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For Immediate Release

REIT Issuer

HEIWA REAL ESTATE REIT, Inc.

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(Securities Code: 8966)

Asset Management Company

HEIWA REAL ESTATE Asset Management CO., LTD.

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Notice Concerning Transfer of Asset (ANWA TSUKASAMACHI BUILDING)

HEIWA REAL ESTATE REIT, Inc. (hereinafter referred to as the “Investment Corporation”) announced today that HEIWA REAL ESTATE Asset Management CO., LTD. (hereinafter referred to as the “Asset Management Company”), the company to which the Investment Corporation entrusts its asset management operations, decided to execute the transfer of asset. The details are as follows.

Details

1. Overview of the transfer

(1) Property number Property name	Of-16 ANWA TSUKASAMACHI BUILDING
(2) Type of specified asset	Real Estate
(3) Transfer value (Note 1)	1,320,000 thousand yen
(4) Book value (Note 2)	1,275,353 thousand yen
(5) Difference between transfer value and book value (Note 3)	44,647 thousand yen
(6) Scheduled agreement execution date	July 26, 2017
(7) Scheduled transfer date	August 24, 2017
(8) Transferee	List Development Co., Ltd.

(Note 1) “Transfer value” is the price described in the real estate transaction agreement (consumption tax excluded), and does not include the amounts of settlement for fixed property tax, city planning tax, etc.

(Note 2) “Book value” is as of July 31, 2017. Furthermore, amounts below a thousand yen have been rounded off.

(Note 3) “Difference between transfer value and book value” represents the pro forma value calculated as the difference between the estimated transfer value and book value. It differs from the actual gain (loss) on transfer.

(Note 4) The above asset for transfer shall be referred to as the “Property.”

2. Reason for the Transfer

After strengthening its sponsorship of Heiwa Real Estate Co., Ltd. (hereinafter referred to as “Heiwa Real Estate”) as the sole sponsor in September 2009, the Investment Corporation pursued active external growth strategies, including the merger with Japan Single-residence REIT Inc., internal growth strategies and financial strategies, with the aim of expanding the size of the portfolio and enhancing its profitability. Following these efforts, the Investment Corporation has been focusing on improving profitability and eliminating unrealized losses on properties that were acquired at the time when real estate prices were rising in the past through aggressive leasing activities, achieving renewal by additional investment and examining the return on these investments. In addition, the Investment Corporation has been seeking to increase the value of the portfolio, while maximizing the value of individual properties, bearing in mind the choice of selling properties at this time when the real estate market is buoyant. As a result, the Investment Corporation has decided today to transfer this property, given that it is able to sell the property at a price higher than the expected book value as of July 31, 2017 (1,275 million yen) and the appraisal value as of the end of the 31th fiscal period (1,240 million yen) and deliver a larger value to the portfolio by acquiring HF TABATA RESIDENCE (please see the Notice Concerning Acquisition of Asset (HF TABATA RESIDENCE) published today for details), using some of the proceeds from the sale of this property.

We will continuously aim to increase the profitability and quality of the portfolio from the perspective of increasing unitholder value, thereby ensuring steady growth in the operating assets and stable earnings over the medium to long term.

3. Transfer Asset Details

Property number / Property name		Of-16 ANWA TSUKASASMACHI BUILDING
Type of asset		Real Estate
Location (Note 1)		(Building address on real estate registry) 10-2 Kanda Tsukasa-machi, Chiyoda-ku, Tokyo (Lot Number) 10-2 Kanda Tsukasa-machi, Chiyoda-ku, Tokyo (4 lots)
Land	Form of ownership	Ownership
	Area (Note 1)	251.95 m ²
	Use District (Note 2)	Commercial district
	Building Coverage Ratio (Note 3)	80%
	Floor Area Ratio (Note 4)	600%
Building	Form of ownership	Ownership
	Use (Note 1)	Office
	Structure/Floors (Note 1)	Steel-frame construction with a flat roof, 9 stories high
	Total Floor Space (Note 1)	1,412.45 m ²
	Construction Completion Date (Note 1)	October 2 1990
Transfer value		1,320,000 thousand yen
Book value (Note 5)		1,275,353 thousand yen
Difference between transfer value and book value (Note 6)		44,647 thousand yen
Tenant details (Note 7)		
	Total number of tenants	9
	Total rent income	66,562 thousand yen
	Leasehold and security	43,871 thousand yen

deposits					
Total leased floor space	1,269.90 m ²				
Total leasable floor space	1,269.90 m ²				
Occupancy rates	May 2015	Nov 2015	May 2016	Nov 2016	May 2017
	100.0%	100.0%	95.8%	100.0%	100.0%
Overview of Real Estate Appraisal Report	Appraiser		Daiwa Real Estate Appraisal Co., Ltd.		
	Value Date		May 31, 2017		
	Appraisal Value		1,240,000 thousand yen		
Other items of special note	There is an unspecified part on the border between adjacent land on the east side of this property and adjacent land on the west side.				

(Note 1) The registered location of the building is stated because a residence indication is not made. "Location (excluding indication of residential address)," "Area," "Use," "Structure/Floor" "Total Floor Space" and "Construction Completion Date" are as stated in the real estate registry.

(Note 2) "Use District" is the type of use district as listed in Article 8, Paragraph 1, Item 1 of the City Planning Act.

(Note 3) "Building Coverage Ratio" is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act. In addition, the building coverage ratio is eased to 100% because this property is a fire-resistant building in the commercial district and the fire protection district.

(Note 4) The "Floor Area Ratio" is designated 600%, but the acceptable floor area ratio will be limited according to the width of the frontal road. However, the acceptable floor area ratio is set at 600% pursuant to the provisions of Article 52, Paragraph 9 of the Building Standards Act.

(Note 5) "Book value" is as of July 31, 2017. Furthermore, amounts below a thousand yen have been rounded off.

(Note 6) "Difference between transfer value and book value" represents the pro forma value calculated as the difference between the estimated transfer value and book value. It differs from the actual gain (loss) on transfer.

(Note 7) Figures in "Tenant details" are as of July 26, 2017.

Furthermore, "Total rent income" is the annualized figure (multiplied by 12) of the monthly rent (including common expenses but not including fees for the usage of parking, storage rooms and such as well as consumption tax) as of July 26, 2017, based on lease agreements and sub-leasing agreements concluded between the trustee or the Investment Corporation and the master lease company or end tenants, with amounts below a thousand yen round off.

4. Overview of the transfer

(1)	Name	List Development Co., Ltd.
(2)	Head office address	4-47 Onoe-cho Naka-ku, Yokohama City, Kanagawa
(3)	Name and title of representative	Keiichi Miura, Representative Director and President
(4)	Line of business	1. Planning, development and sale of condominiums and single-family houses 2. Sale, purchase and brokerage of income-producing properties and consulting on asset management
(5)	Capital stock	888 million yen (as of July 1, 2017)
(6)	Date of incorporation	May 1991
(7)	Consolidated Net Assets	Undisclosed
(8)	Consolidated Total Assets	Undisclosed
(9)	Major Shareholders and Shareholding Ratio	Undisclosed
(10)	Relationship with the Investment Corporation and the Asset Management Company and the Company	
	Capital relationship	There is no capital relationship between the seller and the Investment Corporation and/or the Asset Management Company that must be disclosed. In addition, there is no special capital relationship between the related parties or affiliates of the seller and related parties or affiliates of the Investment Corporation and/or the Asset Management Company.
	Personnel relationship	There is no personnel relationship between the seller and the Investment Corporation and/or the Asset Management Company that must be disclosed. In addition, there is no special personnel relationship between the related parties or affiliates of the seller and related parties or affiliates of the Investment Corporation and/or the Asset Management Company.

	Business relationship	There is no business relationship between the seller and the Investment Corporation and/or the Asset Management Company that must be disclosed. In addition, there is no special business relationship between the related parties or affiliates of the seller and related parties or affiliates of the Investment Corporation and/or the Asset Management Company.
	Whether or not a related party	The seller does not fall under the definition of related parties of the Investment Corporation and/or the Asset Management Company. The related parties of the seller and its affiliates also do not fall under the definition of related parties of the Investment Corporation and/or the Asset Management Company.

5. Broker Profile

(1)	Name	Heiwa Real Estate Co., Ltd.
(2)	Head office address	1-10 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo
(3)	Name and title of representative	Hiroyuki Iwakuma, Representative Director and President
(4)	Line of business	1. Leasing 2. Real estate solutionst 3. Other businesses
(5)	Capital stock	21,492 million yen (as of March 31, 2017)
(6)	Date of incorporation	July 1947
(7)	Relationship with the Investment Corporation and the Asset Management Company and the Company	
	Capital relationship	Heiwa Real Estate Co., Ltd. owns 135,845 units (13.39% of total investment units issued) of the Investment Corporation's investment units as of July 26, 2017. In addition, Heiwa Real Estate owns 4,968 shares (100% of total shares issued) of the Asset Management Company's shares, and falls within the scope of interested persons, etc. as defined in the Financial Instruments and Exchange Act ("Financial Instruments Act") and the Act on Investment Trusts and Investment Corporations ("Investment Trusts Act").
	Personnel relationship	Of the officers and employees of the Asset Management Company, 2 persons (excluding part-time directors) is dispatched from Heiwa Real Estate as of July 26, 2017.
	Business relationship	In the fiscal period ended November 30, 2016 (30th fiscal period), we engaged in asset transfer with Heiwa Real Estate, which acted as an intermediary. In the fiscal period ended May 31, 2017 (21th fiscal period), we engaged in an asset acquisition with Heiwa Real Estate, which acted as the seller, and we engaged in asset transfer with Heiwa Real Estate, which acted as an intermediary.
	Whether or not a related party	Heiwa Real Estate falls under related party of the Investment Corporation and the Asset Management Company. In addition, Heiwa Real Estate falls under interested party of the Asset Management Company.
(8)	Brokerage fees	39,600 thousand yen (excluding consumption tax)

6. Transactions with Interested Parties

In addition to interested persons, etc. as defined in the Financial Instruments Act and the Investment Trusts Act, the Asset Management Company regulates transactions involving conflicts of interest with interested parties, stipulating in its internal regulations that an "interested party" shall refer collectively to:

- (i) A company, etc. that holds more than 10% of the voting rights of all shareholders of the Asset Management Company;
- (ii) A company, etc. in which more than 50% of the voting rights of all its shareholders are held by (i); or
- (iii) A company, etc. to which (i) or (ii) provides advice, etc. on the management and administration of its assets.

Because Heiwa Real Estate the company that will be the outsource for the property management of the property to be acquired and the intermediary for the property, falls under the interested party, the above transactions were

resolved at the meeting of the Investment Corporation's Board of Directors held today based on the unanimous approval of the Investment Committee, Compliance Committee, and the Board of Directors of the Asset Management Company according to its internal rules.

7. Method of Settlement

Please refer to the aforementioned "1. Overview of the transfer."

8. Schedule for the acquisition

Please refer to the aforementioned "1. Overview of the transfer."

9. Use of transfer proceeds

Proceeds from the transfer of this property will be appropriated for funds to acquire "HF TABATA RESIDENCE," and if there is any residue, it will be reserved as funds on hand.

(Please refer to the press release "Notice Concerning Acquisition of Asset (HF TABATA RESIDENCE)" dated today for details.)

10. Outlook

The impact of the transfer of this property and the acquisition of HF TABATA RESIDENCE (please see the Notice Concerning Acquisition of Asset (HF TABATA RESIDENCE) published today for details) on the management status forecasts for the 32nd and 33rd fiscal periods published in the 31st Fiscal Period Financial Report dated July 18, 2017 is minor, and the management status forecasts will remain unchanged.

11. Overview of the appraisal report

Property number/ Property name	Of-16 ANWA TSUKASASMACHI BUILDING	
Appraisal value	1,240,000 thousand yen	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Value date	May 31, 2017	
Item	Content (1,000 yen) (Note 1)	Overview, etc.
Value	1,240,000	Estimate combining the indicated value by DCF method and direct capitalization method
Value indicated by the income approach (direct capitalization method)	1,270,000	
Effective gross income	75,192	
Potential total profits	79,128	Assessment based on current rental levels in contract, new rental levels for comparable real estate in the same area with the same demand and supply as well as their trends, and taking into account the medium- to long-term competitiveness of the target real estate.
Losses from vacancies, etc.	3,936	Assessed the vacancy rate that is recognized to be stable over the medium to long term.
Operating expenses	17,461	
Management fees	3,762	Assessed based on levels of management fees of comparable real estate and actual of contract.
Property Management fee	1,313	Assessment based on existing contract.

	Utilities expenses	5,993	Assessed and posted utilities expenses, taking into account actual results in prior years, based on the vacancy rate.
	Maintenance and repair cost	364	Of the renewed maintenance and repair costs stated in ER, posted the portion equal to the 15-year average for maintenance and repair cost.
	Tenant advertisement expenses, etc.	415	Posted by assessing one month's expenses for new tenants, taking into account the tenant advertisement expenses for comparable real estate, etc.
	Public charges and taxes	4,395	Assessed based on actual payments, taking into account the level of payment
	Casualty insurance premiums	66	Recognize an amount that reflects the insurance premium rate at similar properties and other factors.
	Other expenses	1,152	Assessment based on actual payment.
	Net operating income (NOI)	57,730	
	Interest on lump-sum payments	403	The investment yield is assessed to be 1.0%, comprehensively taking into account interest rate levels on both investment and financing.
	Capital expenditures	4,816	Of the renewed maintenance and repair costs stated in ER, posted the portion equal to large-scale maintenance and repair costs as well as the portion equal to the 15-year average for maintenance and repair cost.
	Net cash flow (NCF)	53,317	
	Capitalization rate	4.2%	Assessment made after comprehensively taking into account criteria of the location, building and other factors of the target real estate as well as examples of transactions of comparable real estate.
	Value indicated by the income approach (discounted cash flow method)	1,230,000	
	Discount rate	4.0%	Assessment based on referring to investment returns on comparable real estate and comprehensively taking into account factors including the individual characteristics of the target real estate.
	Terminal capitalization rate	4.4%	Assessment based on comprehensively taking into account factors such as examples of transactions of comparable real estate, future trends in returns on investment, risks of the target real estate, economic growth forecasts going forward as well as trends in real estate prices.
	Value indicated by the cost approach using the cost accounting method	594,000	
	Percentage of land	84.4%	
	Percentage of building	15.6%	
	Other notable items regarding the appraisal as stated by the appraiser	—	

(Note 1) The balance above is based on that in the appraisal report and is not that of the Investment Corporation or the Asset Management Company.

* Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

* Investment Corporation Website: <http://www.heiwa-re.co.jp/english/>

【Attachment】

(Attachment 1) List of portfolio properties after the transfer of this property and the acquisition of the asset that was published in the Notice Concerning the Acquisition of Asset (HF TABATA RESIDENCE) dated today

	Property No.	Property Name	Location	Investment Area (Note 1)	Acquisition Price (Note 2) (million yen)	Investment Ratio (Note 2) (%)	
Office	Of-01	HF GOTANDA BUILDING	Shinagawa-ku, Tokyo	I	1,290	0.78	
	Of-05	SUITENGU HEIWA BUILDING	Chuo-ku, Tokyo	I	1,550	0.93	
	Of-06	HF MONZENNAKACHO BUILDING	Koto-ku, Tokyo	I	2,500	1.50	
	Of-07	HF HAMAMATSUCHO BUILDING	Minato-ku, Tokyo	I	1,530	0.92	
	Of-08	KOKUSAI TAMEIKE BUILDING	Minato-ku, Tokyo	I	2,700	1.62	
	Of-09	GRACE BUILDING SENGAKUJIMAE	Minato-ku, Tokyo	I	1,220	0.73	
	Of-10	HF SHIN-YOKOHAMA BUILDING	Yokohama-shi, Kanagawa	II	1,550	0.93	
	Of-11	NIHONBASHI DAIICHI BUILDING	Chuo-ku, Tokyo	I	2,150	1.29	
	Of-12	HF HATCHOBORI BUILDING	Chuo-ku, Tokyo	I	3,092	1.86	
	Of-17	HATCHOBORI MF BUILDING	Chuo-ku, Tokyo	I	1,110	0.67	
	Of-18	M2 HARAJUKU	Shibuya-ku, Tokyo	I	3,418	2.05	
	Of-20	FUNABASHI FACE BUILDING	Funabashi-shi, Chiba	II	3,900	2.34	
	Of-21	ADESSO NISHIAZABU	Minato-ku, Tokyo	I	640	0.38	
	Of-22	HF TORANOMON BUILDING	Minato-ku, Tokyo	I	1,675	1.01	
	Of-23	HF IKEBUKURO BUILDING	Toshima-ku, Tokyo	I	1,314	0.79	
	Of-24	HF YUSHIMA BUILDING	Bunkyo-ku, Tokyo	I	1,434	0.86	
	Of-25	KAYABACHO HEIWA BUILDING	Chuo-ku, Tokyo	I	4,798	2.88	
	Of-26	HIROKOJI AQUA PLACE	Nagoya-shi, Aichi	III	2,930	1.76	
	Of-27	KOBE KYUKYORYUCHI HEIWA BUILDING	Kobe-shi, Hyogo	III	2,310	1.39	
	Of-28	MITA HEIWA BUILDING (leasehold land)	Minato-ku, Tokyo	I	2,230	1.34	
	Of-29	SAKAE MINAMI BUILDING	Nagoya-shi, Aichi	III	1,580	0.95	
	Of-30	HF SAKURADORI BUILDING	Nagoya-shi, Aichi	III	4,900	2.95	
	Of-31	HF NIHONBASHI HAMACHO BUILDING	Chuo-ku, Tokyo	I	1,900	1.14	
	Of-32	HF SENDAI HONCHO BUILDING	Sendai-shi, Miyagi	III	2,700	1.62	
	Of-33	HF UENO BUILDING	Taito-ku, Tokyo	I	3,400	2.04	
	Of-34	KOJIMACHI HF BUILDING	Chiyoda-ku, Tokyo	I	1,350	0.81	
	Of-35	HF KUDAN MINAMI BUILDING	Chiyoda-ku, Tokyo	I	2,720	1.64	
	Of-36	HF KANDA OGAWAMACHI BUILDING	Chiyoda-ku, Tokyo	I	3,150	1.89	
	Of-37	NISSO 5 BUILDING	Yokohama-shi, Kanagawa	II	3,100	1.86	
	Of-38	ACROSS SHINKAWA BUILDING	Chuo-ku, Tokyo	I	3,250	1.95	
	Of-39	SENJU MILDIX II BANKAN	Adachi-ku, Tokyo	I	1,650	0.99	
	Office Subtotal					73,041	43.91
	Residence	Re-03	HF ICHIKAWA RESIDENCE	Ichikawa-shi, Chiba	II	430	0.26
		Re-05	HF MEGURO RESIDENCE	Meguro-ku, Tokyo	I	660	0.40
		Re-09	HF KASAI RESIDENCE	Edogawa-ku, Tokyo	I	650	0.39
		Re-11	HF WAKABAYASHI-KOEN RESIDENCE	Setagaya-ku, Tokyo	I	3,610	2.17

Property No.	Property Name	Location	Investment Area (Note 1)	Acquisition Price (Note 2) (million yen)	Investment Ratio (Note 2) (%)
Re-12	HF HIMONYA RESIDENCE	Meguro-ku, Tokyo	I	1,560	0.94
Re-14	HF MINAMIAZABU RESIDENCE	Minato-ku, Tokyo	I	1,370	0.82
Re-15	HF AZABUJUBAN RESIDENCE	Minato-ku, Tokyo	I	1,260	0.76
Re-16	HF GAKUGEIDAIGAKU RESIDENCE	Meguro-ku, Tokyo	I	1,000	0.60
Re-17	HF HIGASHIKANDA RESIDENCE	Chiyoda-ku, Tokyo	I	1,100	0.66
Re-18	HF HIGASHINIHONBASHI RESIDENCE	Chuo-ku, Tokyo	I	1,210	0.73
Re-19	HF NERIMA RESIDENCE	Nerima-ku, Tokyo	I	690	0.41
Re-20	HF SHIROKANETAKANAWA RESIDENCE	Minato-ku, Tokyo	I	4,030	2.42
Re-21	HF MEIDAIMAE RESIDENCE	Setagaya-ku, Tokyo	I	1,070	0.64
Re-22	HF NIHONBASHI RESIDENCE	Chuo-ku, Tokyo	I	1,130	0.68
Re-23	HF KAMISHAKUJII RESIDENCE	Nerima-ku, Tokyo	I	950	0.57
Re-24	HF KINSHICHO RESIDENCE	Sumida-ku, Tokyo	I	1,100	0.66
Re-25	HF GINZA RESIDENCE EAST	Chuo-ku, Tokyo	I	5,940	3.57
Re-26	HF SHIN-YOKOHAMA RESIDENCE	Yokohama-shi, Kanagawa	II	3,350	2.01
Re-29	HF HAKUSAN RESIDENCE	Bunkyo-ku, Tokyo	I	2,350	1.41
Re-30	HF MAGOME RESIDENCE	Ota-ku, Tokyo	I	1,630	0.98
Re-31	HF GAKUGEIDAIGAKU RESIDENCE II	Meguro-ku, Tokyo	I	1,650	0.99
Re-33	HF KAMEIDO RESIDENCE	Koto-ku, Tokyo	I	1,050	0.63
Re-34	HF TANASHI RESIDENCE	Nishitokyo-shi, Tokyo	II	911	0.55
Re-35	HF SHIBA-KOEN RESIDENCE	Minato-ku, Tokyo	I	836	0.50
Re-36	HF MITA RESIDENCE	Minato-ku, Tokyo	I	1,080	0.65
Re-37	HF TAKANAWA RESIDENCE	Minato-ku, Tokyo	I	749	0.45
Re-38	LA RESIDENCE DE SHIROKANEDAI	Minato-ku, Tokyo	I	730	0.44
Re-39	HF GINZA RESIDENCE EAST II	Chuo-ku, Tokyo	I	1,460	0.88
Re-40	HF HATCHOBORI RESIDENCE II	Chuo-ku, Tokyo	I	1,890	1.14
Re-41	HF HATCHOBORI RESIDENCE III	Chuo-ku, Tokyo	I	793	0.48
Re-42	HF GINZA RESIDENCE	Chuo-ku, Tokyo	I	944	0.57
Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	Setagaya-ku, Tokyo	I	6,520	3.92
Re-44	HF UMEDA RESIDENCE TOWER	Osaka-shi, Osaka	III	1,920	1.15
Re-45	HF NAKANOSHIMA RESIDENCE	Osaka-shi, Osaka	III	453	0.27
Re-46	HF AWAZA RESIDENCE	Osaka-shi, Osaka	III	577	0.35
Re-47	HF MARUNOUCHI RESIDENCE	Nagoya-shi, Aichi	III	624	0.38
Re-48	HF HIRAO RESIDENCE	Fukuoka-shi, Fukuoka	III	1,780	1.07
Re-49	HF KAWARAMACHI NIJO RESIDENCE	Kyoto-shi, Kyoto	III	534	0.32
Re-52	HF TENJINHIGASHI RESIDENCE	Fukuoka-shi, Fukuoka	III	502	0.30
Re-53	HF SHIJO KAWARAMACHI RESIDENCE	Kyoto-shi, Kyoto	III	1,820	1.09
Re-54	LA RESIDENCE DE SENDAGI	Bunkyo-ku, Tokyo	I	820	0.49
Re-55	HF SENDAGI RESIDENCE	Bunkyo-ku, Tokyo	I	870	0.52
Re-56	HF KOMAZAWA-KOEN RESIDENCE	Setagaya-ku, Tokyo	I	615	0.37
Re-57	HF MUSASHIKOYAMA RESIDENCE	Shinagawa-ku, Tokyo	I	842	0.51
Re-58	HF KOKUBUNJI RESIDENCE	Kokubunji-shi,	II	839	0.50

Property No.	Property Name	Location	Investment Area (Note 1)	Acquisition Price (Note 2) (million yen)	Investment Ratio (Note 2) (%)
		Tokyo			
Re-59	HF HISAYAODORI RESIDENCE	Nagoya-shi, Aichi	III	1,080	0.65
Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	Kyoto-shi, Kyoto	III	572	0.34
Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	Shinjuku-ku, Tokyo	I	1,990	1.20
Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	Shinjuku-ku, Tokyo	I	1,170	0.70
Re-63	HF HIGASHI-SHINJUKU RESIDENCE	Shinjuku-ku, Tokyo	I	1,360	0.82
Re-64	HF HIGASHI-SHINSAIBASHI RESIDENCE	Osaka-shi, Osaka	III	566	0.34
Re-65	HF KITA-YOBANCHO RESIDENCE	Sendai-shi, Miyagi	III	809	0.49
Re-66	HF ATAGOBASHI RESIDENCE	Sendai-shi, Miyagi	III	684	0.41
Re-67	HF KYUDAIBYOIN-MAE RESIDENCE	Fukuoka-shi, Fukuoka	III	426	0.26
Re-68	HF ASAKUSABASHI RESIDENCE	Taito-ku, Tokyo	I	771	0.46
Re-69	HF ICHIBANCHO RESIDENCE	Sendai-shi, Miyagi	III	834	0.50
Re-70	HF HIGASHI-NAKANO RESIDENCE	Nakano-ku, Tokyo	I	942	0.57
Re-72	HF WASEDA RESIDENCE	Shinjuku-ku, Tokyo	I	2,090	1.26
Re-73	HF WASEDA RESIDENCE II	Shinjuku-ku, Tokyo	I	872	0.52
Re-74	HF WAKAMATSU KAWATA RESIDENCE	Shinjuku-ku, Tokyo	I	1,158	0.70
Re-75	HF SENDAI RESIDENCE EAST	Sendai-shi, Miyagi	III	1,638	0.98
Re-76	HF NISHIKOEN RESIDENCE	Sendai-shi, Miyagi	III	1,310	0.79
Re-77	HF BANSUI-DORI RESIDENCE	Sendai-shi, Miyagi	III	790	0.47
Re-78	HF KANNAI RESIDENCE	Yokohama-shi, Kanagawa	II	1,800	1.08
Re-79	HF MEIEKI-KITA RESIDENCE	Nagoya-shi, Aichi	III	2,160	1.30
Re-80	HF HIGASHI-SAPPORO RESIDENCE	Sapporo-shi, Hokkaido	III	1,560	0.94
Re-81	HF HAKATA-HIGASHI RESIDENCE	Fukuoka-shi, Fukuoka	III	880	0.53
Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	Sendai-Shi, Miyagi	III	850	0.51
Re-83	HF TABATA RESIDENCE	Kita-ku, Tokyo	I	1,100	0.66
Residence Subtotal				93,311	56.09
Portfolio Total				166,352	100.00

(Note 1) The Investment Area column entries are in accordance with the following basis:

Investment in the Primary Investment Area (Tokyo 23 Wards) is entered as “I,” investment in the Secondary Investment Area (Tokyo (other than the Primary Investment Area), and major urban areas of Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture) is entered as “II,” and investment in the Regional Investment Area (major urban areas of government-ordinance-designated cities other than the Primary and Secondary Investment Area) is entered as III.”

(Note 2) Figures for the acquisition price are rounded off to the nearest specified unit, and figures for the investment ratio are rounded to the second decimal place. Accordingly, the figures may not necessarily add up to the figures in the total columns.