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To All Concerned Parties

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Progress Report Concerning Initiatives to Improve Access to Loans

Japan Single-residence REIT Inc. (“Japan Single-residence REIT”) and Japan Single-residence Asset Management Corp. (“Japan Single-residence Asset Management”) have been considering measures to improve the ability of Japan Single-residence REIT to obtain loans. The following is a progress report concerning this process.

1. Status of consideration of possible initiatives

As was announced on April 30, 2010 in a press release titled “Notice of the Revised Operation Results Forecasts for the Fiscal Period ending July 2010,” the substantial total cost of borrowings is having an impact on ordinary income. Japan Single-residence REIT and Japan Single-residence Asset Management have been considering a variety of initiatives, including a possible corporate reorganization, for the purposes of improving access to loans and lowering the cost of borrowings.

Thus far, the two companies have taken steps to obtain the smooth refinancing of loans while cooperating with lenders. The two companies also continue to hold extensive studies with regard to many initiatives, including a possible corporate reorganization. However, as of today, these activities have not reached the stage at which specific items can be reported. The two companies will continue to perform these studies with the aim of reaching a point where it is possible to announce specific actions.

Consequently, Japan Single-residence REIT plans to submit another progress report to unitholders by no later than the end of June 2010.

2. Outlook for operation results

There is currently no change in the forecasts for operation results for the fiscal period ending July 2010 (February 1, 2010 to July 31, 2010). An announcement will be made promptly if there is any important new information.