



日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.

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Financial Results for the 24th Fiscal Period (Ended March 31, 2018)

May 16, 2018



株式会社ミカサ・アセット・マネジメント
Mi-Casa Asset Management Inc.

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I. Executive Summary for the 24th (March 2018) Fiscal Period

1. Operations: Achieved a Record High Occupancy Rate and an Increase Ratio of New Contracts in Rent Increase since publicly listed in 2006

- Unit Occupancy rate: Average of 98.4% (+0.7 points higher than the initial forecast) and 99.1% as of March 31, 2018
- Number of the Long-term Vacancy Units (over 60days): 13 units (0.1% of Total units 13,223)
- Rent: Rent increase 51.5% (7.3 points up from the previous fiscal period) vs rent decrease 34.6% (6.9 points down from the previous period) in the new contracts of 1,254, as for the Renewals (2,075), rent increase 3.7% (1.9 points down from the previous period)
- Parking occupancy rate: 94.3% as of March 31, 2018 (More efforts in increasing rent including conversion to the coin parking)
- Maintain and enhance property value: Spent JPY 898 million in capital expenditures such as large-scale repairs 9 properties JPY 480 million, room renovation 46 units JPY 92 million, and common area renovation JPY 47 million for Joy Oyamadai)
- Reduction of the Operating expenses: Reduced trust banks fees by JPY 22 million due to changes in type of the ownership form Trust Beneficiary Interest ("TBI") to real estate (non TBI) for 22 properties
→ As a result, total trust bank fees related the above decreased by JPY 110 million from JPY 126 million for 10th FP to JPY 16 million for 24th FP in 7 years

(October~March Average Occupancy rate Comparison)

24th (2018)	: 98.4%	↑(+0.1P)
22nd (2017)	: 98.3%	↑(+0.1P)
20th (2016)	: 98.2%	↓(-0.2P)
18th (2015)	: 98.4%	↑(+1.1P)

From April 1, 2018, a function of "information of Increase/Stay/Decrease new rents (by region/by type)" is added to the "Daily Occupancy Forecasting System" → It enables an understanding of accumulated rents since the beginning of the term by every 2 hours.

2. Disposition : Disposed 32 properties (total of 18.3 billion) since 2010

- Disposed "Satella Nagayama" on January 30, 2018 (disposition price: JPY 0.37 billion, only property held in Asahikawa, Hokkaido) → Realized a gain of JPY 0.03 billion (book value: JPY 0.32 billion, appraisal value: JPY 0.36 billion, both as of the end of the 23rd FP)

(Acquisition and Disposition Since 2010)

Acquisition	47Properties	91.7bn
PRI Merger	52Properties	52.9bn
Acquisition Total	99	144.7bn
Disposition Total	32	18.3bn
Net Increase	67	126.3bn

3. Debt Refinance : Done in line with the planned terms and conditions

- Repaid JPY 4.57 billion in October 2017 with JPY 3.0 billion from issuance of investment corporation bonds and JPY 1.57 billion with funds procured through property disposition of Abreast ShinOsaka in September, 2017, out of JPY 7.57 billion of bank borrowings due on March 23, 2018.
- The above remaining balance of JPY 3 billion refinanced on due date, with finance cost reduction and extending a borrowing period (before refinance: borrowing period 4.3 years, total cost 1.48% (a floating rate of 1.25%) → after refinance: borrowing period 7 years, a fixed rate of 0.82%)
- Executed a loan agreement to refinance bank borrowing JPY 14.46 billion due on June, 22 in March 19, 2018 (before refinance: borrowing period 5 years, a floating rate of 1.45% → after refinance: weighted average borrowing period 7.3 years, a floating rate of 0.70% → plan to fix interest rate)
- Interest bearing debt: 1.27% in the 23rd FP → 1.21% in the 24th FP

4. IR: Active calls on domestic regional Institutional Investors

- Called on 56 institutional investors (34 companies in Tokyo and 22 regional financial institutions outside of Tokyo)
- Had one-on-one meetings on 18 investors in Singapore, and Hong Kong
- Participated in conferences in Tokyo arranged by securities companies (Had one-on-one meetings with 2 investors)
- Participated in 6 presentation meetings for individual investors set by securities companies (with total attendance of 878 unitholders in total)
- Held regular briefing sessions for JRH retail unitholders in Tokyo, Nagoya, Osaka and Fukuoka (with total attendance of 345 unitholders in total).

5. Progress in Medium-term Plans: Coming in the sight of the range of 1,900 yen DPU in stabilized base (Please refer to page 4)

(Ratio of investment units held as of March 2018 (change from previous period))

Ratio of financial institutions increased from the previous period

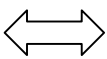
Financial institutions (including financial instruments business operators)	55.3%(+0.8P)
Foreign companies	30.0%(-0.7P)
Individuals and others (18,162)	10.1%(-0.5P)
Other companies	4.5%(+0.4P)
Total	100.0%

*Please refer to page 6 for details.

*Included to FTSE EPRA/NAREIT from Mar 2016

Progress of Medium-Term Target of Distribution per Unit (After one and half year out of three-year plan)

Progressed mostly as planned
(Achieving the range of JPY
1,900 DPU in stabilized basis)



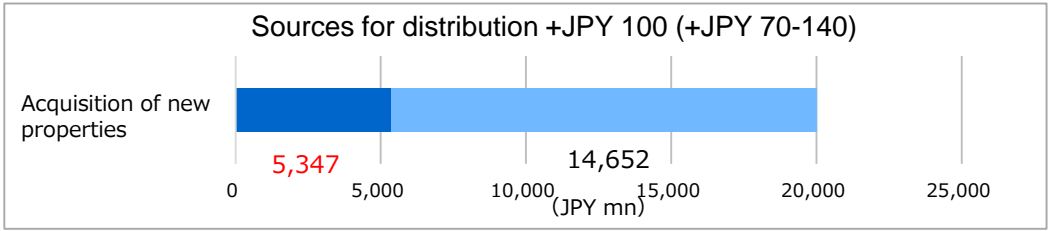
Medium-term target of distribution (Released in November 2016, detail in page 42-44)
: Aim to achieve JPY 1,900 – 2,000 of distribution per unit on a normal basis over the three-year period from 22nd FP (ended March 2017) to 27th FP (ending September 2019)
(Sources for the increase of JPY 300:
JPY 100 from external growth + JPY 200 from internal growth, etc.)

1. Acquisition of new properties

(Also conducting disposition considering market trends)

Target (JPY million)	Amount achieved in 24th FP (JPY million)	Accumulated amount achieved (JPY million)	Progress rate (%)	Contribution to distribution (Note 2)
(10,000~) 20,000	-326	5,347 (Note 1)	26.7	¥37 (¥60)

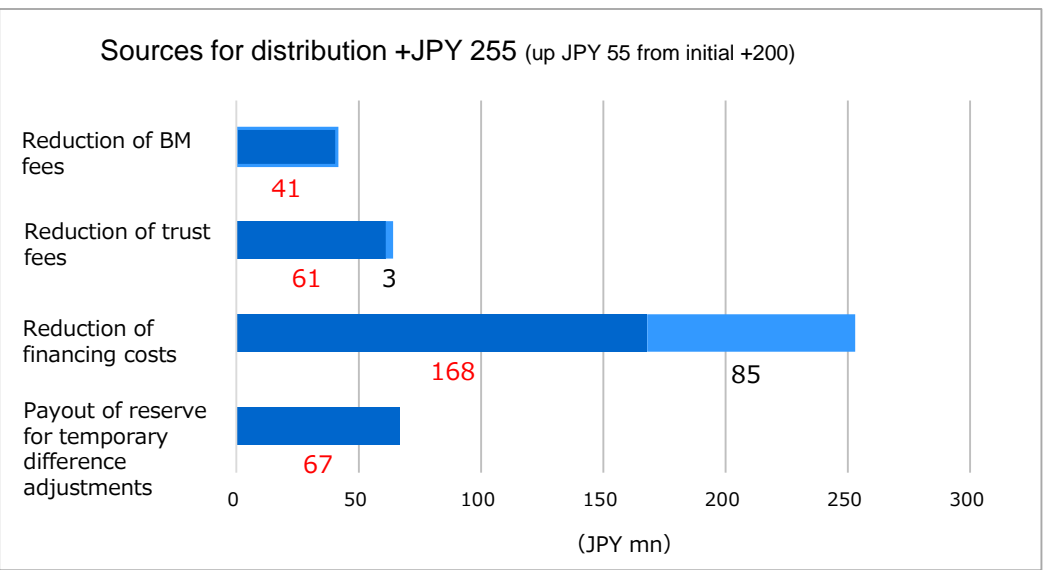
(Note 1) Breakdown of the total amount of JPY 5,347 million based on acquisition prices
[New acquisition] 22nd FP: 1 property in Sapporo (JPY 4,530 million),
23rd FP: 3 properties in Osaka (JPY 4,019 million)
[Disposition] 22nd FP: 1 property in Sapporo and 4 properties in Kansai (JPY 1,484 million),
23rd FP: 1 property in Osaka (JPY 1,391 million)
24th FP: 1 property in Asahikawa (JPY 326 million)



(Note 2) Distribution increase target JPY 140 / Asset size increase target JPY 20,000 million x Accumulated amount achieved JPY 5,347 million. In case of considering payout from reversal of distribution reserves ¥23 generated by the disposition of Abreast ShinOsaka and Satella Nagayama, the distribution amount will be ¥60

2. Reduction of costs and payout of distribution reserves

Target (JPY million)	Amount achieved in 24th FP (JPY million)	Accumulated amount achieved (JPY million)	Progress rate (%)	Contribution to distribution (Note 3)
Reduction of BM fees 35.0	14.8	41.8	119.4	¥25
Reduction of trust fees 65.0	22.4	61.6	94.9	¥37
Reduction of financing costs 253.9 (Note 4)	46.5	168.4	66.3	¥102
Payout of reserve for temporary difference adjustment 67.3 (Note 5)	67.3	67.3	100.0	¥41
Total	151.0	339.1	63.1	¥206



(Note 3) Amount achieved in each category / Number of investment units issued and outstanding (1,640,060).
(Note 4) Balance of interest bearing debt at the end of 21st FP (JPY 117,132 million) x (All-in financing costs for 21st FP (1.47%) – target all-in costs for 27th FP (1.04%)) / 2.
(Note 5) Balance after distributing period-end distribution for 22nd FP (JPY 6,733 million) / 50 years / 2.

23rd Fiscal Period

24th Fiscal Period [Changes from Previous Period]

1. Portfolio

■ Asset Size:	JPY 225.9 bn
■ NOI Yield:	5.67% (196 properties based)
■ Appraisal Value:	JPY 254.1 bn (197 properties based)
■ Unrealized Gain:	JPY 36.1 bn (197 properties based)
(appraisal / book value:	116.6%)

■ Asset Size:	JPY 225.5 bn [-JPY 3.4 bn]
■ NOI Yield:	5.76% [+0.09P] (198 properties based)
■ Appraisal Value:	JPY 255.5 bn [+JPY 1.3 bn] (198 properties based)
■ Unrealized Gain:	JPY 38.3 bn [+JPY 2.2 bn] (198 properties based)
(appraisal / book value:	117.7% [+1.1P])

2. Operations

■ Number of Properties:	199
■ Net Rentable Area:	535 thousand m ²
■ Average Occupancy Rate:	98.2%
(March 2017:	98.4%)
■ Average Rent at the end of the Period:	JPY 97,479

■ Number of Properties:	198 [-1]
■ Net Rentable Area:	532 thousand m ² [-3 thousand m ²]
■ Average Occupancy Rate:	98.4% [0.2P]
(September 2017:	99.1% [0.7P])
■ Average Rent at the end of the Period:	JPY 98,189 [JPY 710]

3. Finance

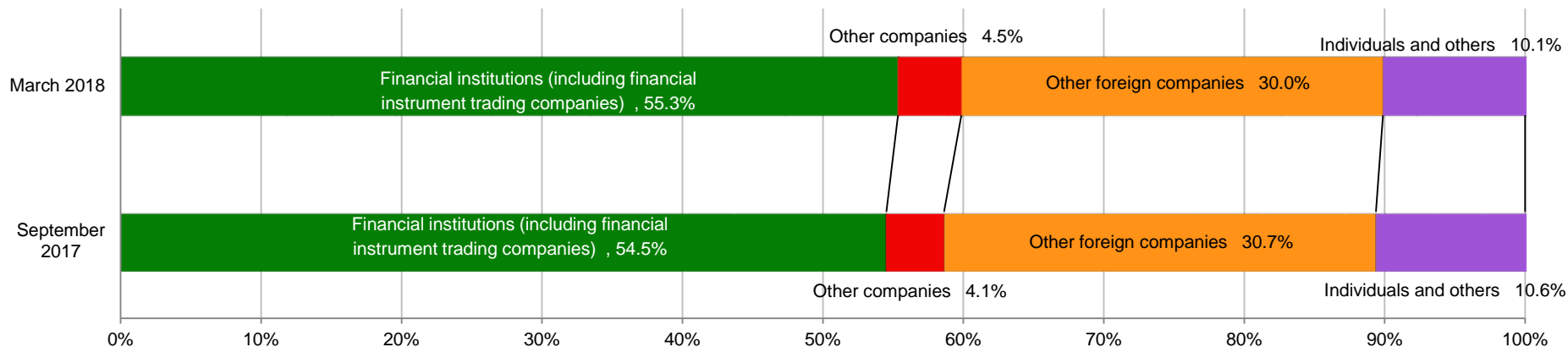
■ Loan Balance:	JPY 120.1 bn
■ Ratio of Long-Term Interest Bearing Debt:	81.7% (Note1)
■ Average Loan Period:	5.91 years
■ Average Remaining Loan Period:	3.54 years
■ Appraisal Value Based LTV:	47.3%
■ Total Assets Based LTV:	51.8%
■ Total Unitholders' Capital:	JPY 91.7 bn
■ Total Units in Issue:	1,640,060 units
■ Credit Rating:	A+ Stable (JCR) A Stable (R&I)

■ Loan Balance:	JPY 115.5 bn [-JPY 4.57 bn] (Note2)
■ Ratio of Long-Term Interest Bearing Debt:	75.2% [-6.5P] (Note2)
■ Average Loan Period:	6.05 years [+0.14 years] (Note2)
■ Average Remaining Loan Period:	3.34 years [-0.2 years] (Note2) → To be extended to 4.0 yrs on June 22
■ Appraisal Value Based LTV:	45.2% [-2.0%] (Note2)
■ Total Assets Based LTV:	50.9% [-0.9P] (Note2)
■ Total Unitholders' Capital:	JPY 91.7 bn [-]
■ Total Units in Issue:	1,640,060 units [-]
■ Credit Rating:	A+ Stable (JCR) A Stable (R&I)

(Note1) Interest-bearing debt that is due for repayment within one year is excluded from long-term interest bearing debt.

(Note2) Unit; rounded down, %; rounded

The Ratio of Investment Units Held



<Top Unitholders >

<Number of Unitholders by Investor Type>

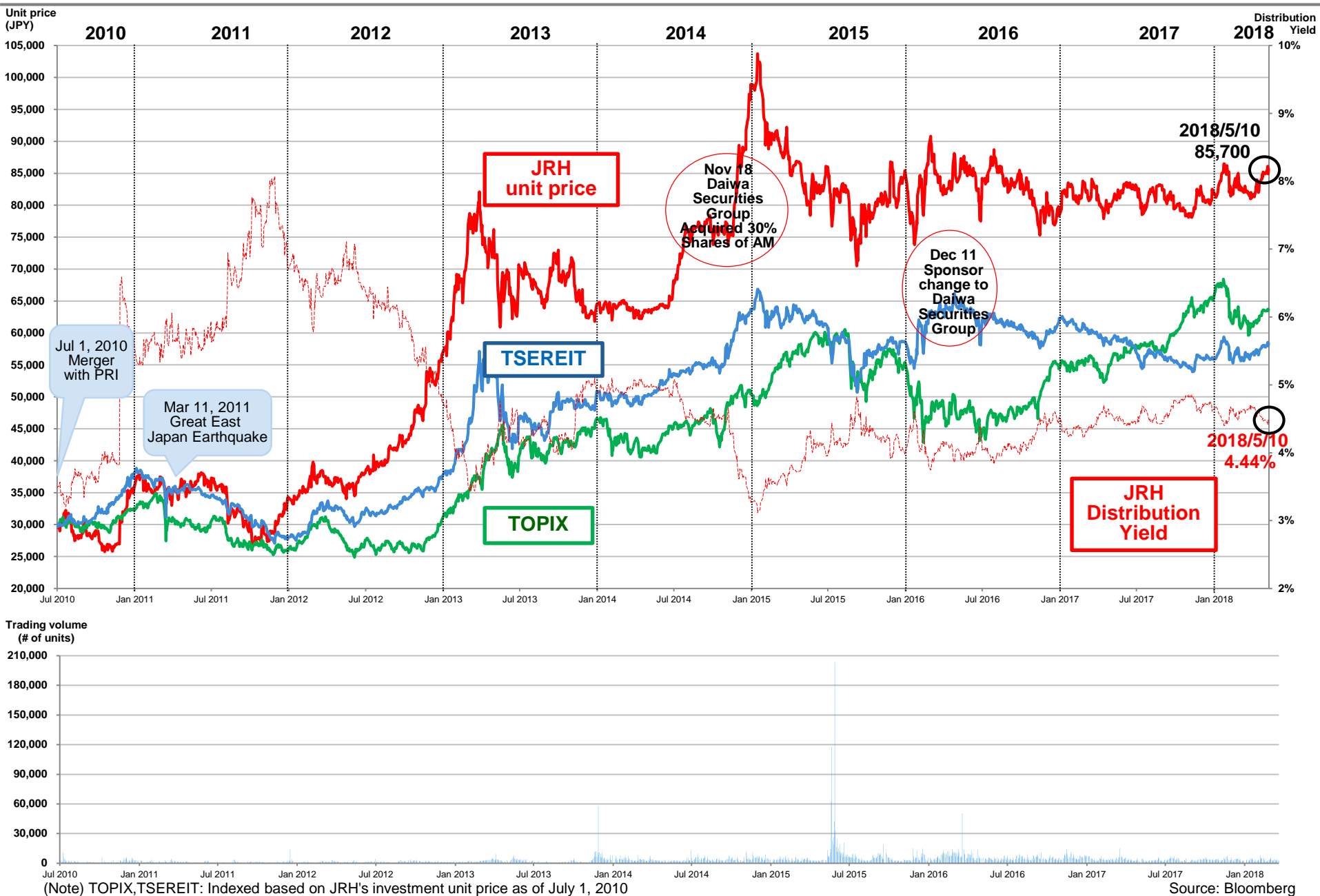
Ranking	Unitholders (Top 10)	March 2018			Number of Units Held as of March 2017 (Note2)
		Number of Units Held	% of Total Units in Issue (Note 1)	Change	
1	The Master Trust Bank of Japan (Trust account)	343,981	20.9%	+30,074	313,907
2	Japan Trustee Services Bank, Ltd. (Trust account)	228,281	13.9%	-2,908	231,189
3	Nomura Trust and Banking Company (Trust account)	91,916	5.6%	531	91,385
4	Nomura Bank (Luxembourg) S.A.	86,317	5.2%	-15,133	101,450
5	Daiwa Securities Group Inc.	55,014	3.3%	-	55,014
6	Trust & Custody Services Bank (Securities investment trust account)	53,342	3.2%	-13,349	66,691
7	Mizuho Trust & Banking Co., Ltd.	36,837	2.2%	+5,500	31,337
8	STATE STREET BANK - WEST PENSION FUND CLIENTS - EXEMPT 505233	25,068	1.5%	-2,027	27,095
9	Mitsubishi UFJ Trust and Banking Corporation	23,786	1.4%	-	23,786
10	STATE STREET BANK WEST CLIENT - TREATY 505234	23,323	1.4%	+4,014	19,309
Subtotal		967,865	59.0%		

	September 2017	March 2018	Change
Financial Institutions (including financial instrument trading companies)	83	78	-5
Other Domestic Companies	209	202	-7
Other Foreign Companies	226	226	0
Individuals and Others	18,162	17,780	-382
Total	18,680	18,286	-394

(Note1) The ratio of investment units held in comparison to the total units in issue is rounded down to the second decimal point.

(Note2) Indicate top 10 unitholders as of the end of March 2018.

JRH Unit Price/Distribution Yield/Trading Volume



II. Financial Results for the 24th (March 2018) Fiscal Period

Operating Revenues

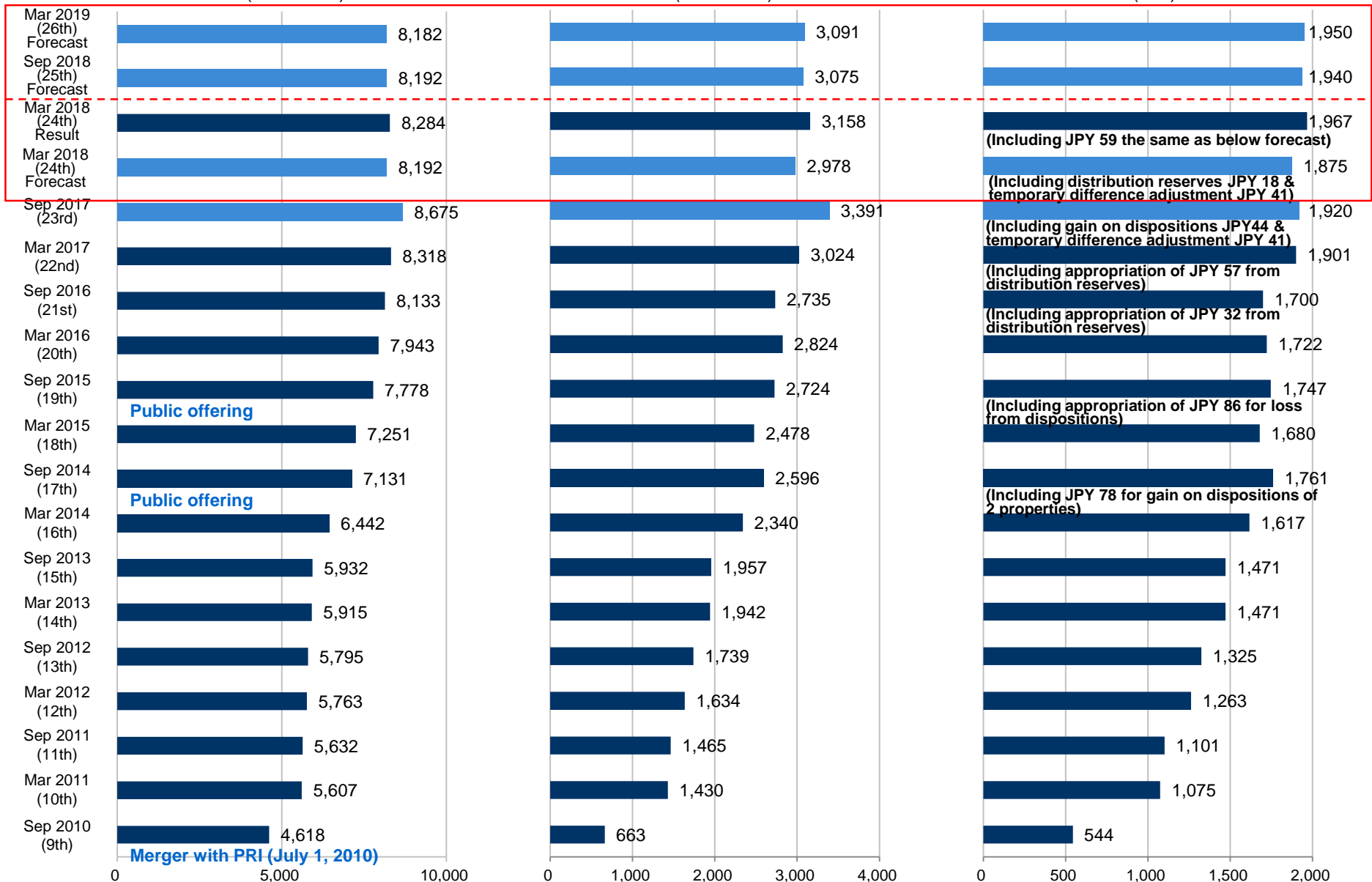
(JPY million)

Net Profit

(JPY million)

Distribution per Unit

(JPY)



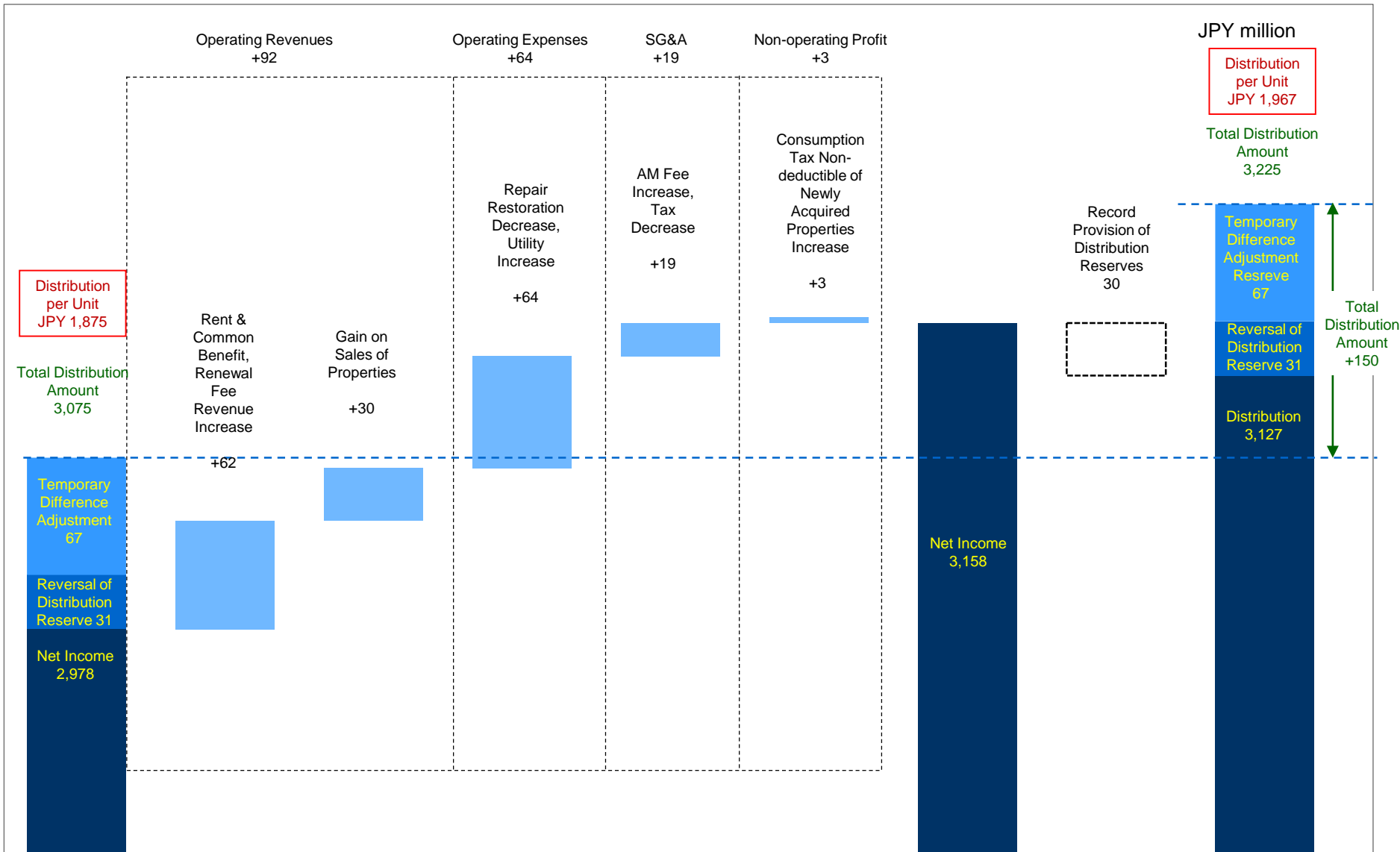
(Note) Figures on the 9th Fiscal Period do not include gains from negative goodwill. Performance figures on the 10th, 12th and 13th Fiscal Periods are real-term figures that exclude losses from property dispositions, etc. during the relevant period.

Forecast (as of November 15, 2017) vs. Results for the 24th Fiscal Period

JPY million

	(1) Forecast (May 15, 2017)	(2) Results	Difference (2) – (1)	Key Factors of the Difference
Operating Revenues	8,192	8,284	+92	Rent and Common Benefit Revenue Increase +14 Parking Revenue Increase +5 Key Money Revenue Decrease -10 Renewal Fee Revenue Increase +10 Restoration Revenue Increase +4 Other Revenue Increase +37 Gain on Sales of Properties Increase +30
Operating Income	3,673	3,850	+177	(Operating Expenses Decrease 64) Repair Expense Decrease +17 Restoration Expense Decrease +11 PM Fee Increase -2 Utility Expense Increase -10 Advertisement Expense Decrease +21 Other Expense Decrease +22 Property Tax Decrease +3 (SG&A Decrease 19) AM Fee Increase -5 Legal Fee Decrease +2 Tax Decrease +10 Other Decrease +13
Ordinary Income	2,978	3,159	+180	Consumption Tax Non-deductible of Newly Acquired Properties Increase +3
Net Income	2,978	3,158	+180	Net Income per Unit Initial Forecast JPY 1,815 Result JPY 1,925
Reversal of Temporary Difference Adjustment/ Distribution Reserve	67 31	67 31	0 0	—
Total Distribution Amount	3,075	3,225	+150	—
Distribution per Unit (JPY)	1,875	1,967	+92	Number of investment units in issue as of the end of the fiscal period : 1,640,060

<24th Fiscal Period: Initial Forecast vs. Results>



24th FP
Forecast
(November 15,
2017)

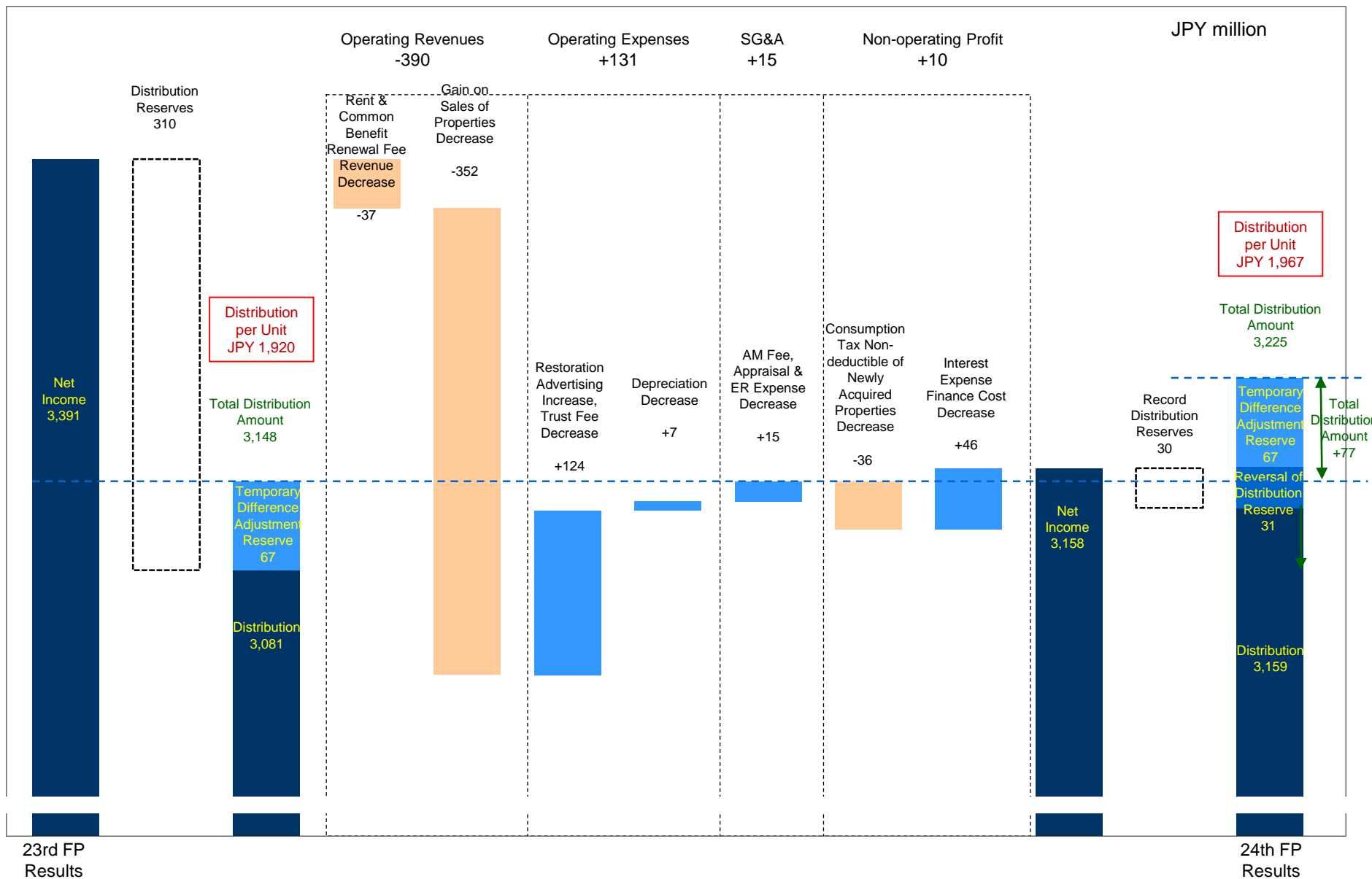
24th FP
Results

Results for the 23rd Fiscal Period vs. the 24th Fiscal Period

JPY million

	(1) 23rd FP Results	(2) 24th FP Results	Difference (2) - (1)	Key Factors of the Difference
Operating Revenues	8,675	8,284	-390	Rent and Common Benefit Revenue Decrease -26 Key Money Revenue Decrease -10 Parking Revenue Increase +2 Restoration Revenue Decrease -5 Gain on Sales of Properties Decrease -352 Other Increase +2
Operating Income	4,093	3,850	-242	(Operating Expenses Decrease 131) Repair Expense Decrease +41 Restoration Expense Decrease +34 BM Fee Decrease +15 Utility Expense Increase -10 Advertisement Expense Decrease +18 Trust Fee Decrease +22 Property Tax Decrease +4 Other Decrease +13 Depreciation Increase -7 (SG&A Decrease 15) AM Fee Decrease +3 Appraisal and ER Expense Decrease +7 Tax Decrease +5
Ordinary Income	3,391	3,159	-232	Other Non-operating Revenue -4 Consumption Tax Non-deductible of Newly Acquired Properties Decrease -31 Interest Expense Decrease +36 Interest of Bond Increase -12 Finance Cost Decrease +23 Other Increase -1
Net Income	3,391	3,158	-232	Net Income per Unit 23rd FP JPY 2,067 24th FP JPY 1,925
Reversal of Temporary Difference Adjustment/ Distribution Reserve	67 -	67 31	0 +31	—
Total Distribution Amount	3,148	3,225	+77	—
Distribution per Unit (JPY)	1,920	1,967	+47	Number of investment units in issue as of the end of the 23rd and 24th fiscal period : 1,640,060

<Results for the 23rd Fiscal Period vs. the 24th Fiscal Period>



III. Forecast for the 25th (September 2018) and the 26th (March 2018) Fiscal Periods

Forecast for the 25th Fiscal Period (April 1, 2017 – September 30, 2018) and

the 26th Fiscal Period (October 1, 2018 – March 31, 2019)

	(1) 24th FP Results	(2) 25th FP Forecast	Difference (2) – (1)	Key Factors of the Difference	(3) 26th FP Forecast	Difference (3) – (2)	Key Factors of the Difference
Operating Revenues	8,284	8,192	-92	Rent and Common Benefit Revenue Decrease -38 Key Money Revenue Increase +9 Restoration Revenue increase +9 Other Revenue Decrease -39 Gain on Sales of Properties Decrease -30 Other Decrease -2	8,182	-10	Rent and Common Benefit Revenue Decrease -1 Renewal Fee Revenue Decrease -9 Parking Revenue Increase +1 Other Decrease -1
Average Occupancy Rate	98.4%	97.8%			97.8%		
Average Rent Per tsubo	¥8,053	¥8,055			¥8,053		
Operating Income	3,850	3,707	-142	(Operating Expenses Increase 41) Repair Expense Increase -31 Restoration Expense Decrease +8 Utility Expense Decrease +21 Advertisement Expense Increase -11 Trust Fee Decrease +8 Other Increase -24 Depreciation Increase -12 (SG&A Increase 9) AM Fee Decrease +9 Legal Expense Decrease +1 Other SG&A Increase -5 Tax Increase -7 Other Increase -7	3,694	-12	(Operating Expenses Increase 7) Repair Expense Decrease +12 Utility Expense Increase -5 Advertisement Expense Decrease +1 Trust Fee Decrease +1 Renewal Expense Decrease +1 Other Increase -13 Depreciation Increase -4 (SG&A Decrease 4) AM Fee Decrease +1 Legal Fee Increase -2 Other SG&A Decrease +4 Other Decrease +1
Ordinary Income	3,159	3,076	-82	Consumption Tax Non-deductible of Newly Acquired Properties Decrease -2 Interest Expense Decrease +31 Finance Cost Decrease +29 Amortization of Bond Issuance Cost Decrease +2	3,092	+16	Interest Expense Increase -3 (Including costs to fix variable interest rates) Finance Cost Decrease +31
Net Income	3,158	3,075	-82	Net Income per Unit 24th FP JPY 1,925 25th FP JPY 1,875	3,091	+16	Net Income per Unit 26th FP JPY 1,885
Reversal of Temporary Difference Adjustment/ Distribution Reserve	67 31	67 38	0 +7	50 years equal amortization from 23rd FP 5 years and 2 years equal amortization from 24th FP, 25th FP	67 38	0 0	—
Total Distribution Amount	3,225	3,181	-44	—	3,198	+16	—
Distribution per Unit (JPY)	1,967	1,940	-27	Number of investment units in issue as of the end of the fiscal period : 1,640,060	1,950	+10	Number of investment units in issue as of the end of the fiscal period : 1,640,060


IV. Detailed Information for the 24th Fiscal Period

(Reasons for the disposition)

- ✓ Regional strategy (Only property held in Asahikawa, Hokkaido)
- ✓ Future outlook on declining book value based NOI yield due to major significant repair and aging
- ✓ Favorable disposition price in the current market

(Property highlights)

- New property acquired in 2006,
- 7 minutes walk from JR Nagayama station, 79 units in total

Property Name	Pictures	Location (Acquisition)	Building Age (Note1)	Acquisition Price (JPY thousand) (Acquisition price based NOI yield) (Note3)	(A) Disposition Price (JPY thousand) (Note2) (Disposition price based NOI yield) (Note3)	As of the end of September 30, 2017				Gain/Loss on Sales (JPY thousand)
						(B) Book Value (JPY thousand) (Book value based NOI yield) (Note3)	(C) Appraisal Value (JPY thousand)	Difference; Appraisal Value and Book Value ((C)–(B)) (JPY thousand)	Difference; Disposition Price and Appraisal Value ((A)–(C)) (JPY thousand)	
Satella Nagayama		Asahikawa Hokkaido (June, 2006)	20.9	342,428 (7.42%)	370,000 (6.87%)	326,534 (7.78%)	365,000	38,465	5,000	43,465

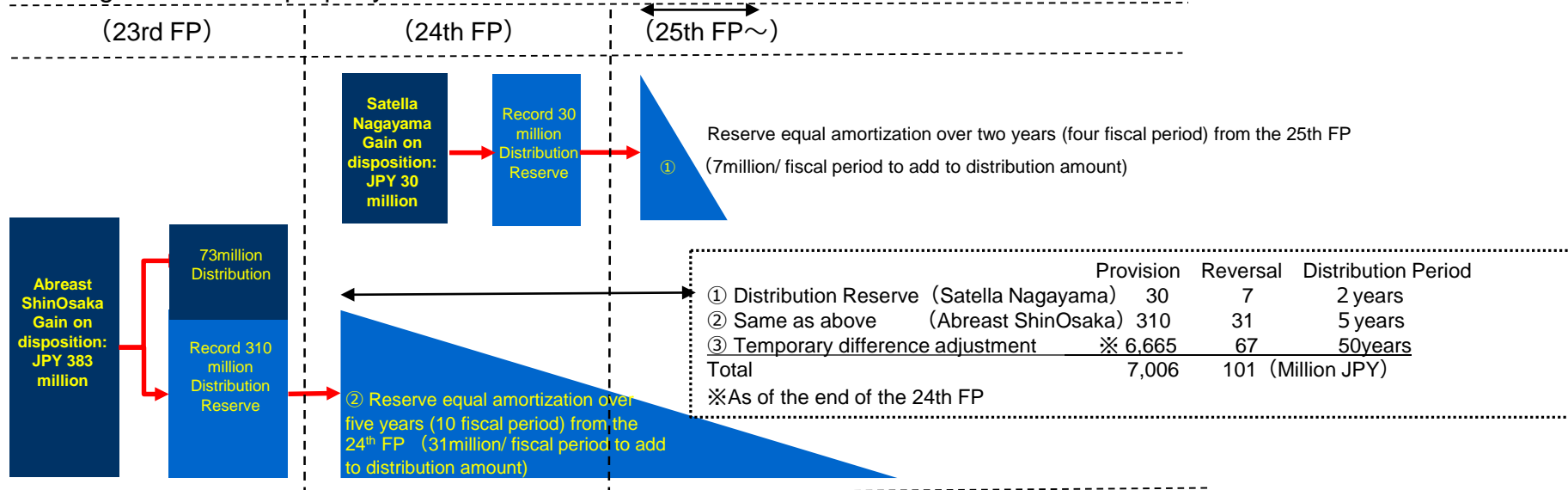
(Note1) The building age as of the closing date is indicated.

(Note2) Disposition Price excludes sales expenses, fixed asset tax and city planning tax adjustments, and consumption tax and local consumption tax; hereinafter the same.

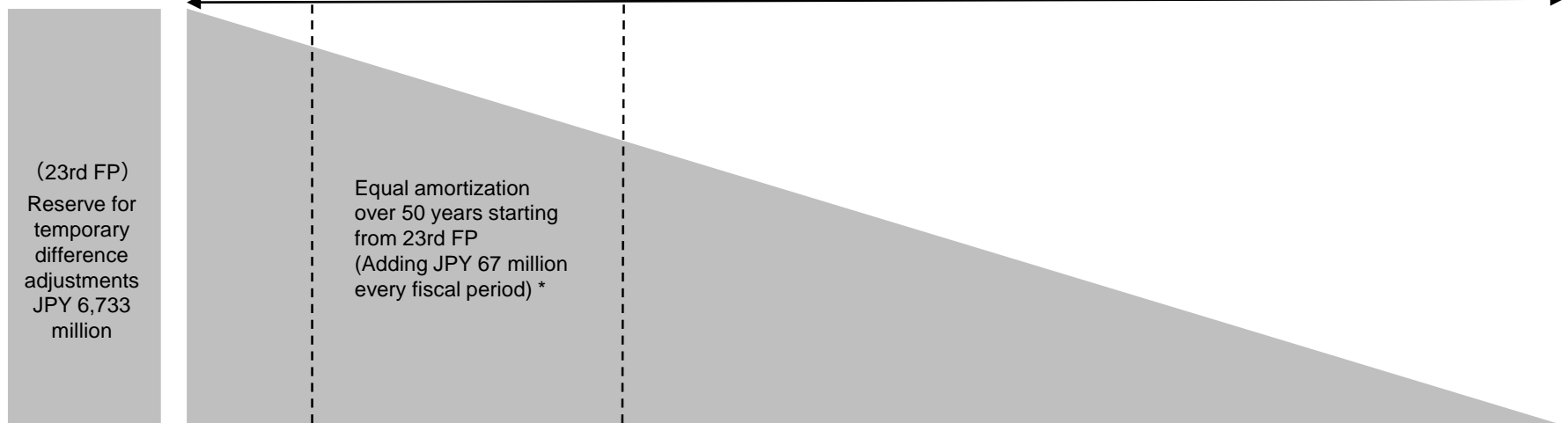
(Note3) NOI yield calculated as total NOI of 22nd fiscal period and 23rd fiscal period divided by each of acquisition price, disposition price and book value.

Policy for Gain on Disposition and Transition of Distribution Reserve

At the point of leveling distribution, the amount of distribution, distribution reserves, and distribution policy determines upon the amount of gain on sale of property



(Reference) Handling of reserve for temporary difference adjustments 50 years from 23rd FP (ended September 2017)






* In cases where utilization of the reserves is judged to be rational due to occurrence of loss on disposition of properties, impairment loss and other reasons, it is possible to move up the final date (in 50 years as of present) to deal with such unexpected situations. (In such cases, the amount used will be subtracted from the balance at that point. However, the amount of depreciation for each fiscal year (JPY 67 million) will remain unchanged until the final date.)

Acquisitions and Dispositions (since Nov 2015)

[Acquired 12 properties, JPY 19 bn ⇔ Disposed 7 properties, JPY 3.5 bn (Total gain JPY 0.37 bn)]





Acquisitions	Dispositions
■ Studio	■ Studio
● Family	● Family

<p>■ Gran Casa NagayamaKoen Dori Acq in Dec 2015</p>  <p><Sapporo, Hokkaido> JPY 1.0 bn</p>	<p>■ Gran Casa Minami11jo Acq in Mar 2016</p>  <p><Sapporo, Hokkaido> JPY 0.8 bn</p>	<p>● Chijikoukanmae Tower Residence Acq in Oct 2016</p>  <p><Sapporo, Hokkaido> JPY 4.5 bn</p>
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(High rise residence with 31 stories)

<p>■ Flat Carerra JPY 0.3 bn Disp in Mar 2017</p>	<p>■ Flat Carerra JPY 0.3 bn Disp in Jan 2018</p>
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[Acquisitions and disposition in the 23rd FP]

<p>■ Runai Nippombashi anhelu Acq in Dec 2015</p>  <p><Osaka, Osaka> JPY 1.4 bn</p>	<p>■ HS Umeda EAST Acq in Jun 2017</p>  <p><Osaka, Osaka> JPY 2.1 bn</p>	<p>■ Serenite Umeda EST Acq Jun 2017</p>  <p><Osaka, Osaka> JPY 1.0 bn</p>	<p>■ Serenite Yuhigaoka EST Acq in Jun 2017</p>  <p><Osaka, Osaka> JPY 0.8 bn</p>
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(Newly constructed in 2017)





<p>■ Abreast ShinOsaka JPY 1.8 bn Disp in Sep 2017</p>
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<p>■ Gran Casa Minowa Acq in Nov 2015</p>  <p><Taito, Tokyo> JPY 0.8 bn</p>
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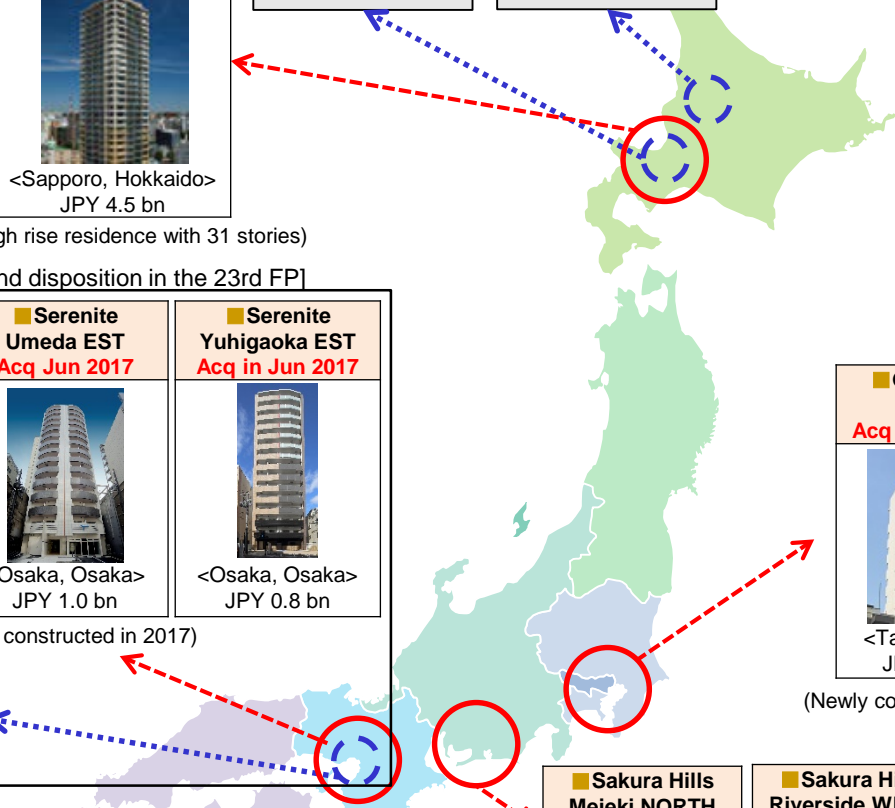
(Newly constructed in 2015)

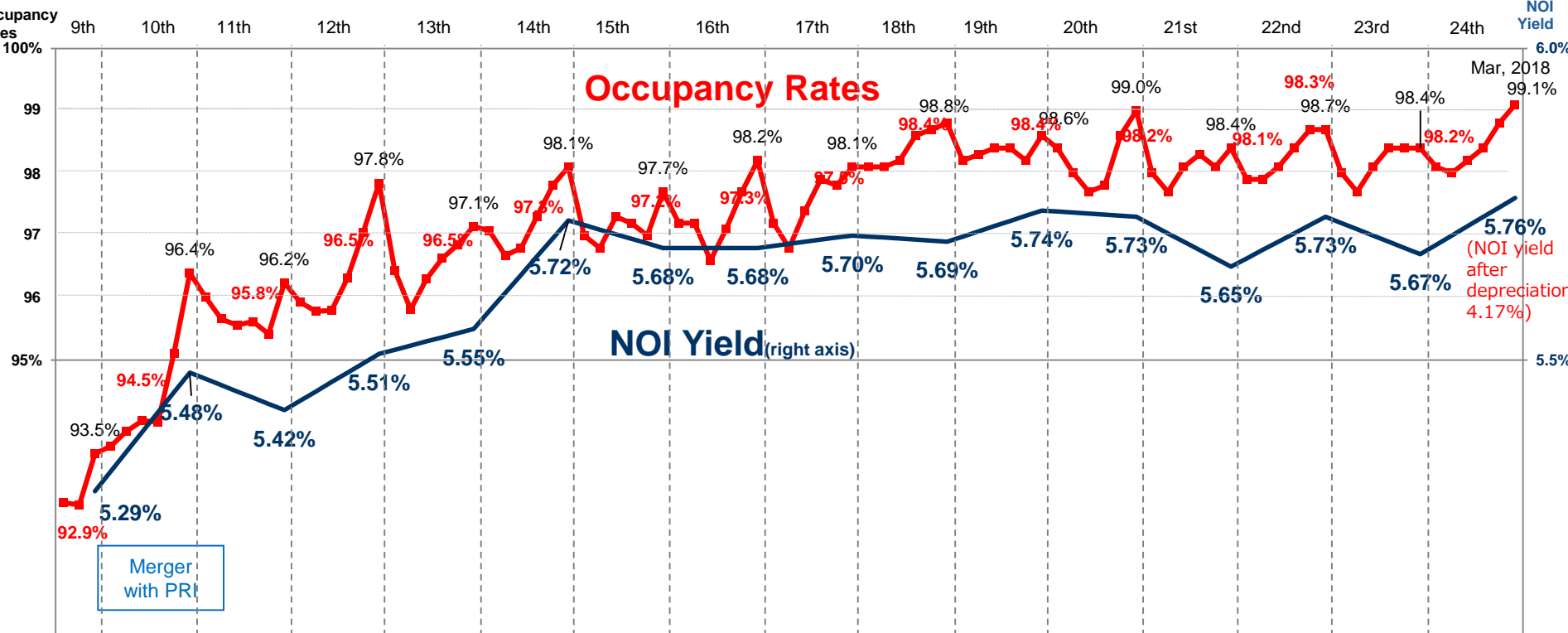
<p>■ willDo ShinOsaka sl JPY 0.2 bn Disp in Mar 2017</p>	<p>■ willDo Kamishinjo wl JPY 0.3 bn Disp in Mar 2017</p>
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<p>■ Grand Mer HigashiYodogawa JPY 0.1 bn Disp in Mar 2017</p>	<p>■ Wind Four MinamiHommachi JPY 0.2 bn Disp in Mar 2017</p>
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<p>■ Sakura Hills Meieki NORTH Acq in Dec 2015</p>  <p><Nagoya, Aichi> JPY 0.7 bn</p>	<p>■ Sakura Hills Riverside WEST Acq in Dec 2015</p>  <p><Nagoya, Aichi> JPY 1.9 bn</p>	<p>■ Sakura Hills Riverside EAST Acq in Dec 2015</p>  <p><Nagoya, Aichi> JPY 1.0 bn</p>	<p>● Sakura Hills Fujimi Acq in Dec 2015</p>  <p><Nagoya, Aichi> JPY 2.7 bn</p>
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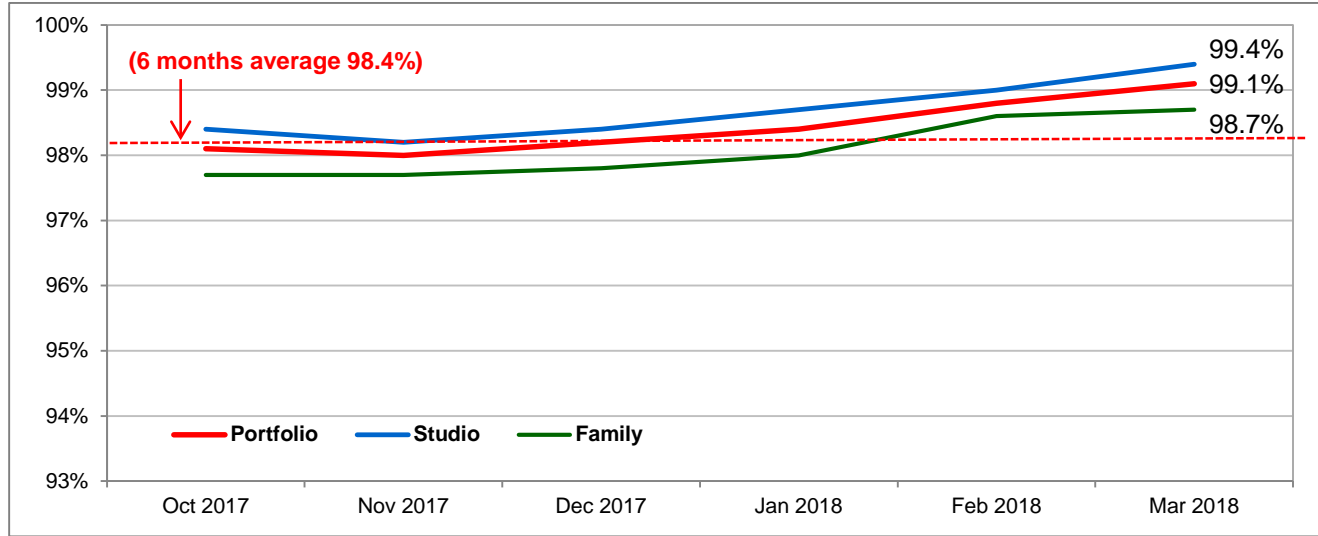
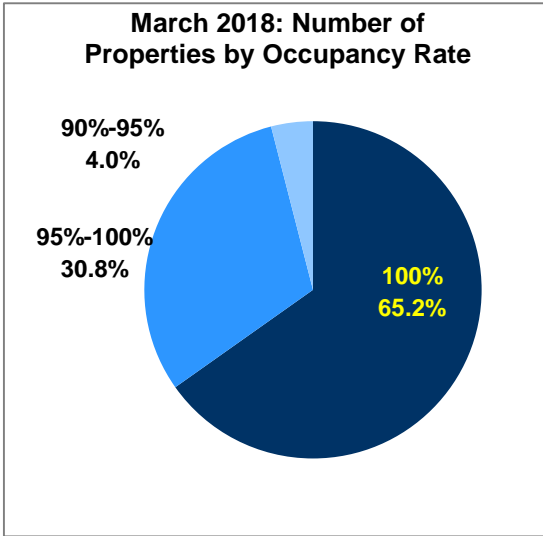
<Close to JR Nagoya Station>





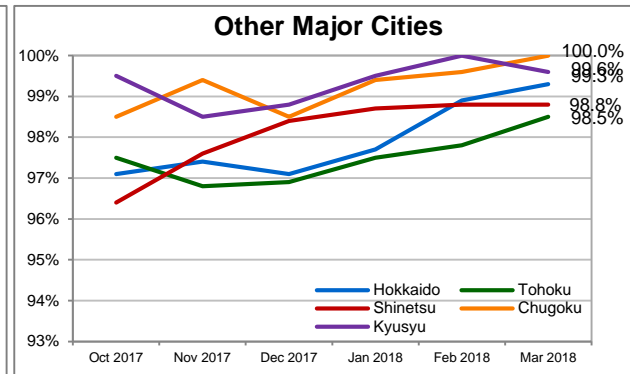
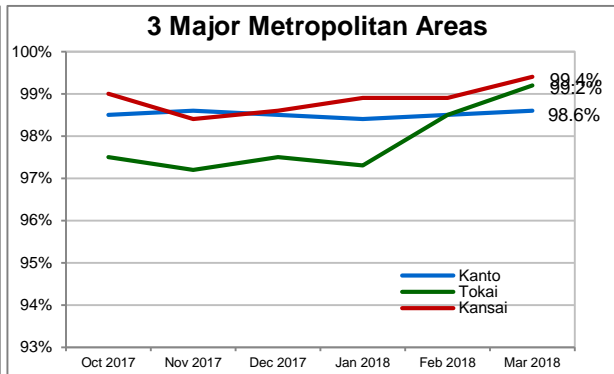
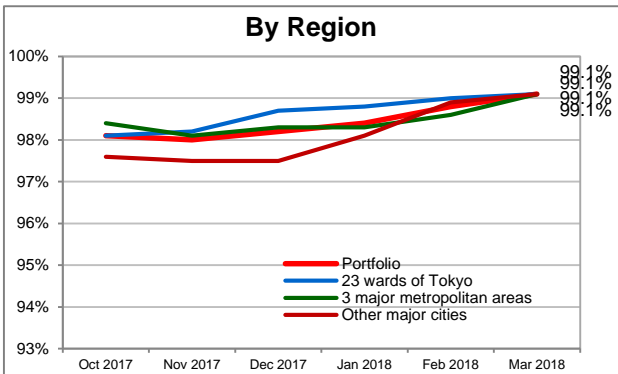
<Key Measures>

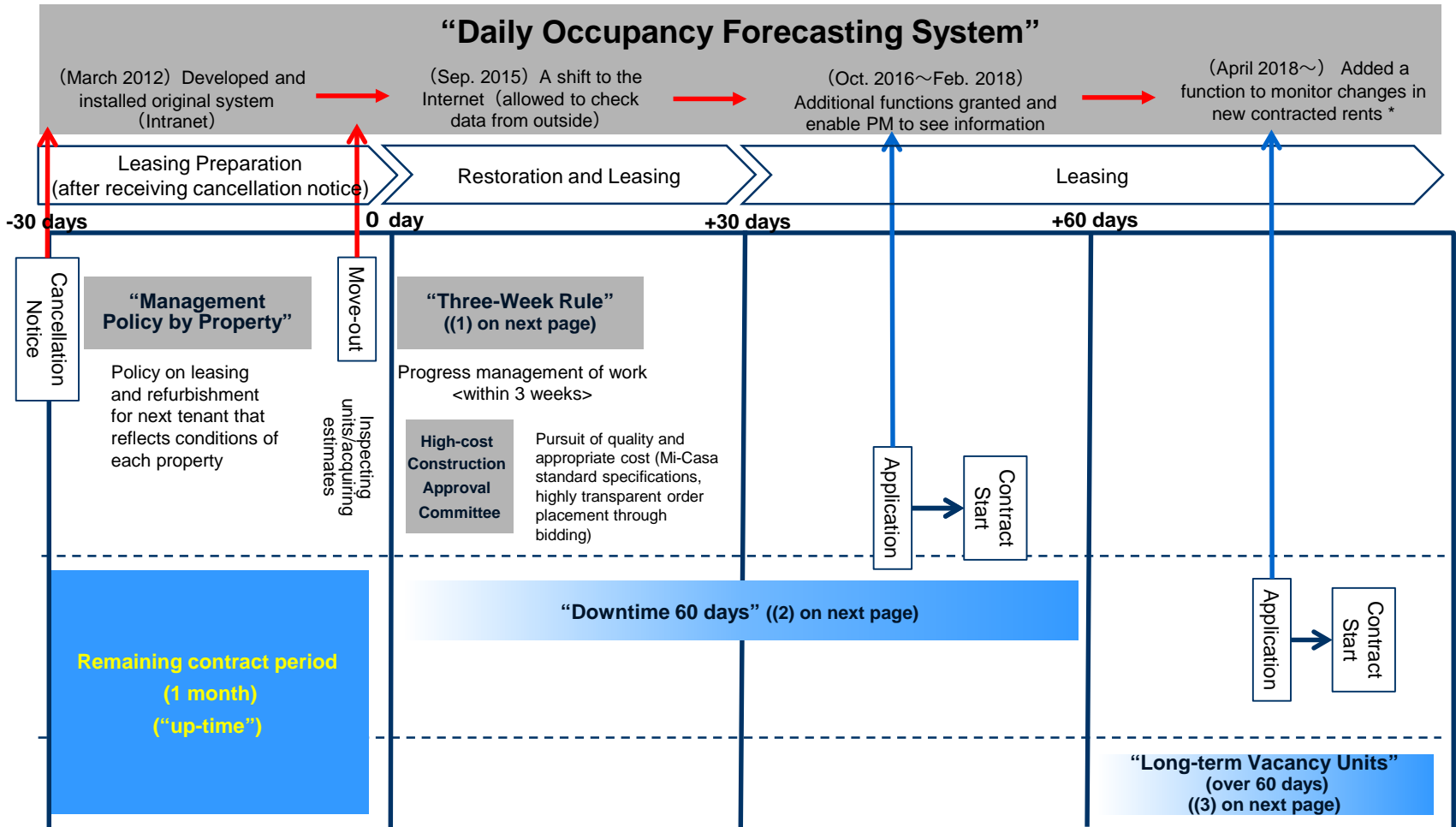
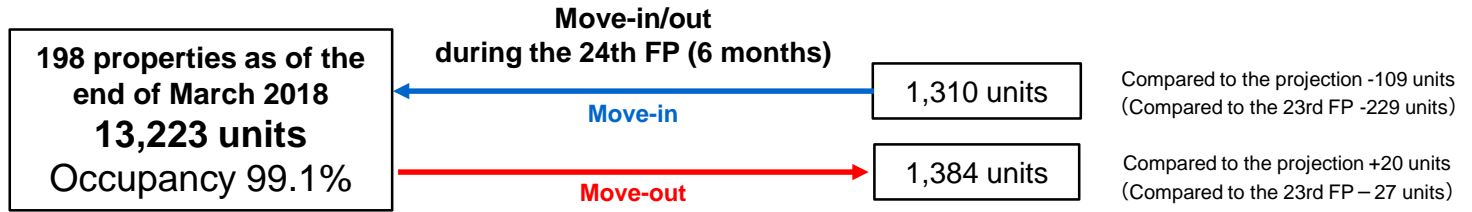
- October 2010** - Started "Three-Week Rule" - Started provision on "Long-term Vacancy Units" (180days)
- April 2011** - Started "Key Focus Properties"
- October 2011** - Started "Daily Occupancy Rates Forecasting System" - Shorten to 150days "Long-term Vacancy Units"
- April 2012** - Started "Construction Approval Committee" - Shorten to 120days "Long-term Vacancy Units"
- October 2012** - Started "Downtime 60 days"
- April 2013** - More focusing on "Key Focus Properties" and "Parking Occupancy" - Shorten to 90days "Long-term Vacancy Units"
- October 2013** - Started "Action 30" - Shorten to 60 days "Long-term Vacancy Units"
- April 2014** - Track "Number of 100% Occupied Properties"
- May 2015** - "Daily Occupancy Rates Forecasting System" upgraded
- April 2016** - Started "Management Policy by Property"
- April 2018** - "Information of rising/levelling off/declining of new rents (by region/by type)" is added to the "Daily Occupancy Forecasting System" → It enables an understanding of accumulated rents since the beginning of the term by every 2 hours.



Occupancy Rate	# of Property	Share
100%	129	65.2%
95%-100%	61	30.8%
90%-95%	8	4.0%
Below 90%	0	0.0%
Total	198	100.0%

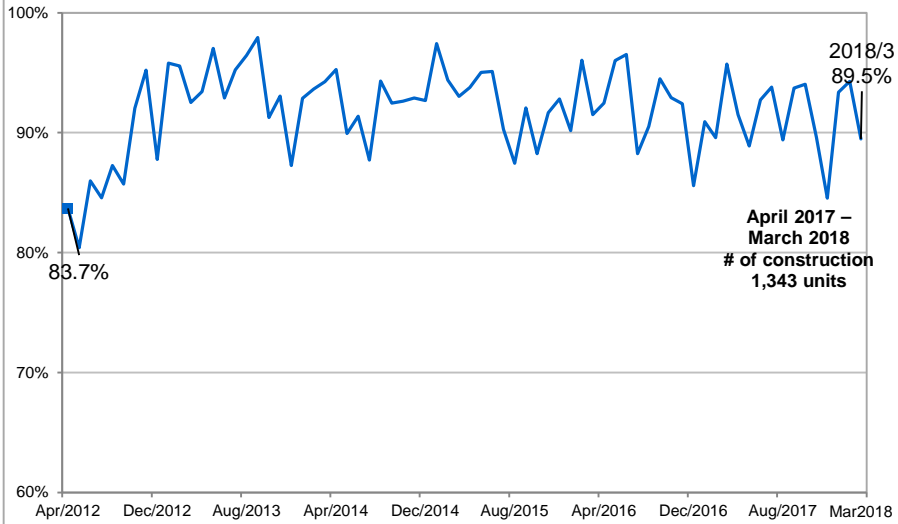
	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018
Studio	98.4%	98.2%	98.4%	98.7%	99.0%	99.4%
Family	97.7%	97.7%	97.8%	98.0%	98.6%	98.7%
Portfolio	98.1%	98.0%	98.2%	98.4%	98.8%	99.1%



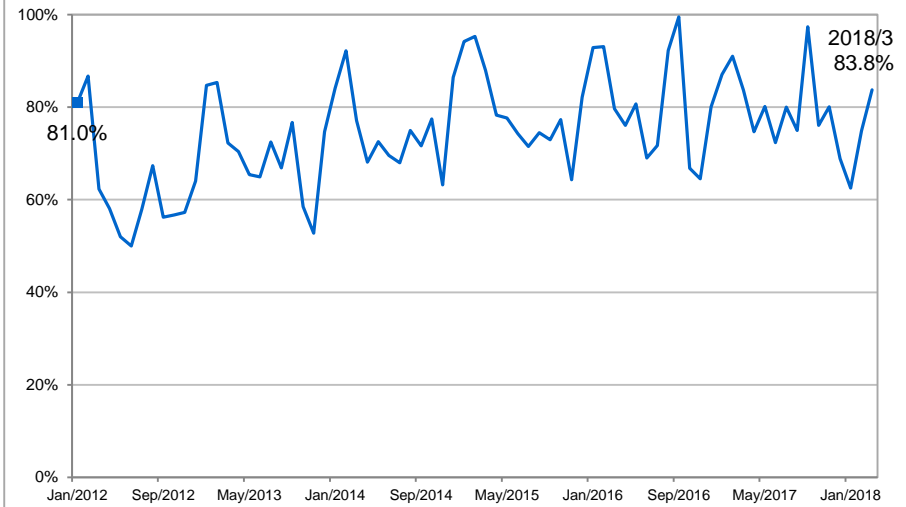


* "A function of Increase/Stay/Decrease information of new contact rents (by region · by type)" is added, enabling an understanding of accumulated rents from the beginning of the fiscal period every 2 hours.

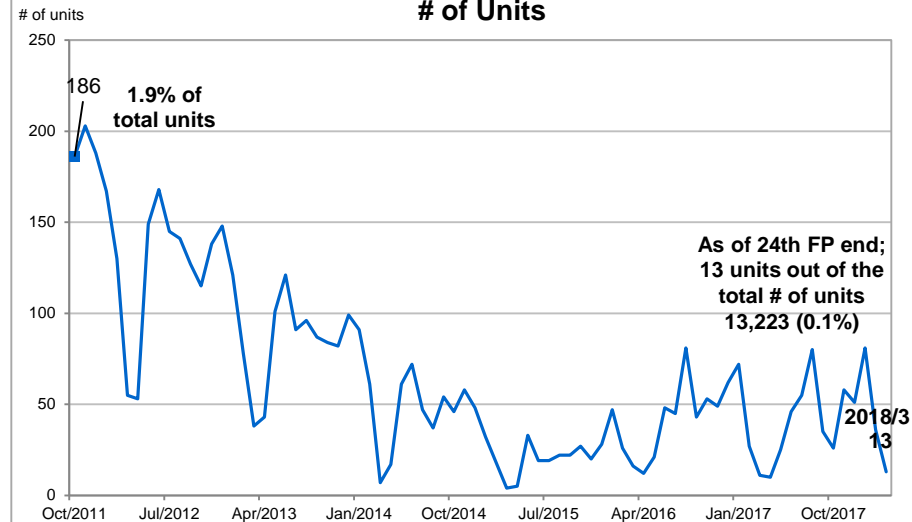
(1) Three-Week Rule - Trends in Achieved Rate

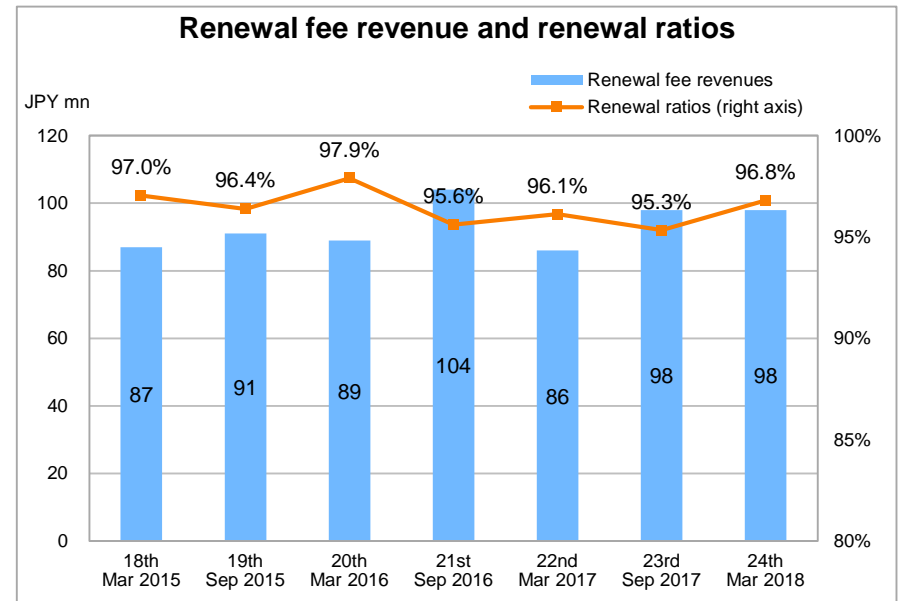
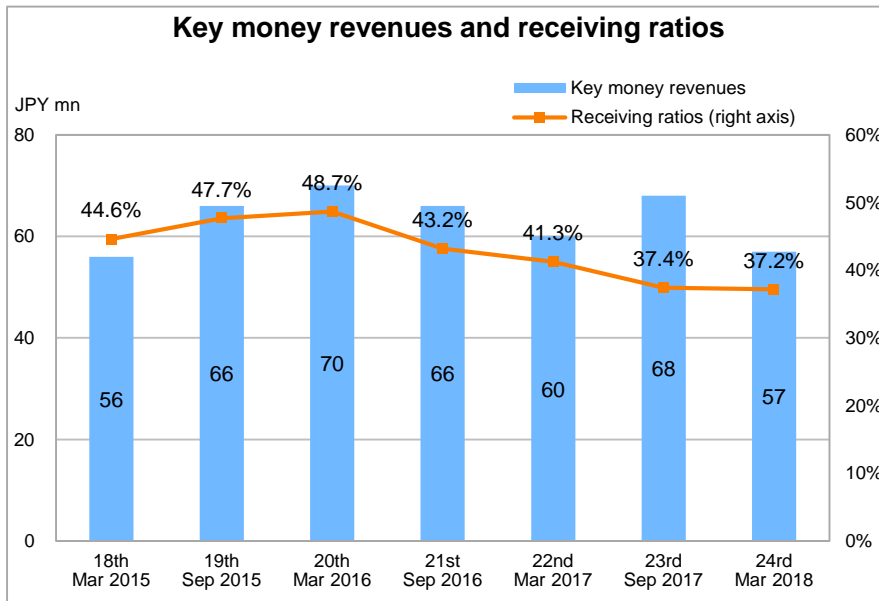
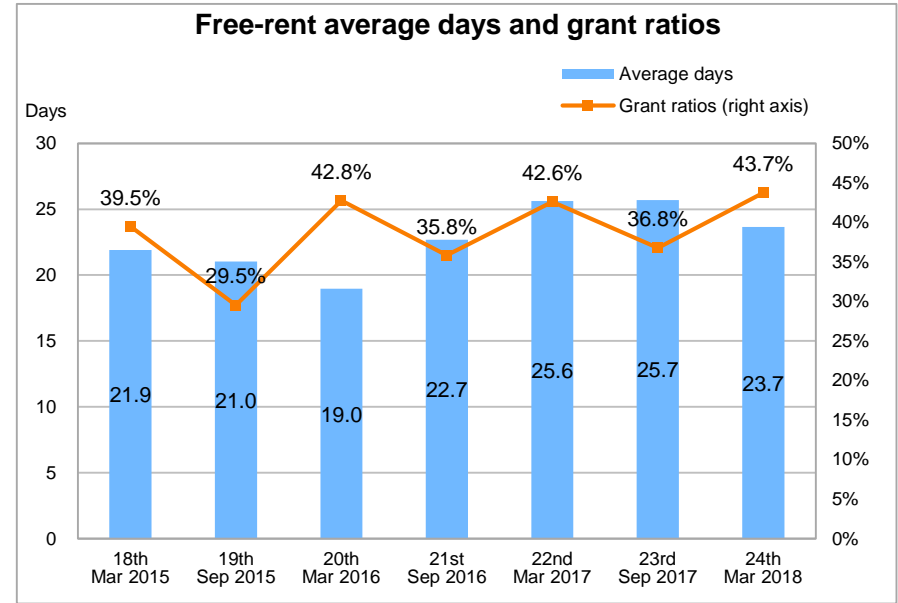
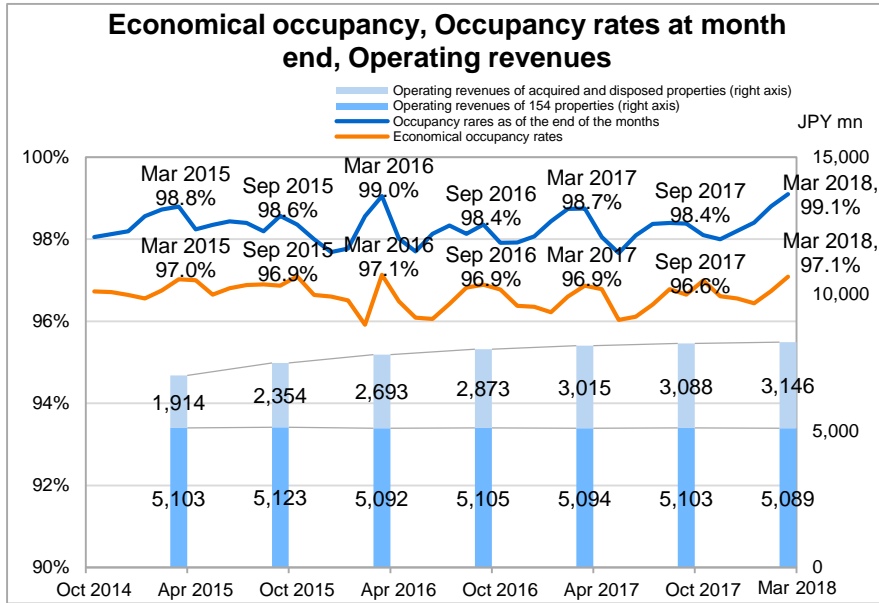


(2) Downtime 60 days – Trends in Achieved Rates



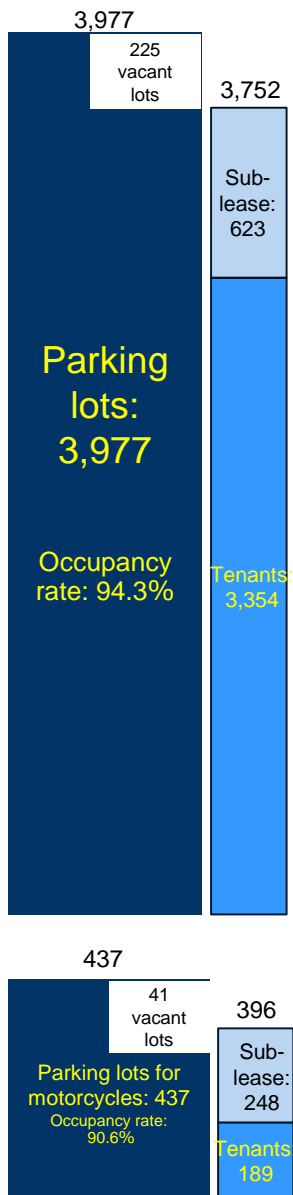
(3) Long-term Vacancy Units (over 60days) – Trend in # of Units





Our Initiatives for Income from Parking Lots

(End of March 2018)



Challenge to increase the occupancy rate over 95% and parking revenue!
(Result at the end of March 2018: Parking lots: 94.3%, Motorcycles: 90.6%)

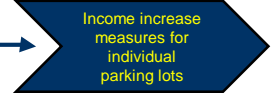
(Continued efforts more than 5 years in monthly PDCA)

[Priorities of occupancy rate improvement measures]



* Sub-leases can be changed to direct rental contracts depending on the actual demands

[Income increase measures]



Income increase measures	
①	Negotiate to increase rents with existing customers (* including the business operators for batch rental)
②	Increase rents considering the surrounding market rate and the supply and demand condition when a new contract is concluded
③	Conversion to coin-parking lots
④	Change idle land in a site to a parking lot
⑤	Improve occupancy of parking lots for motorcycles

(Successful case)

Case 1 (case in ③ above): One area of "Prospect Dogenzaka" (Shibuya-ku, Tokyo) was changed to a coin-parking lot



Background: The monthly rent was JPY 50 thousand in the past.

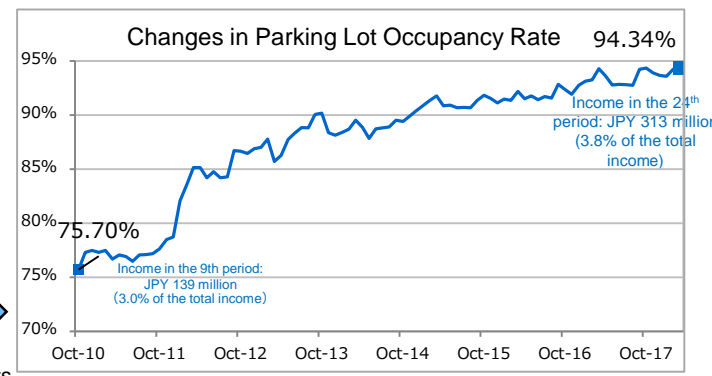
↓

After negotiating with Shibuya-ku about the usage type, etc., the place was changed to a coin-parking lot.

Rental of the single area to an outside lessee at a monthly rent of JPY 180 thousand started in November 2016.

↓

The monthly rent was raised to JPY 220 thousand in May 2018.



Result in 24 th period	No. of cases	Monthly rent after change	Increased amount (JPY)
① Rise of rents under the existing contracts	4	87,000	24,000
① Rise of rents under batch rental contracts	44	916,091	180,164
② Rise of rents under new contracts	108	1,828,900	329,946
③ Coin-parking lots	13	490,000	137,000
Total	169	3,321,991	671,110

Case 2 (case in ④ above): Idle land in BELNOS34 (Katsushika-ku, Tokyo) was changed to coin-parking lots (December 2016) Capital expenditure: JPY 2.4 million <No income → Annual income of JPY 1.1 million>



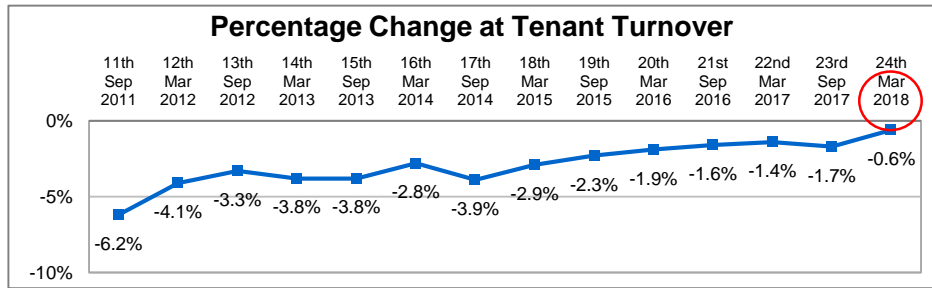
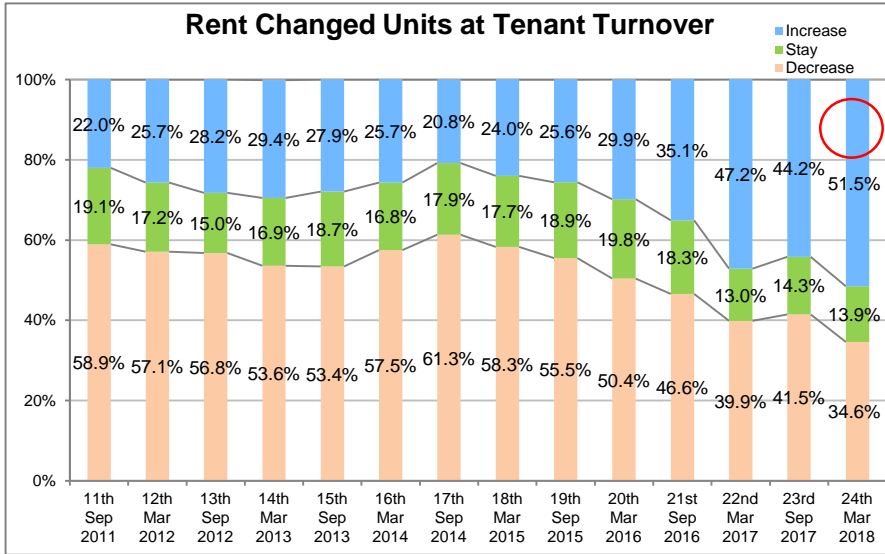
(Idle land)



(7 coin-parking lots, 2 parking lots under monthly contract, and 3 parking lots for motorcycles)

Rent Trends at Tenant Turnover

- ✓ Achieve a record high of 51.5% in the increase rate (based on the number of cases) at the timing of turnover after publicly listed → Top 3 in the increase rate by region (based on the number of cases) : Fukuoka 82.5%, 23 wards of Tokyo 77.1%, Nagoya 53.6%
- ✓ Changes in monthly rents improved from -2.4 mn yen (-1.7%) to -0.6 mn yen (-0.6%).

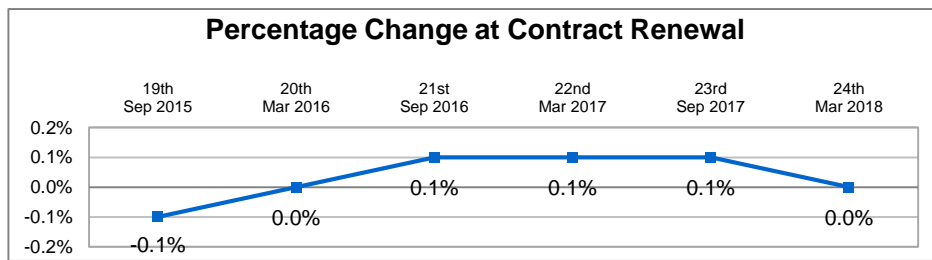
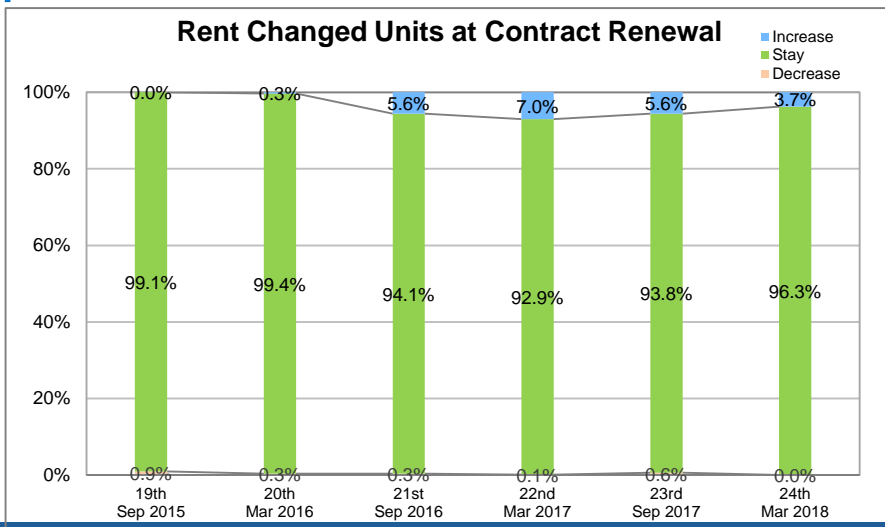


[Change in Rent at Tenant Turnover]

	# of units	Share	Previous rent (JPY)	Previous rent (JPY)	Change (JPY)	Change
Increase	646	51.5%	68,866,126	70,616,946	1,750,820	4.0%
Stay	174	13.9%	16,159,900	16,159,900	-	-
Decrease	434	34.6%	38,228,486	35,792,164	-2,436,322	-6.4%
Total	1,254	100.0%	123,254,512	122,569,010	-685,502	-0.6%

(Note) Calculated by excluding 56 residential units for which prior rents are unknown due to cancellation of the sublease agreement and other factors among the newly acquired 1,310 properties, and rental units with usages other than residential.

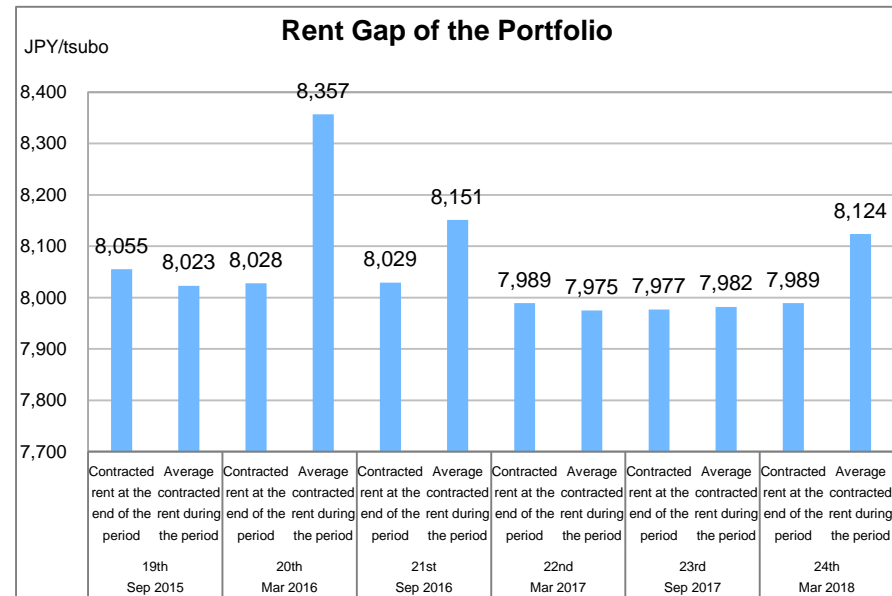
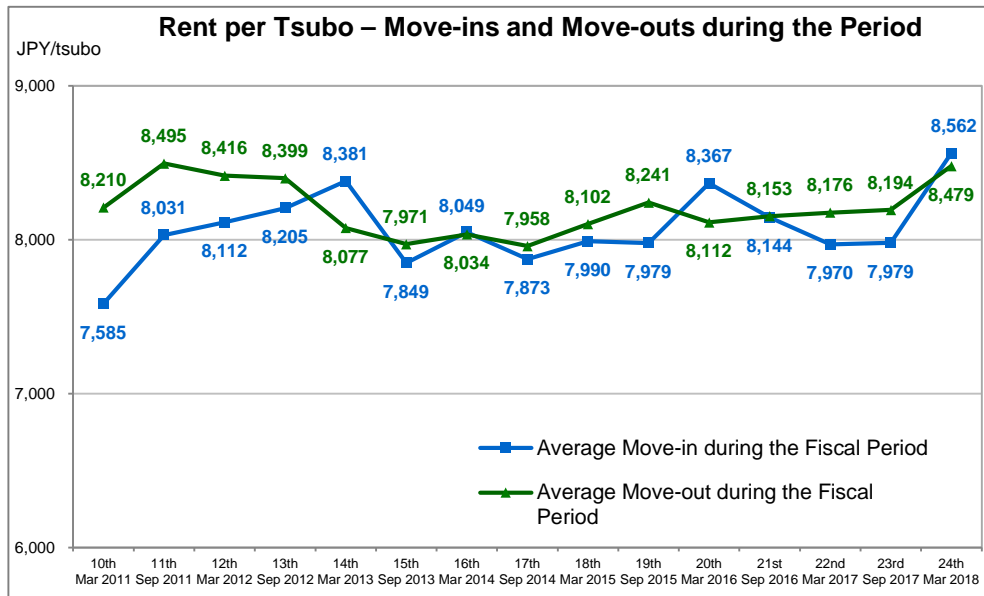
Rent Trends at Contract Renewal



[Change in Rent at Contract Renewal]

	# of units	Share	Previous rent (JPY)	Previous rent (JPY)	Change (JPY)	Change
Increase	77	3.7%	7,336,100	7,430,100	94,000	1.3%
Stay	1,998	96.3%	207,489,144	207,489,144	-	-
Decrease	-	-	-	-	-	-
Total	2,075	100.0%	214,825,244	214,919,244	94,000	0.0%

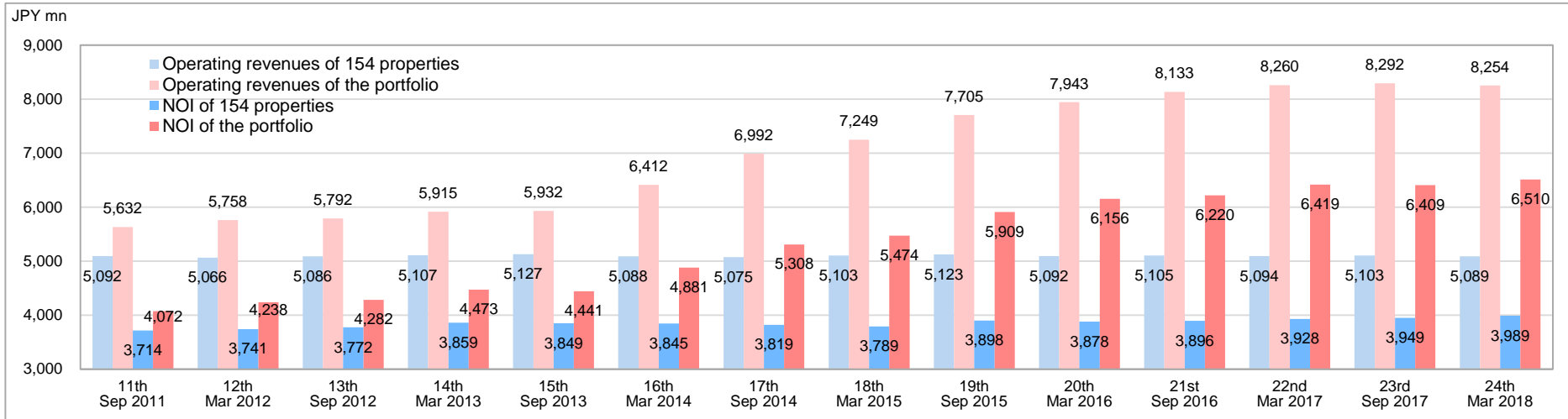
- ✓ Average rent of move-in, 8,562 yen and move-out, 8,479 yen for the fiscal period, net increase of 83 yen
- ✓ Average rent per tsubo of new contract rents (1,254 properties) came to 8,124 yen, exceeding over the rent of the overall portfolio, 7,989 yen by 135 yen at the current fiscal period-end.
- ✓ The above results are mainly contributed by of an increase in rents, 77.1% [243/315] of newly contracted rent in 23 wards of Tokyo during the current period.



(Note) Calculation excludes non-residential units. Contracted rent included only contracted units (12,106 units in 24th FP) as of the each fiscal period end.

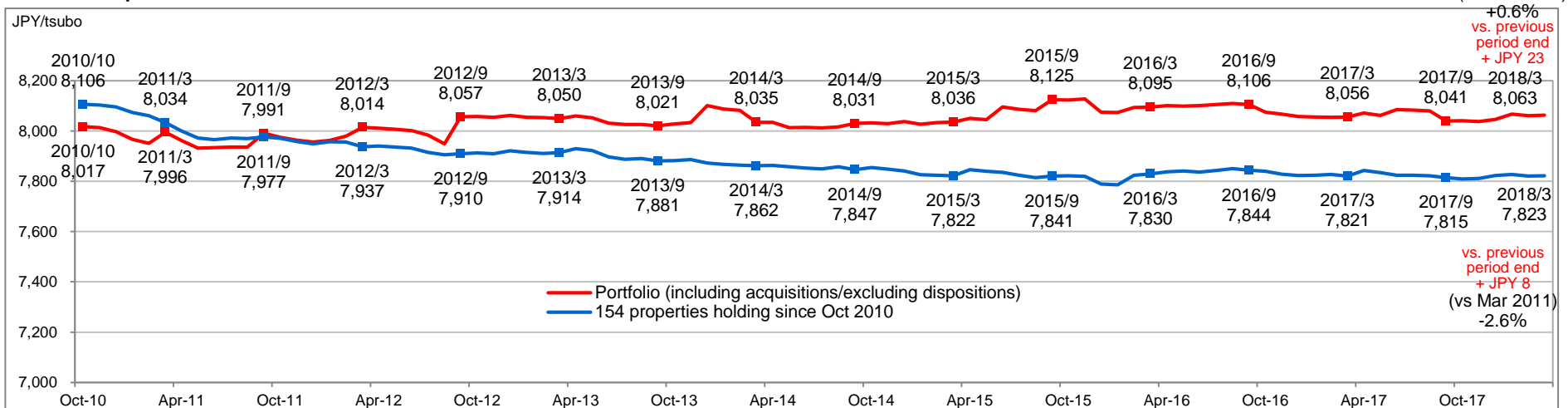
Operating Revenues and NOI

- ✓ Operating revenues of 154 properties, held for 6 years since the merger with PRI, stays flat (JPY 5,092 → 5,089 mn) despite rent per tsubo decline by 2.6%
- ✓ NOI increased JPY 270 mn (JPY 3,714 → 3,989 mn) as a result from a decrease in rental expenses (NOI ratio to rental revenue improves by 5.4 points, from 72.9% to 78.8%)



(Note) Operating revenues include rent income, common benefit revenue, parking revenue, incidental revenue, and other rental revenues.

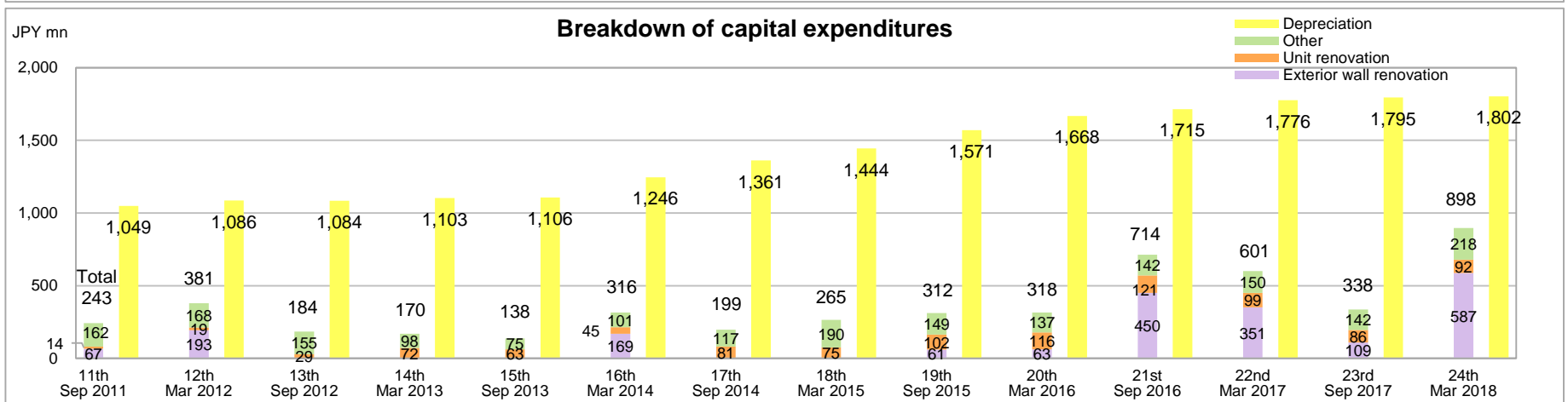
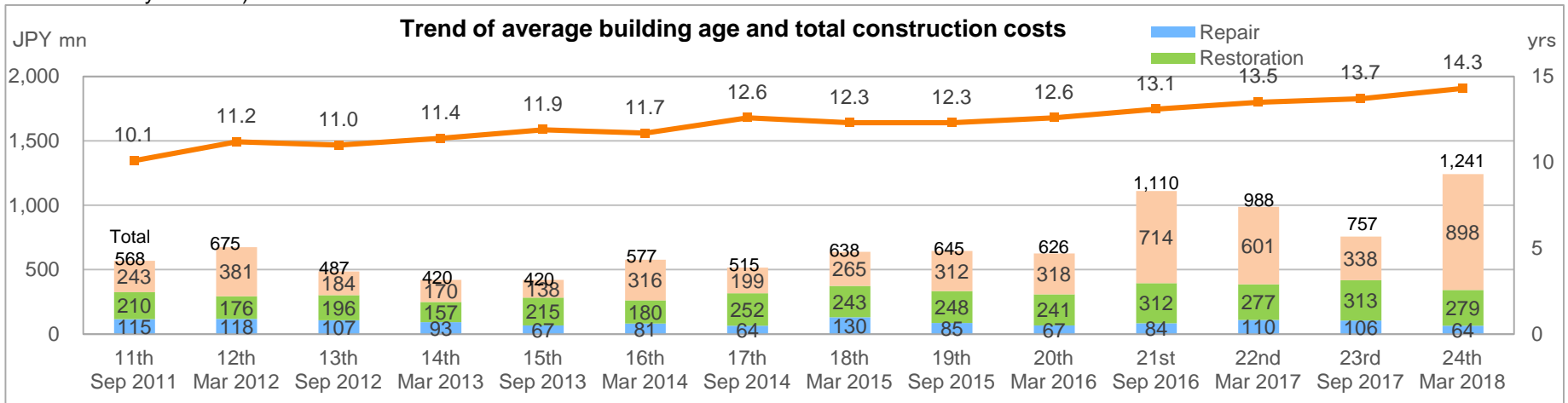
Rent per Tsubo



Construction Costs

- ✓ In order to maintain/improve property competitiveness, continued to implement value-enhancement work for units/common areas and exterior wall renovation for properties over 10 years old in addition to regular refurbishment for following tenants.
- ✓ Placed orders through more transparent biddings, etc. by utilizing strength of being an independent entity
- ✓ Assumed total operation costs per fiscal period going forward (operating expenses + capital expenditure):
 - Restoration/repair costs (including some exterior wall renovation): Approx. JPY 0.4 billion (NOI yield after paying the costs maintained at around 77-78%)
 - Capital expenditure (value-enhancement work for units/common areas, large scale exterior repair and renovation): Upper limit at JPY 1.0 billion (Depreciation/fiscal year: Approx. JPY 1.8 billion)

(Exterior wall renovations are implemented with diversified timing incorporating effective methods, after conducting regular inspections of properties over 10 years old.)

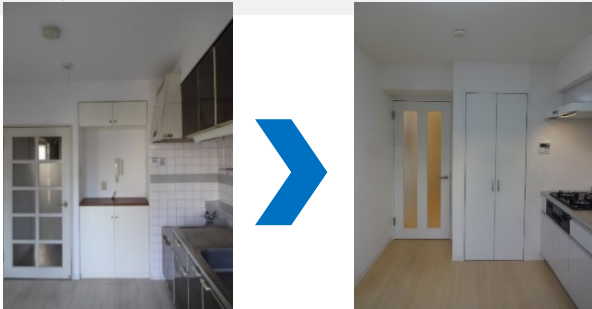


Unit Renovation (Total JPY 92 million)

46 units (Average Cost :JPY 2,003 thousand)

(Case) Deim Hashimoto (Sagamihara, Kanagawa) built in 1987

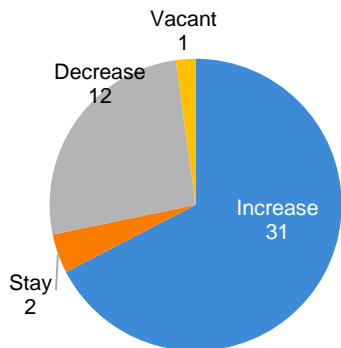
- ✓ 92units Family-type residence located at 5 min walk from JR Hashimoto Station,
- ✓ Acquired through merger with PRI (Acquisition price JPY 0.72 bn, occupancy rate100%)



Room 705 Renovation Cost: JPY 2.7 million
Rent including common area fee: JPY 79,000 → JPY 92,000 after renovation (Contracted) (+16% increase in rent)

Impact on rents through dwelling unit renovation

- Out of units renovated during the 24th fiscal period, effect on monthly rents of 45 units under contract: Rent increased for 31 units, rent remained unchanged for 2 unit and rent decreased for 12 units



※ Breakdown of 12 units with rent decrease
Rent gap 11 units(reason is due to high rent from the previous tenants, and aging of property etc.)

Common Area Renovation

(Case) Joy Oyamadai (Setagaya, Tokyo) built in 1985 (Total JPY 47 million)

- ✓ 21 units of Studio-type and commercial property located at 4 min walk from Tokyu Oyamadai Station
- ✓ Acquired in 2006 (Acquisition price JPY 6.2 bn, occupancy rate100%)



Large Scale Exterior Repair and Renovation

Total Construction Costs: 9 properties JPY480 million (Paid as Capital Expenditure)



Prospect Glarsa Hiroo
(Shibuya, Tokyo, Built in 2005)
JPY 107 million



Gran Casa Shinkoiwa
(Katsushika, Tokyo, Built in 2006)
JPY 57 million



Prospect Morishita
(Koto, Tokyo, Built in 2006)
JPY 34 million



Lexington Square ShinjukuGyoen
(Shinjuku, Tokyo, Built in 2005)
JPY 24 million



Sky Hills Sakaemachi
(Chitose, Hokkaido,
Built in 2002)
JPY 85 million



Sky Hills N15
(Sapporo, Hokkaido
Built in 2000)
JPY 84 million



Dormy Chitose
(Chitose, Hokkaido
Built in 1999)
JPY 37 million

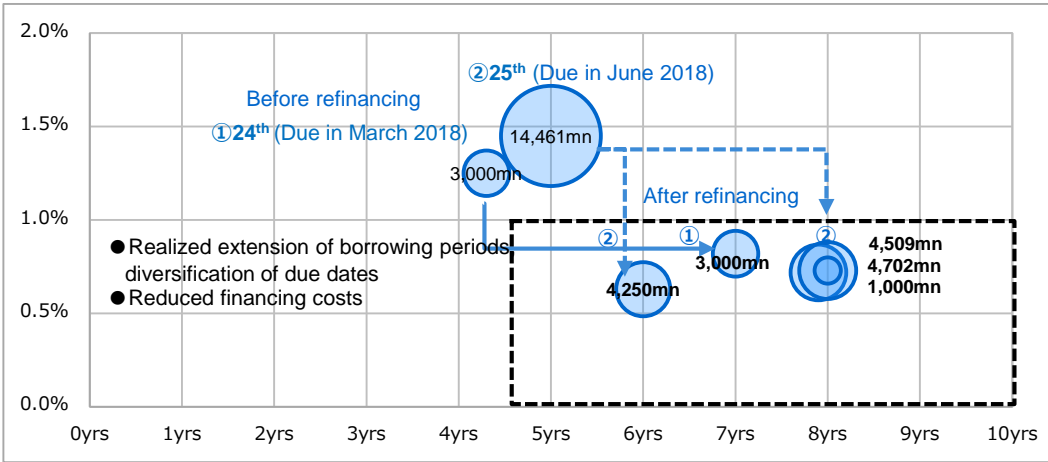


willDo Namba wI
(Naniwa, Osaka, Built in
2006)
JPY 27 million



willDo Namba wII
(Naniwa, Osaka,
Built in 2006)
JPY 19 million

➤ Refinanced JPY 3 bn of bank borrowings (①) in March 2018, and agreed to refinance 14.46 bn in June 2018(②)



24th (March 2018 Refinance)

	Principle (JPY mn)	Borrowing Period	All-in Cost
Before	3,000	Average 4.3	Floating rate 1.25% (Note1)
After	3,000	7	Fixed rate 0.82%

25th (June 2018 Refinance)

	Principle (JPY mn)	Borrowing Period	All-in Cost
Before	14,461	5	Floating rate 1.45% (Note 2)
After	4,250	6	Floating rate 0.63%
	4,509	93months	Same as above 0.72%
	4,702	8	Same as above 0.73%
	1,000	8	Same as above 0.73%
	14,461	Average 7.3	Average 0.70% (Note 3)

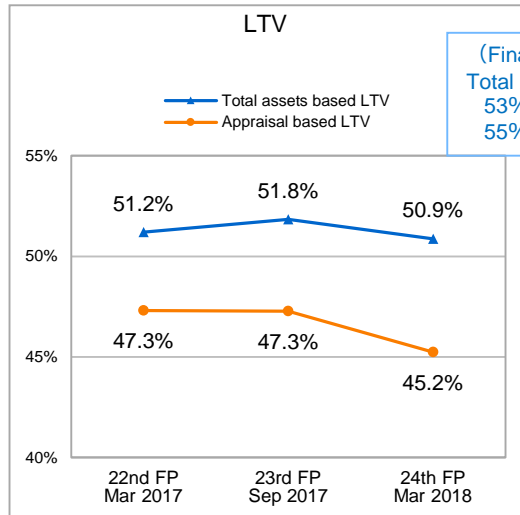
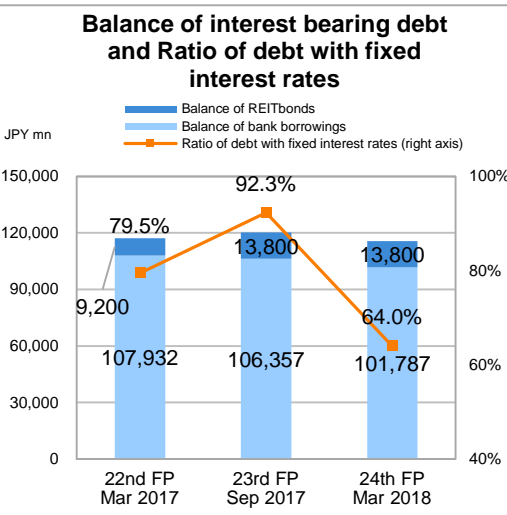
(Note1) Total cost including the allocated costs of fixing variable interest rate and including 1M Tibor (0.05545%) is 1.48% at the end of the 24th FP.

(Note2) Total cost including the allocated costs of fixing variable interest rate and including 1M Tibor (0.05545%) is 1.55% at the end of the 24th FP.

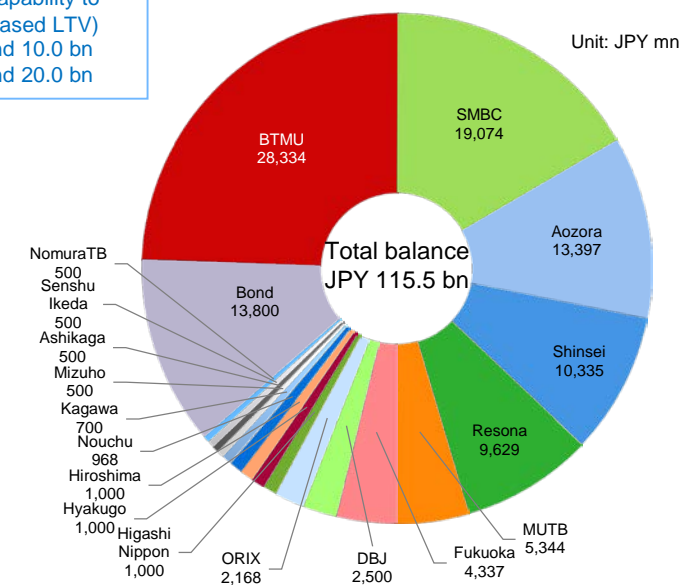
(Note 3) Planned to fix variable interest rates by the refinancing date (June 22, 2018.)

➤ Trends in major financial indicators of interest-bearing debt

Credit Ratings "A+" Stable (JCR), "A" Stable (R&I)



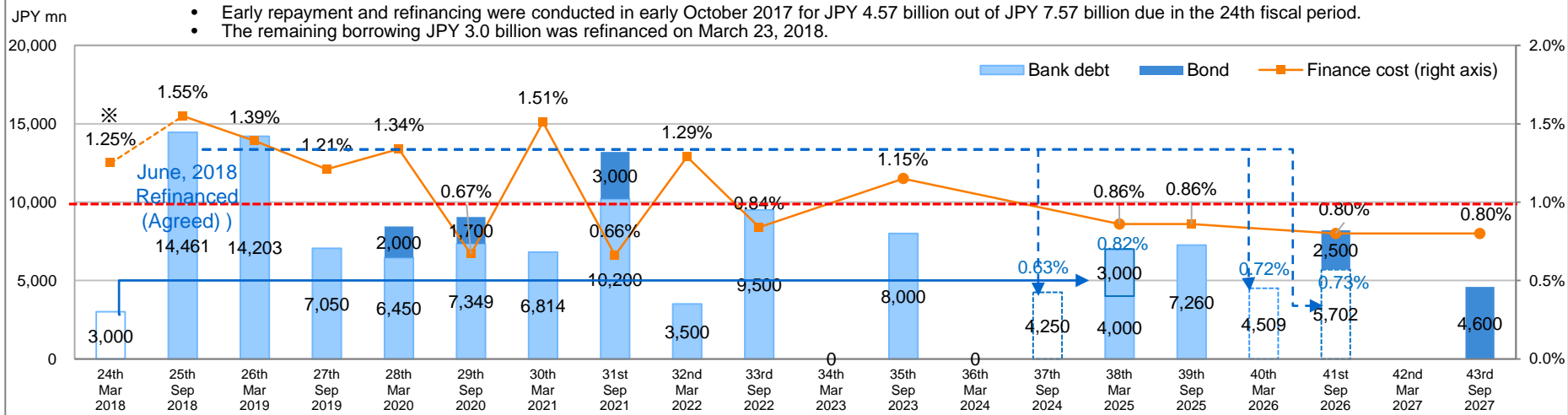
➤ Breakdown of interest-bearing debt (as of March 31, 2018)



* Reason of declining the ratio of fixed interest rates to 64.0% (the ratio of debt with fixed interest rates of interest-bearing debt with a maturity of over 5 years is 79.6%): Interest rate swaps, of which notional principal was 40 billion yen, under the basket method became due in January-March 2018. (The swaps not attached to individual borrowings were executed at the time of collateralized borrowings 5 years ago.) An estimate for September 2018 is 76.5%, under the policy to aim the ratio of fixed interest rate to be 80-90% for the mid to long term period.

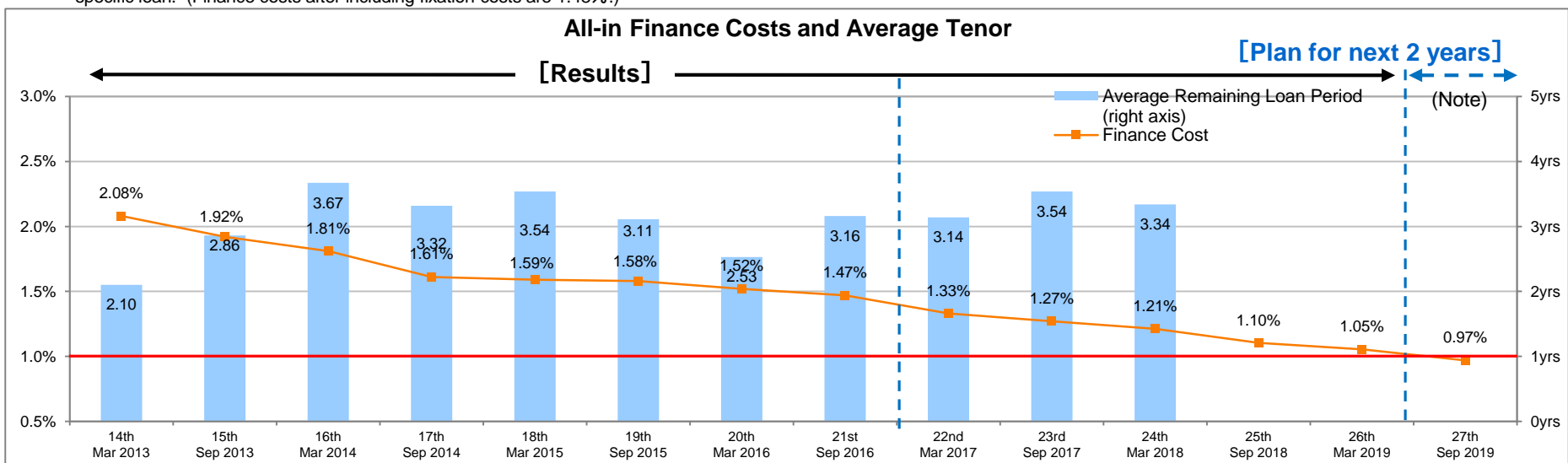
Maturity Ladder and Financial Cost (as of March 31, 2018)

- Early repayment and refinancing were conducted in early October 2017 for JPY 4.57 billion out of JPY 7.57 billion due in the 24th fiscal period.
- The remaining borrowing JPY 3.0 billion was refinanced on March 23, 2018.



(Note) The financing costs shown in above the each repayment date (the line graph) are the total of interest expenses (including base rate), finance-related costs and costs for fixing interest rates for the loans due in the respective fiscal period. The costs for fixing interest rates are allocated to the attached loans, though the costs with unattached loans are allocated to each loan in a rational way according to the status of the loan due in the respective fiscal period. ※The chart shown above is a floating rate before reflecting fixed interest rates which is not attached to the specific loan. (Finance costs after including fixation costs are 1.48%.)

All-in Finance Costs and Average Tenor



(Note) Finance costs for the 27th FP and onward are estimated under a condition that the existing loans due in the respective fiscal period are refinanced at 1% (total of interest expenses, finance related costs and amortization of bond issuance costs).

This is a target set by the Asset Manager as of May 15, 2018 and is not a guaranteed amount.

Total appraisal value of 198 properties JPY 255.5 bn

(+JPY 1.3 bn from end of 23rd FP; +JPY 1.7 bn from end of 23th FP excluding 1 property disposed in 24th FP)



Unrealized gain JPY 38.3 bn
(vs. 23rd FP +JPY 2.2 bn)

	# of Properties	Appraisal Value 23rd FP (JPY million)	Appraisal Value 24th FP (JPY million)	Change	Appraisal NOI Cap Rate		
					23rd FP	24th FP	Change
Properties held since 23rd FP end	198	253,807	255,525	0.7%	5.0%	5.0%	0.0%
by Type							
Studio	129	157,331	158,125	0.5%	5.0%	5.0%	0.0%
Family	69	96,476	97,400	1.0%	5.1%	5.1%	0.0%
by Region							
23 wards of central Tokyo	68	105,325	106,180	0.8%	4.6%	4.6%	0.0%
The 3 major metropolitan areas	93	104,436	105,202	0.7%	5.2%	5.2%	0.0%
Other major cities	37	44,046	44,143	0.2%	5.6%	5.7%	0.0%

(Note) 71 properties were appraised by Tanizawa Sōgō Appraisal Co., Ltd., 40 properties were appraised by Daiwa Real Estate Appraisal Co., Ltd., and 87 properties were appraised by Japan Real Estate Institute.

a. Appraisal Value

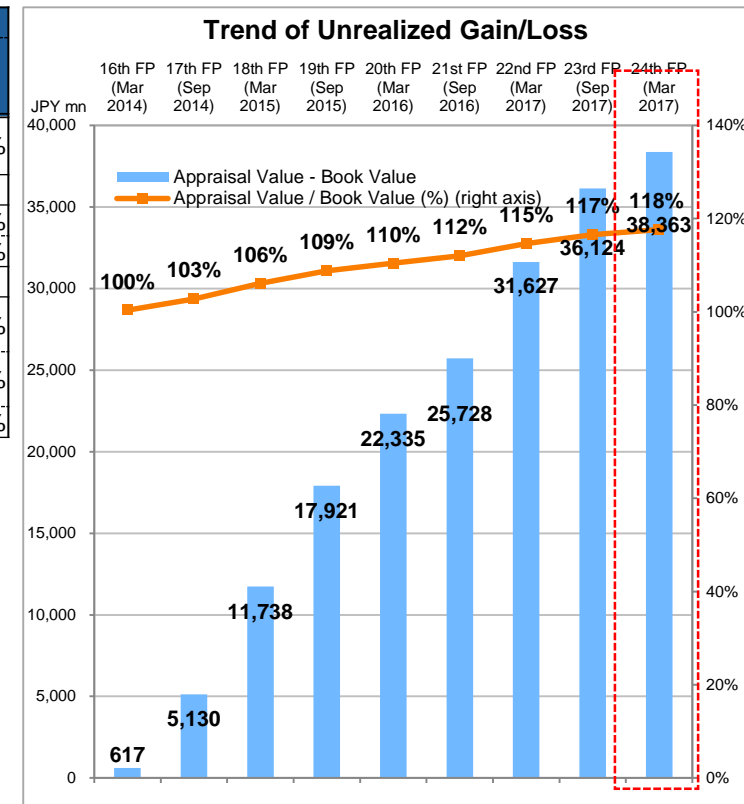
Increased (+JPY 1 mn - 90 mn): 94 properties
Stayed: 80 properties,
Decreased (-JPY 70 mn - 1 mn): 24 properties

b. Cap Rate

Decreased (10 bps): 71 properties
Stayed: 126 properties
Increased: 1 properties

c. Operations

Operating income: Increased by 0.06% from the previous period
Operating expense: Increased by 0.03% from the previous period
NOI: Increased by 0.06% from the previous period



Policy Regarding ESG (adopted on August 22, 2016)

Japan Rental Housing Investments Inc. (the "Investment Corporation") and Mi-Casa Asset Management Inc. (the "Asset Manager") will focus on the following items in the asset management for the Investment Corporation judging that emphasizing ESG (Environment, Social and Governance) contributes to the enhancement of the Investment Corporation's medium- to long-term corporate value.

1. Initiatives on Environmental Protection (Environment)
2. Connection to Society (Social)
3. Corporate Governance (Governance)

Sustainability Initiative

- The Asset Management Company established the rules on the sustainability promotion system in November 2017 to implement the Investment Corporation's policy regarding ESG in a thorough manner and designated the President & CEO as the "Chief Executive for Promoting Sustainability," in addition to establishing a "Chief Sustainability Officer" and "Sustainability Promotion Committee."
- The "Sustainability Promotion Committee" is composed of members including the CEO and Chief Sustainability Officer. It is held more than once every three months in principle and matters regarding the promotion of sustainability such as individual policies, goals and various measures regarding sustainability are discussed.
- In the above rules, "Sustainability" is defined as an action to conduct asset management taking into consideration the environment and society, and having it contribute to the creation of a sustainable society as well as aim to stabilize and sustainably develop business activities of the Investment Corporation and the Asset Management Company.
- In addition, we established various policies for energy saving, reduction of greenhouse gas emissions, water saving and sustainable procurement in properties owned by the Investment Corporation in February 2018 to set a specific management policy based on the above rules.
- We have set the following goals regarding the reduction of energy, etc. for all properties owned by the Investment Corporation in the various policies mentioned above.
 - Reduction of energy consumption intensity by 1% per year (5% in 5 years)
 - Reduction of CO2 emission intensity from energy sources by 1% per year (5% in 5 years)
 - Reduction of water consumption intensity by 0.2% per year (1% in 5 years)
- As for the sustainable procurement policy, we established guidelines for the selection and evaluation standards of property management companies as well as suppliers, and started cooperating with the Investment Corporation in the implementation of ESG and monitoring of compliance with the standards.

DBJ Green Building Certification



Serenite Honmachi Grande

Property with high environmental & social awareness



Property with 268 studio units in Osaka City
Completed in February 2015
Newly acquired in June 2015
Acquisition price: JPY 4.28 billion
(Appraisal value at the end of 24th fiscal period: JPY 5.12 billion)



Chijikoukanmae Tower Residence

Property with excellent environmental & social awareness



Property with 141 family units in Sapporo
Completed in May 2006
Acquired in October 2016
Acquisition price: JPY 4.53 billion
(Appraisal value at the end of 24th fiscal period: JPY 4.75 billion)

V. Future Growth Strategy

Aim to increase net profit through (1) new property acquisitions (on selective basis, given market conditions) (2) maximization of income from each property based on “Management Policy by Property” and (3) reduction of costs/expenses.

(1) New Properties Acquisitions
(Targeting AUM: JPY 250 bn)

(2) Operation of properties held
Maximization of income, etc. from each property

(3) Cost Reduction
(Reductions of BM fees, trust banks fees (by shifting the existing properties from the form of Trust Beneficiary Interest to real estate properties) and financing costs)

- (1) Properties with fewer competitive bidders or bilaterally negotiable transactions due to a rational reason
- (2) Undervalued properties (properties of which NOI can be improved in terms of rent, occupancy rate, operating expenses, etc. upon acquisition)
- (3) Not-for-sale properties (properties that are not on the market)

Acquisitions: Properties in the Tokyo metropolitan area, Sapporo, Sendai, Nagoya, Osaka and Fukuoka that are JPY 1 bn or more per property in general
Dispositions: Properties in other areas than the Tokyo metropolitan area are JPY 0.5 bn or less per property in general (continue gradual shuffling)

Finance Strategy

(Financing with Bank Loans)

Maintaining and expanding relationships with existing banks
(Contemplate to further reduce financing costs and extend borrowing tenors)

Further increase of fixed rates borrowings

Use of Bridge Facility
(Secured first refusal right to acquire the subject properties)

(Fund Procurement from Financial Market)

Issuance of investment corporation bonds
(Diversify sources of finance, improve fixed rate borrowing ratios)

Public offering
(Subject to LTV, amount of property acquisitions, etc.)

Repurchase of own investment units

(Use of JPY 6.6 billion Temporary Difference Adjustment)

Payout for unitholders scheduled started from the 23rd FP based on equal amortization over 50 years
(When temporary dilution and such occur in line with loss on sale of real estate*, impairment loss, one-time depreciation and capital increase, appropriation will continue to be made.)

* A loss on the disposition of properties is posted; (for cases when disposition of more than one property is conducted and the total gain/loss on the disposition is in the negative (hereinafter, the “net loss”), the policy is to make the appropriation to the net loss.

(1) External Growth

Expand the asset size

Targeting AUM: JPY250 billion

Direct acquisition by JRH as well as indirect acquisitions using the Bridge Facility

■ Investment Criteria

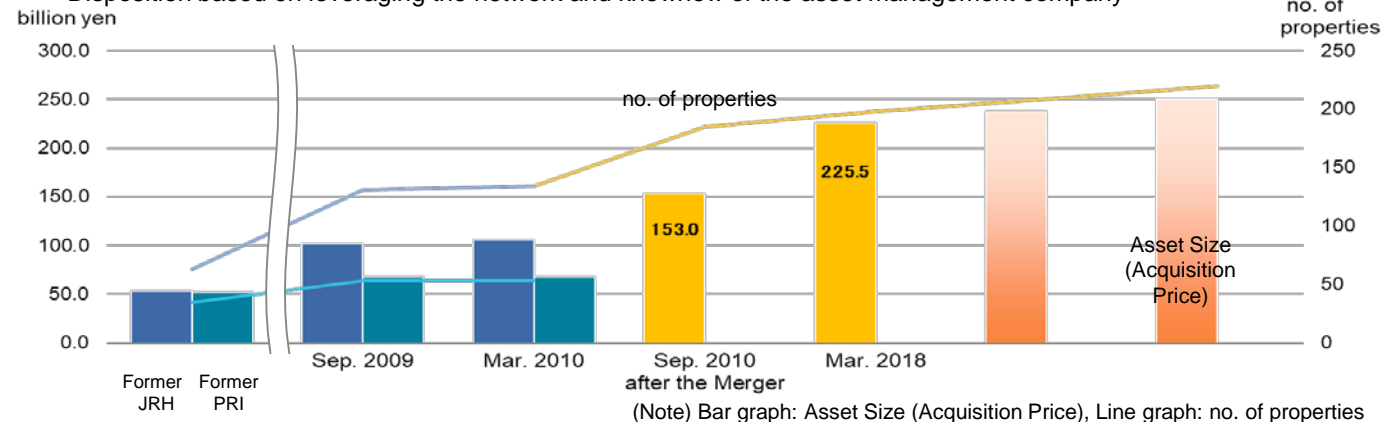
- Profitability: Acquisition price and NOI yield after depreciation (earning capacity based on analysis of financing and JRH costs)
- Superiority: Location, building age and size of property
- Potential: Rent level and occupancy rate, volatility after passage of time (building age), supply of and demand for competing properties, location and household trends
- Liquidity: Past record of acquisitions and sales, price per property, and appraisal value

■ Acquisition Policy

- Promote acquisition through negotiated transactions (actively avoid competitive bidding where there are a large number of participants) and independent approach methods
- Making use of the accumulated property information since 2010, monthly flow information, independently acquired information, etc.
- Invest in high-quality assets in metropolises such as Tokyo (mainly in the 23 wards), Sapporo, Sendai, Osaka, Nagoya, and Fukuoka
- Basic benchmark for acquisitions: Studio and family apartments in the price range of over JPY1 bn per property (avoid premium rental properties)
- In areas other than Tokyo, the Investment Corporation will decide upon the investment amount after taking into account factors such as market size (assuming portfolio reshuffle of low-interest yield properties)
- Building age: Less than 10 years, in principle
- Average NOI yield: 5% or above, in principle

■ Disposition Policy

- Strategic decision-making from the viewpoint of real estate market trends and the entire portfolio
- Based on analysis of profitability, local characteristics, size of property, operational efficiency, etc.
- Utilize reserve for temporary difference adjustment for realized losses arising from disposed properties and etc. (balance following dividend disbursement in the 23rd fiscal period (forecast): JPY 6.6 bn)
- Disposition based on leveraging the network and knowhow of the asset management company



(2) Internal Growth

“Daily Occupancy Rate Forecasting System” enable us to grasp on-the-ground conditions, engage in studying issues based on a hands-on approach, and undertake the actions outlined here in a swift manner.

■ Improvement in Profitability

- Maximization of income from each property based on “Management Policy by Property”
- Challenges to raising rents and stemming the downfall, others revenue growth
 - Improvement in product marketability as a result of upgrade of restoration
 - Improvement of parking occupancy rates
- Maintaining high occupancy rates
 - Eliminating long-term vacancies and preventing future occurrences
 - Presales before cancellation of contract, stronger management of mockups
- Cutting downtime
 - Systematic implementation of “Three-Week Rule”
 - Stronger efforts on “Key Focus Properties”
 - Shorten downtime (“Downtime 60 days”)
 - “Action 30 days” (Focusing on the units that has been vacant for 30 days since the leasing started)

■ Cost Reduction

- Review of PM companies as part of sustained efforts to reducing costs
- Reducing costs by obtaining volume discounts by engaging with suppliers with a countrywide presence
- Maintain outflows at appropriate levels by closely monitoring high-cost work orders

(3) Finance Strategy

Will flexibly implement financial strategies depending on the financial condition of JRH and borrowing circumstances.

Will aim to diversify financing sources by increasing the number of lenders, ongoing public offerings and issuance of investment corporation bonds.

■ Leverage Ratio

- LTV (interest-bearing debt / total assets) up to 55%

■ Debt-financing Strategy

- Expand the number of correspondent financial institutions based on the concept of achieving a stable bank formation
- Continue to reduce all-in financing costs
- Extend borrowing periods and diversify payment due dates
- Continue to issue investment corporation bonds
- New property acquisitions using a mix of cash (depreciation – capital expenditure) and bank debt

■ Equity-financing Strategy

- Investment unit price per unit shall in principle exceed net assets per unit (NAV higher than 1)
- Make decisions upon comprehensively considering capital market trends, impact on distributions, acquisition capacity after public offering, etc.
- Consider public offering taking total assets based LTV into account

Appendices

■ Medium-Term Target of Distribution per Unit (3 years from 22nd FP to 27th FP)

Medium-term target: Aim for JPY1,900 – 2,000 DPU in the next 3 years or so

Assumptions: Plan to manage securing JPY300, the upper limit for DPU increase, through the following 1. (acquisition of new properties and revenue increase from existing properties) and 2. (reduction of costs and payout of distribution reserves)

Recognition of current market environment and assumptions for the next 3 years

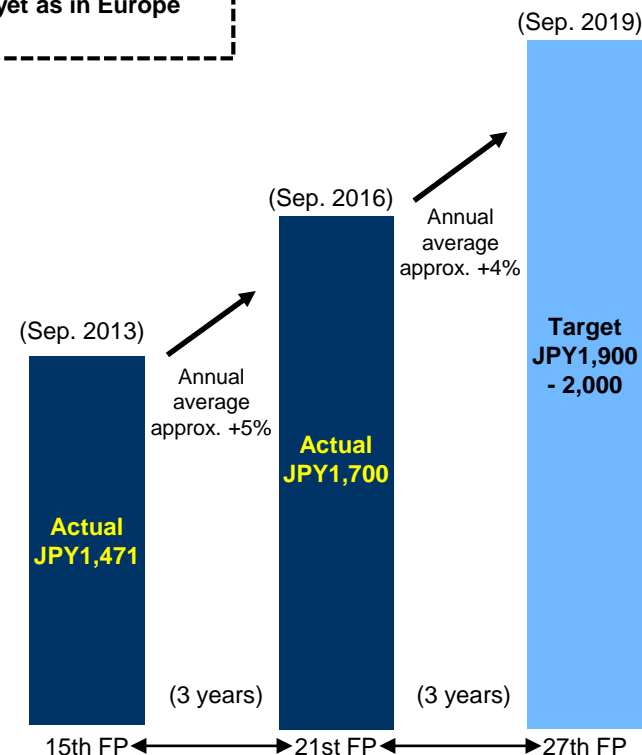
- Further decline in transaction cap rates to near the level immediately before the global financial crisis
→ Acquisition competition for new properties continuing to intensify
- Continuation of monetary easing policy
- Limited supply of newly built properties (properties in the centers of six major cities that are JPY1 bn or more) → Small risk for occupancy rate fall
- Rent increase in some properties, but the pre-global financial crisis level not recovered yet as in Europe and the U.S.

1. Financial sources for distribution per unit + JPY100

- ① Acquisition of new properties: JPY10 - 20 bn (distribution +about JPY70 – 140)
- ② Maximization of income, etc. from each property
(Maximization of income through application of appropriate rent and minimization of downtime)

2. Financial sources for distribution per unit + JPY200

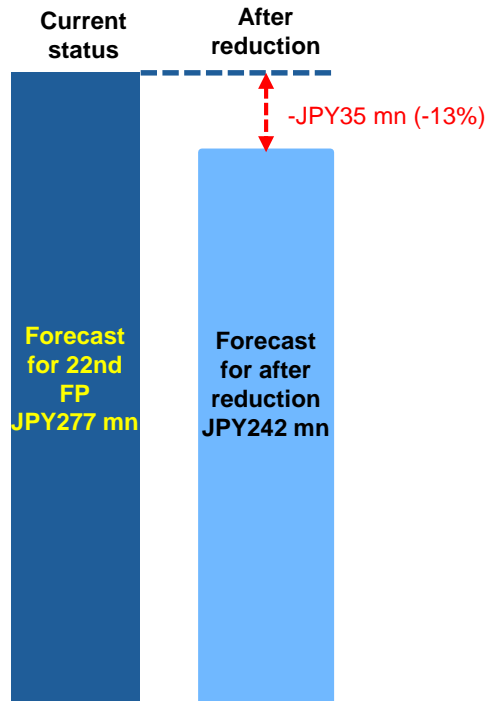
- ① BM fees: Reduction of about JPY35 mn per fiscal period (distribution +about JPY20)
- ② Trust fees: Reduction of about JPY65 mn over the next 3 years (distribution +about JPY40)
*Promotion of actually owning real estate properties instead of holding the trust beneficiary rights to those properties from 11th fiscal period (Sep. 2011). Reduced the fees by JPY48 mn from the total of JPY126 mn in 10th fiscal period to JPY78 mn in the 21st fiscal period. (To be reduced to the total of around JPY10 mn in 27th fiscal period.)
- ③ Financing costs: Aim for around 1% of total interest bearing debt costs in the 27th fiscal period by reducing from the actual result of the 21st fiscal period 1.47% (distribution about JPY 100 or more)
*Assumption: Refinancing JPY65.4 bn due in the next 3 years (around 56% of total borrowings) at 1% (vs. actual refinancing cost of 0.65% for the 21st fiscal period)
- ④ Start of payout of distribution reserves starting in the 23rd fiscal period (distribution +about JPY40)
*Assumption: Amortization of distribution reserves at the end of 22nd fiscal period over 50 years



Medium-term target of distribution per unit is a target set by the Asset Manager as of today and is not a guaranteed amount. In addition, distribution per unit over the next 3 years from 22nd fiscal period is under assumption that there is no change to the total number of investment units issued and outstanding as of today (1,640,060 units).

① Reduction of BM fees

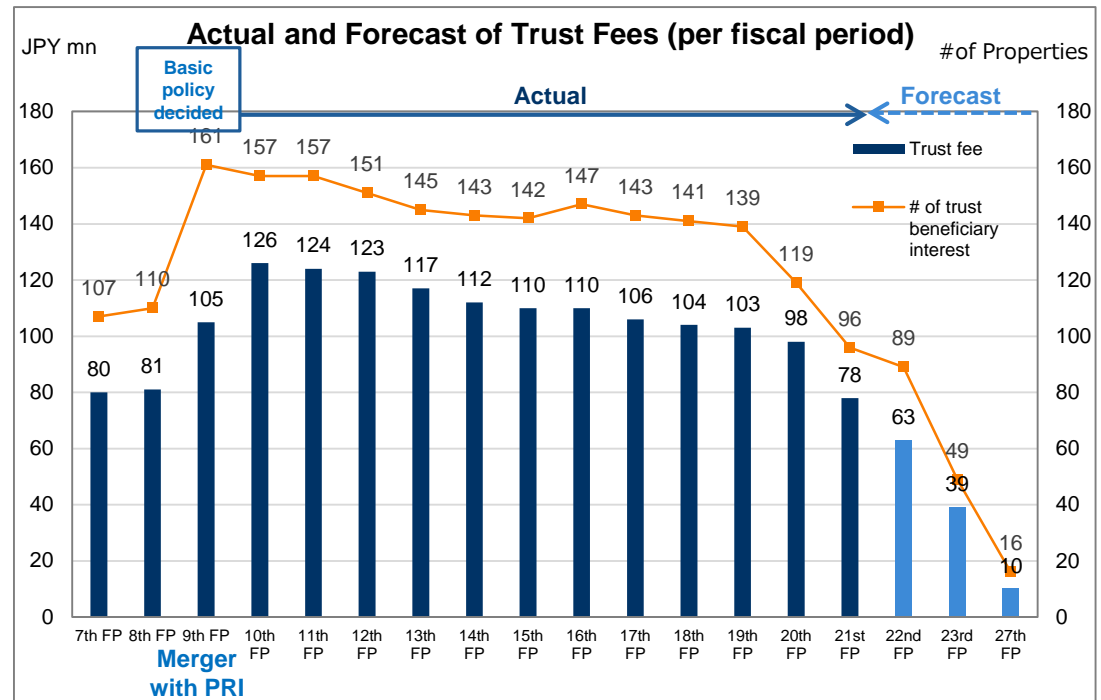
Plan to reduce BM fees by JPY35 mn per fiscal period utilizing strength of being a self-funding asset management company in real estate business even after the sponsor change.



② Reduction of trust fees by actually owning real estate properties instead of holding the trust beneficiary rights to those properties*

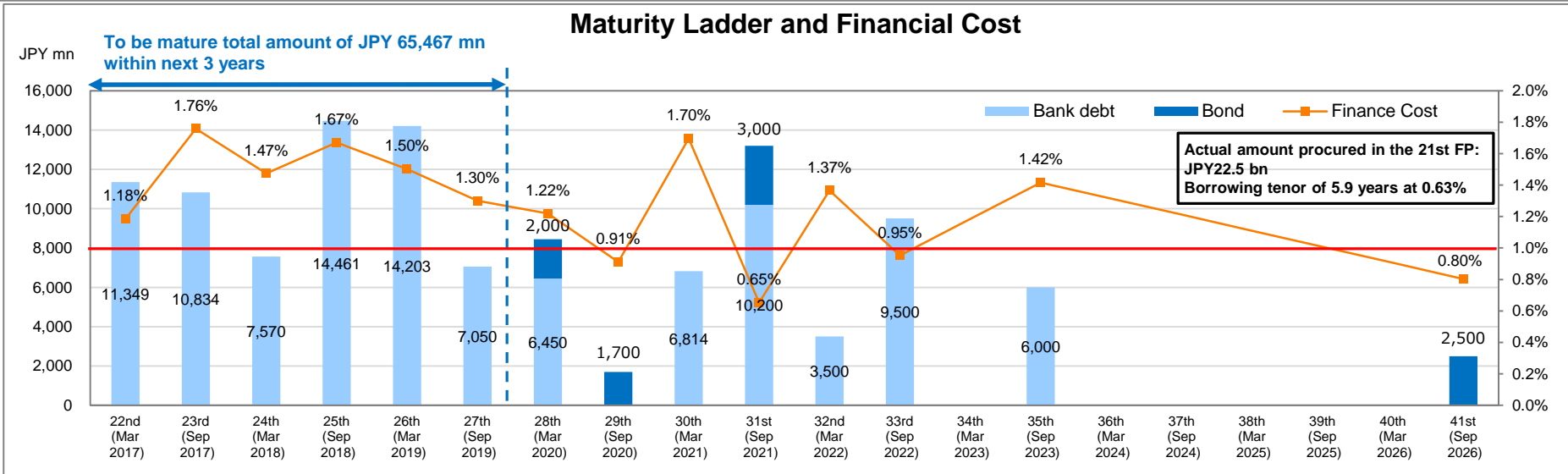
For properties which were owned in form of trust beneficiary rights in 2009, a basic policy to, in principle, terminate their trust agreements as each of their trust period expires and change to real estate in kind was decided.

→ Reduction by 50% in 22nd fiscal period from the peak time immediately after the merger with PRI (JPY126 mn) and reduction to as low as JPY10 mn in 3 years expected.

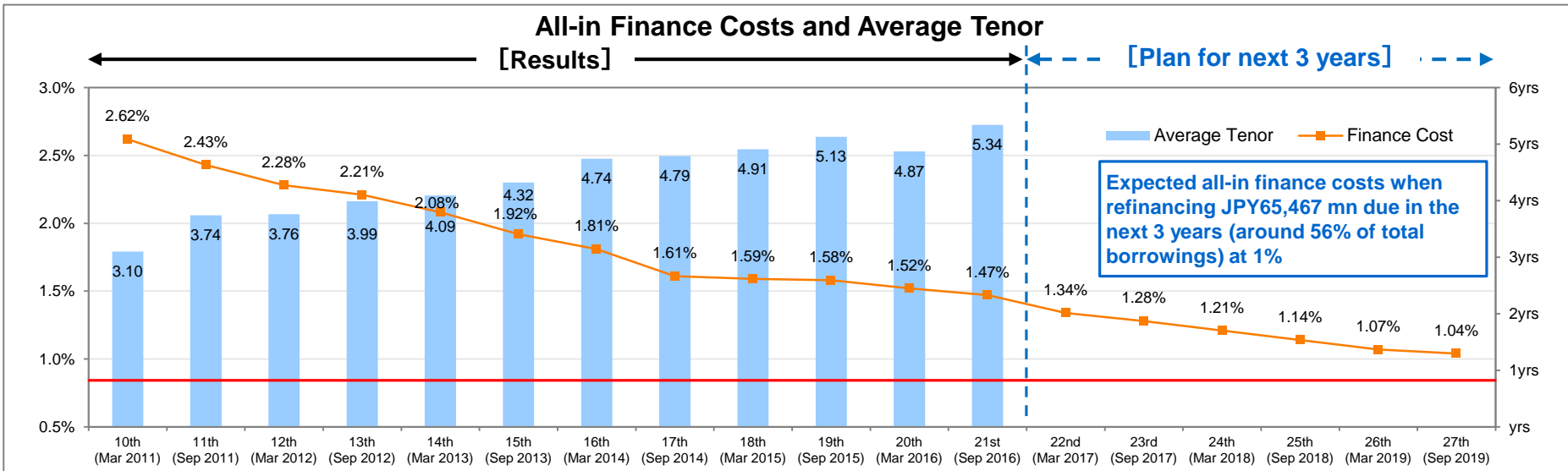


*Type of ownership of real estate is either real estate in kind or trust beneficiary rights. As to real estate in kind, payment of real estate acquisition tax, etc. arises upon acquisition (included in book value), but no trust fees are required during the ownership. On the other hand, although trust beneficiary rights are not subject to real estate acquisition tax and are subject to reduced tax rate of registration license tax upon acquisition, trust fees are required during the ownership. Therefore, ownership of trust beneficiary rights is often seen in private funds and such which do not assume long-term ownership; and for the cases of real estate investment which assume long-term ownership, comparative verification between the initial cost required for acquiring real estate in kind and the long-term cost burden required for ownership of trust beneficiary rights should be made before deciding on the policy.

This is a target set by the Asset Manager as of today and is not a guaranteed amount.



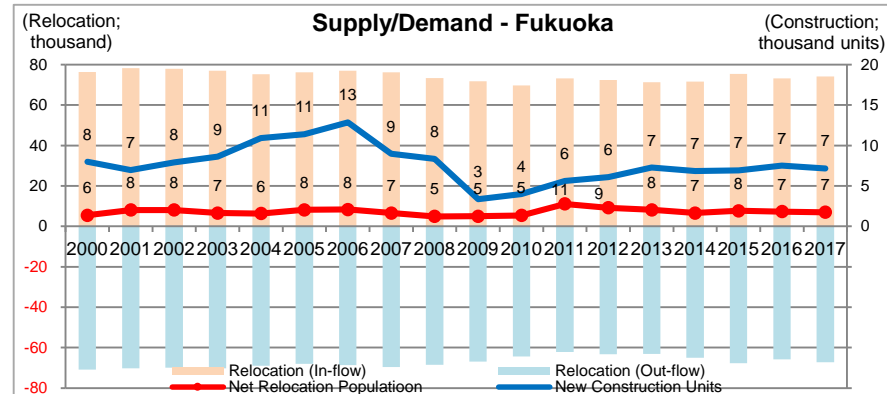
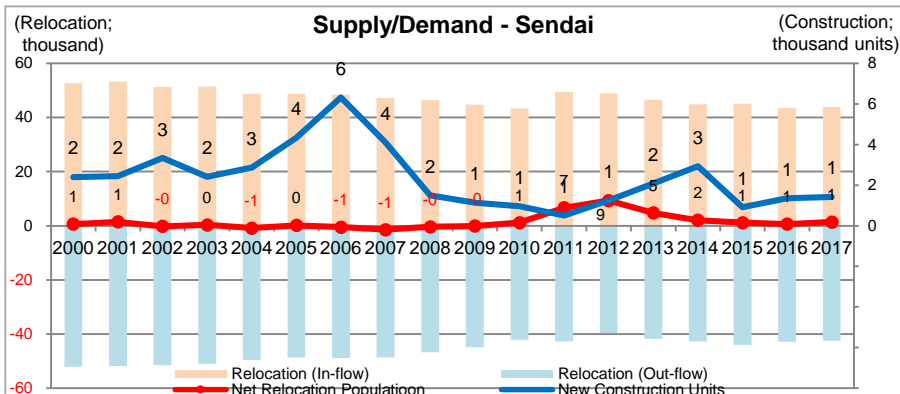
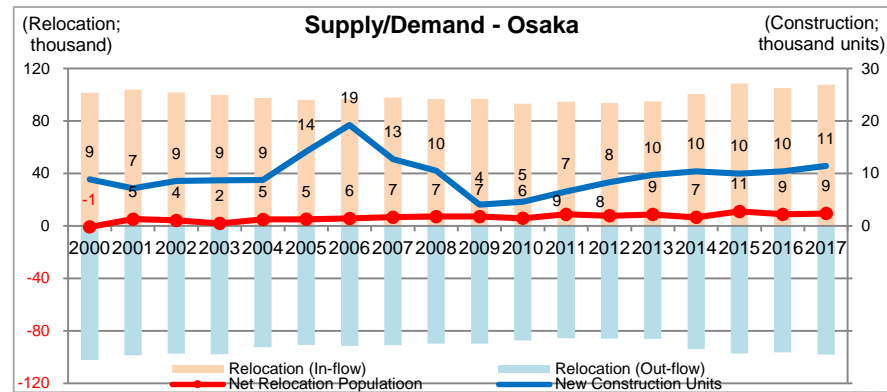
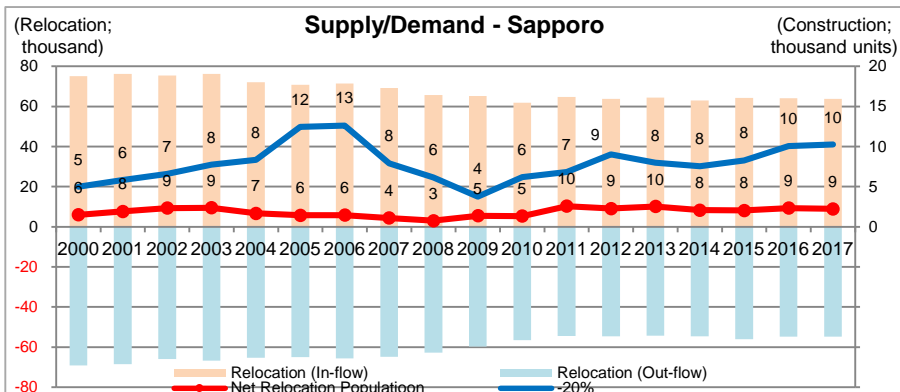
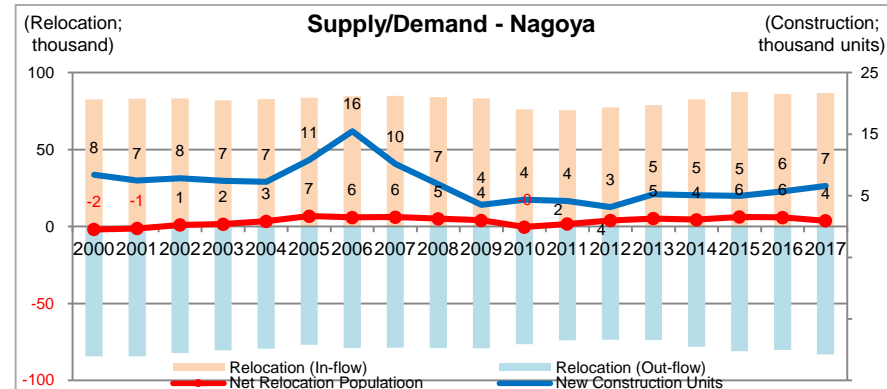
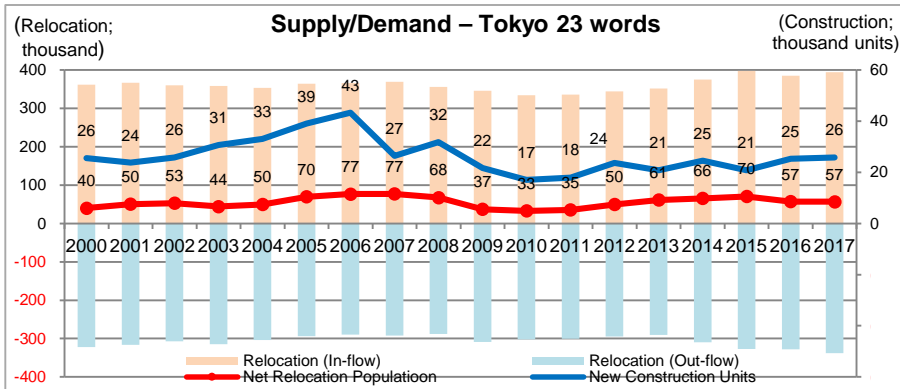
(Note) Finance costs are the total of interest expenses, finance-related costs and costs for fixing interest rates for the loans due in the respective fiscal period. The costs for fixing interest rates are calculated by multiplying the amount of loans due in respective fiscal period by an interest rate obtained by weighted averaging the total of fixed interest rates based on each interest rate swap agreement with notional principal.



(Note) Finance costs for the 22nd FP and after are estimated under a condition that the existing loans due in respective fiscal period are refinanced at 1% (total of interest expenses, finance-related costs and amortization of bond issuance costs).

This is a target set by the Asset Manager as of today and is not a guaranteed amount.

Lease Supply/Demand



(Source) Relocation balance: Population Movement from Basic Resident Register, MIC
Construction work on new rental apartments: Survey on Construction Works by the MLIT (construction of rental units and SRC/RC apartments complexes)

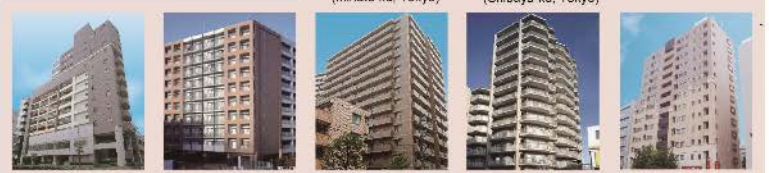
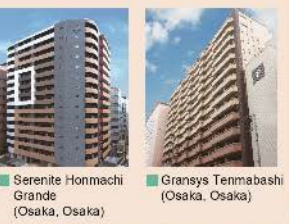
Total: **198** properties

Total asset: **¥225.5** bn
(based on the acquisition price)

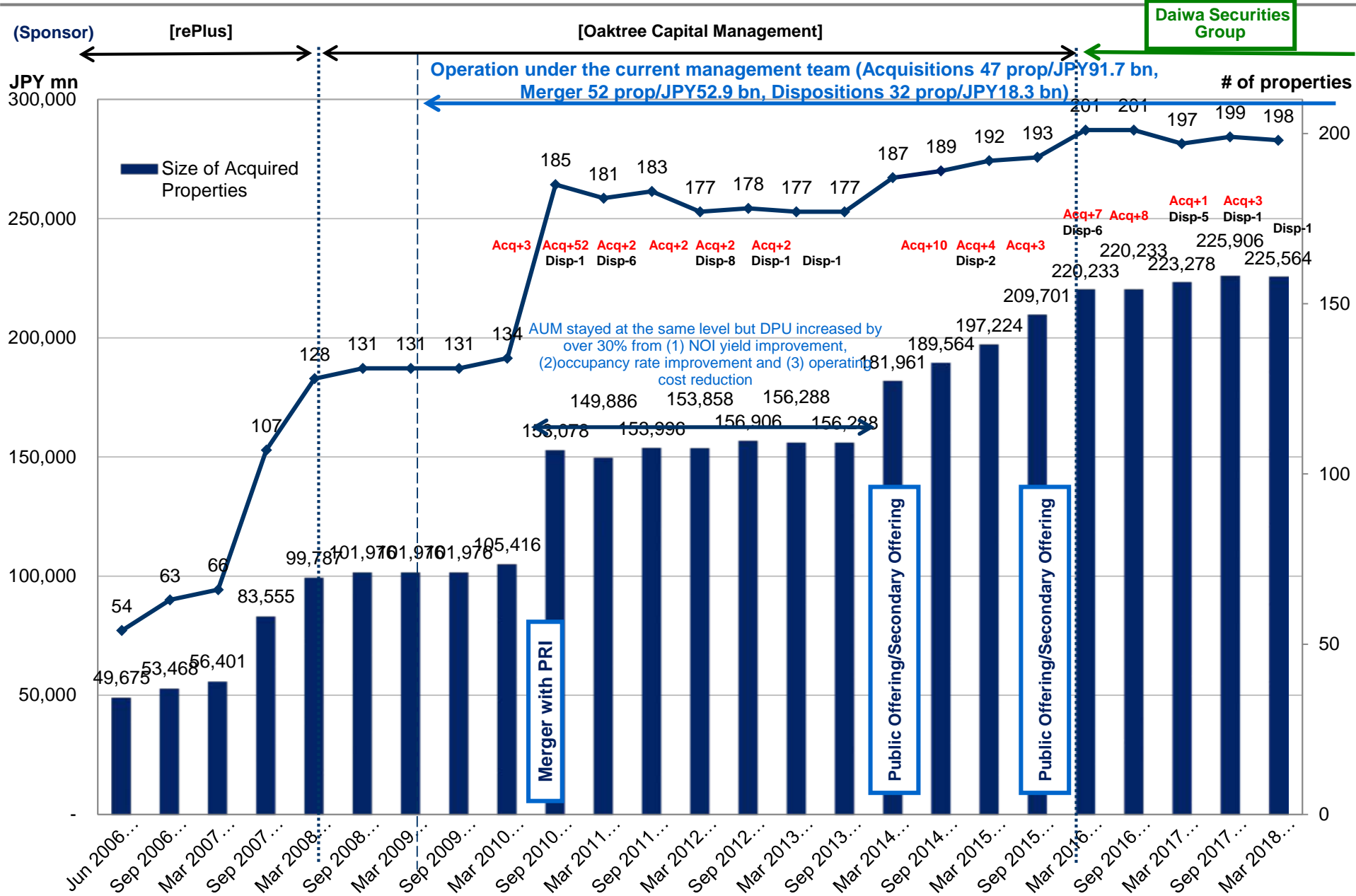
Total unit: **13,223**



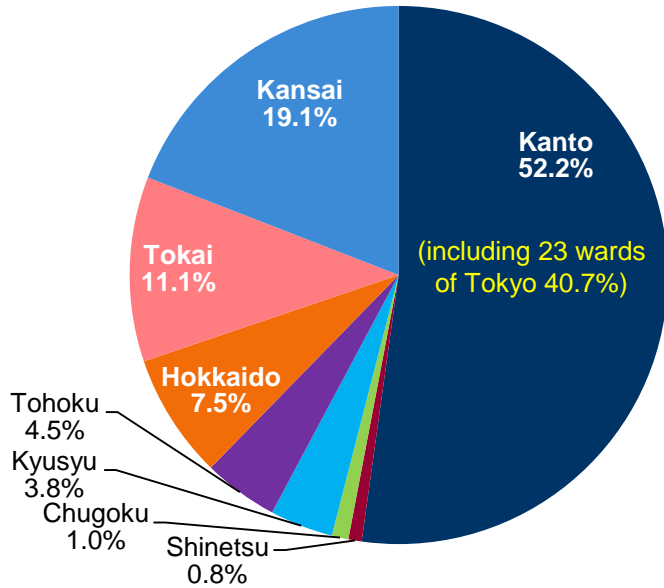
■ Studio rental apartment ● Family rental apartment



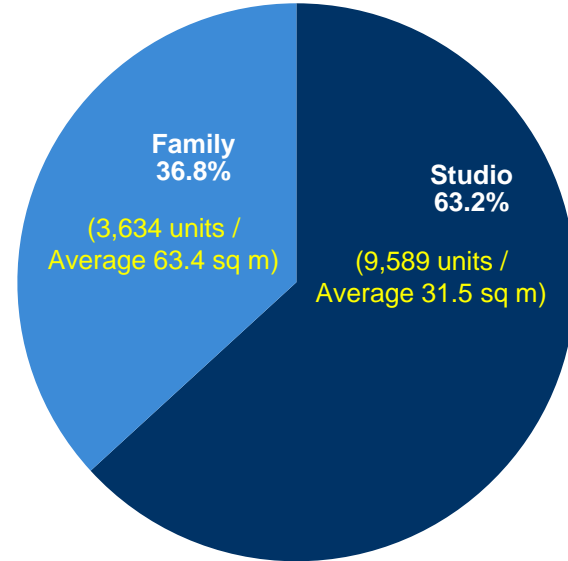
Portfolio Growth (Acquisition Price based)



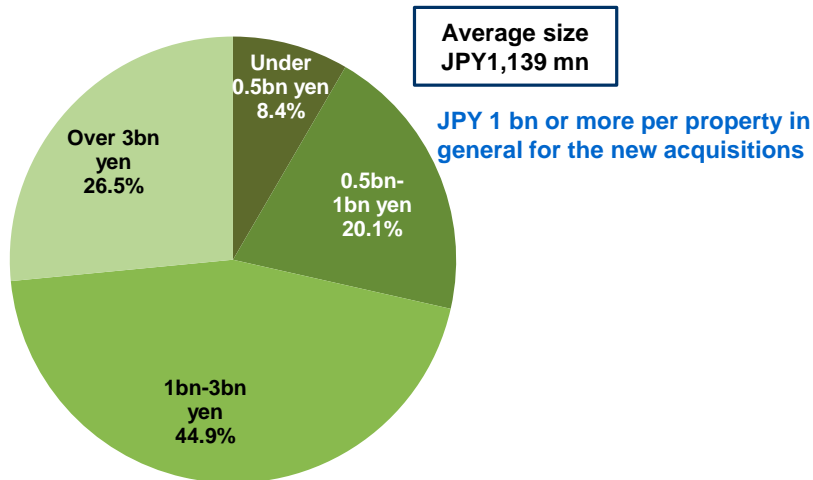
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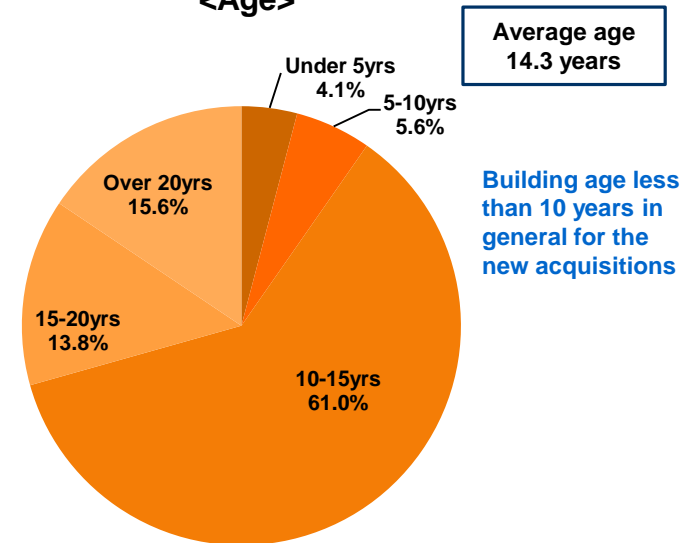
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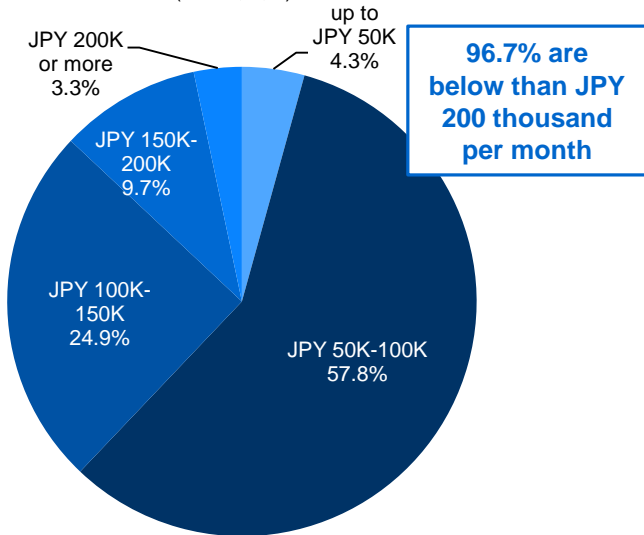
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(Note) Each percentage is calculated based on the acquisition price (rounded off to one decimal place)

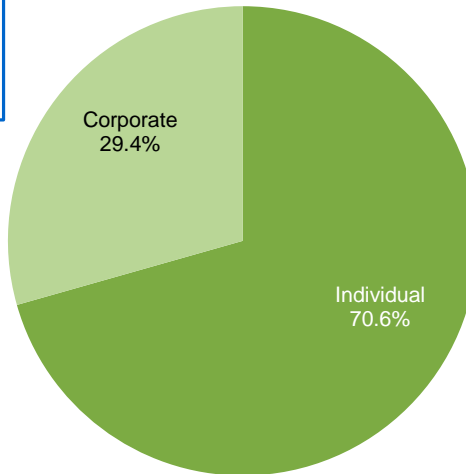
Monthly Rent per Unit

(Note 1, 2, 4)



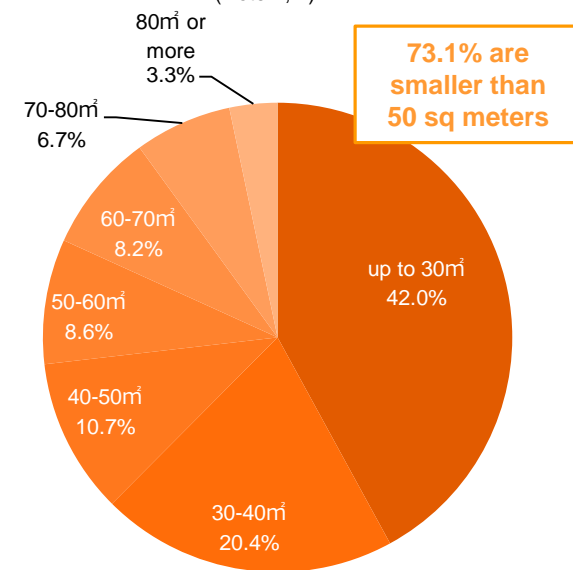
Lessee Type

(Note 1, 3, 4)



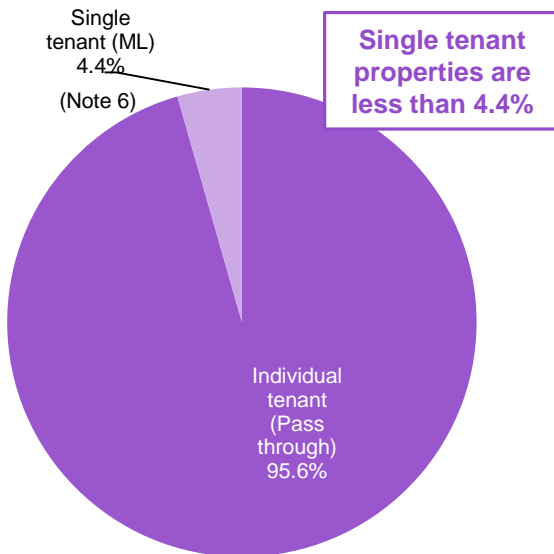
Unit Size

(Note 1, 4)



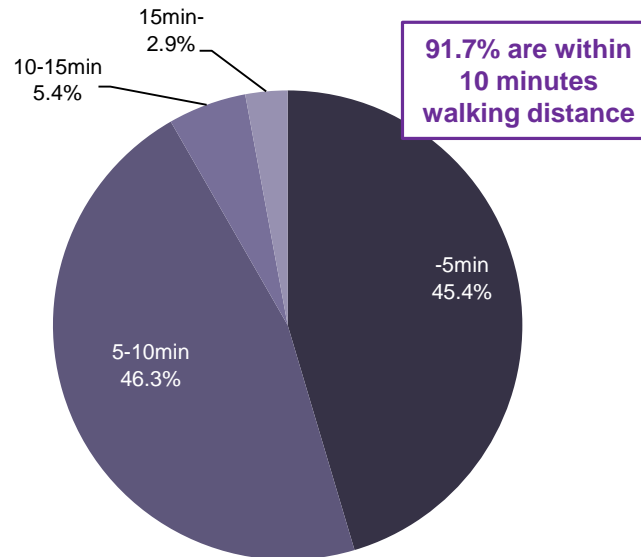
Lease Type

(Note 5)



Walking Distance from Stations

(Note 5)

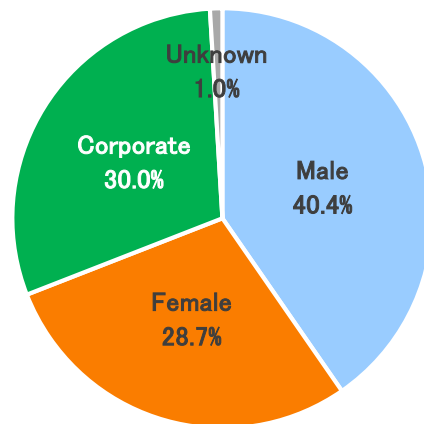


- (Note 1) Calculation excludes subleased properties and non-residential units (i.e. office, retail).
- (Note 2) Calculation based on the total amount of monthly rent and common area fee as of March 31 2018.
- (Note 3) Calculation excludes the vacant units as of March 31, 2018.
- (Note 4) Calculation based on the number of units
- (Note 5) Calculation based on the acquisition price.
- (Note 6) Out of 4.4% (16 buildings with a total acquisition price of JPY 10.0 billion), 2.8% is leased by Mainichicomnet Co., Ltd. (10 student apartments in Tokyo with a total acquisition price of JPY 6.3 billion) and the remaining 1.6% is leased by general business companies (6 buildings with a total acquisition price of JPY 3.6 billion). Since leasing an entire building to a single tenant accompanies a risk of having only one tenant, it is our policy not to newly make such investment in principle.

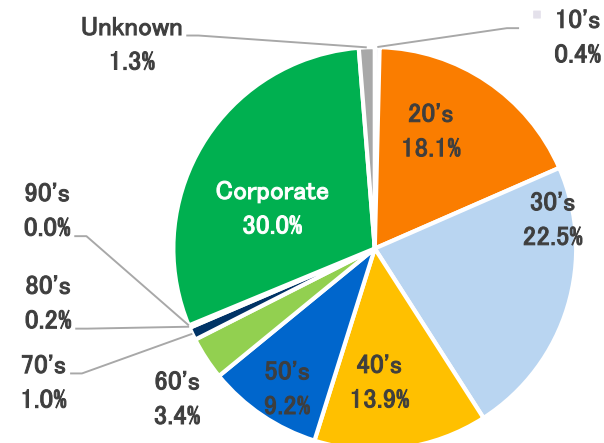
Category of Properties	Number of Properties	Average Acquisition Price (Thousand yen)	Number of Rentable Units	Average Number of Rentable Units per Property	Average Rentable Floor Area per Unit (sq. meter)
Studio	129	1,105,775	9,589	74	31.5
Family	69	1,201,726	3,634	52	63.4
Total (Average)	198	1,139,212	13,223	66	40.3

Category of Properties	Number of Properties	Average Acquisition Price (Thousand yen)	Number of Rentable Units	Average Number of Rentable Units per Property	Average Rentable Floor Area per Unit (sq. meter)
23 wards of Tokyo	68	1,348,641	3,502	51	40.5
The three major metropolitan areas	93	1,011,429	6,238	67	39.7
Other major cities	37	1,075,500	3,483	93	41.0
Total (Average)	198	1,139,212	13,223	66	40.3

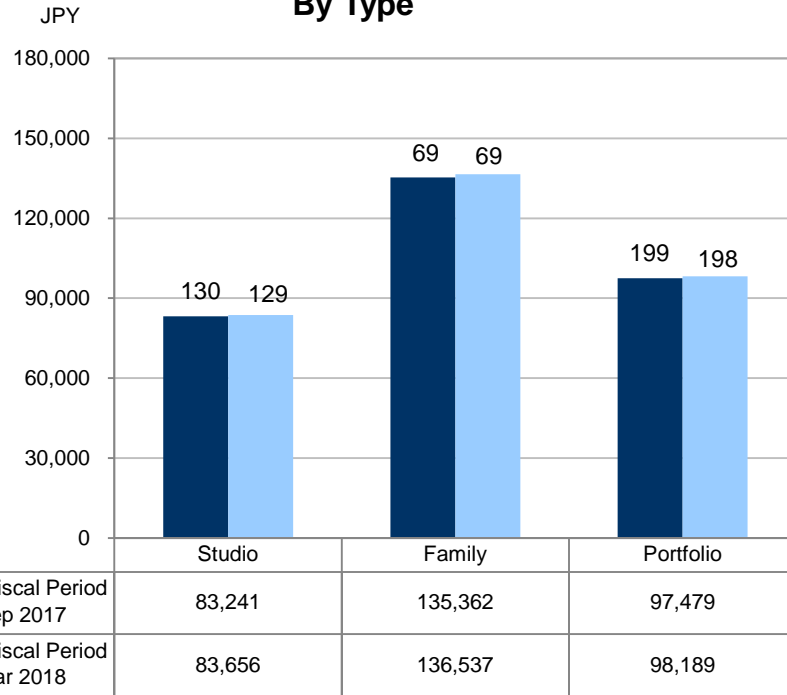
Tenant Demographics by Gender



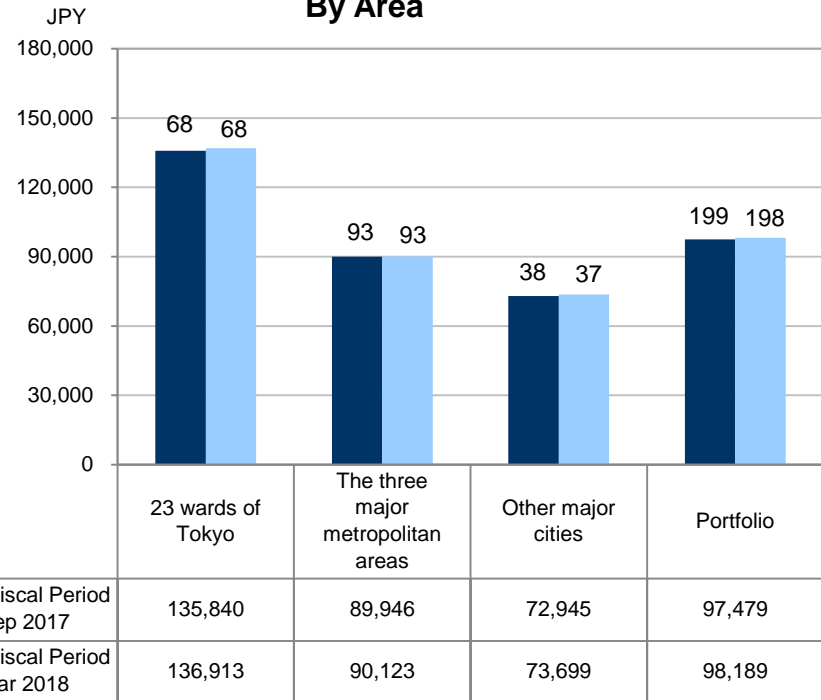
Tenant Demographics by Age



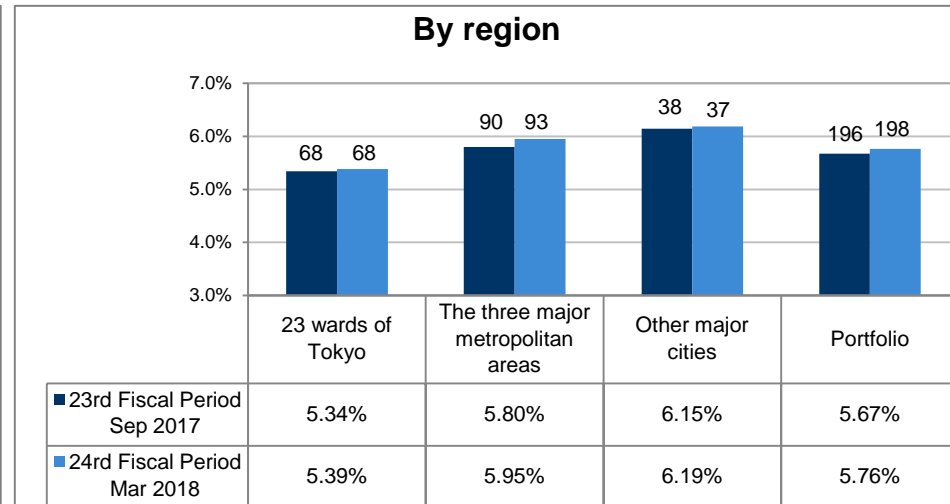
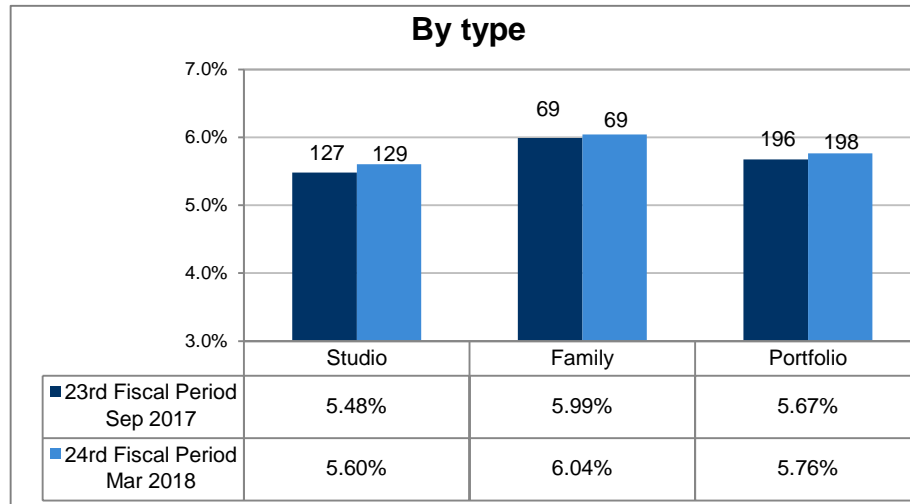
By Type



By Area



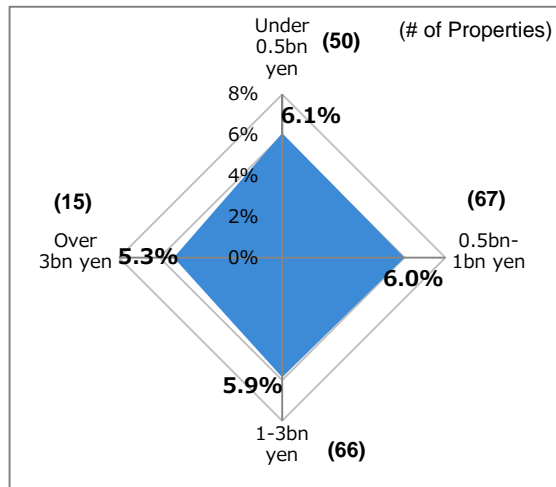
(Note) Average rent per unit calculations: rental revenue (rent + common benefit revenue) / total contracted units



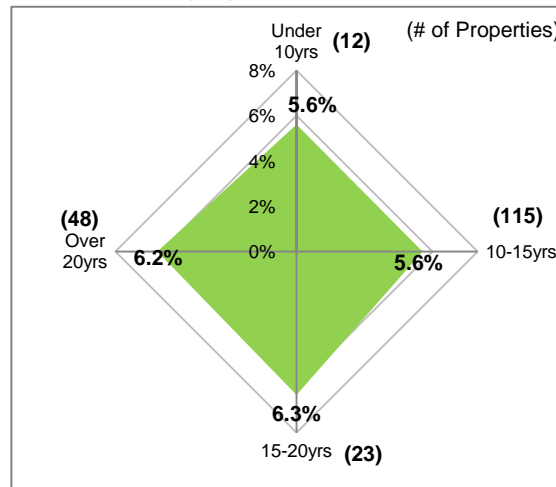
(Note1) Number of properties: 196 in the 23rd fiscal period exclude 3 newly acquired properties (numbers of properties indicated on top of the bar graphs)

(Note2) NOI yield: Annual income and expenditure in the rental business / acquisition price of property excluding tax

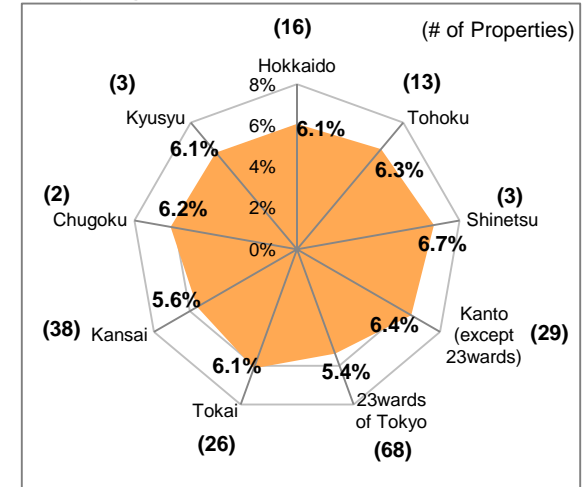
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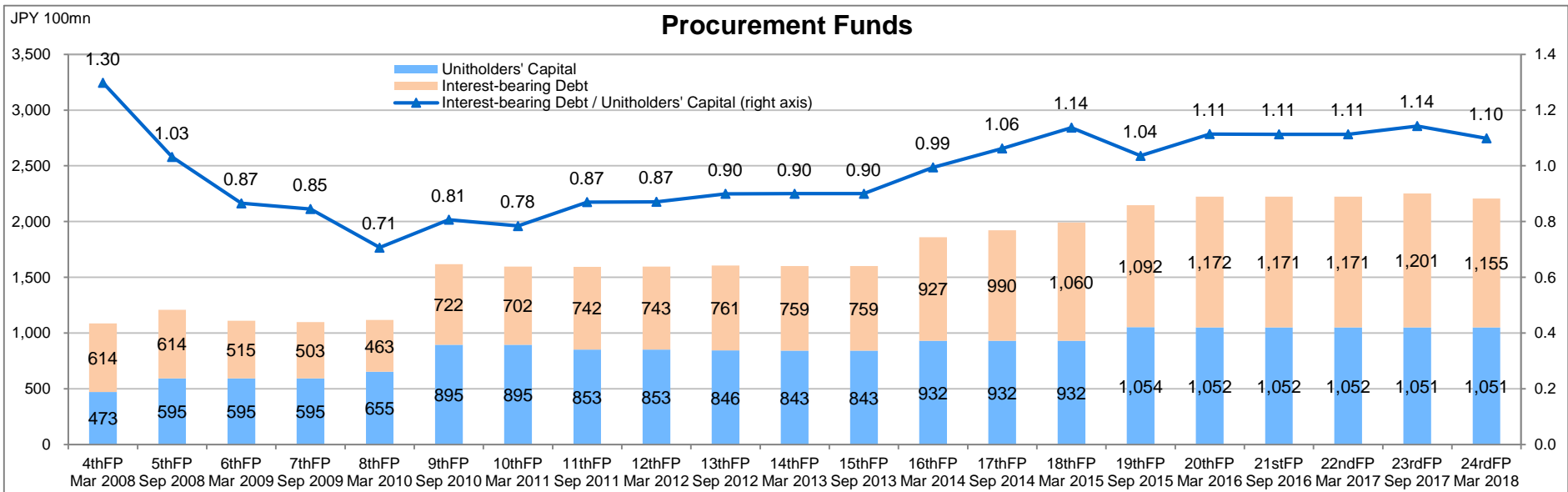
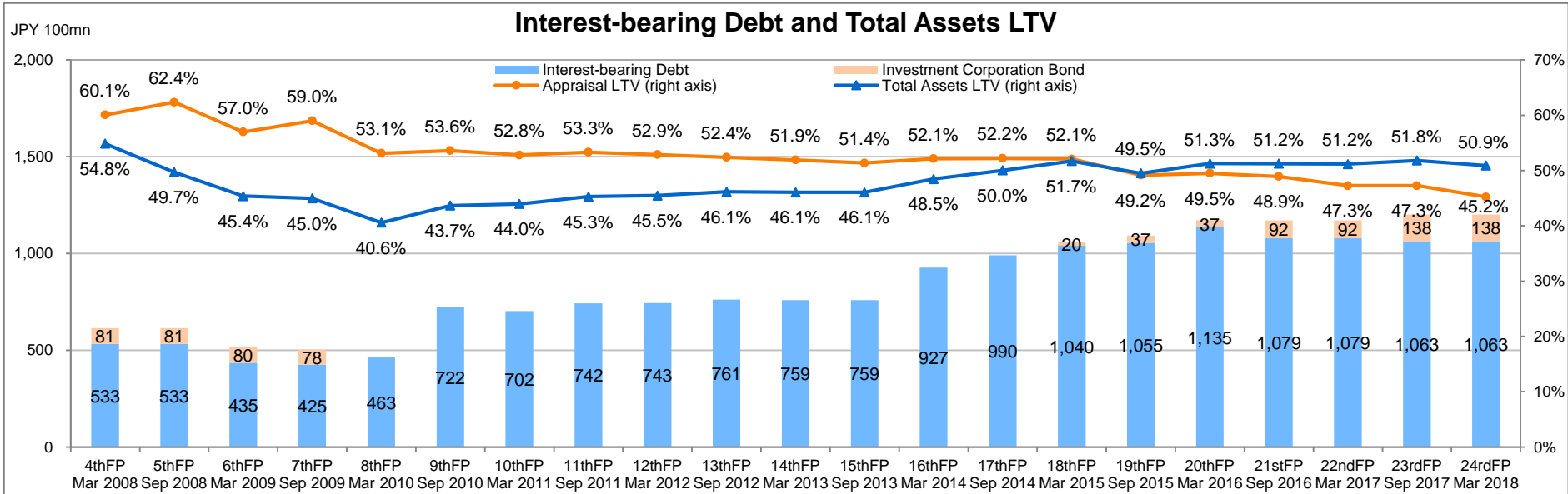


<By building age>



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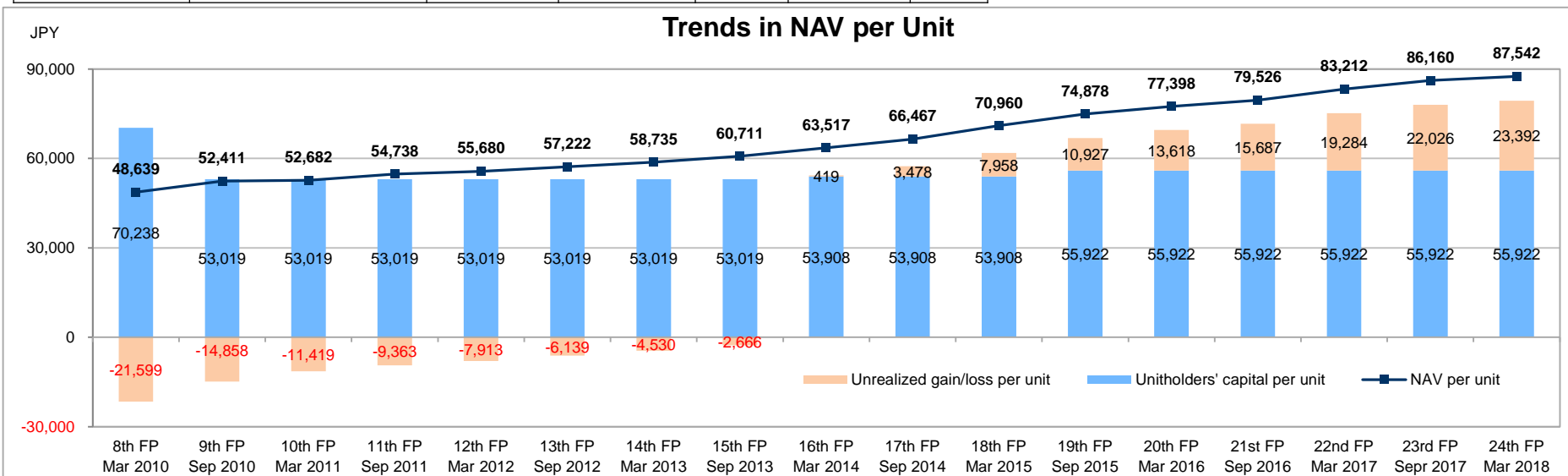
Date	Details	Total Investment (JPY)		Total Units in Issue		Note
		Change	Balance	Change	Number of Units	
October 7, 2005	Private placement	100,000,000	100,000,000	200	200	
December 13, 2005	Third-party allotment	8,900,000,000	9,000,000,000	17,800	18,000	
June 21, 2006	Public offering of new equity	18,748,800,000	27,748,800,000	43,400	61,400	
April 26, 2007	Public offering of new equity	18,595,161,900	46,343,961,900	34,300	95,700	
May 24, 2007	Third-party allotment	963,370,341	47,307,332,241	1,777	97,477	
August 28, 2008	Third-party allotment	12,250,000,000	59,557,332,241	70,000	167,477	
October 2, 2009	Third-party allotment	6,000,119,300	65,557,451,541	65,863	233,340	
June 30, 2010	Third-party allotment	5,000,236,650	70,557,688,191	43,035	276,375	(Note1)
July 1, 2010	Investment unit split	-	70,557,688,191	829,125	1,105,500	(Note2)
July 1, 2010	Merger	-	70,557,688,191	225,300	1,330,800	(Note3)
November 26, 2013	Public offering of new equity	8,148,307,200	78,705,995,391	131,200	1,462,000	
December 18, 2013	Third-party allotment	811,104,360	79,517,099,751	13,060	1,475,060	
May 27, 2015	Public offering of new equity	12,198,615,000	91,715,714,751	165,000	1,640,060	

Total Investment	JPY 91,715,714,751
Total Number of Investment Units Authorized	5,000,000 units
Total Number of Investment Units Outstanding	1,640,060 units

(Note1) Third party allotment of new investment units done at an issue price of 116,190 yen per unit with the purpose of repaying a part of the loans that were transferred as part of the merger with PRI

(Note2) Conducted a four-to-one investment unit split

(Note3) The Investment Corporation conducted the absorption-type merger with PRI treated as an extinguished corporation in accordance with article 147 of the Act on Investment Trusts and Investment Corporations



Outstanding Balance and shares of interest bearing debt by Lender

Lenders	9th FP		23rd FP		24th FP			25th FP		
	Sep 30, 2010 (Merger with PRI)		Sep 30, 2017		Refinance (March 23, 2018)	March 31, 2018		Refinance (June 22, 2018)		
	Balance (JPY mn)	Share	Balance (JPY mn)	Share	Change (JPY mn)	Balance (JPY mn)	Share	Change (JPY mn)	Balance (JPY mn)	Share
MUFG Bank, Ltd.	12,692	17.6%	30,116	25.1%	-2,950 +1,168	28,334	24.5%	-1,459 +6,803	33,678	29.1%
Sumitomo Mitsui Banking Corporation	11,278	15.6%	19,315	16.1%	-400 +159	19,074	16.5%	-4,612 +4,612	19,074	16.5%
Aozora Bank, Ltd	4,075	5.6%	10,398	8.7%	-1,550 +781	9,629	8.3%	- +840	10,469	9.1%
Shinsei Bank, Limited	2,689	3.7%	10,335	8.6%	-	10,335	8.9%	-	10,335	8.9%
Resona Bank, Limited	22,751	31.5%	13,578	11.3%	-300 +119	13,397	11.6%	-7,154 +3,600	9,843	8.5%
Mitsubishi UFJ Trust and Banking Corporation	-	-	4,337	3.6%	-	4,337	3.8%	-837 +1,350	4,850	4.2%
The Bank of Fukuoka, Ltd.	-	-	2,500	2.1%	-	2,500	2.2%	- +1,000	3,500	3.0%
Development Bank of Japan Inc.	400	0.6%	2,168	1.8%	-	2,168	1.9%	-398 -	1,770	1.5%
ORIX Bank Corporation	-	-	500	0.4%	-	500	0.4%	- +1,000	1,500	1.3%
THE HIGASHI-NIPPON BANK, LIMITED	-	-	500	0.4%	-	500	0.4%	- +600	1,100	1.0%
The Hyakugo Bank, Ltd.	-	-	1,770	1.5%	-1,000 +230	1,000	1.0%	-	1,000	0.9%
The Hiroshima Bank, Ltd.	-	-	1,000	0.8%	-	1,000	0.9%	-	1,000	0.9%
The Norinchukin Bank	-	-	1,000	0.8%	-	1,000	0.9%	-	1,000	0.9%
The Kagawa Bank, Ltd.	4,850	6.7%	1,675	1.4%	-1,170 +463	968	0.8%	-	968	0.8%
Mizuho Bank, Ltd.	-	-	700	0.6%	-	700	0.6%	-	700	0.6%
The Ashikaga Bank, Ltd.	-	-	500	0.4%	-	500	0.4%	-	500	0.4%
The Senshu Ikeda Bank, Ltd.	-	-	500	0.4%	-	500	0.4%	-	500	0.4%
The Nomura Trust and Banking Co., Ltd.	1,987	2.8%	5,464	4.5%	-200 +80	5,344	4.6%	-5,344 -	-	-
Total bank borrowings (Note1)	72,225	100.0%	106,357	88.5%	-4,570	101,787	88.1%	-	101,787	88.1%
Investment corporation bond	-	-	13,800	11.5%	-	13,800	11.9%	-	13,800	11.9%
Total interest bearing debt	72,225	100.0%	120,157	100.0%	-4,570	115,587	100.0%	-	115,587	100.0%
Total assets LTV (Note2)	43.7%	-	51.8%	-	-	50.9%	-	-	50.9%	-
Appraisal LTV	53.6%	-	47.3%	-	-	45.2%	-	-	45.2%	-

(Note1) Number of "9th FP Total" includes the balance of the borrowings from 5 financial institutions which is not on the list.

(Note2) Total Assets LTV = Interest-bearing Debt / Total Assets x 100

Item	23rd (September 2017) Fiscal Period	24th (March 2018) Fiscal Period	Reference
Number of actual days of operation	183	182	-
Return on assets (ROA)	1.5%	1.4%	Ordinary income/ (Total assets at the beginning of the period + Total assets at the end of the period) / 2) x 100
(annualized)	2.9%	2.8%	-
Return on equity (ROE)	3.1%	2.9%	Profit / ((Net assets at the beginning of the period + Net assets at the end of the period) / 2) x 100
(annualized)	6.3%	5.8%	-
Capital adequacy ratio as of the end of the fiscal term	46.7%	47.7%	Net assets at the end of the period / Total assets at the end of the period x 100
Depreciation	JPY 1,795 mn	JPY 1,802 mn	-
Rental NOI (Net Operating Income)	JPY 6,409 mn	JPY 6,510 mn	Rental revenues – property-related expenses + depreciation
FFO(Funds from Operation) per investment unit	JPY 3,065	JPY 3,131	FFO (Profit + Depreciation + Amortization - Gains on sales of property + Impairment loss) / Total number of investment units outstanding as of the end of the fiscal period
FFO (Funds from Operation) multiple	13.0 times	12.9 times	Unit price at the end of the fiscal term / Annualized FFO per unit
Debt service coverage ratio (DSCR)	11.1 times	11.9 times	(Profit before interest, Depreciation and Amortization - Gain or loss of the disposition of real estate + Impairment loss) / Interest expenses
Total interest-bearing debt	JPY 120,157 mn	JPY 115,587 mn	Interest-bearing debt at the end of the period
Ratio of interest-bearing debt to total assets	51.8%	50.9%	(Interest-bearing debt at the end of the period / Total assets at the end of the period) x 100

	(JPY thousand)	
	23rd Fiscal Period From April 1, 2017 to September 30, 2017	24th Fiscal Period From October 1, 2017 to March 31, 2018
Operating revenues:		
Rental revenues	8,292,283	8,254,314
Gain on sales of properties	383,198	30,594
Total operating revenues	<u>8,675,482</u>	<u>8,284,909</u>
Operating expenses:		
Rental expenses	3,678,086	3,546,203
Asset management fees	563,800	560,000
Directors' remuneration	6,000	6,000
Asset custody fees	13,637	13,693
Administrative service fees	37,971	38,119
Audit fees	14,500	14,500
Provision for doubtful accounts	3,456	87
Write off of accounts receivable	55	539
Other operating expenses	264,770	255,381
Total operating expenses	<u>4,582,276</u>	<u>4,434,524</u>
Operating income	<u>4,093,205</u>	<u>3,850,384</u>
Non-operating income:		
Interest income	7	5
Miscellaneous income	47,009	10,888
Total non-operating income	<u>47,017</u>	<u>10,894</u>
Non-operating expenses:		
Interest expenses	495,357	470,805
Finance-related expenses	241,136	218,063
Amortization of issuance costs of new units	2,473	2,473
Amortization of bond issuance costs	7,822	9,201
Other non-operating expenses	1,582	1,630
Total non-operating expenses	<u>748,373</u>	<u>702,174</u>
Ordinary income	<u>3,391,849</u>	<u>3,159,104</u>
Income before income taxes	<u>3,391,849</u>	<u>3,159,104</u>
Income taxes – current	605	605
Total income taxes	<u>605</u>	<u>605</u>
Profit	<u>3,391,244</u>	<u>3,158,499</u>
Retained earnings at beginning of period	649	310
Unappropriated retained earnings	<u>3,391,894</u>	<u>3,158,809</u>

	(JPY thousand)		
	23rd Fiscal Period From April 1, 2017 to September 30, 2017	24th Fiscal Period From October 1, 2017 to March 31, 2018	
Breakdown of Rental Revenues and Expenses		Breakdown of Rental Revenues and Expenses	
A. Rental revenues		A. Rental revenues	
(Rent income)	7,111,191	(Rent income)	7,080,822
(Common service fees)	479,395	(Common service fees)	482,798
(Parking fees)	310,587	(Parking fees)	313,148
(Incidental revenues)	53,123	(Incidental revenues)	54,876
(Other rental revenues)	337,985	(Other rental revenues)	322,670
Total	<u>8,292,283</u>	Total	<u>8,254,314</u>
B. Rental expenses:		B. Rental expenses:	
(Management fees)	447,153	(Management fees)	428,963
(Taxes and public dues) *2	513,670	(Taxes and public dues) *2	509,549
(Utilities)	146,059	(Utilities)	156,544
(Repairs) *3	420,320	(Repairs) *3	344,147
(Insurance expenses)	18,304	(Insurance expenses)	18,176
(Advertising expenses)	221,102	(Advertising expenses)	203,785
(Trust fees)	39,242	(Trust fees)	16,819
(Depreciation)	1,795,143	(Depreciation)	1,802,528
(Other rental expenses)	77,089	(Other rental expenses)	65,688
Total	<u>3,678,086</u>	Total	<u>3,546,203</u>
C. Rental income *1	<u>4,614,197</u>	C. Rental income *1	<u>4,708,111</u>
(A - B)		(A - B)	

		(JPY million)	
		23rd Fiscal Period	24th Fiscal Period
*1 Rental income			
Rental revenues	8,292	Rental revenues	8,254
Rental expenses	3,678	Rental expenses	3,546
Rental income	<u>4,614</u>	Rental income	<u>4,708</u>
NOI	6,409	NOI	6,510

*2 Taxes and public dues

Number of properties that fixed assets tax and city planning tax are charged

	23rd Fiscal Period	24th Fiscal Period
	197	196

*3 Repairs

		(JPY million)	
		23rd Fiscal Period	24th Fiscal Period
Repair cost	420	Repair cost	344
Capital expenditures	<u>338</u>	Capital expenditures	<u>898</u>

(JPY thousand)

	23rd Fiscal Period	24th Fiscal Period
	From April 1, 2017 to September 30, 2017	From October 1, 2017 to March 31, 2018
Cash flows from operating activities:		
Income before income taxes	3,391,849	3,159,104
Depreciation	1,795,143	1,802,528
Amortization of long-term prepaid expenses	213,625	193,725
Amortization of bond issuance costs	7,822	9,201
Amortization of issuance costs of new units	2,473	2,473
Interest income	-7	-5
Interest expenses	495,357	470,805
Increase (Decrease) in allowance for doubtful accounts	-1,965	-4,640
Decrease (Increase) in rental receivables	-10,211	-52,884
Decrease (Increase) in prepaid expenses	-29,450	40,321
Increase (Decrease) in accounts payable	-39,507	4,272
Increase (Decrease) in other accounts payable	26,552	-28,514
Decrease (Increase) in consumption taxes payable	18,006	-3,764
Increase (Decrease) in accrued expenses	20,735	-21,309
Increase (Decrease) in rents received in advance	-194,472	-57,805
Decrease from sales of property and equipment	1,351,304	324,956
Decrease from sales of property and equipment in trust	-	-
Long-term prepaid expenses paid	-90,996	-28,394
Other - net	-13,879	-9,992
Sub-total	6,942,379	5,800,076
Interest received	7	5
Interest paid	-494,324	-471,783
Income taxes paid	-605	-605
Net cash provided by operating activities	6,447,457	5,327,693

(JPY thousand)

	23rd Fiscal Period	24th Fiscal Period
	From April 1, 2017 to September 30, 2017	From October 1, 2017 to March 31, 2018
Cash flows from investing activities:		
Purchase of property and equipment	-4,935,784	-908,835
Purchase of property and equipment in trust	-137,457	-183,184
Net increase (decrease) in leasehold and security deposits received	185,468	84,264
Net increase (decrease) in leasehold and security deposits received in trust	-266,227	-109,712
Cash used in investing activities	-5,154,000	-1,117,468
Cash flows from financing activities:		
Proceeds from long-term loans	9,260,000	3,000,000
Repayment of long-term loans	-10,834,405	-7,570,000
Proceeds from issuance of bonds	4,600,000	-
Payments for bond issuance costs	-44,687	-
Dividends paid	-3,119,230	-3,149,136
Net cash provided by (used in) financing activities	-138,324	-7,719,136
Net increase (decrease) in cash and cash equivalents	1,155,132	-3,508,911
Cash and cash equivalents at beginning of period	11,162,733	12,317,866
Cash and cash equivalents at end of period	12,317,866	8,808,954

List of Properties (as of March 31, 2018)

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Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Mar 31, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 24rd fiscal period end (JPY thousand)	(3) Appraisal value 23rd fiscal period (JPY thousand)	(4) Appraisal value 24rd fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
O-1-001	Satella Kita 34jo	Sapporo city, Hokkaido	Sep 1994	181	5,691.72	99.0%	1,133,714	1,025,260	1,180,000	1,190,000	10,000	56,285	164,739	1
O-1-032	willDo Kita 24jo	Sapporo city, Hokkaido	Feb 2006	36	1,279.89	100.0%	316,000	275,451	255,000	255,000	0	-61,000	-20,451	3
O-1-034	Gran Casa Minami13jo	Sapporo city, Hokkaido	Jan 2006	48	1,836.38	100.0%	463,000	413,656	396,000	396,000	0	-67,000	-17,656	3
O-1-035	Gran Casa Minami9jo	Sapporo city, Hokkaido	Oct 2006	55	2,246.01	100.0%	533,000	467,020	450,000	446,000	-4,000	-87,000	-21,020	3
O-1-090	Sky Hills N15	Sapporo city, Hokkaido	Mar 2000	111	3,524.83	100.0%	712,000	766,572	944,000	953,000	9,000	241,000	186,427	1
O-1-091	Sky Hills Sakaemachi	Chitose city, Hokkaido	Feb 2002	134	5,335.70	100.0%	832,000	883,303	919,000	947,000	28,000	115,000	63,696	1
O-1-092	Dormy Chitose	Chitose city, Hokkaido	Mar 1999	110	2,239.00	100.0%	476,000	488,485	493,000	498,000	5,000	22,000	9,514	1
O-1-093	Sky Hills Takadai I	Chitose city, Hokkaido	Jan 1992	120	3,748.80	100.0%	448,000	448,420	494,000	499,000	5,000	51,000	50,579	1
O-1-128	Alpha Tower Sapporo Minami4jo	Sapporo city, Hokkaido	Apr 2009	100	4,413.21	100.0%	1,185,000	1,140,391	1,390,000	1,390,000	0	205,000	249,608	3
O-1-132	Cresidence Sapporo Minami4jo	Sapporo city, Hokkaido	Sep 2007	99	3,581.86	100.0%	1,140,000	1,111,846	1,330,000	1,330,000	0	190,000	218,153	3
O-1-146	Gran Casa NagayamaKoen Dori	Sapporo city, Hokkaido	Jan 2007	92	3,921.77	98.1%	1,002,000	1,076,657	1,040,000	1,030,000	-10,000	28,000	-46,657	3
O-1-151	Gran Casa Minami11jo	Sapporo city, Hokkaido	Apr 2007	72	2,671.28	97.6%	830,000	902,578	852,000	852,000	0	22,000	-50,578	3
O-2-037	willDo Nishishitadaicho	Morioka city, Iwate	May 2006	76	2,304.00	100.0%	512,000	473,542	549,000	549,000	0	37,000	75,457	3
O-2-054	willDo Kamisugi 3cho	Sendai city, Miyagi	Mar 2007	46	1,517.81	100.0%	506,000	433,922	549,000	549,000	0	43,000	115,077	2
O-2-065	Grandmaison Shichifuku	Sendai city, Miyagi	Feb 1999	38	1,083.70	100.0%	342,000	333,686	284,000	284,000	0	-58,000	-49,686	2
O-2-094	Living Stage Higashi-Sendai	Sendai city, Miyagi	Jul 1996	52	1,596.53	90.8%	317,200	291,953	368,000	368,000	0	50,800	76,046	2
O-2-123	West Park Hasekura	Sendai city, Miyagi	Mar 2007	138	5,150.62	100.0%	1,240,000	1,189,506	1,920,000	1,920,000	0	680,000	730,493	3
O-2-137	Forest Hill SendaiAoba	Sendai city, Miyagi	Mar 2007	252	6,497.06	100.0%	2,750,000	2,752,761	3,030,000	3,030,000	0	280,000	277,238	2
O-2-140	Gran Casa Sendai Itsutsubashi	Sendai city, Miyagi	Nov 2007	120	4,726.20	100.0%	2,100,000	2,124,857	2,180,000	2,180,000	0	80,000	55,142	2
O-3-079	willDo Ishizuecho	Niigata city, Niigata	Feb 2007	48	1,868.64	100.0%	462,510	389,042	478,000	474,000	-4,000	11,489	84,957	3
O-3-080	willDo Sasaguchi	Niigata city, Niigata	Feb 2007	28	1,008.00	100.0%	266,000	231,455	275,000	275,000	0	9,000	43,544	3
O-4-005	willDo Koshigaya	Koshigaya city, Saitama	Apr 2005	49	1,230.28	100.0%	499,333	438,581	519,000	551,000	32,000	51,666	112,418	1
O-4-006	Joyful Sayama	Sayama city, Saitama	Jul 1991	52	870.97	94.2%	216,619	204,742	201,000	201,000	0	-15,619	-3,742	1
O-4-007	Lumiere Hachioji	Hachioji city, Tokyo	Mar 1986	95	1,692.90	100.0%	480,761	453,026	428,000	422,000	-6,000	-58,761	-31,026	1
O-4-008	willDo Kiyosumi	Koto ku, Tokyo	Dec 2005	200	7,497.46	99.5%	5,024,619	4,680,149	6,120,000	6,120,000	0	1,095,380	1,439,850	3
O-4-009	Turkey's Denenchofu No.2	Ota ku, Tokyo	Feb 1989	27	462.12	100.0%	281,523	272,638	316,000	322,000	6,000	40,476	49,361	1
O-4-010	willDo HonChiba	Chiba city, Chiba	Oct 1990	30	1,903.82	96.7%	379,857	359,267	413,000	420,000	7,000	40,142	60,732	1
O-4-011	willDo Yokohama Minami	Yokohama city, Kanagawa	Feb 2002	21	493.59	95.4%	233,142	203,841	262,000	268,000	6,000	34,857	64,158	1
O-4-012	Site Pia	Sagamihara city, Kanagawa	Oct 1987	86	1,697.50	100.0%	506,142	491,157	493,000	486,000	-7,000	-20,142	-5,157	3
O-4-024	VISTA Supreme	Machida city, Tokyo	Mar 2005	37	892.88	97.5%	563,584	511,793	474,000	474,000	0	-89,584	-37,793	3
O-4-025	Joy Oyamadai	Setagaya ku, Tokyo	Jul 1985	21	1,033.40	100.0%	624,265	695,297	617,000	617,000	0	-7,265	-78,297	3
O-4-031	willDo Otsuka	Toshima ku, Tokyo	Mar 1994	27	1,091.54	100.0%	725,229	728,327	678,000	698,000	20,000	-27,229	-30,327	3
O-4-038	willDo Niiza	Niiza city, Saitama	Nov 2006	56	1,260.00	98.2%	590,438	521,172	544,000	565,000	21,000	-25,438	43,827	3
O-4-039	Toshin Shoto Mansion	Shibuya ku, Tokyo	Jun 1978	27	1,044.66	97.2%	912,000	963,829	881,000	932,000	51,000	20,000	-31,829	3
O-4-055	Harmony Kamikitazawa	Setagaya ku, Tokyo	Feb 1993	29	539.48	96.6%	400,000	397,577	333,000	333,000	0	-67,000	-64,577	3
O-4-062	willDo Minami Urawa	Saitama city, Saitama	Mar 2007	29	725.62	94.4%	396,000	359,434	417,000	417,000	0	21,000	57,565	3
O-4-069	College Square Kitakabukuro	Itabashi ku, Tokyo	Feb 2006	50	1,065.00	100.0%	727,000	653,194	767,000	782,000	15,000	55,000	128,805	2
O-4-070	College Square TobuNerima	Itabashi ku, Tokyo	Oct 2005	63	1,360.10	100.0%	892,000	822,720	927,000	959,000	32,000	67,000	136,279	2
O-4-071	College Square Akatsuka	Nerima ku, Tokyo	Mar 2006	54	1,110.75	100.0%	734,000	658,114	764,000	781,000	17,000	47,000	122,885	2
O-4-072	College Square Higashikurume	HigashiKurume city, Tokyo	Sep 2007	45	936.72	100.0%	523,000	445,800	560,000	584,000	24,000	61,000	138,199	1
O-4-073	College Square Waseda II	Toshima ku, Tokyo	Jul 2007	14	297.24	100.0%	215,000	196,370	282,000	280,000	-2,000	65,000	83,629	2
O-4-074	College Square Myogadani	Bunkyo ku, Tokyo	Mar 2007	68	1,420.77	100.0%	1,060,000	971,592	1,250,000	1,270,000	20,000	210,000	298,407	1
O-4-075	College Square Shinkoiwa	Katsushika ku, Tokyo	Mar 2007	54	1,139.10	100.0%	724,000	649,695	750,000	767,000	17,000	43,000	117,304	2
O-4-076	College Square Kiba	Koto ku, Tokyo	Nov 2006	42	897.39	100.0%	639,000	580,437	736,000	751,000	15,000	112,000	170,562	1
O-4-077	College Square Kinshicho	Koto ku, Tokyo	Mar 2006	31	667.36	100.0%	490,000	441,678	522,000	537,000	15,000	47,000	95,321	1
O-4-078	College Square Waseda	Shinjuku ku, Tokyo	Mar 2007	19	392.03	100.0%	316,000	304,066	337,000	344,000	7,000	28,000	39,933	1
O-4-089	Lexington Square ShinjukuGyoen	Shinjuku ku, Tokyo	Aug 2005	48	1,383.59	100.0%	1,010,000	1,048,538	1,280,000	1,280,000	0	270,000	231,461	2
O-4-095	Prospect NihonbashiHoncho	Chuo ku, Tokyo	Nov 2004	50	1,295.76	100.0%	808,000	782,089	1,120,000	1,130,000	10,000	322,000	349,910	3
O-4-096	Maison de Ville Takanawa Gyoranzaka	Minato ku, Tokyo	Mar 1999	70	1,778.37	100.0%	1,480,000	1,440,847	1,750,000	1,750,000	0	270,000	309,152	3
O-4-097	Roppongi Rise House	Minato ku, Tokyo	Mar 2003	34	1,242.23	97.6%	912,000	886,157	1,100,000	1,100,000	0	188,000	213,842	3

(Note) In column of "Appraiser", representation of "1" is for Tanizawa Sōgō Appraisal Co., Ltd., "2" for Daiwa Real Estate Appraisal Co.,Ltd., "3" for Japan Real Estate Institute.

Studio

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Mar 31, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 24rd fiscal period end (JPY thousand)	(3) Appraisal value 23rd fiscal period (JPY thousand)	(4) Appraisal value 24rd fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
O-4-098	TK Flats Shibuya	Shibuya ku, Tokyo	Nov 2002	194	6,984.28	98.1%	4,770,000	4,572,144	5,730,000	5,730,000	0	960,000	1,157,855	3
O-4-099	Maison de Ville NakaMeguro	Meguro ku, Tokyo	Feb 1999	50	1,275.00	100.0%	1,050,000	1,012,339	1,340,000	1,340,000	0	290,000	327,660	3
O-4-100	Prospect KALON Minowa	Taito ku, Tokyo	Feb 2007	82	3,075.70	100.0%	1,620,000	1,446,613	2,000,000	2,000,000	0	380,000	553,386	3
O-4-101	Prospect Shinonomebashi	Koto ku, Tokyo	Mar 2004	171	4,919.31	99.4%	3,040,000	2,868,091	3,930,000	3,960,000	30,000	920,000	1,091,908	3
O-4-102	Prospect Monzennakacho	Koto ku, Tokyo	Jan 2007	62	1,790.56	100.0%	1,080,000	1,021,190	1,390,000	1,390,000	0	310,000	368,809	2
O-4-103	Prospect Ogikubo	Suginami ku, Tokyo	Feb 2007	40	1,123.59	100.0%	701,000	645,962	865,000	867,000	2,000	166,000	221,037	2
O-4-104	Exceria Ikebukuro West II	Toshima ku, Tokyo	Sep 2006	48	1,379.52	100.0%	852,000	848,518	1,040,000	1,040,000	0	188,000	191,481	2
O-4-105	Prospect OmoriKaigan	Ota ku, Tokyo	Feb 2003	89	2,506.04	99.0%	1,480,000	1,399,988	1,940,000	1,940,000	0	460,000	540,011	3
O-4-106	Prospect MusashiShinjyo	Kawasaki city, Kanagawa	May 2008	85	1,855.03	100.0%	1,050,000	950,957	1,270,000	1,270,000	0	220,000	319,042	2
O-4-107	Fragrance Kawasaki	Kawasaki city, Kanagawa	Sep 2003	45	1,065.87	100.0%	548,900	493,653	674,000	674,000	0	125,100	180,346	3
O-4-108	Prospect ChuoRinkan	Yamato city, Kanagawa	May 2006	48	1,121.28	97.9%	524,000	455,007	649,000	649,000	0	125,000	193,992	2
O-4-120	Gala Place Shinjuku Gyoen	Shinjuku ku, Tokyo	Feb 2007	104	2,837.72	100.0%	2,170,000	2,104,751	2,840,000	2,900,000	60,000	730,000	795,248	1
O-4-121	Joyce Court	Ota ku, Tokyo	Nov 2002	154	6,268.53	99.6%	3,010,000	2,930,877	3,830,000	3,830,000	0	820,000	899,122	3
O-4-122	Act Forme Asakusa	Taito ku, Tokyo	Oct 2000	46	2,220.17	100.0%	1,216,000	1,188,888	1,720,000	1,760,000	40,000	544,000	571,111	1
O-4-125	Gran Casa Roppongi	Minato ku, Tokyo	Mar 1993	17	1,407.63	100.0%	1,480,808	768,447	881,000	881,000	0	-599,808	112,552	2
O-4-126	Gran Casa MinamiAoyama	Minato ku, Tokyo	Oct 2006	21	1,862.73	98.1%	3,750,000	2,328,649	2,110,000	2,120,000	10,000	-1,630,000	-208,649	2
O-4-127	Storia Jingumae	Shibuya ku, Tokyo	Nov 2004	49	2,071.60	100.0%	3,160,000	3,189,791	2,460,000	2,490,000	30,000	-670,000	-699,791	2
O-4-129	Gran Casa Shinjuku Gyoen	Shinjuku ku, Tokyo	Feb 2003	92	3,307.07	98.4%	2,525,000	2,582,051	3,240,000	3,310,000	70,000	785,000	727,948	1
O-4-133	Lietocourt Yotsuya	Shinjuku ku, Tokyo	Jan 2006	49	2,397.81	98.3%	1,716,800	1,704,226	2,100,000	2,140,000	40,000	423,200	435,773	3
O-4-134	Lietocourt Motoakasaka	Minato ku, Tokyo	Apr 2006	37	1,282.94	100.0%	1,095,700	1,089,850	1,390,000	1,390,000	0	294,300	300,149	3
O-4-138	Gran Casa Ginza East	Chuo ku, Tokyo	Feb 2005	53	2,774.19	100.0%	2,000,000	2,102,734	2,190,000	2,190,000	0	190,000	87,265	3
O-4-145	Gran Casa Minowa	Taito ku, Tokyo	Sep 2015	28	1,241.22	100.0%	850,000	901,074	888,000	888,000	0	38,000	-13,074	3
O-5-013	willDo Kanayama masaki	Nagoya city, Aichi	Feb 2006	48	1,192.32	100.0%	490,095	422,411	585,000	580,000	-5,000	89,904	157,588	3
O-5-026	Excelsior Sakae	Nagoya city, Aichi	Mar 2002	48	1,486.56	100.0%	641,767	606,985	535,000	530,000	-5,000	-111,767	-76,985	3
O-5-027	willDo Hibino	Nagoya city, Aichi	Jan 2006	31	767.25	100.0%	317,603	278,840	303,000	298,000	-5,000	-19,603	19,159	3
O-5-040	willDo Chiyoda	Nagoya city, Aichi	Jul 2006	60	1,445.80	100.0%	633,000	546,029	615,000	615,000	0	-18,000	68,970	2
O-5-041	willDo Taiko dori	Nagoya city, Aichi	Aug 2006	98	3,127.32	99.2%	1,120,000	969,820	1,230,000	1,240,000	10,000	120,000	270,179	1
O-5-042	willDo Kanayama	Nagoya city, Aichi	Sep 2006	36	892.44	100.0%	370,000	324,948	400,000	400,000	0	30,000	75,051	2
O-5-043	willDo Kanayama sawashita	Nagoya city, Aichi	Jan 2007	36	970.80	100.0%	375,000	326,916	418,000	418,000	0	43,000	91,083	2
O-5-056	willDo Kachigawa	Kasugai city, Aichi	Feb 2007	64	1,548.80	100.0%	503,000	432,008	636,000	648,000	12,000	145,000	215,991	1
O-5-057	Stagea Kogane	Nagoya city, Aichi	Feb 2007	67	1,651.21	100.0%	600,000	521,889	577,000	568,000	-9,000	-32,000	46,110	3
O-5-063	willDo Inaei	Nagoya city, Aichi	Mar 2007	92	2,386.74	100.0%	641,000	560,538	635,000	635,000	0	-6,000	74,461	2
O-5-066	willDo Higashibetsuin	Nagoya city, Aichi	Jun 2007	66	1,640.76	100.0%	703,000	607,234	727,000	720,000	-7,000	17,000	112,765	3
O-5-081	willDo Matsubara	Nagoya city, Aichi	Aug 2007	54	1,344.60	94.4%	549,000	480,227	564,000	556,000	-8,000	7,000	75,772	3
O-5-082	willDo Yokkaichi Unomori	Yokkaichi city, Mie	Sep 2007	54	2,160.00	100.0%	529,150	441,934	588,000	582,000	-6,000	52,850	140,065	3
O-5-086	willDo Daikancho	Nagoya city, Aichi	Mar 2008	55	1,320.00	100.0%	655,000	573,918	650,000	641,000	-9,000	-14,000	67,081	3
O-5-088	willDo Takabata	Nagoya city, Aichi	Mar 2008	54	1,319.22	100.0%	494,115	424,096	514,000	511,000	-3,000	16,884	86,903	3
O-5-147	Sakura Hills Riverside WEST	Nagoya city, Aichi	Nov 2007	76	4,502.48	98.6%	1,920,000	2,005,416	2,170,000	2,230,000	60,000	310,000	224,583	1
O-5-148	Sakura Hills Riverside EAST	Nagoya city, Aichi	Nov 2007	47	2,288.65	100.0%	1,030,000	1,075,295	1,190,000	1,200,000	10,000	170,000	124,704	1
O-5-149	Sakura Hills Meieki NORTH	Nagoya city, Aichi	Nov 2007	34	1,685.16	100.0%	750,000	788,206	853,000	865,000	12,000	115,000	76,793	1
O-6-014	willDo Ichioka	Osaka city, Osaka	Feb 2006	62	1,682.06	100.0%	722,761	628,568	677,000	676,000	-1,000	-46,761	47,431	3
O-6-015	willDo Ebie	Osaka city, Osaka	Feb 2006	28	763.63	96.5%	350,904	306,086	343,000	343,000	0	-7,904	36,913	3
O-6-016	willDo ImafukuNishi	Osaka city, Osaka	Oct 2005	29	1,040.41	100.0%	413,857	364,802	371,000	378,000	7,000	-35,857	13,197	1
O-6-017	Maison Flora	Kobe city, Hyogo	Jun 1990	38	1,686.72	100.0%	584,285	572,752	480,000	484,000	4,000	-100,285	-88,572	3
O-6-046	willDo Tsukamoto	Osaka city, Osaka	Mar 2006	66	1,711.17	100.0%	730,000	642,184	769,000	778,000	9,000	48,000	135,815	1
O-6-047	willDo Temmabashi	Osaka city, Osaka	Sep 2005	20	678.00	100.0%	338,000	302,747	306,000	311,000	5,000	-27,000	8,252	1
O-6-048	willDo SakaisuijiHomachi	Osaka city, Osaka	Sep 2006	21	740.28	100.0%	325,000	288,056	260,000	266,000	6,000	-59,000	-22,056	1
O-6-049	willDo Tanimachi	Osaka city, Osaka	Jan 2007	54	1,927.80	98.2%	1,040,000	960,313	889,000	889,000	0	-151,000	-71,313	3
O-6-050	willDo Namba w II	Osaka city, Osaka	Mar 2006	45	1,146.51	97.8%	486,000	444,210	429,000	437,000	8,000	-49,000	-7,210	1
O-6-051	willDo Namba w I	Osaka city, Osaka	Aug 2006	66	1,699.50	100.0%	690,000	614,438	610,000	624,000	14,000	-66,000	9,561	1

Studio

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Mar 31, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 24rd fiscal period end (JPY thousand)	(3) Appraisal value 23rd fiscal period (JPY thousand)	(4) Appraisal value 24rd fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
O-6-059	willDo Hamasaki dori	Kobe city, Hyogo	Feb 2007	199	5,886.70	99.5%	2,280,000	2,025,110	2,260,000	2,260,000	0	-20,000	234,889	2
O-6-060	willDo Minamimorimachi	Osaka city, Osaka	Mar 2007	31	1,028.48	100.0%	493,000	453,779	474,000	482,000	8,000	-11,000	28,220	1
O-6-064	willDo Matsuyamachi	Osaka city, Osaka	Apr 2007	60	1,865.64	100.0%	810,000	708,710	832,000	832,000	0	22,000	123,289	3
O-6-067	willDo ShinOsaka	Osaka city, Osaka	Jun 2007	66	1,713.36	100.0%	861,000	751,016	972,000	988,000	16,000	127,000	236,983	1
O-6-083	willDo Sannomiya East	Kobe city, Hyogo	Aug 2007	63	1,760.15	100.0%	731,000	612,466	765,000	765,000	0	34,000	152,533	3
O-6-085	willDo Kujo	Osaka city, Osaka	Feb 2000	63	1,260.36	100.0%	537,000	509,789	566,000	568,000	2,000	31,000	58,210	3
O-6-112	Abreast Sakuragawa	Osaka city, Osaka	Aug 2000	48	1,009.92	97.9%	385,800	350,063	476,000	476,000	0	90,200	125,936	3
O-6-113	Prospect Bishoen	Osaka city, Osaka	Oct 2005	26	901.91	100.0%	277,000	254,398	314,000	314,000	0	37,000	59,601	3
O-6-114	Prospect Nakanoshima	Osaka city, Osaka	Aug 2006	63	1,615.05	98.4%	734,000	649,750	859,000	875,000	16,000	141,000	225,249	1
O-6-116	Prospect Toyonaka Hattori	Toyonaka city, Osaka	Dec 2005	34	981.12	100.0%	366,000	320,831	408,000	408,000	0	42,000	87,168	3
O-6-117	Prospect Shimogamo	Kyoto city, Kyoto	Feb 2006	31	675.21	100.0%	281,000	258,484	294,000	294,000	0	13,000	35,515	2
O-6-118	Prospect Kawaramachi Gojo	Kyoto city, Kyoto	Jan 2007	52	1,523.12	100.0%	583,000	530,945	694,000	696,000	2,000	113,000	165,054	2
O-6-119	Gransys Esaka	Suita city, Osaka	Feb 2008	90	2,623.86	100.0%	1,260,000	1,216,236	1,690,000	1,710,000	20,000	450,000	493,763	1
O-6-131	Serenite Koshien	Nishinomiya city, Hyogo	Feb 2010	197	5,615.79	98.8%	2,550,000	2,481,184	2,850,000	2,780,000	-70,000	230,000	298,815	3
O-6-136	Regio Miyakojima	Osaka city, Osaka	Mar 2009	120	3,313.20	99.1%	1,610,000	1,652,342	1,790,000	1,790,000	0	180,000	137,657	3
O-6-139	Serenite ShinOsaka Nibankan	Osaka city, Osaka	Jan 2009	224	6,173.16	99.6%	3,510,000	3,630,931	3,680,000	3,710,000	30,000	200,000	79,068	1
O-6-141	Gran Casa UmedaKita	Osaka city, Osaka	Nov 2007	126	3,451.14	100.0%	2,050,000	2,073,890	2,240,000	2,260,000	20,000	210,000	186,109	1
O-6-142	Serenite Honmachi Grande	Osaka city, Osaka	Feb 2015	268	7,591.92	100.0%	4,286,000	4,337,118	5,110,000	5,120,000	10,000	834,000	782,881	3
O-6-143	Gransys Tenmabashi	Osaka city, Osaka	May 2007	166	6,749.31	98.1%	4,050,000	4,138,337	4,410,000	4,410,000	0	360,000	271,662	3
O-6-144	DayGran Tsurumi	Osaka city, Osaka	Mar 2007	79	2,470.36	100.0%	1,030,000	1,067,746	1,140,000	1,120,000	-20,000	90,000	52,253	3
O-6-150	Runai Nippombashi anhel0	Osaka city, Osaka	Feb 2009	113	3,114.19	99.0%	1,400,000	1,465,886	1,600,000	1,610,000	10,000	210,000	144,113	1
O-6-152	HS Umeda EAST	Osaka city, Osaka	Feb 2017	127	3,356.62	100.0%	2,151,000	2,255,894	2,340,000	2,340,000	0	189,000	84,105	3
O-6-153	Serenite Umeda EST	Osaka city, Osaka	Feb 2017	58	1,715.35	98.4%	1,057,000	1,116,672	1,140,000	1,130,000	-10,000	73,000	13,327	3
O-6-154	Serenite Yuhigaoka EST	Osaka city, Osaka	Feb 2017	56	1,397.20	100.0%	811,500	854,165	869,000	869,000	0	57,500	14,834	3
O-7-068	willDo Okayamaeki Nishiguchi	Okayama city, Okayama	Sep 2007	109	3,794.40	100.0%	1,220,000	1,022,427	1,260,000	1,290,000	30,000	70,000	267,572	1
O-7-087	willDo Okayamadaiku	Okayama city, Okayama	Mar 2008	98	3,446.94	100.0%	1,040,000	950,102	1,170,000	1,180,000	10,000	140,000	229,897	1
O-9-053	willDo Nakasu	Fukuoka city, Fukuoka	Jan 2007	175	5,759.40	98.5%	2,460,000	2,229,473	2,530,000	2,530,000	0	70,000	300,526	3
O-9-130	Renaissance 21 Hakata	Fukuoka city, Fukuoka	Mar 2007	109	4,010.95	100.0%	1,500,000	1,509,299	1,710,000	1,720,000	10,000	220,000	210,700	3
O-9-135	Granpark Tenjin	Fukuoka city, Fukuoka	Feb 2005	341	14,299.21	100.0%	4,698,000	4,611,613	5,850,000	5,860,000	10,000	1,162,000	1,248,386	3
Studio type subtotal				9,589	302,343.64	98.7%	142,644,991	135,537,875	157,311,000	158,125,000	814,000	15,480,008	22,587,124	-

Family

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Mar 31, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 24rd fiscal period end (JPY thousand)	(3) Appraisal value 23rd fiscal period (JPY thousand)	(4) Appraisal value 24rd fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
F-1-041	Palais d'or Maruyama	Sapporo city, Hokkaido	Nov 1989	64	4,637.08	100.0%	559,000	601,739	962,000	977,000	15,000	418,000	375,260	1
F-1-069	Gran Casa Urasando	Sapporo city, Hokkaido	Feb 2006	78	4,537.83	98.7%	1,510,000	1,564,570	1,720,000	1,750,000	30,000	240,000	185,429	1
F-1-070	Gran Casa Kita3jo	Sapporo city, Hokkaido	Jan 2012	84	4,346.56	98.8%	1,265,880	1,363,662	1,460,000	1,460,000	0	194,120	96,337	3
F-1-075	Chijikoukanmae Tower Residence	Sapporo city, Hokkaido	May 2006	141	11,705.28	98.7%	4,530,000	4,755,167	4,750,000	4,750,000	0	220,000	-5,167	3
F-2-001	Royal Garden Shinrin Koen	Sendai city, Miyagi	Aug 1989	29	2,051.07	100.0%	396,190	364,454	280,000	280,000	0	-116,190	-84,454	2
F-2-002	Green Park Komatsujima	Sendai city, Miyagi	Oct 1990	46	3,027.17	97.7%	550,523	498,948	413,000	413,000	0	-137,523	-85,948	2
F-2-003	Dia Palace Izumizaki	Sendai city, Miyagi	Jul 1989	37	2,060.77	97.5%	355,095	366,195	317,000	317,000	0	-38,095	-49,195	2
F-2-004	willDo Takasago	Sendai city, Miyagi	Jun 2005	32	1,623.68	100.0%	364,904	367,032	385,000	385,000	0	20,095	17,967	3
F-2-042	Living Stage MinamiSendai	Sendai city, Miyagi	Apr 1995	27	1,330.83	92.5%	159,500	149,122	232,000	232,000	0	72,500	82,877	2
F-2-043	Takasagoseki Nibankan	Sendai city, Miyagi	Feb 1995	42	3,302.96	94.3%	558,000	560,364	727,000	727,000	0	169,000	166,635	3
F-3-034	Ark Heim Niigata	Niigata city, Niigata	Nov 1989	115	6,945.03	98.2%	1,060,000	1,043,872	884,000	857,000	-27,000	-203,000	-186,872	3
F-4-005	Johanna Mansion	Maebashi city, Gunma	Feb 1992	53	4,143.96	98.1%	556,714	520,481	346,000	349,000	3,000	-207,714	-171,481	1
F-4-006	Iruma Ekimae Building	Iruma city, Saitama	Mar 1986	68	4,359.31	100.0%	1,517,000	1,582,530	1,680,000	1,710,000	30,000	193,000	127,469	1
F-4-007	Iruma Ekimae Building No.II	Iruma city, Saitama	Mar 1988	53	3,592.48	100.0%	687,666	776,468	638,000	649,000	11,000	-38,666	-127,468	1
F-4-008	Serenno Omiya	Saitama city, Saitama	Nov 1997	102	6,710.68	98.0%	1,554,523	1,557,768	1,810,000	1,870,000	60,000	315,476	312,231	1
F-4-009	Suzuran-kan	Saitama city, Saitama	Mar 2000	20	1,160.80	100.0%	441,190	405,302	551,000	557,000	6,000	115,809	151,697	1
F-4-010	Bonheur Tokiwa	Saitama city, Saitama	Feb 1988	29	1,951.89	100.0%	752,904	738,484	742,000	745,000	3,000	-7,904	6,515	3
F-4-011	Profit Link Takenotsuka	Adachi ku, Tokyo	Feb 1990	46	2,431.33	97.8%	636,333	631,669	661,000	679,000	18,000	42,666	47,330	1
F-4-013	Dream Heights	Itabashi ku, Tokyo	Oct 1985	19	1,100.31	96.7%	358,666	384,712	426,000	435,000	9,000	76,333	50,287	1
F-4-014	Green Hills Asukayama	Kita ku, Tokyo	Feb 1992	28	1,477.38	100.0%	587,238	574,332	650,000	673,000	23,000	85,761	98,667	1
F-4-015	Oji Heights	Kita ku, Tokyo	Nov 1991	20	986.52	100.0%	347,857	351,052	459,000	469,000	10,000	121,142	117,947	1
F-4-016	Sakagami Royal Heights No. II	Arakawa ku, Tokyo	Oct 1990	28	1,173.65	100.0%	360,714	354,798	436,000	449,000	13,000	88,285	94,201	1
F-4-017	willDo Todoroki	Setagaya ku, Tokyo	Oct 1996	26	2,422.06	100.0%	1,764,809	1,788,789	1,630,000	1,690,000	60,000	-74,809	-98,789	3
F-4-018	Chez Moi Sakuragaoka	Tama city, Tokyo	Mar 1989	31	1,911.36	92.8%	609,904	627,877	621,000	631,000	10,000	21,095	3,122	1
F-4-019	Libest NishiChiba	Chiba city, Chiba	Feb 1999	140	11,060.14	97.1%	2,152,476	1,994,880	2,440,000	2,480,000	40,000	327,523	485,119	1
F-4-020	Corinne Tsudanuma	Narashino city, Chiba	Mar 1989	20	1,435.80	100.0%	352,761	369,499	341,000	344,000	3,000	-8,761	-25,499	3
F-4-022	Chigasaki Daikan Plaza	Chigasaki city, Kanagawa	Sep 1987	34	1,838.43	100.0%	453,571	466,429	461,000	469,000	8,000	15,428	2,570	1
F-4-028	Winbell Chorus Hiratsuka No.13	Hiratsuka city, Kanagawa	Dec 1990	33	1,533.82	100.0%	477,587	468,136	343,000	343,000	0	-134,587	-125,136	3
F-4-029	Libest Higashi Nakayama	Funabashi city, Chiba	Feb 2000	76	6,011.80	100.0%	1,371,314	1,247,029	1,630,000	1,660,000	30,000	288,685	412,970	1
F-4-031	MGA Kanamachi	Katsushika ku, Tokyo	Sep 1990	26	1,522.89	96.6%	484,000	488,200	426,000	418,000	-8,000	-66,000	-70,200	3
F-4-035	Greenhills Roka	Setagaya ku, Tokyo	Mar 1988	22	1,199.95	100.0%	662,000	694,849	656,000	715,000	59,000	53,000	20,150	1
F-4-036	Lofty Hirai	Edogawa ku, Tokyo	May 1989	19	919.31	95.4%	324,000	319,630	335,000	340,000	5,000	16,000	20,369	1
F-4-038	Colonnade Kasuga	Bunkyo ku, Tokyo	Jul 1991	46	4,344.72	100.0%	3,115,277	3,188,596	2,610,000	2,560,000	-50,000	-555,277	-628,596	2
F-4-039	The Palms Yoyogi Uehara Cosmo Terrace	Shibuya ku, Tokyo	Nov 2004	30	1,804.69	100.0%	1,250,000	1,283,384	1,490,000	1,490,000	0	240,000	206,615	2
F-4-040	Sun Terrace Yoyogi Uehara	Shibuya ku, Tokyo	Feb 1999	21	1,763.33	100.0%	1,180,000	1,225,416	1,530,000	1,530,000	0	350,000	304,583	2
F-4-044	Prospect NihombashiKamicho	Chuo ku, Tokyo	Mar 2007	37	1,364.02	100.0%	840,000	745,846	1,130,000	1,160,000	30,000	320,000	414,153	1
F-4-045	Park Terrace Ebisu	Shibuya ku, Tokyo	Oct 2000	51	2,755.28	96.3%	2,060,000	2,049,420	2,750,000	2,820,000	70,000	760,000	770,579	1
F-4-046	Prospect Dogenzaka	Shibuya ku, Tokyo	Feb 2005	47	2,081.54	100.0%	1,590,000	1,533,774	2,070,000	2,070,000	0	480,000	536,225	3
F-4-047	Prospect Glarsa Hiroo	Shibuya ku, Tokyo	Nov 2005	112	3,861.29	100.0%	3,560,000	3,321,205	4,320,000	4,320,000	0	760,000	998,794	3
F-4-048	Prospect Hatsudai	Shibuya ku, Tokyo	Feb 2006	22	817.43	100.0%	518,000	500,171	654,000	654,000	0	136,000	153,828	2
F-4-049	Prospect NishiSugamo	Kita ku, Tokyo	Jun 2006	42	2,063.60	100.0%	1,110,000	1,024,299	1,300,000	1,300,000	0	190,000	275,700	3
F-4-050	Prospect Machiya	Arakawa ku, Tokyo	Aug 2006	21	1,177.71	95.1%	484,000	418,866	582,000	582,000	0	98,000	163,133	3
F-4-051	Prospect KiyosumiTeien	Koto ku, Tokyo	Feb 2002	77	5,601.46	98.8%	2,630,000	2,445,439	3,270,000	3,280,000	10,000	650,000	834,560	3
F-4-052	Prospect Morishita	Koto ku, Tokyo	Jan 2006	45	2,399.23	100.0%	1,260,000	1,178,887	1,610,000	1,610,000	0	350,000	431,112	2
F-4-053	Prospect Onshiko	Koto ku, Tokyo	Feb 2005	61	2,073.21	100.0%	1,110,000	990,252	1,620,000	1,660,000	40,000	550,000	669,747	1
F-4-054	BELNOS 34	Katsushika ku, Tokyo	May 1991	100	5,328.66	99.1%	1,700,000	1,838,156	2,510,000	2,540,000	30,000	840,000	701,843	1
F-4-055	SK Residence	Toshima ku, Tokyo	Feb 1990	30	1,624.73	97.2%	805,000	799,051	1,030,000	1,030,000	0	225,000	230,948	3
F-4-056	Angel Heim NishiRokugo No.2	Ota ku, Tokyo	May 1997	40	2,776.64	100.0%	1,012,000	975,692	1,360,000	1,360,000	0	348,000	384,307	3
F-4-057	Deim Hashimoto	Sagamihara city, Kanagawa	Aug 1987	92	3,134.24	100.0%	748,000	740,101	962,000	962,000	0	214,000	221,898	2
F-4-058	Prospect Kawasaki	Kawasaki city, Kanagawa	Aug 2006	52	3,404.96	98.1%	1,520,000	1,376,171	2,170,000	2,220,000	50,000	700,000	843,828	1

Family

Property No.	Property Name	Area	Constructed	Total Number of Rentable Unit	Total Rentable Floor Space (square meters)	Occupancy Rate (Mar 31, 2018)	(1) Acquisition Price (JPY thousand)	(2) Book Value 24rd fiscal period end (JPY thousand)	(3) Appraisal value 23rd fiscal period (JPY thousand)	(4) Appraisal value 24rd fiscal period (JPY thousand)	(4) - (3) (JPY thousand)	(4) - (1) (JPY thousand)	(4) - (2) (JPY thousand)	Appraiser
F-4-059	Prospect UrawaTokiwa	Saitama city, Saitama	Feb 1993	30	2,263.20	100.0%	717,000	655,877	934,000	951,000	17,000	234,000	295,122	1
F-4-064	Glana Ueno	Taito ku, Tokyo	Aug 2005	36	2,147.40	97.3%	1,100,000	1,105,620	1,530,000	1,530,000	0	430,000	424,379	3
F-4-065	The Residence Honmoku Yokohama Bayside	Yokohama city, Kanagawa	Feb 2008	159	13,584.07	98.5%	5,550,000	5,348,506	6,660,000	6,660,000	0	1,110,000	1,311,493	3
F-4-066	Lietocourt Asakusabashi	Taito ku, Tokyo	May 2005	49	2,632.94	100.0%	1,615,800	1,591,029	2,020,000	2,050,000	30,000	434,200	458,970	3
F-4-071	Gran Casa ShinKoiwa	Katsushika ku, Tokyo	Feb 2006	36	2,467.92	97.0%	1,510,000	1,602,746	1,590,000	1,590,000	0	80,000	-12,746	2
F-4-072	Gran Casa Ryogoku Ichibankan	Sumida ku, Tokyo	Feb 2006	33	2,136.53	97.4%	1,420,000	1,456,821	1,460,000	1,460,000	0	40,000	3,178	2
F-4-073	Gran Casa Ryogoku Nibankan	Sumida ku, Tokyo	Jun 2006	18	1,131.90	93.8%	770,000	792,802	796,000	797,000	1,000	27,000	4,197	2
F-5-023	willDo Temmacho	Nagoya city, Aichi	Mar 2006	40	2,185.20	100.0%	627,785	565,989	769,000	769,000	0	141,215	203,010	3
F-5-032	Stellato City Sakurayama	Nagoya city, Aichi	Jul 2006	26	1,914.07	100.0%	735,000	653,932	787,000	797,000	10,000	62,000	143,067	1
F-5-037	willDo Kurokawa	Nagoya city, Aichi	Feb 2006	26	1,933.37	96.3%	677,000	565,450	613,000	624,000	11,000	-53,000	58,549	1
F-5-060	Gran Casa Daikancho	Nagoya city, Aichi	Mar 1986	96	5,962.18	100.0%	1,082,000	1,140,075	1,420,000	1,460,000	40,000	378,000	319,924	1
F-5-061	Gran Casa Gokiso	Nagoya city, Aichi	Feb 1991	78	5,195.21	100.0%	932,500	959,016	1,350,000	1,380,000	30,000	447,500	420,983	1
F-5-067	Lietocourt Marunouchi	Nagoya city, Aichi	Sep 2005	120	9,350.67	100.0%	3,756,800	3,694,697	4,880,000	4,970,000	90,000	1,213,200	1,275,302	1
F-5-068	Gran Casa Kamimaezu	Nagoya city, Aichi	Jun 2006	70	5,365.64	97.0%	2,050,000	2,017,240	2,570,000	2,600,000	30,000	550,000	582,759	1
F-5-074	Sakura Hills Fujimi	Nagoya city, Aichi	Jun 2007	119	6,769.82	97.7%	2,750,000	2,848,877	3,090,000	3,140,000	50,000	390,000	291,122	1
F-6-026	willDo NishiAkashi	Akashi city, Hyogo	Mar 2003	64	4,703.40	100.0%	635,666	533,286	812,000	799,000	-13,000	163,333	265,713	3
F-6-033	La Vita Nippombashi	Osaka city, Osaka	Sep 2006	69	4,647.08	98.6%	1,860,000	1,645,654	1,860,000	1,900,000	40,000	40,000	254,345	1
F-6-062	Crown Heim NishiTanabe	Osaka city, Osaka	Jan 2004	22	1,536.03	100.0%	405,000	388,954	481,000	481,000	0	76,000	92,045	3
F-6-063	Prospect Katsura	Kyoto city, Kyoto	Mar 1996	29	1,796.59	100.0%	470,000	443,796	474,000	471,000	-3,000	1,000	27,203	2
Family type Subtotal				3,634	230,612.09	98.0%	82,919,158	81,623,171	96,476,000	97,400,000	924,000	14,480,841	15,776,828	-
Total				13,223	532,955.73	98.4%	225,564,149	217,161,047	253,787,000	255,525,000	1,738,000	29,960,850	38,363,952	-

F-4-065 The Residence Honmoku Yokohama Bayside



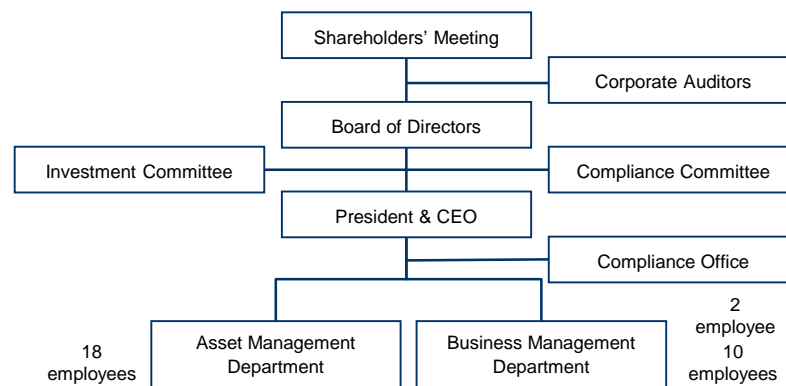
A 159-unit family-type condominium developed as a condo-for-sale, completed in 2008
 Newly acquired in November 2013 for JPY 5.55 billion
 (Appraisal value at the end of 24nd fiscal period: JPY 6.66 billion)

Organization of Asset Management Company

- **N a m e** Mi-Casa Asset Management Inc.
- **E s t a b l i s h e d** February 25, 2005
- **P e r m i t s / L i c e n s e s**
 - April 15, 2005 Obtained license as real estate transaction service (Governor of Tokyo (3), License No. 84345)
 - July 15, 2005 Certified as discretionary transaction agent under the Building Lots and Building Transaction Business Law (Minister of Land, Infrastructure and Transport, License No. 40)
 - October 4, 2005 Obtained certification to conduct businesses related to investment trust management (Prime Minister, License No. 53)
 - September 30, 2007 Registered as financial instrument exchanger (Head of Kanto Local Finance Bureau (Kinsho) No. 416)
- **H i s t o r y**
 - February 25, 2005 Established
 - October 24, 2008 Corporate name changed to Mi-Casa Asset Management Inc. from re-plus REIT management inc.
 - July 1, 2010 Merged with Prospect Reit Advisors Co., Ltd.
 - November 28, 2014 Daiwa Securities Group Inc. took a stake (Acquired 30% of issued stocks)
 - December 18, 2015 Daiwa Securities Group Inc. took a stake (Holding 98% of issued stocks)
- **P r e s i d e n t & C E O** Yutaka Higashino
- **O f f i c e r s** Koji Watanabe (Managing Director), Kazuhiko Ukaji (Auditor), Satoshi Nakamura (General Manager of Asset Management Dept.), Seiji Kimoto (General Manager of Business Management Dept.)
- **L o c a t i o n** 6-16-12, Shinbashi, Minato-ku, Tokyo, Japan
- **B u s i n e s s** Asset Management
- **C a p i t a l** JPY 400 million
- **S h a r e h o l d e r s (h o l d i n g s)**
 - Daiwa Securities Group Inc. 98.1%
 - The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1.0%
 - Sumitomo Mitsui Banking Corporation 1.0%

March 31, 2018, the total number of executives and employees is 33 (full-time).

Organizational Chart



Yutaka Higashino

President & CEO

Mr. Higashino joined Mi-Casa as President & CEO in 2009. Previously, he worked for *Morgan Stanley Japan Securities Co., Ltd.*, and was seconded as CEO of *MS Real Estate Advisors Co., Ltd.*, an asset manager for its real estate core fund. His previous real estate experience includes development, finance and investment management at *Orix Real Estate Corporation*, *Daikyo Inc.* and *The Sanwa Bank, Limited* (The Bank of Tokyo-Mitsubishi UFJ, Ltd.) where he had spent most of his career in Tokyo, Los Angeles and New York. He has more than 30 years of banking, finance and real estate experience as head of Corporate Banking / Structured Finance divisions in the New York branch, General Manager of the Structured Finance department and Higashi-Ebisu branch in Tokyo. Qualified as Licensed Real Estate Broker and ARES certified Master.

Koji Watanabe

Managing Director

Mr. Watanabe was seconded to Mi-Casa as Managing Director by *Daiwa Securities Co. Ltd.* in December 2015. Before joining Mi-Casa, he worked for *Daiwa Securities Co. Ltd.* as a Managing Director of Finance Department. Also he had spent his career and gained finance experience at *Daiwa International Trust Bank, Ltd.* (Currently *Sumitomo Mitsui Trust Banking, Limited*), *Credito Italiano S.p.A*, *The Bank of Nova Scotia*, and *The Long-Term Credit Bank of Japan, Ltd.*

Kazuhiko Ukaji

Auditor

Mr. Ukaji was seconded to Mi-Casa as Auditor by *Daiwa Securities Co. Ltd.* in April 2016. Before joining Mi-Casa, he worked for *Daiwa Securities Co. Ltd.* as a Managing Director of Compliance Department. Also he had spent five years as Managing Director of Fixed Income, Currency and Commodities (FICC) Bond Trading Department of *Daiwa Securities Co. Ltd.*

Satoshi Nakamura

Executive Officer

Asset Management Department

Mr. Nakamura joined Mi-Casa in April 2009 and he has led the Asset Management Department. He has more than 25 years of experience in the real estate business. Before joining Mi-Casa, Mr. Nakamura worked for *GE Japan Corporation* as an asset manager, managing office and residential buildings ranging from 40 through ¥120 bn. Prior to that, Mr. Nakamura was at *Ken Corporation* as a property manager for his clients, such as MS, GS, GE. Mr. Nakamura started his career at *Daido Corporation* as a home developer of foreign-style houses. He is qualified as a Licensed Real Estate Broker.

Seiji Kimoto

Executive Officer

Business Management Department

Mr. Kimoto joined Mi-Casa in April 2018 as the Head of Business Management Department. Before joining Mi-Casa, he worked for *Mitsubishi Corp.-UBS Inc.* and was engaged in managing J-REIT more than ten years. Also he spent his career at *Diamond City Co., Ltd.* (presently *AEON MALL Co., Ltd.*) and *Mitsubishi Corporation* as an accounting and financial professional.

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Registered Financial Instruments Firm (Registration Number: Director of the Kanto Local Finance Bureau No. 416)
/ Member of the Investment Trusts Association, Japan)

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日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.