

July 30, 2021

Real Estate Investment Trust Securities Issuer  
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 (Securities Code: 3309)

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**Notice Concerning Acquisition and Disposition of Trust Beneficiary Interest in Domestic Real Estate**  
**(Acquisition of Prime Maison Shimokitazawa and Four Other Properties**  
**and Disposition of Esty Maison Tsukamoto and Eight Other Properties)**

Sekisui House Reit, Inc. (“SHR”) hereby announces that Sekisui House Asset Management, Ltd., to which SHR entrusts management of its assets (“SHAM”) decided today for SHR to acquire and dispose the following assets (hereinafter respectively referred to as the “Asset Acquisition” and the “Asset Disposition”; the Asset Acquisition and the Asset Disposition are hereinafter collectively referred to as the “Transaction”) as described below.

At the time of the decision on the Asset Acquisition, since the counterparty to the acquisition falls under the category of interested persons, etc. as provided in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended) (the “Investment Trusts Act”), and under the category of interested parties as provided in SHAM’s internal rules: Rules for Transactions with Interested Parties, SHAM has obtained, in accordance with the Rules for Transactions with Interested Parties, the consent of SHR based on approval at the meeting of the board of directors of SHR held today.

1. Summary of the Transaction

(1) Summary of the Asset Acquisition

Property name	Type of use	Location	Planned acquisition price (Note 1)	Planned acquisition date	Seller
Prime Maison Shimokitazawa	Residence	Setagaya-ku, Tokyo	2,580 million yen	September 1, 2021	Sekisui House, Ltd.
Prime Maison Meguro		Meguro-ku, Tokyo	2,310 million yen		
Prime Maison Ryogoku		Sumida-ku, Tokyo	1,530 million yen		
Prime Maison Nakameguro		Meguro-ku, Tokyo	10,000 million yen	February 1, 2022	
Prime Maison Itabashi		Itabashi-ku, Tokyo	4,800 million yen		
Total			21,220 million yen	—	

- a. Type of specified asset : Trust beneficiary interests in trust assets which are comprised of domestic real estate
- b. Sale and purchase contract date : July 30, 2021
- c. Brokerage : Not applicable
- d. Acquisition financing : Proceeds from the Asset Disposition and borrowing (Note 2)
- e. Settlement method : Payment of entire amount at time of delivery

(Note 1) The “Planned acquisition price” is the sale and purchase price stated in the sale and purchase agreements (excluding consumption tax and local consumption tax and commission and other various expenses; rounded down to the nearest million yen). The same shall apply hereinafter.

(Note 2) Details of “borrowing” will be announced once such details have been determined.

## (2) Summary of the Asset Disposition

Property name	Type of use	Planned disposition price (Note 1)	Book value (Note2)	Difference between planned disposition price and book value (Note 3)	Buyer (Note 4)
Esty Maison Tsukamoto	Residence	1,440 million yen	1,027 million yen	412 million yen	Undisclosed
Esty Maison Oizumigakuen		925 million yen	767 million yen	157 million yen	
Esty Maison Higashishinagawa		3,160 million yen	2,287 million yen	872 million yen	
Esty Maison Itabashikuyakushomae		3,125 million yen	2,450 million yen	674 million yen	
Esty Maison Yotsuyasakamachi		2,610 million yen	2,064 million yen	545 million yen	
Esty Maison Kamigofuku		970 million yen	773 million yen	196 million yen	
Esty Maison Kohoku Tsunashima		3,175 million yen	2,687 million yen	487 million yen	
Esty Maison Kobe-sannomiya		1,015 million yen	930 million yen	84 million yen	
Esty Maison Kokura		730 million yen	1,070 million yen	(340) million yen	
Total			17,150 million yen	14,058 million yen	

- a. Type of specified asset : Trust beneficiary interests in trust assets which are comprised of domestic real estate
- b. Sale and purchase contract date : July 30, 2021
- c. Brokerage : Applicable (Note 5)
- d. Planned disposition date : August 20, 2021
- e. Settlement method : Receipt of entire amount at time of delivery

(Note 1) “Planned disposition price” is the sale and purchase price stated in the sale and purchase agreement (excluding consumption tax and local consumption tax and commission and other various expenses; rounded down to the nearest million yen). The same shall apply hereinafter.

(Note 2) “Book value” is the estimated value as of the date of disposition. The amount is rounded down to the nearest million yen.

(Note 3) For “Difference between planned disposition price and book value”, the amount is rounded down to the nearest million yen.

(Note 4) The “Buyer” is undisclosed as the buyer’s consent was not obtained.

(Note 5) The brokerage has no capital, personal or business relationship with SHR or SHAM that needs to be specified and does not fall within the definition of a related party of SHR and SHAM.

## 2. Reason for the Transaction

SHR conducts the Transaction based on the targets and policies of asset management stipulated in its Articles of Incorporation, with the aim of enhancing the residence portfolio, further strengthening the earnings foundation, and stabilizing the level of distributions by recording gain on disposition and retaining a portion of them as internal reserve.

In addition, SHR believes that the replacement of assets through the Transaction will have the following effects:

- Improving portfolio quality through acquisition of five Prime Properties (Note1).
- Increasing ratio of green certification by investing in real estate with excellent environmental performance. (SHR's policy is to work toward obtaining green certification for all five properties to be acquired.)
- Improving portfolio quality by disposition of properties that have been built for a considerable period of time and acquisition of recently built properties. (Average building age (Note 2) reduction effect in total portfolio is -0.4 years)
- Securing stable funds for distributions by recording capital gains and retaining a portion of capital gains through the use of the robust real estate sale and purchase market.
- Strengthening earnings foundation of the portfolio by increasing appraisal NOI.

(Note 1) "Prime Properties" is defined in (1) Reason for the Asset Acquisition. The same shall apply hereinafter.

(Note 2) "Average building age" is calculated by weighted average the building age as of July 30, 2021 by the "Planned acquisition price". The same shall apply hereinafter.

	Assets to be Disposed (Note 1) (9 properties)	Assets to be Acquired (Note 2) (5 properties)
Planned disposition price	17,150 million yen	—
Planned acquisition price (Note 3)	14,472 million yen	21,220 million yen
Prime Property	4 properties	5 properties
Ratio of Tokyo 23 wards	54.0 %	100.0 %
Green Certificate	No certified properties	Work toward obtaining
Average building age	15.0 years	2.0 years
Gain on disposition (expected) (Note 4)	2,815 million yen	—
Loss on disposition (expected) (Note 4)	365 million yen	—
Reversal of RTA (expected) (Note 4)	1,205 million yen	—
Appraisal NOI before depreciation (Note 5)	695 million yen	794 million yen
Appraisal NOI yield before depreciation (Note 6)	4.1 %	3.7 %
Appraisal NOI after depreciation (Note 7)	516 million yen	647 million yen
Appraisal NOI yield after depreciation (Note 6)	3.0 %	3.1 %

(Note 1) "Assets to be Disposed" is refers to a total of nine properties described in 1. Summary of the Transaction (2) Summary of the Asset Disposition. The same shall apply hereinafter.

(Note 2) "Assets to be Acquired" is refers to a total of five properties described in 1. Summary of the Transaction (1) Summary of the Asset Acquisition. The same shall apply hereinafter.

(Note 3) "Planned acquisition price" is the total acquisition price at the time of acquisition of each asset to be transferred in "Asset to be disposed."

(Note 4) "Gain on disposition (expected)", "Loss on disposition (expected)", and "Reversal of RTA (expected)" describe approximate amounts as of July 30, 2021 and are subject to change.

(Note 5) "Appraisal NOI before depreciation" is the sum of the amount of appraisal NOI in each appraisal report as of the end of April 2021 for Assets to be Disposed, and the amount of appraisal NOI in each appraisal report as of July 1, 2021 for the Assets to be Acquired.

(Note 6) "Appraisal NOI yield before depreciation" and "Appraisal NOI yield after depreciation" are calculated by weighted average of the planned disposition price for the Assets to be Disposed for the respective NOI described in (Note 5) and (Note 7) above, and the planned acquisition price for the Assets to be Acquired for the respective NOI in (Note 5) and (Note 7) above, and rounded to the nearest second decimal place.

(Note 7) For the Assets to be Disposed, "Appraisal NOI after depreciation" is the sum of the appraisal NOI before depreciation described above (Note 5) less the sum of depreciation for the fiscal period ended October 31, 2020 (the 12th fiscal period) and April 30, 2021 (the 13th fiscal period).

For the Assets to be Acquired, "Appraisal NOI after depreciation" is the sum of the appraisal NOI before depreciation described above (Note 3) less the annualized amount of assumed depreciation for the fiscal period ending October 31, 2021 (the 14th fiscal period) or April 30, 2022 (the 15th fiscal period).

(1) Reason for the Asset Acquisition

Assets to be Acquired are all rental condominiums planned and developed by Sekisui House, Ltd. ("Sekisui House"), the sponsor of SHR, and are to be acquired as part of a growth strategy that makes the most of the real estate development and management capabilities of the Sekisui House Group (Note 1), which has a wealth of experience. SHR considers high quality residential properties and commercial properties located in strategic locations to be investment targets that are expected to generate stable earnings over the medium to long term, and this is referred to as Prime Properties, and is a priority investment target. The Assets to be Acquired are located in Tokyo 23 wards, which is in the Greater Tokyo (Note 2), an important investment area for SHR, and which are expected a wealth of rental demand.

SHR also judges that all five properties fall under the category of Prime Properties from the viewpoint of high basic performance as residences, such as comfort and safety, approaches to environmental considerations in response to social demands, and buildings suited to the townscape.

(Note 1) "Sekisui House Group" refers to a group of companies comprised of Sekisui House and its consolidated subsidiaries and its affiliates accounted for by the equity method.

(Note 2) "Greater Tokyo" refers to Tokyo, Kanagawa prefecture, Chiba prefecture, and Saitama prefecture.

The characteristics of the Assets to be Acquired taken into consideration upon deciding on the Asset Acquisition are as follows:

a. Prime Maison Shimokitazawa

i. Location characteristics

The property is located approximately eight-minute walk from "Shimo-Kitazawa" Station on the Odakyu Odawara Line and the Keio Inokashira Line, and is accessible within 10 minutes from each route to "Shinjuku" Station and "Shibuya" Station. There are supermarkets, banks, post offices, and educational facilities which are walkable. "Shimo-Kitazawa" Station is a venue for a variety of cultures, and it is convenient for living because it has a number of distinctive secondhand clothing shops, live houses, theaters, and restaurants. On the other hand, the property is situated in a quiet residential area through a commercial area, providing a calm living environment.

ii. Property characteristics

The property is a low-rise condominium consisting of three floors above ground and 62 units in total, and the types of rooms are 1R, 1K, 1R+S, 1LDK, 1LDK+S, and 2LDK. Trees and flowers are planted in the courtyard, making the property look luxurious with a calm atmosphere. In terms of equipment, automatic lock, security cameras, intercoms with monitors, bathroom ventilating and drying machines, bidet toilet, Wi-Fi, delivery boxes, parking lots, etc. are equipped. These provide excellent safety and comfort, and are expected to provide stable demand from single-person residents to families.

b. Prime Maison Meguro

i. Location characteristics

The property is located approximately eight-minute walk from "Meguro" Station on the JR Yamanote Line, and approximately 13-minute walk from "Ebisu" Station. In addition to the JR Yamanote Line, the Tokyu Meguro Line, the Tokyo Metro Namboku Line, and the Toei Mita Line are also available to access the nearest "Meguro" Station, making it highly convenient for transportation. In addition, though it is located in the center of the city, it is a location where you can experience the vast greenery that includes the Institute for Nature Study, and enjoy an elegant life. Commercial facilities directly connected to "Meguro" Station have supermarkets and various specialty shops, and around "Ebisu" Station, there are famous restaurants and shops, etc., which are also excellent in terms of convenience in daily life.

ii. Property characteristics

This property consists of five floors above ground, one basement floor, 25 units in total, and 1R, 1LDK, and 2LDK. Equipment will also meet the needs of residents, such as system kitchens with dishwasher; automatic lock, security cameras, intercoms with monitors, floor heating, bathroom heating and drying machines, bathtub with bathwater reheating functions, and delivery boxes. Stable rental demand is expected, mainly from single-person residents who are oriented toward convenience, single-person residents living with higher incomes that are oriented toward convenience and residential environments, as well as DINKS with those characteristics.

c. Prime Maison Ryogoku

i. Location characteristics

The property is located approximately five-minute walk from “Ryogoku” Station on the Toei Oedo Line and 11-minute walk from “Ryogoku” Station on the JR Sobu Line. The Toei Oedo Line has a good access to Shiodome, Roppongi, Akihabara and Shinjuku. It is also conveniently located at approximately 11 minutes from “Ryogoku” Station to “Tokyo” Station. The “Ryogoku” area where the property is located is centered around the JR Sobu Line “Ryogoku” Station, and the north side of the station is dotted with cultural and tourist facilities such as the Ryogoku Kokugikan and the Edo Tokyo Museum, as well as green spaces such as the daimyo garden “Old Yasuda Garden” that was landscaped in the Edo period.” In addition, convenient facilities such as elementary schools, junior high schools, parks, and convenience stores exist in the vicinity of this property, and people are within walking distance of the “Kinshicho” area, where large commercial facilities are clustered, so the living environment is good.

ii. Property characteristics

The property consists of seven floors above ground, 43 units in total, and the types of rooms are 1R, 1K, 1LDK, and 2LDK. In terms of equipment, the property is equipped with automatic lock, security cameras, intercoms with monitors, bathroom ventilation heating and dryers, bidet toilet, bathtub with bathwater reheating functions, delivery boxes, and other equipment. There is expected to be a wide variety of demand including single-person residents and families.

d. Prime Maison Nakameguro

i. Location characteristics

The property is a high-rise rental condominium located approximately 13-minute walk from “Nakameguro” Station on the Tokyo Metro Hibiya Line and Tokyu Toyoko Line, approximately 14-minute walk from “Meguro” Station on the JR Yamanote Line. The “Nakameguro” Station, the closest station to the property, has multiple routes available, and is accessible in about five minutes to “Shibuya” Station. It also has good access to the central part of the city and excellent transportation convenience. The Meguro River and other natural areas are in harmony with the urban landscape, and the area is also dotted with cultural facilities such as the museum of art and Meguro Fudosen. In addition to a supermarket in the tenant portion of the property, there is a shopping district in front of “Nakameguro” Station with many restaurants and other facilities, and a commercial facility directly connected to the station is located at “Meguro” Station, making living convenience as well.

ii. Property characteristics

The property consists of 14 floors above ground and 157 units in total (including one store), and rooms consist of a wide range of types including 1LDK, 2LDK, 3LDK, centering on 1R and 1K. The facility has delivery box and a garbage storage area that allows 24 hours of garbage disposal, and the entrance is equipped with security cameras and automatic lock. Each room is equipped with intercoms with monitor, bathroom dryer, bidet toilet, etc. Due in part to the fact that the first floor is occupied by supermarket, there is expected to be a wide variety of demand, regardless of whether single-person residents, DINKS, or family members, who are oriented toward the accessibility and convenience of the metropolitan area.

e. Prime Maison Itabashi

i. Location characteristics

The property is located approximately five-minute walk from “Itabashi-kuyakusyomae” Station on the Toei Mita Line, about eight-minute walk from “Shimo-itabashi” Station on the Tobu Tojo Line, and about a 10-minute walk from “Itabashi” Station on the JR Saikyo Line, making it convenient for transportation to Ikebukuro and Shinjuku. In addition, within walking distance of the station, there are a number of facilities, such as ward office, banks, post office, police station, and supermarkets. There are shopping districts, convenience stores, and numerous restaurants, making life more convenient. On the other hand, the surrounding area includes Mitsugi Park where you can ride a boat, Itabashi Art Museum, and Akatsuka Botanical Garden, and the Itabashi Science & Education Hall where you can also enjoy planetarium. In addition, the area is adjacent to a quiet residential area, maintaining a calm living environment.

ii. Property characteristics

The property consists of 18 floors above ground, 154 units in total (including one store), and the types of rooms consist of 1R, 1K, and 1LDK. With regard to facilities, automatic lock, security cameras, intercoms with monitors, bathroom ventilation heating and dryers, bidet toilet, bathtub with bathwater reheating functions, delivery boxes, mechanical parking lots, etc., are equipped. The demand is expected to be centered on single-person residents and students who emphasize convenience.

(2) Reason for the Asset Disposition

Eight of the nine Assets to be Disposed are properties that were succeeded from Sekisui House Residential Investment Corporation (“SHI”) due to the merger with SHI, which came into effect on May 1, 2018 (the “Investment Corporation Merger”).

As a result of comprehensively considering future earnings forecasts and value of the asset, the composition and profitability of the portfolio, trends in the real estate market as a whole, SHR considered that the Asset Disposition could contribute to maximizing unitholder’s value from the viewpoint of improving the quality of portfolio and securing a stable source of distributions.

The NOI yield after depreciation (Note 1) in the Assets to be Disposed is 3.5%. However, the average building age is around 15 years, and profitability is expected to decrease in the future due to an expected increase in repair expenses, including large-scale repair work.

Under such circumstances, against the backdrop of the current favorable real estate sale and purchase market, SHR received an offer for purchase from a third-party buyer, who has no interest with SHR or SHAM, at an estimated disposition price in total of nine Assets to be Disposed of more than 10% above the appraisal value (as of April 30, 2021), and had been considering the disposition.

If SHR continues to hold the Assets to be Disposed, the yield level is expected to decrease. However, in the event that SHR conducts the Asset Disposition, it is possible to retain a portion of the gain on the disposition as a reserve for reduction entry for the purpose of utilizing it to stabilize the distribution level from the following fiscal year. In addition, SHR decided the Asset Disposition because it will contribute to an increase in the DPU for the fiscal period ending October 31, 2021 (the 14th fiscal period). Although the planned disposition price of 730 million yen in Esty Maison Kokura is less than the appraisal value (as of April 30, 2021) of 1,050 million yen, after careful consideration of the integrity of the Transaction and the current management performance, SHR decided to dispose it together with the other eight properties.

SHR expects to record 2,815 million yen of gain on disposition for accounting purposes (Note 2) and 365 million yen of loss on disposition for accounting purposes (Note 2) due to the Asset Disposition and plans to retain 1,205 million yen (expected), which is a portion of the gain on disposition, as a reserve for reduction entry to the extent the conduit requirements are satisfied by utilizing the special tax provision. SHR intends to utilize such reserve for reduction entry in a flexible manner with the aim of stabilizing the level of distribution, in response to the decline in revenues caused by the impact of the COVID-19 and for temporary declines in revenues at the time of contract renewals at office tenants.

In addition, SHR expects to implement the excess profit allocation as a temporary difference adjustment reserve for the purpose of avoiding the tax burden due to the inconsistency between accounting and taxation (meaning a difference between profit for accounting purposes and for taxation purposes; the same hereinafter) after the fiscal period ending April 30, 2023 (the 17th fiscal period) when the withdrawal of the temporary difference adjustment reserve (“RTA”) is expected to expire. However, as stipulated in Article 137, Paragraph 1 of the Investments Act, it is not possible to implement the distribution in excess of profit while holding reserve for reduction entry, so the full amount of the reserve for reduction entry is to be reversed by the fiscal period ending April 30, 2023 (the 17th fiscal period).

In addition, the Assets to be Disposed inherited by SHR from SHI have different book value for accounting purpose and taxation purpose(Note 3). As a result, the gain for the tax purposes from the Asset Disposition is expected to be 2,713 million yen, which is lower than the gain for the accounting purposes, and the inconsistency between accounting and taxation of 101 million yen is expected.

(Note 1) The “NOI yield after depreciation” is calculated by dividing the NOI after depreciation based on the actual value of each property for the fiscal period ended October 31, 2020 (the 12th fiscal period) and the fiscal period ended April 30, 2021 (the 13th fiscal period) by the acquisition price, and the weighted average is calculated by the acquisition price.

(Note 2) “gain on disposition for accounting purposes” and “loss on disposition for accounting purposes” are a rough estimate deducting disposition expenses from the difference between the expected disposition price and book value for accounting purpose.

(Note 3) The assets under management succeeded from SHI as a result of the Investment Corporation Merger were accounted by the purchase method in which SHR is the acquiring corporation and SHI is the acquired corporation and the appraisal value obtained by SHR as of April 30, 2018 is the actual received amount by SHR for accounting purpose. Since, however, SHR succeeded to the book value as of the last day of SHI’s final operating period (April 30, 2018) for taxation purposes, the difference between book value for accounting purpose and taxation purpose has occurred at the time of the Asset Disposition.

### 3. Description of the Assets to be Acquired

#### (1) Prime Maison Shimokitazawa

Overview of specified asset		
Property name	Prime Maison Shimokitazawa	
Planned acquisition date	September 1, 2021	
Type of specified asset	Trust beneficiary interest (planned)	
Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned)	
Period of trust contract	From September 1, 2021 to August 31, 2031 (planned)	
Planned acquisition price	2,580 million yen	
Appraisal value (Date of value)	2,580 million yen (July 1, 2021)	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Location	5-4-18 Daizawa, Setagaya-ku, Tokyo	
Land	Lot	5-1163-1 Daizawa, Setagaya-ku, Tokyo
	Site area	1,405.89 m <sup>2</sup>
	Use district	Category 1 low-rise exclusive residential district
	Building coverage ratio	50%
	Floor area ratio	150%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	December 2019
	Structure / Floors	RC/B1, 3F
	Total floor area	2,674.88 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	

Status of leasing and management		
Leasable area	1,991.72 m <sup>2</sup> (number of leasable residential units: 62)	
Leased area	1,904.32 m <sup>2</sup> (number of leased residential units: 59)	
Occupancy rate	95.6 % (as of the end of June 2021)	
Number of tenants	1	
Monthly rent	9,266 thousand yen	
Leasehold and security deposits	8,268 thousand yen	
Property management company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease type	Pass-through type (planned)	
Contract period	From September 1, 2021 to August 31, 2031 (planned)	
Outline of building engineering report		
Building replacement cost	663 million yen	
Repair expenses	Emergency repair	–
	Short-term repair	–
	Long-term repair	153 thousand yen
Investigator	Tokyo Bldg-Tech Center Co., Ltd	
Outline of earthquake PML report		
PML value	7.51%	
Investigator	SOMPO Risk Management Inc.	
Designer, constructor, building inspector		
Building designer	Sakakura Associates architects and engineers	
Structure designer	KOZO KEIKAKU ENGINEERING Inc.	
Constructor	Mabuchi Construction Co., Ltd.	
Building inspector	The Building Center of Japan	
Matters of special note		
None		

**(2) Prime Maison Meguro**

Overview of specified asset		
Property name	Prime Maison Meguro	
Planned acquisition date	September 1, 2021	
Type of specified asset	Trust beneficiary interest (planned)	
Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned)	
Period of trust contract	From September 1, 2021 to August 31, 2031 (planned)	
Planned acquisition price	2,310 million yen	
Appraisal value (Date of value)	2,310 million yen (July 1, 2021)	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Location	2-10-39 Mita, Meguro-ku, Tokyo	
Land	Lot	2-54-31 Mita, Meguro-ku, Tokyo and other 1 lot
	Site area	745.78 m <sup>2</sup>
	Use district	Category 1 exclusive high and medium building residential area
	Building coverage ratio	60%



	Floor area ratio	200%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	August 2018
	Structure / Floors	RC/B1,5F
	Total floor area	1,728.80 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	
Status of leasing and management		
Leasable area	1,335.62 m <sup>2</sup> (number of leasable residential units: 25)	
Leased area	1,168.60 m <sup>2</sup> (number of leased residential units: 22)	
Occupancy rate	87.5 % (as of the end of June 2021)	
Number of tenants	1	
Monthly rent	7,690 thousand yen	
Leasehold and security deposits	7,690 thousand yen	
Property management company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease type	Pass-through type (planned)	
Contract period	From September 1, 2021 to August 31, 2031 (planned)	
Outline of building engineering report		
Building replacement cost	484 million yen	
Repair expenses	Emergency repair	—
	Short-term repair	—
	Long-term repair	402 thousand yen
Investigator	Tokyo Bldg-Tech Center Co., Ltd	
Outline of earthquake PML report		
PML value	6.42%	
Investigator	SOMPO Risk Management Inc.	
Designer, constructor, building inspector		
Building designer	Kenji Miyakawa Architect & Associates.	
Structure designer	Keiemu structure design Ltd.	
Constructor	NIHON KENSETSU CO.LTD.	
Building inspector	The Building Center of Japan	
Matters of special note		
None		

**(3) Prime Maison Ryogoku**

Overview of specified asset	
Property name	Prime Maison Ryogoku
Planned acquisition date	September 1, 2021
Type of specified asset	Trust beneficiary interest (planned)
Trustee	Mizuho Trust & Banking Co., Ltd. (planned)
Period of trust contract	From September 1, 2021 to September 30, 2031 (planned)

Planned acquisition price		1,530 million yen
Appraisal value (Date of value)		1,540 million yen (July 1, 2021)
Appraiser		Tanizawa Sogo Appraisal Co., Ltd.
Location		2-14-8 Kamezawa, Sumida-ku, Tokyo
Land	Lot	2-15-3 Kamezawa, Sumida-ku, Tokyo
	Site area	444.85 m <sup>2</sup>
	Use district	Semi-industrial district
	Building coverage ratio	60%
	Floor area ratio	300%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	February 2019
	Structure / Floors	S/7F
	Total floor area	1,930.05 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral		None
Status of leasing and management		
Leasable area		1,499.10 m <sup>2</sup> (number of leasable residential units: 43)
Leased area		1,390.19 m <sup>2</sup> (number of leased residential units: 39)
Occupancy rate		92.7 % (as of the end of June 2021)
Number of tenants		1
Monthly rent		6,095 thousand yen
Leasehold and security deposits		5,661 thousand yen
Property management company		Sekisui House Real Estate Tokyo, Ltd. (planned)
Master lease company		Sekisui House Real Estate Tokyo, Ltd. (planned)
Master lease type		Pass-through type (planned)
Contract period		From September 1, 2021 to August 31, 2031 (planned)
Outline of building engineering report		
Building replacement cost		471 million yen
Repair expenses	Emergency repair	—
	Short-term repair	—
	Long-term repair	132 thousand yen
Investigator		Tokyo Bldg-Tech Center Co., Ltd
Outline of earthquake PML report		
PML value		3.12%
Investigator		SOMPO Risk Management Inc.
Designer, constructor, building inspector		
Building designer		Konoike Construction Co., Ltd.
Structure designer		Konoike Construction Co., Ltd.
Constructor		Konoike Construction Co., Ltd.
Building inspector		UHEC
Matters of special note		
None		

**(4) Prime Maison Nakameguro**

Overview of specified asset		
Property name	Prime Maison Nakameguro	
Planned acquisition date	February 1, 2022	
Type of specified asset	Trust beneficiary interest (planned)	
Trustee	Sumitomo Mitsui Trust Bank, Limited (planned)	
Period of trust contract	From March 9, 2007 to September 12, 2026 (planned)	
Planned acquisition price	10,000 million yen	
Appraisal value (Date of value)	10,300 million yen (July 1, 2021)	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Location	4-8-25 Nakameguro, Meguro-ku, Tokyo	
Land	Lot	4-755 Nakameguro, Meguro-ku, Tokyo
	Site area	1,250.92 m <sup>2</sup>
	Use district	Commercial district/Neighborhood commercial district
	Building coverage ratio	80%/80%
	Floor area ratio	500%/200%
	Type of ownership	Proprietorship
Building	Use	Apartment complex/Store
	Construction completion	November 2019
	Structure / Floors	RC/14F
	Total floor area	7,827.84 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	
Status of leasing and management		
Leasable area	6,033.98 m <sup>2</sup> (number of leasable residential units: 157 (including 1 store))	
Leased area	5,868.21 m <sup>2</sup> (number of leased residential units: 151)	
Occupancy rate	97.3 % (as of the end of June 2021)	
Number of tenants	1	
Monthly rent	33,669 thousand yen	
Leasehold and security deposits	79,185 thousand yen	
Property management company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease type	Pass-through type (planned)	
Contract period	From February 1, 2022 to January 31, 2032 (planned)	
Outline of building engineering report		
Building replacement cost	2,022 million yen	
Repair expenses	Emergency repair	—
	Short-term repair	—
	Long-term repair	797 thousand yen
Investigator	Tokyo Bldg-Tech Center Co., Ltd	
Outline of earthquake PML report		
PML value	3.28%	
Investigator	SOMPO Risk Management Inc.	

Designer, constructor, building inspector	
Building designer	Haseko Corporation
Structure designer	Haseko Corporation
Constructor	Haseko Corporation
Building inspector	UHEC
Matters of special note	
None	

**(5) Prime Maison Itabashi**

Overview of specified asset		
Property name	Prime Maison Itabashi	
Planned acquisition date	February 1, 2022	
Type of specified asset	Trust beneficiary interest (planned)	
Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned)	
Period of trust contract	From February 1, 2022 to January 31, 2032 (planned)	
Planned acquisition price	4,800 million yen	
Appraisal value (Date of value)	4,810 million yen (July 1, 2021)	
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.	
Location	3-1-8 Itabashi, Itabashi-ku, Tokyo	
Land	Lot	3-894-1 Itabashi, Itabashi-ku, Tokyo and other 1 lot
	Site area	854.85 m <sup>2</sup>
	Use district	Commercial district
	Building coverage ratio	80%
	Floor area ratio	600%/400%
	Type of ownership	Proprietorship
Building	Use	Apartment complex/Store
	Construction completion	February 2019
	Structure / Floors	RC/18F
	Total floor area	6,395.13 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	
Status of leasing and management		
Leasable area	4,557.89 m <sup>2</sup> (number of leasable residential units: 154 (including 1 store))	
Leased area	4,236.99 m <sup>2</sup> (number of leased residential units: 142)	
Occupancy rate	93.0% (as of the end of June 2021)	
Number of tenants	1	
Monthly rent	18,570 thousand yen	
Leasehold and security deposits	24,883 thousand yen	
Property management company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease company	Sekisui House Real Estate Tokyo, Ltd. (planned)	
Master lease type	Pass-through type (planned)	
Contract period	From February 1, 2022 to January 31, 2032 (planned)	

Outline of building engineering report		
Building replacement cost	1,625 million yen	
Repair expenses	Emergency repair	–
	Short-term repair	–
	Long-term repair	741 thousand yen
Investigator	Tokyo Bldg-Tech Center Co., Ltd	
Outline of earthquake PML report		
PML value	2.46%	
Investigator	SOMPO Risk Management Inc.	
Designer, constructor, building inspector		
Building designer	KOUKEN SEKKEI	
Structure designer	MATSUO ENGINEERING	
Constructor	FUJIKENSETSU Co., Ltd.	
Building inspector	The Housing Loan Progress Association	
Matters of special note		
None		

#### 4. Description of the Assets to be Disposed

##### (1) Esty Maison Tsukamoto

Overview of specified asset		
Property name	Esty Maison Tsukamoto	
Planned disposition date	August 20, 2021	
Type of specified asset	Trust beneficiary interest	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Period of trust contract	From August 30, 2006 to October 31, 2025	
Planned disposition price	1,440 million yen	
Appraisal value (Date of value)	1,110 million yen (April 30, 2021)	
Appraiser	Japan Real Estate Institute	
Location (residence indication)	2-13-5 Tsukamoto, Yodogawa-ku, Osaka-shi, Osaka	
Land	Lot	2-15-3 Tsukamoto, Yodogawa-ku, Osaka-shi, Osaka
	Site area	808.54 m <sup>2</sup>
	Use district	Category 1 residential district/Semi-residential district
	Building coverage ratio	80%
	Floor area ratio	300%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	August 2006
	Structure / Floors	RC/11F
	Total floor area	2,565.66 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	

Status of leasing and management					
Leasable area	2,321.04 m <sup>2</sup> (number of leasable residential units: 96)				
Leased area	2,321.04 m <sup>2</sup> (number of leased residential units: 96)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	96.9%	100.0%	100.0%	100.0%	100.0%
Number of tenants	1				
Monthly rent	6,444 thousand yen				
Leasehold and security deposits	2,678 thousand yen				
Property management company	Sekisui House GM Partners, Ltd.				
Master lease company	Sekisui House GM Partners, Ltd.				
Master lease type	Pass-through type				
Master lease contract period	From September 1, 2020 to August 31, 2021				
Matters of special note					
None					

**(2) Esty Maison Oizumigakuen**

Overview of specified asset		
Property name	Esty Maison Oizumigakuen	
Planned disposition date	August 20, 2021	
Type of specified asset	Trust beneficiary interest	
Trustee	Mizuho Trust & Banking Co., Ltd.	
Period of trust contract	From August 21, 2007 to July 31, 2027	
Planned disposition price	925 million yen	
Appraisal value (Date of value)	858 million yen (April 30, 2021)	
Appraiser	JLL Morii Valuation & Advisory K.K.	
Location (residence indication)	2-12-15 Higashioizumi, Nerima-ku, Tokyo	
Land	Lot	2-979-16 Higashioizumi, Nerima-ku, Tokyo and 1 other lot
	Site area	618.00 m <sup>2</sup>
	Use district	Semi-commercial district/Neighborhood commercial district
	Building coverage ratio	60%/80%
	Floor area ratio	200%/300%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	February 2007
	Structure / Floors	RC/6F
	Total floor area	1,542.16 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	
Status of leasing and management		
Leasable area	1,362.36 m <sup>2</sup> (number of leasable residential units: 57)	
Leased area	1,266.22 m <sup>2</sup> (number of leased residential units: 53)	

Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	94.6%	100.0%	100.0%	96.4%	92.9%
Number of tenants	1				
Monthly rent	4,168 thousand yen				
Leasehold and security deposits	4,785 thousand yen				
Property management company	Sekisui House Real Estate Tokyo, Ltd.				
Master lease company	Sekisui House Real Estate Tokyo, Ltd.				
Master lease type	Pass-through type				
Master lease contract period	From August 21, 2020 to August 20, 2021				
Matters of special note					
The east side road is a major residential road with a width of approximately 5.8 m. With the enforcement of the Nerima-ku Municipal Development Ordinance, a set-back (3 m from the center of the road) is required when rebuilding.					

**(3) Esty Maison Higashishinagawa**

Overview of specified asset		
Property name	Esty Maison Higashishinagawa	
Planned disposition date	August 20, 2021	
Type of specified asset	Trust beneficiary interest	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Period of trust contract	From July 1, 2008 to June 30, 2028	
Planned disposition price	3,160 million yen	
Appraisal value (Date of value)	2,390 million yen (April 30, 2021)	
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.	
Location (residence indication)	1-10-1 Higashishinagawa, Shinagawa-ku, Tokyo	
Land	Lot	1-51-1 Higashishinagawa, Shinagawa-ku, Tokyo
	Site area	1,028.92 m <sup>2</sup>
	Use district	Semi-industrial district
	Building coverage ratio	60%
	Floor area ratio	300%
	Type of ownership	Proprietorship
Building	Use	Apartment complex
	Construction completion	May 2008
	Structure / Floors	RC/8F
	Total floor area	3,338.12 m <sup>2</sup>
	Type of ownership	Proprietorship
Collateral	None	
Status of leasing and management		
Leasable area	2,936.72 m <sup>2</sup> (number of leasable residential units: 94)	
Leased area	2,855.41 m <sup>2</sup> (number of leased residential units: 91)	

Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	92.7%	93.6%	97.2%	96.0%	97.2%
Number of tenants	1				
Monthly rent	11,266 thousand yen				
Leasehold and security deposits	10,615 thousand yen				
Property management company	Sekisui House Real Estate Tokyo, Ltd.				
Master lease company	Sekisui House Real Estate Tokyo, Ltd.				
Master lease type	Pass-through type				
Master lease contract period	From June 30, 2021 to June 29, 2022				
Matters of special note					
None					

**(4) Esty Maison Itabashikuyakushomae**

Overview of specified asset					
Property name	Esty Maison Itabashikuyakushomae				
Planned disposition date	August 20, 2021				
Type of specified asset	Trust beneficiary interest				
Trustee	Mizuho Trust & Banking Co., Ltd.				
Period of trust contract	From November 1, 2007 to July 31, 2027				
Planned disposition price	3,125 million yen				
Appraisal value (Date of value)	2,750 million yen (April 30, 2021)				
Appraiser	JLL Morii Valuation & Advisory K.K.				
Location (residence indication)	2-46-11 Itabashi, Itabashi-ku, Tokyo				
Land	Lot	2-46-16 Itabashi, Itabashi-ku, Tokyo			
	Site area	731.71 m <sup>2</sup>			
	Use district	Commercial district/Category 2 residential district			
	Building coverage ratio	80%/60%			
	Floor area ratio	600%/300%			
	Type of ownership	Proprietorship			
Building	Use	Apartment complex			
	Construction completion	April 2007			
	Structure / Floors	RC/14F			
	Total floor area	4,322.19 m <sup>2</sup>			
	Type of ownership	Proprietorship			
Collateral	None				
Status of leasing and management					
Leasable area	3,915.81 m <sup>2</sup> (number of leasable residential units: 124)				
Leased area	3,474.41 m <sup>2</sup> (number of leased residential units: 110)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	97.6%	98.4%	94.4%	90.3%	88.7%
Number of tenants	1				



Monthly rent	11,435 thousand yen
Leasehold and security deposits	10,957 thousand yen
Property management company	Sekisui House Real Estate Tokyo, Ltd.
Master lease company	Sekisui House Real Estate Tokyo, Ltd.
Master lease type	Pass-through type
Master lease contract period	From November 1, 2020 to October 31, 2021
Matters of special note	
None	

**(5) Esty Maison Yotsuyasakamachi**

Overview of specified asset					
Property name	Esty Maison Yotsuyasakamachi				
Planned disposition date	August 20, 2021				
Type of specified asset	Trust beneficiary interest				
Trustee	Mizuho Trust & Banking Co., Ltd.				
Period of trust contract	From April 25, 2008 to February 29, 2028				
Planned disposition price	2,610 million yen				
Appraisal value (Date of value)	2,340 million yen (April 30, 2021)				
Appraiser	JLL Morii Valuation & Advisory K.K.				
Location (residence indication)	6-20 Yotsuyasakamachi, Shinjuku-ku, Tokyo				
Land	Lot	15-1 Yotsuyasakamachi, Shinjuku-ku, Tokyo, and 1 other lot			
	Site area	905.08 m <sup>2</sup>			
	Use district	Category 1 residential district/Category 1 exclusive high and medium building residential district			
	Building coverage ratio	60%/60%			
	Floor area ratio	400%/300%			
	Type of ownership	Site rights (co-ownership)			
Building	Use	Apartment complex			
	Construction completion	March 2008			
	Structure / Floors	RC/7F			
	Total floor area	3,675.01 m <sup>2</sup>			
	Type of ownership	Compartmentalized ownership			
Collateral	None				
Status of leasing and management					
Leasable area	2,453.17 m <sup>2</sup> (number of leasable residential units: 59)				
Leased area	2,197.36 m <sup>2</sup> (number of leased residential units: 53)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	94.6%	92.9%	91.9%	93.0%	89.6%
Number of tenants	1				
Monthly rent	9,228 thousand yen				
Leasehold and security deposits	11,438 thousand yen				
Property management company	Mitsui Fudosan Residential Lease Co., Ltd.				

Master lease company	Mitsui Fudosan Residential Lease Co., Ltd.
Master lease type	Pass-through type
Master lease contract period	From April 25, 2021 to April 24, 2022
Matters of special note	
None	

(Note) Although SHR holds 245,317 of 329,739 shares in terms of site rights (co-ownership), the "Site area" is that of the entire site. The recorded "Total floor area" is that of the entire building, although SHR holds exclusive units of 2,253.07 m<sup>2</sup>.

**(6) Esty Maison Kamigofuku**

Overview of specified asset					
Property name	Esty Maison Kamigofuku				
Planned disposition date	August 20, 2021				
Type of specified asset	Trust beneficiary interest				
Trustee	Sumitomo Mitsui Trust Bank, Limited				
Period of trust contract	From April 25, 2008 to April 30, 2028				
Planned disposition price	970 million yen				
Appraisal value (Date of value)	825 million yen (April 30, 2021)				
Appraiser	Rich Appraisal Institute co., Ltd				
Location (residence indication)	13-3 Kamigofukumachi, Hakata-ku, Fukuoka-shi, Fukuoka				
Land	Lot	468 Kamigofukumachi, Hakata-ku, Fukuoka-shi, Fukuoka and other 5 lots			
	Site area	606.49 m <sup>2</sup>			
	Use district	Commercial district			
	Building coverage ratio	80%			
	Floor area ratio	400%			
	Type of ownership	Proprietorship			
Building	Use	Apartment complex			
	Construction completion	March 2008			
	Structure / Floors	RC/14F			
	Total floor area	2,523.71 m <sup>2</sup>			
	Type of ownership	Proprietorship			
Collateral	None				
Status of leasing and management					
Leasable area	2,261.91 m <sup>2</sup> (number of leasable residential units: 62)				
Leased area	2,194.35 m <sup>2</sup> (number of leased residential units: 60)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	94.0%	95.5%	97.0%	97.0%	97.0%
Number of tenants	1				
Monthly rent	4,607 thousand yen				
Leasehold and security deposits	4,680 thousand yen				
Property management company	HASEKO LIVENET, Inc.				
Master lease company	HASEKO LIVENET, Inc.				
Master lease type	Pass-through type				

Master lease contract period	From April 25, 2021 to April 24, 2022
Matters of special note	
None	

**(7) Esty Maison Kohoku Tsunashima**

Overview of specified asset					
Property name	Esty Maison Kohoku Tsunashima				
Planned disposition date	August 20, 2021				
Type of specified asset	Trust beneficiary interest				
Trustee	Mitsubishi UFJ Trust and Banking Corporation (planned)				
Period of trust contract	From July 10, 2015 to July 31, 2025				
Planned disposition price	3,175 million yen				
Appraisal value (Date of value)	3,033 million yen (April 30, 2021)				
Appraiser	Japan Real Estate Institute				
Location (residence indication)	8-45-25 Shin-yoshida Higashi, Kohoku-ku, Yokohama-shi, Kanagawa and others				
Land	Lot	8-2852-1 Shin-yoshida Higashi, Kohoku-ku, Yokohama-shi, Kanagawa and other 7 lots			
	Site area	5,632.35 m <sup>2</sup>			
	Use district	Semi-industrial district			
	Building coverage ratio	60%			
	Floor area ratio	200%			
	Type of ownership	Proprietorship			
Building	Use	Apartment complex			
	Construction completion	East: March 2002 West: October 2002 Annex: September 2002			
	Structure / Floors	RC/5F			
	Total floor area	7,408.15 m <sup>2</sup>			
	Type of ownership	Proprietorship			
Collateral	None				
Status of leasing and management					
Leasable area	6,867.48 m <sup>2</sup> (number of leasable residential units: 149)				
Leased area	6,867.48 m <sup>2</sup> (number of leased residential units: 149)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	100.0%	100.0%	100.0%	100.0%	100.0%
Number of tenants	1				
Monthly rent	12,388 thousand yen				
Leasehold and security deposits	27,305 thousand yen				
Property management company	—				
Master lease company	Cosmos Initia Co., Ltd.				
Master lease type	Fixed rent type				
Master lease contract period	East: From April 1, 2020 to March 31, 2022				
	West: From October 23, 2020 to October 22, 2022				

	Annex: From September 19, 2020 to September 18, 2022
Matters of special note	
None	

(Note) Esty Maison Kohokutsunashima is composed of a total of three buildings: East, West, and Annex. The structure and number of floors of the three buildings are all the same.

(8) Esty Maison Kobe-sannomiya

Overview of specified asset					
Property name	Esty Maison Kobe-sannomiya				
Planned disposition date	August 20, 2021				
Type of specified asset	Trust beneficiary interest				
Trustee	Sumitomo Mitsui Trust Bank, Limited				
Period of trust contract	From April 1, 2016 to April 30, 2026				
Planned disposition price	1,015 million yen				
Appraisal value (Date of value)	1,000 million yen (April 30, 2021)				
Appraiser	Chuo Real Estate Appraisal Co., Ltd.				
Location (residence indication)	3-2-27 Onoe-dori, Chuo-ku, Kobe-shi, Hyogo				
Land	Lot	3-319-1 Onoe-dori, Chuo-ku, Kobe-shi, Hyogo			
	Site area	446.71 m <sup>2</sup>			
	Use district	Commercial district			
	Building coverage ratio	80%			
	Floor area ratio	700%/600%			
	Type of ownership	Proprietorship			
Building	Use	Apartment complex			
	Construction completion	March 2007			
	Structure / Floors	RC/14F			
	Total floor area	2,304.05 m <sup>2</sup>			
	Type of ownership	Proprietorship			
Collateral	None				
Status of leasing and management					
Leasable area	2,007.00 m <sup>2</sup> (number of leasable residential units: 56)				
Leased area	1,973.09 m <sup>2</sup> (number of leased residential units: 55)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	100.0%	100.0%	100.0%	100.0%	98.3%
Number of tenants	1				
Monthly rent	4,944 thousand yen				
Leasehold and security deposits	4,340 thousand yen				
Property management company	Sekisui House Real Estate Kansai, Ltd.				
Master lease company	Sekisui House Real Estate Kansai, Ltd.				
Master lease type	Pass-through type				
Master lease contract period	From April 1, 2016 to April 30, 2026				
Matters of special note					
None					

**(9) Esty Maison Kokura**

Overview of specified asset					
Property name	Esty Maison Kokura				
Planned disposition date	August 20, 2021				
Type of specified asset	Trust beneficiary interest				
Trustee	Mitsubishi UFJ Trust and Banking Corporation				
Period of trust contract	From November 29, 2018 to November 30, 2028				
Planned disposition price	730 million yen				
Appraisal value (Date of value)	1,050 million yen (April 30, 2021)				
Appraiser	Rich Appraisal Institute co.,Ltd				
Location (residence indication)	4-2-5 Kyomachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka				
Land	Lot	4-146-2 Kyomachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka			
	Site area	981.57 m <sup>2</sup>			
	Use district	Commercial district			
	Building coverage ratio	80%			
	Floor area ratio	400%			
	Type of ownership	Proprietorship			
Building	Use	Apartment complex			
	Construction completion	February 2006			
	Structure / Floors	RC/14F			
	Total floor area	3,334.44 m <sup>2</sup>			
	Type of ownership	Proprietorship			
Collateral	None				
Status of leasing and management					
Leasable area	3,062.59 m <sup>2</sup> (number of leasable residential units: 61)				
Leased area	2,705.13 m <sup>2</sup> (number of leased residential units: 53)				
Occupancy rate	end of Feb. 2021	end of Mar. 2021	end of Apr. 2021	end of May 2021	end of Jun. 2021
	87.9%	91.4%	94.3%	92.5%	88.3%
Number of tenants	1				
Monthly rent	4,692 thousand yen				
Leasehold and security deposits	3,221 thousand yen				
Property management company	HASEKO LIVENET, Inc.				
Master lease company	HASEKO LIVENET, Inc.				
Master lease type	Pass-through type				
Master lease contract period	From November 29, 2018 to November 30, 2028				
Matters of special note					
There is a private road burden of 8.89 m <sup>2</sup> according to Article 42, Paragraph 2 of the Building Standards Act.					

[Explanation of “3. Description of the Assets to be Acquired” and “4. Description of the Assets to be Disposed”]

- (1) “Appraisal value (Date of value)” is the appraisal value and date of value stated in the real estate appraisal report prepared by the appraiser that SHR and SHAM have entrusted with appraisal of investment real estate, where the appraisal value is rounded down to the nearest million yen.

- (2) "Location" is the indication of residential address. Residential address is based on the notice delivered by municipalities, the written property outline or written explanation of important matters. Furthermore, if there is no implementation of indication of residential address or no indication of residential address in the written property outline and written explanation of important matters, "Location" is the content of "Location of the building" section in the registry (including registration information; the same shall apply hereinafter) or the indication method used in practice as the location.
- (3) "Lot" and "Site area" are the parcel number (in cases where there are several, then one of them) and the sum total of parcel area based on that stated in the registry.
- (4) "Use district" is the type of use district listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, including amendments thereto) (the "City Planning Act")
- (5) "Building coverage ratio," which is the ratio of the building area of the building to the site area as provided in Article 53 of the Building Standards Act (Act No. 201 of 1950, including amendments thereto) (the "Building Standards Act"), is the percentage figure provided in accordance with the Building Standards Act, the City Planning Act and other related laws and regulations.
- (6) "Floor area ratio," which is the ratio of the total floor area of the building to the site area as provided in Article 52 of the Building Standards Act, is the percentage figure provided in accordance with the Building Standards Act, the City Planning Act and other related laws and regulations.
- (7) For "Land," "Type of ownership" is the classification of the type of ownership, such as ownership right and such as ownership right and compartmentalized ownership, interest held or to be held by the trustee of the real estate trust for real estate in trust.
- (8) "Use" is the major type indicated in the registry.
- (9) "Construction completion" is based on that stated in the registry.
- (10) "Structure / Floors" is based on that stated in the registry. Furthermore, the following abbreviations are used.  
RC: Reinforced concrete structure; SRC: Steel reinforced concrete structure; S: Steel-framed structure
- (11) "Total floor area" is the sum total of floor area of the building or building in trust (excluding annex buildings, etc.) indicated in the registry.
- (12) For "Building," "Type of ownership" is the classification of the type of ownership, such as ownership right and compartmentalized ownership interest held or to be held by the trustee of the real estate trust for real estate in trust.
- (13) "Collateral" outlines the collateral borne by SHR after acquisition, if any.
- (14) "Leasable area" refers to the total floor area which is considered to be available for leasing based on the lease agreements or building drawings, etc., effective as of the end of June 2021.
- (15) "Leased area" is the sum total of the leased area indicated in the lease agreements effective as of the end of June 2021 or the leased area based on building drawings, etc.
- (16) "Occupancy rate" is the ratio of leased area to leasable area rounded to the first decimal place.
- (17) "Number of tenants" is the total number of the tenant based on the contents of the lease agreement with the tenant as of the end of June 2021 for the Assets to be Disposed, and for Assets to be Acquired based on the contents of lease agreement to be newly concluded at the time of acquisition. As for the Assets to be Disposed, since a master lease agreement has been concluded between the trustee and the master lease company, the number of tenants under such a master lease agreement is listed. However, regarding the Assets to be Acquired, the total number is stated as "1" on the assumption that all end tenants have agreed to the master lease company being the lessor since a new master lease agreement is planned to be concluded between the trustee and the master lease company. Please refer to (21) below for the definition of "master lease company" and "master lease agreement."
- (18) "Monthly rent" for the Assets to be Disposed that concluded a fixed-rent type master lease agreement with the master lease company, is the monthly rent based on the content of the contract that is as of the end of June 2021 (excludes usage fee for parking lot, garage or signboard, etc. but includes common area fees. Furthermore, excludes consumption tax and local consumption tax. The same shall apply hereinafter). "Monthly rent" for the Assets to be Disposed that concluded a pass-through type master lease agreement and the Assets to be Acquired that are scheduled to conclude a pass-through type master lease agreement with the master lease company, is the monthly rent based on the content of the contract that is valid as of the end of June 2021 (even if there is a provision for free rent or rent holiday in the said lease agreement, the free rent and rent holiday as of the same day shall not be considered). Monthly rent shall be rounded down to the nearest thousand yen respectively. "Free rent" is an agreement which sets up a free or reasonably minimum rent for a certain period (mainly at the time of moving into a new house), and "Rent holiday" is an agreement which sets up a free or reasonably minimum rent regularly or irregularly, for a certain period during the rental period. The same shall apply hereinafter.
- (19) For the Assets to be Disposed that concluded a fixed-rent type master lease agreement with the master lease company, "Leasehold and security deposits" is the amount of the deposit and security deposit (excludes the deposit for the parking lot. The same shall apply hereinafter) shown in each lease agreement as of the end of June 2021. For the Assets to be Disposed that concluded a pass-through type master lease agreement and the Asset to be Acquired that are scheduled to conclude a pass-through type master lease agreement with the master lease company, "Leasehold and security deposits" is the total amount of the deposit and security deposit shown in each lease agreement with the end tenant that is valid as of the end of June 2021. Leasehold and security deposits shall be rounded down to the nearest thousand yen respectively.
- (20) "Property management company" is the company to be entrusted with property management services or is scheduled to entrust property management work after the acquisition by SHR.
- (21) "Master lease company" is the company that has a master leasing contract with the trustee or that is to become the master lease company by concluding a master lease agreement with the trustee after the acquisition by SHR. Furthermore, "master lease agreement" is a lease

agreement of a building concluded in bulk in the purpose of the lessee subleasing the building to third parties. The same applies hereinafter.

- (22) “Master lease type” describes the type of master lease agreement which is scheduled to be valid after acquisition for the Assets to be Acquired and describes the contract form of the currently valid master lease contract for the Assets to be Disposed. “Fixed-rent type” is a master lease in which the rent that the master lessee pays is a fixed amount regardless of the rent that the sublessee pays to the master lessee. “Pass-through type” is a master lease in which the rent that the master lessee pays is always the same amount as the rent that the end-tenant pays to the master lessee.
- (23) “Master lease contract period” is based on the contents of each lease agreement of the Assets to be Disposed or the contents to be concluded with tenant at the time of acquisition of the Assets to be Acquired.
- (24) “Building replacement cost” is based on the building engineering report, excluding consumption tax, rounded down to the nearest million yen.
- (25) “Repair expenses” are based on that stated in the building engineering reports. “Short-term repair” is the investigator’s estimate of the repair and renewal expenses required within one year at the time of investigation. “Long-term repair” is the investigator’s estimate of the annual average amount of the repair and renewal expenses for 12 years at the time of investigation.
- (26) “PML value” is based on the statement in the seismic risk evaluation report by SOMPO Risk Management Inc. or the building engineering report stating PML calculated by SOMPO Risk Management Inc. for the Assets to be Acquired. The concerned statement is no more than an indication of the opinion of the reporting party, and SHR does not guarantee the accuracy of the content thereof.  
Furthermore, “PML” refers to a “probable maximum loss” due to an earthquake. Although there is no consistent strict definition, in this press release, “PML value” expresses the extent of damage that may be suffered due to an earthquake which is assumed to occur in 50 years (the general use period of the building) and cause a loss of 10% exceedance probability as a percentage (%) of the amount of probable loss corresponding to the 90% non-exceedance probability against the replacement cost. However, the amount of probable loss is limited to that for direct loss on the building (structure, finishing and building equipment) only that are caused by earthquake ground motion, and does not include damage to equipment, furniture, fixtures, etc., loss caused by post-earthquake water or fire disasters, compensation for disaster victims, operating loss due to interruption of business operations and other secondary damages.
- (27) “Matters of special note” is the matters considered important in relation to rights, use, etc. of each Assets to be Disposed and the Assets to be Acquired, and the matters considered important in consideration of the degree of impact on the valuation, profitability and liquidity of the Asset to be disposed and the Assets to be Acquired including the following matters.
- a. Key limitations or restrictions by laws and regulations
  - b. Key burdens or limitations pertaining to rights, etc. (including establishment of security interest)
  - c. Key structures, etc. crossing the boundary between the real estate or real estate in trust and the adjacent land or issues with boundary confirmation, etc., as well as agreements, etc. thereof, if any
  - d. Key matters agreed upon or agreements, etc. with co-owners or compartmentalized ownership holders

## 5. Profile of Seller and Buyer

### (1) Profile of Seller

Name	Sekisui House, Ltd.
Address	1-1-88 Oyodonaka, Kita-ku, Osaka-shi, Osaka
Representative	Yoshihiro Nakai, President & Representative Director
Business activities	Planning, design, construction, contracting and supervision of houses, other buildings and development business; as well as sale, leasing and management of real estates, consulting of real estate management and businesses related thereto.
Capital	202,591 million yen (as of the end of January 2021)
Established	August 1960
Net asset	1,368,887 million yen (consolidated) (as of the end of January 2021)
Gross asset	2,625,861 million yen (consolidated) (as of the end of January 2021)
Major shareholder (shareholding ratio)	The Master Trust Bank of Japan, Ltd. (trust account) (9.79%) Custody Bank of Japan, Ltd. (trust account) (5.77%) Sekisui Chemical Co., Ltd. (5.46%) (All of the above quoted as of the end of January 2021)

Relationship with SHR and SHAM	
Capital relationship	As of today, Sekisui House owns 4.68% of the total issued investment units of SHR. Furthermore, Sekisui House owns 100% of the total issued shares of SHAM and falls within the definitions of an Interested Person as stipulated in the Investment Trusts Act and an Interested Party as stipulated in SHAM's internal rules: Rules for Transactions with Interested Parties.
Personal relationship	As of today, Sekisui House has dispatched to SHAM one Part-time Director and one Part-time Auditor. Furthermore, 15 persons among the executive and regular employees of SHAM are seconded from Sekisui House. In addition, one employee is transferred from SHAM to Sekisui House.
Business relationship	Sekisui House has concluded the Sponsor Support Agreement and the Memorandum of Understanding concerning Holding of Investment Units with SHR and SHAM and the Memorandum of Understanding concerning Use of Trademarks with SHR. Furthermore, Sekisui House is the seller of part of the assets that have been acquired by SHR and has concluded the Master Lease and Property Management Agreement for part of the assets that have been acquired.
Related party	Sekisui House is a parent company of SHAM, and falls within the definition of a related party.

## (2) Profile of Buyer

Although the buyer is a domestic joint company, the details are not disclosed as consent on disclosure has not been obtained from the buyer. The concerned buyer has no capital, personal or business relationship with SHR or SHAM that needs to be specified and does not fall within the definition of a related party of SHR and SHAM.

## 6. Status of Property Sellers

### (1) Prime Maison Shimokitazawa

	Previous owner, etc.	Owner before last, etc.
Name	Sekisui House, Ltd.	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to "5. Profile of Seller and Buyer (1) Profile of Seller," above.	—
Background and reason for acquisition	Acquisition for development	—
Acquisition price	—	—
Time of acquisition	—	—

### (2) Prime Maison Meguro

	Previous owner, etc.	Owner before last, etc.
Name	Sekisui House, Ltd.	A party that does not have a relationship of special interest
Relationship with a party classified as having a	Please refer to "5. Profile of Seller and Buyer (1) Profile of Seller," above.	—



relationship of special interest		
Background and reason for acquisition	Acquisition for development	—
Acquisition price	—	—
Time of acquisition	—	—

**(3) Prime Maison Ryogoku**

	Previous owner, etc.	Owner before last, etc.
Name	Sekisui House, Ltd.	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to “5. Profile of Seller and Buyer (1) Profile of Seller,” above.	—
Background and reason for acquisition	Acquisition for development	—
Acquisition price	—	—
Time of acquisition	—	—

**(4) Prime Maison Nakameguro**

	Previous owner, etc.	Owner before last, etc.
Name	Sekisui House, Ltd.	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to “5. Profile of Seller and Buyer (1) Profile of Seller,” above.	—
Background and reason for acquisition	Acquisition for development	—
Acquisition price	—	—
Time of acquisition	—	—

**(5) Prime Maison Itabashi**

	Previous owner, etc.	Owner before last, etc.
Name	Sekisui House, Ltd.	A party that does not have a relationship of special interest
Relationship with a party classified as having a relationship of special interest	Please refer to “5. Profile of Seller and Buyer (1) Profile of Seller,” above.	—
Background and reason for acquisition	Acquisition for development	—
Acquisition price	—	—

Time of acquisition	—	—
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**7. Transactions with Interested Persons, etc.**

As described above, Sekisui House, the seller of the Assets to be Acquired, falls within the definitions of the Interested Person, etc. and the Interested Party under the Rules for Transactions with Interested Parties (which is SHAM's internal rule). Given this, upon the execution of the agreement for the transfer of trust beneficiary interests concerning the Assets to be Acquired with Sekisui House, SHR's consent has been obtained upon approval of SHR's board of directors after preliminary review and approval by compliance officer, deliberation and decision or resolution by SHAM's investment committee, compliance committee and board of directors, in accordance with the aforementioned Rules for Transactions with Interested Parties.

SHR intends to conclude the building lease agreement concerning the Assets to be Acquired wherein Sekisui House Real Estate Tokyo, Ltd. is the lessee (master lease company) and outsource the property management business to Sekisui House Real Estate Tokyo, Ltd. For the leasing of these buildings and the outsourcing of businesses, the decision-making procedures (including SHR's consent based on the approval of the SHR's board of directors held on today) stipulated in the Rules for Transactions with Interested Parties have been taken by SHAM as well.

**8. Impact on Financial Status of SHR in the Event of Failure to Fulfill Forward Commitment, Etc.**

The sales and purchase contract of the Asset Acquisition in the Transaction falls within forward commitments, etc. by investment corporations as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. defined by the Financial Services Agency. Based on the Transfer Agreement, in the event that the seller suffers damage due to any error or inaccuracy in the representations and warranties of SHR, SHR shall compensate or indemnify the seller for such damage up to 20% of the transaction amount within the scope of reasonable causal relation. However, the Transfer Agreement is with condition that procurement of funds necessary for the payment of the acquisition price, etc. by SHR has been completed on the date of the execution of the transaction.

**9. Future Outlook**

Please refer to the press release "Notice Concerning Revisions to the Forecast of Operating Results and Distributions for the Fiscal Periods Ending October 31, 2021 and April 30, 2022" announced today.

**10. Summary of Appraisal Report of Assets to be Acquired**
**(1) Prime Maison Shimokitazawa**

Property name	Prime Maison Shimokitazawa
Appraisal value	2,580,000,000 Yen
Name of appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Date of value	July 1, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,580,000	It was determined that the value based on the income approach calculated using the DCF method, which calculates the value by defining fluctuations on future net operating income, is more persuasive and convincing, so trial calculations were performed using the direct capitalization method, based on the income amount according to the DCF method.
Value based on direct capitalization method	2,650,000	—
Operating revenue	122,340	—
Gross potential income	126,605	Assessed based on the standardized assumed revenues deemed stable regarding rental revenue, common area fees, parking

		income, etc.
Vacancy loss, etc.	4,264	Assessed based on the vacancy rate and open parking space rate acknowledged as stable in the medium to long term.
Operating expenses	28,497	—
Maintenance and management fee	6,907	Assessed based on the outsourcing contract.
Utilities expenses	1,075	Assessed based on revenue and expenditure results, etc.
Repair expenses	2,079	Assessed based on engineering reports and similar cases.
Property management fee	3,521	Assessed based on the outsourcing contract (not including CM and LM fees)
Tenant leasing cost, etc.	6,795	Assessed based on the replacement rate recognized as a stable level, taking into account the competitiveness of the subject property and the level of similar properties, etc.,
Property taxes	6,518	Assessed based on fiscal year 2020 taxation materials, etc.
Insurance premium	132	Assessed by standard rates based on similar cases
Other expenses	1,468	Assessed based on revenue and expenditure results, etc.
Net operating income (NOI)	93,842	—
Gain on management of income from lump-sum payment	91	Assessed using the investment yield of 1.0%.
Capital expenditures	1,320	Assessed based on engineering reports and similar cases.
Net cash flow (NCF)	92,614	—
Capitalization rate	3.5%	Assessment is conducted by comparing the results with multiple transaction yields in the neighborhood or in similar areas within the primary market area, etc., and considering the relationship with the discount rate after comprehensively considering the marketability of the subject property, trends in the real estate investment market, etc.
Value of earnings calculated by discounted cash flow (DCF) method	2,550,000	—
Discount rate	3.6%	Set a base yield for condominiums using the build up method, etc. based on the yield for financial products, and carried out assessment by incorporating the specified risks for the subject real property into that base yield.
Terminal capitalization rate	3.7%	Assessed by incorporating future unpredictability, based on the capitalization rate.
Cost method value	2,680,000	—
Ratio of land	72.9%	—
Ratio of building	27.1%	—

Items considered upon determining appraisal value	Based on a value forming process and request purpose in which a market participant (purchaser) values profitability in the subject real property, as well as the typology as “a lease property and its site,” we used an income amount as our standard that appropriately reflected future profitability for an investor and examined such value by the cost method, and set the appraised value at the value based on the income approach.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

\*Comparison with average rent unit price for the lease agreement

Average rent unit price for the appraisal price	4,960 yen/ m <sup>2</sup> (16,400 yen/tsubo)
Average rent unit price for lease agreements	4,865 yen/ m <sup>2</sup> (16,090 yen/tsubo)

(Note 1) “Average rent unit price for the appraisal price” is the average rent unit price based on the “rental income inclusive of common area fee” in the direct capitalization method described in the appraisal report.

(Note 2) "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired" above.

**(2) Prime Maison Meguro**

Property name	Prime Maison Meguro
Appraisal value	2,310,000,000 Yen
Name of appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Date of value	July 1, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,310,000	It was determined that the value based on the income approach calculated using the DCF method, which calculates the value by defining fluctuations on future net operating income, is more persuasive and convincing, so trial calculations were performed using the direct capitalization method, based on the income amount according to the DCF method.
Value based on direct capitalization method	2,370,000	—
Operating revenue	105,577	—
Gross potential income	115,063	Assessed based on the standardized assumed revenues deemed stable regarding rental revenue and parking income, etc.
Vacancy loss, etc.	9,486	Assessed based on the vacancy rate and open parking space rate acknowledged as stable in the medium to long term.
Operating expenses	21,818	—
Maintenance and management fee	4,295	Assessed based on the outsourcing contract.
Utilities expenses	1,282	Assessed based on revenue and expenditure results, etc.
Repair expenses	1,288	Assessed based on engineering reports and similar cases.
Property management fee	3,063	Assessed based on the outsourcing contract (not including CM and LM fees)
Tenant leasing cost, etc.	6,020	Assessed based on the replacement rate recognized as a stable level, taking into account the competitiveness of the subject property and the level of similar properties, etc.,
Property taxes	5,034	Assessed based on fiscal year 2020 taxation materials, etc.
Insurance premium	96	Assessed by standard rates based on similar cases
Other expenses	739	Assessed based on revenue and expenditure results, etc.
Net operating income (NOI)	83,759	—
Gain on management of income from lump-sum payment	85	Assessed using the investment yield of 1.0%.
Capital expenditures	960	Assessed based on engineering reports and similar cases.
Net cash flow (NCF)	82,884	—
Capitalization rate	3.5%	Assessment is conducted by comparing the results with multiple transaction yields in the neighborhood or in similar areas within the primary market area, etc., and considering the relationship with the discount rate after comprehensively considering the marketability of the subject property, trends in the real estate investment market, etc.
Value of earnings calculated by discounted cash flow (DCF) method	2,280,000	—
Discount rate	3.6%	Set a base yield for condominiums using the build up method, etc. based on the yield for financial products, and carried out assessment by incorporating the specified

			risks for the subject real property into that base yield.
	Terminal capitalization rate	3.7%	Assessed by incorporating future unpredictability, based on the capitalization rate.
Cost method value		2,100,000	—
	Ratio of land	76.4%	—
	Ratio of building	23.6%	—

Items considered upon determining appraisal value	Based on a value forming process and request purpose in which a market participant (purchaser) values profitability in the subject real property, as well as the typology as “a lease property and its site,” we used an income amount as our standard that appropriately reflected future profitability for an investor and examined such value by the cost method, and set the appraised value at the value based on the income approach.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

\*Comparison with average rent unit price for the lease agreement

Average rent unit price for the appraisal price	6,439 yen/ m <sup>2</sup> (21,290 yen/tsubo)
Average rent unit price for lease agreements	6,581 yen/ m <sup>2</sup> (21,750 yen/tsubo)

(Note 1) “Average rent unit price for the appraisal price” is the average rent unit price based on the “rental income inclusive of common area fee” in the direct capitalization method described in the appraisal report.

(Note 2) “Average rent unit price for lease agreements” is the average rent unit price based on the monthly rent in “3. Description of the Assets to be Acquired” above.

(3) Prime Maison Ryogoku

Property name	Prime Maison Ryogoku
Appraisal value	1,540,000,000 Yen
Name of appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Date of value	July 1, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,540,000	It was determined that the value based on the income approach calculated using the DCF method, which calculates the value by defining fluctuations on future net operating income, is more persuasive and convincing, so trial calculations were performed using the direct capitalization method, based on the income amount according to the DCF method.
Value based on direct capitalization method	1,570,000	—
Operating revenue	76,494	—
Gross potential income	80,654	Assessed based on the standardized assumed revenues deemed stable regarding rental revenue, common area fees, parking income, etc.
Vacancy loss, etc.	4,159	Assessed based on the vacancy rate and open parking space rate acknowledged as stable in the medium to long term.
Operating expenses	17,464	—
Maintenance and management fee	3,975	Assessed based on the outsourcing contract.
Utilities expenses	755	Assessed based on revenue and expenditure results, etc.
Repair expenses	1,498	Assessed based on engineering reports and similar cases.
Property management fee	2,236	Assessed based on the outsourcing contract (not including CM and LM fees)
Tenant leasing cost, etc.	4,380	Assessed based on the replacement rate recognized as a stable level, taking into account the competitiveness of the subject

		property and the level of similar properties, etc.,
Property taxes	3,683	Assessed based on fiscal year 2020 taxation materials, etc.
Insurance premium	94	Assessed by standard rates based on similar cases
Other expenses	841	Assessed based on revenue and expenditure results, etc.
Net operating income (NOI)	59,029	—
Gain on management of income from lump-sum payment	57	Assessed using the investment yield of 1.0%.
Capital expenditures	940	Assessed based on engineering reports and similar cases.
Net cash flow (NCF)	58,147	—
Capitalization rate	3.7%	Assessment is conducted by comparing the results with multiple transaction yields in the neighborhood or in similar areas within the primary market area, etc., and considering the relationship with the discount rate after comprehensively considering the marketability of the subject property, trends in the real estate investment market, etc.
Value of earnings calculated by discounted cash flow (DCF) method	1,530,000	—
Discount rate	3.8%	Set a base yield for condominiums using the build up method, etc. based on the yield for financial products, and carried out assessment by incorporating the specified risks for the subject real property into that base yield.
Terminal capitalization rate	3.9%	Assessed by incorporating future unpredictability, based on the capitalization rate.
Cost method value	1,430,000	—
Ratio of land	65.3%	—
Ratio of building	34.7%	—

Items considered upon determining appraisal value	Based on a value forming process and request purpose in which a market participant (purchaser) values profitability in the subject real property, as well as the typology as “a lease property and its site,” we used an income amount as our standard that appropriately reflected future profitability for an investor and examined such value by the cost method, and set the appraised value at the value based on the income approach.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**\*Comparison with average rent unit price for the lease agreement**

Average rent unit price for the appraisal price	4,334 yen/ m <sup>2</sup> (14,330 yen/tsubo)
Average rent unit price for lease agreements	4,384 yen/ m <sup>2</sup> (14,490 yen/tsubo)

(Note 1) “Average rent unit price for the appraisal price” is the average rent unit price based on the “rental income inclusive of common area fee” in the direct capitalization method described in the appraisal report.

(Note 2) “Average rent unit price for lease agreements” is the average rent unit price based on the monthly rent in “3. Description of the Assets to be Acquired” above.

**(4) Prime Maison Nakameguro**

Property name	Prime Maison Nakameguro
Appraisal value	10,300,000,000 Yen
Name of appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Date of value	July 1, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	10,300,000	It was determined that the value based on the income approach calculated using the DCF method, which calculates the value by defining fluctuations on future net operating

		income, is more persuasive and convincing, so trial calculations were performed using the direct capitalization method, based on the income amount according to the DCF method.
Value based on direct capitalization method	10,600,000	—
Operating revenue	451,183	—
Gross potential income	468,264	Assessed based on the standardized assumed revenues deemed stable regarding rental revenue, common area fees, parking income, etc.
Vacancy loss, etc.	17,080	Assessed based on the vacancy rate and open parking space rate acknowledged as stable in the medium to long term.
Operating expenses	78,110	—
Maintenance and management fee	8,399	Assessed based on the outsourcing contract.
Utilities expenses	10,209	Assessed based on revenue and expenditure results, etc.
Repair expenses	6,189	Assessed based on engineering reports and similar cases.
Property management fee	12,732	Assessed based on the outsourcing contract (not including CM and LM fees)
Tenant leasing cost, etc.	18,016	Assessed based on the replacement rate recognized as a stable level, taking into account the competitiveness of the subject property and the level of similar properties, etc.,
Property taxes	18,548	Assessed based on fiscal year 2020 taxation materials, etc.
Insurance premium	406	Assessed by standard rates based on similar cases
Other expenses	3,609	Assessed based on revenue and expenditure results, etc.
Net operating income (NOI)	373,072	—
Gain on management of income from lump-sum payment	763	Assessed using the investment yield of 1.0%.
Capital expenditures	4,060	Assessed based on engineering reports and similar cases.
Net cash flow (NCF)	369,776	—
Capitalization rate	3.5%	Assessment is conducted by comparing the results with multiple transaction yields in the neighborhood or in similar areas within the primary market area, etc., and considering the relationship with the discount rate after comprehensively considering the marketability of the subject property, trends in the real estate investment market, etc.
Value of earnings calculated by discounted cash flow (DCF) method	10,200,000	—
Discount rate	3.6%	Set a base yield for condominiums using the build up method, etc. based on the yield for financial products, and carried out assessment by incorporating the specified risks for the subject real property into that base yield.
Terminal capitalization rate	3.7%	Assessed by incorporating future unpredictability, based on the capitalization rate.
Cost method value	9,880,000	—
Ratio of land	75.4%	—
Ratio of building	24.6%	—
Items considered upon determining appraisal value	Based on a value forming process and request purpose in which a market participant (purchaser) values profitability in the subject real property, as well as the typology as “a lease property and its site,” we used an income amount as our standard that appropriately reflected future profitability for an investor and examined such value by the cost method, and set the appraised value at the value based on the income approach.	

(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

\*Comparison with average rent unit price for the lease agreement

Average rent unit price for the appraisal price	5,506 yen/ m <sup>2</sup> (18,200 yen/tsubo)
Average rent unit price for lease agreements	5,404 yen/ m <sup>2</sup> (17,860 yen/tsubo)

(Note 1) "Average rent unit price for the appraisal price" is the average rent unit price based on the "rental income inclusive of common area fee" in the direct capitalization method described in the appraisal report.

(Note 2) "Average rent unit price for lease agreements" is the average rent unit price based on the monthly rent in "3. Description of the Assets to be Acquired" above.

#### (5) Prime Maison Itabashi

Property name	Prime Maison Itabashi
Appraisal value	4,810,000,000 Yen
Name of appraisal firm	Tanizawa Sogo Appraisal Co., Ltd.
Date of value	July 1, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	4,810,000	It was determined that the value based on the income approach calculated using the DCF method, which calculates the value by defining fluctuations on future net operating income, is more persuasive and convincing, so trial calculations were performed using the direct capitalization method, based on the income amount according to the DCF method.
Value based on direct capitalization method	4,920,000	—
Operating revenue	240,093	—
Gross potential income	252,530	Assessed based on the standardized assumed revenues deemed stable regarding rental revenue, common area fees, parking income, etc.
Vacancy loss, etc.	12,436	Assessed based on the vacancy rate and open parking space rate acknowledged as stable in the medium to long term.
Operating expenses	55,020	—
Maintenance and management fee	9,516	Assessed based on the outsourcing contract.
Utilities expenses	3,883	Assessed based on revenue and expenditure results, etc.
Repair expenses	4,929	Assessed based on engineering reports and similar cases.
Property management fee	6,986	Assessed based on the outsourcing contract (not including CM and LM fees)
Tenant leasing cost, etc.	12,676	Assessed based on the replacement rate recognized as a stable level, taking into account the competitiveness of the subject property and the level of similar properties, etc.,
Property taxes	14,301	Assessed based on fiscal year 2020 taxation materials, etc.
Insurance premium	326	Assessed by standard rates based on similar cases
Other expenses	2,400	Assessed based on revenue and expenditure results, etc.
Net operating income (NOI)	185,073	—
Gain on management of income from lump-sum payment	255	Assessed using the investment yield of 1.0%.
Capital expenditures	3,260	Assessed based on engineering reports and similar cases.
Net cash flow (NCF)	182,068	—
Capitalization rate	3.7%	Assessment is conducted by comparing the results with multiple transaction yields in the neighborhood or in similar areas within the primary market area, etc., and considering the relationship



		with the discount rate after comprehensively considering the marketability of the subject property, trends in the real estate investment market, etc.
Value of earnings calculated by discounted cash flow (DCF) method	4,760,000	—
Discount rate	3.8%	Set a base yield for condominiums using the build up method, etc. based on the yield for financial products, and carried out assessment by incorporating the specified risks for the subject real property into that base yield.
Terminal capitalization rate	3.9%	Assessed by incorporating future unpredictability, based on the capitalization rate.
Cost method value	4,640,000	—
Ratio of land	62.1%	—
Ratio of building	37.9%	—

Items considered upon determining appraisal value	Based on a value forming process and request purpose in which a market participant (purchaser) values profitability in the subject real property, as well as the typology as “a lease property and its site,” we used an income amount as our standard that appropriately reflected future profitability for an investor and examined such value by the cost method, and set the appraised value at the value based on the income approach.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

\*Comparison with average rent unit price for the lease agreement

Average rent unit price for the appraisal price	4,205 yen/ m <sup>2</sup> (13,900 yen/tsubo)
Average rent unit price for lease agreements	4,211 yen/ m <sup>2</sup> (13,920 yen/tsubo)

(Note 1) “Average rent unit price for the appraisal price” is the average rent unit price based on the “rental income inclusive of common area fee” in the direct capitalization method described in the appraisal report.

(Note 2) “Average rent unit price for lease agreements” is the average rent unit price based on the monthly rent in “3. Description of the Assets to be Acquired” above.

## 11. Summary of Appraisal Report of Assets to be Disposed

### (1) Esty Maison Tsukamoto

Property name	Esty Maison Tsukamoto
Appraisal value	1,110,000,000 Yen
Name of appraisal firm	Japan Real Estate Institute
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,110,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method.
Value based on direct capitalization method	1,120,000	—
Operating revenue	78,327	—
Gross potential income	81,870	Recorded income from leasing rooms, utility income, parking income, and other income that can be received stably over the medium to long term.
Vacancy loss, etc.	3,543	Recorded based on the operation status and demand trend of similar properties, and considering past figures of the vacancy rate.
Operating expenses	22,929	—
Maintenance and management fee	3,585	Recorded in consideration of the individuality of the subject property with reference to the actual amount for the past year results and the maintenance and management expenses of similar

		properties.
Utilities expenses	2,100	Recorded in consideration of utilities expenses of similar real estate, individuality of the subject property, etc. with reference to the actual amount for the past year results.
Repair expenses	4,835	Recorded in consideration of the past year results, level of similar properties and engineering reports.
Property management fee	2,262	Recorded based on the compensation rate of the current contract.
Tenant leasing cost, etc.	4,793	Recorded based on the terms and conditions of the contract, past year results, and rental conditions for similar properties.
Property taxes	4,265	Recorded based on taxes and public dues-related materials.
Insurance premium	81	Recorded based on insurance policies.
Other expenses	1,008	Recorded based on past year results.
Net operating income (NOI)	55,398	—
Gain on management of income from lump-sum payment	2	Recorded by multiplying the amount of security deposits that can be received stably over the medium to long term by the investment yield.
Capital expenditures	4,780	Recorded considering past year results, level of similar properties and engineering reports.
Net cash flow (NCF)	50,620	—
Capitalization rate	4.5%	Assessed by adding or subtracting spreads attributable to the location, building conditions and other conditions of the subject property, as well as taking into account uncertainties in the future and transaction yields related to similar properties.
Value of earnings calculated by discounted cash flow (DCF) method	1,100,000	—
Discount rate	4.3%	Assessed by taking into account investment yield of similar properties and the individuality of the subject property.
Terminal capitalization rate	4.7%	Assessed by taking into account transaction yield of similar properties, forecast of future investment yield, riskiness of the subject property as an investment target, general forecasts of future economic growth rates, trends in real estate prices and rents, etc.
Cost method value	790,000	—
Ratio of land	38.2%	—
Ratio of building	61.8%	—
Items considered upon determining appraisal value	None	

(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

## (2) Esty Maison Oizumigakuen

Property name	Esty Maison Oizumigakuen
Appraisal value	858,000,000Yen
Name of appraisal firm	JLL Morii Valuation & Advisory K.K.
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	858,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method.
Value based on direct capitalization method	873,000	—
Operating revenue	51,872	—

Gross potential income	54,656	Room rent income: Assessed medium-to long-term stable rent, etc. based on current conditions, etc. Renewal fee: Assessed based on tenant turnover rate. Other income: Recorded considering the current management.
Vacancy loss, etc.	2,784	Assessed considering standard vacancy rate and individuality of the subject property.
Operating expenses	13,922	—
Maintenance and management fee	3,185	Assessed based on the level and performance of similar properties.
Utilities expenses	890	Assessed based on the level and performance of similar properties.
Repair expenses	2,284	Repair Expenses: The estimate in the engineering report was judged to be reasonable, and 30% of the leveled amount was recorded. Costs for restoring properties to their original state: Assessed taking into account the level, performance, and withdrawal rate of similar properties.
Property management fee	1,522	Assessed based on the level and performance of similar properties.
Tenant leasing cost, etc.	2,623	Assessed taking into account local practices and the withdrawal rate of the subject property.
Property taxes	2,805	Assessed considering the rate of change, depreciation over time, etc. based on actual results.
Insurance premium	59	Recorded considering the materials presented as they were judged to be reasonable.
Other expenses	554	Assessed based on revenue and expenditure results.
Net operating income (NOI)	37,950	—
Gain on management of income from lump-sum payment	40	Assessed by multiplying the amount of security deposit, etc. at the time of full room, deducting the equivalent amount of vacancy, by the investment interest rate.
Capital expenditures	3,071	The estimate in the engineering report was judged to be reasonable, and 70% of the leveled amount was recorded.
Net cash flow (NCF)	34,919	—
Capitalization rate	4.0%	Assessed by taking into account the risk of fluctuations in revenues and principal, etc. in the discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	842,000	—
Discount rate	3.8%	Assessed by comprehensively considering market trends, etc., after considering risk factors related to the geographical and individual characteristics of the subject property in the base yield.
Terminal capitalization rate	4.2%	Assessed considering risks such as future uncertainty in the capitalization rate.
Cost method value	458,000	—
Ratio of land	65.4%	—
Ratio of building	34.6%	—

Items considered upon determining appraisal value	The value indicated by the income approach obtained through the price formation process from the profit aspect is judged to be a more persuasive price reflecting actual market conditions, and the value indicated by the cost approach is limited to reference only and the value indicated by the income approach is adopted.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**(3) Esty Maison Higashishinagawa**

Property name	Esty Maison Higashishinagawa
Appraisal value	2,390,000,000 Yen
Name of appraisal firm	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,390,000	Determined that the income value indicated by the DCF method, which derived the price by explicitly indicating future changes in net revenues, was more persuasive. Verification from capitalized value by direct capitalization method is also conducted, and the income approach value by income capitalization method is calculated.
Value based on direct capitalization method	2,420,000	—
Operating revenue	135,997	—
Gross potential income	144,212	Rent income, common area income, parking income, key money income, renewal fee income, electricity usage fee, etc. After assessing the standard assumed income that is considered to be stable over the medium to long term, it is calculated.
Vacancy loss, etc.	8,215	Assessed based on the vacancy rate acknowledged as stable over the medium to long term.
Operating expenses	29,554	—
Maintenance and management fee	3,504	The current contract amount was judged to be appropriate and recorded with reference to the level of maintenance and management costs of similar properties.
Utilities expenses	852	Evaluated based on past year results and the level of utility costs for similar properties.
Repair expenses	5,811	Utilized the average of 12-years repair expenses in the engineering report as it is set to a reasonable level. Regarding to cost of tenant replacement, assessed using the amount of past years results and level of similar properties.
Property management fee	4,047	Based on the current contract which is judged to be a reasonable level considering the property management fee of similar properties.
Tenant leasing cost, etc.	6,347	Recorded by taking into account the level of similar properties and the tenant recruitment costs, etc. assessed based on the past year results regarding the replacement portion assuming that the estimated replacement rate is applied.
Property taxes	7,145	Assess based on real value and taking into account burden levels and land price trends.
Insurance premium	137	Assessed based on the current contract which is judged to be appropriate considering the insurance fees of similar properties.
Other expenses	1,707	Recorded the evaluation of internet usage fees and other costs.
Net operating income (NOI)	106,442	—
Gain on management of income from lump-sum payment	103	Assessed using the investment yield of 1.0%.
Capital expenditures	7,180	Recorded after verification based on the level of renewal costs of similar properties, based on the amount of capital expenditure assessed by judging the 12-year average renewal cost in the engineering report to be appropriate, while taking into account the CM fee.
Net cash flow (NCF)	99,364	—

Capitalization rate	4.1%	Spread based on the conditions of location and building grade of the subject property, years of construction, equipment level, etc., as well as other conditions such as the level of current rent to market rent, rights relations, contract terms, etc. has been adjusted. In addition, it is assessed with reference to the capitalization rate, etc. in the appraisal of J-REIT properties, etc. in the same supply-demand area.
Value of earnings calculated by discounted cash flow (DCF) method	2,370,000	—
Discount rate	3.9%	Assessed combining the methods of comparing with evaluation of similar properties and method of making adjustment to rates of other financial assets by considering individual factors of the property and interviews from investors.
Terminal capitalization rate	4.3%	Assessed comprehensively considering to general prediction with respect to future economic growth rate and property-price trend, making adjustment based on trends of investment yield, risk of the property as investment target and property-price trend, taking into account the capitalization rate of similar transactions. Furthermore, giving consideration to future uncertainty such as possibility of increased capital expenditure due to aging of the property, change of market trend and loss of liquidity because of passage of time.
Cost method value	1,610,000	—
Ratio of land	64.3%	—
Ratio of building	35.7%	—

Items considered upon determining appraisal value	Utilizing revenue price in reference to cost method value as revenue price is set to a more persuasive level for it reflects real estate market trend and conducts of market participants.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

#### (4) Esty Maison Itabashikuyakusyomae

Property name	Esty Maison Itabashikuyakusyomae
Appraisal value	2,750,000,000 Yen
Name of appraisal firm	JLL Morii Valuation & Advisory K.K.
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,750,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method.
Value based on direct capitalization method	2,800,000	—
Operating revenue	150,312	—
Gross potential income	158,066	Room rent income and parking income: Assessed medium-to long-term stable rent, etc. based on current conditions, etc. Renewal fee: Assessed based on tenant turnover rate. Other income: Recorded considering the current management.
Vacancy loss, etc.	7,754	Assessed considering standard vacancy rate and individuality of the subject property.
Operating expenses	34,181	—
Maintenance and management fee	5,980	Assessment based on the level and performance of similar properties.
Utilities expenses	1,137	Assessment based on the level and performance of similar properties.
Repair expenses	5,780	Repair Expense: The estimate in the engineering report was

		judged to be reasonable, and 30% of the leveled amount was recorded. Restoration cost: Assessment taking into account the level of similar properties, past performance, and withdrawal rate.
Property management fee	4,417	Assessment based on the contract and level of similar properties.
Tenant leasing cost, etc.	8,662	Assessed taking into account local practices and the withdrawal rate of the subject property.
Property taxes	6,176	Assessed based on actual results, taking into account the rate of change and the depreciation over time.
Insurance premium	169	Recorded considering the materials presented as they were judged to be reasonable.
Other expenses	1,860	Assessed based on revenue and expenditure results.
Net operating income (NOI)	116,131	—
Gain on management of income from lump-sum payment	109	Assessed by multiplying the amount of security deposit, etc. at the time of full room, deducting the equivalent amount of vacancy, by the investment interest rate.
Capital expenditures	6,992	The estimate in the engineering report was judged to be reasonable, and 70% of the leveled amount was recorded.
Net cash flow (NCF)	109,248	—
Capitalization rate	3.9%	Assessed by taking into account the risk of fluctuations in earnings and principal, etc. in the discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	2,700,000	—
Discount rate	3.7%	Assessed by comprehensively considering market trends, etc., after considering risk factors related to the geographical and individual characteristics of the subject property in the base yield.
Terminal capitalization rate	4.1%	Assessed considering risks such as future uncertainty in the capitalization rate.
Cost method value	1,180,000	—
Ratio of land	61.3%	—
Ratio of building	38.7%	—

Items considered upon determining appraisal value	The value indicated by the income approach obtained through the price formation process from the profit aspect is judged to be a more persuasive price reflecting actual market conditions, and the value indicated by the cost approach is limited to reference only and the value indicated by the income approach is adopted.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

#### (5) Esty Maison Yotsuyasakamachi

Property name	Esty Maison Yotsuyasakamachi
Appraisal value	2,340,000,000 Yen
Name of appraisal firm	JLL Morii Valuation & Advisory K.K.
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	2,340,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method.
Value based on direct capitalization method	2,380,000	—
Operating revenue	117,453	—
Gross potential income	123,506	Room rent income: Assessed medium-to long-term stable rent, etc. based on current conditions, etc.

		Renewal fee: Assessed based on tenant turnover rate.
Vacancy loss, etc.	6,053	Assessed considering standard vacancy rate and individuality of the subject property.
Operating expenses	24,726	—
Maintenance and management fee	7,191	Assessment based on the level and performance of similar properties.
Utilities expenses	71	Assessment based on the level and performance of similar properties.
Repair expenses	2,762	Repair Expense: The estimate in engineering report was judged to be reasonable, and 30% of the leveled amount was recorded. Restoration cost: Assessment taking into account the level of similar properties, past performance, and withdrawal rate.
Property management fee	3,450	Assessment based on the contract and the level of similar properties.
Tenant leasing cost, etc.	5,979	Assessed taking into account local practices and the withdrawal rate of the subject property.
Property taxes	5,196	Evaluated based on actual results, taking into account the rate of change and the depreciation over time.
Insurance premium	77	Recorded considering the materials presented as they were judged to be reasonable.
Other expenses	—	Assessed based on revenue and expenditure results.
Net operating income (NOI)	92,727	—
Gain on management of income from lump-sum payment	90	Assessed by multiplying the amount of security deposit, etc. at the time of full room, deducting the equivalent amount of vacancy, by the investment interest rate.
Capital expenditures	2,378	The estimate in engineering report was judged to be reasonable, and 70% of the leveled amount was recorded.
Net cash flow (NCF)	90,439	—
Capitalization rate	3.8%	Assessed by taking into account the risk of fluctuations in earnings and principal, etc. in the discount rate.
Value of earnings calculated by discounted cash flow (DCF) method	2,290,000	—
Discount rate	3.6%	Assessed by comprehensively considering market trends, etc., after considering risk factors related to the geographical and individual characteristics of the subject property in the base yield.
Terminal capitalization rate	4.0%	Assessed considering risks such as future uncertainty in the capitalization rate.
Cost method value	1,640,000	—
Ratio of land	86.0%	—
Ratio of building	14.0%	—

Items considered upon determining appraisal value	The value indicated by the income approach obtained through the price formation process from the profit aspect is judged to be a more persuasive price reflecting actual market conditions, and the value indicated by the cost approach is limited to reference only and the value indicated by income approach is adopted.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

#### (6) Esty Maison Kamigofuku

Property name	Esty Maison Kamigofuku
Appraisal value	825,000,000 Yen
Name of appraisal firm	Rich Appraisal Institute co., Ltd

Date of value	April 30, 2021	
	(thousand yen)	
Item	Details	Description, etc.
Income approach value	825,000	Assessed after verifying the value indicated by the income approach based on the direct capitalization method with the value indicated by the DCF method as the standard.
Value based on direct capitalization method	838,000	—
Operating revenue	56,952	—
Gross potential income	60,227	In addition to standard room rental income assessed based on market rents, other income such as parking income is recorded.
Vacancy loss, etc.	3,275	Assessed by taking into account the standard vacancy rate of the area and the competitiveness of the subject property.
Operating expenses	13,842	—
Maintenance and management fee	2,280	Based on the contract amount, the level of similar properties is also counted as a reference.
Utilities expenses	821	Calculated based on past actual amounts.
Repair expenses	2,794	Calculated based on average repair costs in the engineering report adding the cost of restoration to the original state.
Property management fee	1,666	Assessed amount based on contract.
Tenant leasing cost, etc.	2,092	Assessed based on the cost of recruiting tenants, taking into account the estimated change rate and regional levels.
Property taxes	3,852	Recorded based on the actual amount in fiscal year 2020.
Insurance premium	93	Assessed based on the contract amount after verification based on the level of similar properties.
Other expenses	242	The town membership fee is calculated based on the actual amount in the past.
Net operating income (NOI)	43,110	—
Gain on management of income from lump-sum payment	44	Recorded based on investment yields with reference to recent financial asset yields.
Capital expenditures	4,623	Recorded based on the average repair costs in the engineering report, with verification based on the level of similar properties.
Net cash flow (NCF)	38,531	—
Capitalization rate	4.6%	Assessed by considering the individuality of the subject property with reference to the level of transaction yield for similar properties and the expected yield of property investors.
Value of earnings calculated by discounted cash flow (DCF) method	820,000	—
Discount rate	4.6%	Assessed based on the level of transaction yield for similar properties and the yield of financial assets plus the individuality of the subject property.
Terminal capitalization rate	4.7%	Assessed by taking into account transaction examples of similar properties, economic trends and changes in net income after the expiration of the holding period, uncertainty in forecasts, etc.
Cost method value	787,000	—
Ratio of land	41.8%	—
Ratio of building	58.2%	—
Items considered upon determining appraisal value	None	

(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.



**(7) Esty Maison Kohoku Tsunashima**
**a. East**

Property name	Esty Maison Kohoku Tsunashima (East)
Appraisal value	1,340,000,000 Yen
Name of appraisal firm	Japan Real Estate Institute
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,340,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method.
Value based on direct capitalization method	1,360,000	—
Operating revenue	70,061	—
Gross potential income	70,061	Recorded based on the current contract of room rent and other income.
Vacancy loss, etc.	—	As it is a master lease agreement (rent guarantee type) for the entire building, no loss on vacancy, etc. is recorded.
Operating expenses	8,295	—
Maintenance and management fee	440	Recorded in consideration of the individuality of the subject property with reference to the actual amount for the past year results and the maintenance and management expenses of similar properties.
Utilities expenses	—	It is not counted because of the lessee's expense.
Repair expenses	1,200	Recorded in consideration of the past year results, level of similar properties and engineering reports.
Property management fee	—	It is not counted because of the lessee's expense.
Tenant leasing cost, etc.	—	It is not counted because of the lessee's expense.
Property taxes	6,435	Recorded based on taxes and public dues-related materials.
Insurance premium	95	Recorded based on insurance policies.
Other expenses	125	Recorded based on past year results.
Net operating income (NOI)	61,766	—
Gain on management of income from lump-sum payment	120	Recorded by multiplying the amount of security deposits that can be received stably over the medium to long term by the investment yield.
Capital expenditures	4,670	Recorded considering past year results, level of similar properties and engineering reports.
Net cash flow (NCF)	57,216	—
Capitalization rate	4.2%	Assessed by adding or subtracting spreads attributable to the location, building conditions and other conditions of the subject property, as well as taking into account uncertainties in the future and transaction yields related to similar properties.
Value of earnings calculated by discounted cash flow (DCF) method	1,320,000	—
Discount rate	4.0%	Assessed by taking into account investment yield of similar properties and the individuality of the subject property.
Terminal capitalization rate	4.4%	Assessed by taking into account transaction yield of similar properties, forecast of future investment yield, riskiness of the subject property as an investment target, general forecasts of future economic growth rates, trends in real estate prices and rents, etc.
Cost method value	1,200,000	—
Ratio of land	68.6%	—

Ratio of building	31.4%	—
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Items considered upon determining appraisal value	None
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**b. West**

Property name	Esty Maison Kohoku Tsunashima (West)
Appraisal value	1,100,000,000 Yen
Name of appraisal firm	Japan Real Estate Institute
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,100,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method
Value based on direct capitalization method	1,110,000	—
Operating revenue	57,595	—
Gross potential income	57,595	Recorded based on the current contract of room rent and other income.
Vacancy loss, etc.	—	As it is a master lease agreement (rent guarantee type) for the entire building, no loss on vacancy, etc. is recorded.
Operating expenses	7,376	—
Maintenance and management fee	541	Recorded in consideration of the individuality of the subject property with reference to the actual amount for the past year results and the maintenance and management expenses of similar properties.
Utilities expenses	—	It is not counted because of the lessee's expense.
Repair expenses	1,200	Recorded in consideration of the past year results, level of similar properties and engineering reports.
Property management fee	—	It is not counted because of the lessee's expense.
Tenant leasing cost, etc.	—	It is not counted because of the lessee's expense.
Property taxes	5,447	Recorded based on taxes and public dues-related materials.
Insurance premium	75	Recorded based on insurance policies.
Other expenses	113	Recorded based on past year results.
Net operating income (NOI)	50,219	—
Gain on management of income from lump-sum payment	89	Recorded by multiplying the amount of security deposits that can be received stably over the medium to long term by the investment yield.
Capital expenditures	3,830	Recorded considering past year results, level of similar properties and engineering reports.
Net cash flow (NCF)	46,478	—
Capitalization rate	4.2%	Assessed by adding or subtracting spreads attributable to the location, building conditions and other conditions of the subject property, as well as taking into account uncertainties in the future and transaction yields related to similar properties.
Value of earnings calculated by discounted cash flow (DCF) method	1,080,000	—
Discount rate	4.0%	Assessed by taking into account investment yield of similar properties and the individuality of the subject property.
Terminal capitalization rate	4.4%	Assessed by taking into account transaction yield of similar properties, forecast of future investment yield, riskiness of the subject property as an investment target, general forecasts of

		future economic growth rates, trends in real estate prices and rents, etc.
Cost method value	1,030,000	—
Ratio of land	74.0%	—
Ratio of building	26.0%	—
Items considered upon determining appraisal value	None	

(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**c. Annex**

Property name	Esty Maison Kohoku Tsunashima (Annex)
Appraisal value	593,000,000 Yen
Name of appraisal firm	Japan Real Estate Institute
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	593,000	Assessed by linking the value based on the direct capitalization method with the value based on the DCF method.
Value based on direct capitalization method	601,000	—
Operating revenue	32,374	—
Gross potential income	32,374	Recorded based on the current contract of room rent and other income.
Vacancy loss, etc.	—	As it is a master lease agreement (rent guarantee type) for the entire building, no loss on vacancy, etc. is recorded.
Operating expenses	4,355	—
Maintenance and management fee	356	Recorded in consideration of the individuality of the subject property with reference to the actual amount for the past year results and the maintenance and management expenses of similar properties.
Utilities expenses	—	It is not counted because of the lessee's expense.
Repair expenses	1,200	Recorded in consideration of the past year results, level of similar properties and engineering reports.
Property management fee	—	It is not counted because of the lessee's expense.
Tenant leasing cost, etc.	—	It is not counted because of the lessee's expense.
Property taxes	2,757	Recorded based on taxes and public dues-related materials.
Insurance premium	42	Recorded based on insurance policies.
Other expenses	—	There is no particular cost to be recorded.
Net operating income (NOI)	28,019	—
Gain on management of income from lump-sum payment	64	Recorded by multiplying the amount of security deposits that can be received stably over the medium to long term by the investment yield.
Capital expenditures	2,860	Recorded considering past year results, level of similar properties and engineering reports.
Net cash flow (NCF)	25,223	—
Capitalization rate	4.2%	Assessed by adding or subtracting spreads attributable to the location, building conditions and other conditions of the subject property, as well as taking into account uncertainties in the future and transaction yields related to similar properties.
Value of earnings calculated by discounted cash flow (DCF) method	584,000	—

Discount rate	4.0%	Assessed by taking into account investment yield of similar properties and the individuality of the subject property.
Terminal capitalization rate	4.4%	Assessed by taking into account transaction yield of similar properties, forecast of future investment yield, riskiness of the subject property as an investment target, general forecasts of future economic growth rates, trends in real estate prices and rents, etc.
Cost method value	546,000	—
Ratio of land	63.6%	—
Ratio of building	36.4%	—
Items considered upon determining appraisal value	None	

(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

**(8) Esty Maison Kobe-sannomiya**

Property name	Esty Maison Kobe-sannomiya
Appraisal value	1,000,000,000 Yen
Name of appraisal firm	Chuo Real Estate Appraisal Co., Ltd.
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,000,000	The value indicated by the income approach is estimated by relating the value indicated by the direct capitalization method with an emphasis on the value indicated by the income approach based on the DCF method.
Value based on direct capitalization method	1,020,000	—
Operating revenue	64,582	—
Gross potential income	66,685	Assessment of medium-to long-term stable total revenues, taking into account the rent based on the current lease contract, etc. and the new rent that is assumed when the subject property is newly leased.
Vacancy loss, etc.	2,103	Assessed by setting occupancy rate (vacancy rate) being stable in the medium-to long-term taking the past occupancy, etc. of the subject property and similar property into account.
Operating expenses	14,703	—
Maintenance and management fee	2,770	Assessed based on the current consignment fee for building management, taking into account past results and the expense level of similar properties.
Utilities expenses	934	Assessment taking into account past results and expense levels of similar properties.
Repair expenses	2,573	Recorded potential small repair expenses and restoration expenses. Small-scale repair costs shall be leveled and recorded on an annual basis, and the average annual amount of estimated repair costs according to the Engineering Report shall be adopted. The restoration cost is assessed based on past results, etc.
Property management fee	1,889	Recorded based on the current contract terms.
Tenant leasing cost, etc.	1,626	Evaluated based on the estimated average turnover period of tenants, etc. based on past results and expense levels of similar properties.
Property taxes	4,839	Adopted an assessment based on the latest actual amount, and the

		latest actual amount.
Insurance premium	72	Adopt the most recent actual amount.
Other expenses	—	Not recorded.
Net operating income (NOI)	49,879	—
Gain on management of income from lump-sum payment	30	Assessed using the investment return of 1.0%.
Capital expenditures	4,042	Expenses that are expected to occur in the future will be calculated on an annual basis and leveled, and the annual average amount of the estimated renewal cost based on the engineering report are adopted.
Net cash flow (NCF)	45,867	—
Capitalization rate	4.5%	Assessed by taking the individual factors of the subject property such as the location conditions, building conditions and rights, etc. into account referring to the investment return rate for transactions, etc. of similar property.
Value of earnings calculated by discounted cash flow (DCF) method	995,000	—
Discount rate	4.3%	Assessed by taking the individual factors and the appraisal scenario, etc. of the subject property into account referring to the investment capitalization rate for transactions, etc. of similar property.
Terminal capitalization rate	4.7%	Assessed by taking the individual factors, the appraisal scenario and projected trends in property prices and rent, etc. of the subject property into account referring to the investment return rate for transactions, etc. of similar property.
Cost method value	798,000	—
Ratio of land	56.0%	—
Ratio of building	44.0%	—

Items considered upon determining appraisal value	Determined the appraisal value based on the income approach value while using the cost method value solely for reference, as the main candidate demanders of the subject property are the investors with their primary focus on profitability.
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(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

#### (9) Esty Maison Kokura

Property name	Esty Maison Kokura
Appraisal value	1,050,000,000 Yen
Name of appraisal firm	Rich Appraisal Institute co., Ltd
Date of value	April 30, 2021

(thousand yen)

Item	Details	Description, etc.
Income approach value	1,050,000	Assessed after verifying the value indicated by the income approach based on the direct capitalization method with the value indicated by the DCF method as the standard.
Value based on direct capitalization method	1,060,000	—
Operating revenue	67,801	—
Gross potential income	71,613	In addition to standard room rental income assessed based on market rents, other income such as parking income is recorded.
Vacancy loss, etc.	3,811	Assessed by taking into account the standard vacancy rate of the area and the competitiveness of the subject property.
Operating expenses	14,021	—
Maintenance and management	1,738	Based on the contract amount, the level of similar properties is

fee		also counted as a reference.
Utilities expenses	1,001	Calculated based on past actual amounts.
Repair expenses	2,152	Calculated based on the average repair costs in the engineering report adding the cost of restoration to the original state.
Property management fee	1,659	Assessed amount based on contract.
Tenant leasing cost, etc.	2,055	Assessed based on the cost of recruiting tenants, taking into account the estimated change rate and regional levels.
Property taxes	4,951	Recorded based on the actual amount in fiscal year 2020.
Insurance premium	106	Recorded based on the contract amount as a standard with verification based on the level of similar properties.
Other expenses	356	The town membership fee and internet fee are calculated based on the actual amount in the past.
Net operating income (NOI)	53,780	—
Gain on management of income from lump-sum payment	47	Recorded based on investment yields with reference to recent financial asset yields.
Capital expenditures	3,010	Recorded based on the average repair costs in the engineering report with the verification based on the level of similar properties.
Net cash flow (NCF)	50,818	—
Capitalization rate	4.8%	Assessed by considering the individuality of the subject property with reference to the level of transaction yield for similar properties and the expected yield of property investors.
Value of earnings calculated by discounted cash flow (DCF) method	1,040,000	—
Discount rate	4.6%	Assessed based on the level of transaction yield for similar properties and the yield of financial assets plus the individuality of the subject property.
Terminal capitalization rate	4.9%	Assessed by taking into account transaction examples of similar properties, economic trends and changes in net income after the expiration of the holding period, uncertainty in forecasts, etc.
Cost method value	970,000	—
Ratio of land	49.5%	—
Ratio of building	50.5%	—
Items considered upon determining appraisal value	None	

(Note) As the amounts are given in units of thousand yen, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

\* Sekisui House Reit, Inc. website: <https://sekisuihouse-reit.co.jp/en/>

<Attachments>

Reference Material 1: Property Photograph and Surrounding Area Map of the Assets to be Acquired

Reference Material 2: Portfolio List after the Transaction

<Attachments>

Reference Material 1: Property Photograph and Surrounding Area Map of the Assets to be Acquired

(1) Prime Maison Shimokitazawa

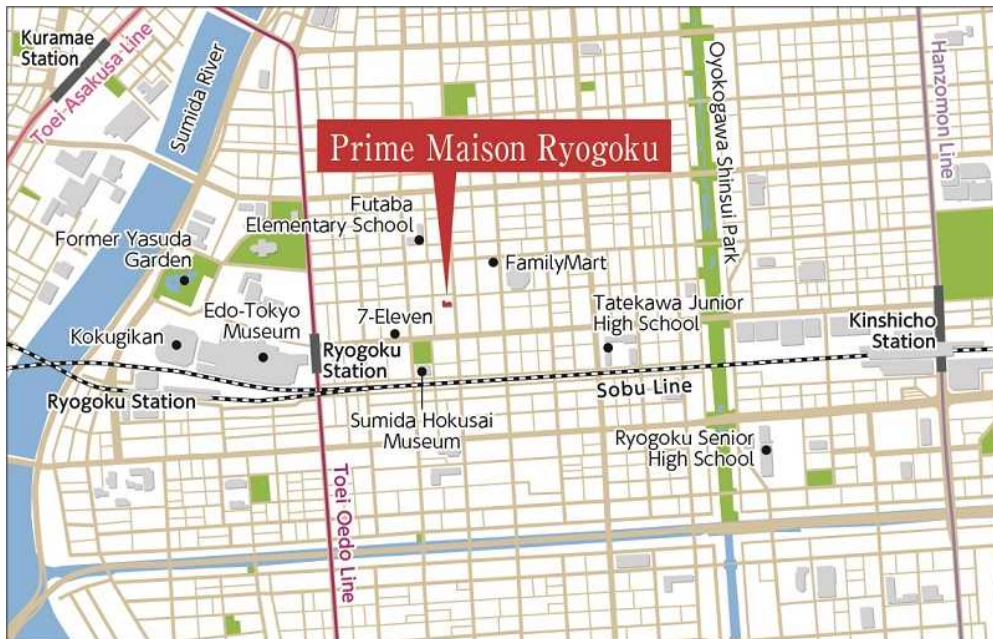


(2) Prime Maison Meguro





(3) Prime Maison Ryogoku



(4) Prime Maison Nakameguro



(5) Prime Maison Itabashi



**Reference Material 2: Portfolio List after the Transaction**

Property number (Note 1)	Property name	Location	(Planned) Date of acquisition (Note 2)	(Planned) Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)
R-001	Esty Maison Ginza	Chuo-ku, Tokyo	May 1, 2018	6,540	1.2
R-002	Esty Maison Azabunagasaka	Minato-ku, Tokyo	May 1, 2018	1,790	0.3
R-003	Esty Maison Ebisu II	Shibuya-ku, Tokyo	May 1, 2018	2,040	0.4
R-004	Esty Maison Ebisu	Shibuya-ku, Tokyo	May 1, 2018	873	0.2
R-005	Esty Maison Kanda	Chiyoda-ku, Tokyo	May 1, 2018	1,610	0.3
R-006	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	May 1, 2018	1,590	0.3
R-007	Esty Maison Asakusakomagata	Taito-ku, Tokyo	May 1, 2018	2,190	0.4
R-008	Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	May 1, 2018	2,400	0.4
R-010	Esty Maison Kameido	Koto-ku, Tokyo	May 1, 2018	1,580	0.3
R-011	Esty Maison Meguro	Meguro-ku, Tokyo	May 1, 2018	1,060	0.2
R-012	Esty Maison Sugamo	Toshima-ku, Tokyo	May 1, 2018	1,630	0.3
R-013	Esty Maison Kyobashi	Osaka-shi, Osaka	May 1, 2018	2,970	0.5
R-014	Esty Maison Hakuraku	Yokohama-shi, Kanagawa	May 1, 2018	931	0.2
R-015	Esty Maison Minamihorie	Osaka-shi, Osaka	May 1, 2018	1,060	0.2
R-016	Esty Maison Gotanda	Shinagawa-ku, Tokyo	May 1, 2018	3,110	0.6
R-017	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	May 1, 2018	2,720	0.5
R-018	Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	May 1, 2018	2,050	0.4
R-019	Esty Maison Minamiazabu	Minato-ku, Tokyo	May 1, 2018	1,250	0.2
R-021	Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	May 1, 2018	1,910	0.4
R-022	Esty Maison Azabujuban	Minato-ku, Tokyo	May 1, 2018	2,690	0.5
R-023	Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	May 1, 2018	937	0.2
R-027	Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	May 1, 2018	1,050	0.2
R-028	Esty Maison Sendagi	Bunkyo-ku, Tokyo	May 1, 2018	698	0.1
R-030	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	May 1, 2018	2,400	0.4
R-033	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	May 1, 2018	1,850	0.3
R-034	Prime Maison Higashisakura	Nagoya-shi, Aichi	May 1, 2018	1,500	0.3
R-035	Prime Maison Kayabakoen	Nagoya-shi, Aichi	May 1, 2018	801	0.1
R-036	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	May 1, 2018	785	0.1
R-037	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	May 1, 2018	2,560	0.5
R-038	Sha Maison Stage Hakata (Note 5)	Fukuoka-shi, Fukuoka	May 1, 2018	2,360	0.4
R-039	Esty Maison Kinshicho	Sumida-ku, Tokyo	May 1, 2018	1,260	0.2
R-040	Esty Maison Musashikoganei	Koganei-shi, Tokyo	May 1, 2018	1,790	0.3
R-041	Prime Maison Gokiso	Nagoya-shi, Aichi	May 1, 2018	1,950	0.4
R-042	Prime Maison Yuhigaoka	Osaka-shi, Osaka	May 1, 2018	909	0.2
R-043	Prime Maison Kitatanabe	Osaka-shi, Osaka	May 1, 2018	601	0.1
R-044	Prime Maison Momochihama	Fukuoka-shi, Fukuoka	May 1, 2018	1,940	0.4
R-045	Esty Maison Akihabara	Taito-ku, Tokyo	May 1, 2018	1,930	0.4
R-046	Esty Maison Sasazuka	Shibuya-ku, Tokyo	May 1, 2018	3,340	0.6
R-047	Prime Maison Ginza East	Chuo-ku, Tokyo	May 1, 2018	6,250	1.2
R-048	Prime Maison Takami	Nagoya-shi, Aichi	May 1, 2018	1,050	0.2
R-049	Prime Maison Yadaminami	Nagoya-shi, Aichi	May 1, 2018	812	0.1
R-050	Prime Maison Teriha	Fukuoka-shi, Fukuoka	May 1, 2018	1,260	0.2
R-051	Esty Maison Higashishirakabe	Nagoya-shi, Aichi	May 1, 2018	1,580	0.3
R-052	Esty Maison Sengoku	Bunkyo-ku, Tokyo	May 1, 2018	1,360	0.3

Property number (Note 1)	Property name	Location	(Planned) Date of acquisition (Note 2)	(Planned) Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)
R-053	Esty Maison Daizawa	Setagaya-ku, Tokyo	May 1, 2018	2,270	0.4
R-054	Esty Maison Togoshi	Shinagawa-ku, Tokyo	May 1, 2018	1,770	0.3
R-055	Esty Maison Nishitemma	Osaka-shi, Osaka	May 1, 2018	1,680	0.3
R-056	Esty Maison Shirokanedai	Shinagawa-ku, Tokyo	May 1, 2018	2,400	0.4
R-057	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	May 1, 2018	1,680	0.3
R-058	Esty Maison Motoazabu	Minato-ku, Tokyo	May 1, 2018	1,540	0.3
R-059	Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	May 1, 2018	861	0.2
R-060	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	May 1, 2018	1,030	0.2
R-061	Esty Maison Nakano	Nakano-ku, Tokyo	May 1, 2018	1,870	0.3
R-062	Esty Maison Shinnakano	Nakano-ku, Tokyo	May 1, 2018	1,020	0.2
R-063	Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	May 1, 2018	984	0.2
R-064	Esty Maison Tetsugakudo	Nakano-ku, Tokyo	May 1, 2018	1,160	0.2
R-065	Esty Maison Koenji	Suginami-ku, Tokyo	May 1, 2018	1,160	0.2
R-066	Esty Maison Oshiage	Sumida-ku, Tokyo	May 1, 2018	2,490	0.5
R-067	Esty Maison Akabane	Kita-ku, Tokyo	May 1, 2018	3,290	0.6
R-068	Esty Maison Oji	Kita-ku, Tokyo	May 1, 2018	1,650	0.3
R-069	Prime Maison Waseda	Shinjuku-ku, Tokyo	May 1, 2018	1,580	0.3
R-070	Prime Maison Hatchobori	Chuo-ku, Tokyo	May 1, 2018	1,460	0.3
R-071	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	May 1, 2018	1,960	0.4
R-072	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	May 1, 2018	2,910	0.5
R-073	Sha Maison Stage Akihabara (Note 5)	Chiyoda-ku, Tokyo	May 1, 2018	555	0.1
R-074	Esty Maison Aoi	Nagoya-shi, Aichi	May 1, 2018	2,460	0.5
R-075	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	May 1, 2018	2,430	0.4
R-076	Esty Maison Kinshicho II	Sumida-ku, Tokyo	May 1, 2018	8,250	1.5
R-077	Esty Maison Ojima	Koto-ku, Tokyo	May 1, 2018	8,630	1.6
R-078	Prime Maison Fujimidai	Nagoya-shi, Aichi	May 1, 2018	2,070	0.4
R-079	Esty Maison Tsurumai	Nagoya-shi, Aichi	May 1, 2018	4,490	0.8
R-080	Prime Maison Morishita	Koto-ku, Tokyo	May 1, 2018	1,930	0.4
R-081	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	May 1, 2018	1,960	0.4
R-082	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	May 1, 2018	3,160	0.6
R-083	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	May 1, 2018	1,930	0.4
R-084	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	May 1, 2018	1,250	0.2
R-085	Prime Maison Central Park	Fukuoka-shi, Fukuoka	May 1, 2018	2,309	0.4
R-086	Sha Maison Stage Yahiro (Note 5)	Sumida-ku, Tokyo	May 1, 2018	1,910	0.4
R-087	Prime Maison Ebisu	Shibuya-ku, Tokyo	May 1, 2018	4,360	0.8
R-088	Sha Maison Stage Kanazawa Nishiizumi (Note 5)	Kanazawa-shi, Ishikawa	May 1, 2018	1,080	0.2
R-089	Esty Maison Unomori (Note 5)	Yokkaichi-shi, Mie	May 1, 2018	830	0.2
R-091	Sha Maison Stage Hino (Note 5)	Hino-shi, Tokyo	May 1, 2018	1,390	0.3
R-092	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	May 1, 2018	4,870	0.9
R-093	Kobe Women's Student Housing	Kobe-shi, Hyogo	May 1, 2018	5,880	1.1
R-094	Prime Maison Shibuya	Shibuya-ku, Tokyo	May 1, 2018	2,430	0.4
R-095	Prime Maison Hatsudai	Shibuya-ku, Tokyo	May 1, 2018	3,010	0.6
R-096	Esty Maison Uemachidai	Osaka-shi, Osaka	May 1, 2018	1,040	0.2
R-098	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	May 1, 2018	4,900	0.9
R-099	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	May 1, 2018	4,220	0.8
R-100	Esty Maison Morishita	Sumida-ku, Tokyo	May 1, 2018	655	0.1

Property number (Note 1)	Property name	Location	(Planned) Date of acquisition (Note 2)	(Planned) Acquisition price (million yen) (Note 3)	Investment ratio (%) (Note 4)
R-101	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	May 1, 2018	7,950	1.5
R-102	Prime Maison Otsuka	Toshima-ku, Tokyo	May 1, 2018	3,700	0.7
R-103	Prime Maison Asakusabashi	Taito-ku, Tokyo	May 1, 2018	1,680	0.3
R-104	Prime Maison Daikanyama	Meguro-ku, Tokyo	May 1, 2018	2,520	0.5
R-105	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	May 1, 2018	3,400	0.6
R-106	Esty Maison Toyosu Residence	Koto-ku, Tokyo	May 1, 2018	6,050	1.1
R-108	Esty Maison Ijiri (Note 5)	Fukuoka-shi, Fukuoka	January 31, 2019	390	0.1
R-109	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	June 10, 2019	2,040	0.4
R-110	Prime Maison Hongo	Bunkyo-ku, Tokyo	June 10, 2019	2,600	0.5
R-111	Prime Maison Kuramae	Taito-ku, Tokyo	June 10, 2019	2,190	0.4
R-112	Esty Maison Yokohama-aobadai	Yokohama-shi, Kanagawa	June 10, 2019 September 27, 2019	3,020	0.6
R-113	Esty Maison Shizuoka Takajo	Shizuoka-shi, Shizuoka	January 31, 2020	660	0.1
R-114	Sha Maison Stage Hirose-dori (Note 5)	Sendai-shi, Miyagi	April 20, 2020	865	0.2
R-115	Esty Maison HIGASHIBETSUIN (Note 5)	Nagoya-shi, Aichi	April 1, 2021	2,190	0.4
R-116	Esty Maison Kayaba (Note 5)	Nagoya-shi, Aichi	April 1, 2021	900	0.2
R-117	Esty Maison SHIRAKABEMINAMI (Note 5)	Nagoya-shi, Aichi	April 1, 2021	660	0.1
R-118	Prime Maison Shimokitazawa	Setagaya-ku, Tokyo	September 1, 2021	2,580	0.5
R-119	Prime Maison Meguro	Meguro-ku, Tokyo	September 1, 2021	2,310	0.4
R-120	Prime Maison Ryogoku	Sumida-ku, Tokyo	September 1, 2021	1,530	0.3
R-121	Prime Maison Nakameguro	Meguro-ku, Tokyo	February 1, 2022	10,000	1.8
R-122	Prime Maison Itabashi	Itabashi-ku, Tokyo	February 1, 2022	4,800	0.9
Residential properties (Residences) – subtotal				257,766	47.5
O-001	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	December 3, 2014 May 24, 2016 May 24, 2017 June 10, 2019	71,950	13.3
O-002	Gotenyama SH Building	Shinagawa-ku, Tokyo	December 3, 2014	51,500	9.5
O-003	Hommachi Minami Garden City	Osaka-shi, Osaka	December 3, 2014 June 10, 2019	44,000	8.1
O-004	Hommachi Garden City (Office building portion)	Osaka-shi, Osaka	May 19, 2015	38,600	7.1
O-005	HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	May 24, 2016	4,400	0.8
O-006	Hirokoji Garden Avenue	Nagoya-shi, Aichi	May 24, 2016	6,350	1.2
O-007	Akasaka Garden City	Minato-ku, Tokyo	June 10, 2019	28,700	5.3
Office buildings – subtotal				245,500	45.2
H-001	Hommachi Garden City (Hotel portion)	Osaka-shi, Osaka	May 24, 2017	17,200	3.2
H-002	The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	January 31, 2019 April 20, 2020	22,120	4.1
Hotels – subtotal				39,320	7.2
Commercial properties (office buildings and hotels) – subtotal				284,820	52.5
SHR's portfolio (residential properties and commercial properties) – total				542,586	100.0

(Note 1) "Property number" is the number assigned by property after classifying the properties held by SHR, and the letters R, O and H refer to residence, office building and hotel, respectively.

(Note 2) "(Planned) Date of acquisition" of succeeded properties due to SHR's merger with Sekisui House Residential Investment Corporation ("SHI") (the "Investment Corporation Merger") with effective date of May 1, 2018, indicates to the effective date of the Investment Corporation Merger.

(Note 3) "(Planned) Acquisition price" refers to the sale and purchase price set forth in the sale and purchase agreement for each property (excluding consumption tax and local consumption tax as well as commission and other various expenses; rounded down to the nearest million yen). Since, however, the assets under management succeeded from SHI as a result of the Investment Corporation Merger were accounted by the purchase method in which SHR was the acquiring corporation and SHI was the acquired corporation and the appraisal value obtained by SHR was the

actual received amount by SHR, the valuation based on the appraisal by real estate appraiser as of April 30, 2018, the time of valuation, are shown in the "Acquisition price" columns. The amounts of such values are rounded down to the nearest million yen.

(Note 4) "Investment ratio" shows the percentage of the (planned) acquisition price of each asset under management to the total (planned) acquisition price of the portfolio of SHR, which is rounded to the first decimal place. Accordingly, the sum of the investment ratios of the respective properties may differ from the figure shown in the "total" columns.

(Note 5) Since August 1, 2021, in order to change the names of properties sequentially, the names of properties after the change are listed. For details, please refer to the "Notice Concerning Name Change of Properties under Management" announced today.