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REIT Issuer

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Asset Management Company

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Notice Concerning Transfer of Domestic Asset (HF NAKANOSHIMA RESIDENCE)

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

Details

1. Overview of the Transfer

Property number	Property name	Type of specified asset	Transfer price (million yen) (Note 1)	Book value (million yen) (Note 2)	Estimated gain (million yen) (Note 3)
Re-45	HF NAKANOSHIMA RESIDENCE	Trust beneficial interest in real estate	575	400	157

(Note 1) “Transfer price” is the price described in the trust beneficial interest 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 estimated amount as of the scheduled transfer date. The same will apply below.

(Note 3) “Estimated gain” is the difference between the scheduled transfer price and the sum of the book value and fees related to the transfer. Since the gain has been calculated for reference only, it may differ from the amount of actual gain (loss) on transfer.

(Note 4) “Book value” and “Estimated gain” are amounts below a million yen have been rounded off.

- (1) Agreement execution date: December 19, 2023
- (2) Scheduled transfer date: December 22, 2023
- (3) Transferee: Undisclosed (Note1)
- (4) Method of settlement: Lump-sum payment at time of delivery
- (5) Brokerage: Applicable (Note2)

(Note1) Not disclosed as consent cannot be obtained from the transferee. The transferee does not fall under a party with a special interest in the Investment Corporation and the Asset Management Company.

(Note2) The broker does not fall under a party with a special interest in the Investment Corporation and the Asset Management Company.

2. Reason for the Transfer

The Investment Corporation's Articles of Incorporation stipulates that the "targets and policies of asset management" is to ensure the steady growth of the investment portfolio and medium- to long-term sustainable profit. Under the Articles of Incorporation, the Investment Corporation seeks to expand its assets through continuous property acquisitions and to improve the quality and profitability of the portfolio by replacing assets. The Transfer of this 22-year-old property with a total of 38 units will generate a gain on transfer and increase cash on hand, raising the Invest Corporation's property acquisition capacity going forward. The Investment Corporation has decided to proceed with the Transfer because it considers that this will contribute to realizing the relevant policy and improving unitholder value.

The asset to be transferred was acquired at the then current market price in 2010 in connection with the merger between the Investment Corporation and Japan Single-residence REIT Inc. in that year. The asset value of the property increased thanks to subsequent initiatives to improve profitability and a recovery of the real estate market. The appraisal value of the property at the end of the fiscal period ended May 31, 2023 (43rd Fiscal Period) was 551 million yen (37.6% unrealized profit margin), exceeding the book value by 150 million yen. The transfer price is expected to surpass even this appraisal value, standing at 575 million yen (the estimated realized gain after taking transfer-related fees into consideration will be 157 million yen, and the realized gain ratio, which will be calculated based on the book value and the estimated realized gain, will be 39.3%).

From the perspective of increasing unitholder value, the Investment Corporation will continue to seek to improve the quality of its portfolio and profitability and aim to achieve steady growth in managed assets and stable medium- to long-term profits.

3. Details of the asset to be transferred

Property number / Property name		Re-45 HF NAKANOSHIMA RESIDENCE
Type of asset		Trust beneficial interest in real estate
Location (Note 1)		(Building address on real estate registry) 3-38-1, Nakanoshima, Kita-ku, Osaka, and one other (Lot Number) 3-5-19, Nakanoshima, Kita-ku, Osaka
Land	Form of ownership	Ownership
	Area (Note 1)	375.95 m ²
	Use district (Note 2)	Commercial district
	Building coverage ratio (Note 3)	80%
	Floor area ratio (Note 4)	600%
Building	Form of ownership	Divided ownership (100% interest)
	Use (Note 1)	Residence
	Structure/Floors (Note 1)	Reinforced concrete Flat roof 10 floors above ground
	Total floor space (Note 1)	1,486.57 m ²
	Construction completion date (Note 1)	June 1, 2001
Transfer value		575,000 thousand yen
Book value		400,440 thousand yen

Difference between transfer value and book value		174,559 thousand yen				
Tenant details (Note 5)						
	Total leasable units	38 units				
	Total leased units	37 units				
	Total rent income	37,867 thousand yen				
	Leasehold and security deposits	2,577 thousand yen				
	Total leased floor space	1,216.95 m ²				
	Total leasable floor space	1,242.30 m ²				
	Occupancy rates	Nov. 2021	May. 2022	Nov. 2022	May. 2023	Nov. 2023
	100%	93.9%	92.8%	98.0%	98.0%	
Overview of real estate appraisal report		Appraiser		DAIWA REAL ESTATE APPRAISAL CO.,LTD.		
		Value Date		May 31, 2023		
		Appraisal Value		551,000 thousand yen		
Other items of special note		・A memorandum of understanding has been concluded with neighbors who use the pathway existing on the east side of the property in trust to secure the said aisle in future years. ・Drainage pipes and gas pipes, and the catch basin attached to the foregoing which the above pathway users use pass through the property in trust. In this regard, a memorandum has been concluded.				

(Note 1) "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.

(Note 4) "Floor area ratio" is the ratio of the total floor space of the building to the site area as stipulated in Article 52 of the Building Standards Act. The floor-area ratio of the property is limited to 360% due to the regulation regarding frontal road width.

(Note 5) Figures in "Tenant details" are as of November 30, 2023. 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 November 30, 2023, based on lease agreements or sub-leasing agreements concluded between the Investment Corporation, the trustee or the master lease company and the end tenants.

(Note 6) Amounts are rounded down to the nearest thousand yen.

4. Overview of the transferee

The transferee of the asset to be transferred is a domestic business company, but the Investment Corporation has decided not to disclose it because the transferee's consent has not been obtained. The transferee does not fall under a party with a special interest in the Investment Corporation and the Asset Management Company.

5. Outlook

For the impact of the Transfer on the management status forecast for the fiscal period ending May 2024 (the 45th Fiscal Period) published in the 43rd Fiscal Period Financial Report dated July 14, 2023 is minor, and the management status forecasts will remain unchanged.

6. Overview of the appraisal report

Property number / Property name	Re-45 HF NAKANOSHIMA RESIDENCE	
Appraisal value	551,000 thousand yen	
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.	
Value date	May 31, 2023	
Item	Content (1,000 yen)	Overview, etc.
Value	551,000	Estimated by linking indicated value by DCF method and indicated value by direct capitalization method.
Value indicated by the income approach (direct capitalization method)	554,000	
Effective gross income	39,362	
Potential total profits	41,608	Assessed 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.	2,245	Assessed after consideration of the competitiveness of the target property and other factors based on the typical vacancy rates of similar properties.
Operating expenses	10,352	
Management fees	2,525	Assessed based on the current building management commission fees.
Property management fee	884	Assessed based on the current PM agreement.
Utilities expenses	901	Assessed after referring to utilities expenses of similar properties and amounts actually paid.
Maintenance and repair cost	1,208	Repair expenses are stated upon appraisal based on such expenses described in the engineering report and using the cost levels of similar properties. In addition, tenant replacement expenses are stated, taking into account replacement ratio and vacancy ratio.
Tenant advertisement expenses, etc.	1,245	Assessed in reference to tenant-seeking costs of comparable real estate.
Public charges and taxes	2,829	Posted amounts based on actual payments, taking tax burdens, etc., into consideration.
Casualty insurance premiums	81	Assessed based on the judgment that current amounts paid are appropriate while also conducting checks according to the level of casualty insurance premiums for similar properties.
Other expenses	676	Internet expenses, etc. are stated by reference to past results.
Net operating income (NOI)	29,009	
Interest on lump-sum payments	27	Assessed the investment yield at 1.0%.
Capital expenditures	3,564	The amount of capital expenditures is stated upon appraisal of major repair expenses and renewal expenses described in the engineering report and the cost levels of similar properties.
Net cash flow (NCF)	25,473	
Capitalization rate	4.6%	Assessed individually considering locational conditions, building specifications and rights of the target real estate in reference to returns on investment in transactions of comparable real estate.
Value indicated by the income approach (discounted cash flow method)	549,000	
Discount rate	4.4%	Assessed by comparing with the discount rate related to the transactions of comparable real estate, investment yields of other financial products.
Terminal capitalization rate	4.8%	Assessed by taking into account the marketability of the target real estate upon the expiration of the holding period based on the capitalization rate.
Value indicated by the cost approach using the cost accounting method	615,000	
Percentage of land	75.2%	
Percentage of building	24.8%	
Other notable items regarding the appraisal as stated by the appraiser	-	

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

* Investment Corporation Website: <https://www.heiwa-re.co.jp/en/>

【Attachment】

Portfolio list after the Transfer

(Attachment) Portfolio list after the Transfer

	Property No.	Property Name	Location	Investment Area (Note 1)	(Scheduled) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
Office	Of-05	SUITENGU HEIWA BUILDING	Chuo-ku, Tokyo	I	1,550	0.68
	Of-06	HF MONZENNAKACHO BUILDING	Koto-ku, Tokyo	I	2,500	1.10
	Of-07	HF HAMAMATSUCHO BUILDING	Minato-ku, Tokyo	I	1,530	0.67
	Of-08	HF TAMEIKE BUILDING	Minato-ku, Tokyo	I	2,700	1.18
	Of-11	HF NIHONBASHI ODENMACHO BUILDING	Chuo-ku, Tokyo	I	2,150	0.94
	Of-12	HF HATCHOBORI BUILDING	Chuo-ku, Tokyo	I	3,092	1.36
	Of-17	HATCHOBORI MF BUILDING	Chuo-ku, Tokyo	I	1,110	0.49
	Of-18	M2 HARAJUKU	Shibuya-ku, Tokyo	I	3,418	1.50
	Of-20	FUNABASHI FACE BUILDING	Funabashi City, Chiba	II	3,900	1.71
	Of-21	ADESSO NISHIAZABU	Minato-ku, Tokyo	I	640	0.28
	Of-23	HF IKEBUKURO BUILDING	Toshima-ku, Tokyo	I	1,314	0.58
	Of-24	HF YUSHIMA BUILDING	Bunkyo-ku, Tokyo	I	1,624	0.71
	Of-25	KAYABACHO HEIWA BUILDING	Chuo-ku, Tokyo	I	4,798	2.10
	Of-27	KOBE KYUKYORYUCHI HEIWA BUILDING	Kobe City, Hyogo	III	2,310	1.01
	Of-29	SAKAE MINAMI BUILDING	Nagoya City, Aichi	III	1,580	0.69
	Of-30	HF SAKURADORI BUILDING	Nagoya City, Aichi	III	4,900	2.15
	Of-31	HF NIHONBASHI HAMACHO BUILDING	Chuo-ku, Tokyo	I	1,900	0.83
	Of-32	HF SENDAI HONCHO BUILDING	Sendai City, Miyagi	III	2,700	1.18
	Of-33	HF UENO BUILDING	Taito-ku, Tokyo	I	3,400	1.49
	Of-34	KOJIMACHI HF BUILDING	Chiyoda-ku, Tokyo	I	1,350	0.59
	Of-35	HF KUDAN MINAMI BUILDING	Chiyoda-ku, Tokyo	I	2,720	1.19
	Of-36	HF KANDA OGAWAMACHI BUILDING	Chiyoda-ku, Tokyo	I	3,150	1.38
	Of-37	NISSO 5 BUILDING	Yokohama City, Kanagawa	II	3,100	1.36
	Of-38	ACROSS SHINKAWA BUILDING	Chuo-ku, Tokyo	I	3,750	1.64
	Of-39	SENJU MILDIX II	Adachi-ku, Tokyo	I	1,650	0.72
	Of-40	ARK Mori Building	Minato-ku, Tokyo	I	3,085	1.35
	Of-41	Nihonbashi Horidomecho First	Chuo-ku, Tokyo	I	2,140	0.94
	Of-42	Southern Sky Tower Hachioji	Hachioji City, Tokyo	II	1,600	0.70
	Of-43	HAMACHO HEIWA BUILDING	Chuo-ku, Tokyo	I	3,100	1.36
	Of-44	KINSICHO SQUARE BUILDING	Sumida-ku, Tokyo	I	2,840	1.25
	Of-45	HF NIHONBASHI KABUTOCHO BUILDING	Chuo-ku, Tokyo	I	3,580	1.57
	Of-46	HF SENDAI ICHIBANCHO BUILDING	Sendai City, Miyagi	III	2,501	1.10
	Of-47	OSAKI CN BUILDING	Shinagawa-ku, Tokyo	I	5,160	2.26
	Of-48	Faret East Building	Tachikawa City, Tokyo	II	1,610	0.71

	Property No.	Property Name	Location	Investment Area (Note 1)	(Scheduled) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
	Of-49	HF ESAKA BUILDING	Suita City, Osaka	III	2,500	1.10
	Of-50	Shinsaibashi FRONT Building	Osaka City, Osaka	III	7,300	3.20
	Of-51	SAKAE CENTER BUILDING	Nagoya-City, Aichi	III	4,000	1.75
	Of-52	IWAMOTOCHO TWIN BUILDING	Chiyoda-ku, Tokyo	I	3,380	1.48
	Of-53	IWAMOTOCHO TWIN SAKAE BUILDING	Chiyoda-ku, Tokyo	I	400	0.18
	Of-54	STAGE NISHIKI	Nagoya-City, Aichi	III	2,100	0.92
	Of-55	Kitahama 1-Chome Heiwa Building	Osaka City, Osaka	III	3,370	1.48
	Of-56	Heiwa Real Estate Kitahama Building	Osaka City, Osaka	III	1,650	0.72
	Of-57	PRIME TOWER YOKOHAMA	Nagoya-City, Aichi	III	3,800	1.67
Office Subtotal					116,952	51.29
Residence	Re-03	HF ICHIKAWA RESIDENCE	Ichikawa City, Chiba	II	430	0.19
	Re-05	HF MEGURO RESIDENCE	Meguro-ku, Tokyo	I	660	0.29
	Re-09	HF KASAI RESIDENCE	Edogawa-ku, Tokyo	I	650	0.29
	Re-11	HF WAKABAYASHI-KOEN RESIDENCE	Setagaya-ku, Tokyo	I	3,610	1.58
	Re-12	HF HIMONYA RESIDENCE	Meguro-ku, Tokyo	I	1,560	0.68
	Re-14	HF MINAMIAZABU RESIDENCE	Minato-ku, Tokyo	I	1,370	0.60
	Re-16	HF GAKUGEIDAIGAKU RESIDENCE	Meguro-ku, Tokyo	I	1,000	0.44
	Re-17	HF HIGASHIKANDA RESIDENCE	Chiyoda-ku, Tokyo	I	1,100	0.48
	Re-18	HF HIGASHINIHONBASHI RESIDENCE	Chuo-ku, Tokyo	I	1,210	0.53
	Re-19	HF NERIMA RESIDENCE	Nerima-ku, Tokyo	I	690	0.30
	Re-20	HF SHIROKANETAKANAWA RESIDENCE	Minato-ku, Tokyo	I	4,030	1.77
	Re-21	HF MEIDAIMAE RESIDENCE	Setagaya-ku, Tokyo	I	1,070	0.47
	Re-22	HF NIHONBASHI RESIDENCE	Chuo-ku, Tokyo	I	1,130	0.50
	Re-23	HF KAMISHAKUJII RESIDENCE	Nerima-ku, Tokyo	I	950	0.42
	Re-24	HF KINSHICHO RESIDENCE	Sumida-ku, Tokyo	I	1,100	0.48
	Re-25	HF GINZA RESIDENCE EAST	Chuo-ku, Tokyo	I	5,940	2.60
	Re-26	HF SHIN-YOKOHAMA RESIDENCE	Yokohama City, Kanagawa	II	3,350	1.47
	Re-30	HF MAGOME RESIDENCE	Ota-ku, Tokyo	I	1,630	0.71
	Re-31	HF GAKUGEIDAIGAKU RESIDENCE II	Meguro-ku, Tokyo	I	1,650	0.72
	Re-33	HF KAMEIDO RESIDENCE	Koto-ku, Tokyo	I	1,050	0.46
	Re-34	HF TANASHI RESIDENCE	Nishi-tokyo City, Tokyo	II	911	0.40
	Re-38	LA RESIDENCE DE SHIROKANEDAI	Minato-ku, Tokyo	I	730	0.32
	Re-39	HF GINZA RESIDENCE EAST II	Chuo-ku, Tokyo	I	1,460	0.64
	Re-40	HF HATCHOBORI RESIDENCE II	Chuo-ku, Tokyo	I	1,890	0.83

	Property No.	Property Name	Location	Investment Area (Note 1)	(Scheduled) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
	Re-42	HF GINZA RESIDENCE	Chuo-ku, Tokyo	I	944	0.41
	Re-43	HF KOMAZAWA-KOEN RESIDENCE TOWER	Setagaya-ku, Tokyo	I	6,520	2.86
	Re-45	HF NAKANOSHIMA RESIDENCE	Osaka City, Osaka	III	-	-
	Re-47	HF MARUNOUCHI RESIDENCE	Nagoya City, Aichi	III	624	0.27
	Re-48	HF HIRAO RESIDENCE	Fukuoka City, Fukuoka	III	1,780	0.78
	Re-49	HF KAWARAMACHI NIJO RESIDENCE	Kyoto City, Kyoto	III	534	0.23
	Re-53	HF SHIJO KAWARAMACHI RESIDENCE	Kyoto City, Kyoto	III	1,820	0.80
	Re-54	LA RESIDENCE DE SENDAGI	Bunkyo-ku, Tokyo	I	820	0.36
	Re-55	HF SENDAGI RESIDENCE	Bunkyo-ku, Tokyo	I	870	0.38
	Re-56	HF KOMAZAWA-KOEN RESIDENCE	Setagaya-ku, Tokyo	I	615	0.27
	Re-57	HF MUSASHIKOYAMA RESIDENCE	Shinagawa-ku, Tokyo	I	842	0.37
	Re-58	HF KOKUBUNJI RESIDENCE	Kokubunji City, Tokyo	II	839	0.37
	Re-59	HF HISAYODORI RESIDENCE	Nagoya City, Aichi	III	1,080	0.47
	Re-60	HF KARASUMA KURAMAGUCHI RESIDENCE	Kyoto City, Kyoto	III	572	0.25
	Re-61	HF NISHI-SHINJUKU RESIDENCE WEST	Shinjuku-ku, Tokyo	I	1,990	0.87
	Re-62	HF NISHI-SHINJUKU RESIDENCE EAST	Shinjuku-ku, Tokyo	I	1,170	0.51
	Re-63	HF HIGASHI-SHINJUKU RESIDENCE	Shinjuku-ku, Tokyo	I	1,360	0.60
	Re-64	HF HIGASHI-SHINSAIBASHI RESIDENCE	Osaka City, Osaka	III	566	0.25
	Re-65	HF KITA-YOBANCHO RESIDENCE	Sendai City, Miyagi	III	809	0.35
	Re-66	HF ATAGOBASHI RESIDENCE	Sendai City, Miyagi	III	684	0.30
	Re-68	HF ASAKUSABASHI RESIDENCE	Taito-ku, Tokyo	I	771	0.34
	Re-69	HF ICHIBANCHO RESIDENCE	Sendai City, Miyagi	III	834	0.37
	Re-70	HF HIGASHI-NAKANO RESIDENCE	Nakano-ku, Tokyo	I	942	0.41
	Re-72	HF WASEDA RESIDENCE	Shinjuku-ku, Tokyo	I	2,090	0.92
	Re-73	HF WASEDA RESIDENCE II	Shinjuku-ku, Tokyo	I	872	0.38
	Re-74	HF WAKAMATSU KAWATA RESIDENCE	Shinjuku-ku, Tokyo	I	1,158	0.51
	Re-75	HF SENDAI RESIDENCE EAST	Sendai City, Miyagi	III	1,638	0.72
	Re-76	HF NISHIKOEN RESIDENCE	Sendai City, Miyagi	III	1,310	0.57
	Re-77	HF BANSUI-DORI RESIDENCE	Sendai City, Miyagi	III	790	0.35
	Re-78	HF KANNAI RESIDENCE	Yokohama City, Kanagawa	II	1,800	0.79
	Re-79	HF MEIEKI-KITA RESIDENCE	Nagoya City, Aichi	III	2,160	0.95
	Re-80	HF HIGASHI-SAPPORO RESIDENCE	Sapporo City,	III	1,560	0.68

	Property No.	Property Name	Location	Investment Area (Note 1)	(Scheduled) Acquisition Price (million yen) (Note 2)	Investment Ratio (%) (Note 2)
			Hokkaido			
	Re-81	HF HAKATA-HIGASHI RESIDENCE	Fukuoka City, Fukuoka	III	880	0.39
	Re-82	HF SENDAI ITSUTSUBASHI RESIDENCE	Sendai City, Miyagi	III	850	0.37
	Re-83	HF TABATA RESIDENCE	Kita-ku, Tokyo	I	1,100	0.48
	Re-84	HF RYOGOKU RESIDENCE	Sumida-ku, Tokyo	I	1,400	0.61
	Re-85	HF HACHIOJI RESIDENCE	Hachioji City, Tokyo	II	1,120	0.49
	Re-86	HF MITA RESIDENCE II	Minato-ku, Tokyo	I	1,210	0.53
	Re-87	HF MONZEN-NAKACHO RESIDENCE	Koto-ku, Tokyo	I	945	0.41
	Re-88	HF MINAMI-SUNAMACHI RESIDENCE	Koto-ku, Tokyo	I	900	0.39
	Re-89	HF SENDAI NAGAMACHI RESIDENCE	Sendai City, Miyagi	III	1,030	0.45
	Re-90	HF SHOKOJI AKABANE RESIDENCE	Kita-ku, Tokyo	I	1,150	0.50
	Re-91	HF SENDAI HONCHO RESIDENCE	Sendai City, Miyagi	III	1,070	0.47
	Re-92	HF OHORI RESIDENCE BAYSIDE	Fukuoka City, Fukuoka	III	1,150	0.50
	Re-93	HF HAKATA-HIGASHI RESIDENCE II	Fukuoka City, Fukuoka	III	1,198	0.53
	Re-94	HF FUKUOKA RESIDENCE EAST	Fukuoka City, Fukuoka	III	1,180	0.52
	Re-95	HF SHOKOJI AKABANE RESIDENCE II	Kita-ku, Tokyo	I	1,690	0.74
	Re-96	HF YAHIRO RESIDENCE	Sumida-ku, Tokyo	I	1,220	0.53
	Re-97	HF SETAGAYAKAMIMACHI RESIDENCE	Setagaya-ku, Tokyo	I	700	0.31
	Re-98	HF SOKA RESIDENCE	Soka-City, Tokyo	II	1,300	0.57
	Re-99	HF UENO IRIYA RESIDENCE	Taito-ku, Tokyo	I	900	0.39
	Re-100	HF TSUJIDO RESIDENCE	Fujisawa-City, Kanagawa	II	1,870	0.82
	Re-101	HF KAWAGUCHIEKIMAE RESIDENCE	Kawaguchi-City, Saitama	II	1,260	0.55
	Re-102	HF HIGASHIOGU RESIDENCE	Arakawa-ku, Tokyo	I	1,210	0.53
	Re-103	HF IMAIKE-MINAMI RESIDENCE	Nagoya-City, Aichi	III	860	0.38
	Re-104	HF FUSHIMI RESIDENCE	Nagoya-City, Aichi	III	610	0.27
	Re-105	HF NAKANO-SAKAUE RESIDENCE	Nakano-ku, Tokyo	I	1,050	0.46
	Re-106	HF UENO RESIDENCE EAST	Taito-ku, Tokyo	I	2,500	1.10
	Re-107	HF OMORIMACHI RESIDENCE	Ota-ku, Tokyo	I	1,200	0.53
	Residence Subtotal				111,089	48.71
	Portfolio Total				228,041	100.00

(Note 1) The Investment Area column entries are as follows:

I: Investment in the Primary Investment Area (The 23 Wards of Tokyo)

II: Investment in the Secondary Investment Area (Tokyo, outside the Primary Investment Area, and major urban areas in Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture)

III: Investment in the Regional Investment Area (major urban areas in the metropolitan area excluding the Primary Investment Area and the Secondary Investment Area).

The metropolitan area is the urban area including the central wards that are the main districts of Tokyo, the government-designated cities, and the surrounding municipalities that are socially and economically connected to Tokyo.

(Note 2) Figures for the (scheduled) 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.