

# Japan Single-residence REIT Inc.

## Analyst Presentation Materials for 10th Fiscal Period Ended July 31, 2010

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September 2010



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# 1. Highlights of 10th fiscal period

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# Highlights of 10th fiscal period (ended July 31, 2010)

## Rental position

- ◆ **Operating revenue (Note1):**  
¥1,709million (9th fiscal period) → ¥1,710million (10th fiscal period)
- ◆ **Average occupancy rates:**  
93.9% (during the 9th fiscal period) → 94.9% (during the 10th fiscal period)
- ◆ **Occupancy rates at end of 10th fiscal period: 94.7%**

(Note1 Operating revenue is the total of rent, management fees and parking fees.)

## Financial position

- ◆ **Refinancing through The Musashino Bank, Ltd.**  
¥519million (repayment day: May 31, 2011)
- ◆ **New borrowing from The Tokyo Star Bank, Limited for refinancing through General Electric Company**  
¥13,250million (repayment day: June 30, 2011)
- ◆ **Transition of LTV:**  
52.0% (end of 9th fiscal period) → 51.9% (end of 10th fiscal period)

## Cash distribution

- ◆ **No cash distribution payment because an unappropriated retained loss was recorded**

# Refinancing position

## End of 9th fiscal period

### Short-term Loan

The Chuo Mitsui Trust and Banking Company, Limited Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Ltd.	}	¥10.55 billion
Borrowing rate: TIBOR+150bps		
Repayment date: February 26, 2010		

Aozora Bank, Ltd.	¥6.13 billion
Borrowing rate: TIBOR+200bps	
Repayment date : February 26, 2010	

The Musashino Bank, Ltd.	¥0.51 billion
Borrowing rate: TIBOR+150bps	
Repayment date: February 26, 2010	

### Long-term Loan (due within one year)

General Electric Company	¥13.6 billion
Borrowing rate: LIBOR+85bps	
Repayment date: March 31, 2010	

## End of 10th fiscal period

### Short-term Loan

The Chuo Mitsui Trust and Banking Company, Limited Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Ltd.	}	¥10.55 billion
Borrowing rate: TIBOR+150bps		
Repayment date: August 31, 2010 <sup>(Note 1)</sup>		

Aozora Bank, Ltd.	¥6.13 billion
Borrowing rate: TIBOR+200bps	
Repayment date : August 31, 2010 <sup>(Note 1)</sup>	

The Musashino Bank, Ltd.	¥0.51 billion
Borrowing rate: TIBOR+150bps	
Repayment date: September 30, 2010	

The Tokyo Star Bank, Limited	¥132.5 billion
Borrowing rate: TIBOR+300bps	
Repayment date: June 30, 2011	



Note1 The repayment dates for borrowings from 6-bank syndicate group and Aozora Bank, Ltd. have changed due to extension. The closest repayment date has been changed from August 31, 2010 to May 31, 2011 due to refinancing.

# Differences between forecasts and results of 10th fiscal period

	Forecasts	Results	Difference	Factors for differences between forecasts and results
<b>Operating revenue</b> (millions of yen)	<b>1,776</b>	<b>1,780</b>	<b>+ 4</b>	<ul style="list-style-type: none"> <li>- Increase in key money of new tenants and renewal fees was greater than initially forecasted ¥16million</li> <li>- Decrease in revenue from rents due to not meeting initial forecasts in off season (April and later) ¥-12million</li> </ul>
<b>Operating expenses</b> (millions of yen)	<b>1,057</b>	<b>1,060</b>	<b>+ 3</b>	<ul style="list-style-type: none"> <li>- Expenses related to rent business ¥-13million <ul style="list-style-type: none"> <li>Decrease of management consignment of leasing, which is linked to revenue from rents: ¥-8million</li> <li>Increase in administrative service expenses of leasing accompanying increased revenue from key money and renewal fees: ¥7million</li> <li>Decrease in repairs due to reassessment of when to conduct repairs of communal areas: ¥-12million</li> </ul> </li> <li>- Selling and administrative expenses ¥16million <ul style="list-style-type: none"> <li>Expense incurred for due-diligence accompanying new borrowings: ¥13million</li> </ul> </li> </ul>
<b>Operating income</b> (millions of yen)	<b>718</b>	<b>720</b>	<b>+ 2</b>	
<b>Non-Operating income</b> (millions of yen)	<b>- 675</b>	<b>- 832</b>	<b>- 157</b>	<ul style="list-style-type: none"> <li>- Increase in interest expenses (including borrowing expenses) ¥96million</li> <li>- Merger-related costs (payment portion of 10th fiscal period) ¥65million</li> </ul>
<b>Ordinary income</b> (millions of yen)	<b>43</b>	<b>- 112</b>	<b>- 155</b>	
<b>Net income</b> (millions of yen)	<b>42</b>	<b>- 119</b>	<b>- 161</b>	
<b>Cash distribution per unit</b> (yen)	<b>750</b>	<b>0</b>	<b>-</b>	

Note 1 The calculation period for 10th fiscal period is from February 1, 2010 to July 31, 2010 (181 days).

Note 2 Forecasts for the period ended July 31, 2010 are figures publicized on March 17, 2010.

Note 3 The following revisions to forecasts released on April 30, 2010.

Operating revenue: 1,778million yen, Ordinary income: -39million yen, Net income: -40million yen, Cash distribution per unit: 0yen

## 2. Results of operations of 10th fiscal period

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# 10th fiscal period results of major construction

- ◆ Actively carried out capital expenditure for value-added construction to maintain and improve property competitiveness and asset value
- ◆ Carried out aesthetic improvement of buildings and future repair work in advance
- ◆ Improved functionality and convenience to satisfy tenant needs

## Shingle-residence Hirao

- ◆ Replacing resin-coated portions of store-front parking pavement with tiles enhanced the grade and competitiveness of the property
- ◆ Tiling the pavement aesthetically enhanced the building and improved maintainability



## Single-residence Takanawa

- ◆ Replacing trees and shrubs and installing lighting around entrance aesthetically enhanced the property
- ◆ Laying pebbles in space between external wall and plants aesthetically enhanced the property and improved maintainability



## Leasing promotion

- ◆ Facilities in units to satisfy tenant needs
- ◆ Reduced maintenance costs associated with tenants leaving

### Installation of personal hygiene system warm-water toilet seats

Also installed during tenancy upon request  
Properties not converted: 10 units  
Installation rate: 77%



### Flooring of residences (switch of carpet to wooden floor conversion)

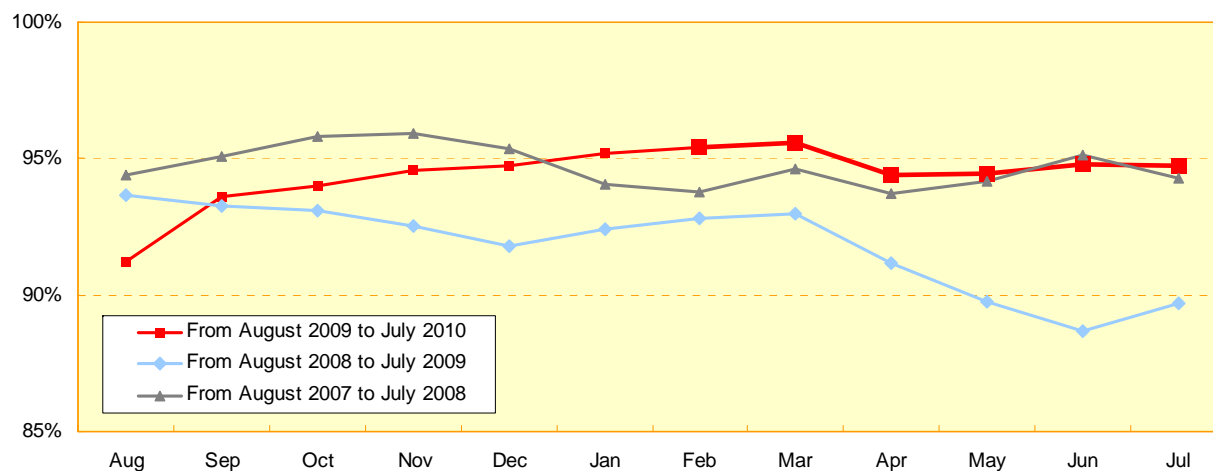
Properties not converted: 7 units  
Installation rate: 76%





# Transition of occupancy rates

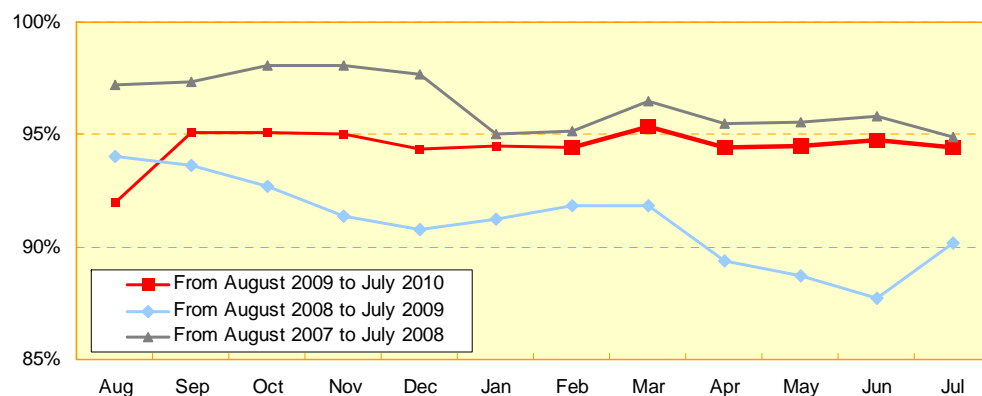
## < Total >



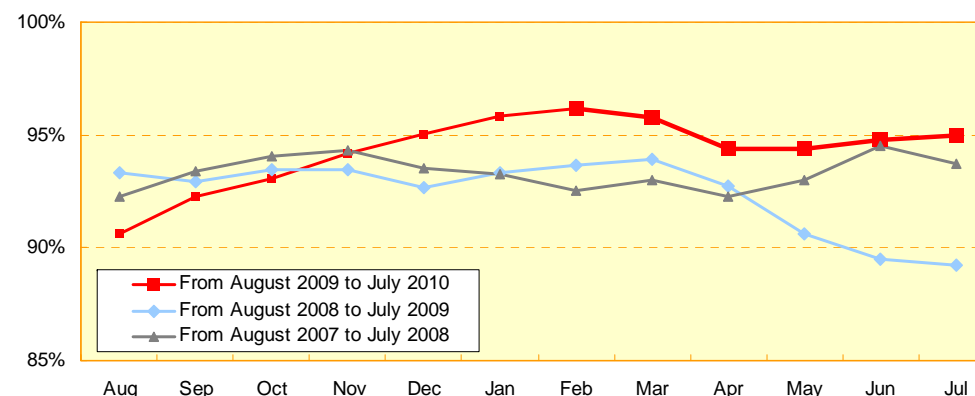
Average occupancy rates (Note 1)			
	Total	Tokyo Metropolitan Area	Regional Areas
10th fiscal period	94.9%	94.7%	95.1%
9th fiscal period	93.9%	94.3%	93.5%
8th fiscal period	90.8%	89.9%	91.6%
7th fiscal period	92.8%	92.3%	93.2%
6th fiscal period	94.3%	95.5%	93.2%
5th fiscal period	95.1%	97.2%	93.5%

## < By Area >

Tokyo metropolitan area occupancy rates



Regional area occupancy rates



Note1 The average occupancy rates are the average of end of month occupancy rates during the period.

# Transition of appraisal

- ◆ Appraisal value decreased by ¥727 million (1.5%) compared to the end of 9th fiscal period
- ◆ CR (direct capitalization method) was unchanged from the end of 9th fiscal period except 2 properties
- ◆ Number of properties whose appraisal NCF increased: 13 properties
- ◆ Number of properties whose appraisal NCF decreased by 3% or more: 10 properties

Area		Number of properties		Acquisition Value (millions of yen)	Appraisal value a end of 9th fiscal period (millions of yen) (A)	Appraisal value a end of 10th fiscal period (millions of yen) (B)	Difference (millions of yen) (B)-(A)	Volatility (Note2) (%)	Appraisal rate at end of 9th fiscal period			Appraisal rate at end of 10th fiscal period		
									Direct capitalization method	DCF method		Direct capitalization method	DCF method	
		SM (Note1)	BH (Note1)						CR	DR	TCR	CR	DR	TCR
Tokyo Metropolitan Area		21	1	34,414	29,799	29,262	-537	-1.8%	5.4%	5.2%	5.6%	5.4%	5.2%	5.6%
Kansai Area	Kyoto	3	1	4,802	4,123	4,064	-59	-1.4%	6.0%	5.7%	6.2%	6.0%	5.7%	6.2%
	Osaka	4	1	6,062	4,724	4,665	-59	-1.2%	6.1%	5.8%	6.3%	6.1%	5.8%	6.3%
Chukyo Area	Nagoya	2	-	2,115	1,823	1,803	-20	-1.1%	6.1%	5.9%	6.3%	6.1%	5.9%	6.3%
Government-designated cities	Sapporo	2	-	789	659	660	1	0.2%	6.3%	6.2%	6.5%	6.3%	6.2%	6.5%
	Sendai	3	1	4,152	3,651	3,642	-9	-0.2%	6.3%	6.0%	6.5%	6.3%	6.0%	6.5%
	Fukuoka	4	-	4,254	3,340	3,296	-44	-1.3%	6.5%	6.3%	6.7%	6.5%	6.3%	6.7%
Total		39	4	56,591	48,119	47,392	-727	-1.5%	(Note) CR: capitalization rate DR: discount rate TCR: terminal capitalization rate					

Note1 "SM" refers to single-occupant condominiums, and "BH" refers to business hotels.

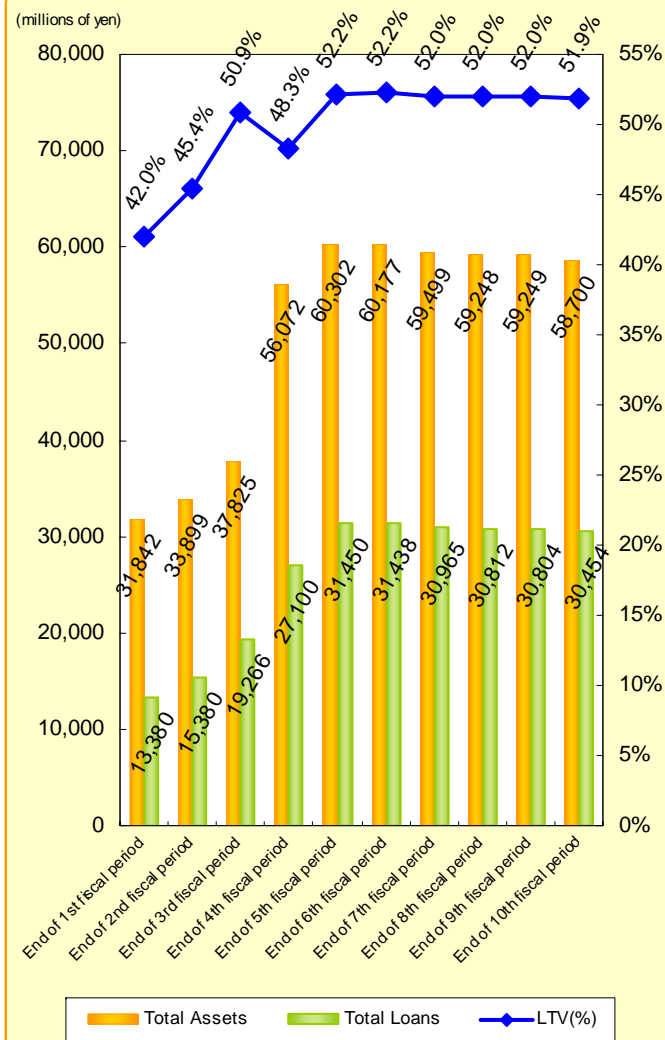
Note2 (Appraisal value at end of 10th fiscal period - Appraisal value at end of 9th fiscal period) / Appraisal value at end of 9th fiscal period

# Financial highlights (6th ~ 10th fiscal period)

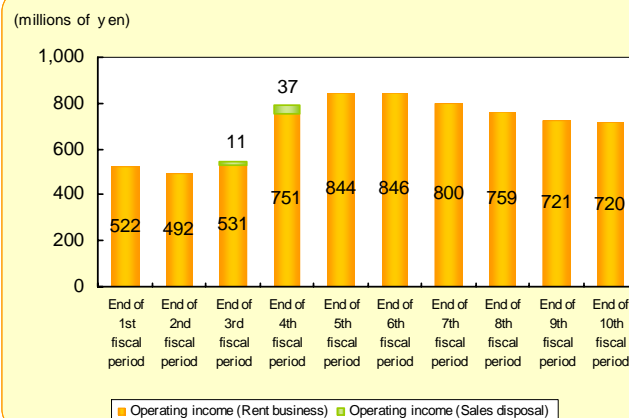
	<b>6th fiscal period</b> From Feb. 1, 2008 to Jul. 31, 2008	<b>7th fiscal period</b> From Aug. 1, 2008 to Jan. 31, 2009	<b>8th fiscal period</b> From Feb. 1, 2009 to Jul. 31, 2009	<b>9th fiscal period</b> From Aug. 1, 2009 to Jan. 31, 2010	<b>10th fiscal period</b> From Feb. 1, 2010 to Jul. 31, 2010
Operating revenue (millions of yen)	<b>1,861</b>	<b>1,794</b>	<b>1,776</b>	<b>1,766</b>	<b>1,780</b>
Operating expenses (millions of yen)	<b>1,016</b>	<b>994</b>	<b>1,017</b>	<b>1,044</b>	<b>1,060</b>
Operating income (millions of yen)	<b>845</b>	<b>800</b>	<b>759</b>	<b>721</b>	<b>720</b>
Non-operating income (millions of yen)	<b>-350</b>	<b>-485</b>	<b>-507</b>	<b>-484</b>	<b>-832</b>
Ordinary income (millions of yen)	<b>495</b>	<b>315</b>	<b>252</b>	<b>237</b>	<b>-112</b>
Net income (millions of yen)	<b>494</b>	<b>314</b>	<b>251</b>	<b>236</b>	<b>-119</b>
NOI (millions of yen)	<b>1,465</b>	<b>1,424</b>	<b>1,378</b>	<b>1,339</b>	<b>1,356</b>
FFO per unit (yen)	<b>15,062</b>	<b>11,864</b>	<b>10,761</b>	<b>10,512</b>	<b>4,203</b>
Total assets (millions of yen)	<b>60,177</b>	<b>59,499</b>	<b>59,248</b>	<b>59,249</b>	<b>58,700</b>
Net assets (millions of yen)	<b>27,737</b>	<b>27,529</b>	<b>27,493</b>	<b>27,500</b>	<b>27,198</b>
Units issued and outstanding (units)	<b>56,111</b>	<b>56,111</b>	<b>56,111</b>	<b>56,111</b>	<b>56,111</b>
Net assets per unit (yen)	<b>494,331</b>	<b>490,609</b>	<b>489,988</b>	<b>490,100</b>	<b>484,721</b>
Cash distribution per unit (yen)	<b>8,804</b>	<b>5,603</b>	<b>4,479</b>	<b>4,206</b>	<b>0</b>
Number of operating days (days)	<b>182</b>	<b>184</b>	<b>181</b>	<b>184</b>	<b>181</b>
Number of Properties	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>

# Transition of results of operations (1st ~ 10th fiscal period)

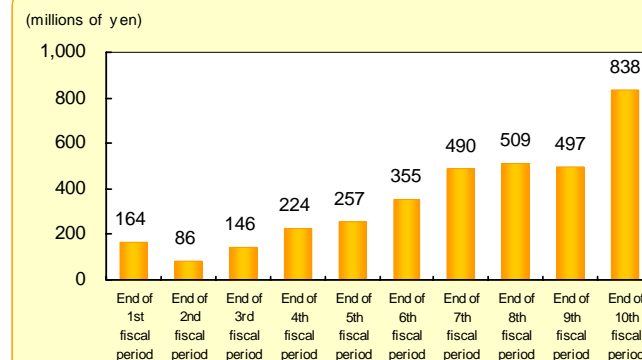
## Total assets / Borrowings / LTV



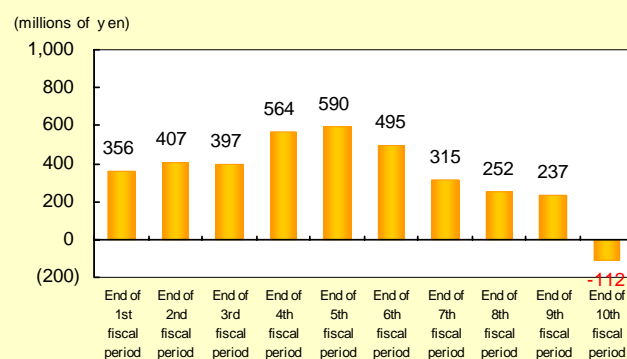
## Operating income



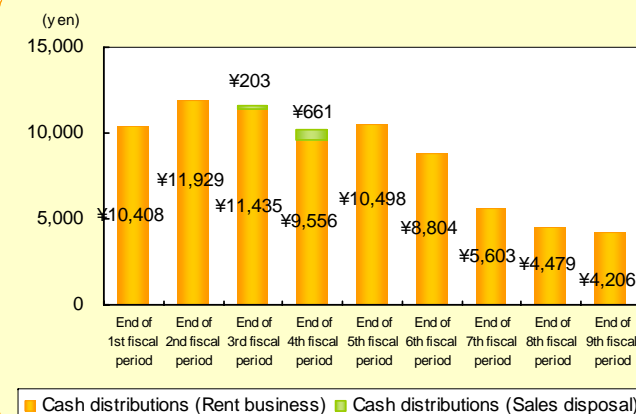
## Non-operating expenses (including interest expenses and borrowing expenses)



## Ordinary income



## Cash distribution per unit



(Note) The calculation period of 1st fiscal period was from February 16, 2005 to January 31, 2006, 350 days, however, the actual number of operating days is 203.

### 3. Management policy in the future

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# Forecasted results of operations and assumptions for provisional fiscal period

	Provisional fiscal period (Ending September ,2010)	Assumptions
<b>Operating revenue</b> (millions of yen)	<b>579</b>	<p>&lt; Operating revenue &gt;</p> <ul style="list-style-type: none"> <li>- Average occupancy rates Provisional fiscal period : 94.6% (10th fiscal period result 94.9%)</li> <li>- Tenant renewal rates Provisional fiscal period : 72.0% (10th fiscal period result 70.9%)</li> </ul> <p>&lt; Operating expenses &gt;</p> <ul style="list-style-type: none"> <li>- Expenses related to rent business ¥287 million (Management consignment ¥69 million, taxes and public dues ¥54 million, depreciation and amortization ¥118 million)</li> <li>- Selling, general and administration expenses ¥110 million</li> </ul> <p>&lt; Non-Operating income &gt;</p> <ul style="list-style-type: none"> <li>- Interest expenses ¥129 million, borrowing expenses ¥90 million</li> <li>- Merger-related costs ¥84 million</li> </ul>
<b>Operating expenses</b> (millions of yen)	<b>397</b>	
<b>Operating income</b> (millions of yen)	<b>181</b>	
<b>Non-Operating income</b> (millions of yen)	<b>- 309</b>	
<b>Ordinary income</b> (millions of yen)	<b>- 128</b>	
<b>Net income</b> (millions of yen)	<b>- 129</b>	
<b>Cash distribution per unit</b> (yen)	<b>0</b>	

Assumptions for the provisional fiscal period (August to September 2010) forecasted results of operations

Accounting period: From August 1, 2010 to September 31, 2010 (31 days)

Portfolio properties: Forecasted results of operations are based on the assumption of 43 properties held as trust beneficiary interests as of July 31, 2010.

# 10th fiscal period results of Leasing

## Leasing activities:

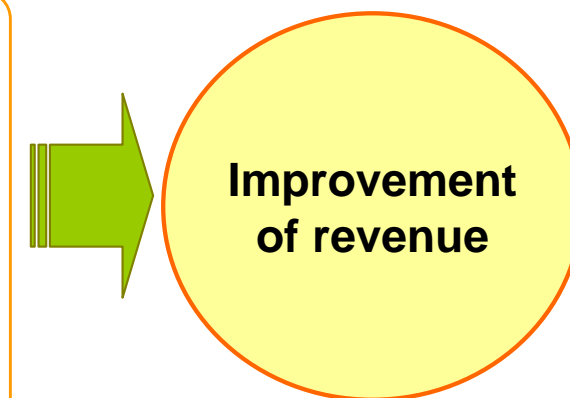
- Achievement of high occupancy rates in busy season (January to March)  
Reassessment of lease terms and conditions and preparations for busy season were started early and conducted thoroughly
- Increased revenue from key money and renewal fees  
Key money was secured by making forward contracts for stores and the number of renewal contracts concluded was higher than initially forecasted

## Continual improvement of functionality and convenience:

- Continuation of personal hygiene system warm-water toilet seat installation and carpet to wooden floor conversion in tenant units

## Number of vacancies were lower than initially forecasted:

- Measures such as tenant services and renewal fee reduction campaigns were carried out



10th fiscal period

Results compared to forecasts for the number of new tenants and vacancies, and occupancy rates

	Number of vacancies (A)	Number of new tenants (B)	Differences (B)-(A)	End of month occupancy rates at beginning of fiscal period	End of month occupancy rates at end of fiscal period	Average occupancy rates during fiscal period
10th fiscal period (expected)	516	547	31	94.5%	95.8%	<b>95.5%</b>
10th fiscal period (results)	477	453	(24)	95.4%	94.7%	<b>94.9%</b>

10th fiscal period

Results compared to forecasts for rent for new tenants and renewals

(Expected)

Rents	Rent for new tenants		Rent for renewals	
	Number of units	Rent volatility	Number of units	Rent volatility
Increase in rent	89	1.1%	0	-
Rent unchanged	27	-	376	-
Decrease in rent	431	-6.6%	0	-
Total	547	-4.5%	376	0.0%

- Rent volatility (new tenants 547 + renewals 376) = -2.8%
- Impact rate (923 units ÷ number of rentable units <sup>(Note1)</sup> 2,767) = 33.4%
- Impact on revenue (-2.8% × 33.4%) = -0.9%

(Results)

Rents	Rent for new tenants		Rent for renewals	
	Number of units	Rent volatility	Number of units	Rent volatility
Increase in rent	56	4.8%	0	-
Rent unchanged	98	-	396	-
Decrease in rent	299	-9.5%	16	-7.7%
Total	453	-5.7%	412	-3.0%

- Rent volatility (new tenants 453 + renewals 412) = -3.1%
- Impact rate (865 units ÷ number of rentable units <sup>(Note1)</sup> 2,767) = 31.3%
- Impact on revenue (-3.1% × 31.3%) = -1.0%

Note1 Number of rentable units is total of 39 single-occupant condominiums.

# Future management policy

## Financial strategy

### Issues

- Funding costs
- Short borrowing periods



### Solutions

- Leverage credit strength by changing sponsor
- Effective use of “negative goodwill” arising from merger
  - Search for solution method including financial restructuring

## Internal growth strategy

### Important objectives

- Maintain high occupancy rates and strengthen leasing
- Maintain and improve the asset value of properties
- Improve tenant satisfaction and provide services



### Specific measures

- Continue to strengthen coordination with PM companies
  - Further strengthen management of in-unit maintenance and leasing position
  - Maintain high occupancy rates of busy season
- Continue to implement appropriate and planned repairs and value-added construction
  - Planned and continual detailed inspection of properties
  - Promotion of cost-effective planned repairs and value-added construction
- Provide more comfortable living spaces and services
  - Collect information by conducting “tenant questionnaires” and “questionnaires for leaving tenants”
  - Carry out measures that put emphasis on and reflect tenant needs



## 4. 10th fiscal period results

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# Statements of income

	Amount (Thousands of yen)	
	10th Fiscal Period From Feb. 1, 2010 to Jul. 31, 2010	9th Fiscal Period From Aug. 1, 2009 to Jan. 31, 2010
1. Operating revenue		
Rent revenue—real estate	1,760,303	1,750,358
Other lease business revenue	20,131	15,804
Total of operating revenue	1,780,435	1,766,163
2. Operating expenses		
Expenses related to rent business	778,858	780,207
Directors' compensations	4,800	4,800
Asset management fee	146,906	149,337
Asset custody fee	8,406	8,406
Administrative service fee	24,142	25,501
Audit fee	10,000	10,000
Other operating expenses	87,191	66,557
Total of operating expense	1,060,305	1,044,810
<b>Operating income</b>	<b>720,129</b>	<b>721,352</b>
3. Non-operating income		
Interest income	459	423
Insurance income	2,036	10,984
Other non-operating income	2,622	1,712
Total of non-operating income	5,118	13,120
4. Non-operating expenses		
Interest expenses	463,522	306,998
Amortization of deferred organization expenses	-	5,972
Borrowing expenses	295,110	169,260
Amortization of investment unit issuance expenses	55	8,396
Other non-operating expenses	79,074	6,697
Total of non-operating expenses	837,762	497,325
<b>Ordinary income or losses</b>	<b>(112,514)</b>	<b>237,146</b>
<b>Income (loss) before income taxes</b>	<b>(112,514)</b>	<b>237,146</b>
Income taxes—current	605	2,873
Income taxes—deferred	6,075	(1,741)
	6,680	1,132
<b>Net income or losses</b>	<b>(119,195)</b>	<b>236,014</b>
<b>Retained earnings brought forward</b>	<b>23</b>	<b>11</b>
<b>Unappropriated retained earnings or losses</b>	<b>(119,171)</b>	<b>236,026</b>

	Amount (Thousands of yen)	
	Fiscal Period ended Jul. 31, 2010	
Breakdown of income from real estate rent operating		
A. Real estate rent operating revenue		
Rent revenue—real estate		
Rents	1,620,155	
Management fees	65,243	
Parking fees	24,634	
Key money and renewal fees	40,702	
Incidentals	9,568	
Total	1,760,303	
Other lease operating revenue		
Delinquency charge	584	
Original condition restoration cost compensation	16,415	
Other miscellaneous revenue	3,131	
Total	20,131	
Total real estate rent operating revenue	1,780,435	
B. Real estate expenses related to rent business		
Expenses related to rent business		
Management consignment	194,912	
Entrustment remunerations	26,933	
Utilities	17,834	
Taxes and public dues	106,616	
Accident insurance	4,075	
Repairs	53,511	
Depreciation and amortization	355,083	
Other expenses related to rent business	19,890	
Total real estate expenses related to rent business	778,858	
C. Real estate rent operating income (A-B)	1,001,576	

# Balance sheets

	Amount (Thousands of yen)	
	10th Fiscal Period As of Jul. 31, 2010	9th Fiscal Period As of Jan. 31, 2010
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and deposits	992,988	1,359,555
Cash and deposits in trust	1,498,673	1,506,703
Accounts receivable—trade	45,308	45,187
Advances account	6,300	62,902
Prepaid expenses	252,123	30,144
Deferred tax assets	-	1,680
Other	7,699	8,435
Allowance for doubtful accounts	(5,338)	(3,894)
<b>Total current assets</b>	<b>2,797,755</b>	<b>3,010,716</b>
<b>Noncurrent assets</b>		
1. Property, plant and equipment		
Buildings in trust	22,774,901	23,057,480
Structures in trust	198,271	193,776
Machinery and equipment in trust	137,276	142,841
Tools, furniture and fixtures in trust	447,230	500,441
Land in trust	32,280,166	32,280,166
Total property, plant and equipment	55,837,846	56,174,706
2. Intangible assets		
Right of trademark	175	191
Other	4,587	5,632
Total intangible assets	4,762	5,824
3. Investments and other assets		
Accounts receivable—long-term	17,414	11,175
Long-term prepaid expenses	489	-
Lease and guarantee deposits	10,000	10,000
Long-term deferred tax assets	-	4,395
Other	49,214	44,007
Allowance for doubtful accounts	(17,151)	(11,175)
Total investments and other assets	59,966	58,402
<b>Total noncurrent assets</b>	<b>55,902,575</b>	<b>56,238,933</b>
<b>Deferred assets</b>		
Investment unit issuance expenses	-	55
<b>Total deferred assets</b>	<b>-</b>	<b>55</b>
<b>Total assets</b>	<b>58,700,331</b>	<b>59,249,704</b>

	Amount (Thousands of yen)	
	10th Fiscal Period As of Jul. 31, 2010	9th Fiscal Period As of Jan. 31, 2010
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payables	57,885	71,598
Short-term loans payable	30,454,300	17,204,300
Long-term loans due within one year	-	13,600,000
Accounts payable—other	159,387	3,360
Accrued expenses	106,847	106,406
Income taxes payable	605	2,789
Accrued consumption taxes	1,065	3,346
Advances received	4,636	4,534
Unearned revenue	285,766	291,392
Deposits received	778	123
Other	23,314	42,322
<b>Total current liabilities</b>	<b>31,094,587</b>	<b>31,330,174</b>
<b>Noncurrent liabilities</b>		
Tenant leasehold and security deposits in trust	407,534	419,506
<b>Total noncurrent liabilities</b>	<b>407,534</b>	<b>419,506</b>
<b>Total liabilities</b>	<b>31,502,122</b>	<b>31,749,680</b>
<b>NET ASSETS</b>		
<b>Unitholders' equity</b>		
1. Unitholders' capital	27,317,380	27,317,380
2. Surplus		
Unappropriated retained earnings or loss	(119,171)	236,026
Total surplus	(119,171)	236,026
<b>Total unitholders' equity</b>	<b>27,198,209</b>	<b>27,553,407</b>
<b>Valuation and translation adjustments</b>		
1. Deferred hedge profit or loss	-	(53,383)
Total valuation and translation adjustments	-	(53,383)
<b>Total net assets</b>	<b>27,198,209</b>	<b>27,500,023</b>
<b>Total liabilities and net assets</b>	<b>58,700,331</b>	<b>59,249,704</b>

# Statements of cash flows (reference data)

	Amount (Thousands of yen)	
	10th Fiscal Period From Feb. 1, 2010 to Jul. 31, 2010	9th Fiscal Period From Aug. 1, 2009 to Jan. 31, 2010
<b>. Cash flows from operating activities</b>		
Income (loss) before income taxes	(112,514)	237,146
Depreciation and amortization	356,145	354,918
Interest income	(459)	(423)
Refund of unpaid distribution	(157)	(203)
Interest expenses	463,522	306,998
(Increase) decrease in accounts receivable—trade	(120)	(83)
(Increase) decrease in accounts receivable—long-term	(6,239)	(3,449)
(Increase) decrease in advances account	56,602	(2)
Increase (decrease) in accrued consumption taxes	(2,280)	(617)
Increase (decrease) in accounts payable	(3,895)	6,880
Increase (decrease) in accounts payable—other	156,026	(2,764)
Increase (decrease) in advances received	102	(598)
Increase (decrease) in unearned revenue	(5,625)	13,344
Other	(214,535)	118,516
Subtotal	686,570	1,029,661
Interest received	459	423
Interest paid	(428,321)	(306,998)
Income taxes paid	(2,881)	(1,824)
Net cash provided by operating activities	255,828	724,514

	Amount (Thousands of yen)	
	10th Fiscal Period From Feb. 1, 2010 to Jul. 31, 2010	9th Fiscal Period From Aug. 1, 2009 to Jan. 31, 2010
<b>. Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(29,314)	(68,135)
Proceeds from lease and guarantee deposits in trust	42,259	33,712
Payments for lease and guarantee deposits in trust	(54,230)	(34,396)
Payments for acquisition of other investments	(3,485)	(3,485)
Net cash used in investing activities	(44,772)	(72,305)
<b>. Cash flows from financing activities</b>		
Increase in proceed from short-term borrowings	13,769,600	17,204,300
Repayment of short-term borrowings	(519,600)	(17,212,000)
Repayment of long-term borrowings	(13,600,000)	-
Cash distributions paid	(235,653)	(250,900)
Net cash provided by financing activities	(585,653)	(258,600)
<b>. Net increase (decrease) in cash and cash equivalents</b>	(374,597)	393,608
<b>. Cash and cash equivalents at beginning of period</b>	2,866,259	2,472,650
<b>. Cash and cash equivalents at end of period</b>	2,491,661	2,866,259

# List of outstanding balance of borrowings

As of July 31, 2010

	Lender	Outstanding balance (thousands of yen)	Interest rate (per annum)	Drawdown date	Repayment date	collateral	Appraisal LTV
Short-term borrowings	The Chuo Mitsui Trust and Banking Company, Limited Aozora Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Ltd.	10,554,700	1.71231%	October 30, 2009	August 31, 2010 (Note1)	Secured (16 properties)	47.6%
	Aozora Bank, Ltd.	6,130,000	2.21231%	October 30, 2009	August 31, 2010 (Note1)	Secured (6 properties)	96.1% (First lien rights only) (Subordinated lien established separately for syndicate group collateral)
	The Musashino Bank, Ltd.	519,600	1.89000%	March 31, 1010	September 30, 2010	Secured (1 property)	52.0%
	The Tokyo Star Bank, Limited	13,250,000	3.38000%	June 30, 2010	June 30, 2011	Secured (20 property)	74.4%
Total balance of borrowings		30,454,300					

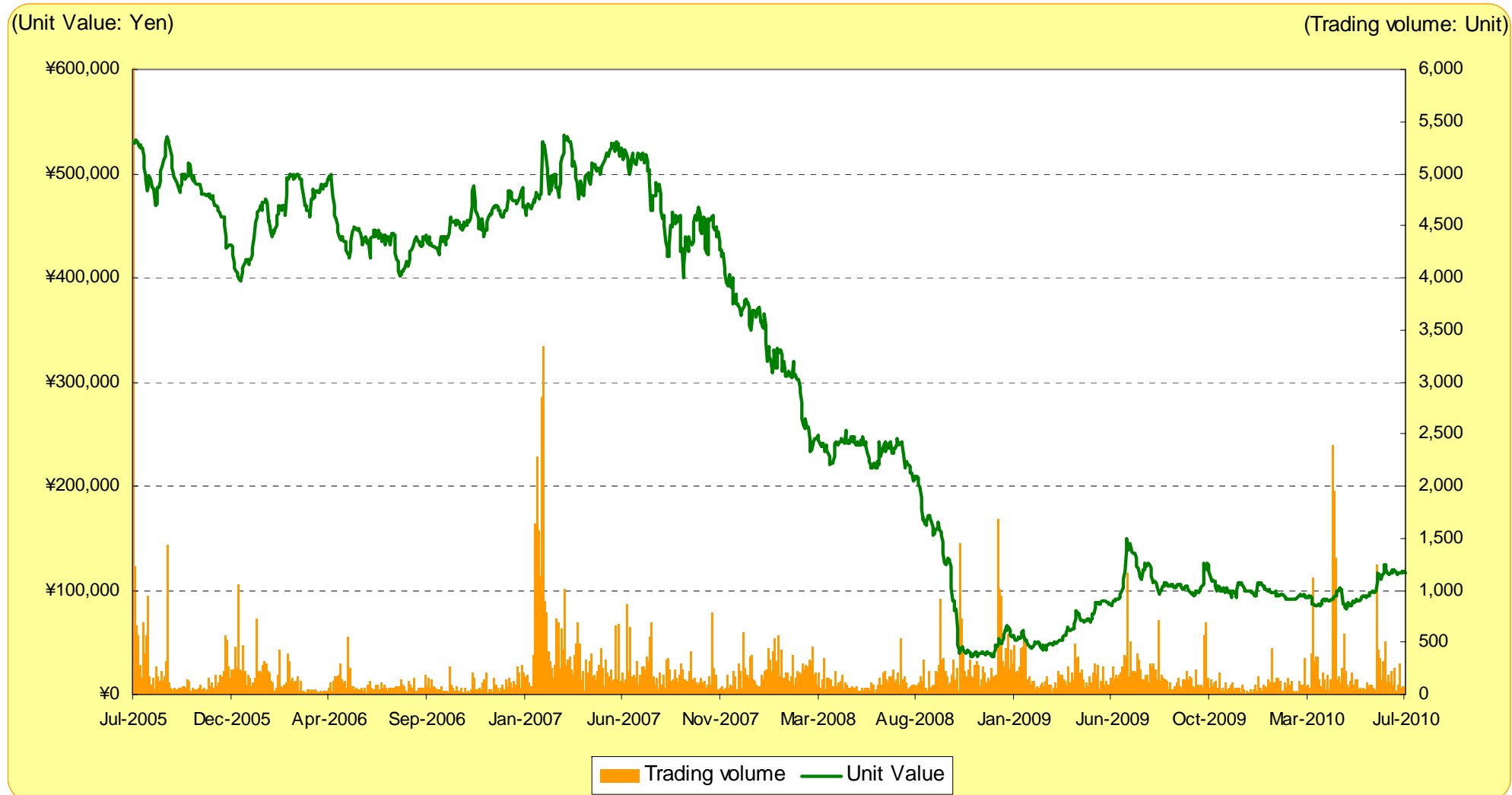
Note1 The repayment dates for borrowings from 6-bank syndicate group and Aozora Bank, Ltd. have been extended to May 31, 2011 due to refinancing.

## 5. Position of investment units

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# Investments Unit

## Transition of unit value and trading volume



(Note) Closing price base from July 13, 2005 to July 31, 2010

# Unitholders at end of 10th fiscal period

## Major unitholders at end of 10th fiscal period

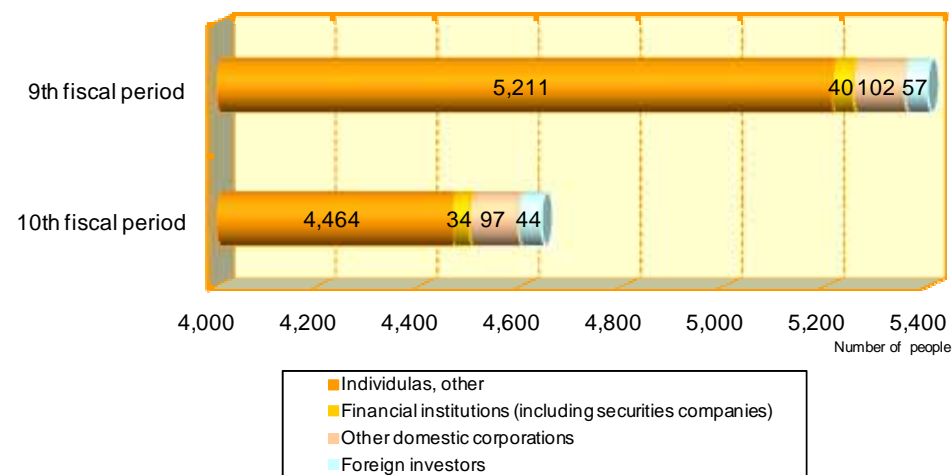
As of July 31, 2010

Name	Number of units held (units)	Ratio of number of units held to units issued and outstanding (%)
Goldman Sachs International	11,238	20.02
Prospect Japan Fund Limited	5,605	9.98
Japan Trustee Services Bank, Ltd. (Trust Account)	4,906	8.74
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	4,331	7.71
CGML London Equity	2,128	3.79
The Okinawa Kaiho Bank, Ltd.	1,729	3.08
BBH for Oppenheimer Quest International Value Fund	1,656	2.95
Minami Nippon Bank, Ltd.	1,553	2.76
BBH for Oppenheimer Master International Value Fund, LLC	882	1.57
Trust & Custody Services Bank Ltd. (Trust Account)	860	1.53
<b>Total</b>	<b>34,888</b>	<b>62.13</b>

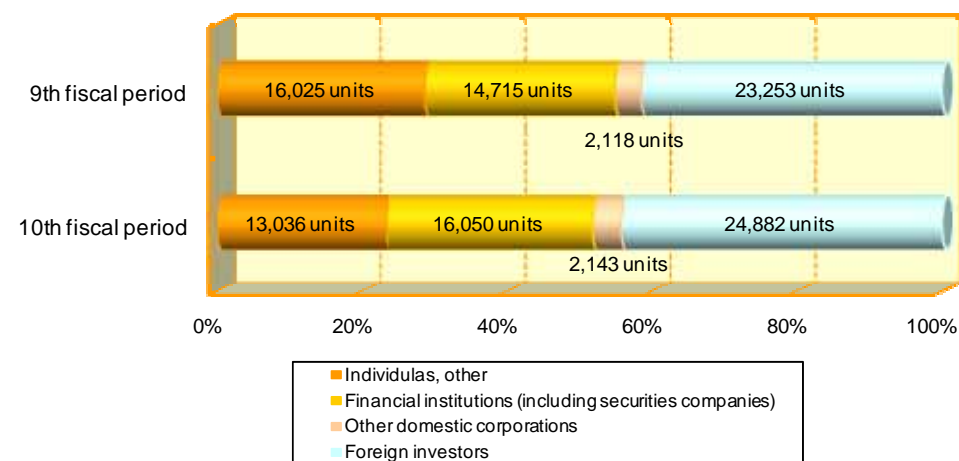
(Note) Percentages shown for the share of units held are rounded to the nearest two decimal places.

## Unitholder composition

### Number of unitholders by owner



### Number of units held by owner





## 6. Reference material

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# Merger with CRESCENDO Investment Corporation

## Steps in the progress of Merger

June 21, 2010	Execution of Merger Agreement with CRESCENDO Investment Corporation
September 1, 2010	Approved a resolution concerning merger at the investors' meeting of Japan Single-residence REIT
September 2, 2010	Changing sponsor (Share Transfer of the asset management company)
October 1, 2010	The merger is to become effective

## Purpose of merger

- ◆ Achieve synergies by combining the complimentary strengths of Japan Single-residence REIT Inc. and CRESCENDO Investment Corporation
- ◆ Pursue new growth strategies made possible by stronger sponsor support and enhanced financial base

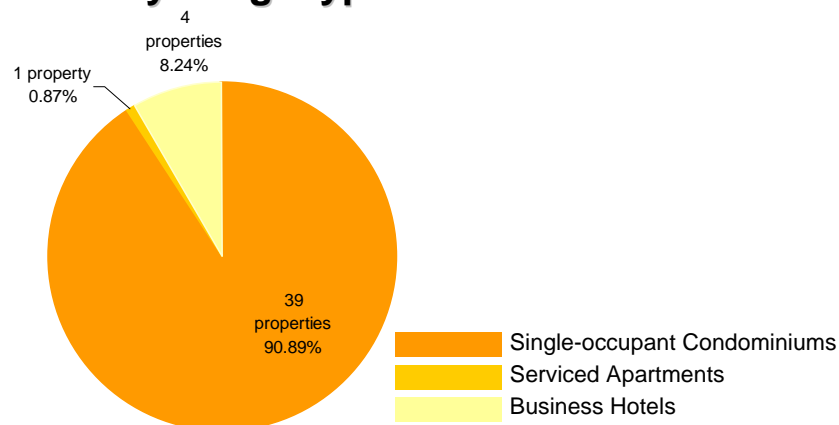
## Use of “negative goodwill”

- ◆ Improved the quality of portfolio assets
- ◆ Financial restructuring

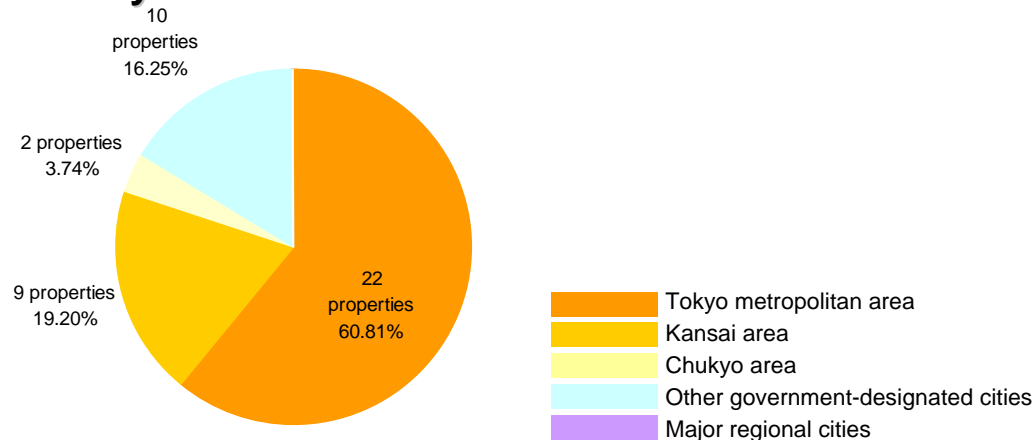
(Note) Although the closing dates of the fiscal periods are currently January 31 and July 31, these will change to May 31 and November 30 as a result of the merger.

# Portfolio details

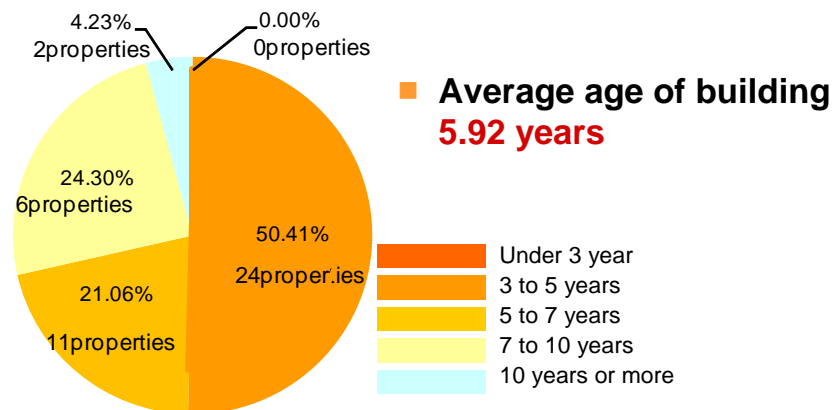
## 1. Ratio by usage type



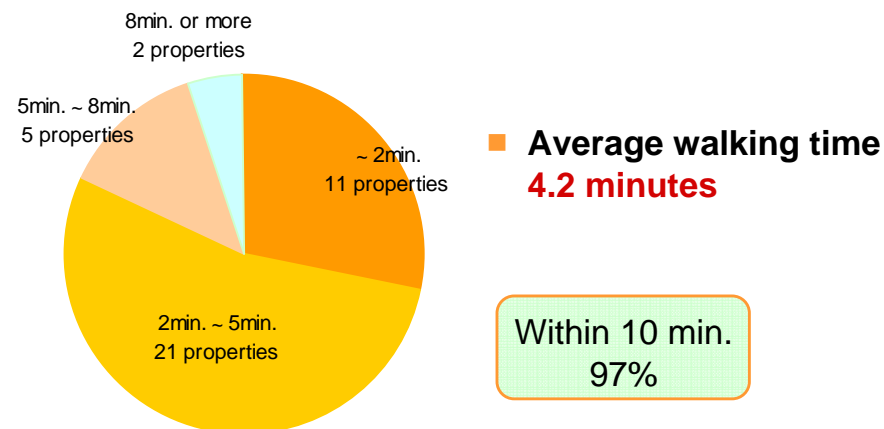
## 2. Ratio by area



## 3. Ratio by age of building



## 4. Walking time from/to nearest station



## 5. Portfolio PML

**4.16**

Note 1 The calculation of ratio of the above chart is based on acquisition value.

Note 2 The age of building is the term between the time of construction appearing in the building registry and end of the fiscal period.

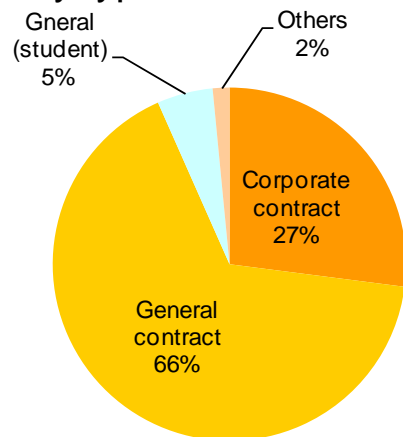
Note 3 The average age of building is the weighted average number of years based on the acquisition value.

Note 4 Average walking time is average time of 39 single-occupant condominiums.

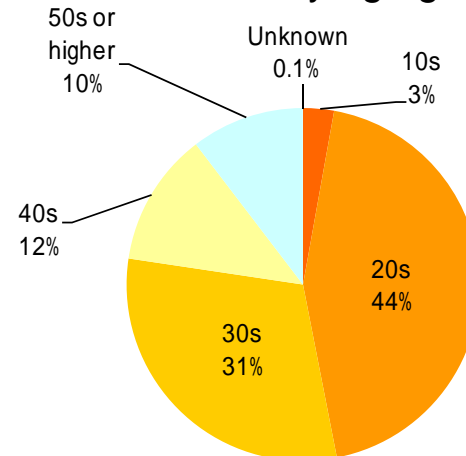
# Tenant affiliation

◆ 9th fiscal period

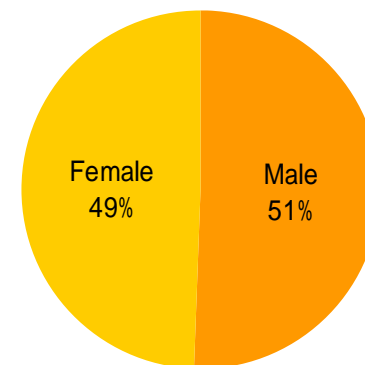
1. By type of contract



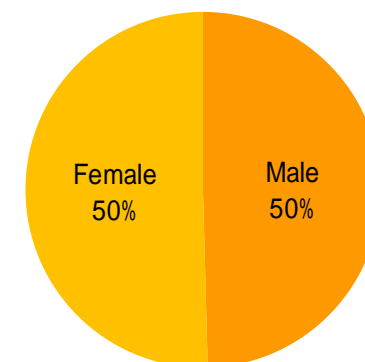
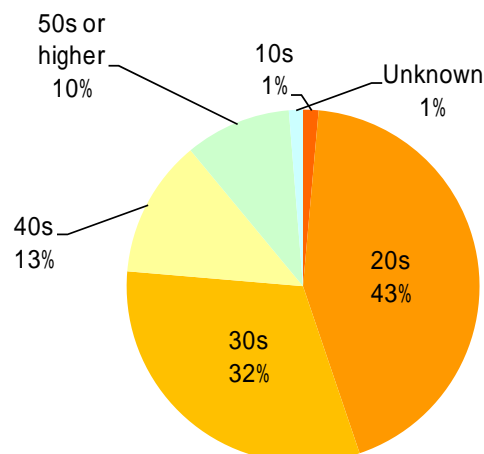
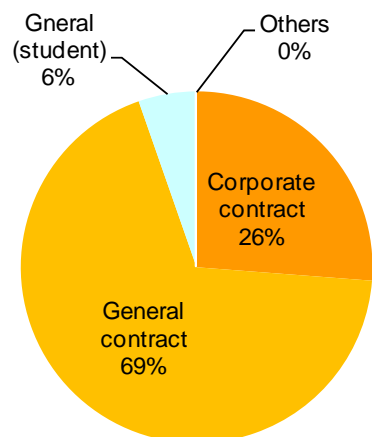
2. General contracts by age group



3. General contracts by gender



◆ 10th fiscal period



# Portfolio map

## Kansai Area



## Sapporo



## Sendai



## Tokyo Area



## Fukuoka



## Nagoya



# Single-residence brand

- ◆ Standardizing the names of properties held in the portfolio to “Single-residence”  
(36 of 39 properties held in the portfolio are Single-residence brand)
- ◆ Providing comfortable living space with keywords “Health” and “Security”

Single-residence

=

Health

×

Security

## Single-residence Medical Support 24

- Health care and medical treatment consulting service by telephone available free of charge 24 hours a day
- Monthly health news bulletins posted by Medical Support 24 in all single-occupant condominiums



## Enhanced Security Facilities

- Providing high security properties to obtain a high level of satisfaction in the daily lives of tenants

Security monitor



Intercom systems with monitors (camera)



Dimple key



Security camera



Sash with dial lock key



Double cylinder





# Portfolio (properties held at end of 10th fiscal period)

Property	Usage (Note 1)	Property name	Location	Date of completion	Number of rentable units (units)	Total rentable area (m <sup>2</sup> )	Occupancy rates at end of fiscal period (%) (Note 2)	Acquisition value (millions of yen)	Book value at end of 10th fiscal period (millions of yen)	Investment ratio (%) (Note 3)	Appraisal value at end of 10th fiscal period (millions of yen)	Appraisal value at end of 10th fiscal period - book value (millions of yen)
M-1	SM	Single-residence Shiba-koen	Tokyo	Aug, 2003	30	1,008.32	100.00%	954.0	933.9	1.69%	812.0	-121.9
M-2	SM	Single-residence Mita	Tokyo	Mar, 2004	47	1,436.83	100.00%	1,250.0	1,217.8	2.21%	1,110.0	-107.8
M-3	SM	Single-residence Takanawa	Tokyo	Feb, 2003	29	1,131.66	88.31%	900.0	879.4	1.59%	747.0	-132.4
M-4	SM	La Residence de Shirokanedai	Tokyo	Feb, 2004	28	1,089.98	92.90%	947.0	942.1	1.67%	759.0	-183.1
M-5	SM	Single-residence Ginzahigashi	Tokyo	Feb, 1999	74	2,072.39	94.42%	1,613.0	1,584.9	2.85%	1,430.0	-154.9
M-6	SM	Single-residence Hatchobori	Tokyo	Jan, 2002	84	2,750.56	90.86%	2,170.0	2,125.2	3.83%	1,890.0	-235.2
M-7	SM	Single-residence Hatchobori	Tokyo	Jan, 2004	37	1,447.33	86.94%	1,010.0	970.7	1.78%	788.0	-182.7
M-8	SM	Single-residence Ginza	Tokyo	Jul, 2004	45	1,118.84	96.00%	1,127.0	1,077.0	1.99%	991.0	-86.0
M-9	SM	TOUR JAUNE Komazawa-koen	Tokyo	Jan, 2001	287	8,141.02	93.41%	7,072.2	7,061.5	12.50%	6,260.0	-801.5
M-10	SM/SA	Single-residence Umeda TOWER (Note4)	Osaka	Aug, 2003	147	4,469.53	98.46%	2,850.0	2,680.6	5.04%	1,940.0	-740.6
M-11	SM	Single-residence Nakanoshima	Osaka	Jun, 2001	38	1,242.30	89.34%	645.0	629.0	1.14%	457.0	-172.0
M-12	SM	Single-residence Awaza	Osaka	Mar, 2002	63	1,618.38	96.80%	664.8	633.5	1.17%	571.0	-62.5
M-13	SM	Single-residence Marunouchi	Nagoya	Feb, 2004	72	1,981.26	87.54%	695.0	666.8	1.23%	643.0	-23.8
M-15	SM	Single-residence Hirao	Fukuoka	Mar, 2003	200	6,262.12	94.27%	2,300.0	2,204.3	4.06%	1,740.0	-464.3
M-16	SM	Single-residence Kawaramachi Nijo	Kyoto	Feb, 2005	50	1,155.03	90.24%	639.0	617.8	1.13%	540.0	-77.8
M-17	SM	Single-residence Minami 6 Jyo	Sapporo	Mar, 2004	29	1,240.93	96.67%	295.0	281.9	0.52%	236.0	-45.9
M-19	SM	Single-residence Tenjin minami	Fukuoka	Feb, 1998	91	2,321.28	95.70%	782.0	781.9	1.38%	647.0	-134.9
M-20	SM	Single-residence Tenjin Higashi	Fukuoka	Aub, 2005	77	1,909.60	88.31%	642.9	609.0	1.14%	471.0	-138.0
M-21	SM	Single-residence Shijyo Kawaramachi	Kyoto	Mar, 2007	131	4,045.94	95.03%	2,500.4	2,511.6	4.42%	1,990.0	-521.6
M-22	SM	La Residence de Sendagi	Tokyo	Feb, 2006	50	1,109.97	100.00%	951.0	947.8	1.68%	818.0	-129.8
M-23	SM	Single-residence Sendagi	Tokyo	Feb, 2006	49	1,340.12	91.13%	1,049.0	1,042.1	1.85%	900.0	-142.1
M-24	SM	Single-residence Komazawa-koen	Tokyo	Jul, 2006	36	901.88	88.89%	708.5	724.8	1.25%	615.0	-109.8
M-25	SM	Single-residence Musashikoyama	Tokyo	Nov, 2006	52	1,121.88	100.00%	930.8	966.1	1.64%	836.0	-130.1
M-26	SM	Single-residence Kokubunji	Tokyo	Jan, 2006	47	1,222.45	98.06%	1,043.8	1,038.5	1.84%	856.0	-182.5
M-27	SM	Single-residence Hisayaodori	Nagoya	Mar, 2006	98	2,757.33	96.87%	1,420.0	1,396.0	2.51%	1,160.0	-236.0
M-28	SM	Single-residence Karasuma Kuramaguchi	Kyoto	Mar, 2007	41	1,297.62	95.15%	685.0	697.4	1.21%	598.0	-99.4
M-29	SM	Single-residence Nishishinjuku WEST	Tokyo	Mar, 2006	77	2,608.43	92.49%	2,291.1	2,291.1	4.05%	1,980.0	-311.1
M-30	SM	Single-residence Nishishinjuku EAST	Tokyo	Mar, 2006	48	1,563.60	95.18%	1,341.5	1,344.6	2.37%	1,160.0	-184.6

# Portfolio (properties held at end of 10th fiscal period)(2)

Property	Usage (Note 1)	Property name	Location	Date of completion	Number of rentable units (units)	Total rentable area (m <sup>2</sup> )	Occupancy rates at end of fiscal period (%) (Note 2)	Acquisition value (millions of yen)	Book value at end of 10th fiscal period (millions of yen)	Investment ratio (%) (Note 3)	Appraisal value at end of 10th fiscal period (millions of yen)	Appraisal value at end of 10th fiscal period - book value (millions of yen)
M-31	SM	Single-residence Higashishinjuku	Tokyo	Mar. 2007	68	1,788.84	98.57%	1,560.0	1,549.3	2.76%	1,360.0	-189.3
M-32	SM	Single-residence Higashishinsaibashi	Osaka	Sep. 2006	38	1,185.52	97.72%	730.0	730.2	1.29%	577.0	-153.2
M-33	SM	Single-residence Kitayobancho	Sendai	Jan. 2007	90	2,234.20	85.55%	954.0	942.9	1.69%	816.0	-126.9
M-34	SM	Single-residence Atagobashi	Sendai	Jan. 2007	79	1,964.87	98.75%	815.0	802.2	1.44%	712.0	-90.2
M-35	SM	Single-residence Kyudaibyoin-mae	Fukuoka	Jan. 2007	47	1,525.09	86.07%	530.0	543.5	0.94%	438.0	-105.5
M-36	SM	Single-residence Asakusabashi	Tokyo	Sep. 2006	39	1,209.78	94.87%	940.0	939.2	1.66%	770.0	-169.2
M-37	SM	Single-residence Ichibancho	Sendai	Feb. 2007	78	2,106.38	91.71%	993.0	983.4	1.75%	864.0	-119.4
M-38	SM	Single-residence Higashinakano	Tokyo	Feb. 2007	49	1,341.66	91.45%	1,142.8	1,145.5	2.02%	960.0	-185.5
M-39	SM	Single-residence Minami 5 Jyo	Sapporo	Jan. 2007	50	1,458.00	100.00%	494.8	513.7	0.87%	424.0	-89.7
M-41	SM	Single-residence Waseda First-Square	Tokyo	May 2007	121	2,964.81	94.24%	3,018.3	3,025.3	5.33%	2,280.0	-745.3
M-42	SM	Single-residence Waseda Second-Square	Tokyo	May 2007	51	1,223.79	93.09%	1,274.5	1,287.9	2.25%	941.0	-346.9
Subtotal					2,767	79,369.52	93.99%	51,930.6	51,320.3	91.76%	43,087.0	-8,233.3
H-1	BH	Super Hotel Osaka Tennoji	Osaka	Jan. 2004	124	2,486.39	100.00%	1,173.0	1,133.8	2.07%	1,120.0	-13.8
H-2	BH	Super Hotel Kyoto Karasumagojyo	Kyoto	Jan. 2004	108	2,144.02	100.00%	978.0	945.6	1.73%	936.0	-9.6
H-3	BH	Super Hotel Saitama Omiya	Saitama	Jul. 2006	157	2,946.55	100.00%	1,120.0	1,089.4	1.98%	1,000.0	-89.4
H-4	BH	Super Hotel Sendai Hirose-dori	Sendai	Jan. 2007	180	3,283.95	100.00%	1,390.0	1,348.7	2.46%	1,250.0	-98.7
Subtotal					569	10,860.91	100.00%	4,661.0	4,517.5	8.24%	4,306.0	-211.5
Total					3,336	90,230.43	94.72%	56,591.6	55,837.8	100.00%	47,393.0	-8,444.8

Note 1 In the "Usage" column, "SM" refers to single-occupant condominiums, "SA" refers to serviced apartments, and "BH" refers to business hotels.

Note 2 "Occupancy rates at end of fiscal period" is as of July 31, 2010. The value is the percentage of the rent area to the total rentable area of the real estate property in trust. The percentage value is rounded to the nearest hundredth (two decimal places).

Note 3 "Investment ratio" shows percentage of the acquisition value to the total acquisition value.

Note 4 Property M-10, Single-residence UMEDA TOWER, contains both a single-occupant condominium (SM) component and a serviced apartment (SA) component. The values shown in the table above include the serviced apartment (SA) component.



# NOI yield by property, area and asset type at end of 10th fiscal period

Property Number	Usage (Note 1)	Area (Note 2)	Property Name	Date of acquisition	Acquisition value (thousands of yen)	Book value at end of period (thousands of yen)	Real estate rent operating revenue	Real estate expenses related to rent business	Depreciation and amortization (thousands of yen)	As of July 31, 2010					
										10th fiscal period NOI (results) (Note 3)	NOI yields (to acquisition value) (Note 4)	NOI yield (to book value)	Income after depreciation	Yield after depreciation (to acquisition value)	Yield after depreciation (to book value)
M-1	SM	Tokyo Area	Single-residence Shiba-koen	2005/7/15	954,000	933,857	28,480	9,736	5,074	23,818	5.0%	5.1%	18,743	3.9%	4.0%
M-2	SM	Tokyo Area	Single-residence Mita	2005/7/15	1,250,000	1,217,800	36,703	12,441	7,088	31,349	5.0%	5.1%	24,261	3.9%	4.0%
M-3	SM	Tokyo Area	Single-residence Takanawa	2005/7/13	900,000	879,411	25,765	12,001	5,542	19,307	4.3%	4.4%	13,764	3.1%	3.1%
M-4	SM	Tokyo Area	La Residence de Shirokanedai	2005/7/15	947,000	942,109	25,684	11,343	4,049	18,390	3.9%	3.9%	14,340	3.0%	3.0%
M-5	SM	Tokyo Area	Single-residence Ginza Higashi	2005/7/15	1,613,000	1,584,940	50,985	18,366	8,533	41,152	5.1%	5.2%	32,618	4.0%	4.1%
M-6	SM	Tokyo Area	Single-residence Hatchobori	2005/7/13	2,170,000	2,125,247	64,567	28,941	14,724	50,350	4.6%	4.7%	35,626	3.3%	3.4%
M-7	SM	Tokyo Area	Single-residence Hatchobori	2005/7/15	1,010,000	970,702	29,110	16,516	8,940	21,535	4.3%	4.4%	12,594	2.5%	2.6%
M-8	SM	Tokyo Area	Single-residence Ginza	2005/7/13	1,127,000	1,077,039	32,284	17,426	8,928	23,786	4.2%	4.4%	14,858	2.6%	2.8%
M-9	SM	Tokyo Area	TOUR JAUNE Komazawa-koen	2005/7/15	7,072,200	7,061,497	218,766	75,529	26,294	169,532	4.8%	4.8%	143,237	4.1%	4.1%
M-10	SM/SA	Kansai Area	Single-residence Umeda TOWER	2005/7/15	2,850,000	2,680,631	88,263	58,072	32,190	62,381	4.4%	4.7%	30,191	2.1%	2.3%
M-11	SM	Kansai Area	Single-residence Nakanoshima	2005/7/13	645,000	629,021	20,838	11,878	5,193	14,153	4.4%	4.5%	8,960	2.8%	2.8%
M-12	SM	Kansai Area	Single-residence Awaza	2005/7/13	664,800	633,501	25,310	13,233	6,710	18,787	5.7%	5.9%	12,076	3.6%	3.8%
M-13	SM	Chukyo Area	Single-residence Marunouchi	2005/7/13	695,000	666,761	28,327	17,485	7,886	18,729	5.4%	5.6%	10,842	3.1%	3.3%
M-15	SM	Government-designated cities	Single-residence Hirao	2005/7/13	2,300,000	2,204,257	79,605	47,428	21,544	53,721	4.7%	4.9%	32,177	2.8%	2.9%
M-16	SM	Kansai Area	Single-residence Kawaramachi Nijo	2005/9/28	639,000	617,835	22,896	10,274	4,305	16,927	5.3%	5.5%	12,621	4.0%	4.1%
M-17	SM	Government-designated cities	Single-residence Minami 6 Jyo	2005/9/28	295,000	281,896	12,190	8,672	3,618	7,137	4.8%	5.1%	3,518	2.4%	2.5%
M-19	SM	Government-designated cities	Single-residence Tenjin minami	2005/9/28	782,000	781,894	31,207	13,282	4,504	22,429	5.7%	5.7%	17,924	4.6%	4.6%
M-20	SM	Government-designated cities	Single-residence Tenjin Higashi	2005/9/28	642,912	609,039	24,515	16,190	7,942	16,267	5.1%	5.3%	8,325	2.6%	2.7%
M-21	SM	Kansai Area	Single-residence Shiyo Kawaramachi	2007/4/27	2,500,400	2,511,603	76,835	33,838	16,304	59,301	4.7%	4.7%	42,996	3.4%	3.4%
M-22	SM	Tokyo Area	La Residence de Sendagi	2006/4/17	951,000	947,793	32,257	12,744	4,244	23,758	5.0%	5.0%	19,513	4.1%	4.1%
M-23	SM	Tokyo Area	Single-residence Sendagi	2006/4/17	1,049,000	1,042,125	34,521	14,802	5,077	24,796	4.7%	4.8%	19,719	3.8%	3.8%
M-24	SM	Tokyo Area	Single-residence Komazawa-koen	2006/9/29	708,550	724,822	21,853	9,383	3,767	16,238	4.6%	4.5%	12,470	3.5%	3.4%
M-25	SM	Tokyo Area	Single-residence Musashikoyama	2007/2/28	930,832	966,101	30,131	10,002	4,099	24,229	5.2%	5.0%	20,129	4.3%	4.2%
M-26	SM	Tokyo Area	Single-residence Kokubunji	2006/9/29	1,043,800	1,038,492	32,451	12,121	5,022	25,352	4.9%	4.9%	20,329	3.9%	3.9%
M-27	SM	Chukyo Area	Single-residence Hisayaodori	2006/10/31	1,420,000	1,396,039	47,927	20,998	8,304	35,234	5.0%	5.0%	26,929	3.8%	3.9%
M-28	SM	Kansai Area	Single-residence Karasuma Kuramaguchi	2007/4/27	685,000	697,358	22,940	9,559	4,212	17,593	5.1%	5.0%	13,381	3.9%	3.8%
M-29	SM	Tokyo Area	Single-residence Nishishinjuku WEST	2007/2/28	2,291,100	2,291,102	66,462	22,544	8,181	52,099	4.5%	4.5%	43,917	3.8%	3.8%
M-30	SM	Tokyo Area	Single-residence Nishishinjuku EAST	2007/2/28	1,341,500	1,344,595	42,991	14,292	5,156	33,855	5.0%	5.0%	28,698	4.3%	4.3%
M-31	SM	Tokyo Area	Single-residence Higashishinjuku	2007/3/30	1,560,000	1,549,282	48,704	19,051	7,852	37,504	4.8%	4.8%	29,652	3.8%	3.8%
M-32	SM	Kansai Area	Single-residence Higashishinsaibashi	2007/2/23	730,000	730,170	22,722	9,028	3,550	17,244	4.7%	4.7%	13,694	3.8%	3.8%
M-33	SM	Government-designated cities	Single-residence Kitayobancho	2007/3/29	954,000	942,873	34,923	17,267	7,642	25,298	5.3%	5.4%	17,655	3.7%	3.7%
M-34	SM	Government-designated cities	Single-residence Atagobashi	2007/2/23	815,000	802,161	32,907	15,578	7,596	24,926	6.1%	6.2%	17,329	4.3%	4.3%
M-35	SM	Government-designated cities	Single-residence Kyudaiyoin-mae	2007/4/27	530,000	543,479	19,506	11,244	4,844	13,106	4.9%	4.8%	8,262	3.1%	3.0%
M-36	SM	Tokyo Area	Single-residence Asakusabashi	2007/3/29	940,000	939,154	25,335	9,849	4,229	19,714	4.2%	4.2%	15,485	3.3%	3.3%
M-37	SM	Government-designated cities	Single-residence Ichibancho	2007/3/29	993,000	983,376	37,659	16,055	6,968	28,572	5.8%	5.8%	21,604	4.4%	4.4%
M-38	SM	Tokyo Area	Single-residence Higashinakano	2007/5/31	1,142,857	1,145,497	30,948	11,215	5,090	24,823	4.3%	4.3%	19,733	3.5%	3.4%
M-39	SM	Government-designated cities	Single-residence Minami 5 Jyo	2007/7/30	494,810	513,711	17,651	7,687	4,364	14,328	5.8%	5.6%	9,964	4.0%	3.9%
M-41	SM	Tokyo Area	Single-residence Waseda First-Square	2008/1/17	3,018,350	3,025,253	75,665	29,821	11,774	57,619	3.8%	3.8%	45,844	3.0%	3.0%
M-42	SM	Tokyo Area	Single-residence Waseda Second-Square	2008/1/17	1,274,500	1,287,878	31,771	13,478	4,965	23,258	3.6%	3.6%	18,292	2.9%	2.8%
Subtotal					51,930,611	51,320,301	1,631,654	719,369	316,304	1,228,597	4.7%	4.8%	912,290	3.5%	3.6%

# NOI yield by property, area and asset type at end of 10th fiscal period (2)

## NOI yield by property

Property Number	Usage (Note 1)	Area (Note 2)	Property Name	Date of acquisition	Acquisition value (thousands of yen)	As of July 31, 2010									
						Book value at end of period (thousands of yen)	Real estate rent operating revenue	Real estate expenses related to rent business	Depreciation and amortization (thousands of yen)	10th fiscal period NOI (results) (Note 3)	NOI yields (to acquisition value) (Note 4)	NOI yield (to book value)	Income after depreciation	Yield after depreciation (to acquisition value)	Yield after depreciation (to book value)
H-1	BH	Kansai Area	Super Hotel Osaka Tennoji	2005/7/13	1,173,000	1,133,816	37,620	13,539	9,006	33,087	5.6%	5.8%	24,080	4.1%	4.2%
H-2	BH	Kansai Area	Super Hotel Kyoto Karasumagojiyo	2005/7/13	978,000	945,626	31,182	11,491	7,555	27,246	5.6%	5.8%	19,690	4.0%	4.2%
H-3	BH	Tokyo Area	Super Hotel Saitama Omiya	2006/10/31	1,120,000	1,089,368	35,736	14,405	8,927	30,257	5.4%	5.6%	21,330	3.8%	3.9%
H-4	BH	Government-designated cities	Super Hotel Sendai Hirose-dori	2007/4/3	1,390,000	1,348,716	44,220	20,035	13,268	37,453	5.4%	5.6%	24,184	3.5%	3.6%
Subtotal					4,661,000	4,517,526	148,758	59,470	38,756	128,043	5.5%	5.7%	89,287	3.8%	4.0%
Total					56,591,611	55,837,827	1,780,412	778,839	355,060	1,356,640	4.8%	4.9%	1,001,576	3.5%	3.6%

## NOI yield by area

	Acquisition value (thousands of yen)	Book value at end of period (thousands of yen)	Real estate rent operating revenue	Real estate expenses related to rent business	Depreciation and amortization (thousands of yen)	10th fiscal period NOI (results) (Note 3)	NOI yields (to acquisition value) (Note 4)	NOI yield (to book value)	Income after depreciation	Yield after depreciation (to acquisition value)	Yield after depreciation (to book value)
Tokyo Area	34,414,689	34,184,072	1,021,181	396,016	167,568	792,732	4.6%	4.6%	625,164	3.6%	3.7%
Chukyo Area	2,115,000	2,062,800	76,255	38,483	16,191	53,963	5.1%	5.2%	37,772	3.6%	3.7%
Kansai Area	10,865,200	10,579,565	348,610	170,916	89,029	266,723	4.9%	5.0%	177,694	3.3%	3.4%
Government-designated cities	9,196,722	9,011,407	334,387	173,441	82,294	243,240	5.3%	5.4%	160,946	3.5%	3.6%
Total	56,591,611	55,837,846	1,780,435	778,858	355,083	1,356,660	4.8%	4.9%	1,001,576	3.5%	3.6%

## NOI yield by asset type

	Acquisition value (thousands of yen)	Book value at end of period (thousands of yen)	Real estate rent operating revenue	Real estate expenses related to rent business	Depreciation and amortization (thousands of yen)	10th fiscal period NOI (results) (Note 3)	NOI yields (to acquisition value) (Note 4)	NOI yield (to book value)	Income after depreciation	Yield after depreciation (to acquisition value)	Yield after depreciation (to book value)
SM	51,930,611	51,320,318	1,631,677	719,387	316,325	1,228,615	4.7%	4.8%	912,289	3.5%	3.6%
BH	4,661,000	4,517,527	148,758	59,470	38,757	128,044	5.5%	5.7%	89,287	3.8%	4.0%
Total	56,591,611	55,837,846	1,780,435	778,858	355,083	1,356,660	4.8%	4.9%	1,001,576	3.5%	3.6%

Note 1 In the "Usage" column, "SM" refers to single-occupant condominiums, "SA" refers to serviced apartments, and "BH" refers to business hotels.

Note 2 In the "Area" column, "Tokyo metropolitan area" refers to Tokyo, Kanagawa, Saitama and Chiba Prefectures. "Kansai area" stands for Osaka, Hyogo and Kyoto Prefectures. "Chukyo area" refers to Aichi Prefecture and "government-designated cities" refers to any other major cities designated by government ordinance.

Note 3 In the "NOI results" column, the NOI (real estate rent operating revenue - real estate expenses related to rent business + depreciation and amortization) for the operating period in 10th fiscal period is shown.

Note 4 In the "NOI yield (to acquisition value)" column, the annual rate conversion of the "acquisition value" to "10th fiscal period NOI (results)" is shown.

# Income and expense for each individual property at end of 10th fiscal period

(Thousands of yen)

Property No.	M-1	M-2	M-3	M-4	M-5	M-6	M-7	M-8	M-9	M-10	M-11	M-12
Property Name	Single-residence Shibakoen	Single-residence Mita	Single-residence Takanawa	La Residence de Shirokanedai	Single-residence Ginzahigashi	Single-residence Hatchobori	Single-residence Hatchobori	Single-residence Ginza	Tour Jaune Komazawa-koen	Single-residence Umeda TOWER	Single-residence Nakanoshima	Single-residence Awaza
Calculating period from to	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010
Number of calculating days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
Occupancy rates at end of fiscal period	100.00%	100.00%	88.31%	92.90%	94.42%	90.86%	86.94%	96.00%	93.41%	98.46%	89.34%	96.80%
A . Rent revenue - real estate	28,480	36,703	25,765	25,684	50,985	64,567	29,110	32,284	218,766	88,263	20,838	25,310
Rent and common service fees	28,356	36,552	24,326	24,844	49,943	62,894	28,061	31,239	213,743	86,246	20,104	24,946
Other revenue	124	151	1,438	839	1,041	1,672	1,049	1,045	5,023	2,017	734	364
B . Expenses related to rent business	4,662	5,353	6,458	7,294	9,832	14,216	7,575	8,498	49,234	25,882	6,685	6,523
Property management consignment	1,644	1,807	3,375	1,407	5,646	6,967	3,474	4,765	23,142	12,475	2,948	2,820
Utilities	-	2	-	11	427	720	547	438	3,073	1,912	389	30
Taxes and public dues	1,689	2,008	1,446	1,245	2,171	3,069	1,664	1,852	11,852	6,573	1,336	1,931
Repairs	493	531	959	750	717	2,633	1,087	790	6,334	3,957	1,066	1,121
Insurance	64	80	49	51	86	125	74	71	434	322	57	89
Other expenses	770	923	626	3,828	783	701	727	579	4,396	641	887	529
C . Net rent revenue (NOI = (A-B))	23,818	31,349	19,307	18,390	41,152	50,350	21,535	23,786	169,532	62,381	14,153	18,787
D . Depreciation and amortization	5,074	7,088	5,542	4,049	8,533	14,724	8,940	8,928	26,294	32,190	5,193	6,710
E . Rent business income = (C-D)	18,743	24,261	13,764	14,340	32,618	35,626	12,594	14,858	143,237	30,191	8,960	12,076

Property No.	M-13	M-15	M-16	M-17	M-19	M-20	M-21	M-22	M-23	M-24	M-25	M-26
Property Name	Single-residence Marunouchi	Single-residence Hirao	Single-residence Kawaramachi Nijo	Single-residence Minami 6 Jyo	Single-residence Tenjin minami	Single-residence Tenjinhigashi	Single-residence Shijo Kawaramachi	La Residence de Sendagi	Single-residence Sendagi	Single-residence Komazawa-koen	Single-residence Musashikoyama	Single-residence Kokubunji
Calculating period from to	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010
Number of calculating days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
Occupancy rates at end of fiscal period	87.54%	94.27%	90.24%	96.67%	95.70%	88.31%	95.03%	100.00%	91.13%	88.89%	100.00%	98.06%
A . Rent revenue - real estate	28,327	79,605	22,896	12,190	31,207	24,515	76,835	32,257	34,521	21,853	30,131	32,451
Rent and common service fees	25,840	75,594	21,467	11,048	29,660	22,711	69,628	28,890	31,050	21,082	29,602	30,948
Other revenue	2,486	4,010	1,429	1,142	1,546	1,804	7,206	3,367	3,471	771	529	1,502
B . Expenses related to rent business	9,598	25,884	5,968	5,053	8,777	8,247	17,534	8,499	9,724	5,615	5,902	7,099
Property management consignment	4,046	8,348	2,847	1,826	3,813	2,933	7,580	4,917	5,110	2,644	3,483	3,914
Utilities	-	1,930	-	-	1,256	635	2,306	-	-	268	229	264
Taxes and public dues	1,842	6,175	1,246	1,109	2,196	1,846	4,506	1,048	1,140	1,181	1,279	1,709
Repairs	3,068	7,026	1,138	1,571	849	1,941	943	161	195	793	52	555
Insurance	98	290	49	44	90	83	155	40	47	39	48	55
Other expenses	543	2,112	686	500	571	806	2,040	2,330	3,230	687	809	600
C . Net rent revenue (NOI = (A-B))	18,729	53,721	16,927	7,137	22,429	16,267	59,301	23,758	24,796	16,238	24,229	25,352
D . Depreciation and amortization	7,886	21,544	4,305	3,618	4,504	7,942	16,304	4,244	5,077	3,767	4,099	5,022
E . Rent business income = (C-D)	10,842	32,177	12,621	3,518	17,924	8,325	42,996	19,513	19,719	12,470	20,129	20,329

# Income and expense for each individual property at end of 10th fiscal period (2)

(Thousands of yen)

Property No.	M-27	M-28	M-29	M-30	M-31	M-32	M-33	M-34	M-35	M-36	M-37	M-38
Property Name	Single-residence Hisayadori	Single-residence Karasuma Kuramaguchi	Single-residence Nishishinjuku WEST	Single-residence Nishishinjuku EAST	Single-residence Higashishinjuku	Single-residence Higashishinsaibashi	Single-residence Kitayobancho	Single-residence Atagobashi	Single-residence Kyudaibyo-in-mae	Single-residence Asakusabashi	Single-residence Ichibancho	Single-residence Higashinakano
Calculating period from to	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010
Number of calculating days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
Occupancy rates at end of fiscal period	96.87%	95.15%	92.49%	95.18%	98.57%	97.72%	85.55%	98.75%	86.07%	94.87%	91.71%	91.45%
A. Rent revenue - real estate	47,927	22,940	66,462	42,991	48,704	22,722	34,923	32,907	19,506	25,335	37,659	30,948
Rent and common service fees	44,618	21,658	62,340	39,947	47,357	21,855	32,792	31,381	18,946	24,465	36,097	30,431
Other revenue	3,308	1,281	4,121	3,043	1,346	867	2,130	1,526	560	869	1,561	517
B. Expenses related to rent business	12,693	5,346	14,362	9,135	11,199	5,478	9,625	7,981	6,399	5,620	9,087	6,124
Property management consignment	5,855	2,578	8,561	6,507	7,608	2,617	5,177	4,367	2,343	2,711	4,723	3,515
Utilities	575	483	-	-	-	-	-	-	295	-	-	314
Taxes and public dues	2,953	1,260	2,469	1,260	1,514	1,365	2,640	2,472	1,343	1,102	2,798	805
Repairs	2,098	322	2,177	458	1,198	844	1,107	383	1,168	637	841	559
Insurance	112	43	109	67	78	44	93	91	58	54	84	55
Other expenses	1,099	658	1,044	841	800	606	606	666	1,190	1,113	639	873
C. Net rent revenue (NOI = (A-B))	35,234	17,593	52,099	33,855	37,504	17,244	25,298	24,926	13,106	19,714	28,572	24,823
D. Depreciation and amortization	8,304	4,212	8,181	5,156	7,852	3,550	7,642	7,596	4,844	4,229	6,968	5,090
E. Rent business income = (C-D)	26,929	13,381	43,917	28,698	29,652	13,694	17,655	17,329	8,262	15,485	21,604	19,733

Property No.	M-39	M-41	M-42	H-1	H-2	H-3	H-4
Property Name	Single-residence Minami 5 Jyo	Single-residence Waseda First-Square	Single-residence Waseda Second-Square	Super Hotel Osaka Tennoji	Super Hotel Kyoto Karasuma-gojo	Super Hotel Saitama Omiya	Super Hotel Sendai Hirose-dori
Calculating period from to	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010	February 1, 2010 July 31, 2010
Number of calculating days	181 days	181 days	181 days	181 days	181 days	181 days	181 days
Occupancy rates at end of fiscal period	100.00%	94.24%	93.09%	100.00%	100.00%	100.00%	100.00%
A. Rent revenue - real estate	17,651	75,665	31,771	37,620	31,182	35,736	44,220
Rent and common service fees	17,636	72,795	30,162	37,620	31,182	35,736	44,220
Other revenue	14	2,869	1,608	-	-	-	-
B. Expenses related to rent business	3,323	18,046	8,512	4,532	3,935	5,478	6,766
Property management consignment	643	10,708	5,050	-	-	-	-
Utilities	436	839	443	-	-	-	-
Taxes and public dues	1,532	2,062	876	3,887	3,305	4,782	6,055
Repairs	60	2,081	829	-	-	-	-
Insurance	50	140	57	94	79	95	111
Other expenses	600	2,213	1,255	550	550	600	600
C. Net rent revenue (NOI = (A-B))	14,328	57,619	23,258	33,087	27,246	30,257	37,453
D. Depreciation and amortization	4,364	11,774	4,965	9,006	7,555	8,927	13,268
E. Rent business income = (C-D)	9,964	45,844	18,292	24,080	19,690	21,330	24,184

(Note)

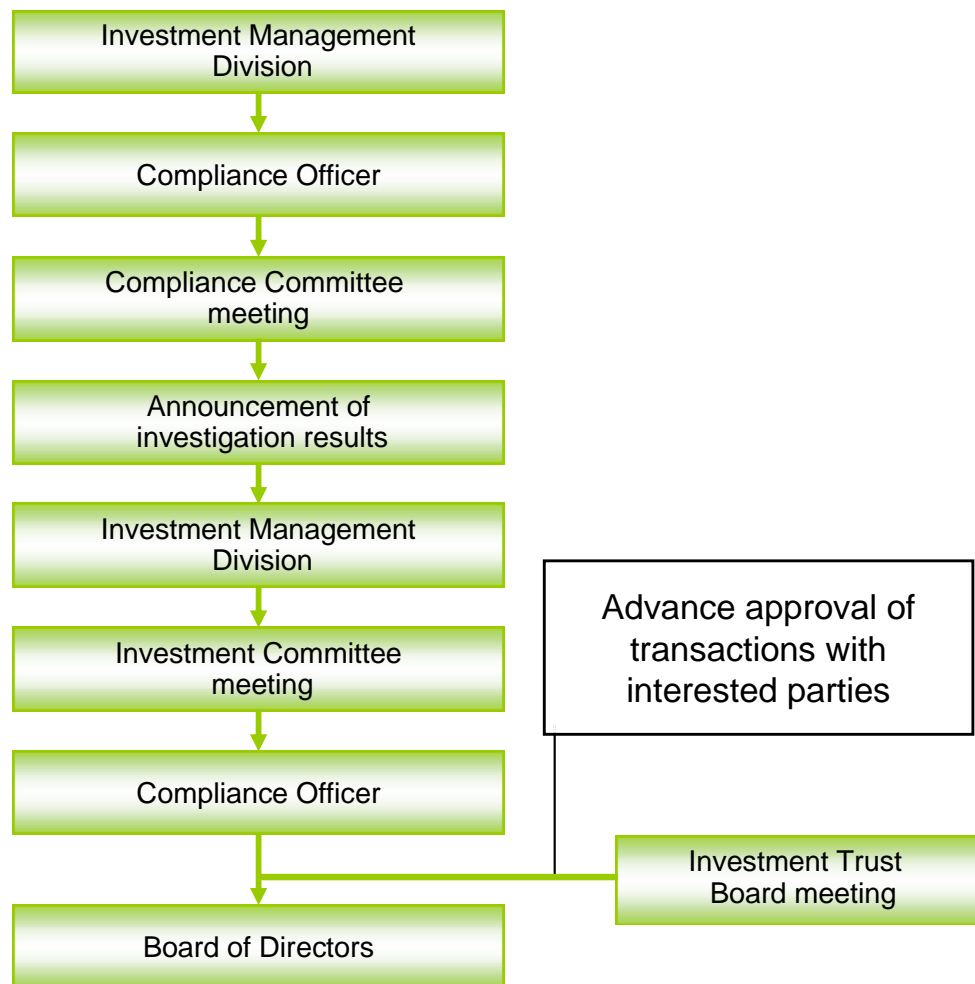
Revenue of individual real estate properties in trust  
The following shows the revenue of each real estate properties in trust.

- 1) Monetary amounts are rounded down to the nearest one thousand yen, therefore, adding all the amounts individually may not result in the total amounts provided.
- 2) Monetary amounts do not include consumption taxes or other taxes.
- 3) In the "Rent and common service fees" column, amounts include rent, management fees (common service fees), parking lot fees, waterworks, etc.
- 4) In the "Other revenue" column, amounts include key money, renewal fees, restoration cost to the original condition etc.
- 5) In principal, the duty to pay the fixed-property tax, city planning tax and amortized asset tax included in "Taxes and public dues" is imposed on all owners as of January 1 of every year. The amount of unexpired fixed-property tax for the previous owners at the time of acquisition is added to the amount of decrease in acquisition value for real estate as part of incidental costs and therefore not added to expenses related to rent business.
- 6) In the "Other expenses" column, the amount shown is the total trust remunerations added to leases.
- 7) "Occupancy rates at end of fiscal period" are the total rent area appearing in lease agreements executed with end tenants on the last day of each corresponding period against the total rentable area of each real estate property in trust. The percentage value is rounded to the nearest hundredth (two decimal places).

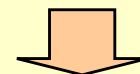
# Compliance system

## ◆ Strengthening of legal compliance system for management companies

### Decision making process

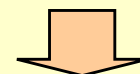


### Transactions with interested parties



Interested parties are strictly defined and any transaction with same where a conflict of interest exists is prohibited under Internal Regulations

### Formulation of internal system within management companies



Awareness towards compliance can be increased through periodic in-house training sessions along with the establishment of a code of conduct and office rules for all officers and regular employees within each of their regulations

# Vision of Japan Single-residence REIT

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Japan Single-residence REIT Inc. desires to realize

**“the creation of a genuine single-occupant residence market”  
and**

**“the creation of attractive, highly liquid investment  
opportunities”**

through its management of single-occupant residences.



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