

November 16, 2023

For Translation Purposes Only

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Notice Concerning Acquisition of Asset (Equity Interest in Silent Partnership)

Samty Residential Investment Corporation (“Samty Residential”) announces that Samty Asset Management Co., Ltd. (the “Asset Management Company”), to which Samty Residential entrusts management of its portfolio assets, decided today to acquire an asset (equity interest in silent partnership) (the “Acquisition”), as described below..

**1. Overview of Acquisition**

Name of asset to be acquired	Equity interest in silent partnership that has beneficiary interest (the “Beneficiary Interest”) of real estate in trust (the “Trust”) as asset under management
Name of asset	Equity interest in B-1 silent partnership with GK Iris 1 <sup>(Note 1)</sup>
Real estate in trust <sup>(Note 2)</sup>	Attirant Itabashihoncho CASA GRECO SAMTY Residence Nishi-funabashi Libre SAMTY Residence Funabashi Kaijin GRANDUKE Kodeki fiore S-RESIDENCE Horita North S-RESIDENCE Sanno S-RESIDENCE Omotecho S-RESIDENCE Atsuta II
Equity investment amount	100 million yen in total (approximately 3.8% of total amount of equity investment in silent partnership, etc.)
Date of conclusion of contract	November 27, 2023 (scheduled)
Date of acquisition	November 27, 2023 (scheduled)
Acquisition funds	Cash on hand

(Note 1) The asset is the equity interest in B-1 silent partnership (the “Equity Interest in Silent Partnership”) with GK Iris 1 (the “GK”) as the operator. Please refer to “3. Contents of Equity Interest in Silent Partnership (1) Overview of Silent Partnership to Be Invested In” below for further details of the silent partnership.

(Note 2) The GK acquired the Beneficiary Interest on November 29, 2023.

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## 2. Reasons for Acquisition

Samty Residential decided the Acquisition to secure opportunities for the flexible growth of the asset size in the future through the Acquisition, pursuant to asset management policies set forth in the articles of incorporation of Samty Residential.

In line with the Acquisition, Samty Residential is to be granted the preferential negotiation rights for the acquisition of the real estate in trust of the Trust or the Beneficiary Interest (collectively, the “Real Estate in Trust, Etc.”). While Samty Residential is not obliged to acquire the Real Estate in Trust, Etc., directly or through a third party, by obtaining these preferential negotiation rights, it believes that these will contribute to an expansion of its asset size and an increase in profitability from a medium- to long-term perspective as the execution of the preferential negotiation rights will secure opportunities for flexible acquisitions of excellent rental residences.

Samty Residential has the preferential negotiation rights, but this is a right and presently this does not constitute a decision by Samty Residential or affiliate companies designated by Samty Residential (“Samty Residential, Etc.”) to acquire the Real Estate in Trust, Etc. or guarantee that Samty Residential, Etc. can acquire the Real Estate in Trust, Etc.

## 3. Contents of Equity Interest in Silent Partnership

### (1) Overview of Silent Partnership to Be Invested In

Name of business operator	GK Iris 1				
Valid period of silent partnership agreement	November 29, 2028				
Total amount of silent partnership equity interest	2,630 million yen				
Overview of silent partnership agreement	<p>The following is an overview of the silent partnership in which Samty Residential will invest.</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="2" style="text-align: center;">GK Iris 1 <sup>(Note 3)</sup></th> </tr> </thead> <tbody> <tr> <td style="width: 50%; vertical-align: top;"> <b>(Asset)</b>  Real estate trust beneficiary interest, etc. <sup>(Note 1)</sup>  : 9,180 million yen </td> <td style="width: 50%; vertical-align: top;"> <b>(Debt)</b>  Non-recourse loan  : 6,550 million yen  <b>(Capital) <sup>(Note 2)</sup></b>  Equity investment in silent partnership A  : 2,100 million yen  Equity investment in silent partnership B  : 530 million yen </td> </tr> </tbody> </table> <p>(Note 1) Real estate trust beneficiary interest, etc. include money reserve, costs to formulate silent partnership, etc. Furthermore, total real estate appraisal value is 9,083 million yen.</p> <p>(Note 2) Of the total amount of equity investment in silent partnership, Samty Residential is scheduled to invest 100 million yen (approx. 3.8%) and the Asset Management Company’s shareholder Samty Co., Ltd. is scheduled to invest 430 million yen (approx. 16.3%) as equity investment in silent partnership B, and a domestic ordinary company is scheduled to invest 2,100 million yen (approx. 79.8%) as equity investment in silent partnership A. Since Samty Co., Ltd. is a parent company of the Asset Management Company, it falls under an interested party, etc. as defined under the Act on Investment Trusts and Investment Corporations and under an interested party, etc. as set forth in the interested party transaction rules of the Asset Management Company. The name of the domestic ordinary company is not disclosed as consent was not obtained, but there is no special relationship between the domestic ordinary company and Samty Residential/the Asset Management Company.</p> <p>(Note 3) The name of the asset manager of the GK is not disclosed as consent was not obtained, but it is a domestic asset manager. There is no special relationship between the asset manager and Samty Residential/the Asset Management Company.</p>	GK Iris 1 <sup>(Note 3)</sup>		<b>(Asset)</b> Real estate trust beneficiary interest, etc. <sup>(Note 1)</sup> : 9,180 million yen	<b>(Debt)</b> Non-recourse loan : 6,550 million yen <b>(Capital) <sup>(Note 2)</sup></b> Equity investment in silent partnership A : 2,100 million yen Equity investment in silent partnership B : 530 million yen
GK Iris 1 <sup>(Note 3)</sup>					
<b>(Asset)</b> Real estate trust beneficiary interest, etc. <sup>(Note 1)</sup> : 9,180 million yen	<b>(Debt)</b> Non-recourse loan : 6,550 million yen <b>(Capital) <sup>(Note 2)</sup></b> Equity investment in silent partnership A : 2,100 million yen Equity investment in silent partnership B : 530 million yen				

	<p>Calculation period : The calculation period is every three months, from October 1 through December 31, from January 1 through March 31, from April 1 through June 30, and from July 1 through September 30 every year. However the first calculation period is from November 27, 2023, through March 31, 2024, and the last date of the final calculation period shall be the termination date of the silent partnership agreement.</p> <p>Distribution of profits or losses : The operator will distribute any profits arising from the silent partnership operation in each calculation period to the members of silent partnership A until an amount multiplied by a certain ratio is reached, and distribute the remainder to the members of silent partnership B according to the ratio of contribution of each member of silent partnership B. Furthermore, the operator will distribute any losses arising from the silent partnership operation in each calculation period to the members of silent partnership B according to the ratio of contribution of each member of silent partnership B and distribute the remainder to the members of silent partnership A. Losses distributed to each silent partnership member will be limited to the amount until the remaining contribution of each silent partnership member is 1 yen, and losses that cannot be distributed to all silent partnership members will be distributed to the operator. If any profit arises from the silent partnership operation and there is unprocessed cumulative losses distributed to the operator and the silent partnership members, the profit will be allocated in the order of the cumulative losses of the operator and members of silent partnership A before distribution of profit to members of silent partnership A, and the cumulative losses of members of silent partnership B after the distribution of profit to members of silent partnership A and before distribution of profit to members of silent partnership B.</p>
<p>Overview of preferential negotiation rights for acquisition</p>	<p>Period : The period from the date of acquisition of the Beneficiary Interest by the operator until March 31, 2025. However, if Samty Residential makes a written offer on the intent to purchase the Real Estate in Trust, Etc. (“Purchase Offer”) to the operator during this period (“Period of Expression of Preferential Purchase Intention”), the period shall be until August 31, 2025. Furthermore, if Samty Residential withdraws the Purchase Offer, this shall be until the date of the withdrawal. (Including the above changes to the period, referred to as “Preferential Purchase Period”.)</p>
	<p>Outline of rights : Samty Residential may preferentially negotiate with the operator with regard to the acquisition of the Real Estate in Trust, Etc. (only for acquisition in whole) by making a Purchase Offer during the Period of Expression of Preferential Purchase Intention. The operator shall not provide information on the Real Estate in Trust, Etc. to a third party (meaning a party other than Samty Residential), conclude a purchase and sale agreement for the Real Estate in Trust, Etc. with a third party, or sell the Real Estate in Trust, Etc. to a third party during the Preferential Purchase Period.</p>

	<p>Terms and conditions for exercising preferential negotiation rights : The prescribed terms including all of the following terms must be met for exercising of preferential negotiation rights.</p> <p>(1) Transaction date is on a business day from August 1, 2025, through August 31 2025 (However, if requested by Samty Residential and consent of all silent partnership members is obtained, this also applies to the period from February 1, 2025, though February 28, 2025).</p> <p>(2) The purchase price for the Real Estate in Trust, Etc. is the higher amount of 8,606 million yen, or an amount for which the entire amount of contributions of members of silent partnership A is redeemed and a yield of 5% or more is reasonably expected for the members of silent partnership A.</p> <p>(3) The purchase price of the Real Estate in Trust, Etc. is enough repayment of all liabilities pertaining to non-recourse loans borne by the operator.</p> <p>Other : The preferential negotiation right is held by the Samty Residential as a right and does not bear any obligation to acquire the Real Estate in Trust, Etc. in the future. Furthermore, since consent of the operator will be the condition for the acquisition of the Real Estate in Trust, Etc. based on the preferential negotiation right, acquisition of the Real Estate in Trust, Etc. is not necessarily guaranteed.</p>
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#### 4. Overview of Real Estate in Trust

The overview of the Real Estate in Trust is as shown in the table below. However, the information in “Leased area,” “Occupancy rate,” “Monthly rental revenue,” and “Security and guarantee deposits” are as of the end of September 2023. Please refer to the following terms with regard to the tables.

- “Location” is based on the residential address. However, for properties that have no residential address, the building address or building location on the certificate of registered matters is indicated. “Site area” of land and “Use,” “Completion date,” “Structure and floors” and “Total floor area” of buildings are based on the information in the certificate of registered matters. The description in the certificate of registered matters may not necessarily be identical with the present state of said real estate.
- “Trustee” indicates the trustee of trust pertaining to real estate trust beneficiary interest.
- “Building coverage ratio” is, in principle, the ratio of the building area of the building designated in Article 53, Paragraph 1 of the Building Standards Act (Act No. 201 of 1950, as amended; the “Building Standards Act”) to its site area, and represents the maximum value provided in city plannings in accordance with zoning, etc. Such a maximum value of the building coverage ratio may be relaxed, increased, or decreased due to being a fire-resistant building within a fire prevention district and for other reasons, and may be different from the building coverage ratio that is actually applied.
- “Floor area ratio” is, in principle, the ratio of the total floor area of the building to site area designated in Article 52, Paragraph 1 of the Building Standards Act, and represents the maximum value of the floor area ratio provided in city plannings in accordance with zoning, etc. Such a maximum value of the floor area ratio may be relaxed, increased, or decreased due to the width of roads connecting to the site area and for other reasons, and may be different from the floor area ratio that is actually applied.
- “Zoning” is the type of zoning listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (Act No. 100 of 1968, as amended; “City Planning Act”).
- “Total floor area” is the floor area for the entire building (excluding that of attached buildings).
- “Number of leasable units” is the number of units that can be leased as of the end of September 2023 (including number of stores, etc., if any).
- “Property management company” is the property management company to which property management is entrusted or planned to be entrusted with regard to the real estate.
- “Master lease company” is the lessee that has concluded or planned to conclude a master lease agreement with the owner of the real estate.
- “Master lease type” indicates whether a pass-through-type master lease agreement or a fixed-rent-type master lease agreement is concluded.
- “Probable maximum loss (PML value)” is the value calculated in the evaluation of seismic risk analysis conducted by Tokio Marine dR Co., Ltd. as requested as part of due diligence. Furthermore, “Probable maximum loss (PML value)” refers to the extent of the damage that would be incurred due to the largest earthquake (a large earthquake with the likelihood of occurring once in 475 years = a large earthquake with a 10% likelihood of occurring once in 50 years) foreseen during the assumed useful life (50 years being the useful life of an ordinary building) as a ratio (%) of the replacement value for the foreseeable restoration costs of the damage.

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- “Total leasable area” is the total floor area of residences and shops, etc. that is practically leasable to end tenants (if the common area, etc. is leased, the concerned area is also included). Total leasable area is not based on the real estate registry, but by the floor area stated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and may not necessarily be identical to the floor area written in the real estate registry.
- “Leased area” is the area (the area indicated in the lease agreements) for which lease agreements are actually concluded with end tenants, and a lease is conducted if the type of master lease as of the end of September 2023 is a pass-through-type master lease agreement. However, the indicated figure includes only the area of residences and shops, etc. (or the area of the entire units if all units are leased in a lump sum) and excludes the leased area of parking lots, etc.
- “Occupancy rate” is the rate of leased area to leasable area as of September 30, 2023, rounded to the first decimal place.
- “Number of tenants” is the number of tenants with which the trustee has a direct rental contract relationship.
- When the type of master lease is a pass-through-type master lease agreement, “Monthly rental revenue” is the total monthly rent as of the end of September 2023 (including common area expenses, but not fees for incidental facilities such as parking lots or trunk rooms) stated in the lease agreement concluded by the master lease company, or the owners of each real estate or trust real estate, with end tenants. Amounts are rounded down to the nearest thousand yen. Consumption tax and other taxes are excluded.
- “Security and guarantee deposits” is the total amount of balance of security and guarantee deposits remaining as of the end of September 2023 based on lease agreements concluded with end tenants, rounded down to the nearest thousand yen. However, if such does not need to be refunded based on special policy conditions such as deductions from deposit and non-refundable deposit in a lease agreement, such an amount is excluded.
- “Special remarks” are matters recognized as important as of the end of September 2023 in terms of the rights and use, etc. of the real estate, including the following matters, as well as consideration of the degree of impact on the appraisal value, profitability, and disposition of real estate.
  - i. Significant limitation or restriction by laws, ordinances, rules, and regulations
  - ii. Significant burdens or limitations on rights, etc.
  - iii. Significant cases where there are architectural structures crossing the boundaries of the concerned property, etc. and cases where there are issues with boundary confirmation, etc. and related arrangements, etc.
  - iv. Significant agreements, arrangements, etc. made with co-owners or sectional owners
- Unless otherwise stated, percentage figures in the abovementioned sections are rounded to the first decimal place. As such, figures may not necessarily add up to 100%.
- Regarding monetary amounts in the abovementioned sections, appraisal values are rounded down to the nearest million yen and other amounts are rounded down to the nearest thousand yen.

(1) Attirant Itabashihoncho

Property name		Attirant Itabashihoncho
Location		13-6 Yamatocho, Itabashi-ku, Tokyo
Type of specified asset		Real estate trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Trust establishment date		April 28, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	323.95 m <sup>2</sup>
	Building coverage ratio	80%
	Floor area ratio	600% (Note)
	Zoning	Commercial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	1,120.22 m <sup>2</sup>
	Completion date	March 13, 2023
	Structure and floors	Reinforced concrete structure, flat roof, 10 floors
	Number of leasable units	33 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,030 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		7.0%
Overview of leasing		
Total leasable area		1,015.16 m <sup>2</sup>
Leased area		808.74 m <sup>2</sup>
Occupancy rate		79.7%
Number of tenants		1
Monthly rental revenue		4,023 thousand yen
Security and guarantee deposits		265 thousand yen
Characteristics of the property		<p>The property is located about a 2-minute walk from Itabashihoncho Station on the Toei Mita Line and has single-type and compact-type units. Residents can access Otemachi Station in about 21 minutes, enjoying excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, it has a high level of convenience with convenience stores, a supermarket, and restaurants located within walking distance and a hospital, post office and greenery such as parks are located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note) The floor area ratio is 327% due to regulations based on the width of the frontal road.

(2) CASA GRECO

Property name		CASA GRECO
Location		3-30-5 Horinouchi, Hachioji-shi, Tokyo
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	548.54 m <sup>2</sup>
	Building coverage ratio	60%
	Floor area ratio	200%
	Zoning	Quasi-residential district
Building	Type of ownership	Ownership
	Use	Apartment/store
	Total floor area	1,036.57 m <sup>2</sup>
	Completion date	February 28, 2014
	Structure and floors	Reinforced concrete structure, flat roof, 5 floors
	Number of leasable units	29 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		609 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		0.0%
Overview of leasing		
	Total leasable area	993.63 m <sup>2</sup>
	Leased area	967.35 m <sup>2</sup>
	Occupancy rate	97.4%
	Number of tenants	1
	Monthly rental revenue	2,768 thousand yen
	Security and guarantee deposits	5,249 thousand yen
Characteristics of the property		<p>This property is located about a 5-minute walk from Keio-Horinouchi Station on the Keio Sagami-hara Line and has a store and single-type units. Residents can access Shinjuku Station in about 33 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, it has a high level of living convenience with convenience stores, a discount store, and restaurants located within walking distance, and a clinic, post office and greenery such as tree-lined streets, walking trails, and parks are also located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(3) SAMTY Residence Nishi-funabashi Libre

Property name		SAMTY Residence Nishi-funabashi Libre
Location		4-30-27 Nishifuna, Funabashi-shi, Chiba
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	583.50 m <sup>2</sup>
	Building coverage ratio	80% <sup>(Note)</sup>
	Floor area ratio	200%
	Zoning	Neighborhood commercial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	1,241.98 m <sup>2</sup>
	Completion date	April 21, 2022
	Structure and floors	Reinforced concrete structure, flat roof, 6 floors
	Number of leasable units	51 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,070 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		4.1%
Overview of leasing		
	Total leasable area	1,172.49 m <sup>2</sup>
	Leased area	1,149.85 m <sup>2</sup>
	Occupancy rate	98.1%
	Number of tenants	1
	Monthly rental revenue	4,483 thousand yen
	Security and guarantee deposits	4,215 thousand yen
Characteristics of the property		<p>The property is located about a 3-minute walk from Nishi-funabashi Station on the Tokyo Metro Tozai Line and JR Sobu Line and other lines and has single-type units. Residents can access Otemachi Station in about 23 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, the area around Nishi-funabashi Station offers excellent lifestyle convenience with a concentration of convenience stores, supermarkets, and restaurants.</p> <p>With such characteristics, the property has favorable transportation convenience and living convenience and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note) The allowable building coverage ratio is 90% due to mitigation by fireproof buildings in a quasi-fire protection district.



(4) SAMTY Residence Funabashi Kaijin

Property name		SAMTY Residence Funabashi Kaijin
Location		3-8-8 Kaijin, Funabashi-shi, Chiba
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	709.11 m <sup>2</sup>
	Building coverage ratio	60%
	Floor area ratio	200%
	Zoning	Category 1 residential district, Category 2 residential district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	1,462.22 m <sup>2</sup>
	Completion date	February 22, 2021
	Structure and floors	Reinforced concrete structure, flat roof, 4 floors
	Number of leasable units	55 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,000 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		4.8%
Overview of leasing		
	Total leasable area	1,391.81 m <sup>2</sup>
	Leased area	1,265.34 m <sup>2</sup>
	Occupancy rate	90.9%
	Number of tenants	1
	Monthly rental revenue	4,322 thousand yen
	Security and guarantee deposits	4,148 thousand yen
Characteristics of the property		<p>The property is located about an 8-minute walk from Kaijin Station on the Keisei Main Line and has single-type units. Residents can access Tokyo Station in about 35 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>It has a high level of living convenience with Funabashi Station and Keisei-Funabashi Station located within walking distance and with a department store, convenience stores, and restaurants. A hospital, post office, and greenery such as parks are also located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(5) GRANDUKE Kodeki fiore

Property name		GRANDUKE Kodeki fiore
Location		3-3-5 Kodeki, Chikusa-ku, Nagoya-shi, Aichi
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	813.43 m <sup>2</sup>
	Building coverage ratio	80% <sup>(Note 1)</sup>
	Floor area ratio	400% / 300% <sup>(Note 2)</sup>
	Zoning	Commercial district / Neighborhood commercial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	2,777.97 m <sup>2</sup>
	Completion date	September 9, 2020
	Structure and floors	Reinforced concrete structure, flat roof, 14 floors
Number of leasable units		65 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,260 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		10.8%
Overview of leasing		
Total leasable area		2,626.00 m <sup>2</sup>
Leased area		2,465.00 m <sup>2</sup>
Occupancy rate		93.9%
Number of tenants		1
Monthly rental revenue		5,932 thousand yen
Security and guarantee deposits		3,020 thousand yen
Characteristics of the property		<p>The property is about a 15-minute walk from Nagoya Dome-mae Yada Station on the Nagoya City Subway Meijo Line, about a 16-minute walk from Imaike Station on the Nagoya City Subway Higashiyama Line and Sakura-dori Line, and about a 1-minute walk from the Kodeki-machi bus stop for the Nagoya City Bus and has compact-type units. Residents can access Nagoya Station in about 11 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, it has a high level of lifestyle convenience with convenience stores, a supermarket, and restaurants located within walking distance, and greenery such as Tokugawa Park and Chikusa Park are located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note 1) The allowable building coverage ratio is 90% due to corner lot mitigation.

(Note 2) The floor area ratio based on the weighted average of the target area is 324.21%.

(6) S-RESIDENCE Horita North

Property name		S-RESIDENCE Horita North
Location		1-4-2 Daigishincho, Mizuho-ku, Nagoya-shi, Aichi
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	617.06 m <sup>2</sup> (Note 1)
	Building coverage ratio	80% (Note 2)
	Floor area ratio	400% / 300% (Note 3)
	Zoning	Commercial district / Neighborhood commercial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	2,295.01 m <sup>2</sup>
	Completion date	January 16, 2023
	Structure and floors	Reinforced concrete structure, flat roof, 15 floors
	Number of leasable units	84 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,080 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		9.5%
Overview of leasing		
	Total leasable area	1,985.90 m <sup>2</sup>
	Leased area	1,676.90 m <sup>2</sup>
	Occupancy rate	84.4%
	Number of tenants	1
	Monthly rental revenue	5,483 thousand yen
	Security and guarantee deposits	995 thousand yen
Characteristics of the property		<p>This property is located about a 10-minute walk from Jingu-mae Station and Horita Station on the Meitetsu Nagoya Main Line and has single-type units. From Jingu-mae Station, residents can access Meitetsu-Nagoya Station in about 8 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>The area also offers excellent lifestyle convenience with many stores such as a home center, convenience stores, drug stores and restaurants.</p> <p>With such characteristics, the property has favorable transportation convenience and living convenience and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note 1) Includes part of private road section (approx. 10.80 m<sup>2</sup>) pursuant to Article 42, paragraph 2 of the Building Standards Act.

(Note 2) The allowable building coverage ratio is 90% due to mitigation by fireproof buildings in a quasi-fire protection district.

(Note 3) The floor area ratio based on the weighted average of the target area is 344.10%.

(7) S-RESIDENCE Sanno

Property name		S-RESIDENCE Sanno
Location		2-20-22 Nishihioki, Nakagawa-ku, Nagoya-shi, Aichi
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	490.85 m <sup>2</sup>
	Building coverage ratio	60% <sup>(Note)</sup>
	Floor area ratio	300%
	Zoning	Semi-industrial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	1,620.48 m <sup>2</sup>
	Completion date	November 10, 2022
	Structure and floors	Reinforced concrete structure, flat roof, 15 floors
	Number of leasable units	56 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		764 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		9.3%
Overview of leasing		
	Total leasable area	1,415.12 m <sup>2</sup>
	Leased area	1,314.04 m <sup>2</sup>
	Occupancy rate	92.9%
	Number of tenants	1
	Monthly rental revenue	3,739 thousand yen
	Security and guarantee deposits	1,072 thousand yen
Characteristics of the property		<p>This property is located about a 5-minute walk from Sanno Station on the Meitetsu Nagoya Main Line and has single-type units. Residents can access Meitetsu Nagoya Station in about 3 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, it has a high level of convenience with convenience stores, cafeterias and restaurants located within walking distance, and a hospital, post office and greenery such as a riverside walking path and parks are located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note) The allowable building coverage ratio is 70% due to mitigation by fireproof buildings in a quasi-fire protection district.

(8) S-RESIDENCE Omotecho

Property name		S-RESIDENCE Omotecho
Location		3-10-21 Omotecho, Kita-ku, Okayama-shi, Okayama
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	474.25 m <sup>2</sup>
	Building coverage ratio	80% <sup>(Note)</sup>
	Floor area ratio	500%
	Zoning	Commercial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	2,569.06 m <sup>2</sup>
	Completion date	March 13, 2023
	Structure and floors	Reinforced concrete structure, flat roof, 15 floors
	Number of leasable units	33 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,130 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		10.9%
Overview of leasing		
	Total leasable area	2,290.82 m <sup>2</sup>
	Leased area	1,717.91 m <sup>2</sup>
	Occupancy rate	75.0%
	Number of tenants	1
	Monthly rental revenue	5,964 thousand yen
	Security and guarantee deposits	2,330 thousand yen
Characteristics of the property		<p>The property is located about a 1-minute walk from Saidaiji-cho Station on the Okayama Electric Tramway Higashiyama Line and has single-type and compact-type units. It is located approximately 2 km from Okayama Station on the JR Sanyo Main Line by road distance, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, it has a high level of convenience with a concentration of department stores, convenience stores, supermarkets and restaurants in the surrounding area, and a hospital, museum, civic hall, parks, and also Okayama Castle and Korakuen Garden are located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note) The allowable building coverage ratio is 100% due to mitigation by fireproof buildings in a fire prevention district.

(9) S-RESIDENCE Atsuta II

Property name		S-RESIDENCE Atsuta II
Location		1-7-8 Yokota, Atsuta-ku Nagoya-shi, Aichi
Type of specified asset		Real estate trust beneficiary interest
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		November 29, 2023
Trust expiration date		November 30, 2033
Land	Type of ownership	Ownership
	Site area	516.03 m <sup>2</sup> (Note 1)
	Building coverage ratio	80% (Note 2)
	Floor area ratio	400%
	Zoning	Commercial district
Building	Type of ownership	Ownership
	Use	Apartment
	Total floor area	2,624.60 m <sup>2</sup> (Note 3)
	Completion date	February 13, 2023
	Structure and floors	Reinforced concrete structure, flat roof, 13 floors
	Number of leasable units	84 units
Collateral		None
Property management company		Samty Property Management Co., Ltd.
Master lease company		Samty Property Management Co., Ltd.
Master lease type		Pass-through lease
Appraisal value (date of value)		1,140 million yen (November 1, 2023)
Real estate appraiser		Japan Real Estate Institute
Probable maximum loss(PML value)		8.6%
Overview of leasing		
	Total leasable area	1,969.32 m <sup>2</sup>
	Leased area	1,618.84 m <sup>2</sup>
	Occupancy rate	82.2%
	Number of tenants	1
	Monthly rental revenue	5,530 thousand yen
	Security and guarantee deposits	1,529 thousand yen
Characteristics of the property		<p>The property is located about a 5-minute walk from Atsuta Station on the JR Tokaido Main Line and about an 8-minute walk from Atsuta Jingu Nishi Station on the Nagoya City Subway Meijo Line and has single-type units. Residents can access Nagoya Station in about 8 minutes, providing excellent transportation convenience to the central commercial areas and major business districts.</p> <p>Furthermore, it has a high level of convenience with a shopping mall and convenience stores located within walking distance, and also greenery such as Atsuta Shrine Park and Jingu Higashi Park are located nearby, forming a good living environment.</p> <p>With such characteristics, the property has excellent transportation convenience, living convenience, and living environment, and is believed to be highly competitive in the leasing market shared with areas of similar supply and demand.</p>
Special remarks		Not applicable

(Note 1) Includes part of private road section (approx. 0.33 m<sup>2</sup>) pursuant to Article 42, paragraph 2 of the Building Standards Act.

(Note 2) The allowable building coverage ratio is 100% due to mitigation by fireproof buildings in a fire prevention district.

(Note 3) There is an attached building (dust collecting chamber) consisting 15.29 m<sup>2</sup>.

## 5. Overview of Business Operator Invested In By the Silent Partnership

Name	GK Iris 1
Location	3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo
Post and name of representative	Representative partner: General Incorporated Association Iris 1 Executor of representative partner: Takehisa Tei
Description of business	1. Acquisition, holding and disposition of real estate trust beneficiary interest 2. Trading, leasing, management, acquisition, holding and use of real estate 3. All other businesses associated with or related to the businesses listed in the preceding items
Capital	100,000 yen
Date of establishment	October 6, 2023
Relationship with Samty Residential and its asset management company	
Capital relationship Personnel relationship Business relationship	There are no notable capital, personnel or business relationships between Samty Residential/the Asset Management Company and the company. Furthermore, the related parties and affiliated companies of Samty Residential and the Asset Management Company do not have any capital, personnel or business relationships that should be specifically reported with the related parties and affiliated companies of the company. Samty Residential and Samty Co., Ltd., the parent company of the Asset Management Company, are scheduled to conduct silent partnership investment of approximately 3.8% and 16.3% in the company, respectively.
Status of classification as related party	The company does not come under the category of related parties of Samty Residential and the Asset Management Company. Related parties and affiliated companies of the company do not come under the category of related parties of Samty Residential and the Asset Management Company.

## 6. Settlement Method

Please see "7. Schedule of Acquisition" below

## 7. Schedule of Acquisition

November 16, 2023	Determination of acquisition
November 27, 2023	Conclusion of silent partnership agreement B-1 and investment (scheduled)
November 29, 2023	Transfer of real estate trust beneficiary interest (scheduled) to the business operator

## 8. Future Outlook

The acquisition of the Equity Interest in Silent Partnership will have no impact on the management status for the fiscal period ending January 2024 (August 1, 2023 through January 31, 2024). The impact on the management status for the fiscal period ending July 2024 (February 1, 2024 through July 31, 2024) will be minimal.

### <Reference Materials>

Reference Material 1: Overview of Appraisal Reports

Reference Material 2: Photograph of Exterior and Map

\* Samty Residential Investment Corporation website: <https://samty-residential.com/en/>

Reference Material 1: Overview of Appraisal Reports

Property name	Attirant Itabashihoncho	CASA GRECO	SAMTY Residence Nishi-funabashi Libre
Appraisal value	1,030,000 thousand yen	609,000 thousand yen	1,070,000 thousand yen
Appraiser	Japan Real Estate Institute	Japan Real Estate Institute	Japan Real Estate Institute
Date of value	November 1, 2023	November 1, 2023	November 1, 2023
Appraisal value by capitalization method (units: thousand yen)	1,030,000	609,000	1,070,000
Appraisal value using the direct capitalization method	1,040,000	613,000	1,070,000
(1) Operating profit ((a)-(b))	47,600	32,992	53,833
(a) Total potential profit	50,103	34,568	56,135
(b) Loss from vacancies, etc.	2,503	1,576	2,302
(2) Operating costs	10,632	6,972	10,131
Maintenance and management expenses	2,500	1,664	2,250
Property management fees	916	634	1,039
Fees for finding tenants, etc.	3,089	1,458	1,673
Utilities expenses	650	400	600
Repair expenses	634	748	876
Taxes and dues	2,384	1,978	3,335
Non-life insurance premiums	103	90	112
Other expenses	356	0	246
(3) Net operating profit (NOI=(1)-(2))	36,968	26,020	43,702
(4) Income from deposits	35	49	38
(5) Capital expenditure	463	951	804
(6) Net profit (NCF=(3)+(4)-(5))	36,540	25,118	42,936
(7) Cap rate	3.5%	4.1%	4.0%
Appraisal value using the discount cash flow method	1,010,000	604,000	1,060,000
Discount rate	3.3%	3.9%	3.8%
Terminal cap rate	3.6%	4.2%	4.1%
Appraisal value by cost method	744,000	394,000	794,000
Land ratio	73.7%	74.9%	71.7%
Building ratio	26.3%	25.1%	28.3%

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Property name	SAMTY Residence Funabashi Kaijin	GRANDUKE Kodeki fiore	S-RESIDENCE Horita North
Appraisal value	1,000,000 thousand yen	1,260,000 thousand yen	1,080,000 thousand yen
Appraiser	Japan Real Estate Institute	Japan Real Estate Institute	Japan Real Estate Institute
Date of value	November 1, 2023	November 1, 2023	November 1, 2023
Appraisal value by capitalization method (units: thousand yen)	1,000,000	1,260,000	1,080,000
Appraisal value using the direct capitalization method	1,010,000	1,260,000	1,090,000
(1) Operating profit ((a)-(b))	51,548	74,517	64,878
(a) Total potential profit	53,696	79,579	69,388
(b) Loss from vacancies, etc.	2,148	5,062	4,510
(2) Operating costs	9,584	18,836	15,798
Maintenance and management expenses	1,476	2,508	2,725
Property management fees	996	1,464	1,275
Fees for finding tenants, etc.	1,710	3,882	3,484
Utilities expenses	330	2,000	1,400
Repair expenses	876	2,002	1,504
Taxes and dues	3,287	6,301	4,596
Non-life insurance premiums	129	273	200
Other expenses	780	406	614
(3) Net operating profit (NOI=(1)-(2))	41,964	55,681	49,080
(4) Income from deposits	43	28	7
(5) Capital expenditure	568	1,360	988
(6) Net profit (NCF=(3)+(4)-(5))	41,439	54,349	48,099
(7) Cap rate	4.1%	4.3%	4.4%
Appraisal value using the discount cash flow method	997,000	1,260,000	1,070,000
Discount rate	3.9%	4.1%	4.2%
Terminal cap rate	4.2%	4.4%	4.5%
Appraisal value by cost method	654,000	1,220,000	1,010,000
Land ratio	68.5%	48.3%	48.1%
Building ratio	31.5%	51.7%	51.9%

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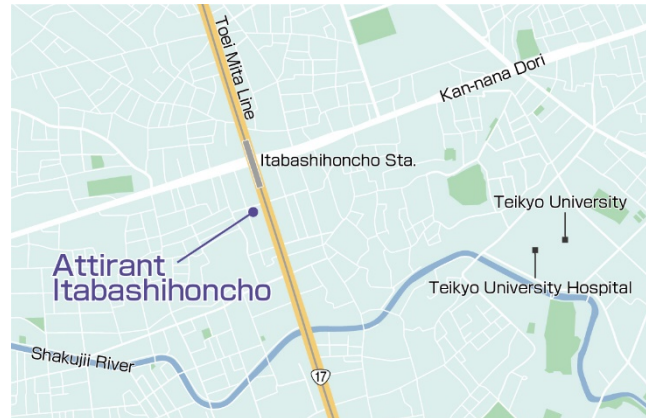
Property name	S-RESIDENCE Sanno	S-RESIDENCE Omotecho	S-RESIDENCE Atsuta II
Appraisal value	764,000 thousand yen	1,130,000 thousand yen	1,140,000 thousand yen
Appraiser	Japan Real Estate Institute	Japan Real Estate Institute	Japan Real Estate Institute
Date of value	November 1, 2023	November 1, 2023	November 1, 2023
Appraisal value by capitalization method (units: thousand yen)	764,000	1,130,000	1,140,000
Appraisal value using the direct capitalization method	767,000	1,140,000	1,150,000
(1) Operating profit ((a)-(b))	44,337	72,700	65,430
(a) Total potential profit	47,195	77,197	69,205
(b) Loss from vacancies, etc.	2,858	4,497	3,775
(2) Operating costs	11,387	19,369	15,111
Maintenance and management expenses	1,554	2,704	1,855
Property management fees	880	1,375	1,297
Fees for finding tenants, etc.	2,414	4,735	3,562
Utilities expenses	730	2,500	1,200
Repair expenses	983	1,460	1,358
Taxes and dues	4,277	6,013	5,108
Non-life insurance premiums	146	229	227
Other expenses	403	353	504
(3) Net operating profit (NOI=(1)-(2))	32,950	53,331	50,319
(4) Income from deposits	10	1	18
(5) Capital expenditure	755	982	1,100
(6) Net profit (NCF=(3)+(4)-(5))	32,205	52,350	49,237
(7) Cap rate	4.2%	4.6%	4.3%
Appraisal value using the discount cash flow method	761,000	1,120,000	1,130,000
Discount rate	4.0%	4.4%	4.1%
Terminal cap rate	4.3%	4.7%	4.4%
Appraisal value by cost method	694,000	875,000	1,020,000
Land ratio	48.6%	45.2%	46.0%
Building ratio	51.4%	54.8%	54.0%

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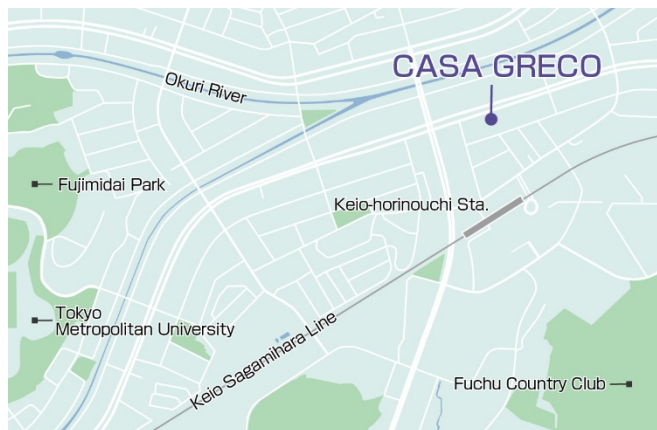
**Reference Material 2: Photograph of Exterior and Map**

(Note) The photographs of the properties in this document show the condition of the properties at a particular point in time and do not necessarily match the current condition due to changes that have occurred since the photographs were taken.

**(1) Attirant Itabashihoncho**



**(2) CASA GRECO**



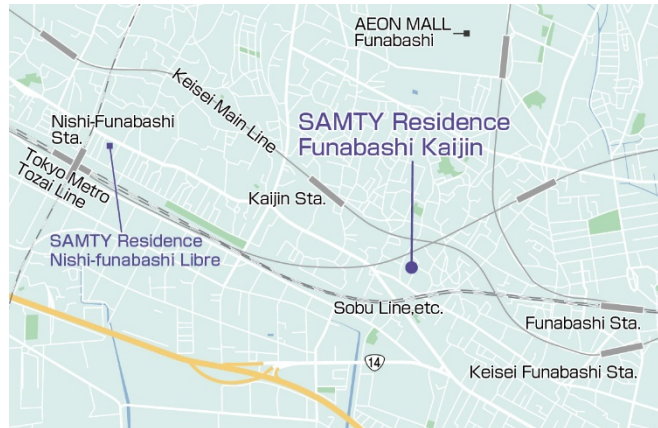
**(3) SAMTY Residence Nishi-funabashi Libre**



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(4) SAMTY Residence Funabashi Kaijin



(5) GRANDUKE Kodeki fiore

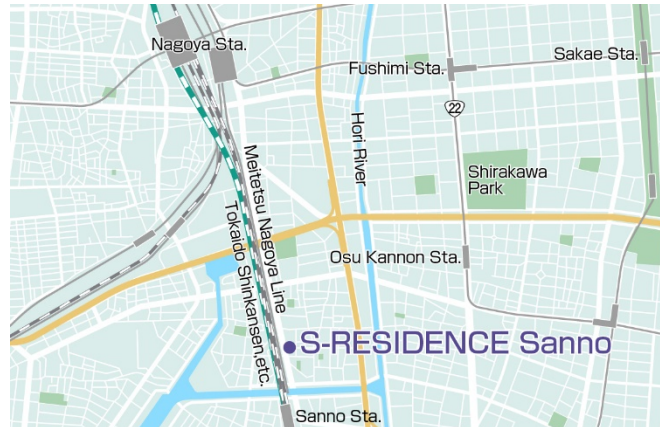


(6) S-RESIDENCE Horita North

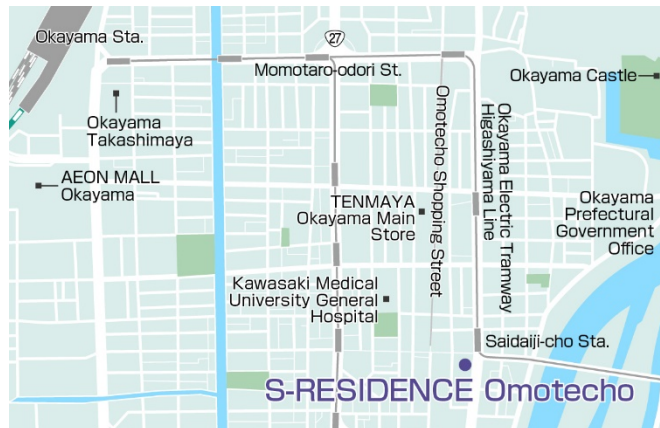


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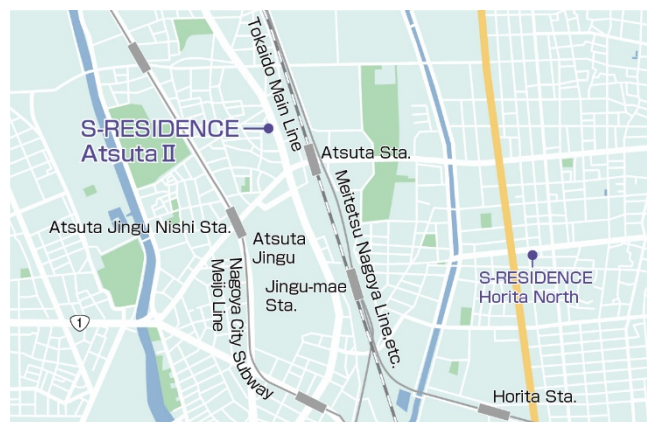
(7) S-RESIDENCE Sanno



(8) S-RESIDENCE Omotecho



(9) S-RESIDENCE Atsuta II



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