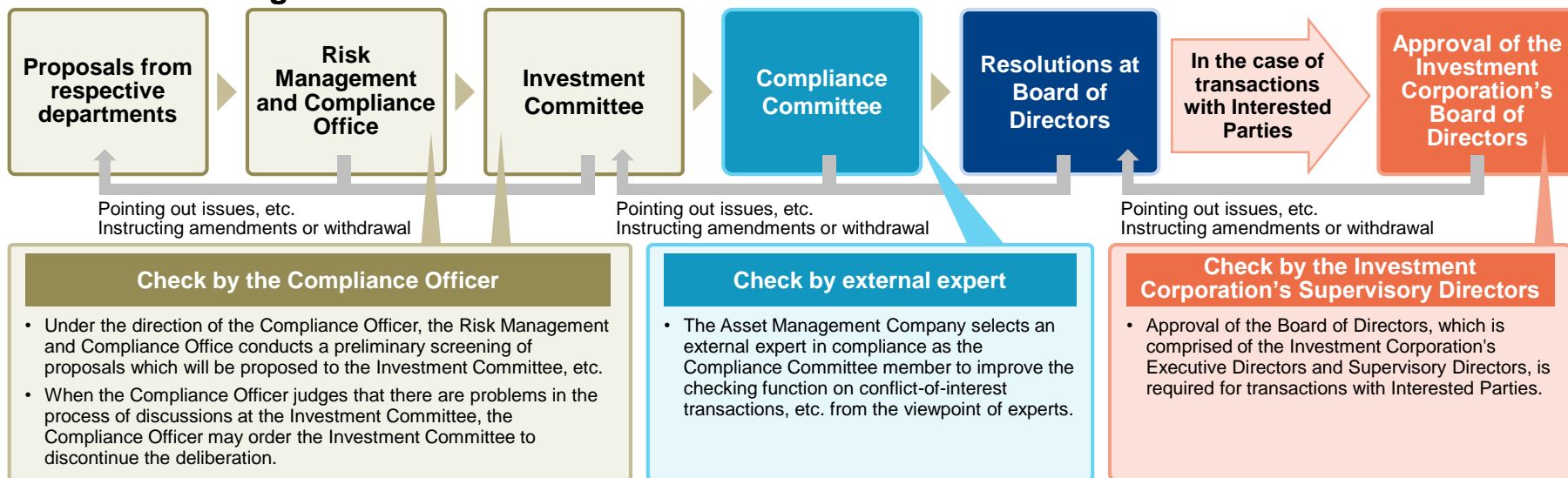
The Compliance Officer is responsible for managing the overall compliance of the Asset Management Company. The Compliance Officer shall be selected based on having sufficient examining and supervising capabilities to ensure compliance with laws and regulations by the Asset Management Company.

### Risk Management and Compliance Office

The Risk Management and Compliance Office monitors operations with regard to risk management and compliance with laws, regulations, and various rules, etc.

# Governance Structure of Asset Management Company

## Decision Making Process



## Standards for Transactions with Interested Parties

Matters that require approval of the Investment Corporation's Board of Directors	Standards for transactions
Acquisition of specified assets from Interested Parties	The acquisition price (excluding taxes, costs related to the acquisition, etc.) shall be the amount equal to or less than the real estate appraisal value, etc. by the real estate appraiser applied in the acquisition.
Disposition of specified assets to Interested Parties	The disposition price (excluding taxes, costs related to the disposition, etc.) shall be the amount equal to or more than the real estate appraisal value by the real estate appraiser applied in the disposition.
Payment of an agency fee to Interested Parties	The agency fee to be paid shall be within the scope of reward stipulated in the Building Lots and Buildings Transaction Business Act.
Entrusting management, etc. of real estate and other assets to Interested Parties	The party must meet the conditions stipulated in "Selection and Management Criteria for Property Management Companies" that was formulated separately by the Asset Management Company. (In principle, the party's adequacy for management will be verified once a year by an outside independent appraiser with no conflict of interest)
Conclusion of leasing contracts for real estate and other assets with Interested Parties	The lease shall be deemed to be appropriate after considering actual market conditions and standard terms and conditions for leasing the target real estate and other assets.
Placing orders for construction work, etc. amounting to 5 million yen or more, to Interested Parties	The level of estimated price in relation to content of service to be provided etc. shall not significantly differ from that of third parties.



# MEMO

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**SEKISUI HOUSE RESIDENTIAL INVESTMENT CORPORATION**



古紙パルプ配合率100%再生紙を使用