

To All Concerned Parties

REIT Securities Issuer
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Notice Concerning Acquisition and Disposition of Real Estate Beneficiary Interests in Trust

Sakura Sogo REIT Investment Corporation (hereinafter the “Investment Corporation” or “SKR”) is pleased to announce that it will acquire and dispose assets (the “Acquisition” and the “Disposition,” respectively; collectively referred to as the “Transaction”) as outlined below:

Overview of the Transaction

Overview of the asset to be disposed

Asset to be transferred	100% beneficiary interest in Trust
Property name	Royal Hill Kobe Sannomiya II
Asset type	Residential
Location	3-5-13 Kanocho, Chuo-ku, Kobe city, Hyogo prefecture
Year of construction	2004
Transfer price ¹	¥1,800,000,000
Appraisal Value ²	¥1,550,000,000
Acquisition Price ³	¥1,480,000,000
Book Value ⁴	¥1,483,000,000
Realized gain on sale ⁵	¥317,000,000
Date of contract	31 July 2017
Date of settlement	11 September 2017

¹ Transfer price as agreed to for the transaction and indicated in the Purchase and Sale Agreement executed on 31 July 2017 (exclusive of acquisition related expenses and consumption tax).

² Appraisal report provided by Daiwa Real Estate Appraisal Co., Ltd. with effective date 28 February 2017.

³ Acquisition price of subject property when acquired by SKR on 9 September 2016.

⁴ Book Value as at 28 February 2017.

⁵ Realized gain on sale based on the above-mentioned Book Value before transaction costs.

Overview of the asset to be acquired

Asset to be acquired	100% beneficiary interest in Trust
Property name	Abode Yoyogi Parkside
Asset type	Residential
Location	1-2-9 Yoyogi, Shibuya-ku, Tokyo
Year of construction	2017
Acquisition price ¹	¥1,600,000,000
Appraisal Value ²	¥1,610,000,000
Date of contract	31 July 2017
Date of settlement	29 September 2017

¹ “Acquisition Price” as agreed to for the transaction and indicated in the Purchase and Sale Agreement executed on 31 July 2017 (exclusive of acquisition related expenses and consumption tax)

² Since the building is still under construction, an “Appraisal for Non-Completed Buildings” was provided by Daiwa Real Estate Appraisal Co., Ltd. with effective date 1 July 2017.

Reasons for the Transaction

Sakura Real Estate Funds Management, Inc. (“SREFM”), a licensed asset management company manages SKR’s assets and is focused on implementing initiatives that enhance SKR unitholder value. This includes exploring opportunities to recycle capital to enhance distributions and improve the overall quality and/or diversification of the real estate portfolio. The Transaction outlined herein is consistent with this strategy. In deciding to complete the Transaction SREFM has considered several key factors including the following; 1) an increase in portfolio weighting to the 5 central wards of Tokyo, 2) a reduction in the weighted average age of the residential portfolio, 3) a 23.3% increase in Fiscal Period 3 (“FP3”) distribution, 4) a reduction in forecast medium term capital expenditure, and 5) attractive acquisition terms with an asset sourced directly with a third party developer.

1) *An increase in portfolio weighting to the 5 central wards of Tokyo*

SKR has a broad investment mandate however it has a clear strategy to maintain a portfolio weighting of approximately 50% to the Tokyo Metropolitan area (by asset value). SREFM believes that real estate investments located in Tokyo will continue to benefit in the medium to long term by a more stable population base relative to some regional locations in Japan. These differences in forecast demographics are likely to have an impact on all sectors including residential apartments. Over the past three years (to September 2016) the apartment rent index¹ for the Tokyo Metropolitan Wards has exhibited growth of 1.6% or approximately 0.5% per annum. In contrast the rent index for Kobe (Kinki Region) shows negative growth of 0.7% or 0.23% per annum. The 2015 national census showed that while Japan’s total population had declined by 960,000 people since 2010, Tokyo gained 327,000 over the same five-year period. This includes an increase of 95,000 within the 5 central wards of Tokyo as well as an increase of 20,000 within Shibuya, the ward where the acquisition property is located. The outlook for residential occupancy and market rents in central Tokyo is considered relatively strong in comparison to certain regional locations including Kobe. Post the Transaction, SKR’s weighting to the 5 central wards of Tokyo will increase to 42.3% (from 39.6%) and the Tokyo Metropolitan weighting will increase to 53.7% (from 51.0%). Please refer to Reference Material 3 for demographic information on Tokyo and Shibuya-ku, the ward in which the acquisition property is located.

2) *Reduction in the average age of the residential portfolio*

The asset being acquired, Abode Yoyogi Parkside will be completed in September 2017. The asset being transferred, Royal Hill Kobe Sannomiya II will be 13 years old at the date of transfer. This will result in the weighted average age² of the residential portfolio reducing from 22.2 years to 19.0 years.

3) *An increase in forecast distribution per unit*

The Transaction results in a 23.3% increase in FP3 forecast distribution from ¥2,700 per unit to ¥3,330 per unit, the main factor being the realized gain of ¥317 million³ on the disposal of Royal Hill Kobe Sannomiya II (sale price of ¥1.80 billion, 21.6% above current book value of ¥1.483 billion).

4) *A reduction in medium/long term capital expenditure forecast*

The medium/long term (12 year) capital expenditure forecast for the asset being acquired is ¥7.7 million⁴ which represents 0.5% of purchase price. In contrast, the forecast for the disposal asset is ¥85.8 million⁵ over the same period, representing 5.8% of book value.

¹ Japan Real Estate Institute – Apartment rent index September 2016. The 5 central wards of Tokyo are Chiyoda-ward, Chuo-ward, Minato-ward, Shinjuku-ward and Shibuya-ward.

² Weighted by acquisition value

³ Net realized gain equates to 224 million yen (245 million yen increase on gain on sale of real estate property, 21 million yen increase in non-deductible consumption tax).

⁴ As stated in the Engineering Report provided by JCIA Japan Constructive Inspect Association in July 2017

⁵ As stated in the Engineering Report provided by Tokio Marine & Nichido Risk Consulting Co., Ltd. in October 2015.

5) *Attractive acquisition terms with asset sourced directly with third party developer*

The acquisition asset has been sourced directly with a Tokyo based real estate firm. SREFM has a stated strategy of fostering direct relationships with mid-scale developers and similar real estate related businesses which have the potential to deliver attractive external growth opportunities.

Description of the asset to be acquired

Abode Yoyogi Parkside is a new residential development very well located to major parks including Yoyogi Park, approximately 200 meters, Shinjuku Gyoen National Gardens approximately 600 meters and the Meji Jingu Shrine grounds located directly to the rear of the property. It is a 4-minute walk from Yoyogi JR station which offers access to both the Yamanote and Chuo-Sobu train lines. The property has a targeted completion date of 21 September 2017. A rent guarantee has been agreed with the seller (see Special Comments for more details).

Yoyogi is a very popular residential area appealing to a wide cross section of the community given its access to parks and the two largest shopping / entertainment districts in Japan (Shinjuku and Shibuya). It is also beside Tokyo's largest fashion district, Omotesando. A large proportion of Yoyogi residents work in creative fields such as fashion, art and music. There are many small home offices operating in the area that include record labels, photographers, modeling agencies and art dealers.

Property name - Abode Yoyogi Parkside ¹	
Zoning ²	Type 2 Residential
Asset type	Residential
Type of specified asset	100% beneficiary interest in Trust
Trustee	Sumitomo Mitsui Trust Bank, Limited
Trust term	10 years from 30 September 2017 to 29 September 2027
Location ²	1-2-9 Yoyogi, Shibuya-ku, Tokyo
Access	Approximately 400 meters from Yoyogi, Kita Sando and Minami Shinjuku Stations (4-minute walk)
Completion date	September 2017
Structure / Number of stories ²	Reinforced concrete / 8F
Architect	Chemical Design Inc.
Builder	Katayama Corporation
Building Permit Agency ³	City Building Certification Center Co., Ltd.
Land Area ²	464.70 square meters
Gross Building Area ²	1,471.95 square meters
Building Coverage Ratio ⁴	60%
Floor Area Ratio ⁴	300%
Total Leasable Area ⁵	1,285.54 square meters
Property Management Company	Rio Consulting Co., Ltd.
Seismic Risk (PML) ⁶	7.3%
Acquisition Price ⁷	1,600 million yen
Appraisal Value ⁸	1,610 million yen
Appraisal NOI ⁸	70,021,809 yen
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.
Leasing status (As of [date]) ⁹	n/a (Targeted completion date of September 2017)
Special Comments	
The Seller has agreed to provide a rent guarantee for a period of up to six months post the date of acquisition. The total amount of the rent guarantee is capped at ¥25 million. The rent guarantee can be drawn by the purchaser for any vacant apartment at the commencement of each month post acquisition. SREFM and third party property manager will be collectively undertaking leasing activity and are confident that occupancy of 95% ("stabilized occupancy") will be achieved at or before the 6th month post close. Based on forecast leasing in the period from close to the 6th month, SKR will by virtue of the rent guarantee, receive rent revenue not less than stabilized occupancy (95%).	

¹ Subject property is a development that is planned for completion in September 2017. The Purchase and Sale Agreement was executed with the seller on 31 July 2017. The scheduled dates may change depending on the progress of the construction.

² "Location" and "Land area" are based on the land registry records. Since the building is still under construction and has not been registered yet, the "Gross Building Area", "Structure / Number of stories" are planned figures as at completion of building based on information from the verification notice of building construction specified in Article 6, Paragraph 1 of the Building Standards Act. The current information may be revised in the future subject to changes in planning and construction.

- ³ Since the building is still under construction, the building permit agency on the verification notice of building construction is referred to as the Building Inspection Agency
- ⁴ “Building Coverage Ratio” and “Floor Area Ratio” are the designated building-to-land ratio and designated floor-area ratio provided by city planning.
- ⁵ “Total Leasable Area” is the planned floor area that will be leasable at the time the asset is required.
- ⁶ “PML” is extracted from the Earthquake Risk Valuation Report provided by Tokyo Marine & Nichido Risk Consulting Co., Ltd. in July 2017
- ⁷ “Acquisition Price” as agreed to for the transaction and indicated in the Purchase and Sale Agreement executed on 31 July 2017 (exclusive of acquisition related expenses and consumption tax)
- ⁸ “Since the building is still under construction, an “Appraisal for Non-Completed Buildings” was provided by Daiwa Real Estate Appraisal Co., Ltd. with effective date 1 July 2017.
- ⁹ “Leasing status” is indicated as “n/a” since the building is still under construction

Description of the asset to be disposed

Property name – Royal Hill Kobe Sannomiya II				
Sector	Residential			
Type of Specified Asset	100% beneficiary interest in Trust			
Trustee	Aozora Trust Bank, Ltd.			
Trust term	From 9 September 2016 until 30 September 2026			
Location	3-5-13 Kanocho, Chuo-ku, Kobe city, Hyogo prefecture			
Access	Approximately 500 metres from Kobe Sannomiya Station (5-minute walk).			
Completion Date	2004			
Structure / Number of Stories	Steel framed reinforced concrete structure / B1/14F			
Land Area	529.72 square meters			
Gross Building Area	5,690.14 square meters			
Building Coverage Ratio	80%			
Floor Area Ratio	700%			
Property Management Company	Haseko Livenet, Inc.			
Seismic Risk (PML)	8.6%			
Acquisition Price ¹	1,480 million yen			
Transfer Price ²	1,800 million yen			
Book Value ³	1,483 million yen			
Realized Gain on Sale ⁴	317 million yen			
Appraisal value ⁵	1,550 million yen			
Appraisal Firm	Daiwa Real Estate Appraisal Co., Ltd.			
Total number of tenants (as at 30 June 2017)	107			
Appraisal NOI	82,166,492 yen			
Security and Guarantee Deposits	5,000,000 yen			
Total Leased Floor Space (as at 30 Jun 2017)	3,031.29 square meters			
Total Leasable Floor Space	3,217.93 square meters			
Historical Occupancy Rate (by quarter)	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
	97.2%	100.0%	96.5%	94.2%
Special Comments	There are no applicable matters.			

¹ Acquisition price of subject property when acquired by SKR on 9 September 2016.

² Transfer price as agreed to for the transaction and indicated in the Purchase and Sale Agreement executed on 31 July 2017 (exclusive of acquisition related expenses and consumption tax)

³ Book Value as at 28 February 2017.

⁴ Realized gain on sale based on the above-mentioned Book Value

⁵ Appraisal report provided by Daiwa Real Estate Appraisal Co., Ltd. with effective date 28 February 2017

Profile of the Seller of the asset to be acquired

Aside from its Head Office location (Tokyo city) and Principal Business (Real estate), details on the Seller are not disclosed because the Seller would not provide consent. There is no capital, personal and business relationships between SKR, SREFM and the Seller. In addition, the Seller is not a “related party” of SKR or SREFM.

Profile of the Buyer of the asset to be disposed

Details on the Buyer are not disclosed because the Buyer would not provide consent, including information on its principle business. There is no capital, personal and business relationships between SKR, SREFM and the Buyer. In addition, the Buyer is not a “related party” of SKR or SREFM.

Overview of brokerage

- Abode Yoyogi Parkside - No brokerage for the asset to be acquired
- Royal Hill Kobe Sannomiya II - Overview of the brokerage firm

Name of Brokerage Firm	Nomura Real Estate Development Co., Ltd.
Head Office	1-26-2 Nishi Shinjuku, Shinjuku-ku, Tokyo
Representative	Seiichi Miyajima, President and Representative Director
Principal Business	Residential development, corporate real estate brokerage, commercial property development, building leasing, architectural design
Capital	2 billion yen (as of 1 April 2017)
Established	April 15 1957
Relationships with SKR and/or SREFM	
Capital	There is no capital relationship to report
Personal	There is no personal relationship to report
Business	There is no business relationship to report
Related Party Status	The Buyer does not fall under the definition of a related party of SKR or SREFM
Brokerage Fee	This information cannot be disclosed since consent has not been obtained from the Brokerage Firm

Funding for the acquisition

The acquisition of Abode Yoyogi Parkside will be funded from the proceeds of the disposition of Royal Hill Kobe Sannomiya II and working capital. There are no new borrowings.

Matters related to Forward Commitment

The Transaction is a “forward commitment” as defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” by the Financial Services Agency.

SKR plans to settle the disposition of Royall Hill Kobe Sannomiya II on 11 September 2017. Per the Purchase and Sale Agreement, if the contract is canceled for a reason for which SKR or the buyer is responsible, the party who breaches the agreement will pay a cancellation penalty of 20% of the proposed transfer price of the trust beneficiary interest in real estate (excluding all consumption taxes) (¥360 million). Any penalty payable by the buyer will comprise forfeiture of their 10% deposit and a further 10% penalty totaling 20%.

SKR plans to settle the acquisition of Abode Yoyogi Parkside on 29 September 2017 with the net proceeds from the planned disposition and cash on hand. Per the Purchase and Sale Agreement, if the contract is canceled for a reason for which SKR or the seller is responsible, the party who breaches the agreement will pay a cancellation penalty of 10% of the proposed transfer price of the trust beneficiary interest in real estate (excluding all consumption taxes) (¥160 million).

SKR has structured the Transaction settlement dates to mitigate financial risk associated with any potential cancellation penalty. If, in the unlikely event the disposition did not complete, the penalty received could be utilized to either, a) partially fund the acquisition property, or b) pay any penalty in circumstances SKR elected not to proceed with the acquisition.

Schedule for the Transaction

31 July 2017:

Conclusion of purchase and sale agreement for the disposition of Royal Hill Kobe Sannomiya II

Conclusion of purchase and sale agreement for the acquisition of Abode Yoyogi Parkside

11 September 2017:

Disposition of Royal Hill Kobe Sannomiya II (delivery of trust beneficiary interests)

29 September 2017:

Acquisition of Abode Yoyogi Parkside (delivery of trust beneficiary interests)

Summary of the Appraisal Report¹ for the Acquisition

(unit:Yen)

Property Name	Abode Yoyogi Parkside	
Appraisal Value	1,610,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Report ¹ Date	1 July 2017	
Item	Details	Description
Indicated value by income approach	1,610,000,000	Assessed utilizing a combination of the indicated value from adopting the direct capitalization method and the DCF method.
Indicated value by direct capitalization method	1,650,000,000	Assessed by adopting appraised cap rates from similar residential properties based on analysis of supply and demand, market trends and appropriate rents.
(i) Operating revenue ((a)-(b))	82,558,692	
(a) Gross potential income	85,891,932	Potential rent from residential units of Y6.9m per month, utilities revenue as well as car park revenue.
(b) Vacancy loss etc.	3,333,240	Adopted 4.0% of potential rent from residential units and carpark rent.
(ii) Operating expenses	12,536,883	
Maintenance and management fee	2,016,000	Adopted terms of planned service agreement which are judged consistent with market terms.
Utilities expense	699,984	Adopted a rate of Y150/tsubo on net rentable area based on assessed actual rates of similar real estate.
Repair expenses	802,726	Adopted 0.12% of replacement cost while taking into consideration repair expenses of similar real estate.
Property management fee	2,399,933	Adopted terms of planned service agreement which are judged consistent with market terms.
Tenant leasing costs, etc.	2,718,220	Adopted leasing costs based on actuals from similar real estate.
Property taxes	3,818,600	Land: based on fiscal year 2017 assessed value with reference to land value trend and industry standards. Building: adopted forecasted tax in year 11 post completion based on assessed replacement cost value.
Insurance premiums	81,420	Adopted terms of planned insurance which are judged consistent with market terms.
Other expenses	-	-
(iii) Net operating income (NOI = (i)-(ii))	70,021,809	
(iv) Financial interests on deposits	66,665	Appraised investment return as 1.0%
(v) Capital expenditures	920,766	Appraised by reference to the repair and renewal expenses in the ER and expenses of similar real estate.
(vi) Net cash flow (NCF = (iii)+(iv)-(v))	69,167,708	
(vii) Capitalization rate	4.2%	-
Indicated value of DCF method	1,590,000,000	Assessed by assuming current lease agreement terms and conditions and tenant characteristics, appropriately reflecting the change in future cash flows and terminal value.
Discount rate	4.0%	Assessed based on discount rates of similar real estate transactions and comparing with yields of other financial products.
Terminal capitalization rate	4.4%	Assessed taking into consideration the marketability of the subject real estate at the end of the DCF analysis period.
Indicated value by cost approach	1,380,000,000	Assessed by applying depreciation price correction to the replacement cost as well as taking the marketability of the land and building as a single piece of real estate into consideration.
Ratio of land	72.5%	-
Ratio of building	27.5%	-
Other matters of consideration		Value was assessed under the assumptions that the building will be completed as specified in the design plans obtained from the seller.

¹ Since the building is still under construction, an "Appraisal for Non-Completed Buildings" was provided by Daiwa Real Estate Appraisal Co., Ltd. with effective date 1 July 2017.

Future Outlook

The Transaction results in a 23.3% increase in forecast distribution per unit for the third fiscal period

from ¥2,700 to ¥3,330. Please refer to “Notice Concerning Revision to Operating and Distribution Forecasts for the Fiscal Periods Ending 31 August 2017 and 28 February 2018” announced today for further details.

Reference Materials

- Reference Material 1 Portfolio List after the Transactions
- Reference Material 2 Summary of Engineering Report and Earthquake Risk Analysis
- Reference Material 3 Demographics
- Reference Material 4 Artist Impressions of Asset to be Acquired
- Reference Material 5 Location Map of Asset to be Acquired

This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

Sakura Sogo REIT Investment Corporation website address: <http://sakurasogoreit.com/en/>

Reference Material 1. Portfolio List after the Transaction

Property No.	Property name	Location	Acquisition price (million yen) ¹	Real estate appraisal value (million yen) ²	Investment ratio (%) ³
OF-01	Seishin Building	Shinjuku-ku, Tokyo	7,880	8,360	13.7
OF-02	NK Building	Chiyoda-ku, Tokyo	3,730	3,860	6.5
OF-03	Tsukasamachi Building	Chiyoda-ku, Tokyo	3,820	3,910	6.6
OF-04	Takadanobaba Access	Shinjuku-ku, Tokyo	3,330	3,430	5.8
OF-05	Azabu Amerex Building	Minato-ku, Tokyo	2,020	2,140	3.5
OF-06	Hiei Kudan Building	Chiyoda-ku, Tokyo	1,960	2,050	3.4
OF-07	Shin Yokohama Nara Building	Yokohama-shi, Kanagawa	1,910	1,950	3.3
Office sub-total			24,650	25,700	42.9
RT-01	La Park Kishiwada	Kishiwada-shi, Osaka	6,460	6,600	11.2
RT-02	Suroy Mall Chikushino	Chikushino-shi, Fukuoka	7,670	7,820	13.3
RT-03	Seiyu Minakuchi	Koka-shi, Shiga	4,150	4,240	7.2
RT-04	Suroy Mall Nagamine	Kumamoto-shi, Kumamoto	4,180	4,460	7.3
Retail sub-total			22,460	23,120	39.1
RS-01	Shiroi Logiman	Shiroi-shi, Chiba	2,180	2,210	3.8
RS-02	Matsuya Residence Sekime	Osaka-shi, Osaka	1,820	1,910	3.2
RS-04	Urban Plaza Imazato	Osaka-shi, Osaka	940	984	1.6
RS-05	Abode Yoyogi Parkside	Yoyogi, Shibuya-ku Tokyo	1,600	1,610	2.8
Residential sub-total			6,515	6,704	11.3
OT-01	Funabashi Hi Tech Park Hidan	Funabashi-shi, Chiba	1,720	1,800	3.0
OT-02	Funabashi HiTech Park	Funabashi-shi, Chiba	710	770	1.2
OT-03	Confomall Sapporo	Sapporo-shi, Hokkaido	1,400	1,440	2.4
Other sub-total			3,830	4,010	6.7
Total Portfolio			57,455	59,534	100.0

¹ Planned acquisition price for Abode Yoyogi Parkside is the price agreed to in the Purchase and Sale Agreement

² Appraisal report provided by Daiwa Real Estate Appraisal Co., Ltd. as at 28 February 2017. For planned acquisition, since the building is still under construction, an "Appraisal for Non-Completed Buildings" was provided by Daiwa Real Estate Appraisal Co., Ltd. with effective date 1 July 2017.

³ "Investment ratio" is the ratio of acquisition prices for each acquired asset / asset to be acquired to the total of acquisition prices, rounded down to the first decimal place.

Reference Material 2. Summary of Engineering Report and Earthquake Risk Analysis

Property No.	Property name	Engineering Firm	Engineering Report Investigation Date	Short term repair expenses ¹ (thousand yen)	Medium to long term repair expenses (thousand yen) ²	PML (%) ³
OF-01	Seishin Building	TRC ⁴	5 October 2015	0	18,603	5.5
OF-02	NK Building	TRC ⁴	8 October 2015	0	16,031	8.4
OF-03	Tsukasamachi Building	TRC ⁴	8 October 2015	0	12,823	9.4
OF-04	Takadanobaba Access	TRC ⁴	5 October 2015	0	16,108	3.5
OF-05	Azabu Amerex Building	TRC ⁴	5 October 2015	0	5,682	9.3
OF-06	Hiei Kudan Building	TRC ⁴	8 October 2015	0	17,324	3.5
OF-07	Shin Yokohama Nara Building	TRC ⁴	16 October 2015	0	13,798	4.4
RT-01	La Park Kishiwada	TRC ⁴	5,6 October 2015	0	71,684	14.8
RT-02	Suroy Mall Chikushino	TRC ⁴	21,22 June 2016	0	30,314	1.7
RT-03	Seiyu Minakuchi	TRC ⁴	9 October 2015	0	14,058	4.2
RT-04	Suroy Mall Nagamine	TRC ⁴	26 June 2016	0	14,857	8.1
RS-01	Shiroi Logiman	TRC ⁴	13 October 2015	0	48,347	3.6
RS-02	Matsuya Residence Sekime	TRC ⁴	7 October 2015	0	22,752	11.6
RS-04	Urban Plaza Imazato	TRC ⁴	6 October 2015	0	7,993	12.0
RS-05	Abode Yoyogi Parkside	JCIA ⁵	11 July 2017	0	642	7.3
OT-01	Funabashi Hi Tech Park Hidan	TRC ⁴	16 October 2015	0	1,901	4.6
OT-02	Funabashi HiTech Park	TRC ⁴	16 October 2015	0	3,123	4.6
OT-03	Confomall Sapporo	TRC ⁴	5 October 2015	0	7,650	2.8
						3.6%

¹ "Short term repair expenses" are the expenses stated in the Engineering Report as expenses in need and repair required within roughly one year, rounded to the nearest thousand yen.

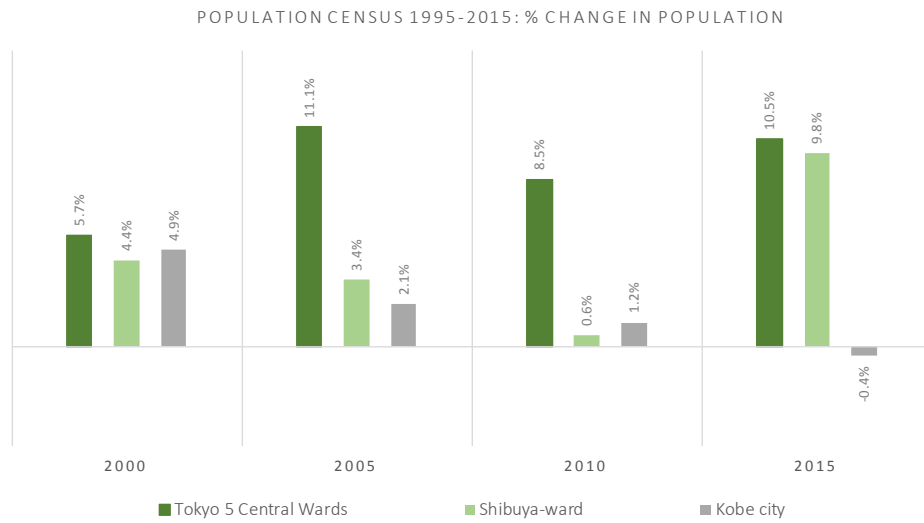
² "Medium to long-term repair expenses" is the average amount per year of the repair and renewal expenses projected for the next 12 years stated in the Engineering Report, rounded to the nearest thousand yen.

³ "PML" ("Probable Maximum Loss") for Abode Yoyogi Parkside is extracted from the Earthquake Risk Valuation Report provided by Tokio Marine & Nichido Risk Consulting Co., Ltd. in June 2017. PML for the residual assets is extracted from the Earthquake Risk Valuation Reports provided by Tokyo Marine & Nichido Risk Consulting Co., Ltd. in June 2017.

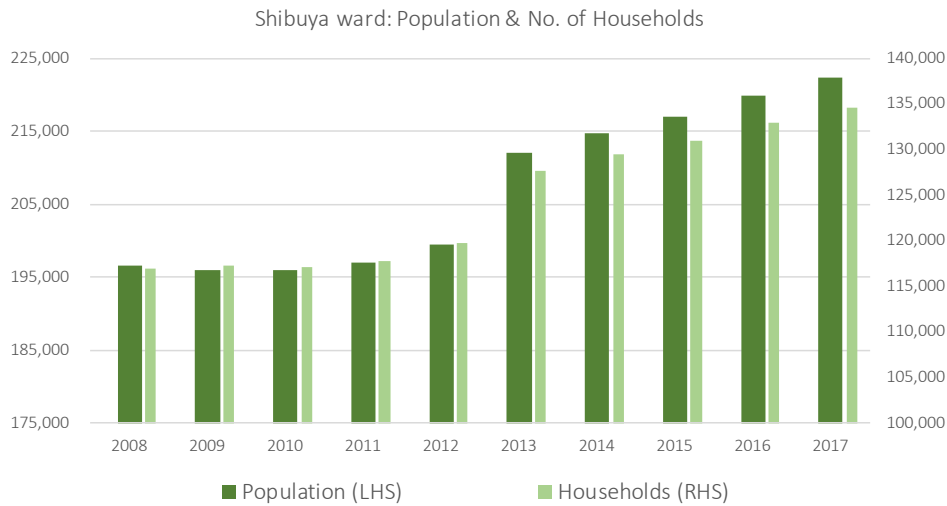
⁴ Tokio Marine & Nichido Risk Consulting Co., Ltd.

⁵ JCIA Japan Constructive Inspect Association

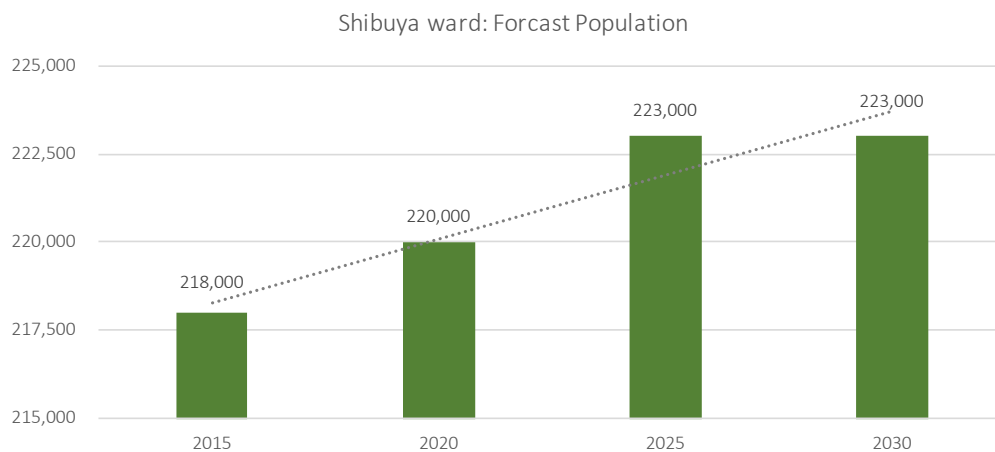
Reference Material 3. Tokyo 5 Central Wards, Shibuya-ward and Kobe city Demographics



Source: Statistics Bureau Japan



Source: Shibuya City



Source: Shibuya City

Reference Material 4. Artist Impressions of Asset to be Acquired

Building Façade and Internal Perspectives



Reference Material 5. Location Map of Asset to be Acquired

