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For Immediate Release

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### Notice Concerning Acquisition and Sale of Investment Assets

Comforia Residential REIT, Inc (“Investment Corporation”) announces that TLC REIT Management Inc., to which the Investment Corporation entrusts management of its assets (“Asset Management Company”) decided today for Investment Corporation to acquire the investment assets as shown below 1 (1), and sell the investment assets as shown below 1 (2). (hereafter referred to as the “Acquisition” and the “Sale” respectively and the “Transactions” collectively).

#### 1. Summary of the Transactions

##### (1) Summary of the Acquisition

	Type of Asset	Property Name	Acquisition Price (thousand yen) (Note 1)
1	Beneficial Interest in Real Estate Trust	COMFORIA AKABANEIWABUCHI (Note 2)	2,500,000
2	Real Estate	COMFORIA RYOGOKU TROIS (Note 2)	1,660,000
3	Beneficial Interest in Real Estate Trust	COMFORIA SHINJUKU (Note 3)	2,150,000
Total			6,310,000

(Note 1) “Acquisition Price” denotes the amount exclusive of the various expenses required in the acquisition of the concerned asset, etc. (brokerage commission, taxes and public dues, etc.) (the amount of real estate or beneficial interest in real estate trust specified in the Agreement on Purchase and Sale).

(Note 2) Although the current property names are “NK AKABANEIWABUCHI” and “55-2 RYOGOKU”, the Investment Corporation plans to change the names to “COMFORIA AKABANEIWABUCHI” and “COMFORIA RYOGOKU TROIS” about one month after the acquisition. The current property names will be omitted hereinafter.

(Note 3) Since “COMFORIA SHINJUKU” is an uncompleted property scheduled to be completed on March 15, 2018, the (scheduled) name after the acquisition is indicated. The same applies below.

- ① Date of Agreement                      March 14, 2018
- ② Date of Acquisition                     March 30, 2018 (Note 1)
- ③ Seller                                        Refer to “5. Summary of the Seller and the Buyer”
- ④ Financing for acquisition              Cash on hand, proceeds from sale of properties, and borrowed funds (Note2).
- ⑤ Method of payment                     Full payment at the time of delivery

(Note 1) Since “COMFORIA SHINJUKU” is a property under development, Date of Acquisition denotes the schedule as of today. The Date of Acquisition may change depending on the progress of the building construction work.

(Note 2) For the proceeds from sale of properties, refer to “(2). Summary of the Sale”. For the borrowed funds, the Investment Corporation will announce concerning the borrowings after its decision.

## (2) Summary of the Sale

	Type of Asset	Property Name	Sale Price (thousand yen) (Note)
1	Beneficial Interest in Real Estate Trust	COMFORIA YOKOHAMAKANNAI	1,200,000
Total			1,200,000

(Note) “Sale Price” denotes the amount exclusive of the various expenses required in the Sale of the concerned asset, etc. (brokerage commission, taxes and public dues, etc.) (the amount of real estate or beneficial interest in real estate trust specified in the Agreement on Purchase and Sale).

- ① Book value 929,368 thousand yen (as at January 31, 2018)
- ② Difference between sale price and book value 270,631 thousand yen
- ③ Date of Agreement March 14, 2018
- ④ Date of Sale March 30, 2018
- ⑤ Buyer Refer to “5. Summary of the Seller and the Buyer”
- ⑥ Method of payment Full payment at the time of delivery
- ⑦ Use of proceeds from the sale of the properties  
Plans to utilize them to acquire the assets as described in “(1) Summary of the Acquisition”

## 2. Reason for the Transactions

The Asset Management Company decided to acquire and sell the investment assets based on the asset management policy and subject defined in articles of Investment Corporation for ensuring stable earnings and steady growth of the portfolio. The portfolio size is expected to reach the previous target of 200 billion yen through the Transactions as shown in the following table. In addition, the transactions are believed to enhance portfolio quality, specifically increase ratio of Tokyo 23 wards and lower the average building age of the portfolio. Regarding the capital gains resulting from the sale of the property, it is planned to be internally reserved through reduction entry utilizing the “Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010.”

### 【 Portfolio change through the Transactions 】

	Before the Transaction (A)	The Transactions		After the Transactions (B)	Difference (B-A)
		The Acquisition	The Sale		
# of properties	115 properties	3 properties	▲ 1 properties	117 properties	2 properties
Asset under Management (million yen) (C) (Note 1)	196,363	6,310	▲ 972	201,701	5,338
Ratio of Tokyo 23 Wards(Note 2)	90.0%	100.0%	0.0%	90.8%	0.7%
Appraisal Value (million yen) (D) (Note 3)	228,759	6,500	▲ 1,270	233,989	5,230
Unrealized Gain (million yen) (D) - (C)	32,395	190	▲ 298	32,287	▲ 108
NOI Yield (Note 3)	5.29%	4.53%	6.38%	5.26%	▲ 0.03%
Average Building Age (Note 4)	9.6 years	7.2 years	8.7 years	9.6 years	▲ 0.1 years

(Note 1) “Asset under Management” denotes the total price based on the acquisition.

(Note 2) “Ratio of Tokyo 23 Wards” denotes ratio of investment in properties located within 23 wards of Tokyo based on (scheduled)

- acquisition price.
- (Note 3) “Appraisal Value” and “NOI Yield” is adopted based on the appraisal date as described below.  
 Property under management and the sold property (excluding 4 properties below)  
 as at January 31, 2018  
 COMFORIA UENOIRIYA, COMFORIA IKEJIRI, COMFORIA SETAGAYAKAMIUMA, COMFORIA KITAHAMA  
 as at October 31, 2017  
 Acquired property as at February 28, 2018
- (Note 4) “Average Building Age” is derived from a weighted average of building age as at March 14, 2018 of each property and acquisition price. Among the acquisition properties, the building age of “COMFORIA SHINJUKU” is calculated as 0.0 years since it is an uncompleted property.

### 3. Summary of the Acquisition

#### (1) Details of the Acquisition

##### ① COMFORIA AKABANEIWABUCHI

Property Name		COMFORIA AKABANEIWABUCHI
Type of Asset		Beneficial Interest in Real Estate Trust
Trustee of Beneficial Trust (planned)		Mitsubishi UFJ Trust and Banking Corporation
Expiration Date of Beneficial Trust Contract (planned)		March 30, 2033
Location (Residential address) (Note 1)		26-11 Iwabuchimachi, Kita-ku, Tokyo
Land	Area (Note 1)	2,212.70m <sup>2</sup> (Note 9)
	Type of Ownership	Ownership
Building	Completion Date (Note 1)	March, 2003
	Structure / Number of Floors (Note 1)	RC / 9F
	Gross Floor Area (Note 1)	5,528.18 m <sup>2</sup>
	Type of Ownership	Ownership (sectional ownership interest 100%)
	Use (Note 1)	Apartment building / Homes / Storage / Bicycle parking / Assembly hall / Yard waste
Rentable Units (Note 5)		84 Units
Property Management Company (Note 2) (planned)		Tokyu Housing Lease Corporation
Master Leasing Company (Note 3) (planned)		Tokyu Housing Lease Corporation
Master Leasing Type (planned)		Pass-through type
Appraisal Company		Japan Real Estate Institute
Appraisal Value		2,520,000 thousand yen (Appraisal Date: February 28, 2018)
Collateral		None
Special affairs (Note 4)		A portion of this land (approx. 683.16 sq. meters) is located in the district of a city planning road (Radial Road No.10 with a planned width of 30 meters). No project has been assigned, and the project schedule, size of expropriation area, and other details have yet to be determined. However, once a project is assigned, the existing building may become nonconforming as result of land expropriation.
Features of the Property		The property is a rental residence principally comprising compact-type rooms located at a 4-minute walk from Akabane-iwabuchi Station on the Tokyo Metro Namboku Line. With approximately a 19-minute train ride to Iidabashi Station and approximately a 21-minute train ride to Ueno Station (can be reached by changing to JR Keihin-Tohoku Line at Oji Station), it has good access to major business and commercial zones. While offering favorable living convenience as it is close to an area adjacent to Akabane Station, where a shopping street concentrated with facilities such as restaurants remaining atmosphere of the traditional Tokyo district co-exists with large retail facilities in front of the station, natural and cultural facilities such as various sporting facilities and barbecue areas are located along Arakawa and Sumida rivers within the walking distance. Given these features, solid rental demand mainly from singles and DINKS families who place an emphasis on proximity to the city-center, a convenient residential environment, comfort and other factors is

	expected.
Summary of Rental Status (as of January 31, 2018) (Note 5) (Note 10)	
Rentable Area	4,118.70 m <sup>2</sup>
Rented Area	3,889.18 m <sup>2</sup>
Occupancy Rate	94.4%
Rentable Units	84 Units
Rented Units	82 Units
Total Number of Tenants	1
Total Monthly Rent	9,238 thousand yen
Deposits, guarantees	16,273 thousand yen
Summary of the Engineering Report (Note 6)	
Reporting Company	HI International Consultant Co., Ltd.
Report Date	December, 2017
Estimated Amount of Emergency Repair Expenses	—
Estimated Amount of Short-Term Repair Expenses	1,990 thousand yen
Estimated Amount of Long-Term Repair Expenses	127,280 thousand yen
Replacement Value	1,262,100 thousand yen
Summary of the Earthquake Risk Analysis (Note 7)	
PML Reporting Company	Sompo Risk Management & Health Care Inc.
Report Date	March, 2018
PML	4.29%
Architect/Contractor/Building Permit Agency, etc. (Note 8)	
Architect	Katsumura Construction
Contractor	Joint Venture between Katsumura Construction and Koshino Corporation
Building Permit Agency	Kita-ku
Investment Agency or Structural Calculation Fitness Judge, etc.	HI International Consultant Co., Ltd.

② COMFORIA RYOGOKU TROIS

Property Name	COMFORIA RYOGOKU TROIS	
Type of Asset	Real Estate	
Trustee of Beneficial Trust	—	
Expiration Date of Beneficial Trust Contract	—	
Location (Residential address) (Note 1)	1-5-15 Kamezawa, Sumida-ku, Tokyo	
Land	Area (Note 1)	548.53 m <sup>2</sup>
	Type of Ownership	Ownership
Building	Completion Date (Note 1)	July 2013
	Structure / Number of Floors (Note 1)	RC / 7F
	Gross Floor Area (Note 1)	2,459.62 m <sup>2</sup>
	Type of Ownership	Ownership
	Use (Note 1)	Apartment building
	Rentable Units (Note 5)	57 Units
Property Management Company (Note 2) (planned)	Tokyu Housing Lease Corporation	
Master Leasing Company (Note 3) (planned)	Tokyu Housing Lease Corporation	

Master Leasing Type (planned)	Pass-through type
Appraisal Company	Japan Real Estate Institute
Appraisal Value	1,680,000 thousand yen (Appraisal Date: February 28, 2018)
Collateral	None
Special affairs (Note 4)	None
Features of the Property	The property is a rental residence principally comprising single-type rooms and some compact-type rooms located at a 2-minute walk from Ryogoku Station on the Toei Oedo Line and a 7-minute walk from Ryogoku Station on the JR Sobu Line. With two lines available for use and approximately a 4-minute train ride to Akihabara Station and approximately a 6-minute train ride to Ueno-okachimachi Station, it has good access to major business and commercial zones. Located in Ryogoku area characterized by Ryogoku Kokugikan and Edo-Tokyo Museum, it stands on a location where a sense of Edo can be felt with sumo stables dotted in the surrounding areas of the property. On the other hand, it has plenty of convenient facilities for living, such as restaurants and convenience stores, mainly in areas adjacent to Ryogoku Stations. Given these features, solid rental demand mainly from singles and DINKS families who place an emphasis on proximity to the city-center, a convenient residential environment and other factors is expected.
Summary of Rental Status (as of January 31, 2018) (Note 5)	
Rentable Area	1,848.06 m <sup>2</sup>
Rented Area	1,773.00 m <sup>2</sup>
Occupancy Rate	95.9%
Rentable Units	57 Units
Rented Units	54 Units
Total Number of Tenants	1
Total Monthly Rent	6,214 thousand yen
Deposits, guarantees	5,446 thousand yen
Summary of the Engineering Report (Note 6)	
Reporting Company	HI International Consultant Co., Ltd.
Report Date	February, 2018
Estimated Amount of Emergency Repair Expenses	—
Estimated Amount of Short-Term Repair Expenses	420 thousand yen
Estimated Amount of Long-Term Repair Expenses	28,940 thousand yen
Replacement Value	540,800 thousand yen
Summary of the Earthquake Risk Analysis (Note 7)	
PML Reporting Company	Sompo Risk Management & Health Care Inc.
Report Date	February, 2018
PML	3.09%
Architect/Contractor/Building Permit Agency, etc. (Note 8)	
Architect	Links Build Co., Ltd.
Contractor	Links Build Co., Ltd.
Building Permit Agency	Japan Constructive Inspect Association K.K.
Investment Agency or Structural Calculation Fitness Judge, etc.	Bureau Veritas Japan Co., Ltd.

③ COMFORIA SHINJUKU

Property Name	COMFORIA SHINJUKU
Type of Asset	Beneficial Interest in Real Estate Trust
Trustee of Beneficial Trust (planned)	Sumitomo Mitsui Trust Bank, Limited

Expiration Date of Beneficial Trust Contract (planned)		March 31, 2033
Location (Residential address) (Note 1)		5-8-20 Shinjuku, Shinjuku-ku, Tokyo
Land	Area (Note 1)	572.00 m <sup>2</sup>
	Type of Ownership	Ownership
Building	Completion Date (Note 1)	March, 2018 (planned)
	Structure / Number of Floors (Note 1)	RC / 11F
	Gross Floor Area (Note 1)	2,244.68 m <sup>2</sup>
	Type of Ownership	Ownership
	Use (Note 1)	Apartment building
	Rentable Units (Note 5)	65 Units
Property Management Company (Note 2) (planned)		Tokyu Housing Lease Corporation
Master Leasing Company (Note 3) (planned)		Tokyu Housing Lease Corporation
Master Leasing Type (planned)		Pass-through type
Appraisal Company		DAIWA REAL ESTATE APPRAISAL CO., LTD
Appraisal Value		2,300,000 thousand yen (Appraisal Date: February 28, 2018)
Collateral		None
Special affairs (Note 4)		The property is an uncompleted property scheduled to be completed on March 15, 2018.
Features of the Property		The property is a rental residence principally comprising single-type rooms and some compact-type located at a 5-minute walk from Shinjuku-sanchome Station on the Toei Shinjuku Line, Tokyo Metro Marunouchi Line and Fukutoshin Line. With three lines available for use and approximately a 1-minute train ride to Shinjuku Station and approximately a 6-minute train ride to Shibuya Station, it has very good access to major business and commercial zones. While offering favorable living convenience as it is close to an area adjacent to Shinjuku Station, where large retail facilities such as department stores as well as numerous restaurants, retail stores and cultural facilities concentrate, Shinjuku Gyoen Natural Garden, one of the largest parks in central Tokyo where one can feel the air of nature in all four seasons while in city-center, is within walking distance of the property. Given these features, solid rental demand mainly from singles who place an emphasis on city-center location, a convenient residential environment, comfort and other factors is expected.
Summary of Rental Status (planned) (Note 5) (Note 11)		
Rentable Area		1,793.88 m <sup>2</sup>
Rented Area		—
Occupancy Rate		—
Rentable Units		65 Units
Rented Units		—
Total Number of Tenants		1
Total Monthly Rent		—
Deposits, guarantees		—
Summary of the Engineering Report (Note 6)		
Reporting Company		HI International Consultant Co., Ltd.
Report Date		February, 2018
Estimated Amount of Emergency Repair Expenses		—
Estimated Amount of Short-Term Repair Expenses		—
Estimated Amount of Long-Term Repair Expenses		15,080 thousand yen

Replacement Value	486,800 thousand yen
Summary of the Earthquake Risk Analysis (Note 7)	
PML Reporting Company	Sompo Risk Management & Health Care Inc.
Report Date	March, 2018
PML	4.39%
Architect/Contractor/Building Permit Agency, etc. (Note 8)	
Architect	GENDAI SOUGO architects & engineers,inc.
Contractor	Goda Koumuten Co., Ltd.
Building Permit Agency	Kakunin Service Inc.
Investment Agency or Structural Calculation Fitness Judge, etc.	Japan Constructive Inspect Association K.K.

(Note 1) “Location” is based on the residential address. However, for properties that have no residential address, the building address on the registry is indicated. In addition, “Area” of “Land,” “Completion Date,” “Structure / Number of Floors,” “Gross Floor Area” and “Use” of building are based on information in the real estate registry, and may not necessarily be identical with the actual figures. “Gross Floor Area” of building denotes the area of the entire building (excepting annexes). However, since “COMFORIA SHINJUKU” is an uncompleted property and is yet to be registered, “Completion Date” indicates planned completion period, while “Structure / Number of Floors,” “Gross Floor Area” and “Use” of building indicate figures based on information in the confirmation certificate.

(Note 2) “Property Management Company” is the company that is scheduled to provide property management service for each property.

(Note 3) “Master Leasing Company” is the lessee that is scheduled to conclude a master lease agreement with the titleholder of each property.

(Note 4) “Special affairs” are matters recognized as important as of February 28, 2018, regarding the right and use, etc. of the asset, as well as consideration of the degree of impact on the appraised value, profitability, and appropriation. They include the following matters:

- i Significant limitation or restriction by laws, regulations and rules
- ii Significant burdens or limitations on rights, etc.
- iii Significant cases where there are architectural structures crossing the boundaries of the concerned property, etc. and cases where there are issues with boundary confirmation, etc., and related arrangements, etc.
- iv Significant agreements, arrangements, etc. concluded with co-owners / sectional owners.

(Note 5) Explanation of “Summary of Rental Status”

- i “Rentable Area” is the total rentable floor area of residences and retail stores, etc. of the asset (if the common area, etc. is leased, the concerned area is also included). The Rentable Area is not based on the real estate registry, but the floor area stated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and may not necessarily be identical to the floor area written in the real estate registry.
- ii In the following cases, “Rented Area” means the floor area (based on the floor area in the lease agreement; however, limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire leased units and excluding the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant. Cases where all or some units are leased in bulk, based on the lease agreement (“Master Lease Agreement”), and the Master Leasing Company in Master Lease Agreement subleases end-tenants, besides there is an agreement under which the rent of Master Lease Agreement is in accordance with the rent, etc. that end-tenants paid (hereafter this type of Master Lease Agreement is referred to as “Pass-through type Master Lease Agreement”).
- iii “Occupancy Rate” is the rate of rented area to rentable area.
- iv “Rentable Units” is the number of rentable units (including the number of stores, if any).
- v “Rented Units” is the number of rented units (which includes the number of stores, if any) that is actually leased and a lease agreement is executed with the end-tenant.
- vi “Total Number of Tenants” is the number of tenants with which the Investment Corporation or Trustee of Beneficial Trust has a direct rental contract relationship. Therefore, when the Investment Corporation or Trustee of Beneficial Trust leases comprehensively to the Master Leasing Company all units of the acquired property, and the Master Leasing Company subleases each unit to end-tenants, the Total Number of Tenants is 1; that is, the end-tenants of the sublease agreements are excluded. With regard to the properties to be acquired, a master lease agreement is scheduled to be concluded with Tokyu Housing Lease Corporation as the master lease company on the acquisition date of the properties. The “total number of tenants” above is therefore the number of tenants after such a master lease agreement is concluded.
- vii When the Master Leasing type is a Pass-Through type Master Lease Agreement, “Total Monthly Rent” means the total monthly rent, as of the last day of January 31, 2018 (including the common area expense, but not fees for incidental facilities such as parking lot or trunk room) stated in the lease agreements executed by the Master Leasing Company, or the owner of each real estate or Beneficial Interest in Real Estate Trust with end-tenants. Amounts are rounded down to the nearest thousand yen. Consumption tax and other taxes are excluded.
- viii “Security Deposit” is the total amount of security deposit, as of the last day of January 31, 2018, based on lease agreements executed with the end-tenants, rounded down to the nearest thousand yen. However, if a Security Deposit does not need to be repaid according to special policy conditions such as the redemption of the deposit in a lease agreement, the amount of the Security Deposit is excluded.

(Note 6) This section is a Summary of the Engineering Report on the acquired asset prepared by the reporting company which is a third party with no special interest in the Investment Corporation. However, the content of the report is simply the opinion of the reporting company above, and the Investment Corporation does not guarantee the adequacy and accuracy of the content.

- i “Estimated Amount of Emergency Repair Expenses” is the amount of repair and renewal costs expected to emergently arise, and is stated in the engineering report. Amounts are rounded down to the nearest thousand yen.
- ii “Estimated Amount of Short-term Repair expenses” is the amount of repair and renewal costs that are assumed to be required within one year, and is stated in the engineering report. Amounts are rounded down to the nearest thousand yen.

- iii “Estimated Amount of Long-term Repair expenses” is the amount of repair and renewal costs that are assumed to be required for 12 years, and is stated in the engineering report. Amounts are rounded down to the nearest thousand yen.
- iv “Replacement Value” is the estimated money amount provided in the Engineering Report of construction work required if the acquired asset with the same design and the same specifications were to be newly constructed at the time when the report was prepared. All amounts are rounded down to the nearest thousand yen. However, the content of the report is simply the opinion of the reporting company above, and the Investment Corporation does not guarantee the adequacy or accuracy of the content.

(Note 7) This section is a summary of the “Earthquake Risk Analysis” report on the acquired asset prepared by the PML reporting company which is a third party with no special interest in the Investment Corporation. However, the content of the report is simply the opinion of the PML reporting company above, and the Investment Corporation does not guarantee the adequacy or accuracy of the content. “PML” is the probable maximum loss from an earthquake. There is a PML for individual buildings and for the entire portfolio of buildings. In this document, PML is the expected loss (which is equivalent to the 90% non-exceedance probability) as a percentage of the replacement price, and denotes the costs incurred during the anticipated usable period (generally, the duration of a building is 50 years) from an expected large-scale earthquake (which corresponds to a return period of 475 years; the possibility of the earthquake occurring during the next 50 years exceeds 10%).

(Note 8) In “Architect/Contractor/Building Permit Agency, etc.,” the architect, the contractor, the building permit agency and the investment agency or structural calculation fitness judge, etc. of the acquired asset are stated. As a general rule, the Investment Corporation has asked a specialized third-party organization to make an inspection and received a report stating that there is no wrongful act such as the intentional falsification and forgery of documents related to structural design (structural drawings and structural calculation sheets, etc.). However, the content of the report is simply an opinion of the third-party organization, and the Investment Corporation does not guarantee the adequacy and accuracy of the content. For properties that have received from the specified structural calculation fitness judgment agency the judgment that the structural calculation is appropriately conducted according to the methods prescribed by the Minister of Land, Infrastructure, Transport and Tourism in accordance with the Building Standards Act revised in June 2007 (Act No. 201 of 1950. Including subsequent revisions), the specified structural calculation fitness judgment agency constitutes a specialized third-party organization.

(Note 9) Includes a setback portion (approximately 57.52 m<sup>2</sup>)

(Note 10) As for COMFORIA AKABANEIWABUCHI, 2 of the rentable units (399.04 m<sup>2</sup>) was used by the original owner as of January 31, 2018 but one of them will be leased as of the date of Investment Corporation acquires the property. Accordingly, figures calculated by including the unit is indicated in the columns of “Rented Area,” “Occupancy Rate” and “Rented Units.”

(Note 11) As for “COMFORIA SHINJUKU,” “Rentable Area” and “Rentable Units” indicate figures based on information provided by the seller, while no indications are made for “Rented Area,” “Occupancy Rate,” “Rented Units,” “Total Monthly Rent” and “Deposits, guarantees” since it is an uncompleted building.

## (2) Summary of the Appraisal Report

### ① COMFORIA AKABANEIWABUCHI

(thousand yen)

Property Name	COMFORIA AKABANEIWABUCHI
Appraisal Company	Japan Real Estate Institute
Appraisal Date	February 28, 2018
Appraisal Value	2,520,000

	Content	Appraisal summary
Price of the Direct Capitalization Method ((6)/(7))	2,580,000	
(1) Operating Income	147,508	Calculated with consideration of the average income according to ongoing rental agreements as well as the assumed income level of new rents. Other income is calculated with consideration of the performance of ongoing asset management.
Potential Gross Income	158,637	
Rental Income (including common area expense)	142,915	
Utility Charge Income	0	
Parking Lot Income	7,416	
Key Money / Renewal Income	5,506	
Other Income	2,800	
Vacancy Loss	▲ 11,129	Calculated with consideration of occupancy rates in the past and those of similar properties in the same supply and demand area.
Collection Loss	0	Collection loss has not been calculated.
(2) Operating Expense	29,154	
Maintenance and Management Fee	4,000	Calculated with consideration of the characteristics of the property, referring to fees for similar properties.
Utility Charge	2,000	
Repair Cost	4,904	Expenses for restoring rooms to their original conditions are calculated with consideration of the level of expenses that are usually incurred,



		while repair costs are calculated with consideration of the actual costs in previous years, the cost level in similar properties, and average repair costs presented in engineering reports.
Property Management Fee	2,794	Calculated with consideration of commissions for managing similar properties and the characteristics of the property, referring to the tariff of commissions of the project management company.
Tenant Advertisement Cost	6,191	Calculated with consideration of such factors as average the replacement rate of inhabitants per year and occupancy rates, while referring to the conditions of ongoing agreements and rental agreements of similar properties.
Taxes and Public Dues	8,630	Appraised referring to the standard amount of taxation for the property.
Insurance	635	Calculated with consideration of insurance premium rates of similar properties.
Other Expenses	0	Other Expenses has not been calculated.
(3) Net Operating Income (NOI, (1)-(2))	118,354	
(4) Interest on Security Deposit	202	Assumed in consideration of rental conditions for ongoing and new contracts, as well as occupancy rates and yields on deposits.
(5) Capital Expenditure	7,430	Appraised in consideration of capital expenditure in similar properties, building ages, and the average renovation expenses per year in engineering reports.
(6) Net Cash Flow (NCF, (3)+(4)-(5))	111,126	
(7) Cap Rate	4.3%	Appraised based on basic yields for the respective areas, adjusted with spreads calculated from the geographical and social conditions of the property's location, conditions of the building, and other factors, while considering future uncertainties, yields on trades pertaining to similar properties, etc.
Price of the DCF Method	2,450,000	
Discount Rate	4.1%	Appraised in full consideration of the characteristics of the property and other factors, referring to yields on investments in similar properties.
Terminal Cap Rate	4.5%	Appraised in full consideration of future trends in yields on investments, possible risks from investment in the property, general forecasts on future economic growth, trends in property prices and rents, and other factors, while referring to yields on trade pertaining to similar properties.
Cost Approach Value	2,690,000	
Total Value of Land and Building	2,988,000	
Land Value	2,480,000	Appraised based on actual trade prices, calculated using a market comparison approach method
Building Value	508,000	Appraised based on a cost approach method, where new prices for repurchasing properties are multiplied by a discount rate that has been decided from current situations and regional characteristics.
Adjustment for Change	90%	Appraised in consideration of marketability etc.

Other matters taken into consideration by appraisal institutions when issuing appraisals	Revenue value is adopted based on the determination that it is more convincing to use revenue value as it precisely recreates a value building process in terms of profitability, while the cost approach is used only for reference.
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② COMFORIA RYOGOKU TROIS

(thousand yen)

Property Name	COMFORIA RYOGOKU TROIS
Appraisal Company	Japan Real Estate Institute
Appraisal Date	February 28, 2018
Appraisal Value	1,680,000

	Content	Appraisal summary
Price of the Direct Capitalization Method ((6)/(7))	1,720,000	

(1) Operating Income	92,530	
Potential Gross Income	97,535	
Rental Income (including common area expense)	89,751	Calculated with consideration of the average income according to ongoing rental agreements as well as the assumed income level of new rents. Other income is calculated with consideration of the performance of ongoing asset management.
Utility Charge Income	0	
Parking Lot Income	3,135	
Key Money / Renewal Income	4,409	
Other Income	240	
Vacancy Loss	▲ 5,005	Calculated with consideration of occupancy rates in the past and those of similar properties in the same supply and demand area.
Collection Loss	0	Collection loss has not been calculated.
(2) Operating Expense	18,624	
Maintenance and Management Fee	4,050	Calculated with consideration of the characteristics of the property, referring to fees for similar properties.
Utility Charge	1,000	
Repair Cost	1,407	Expenses for restoring rooms to their original conditions are calculated with consideration of the level of expenses that are usually incurred, while repair costs are calculated with consideration of the actual costs in previous years, the cost level in similar properties, and average repair costs presented in engineering reports.
Property Management Fee	2,203	Calculated with consideration of commissions for managing similar properties and the characteristics of the property, referring to the tariff of commissions of the project management company.
Tenant Advertisement Cost	4,474	Calculated with consideration of such factors as average the replacement rate of inhabitants per year and occupancy rates, while referring to the conditions of ongoing agreements and rental agreements of similar properties.
Taxes and Public Dues	4,583	Appraised referring to the standard amount of taxation for the property.
Insurance	277	Calculated with consideration of insurance premium rates of ongoing insurance contracts as well as those for similar properties.
Other Expenses	630	Calculated with consideration of the management of current assets
(3) Net Operating Income (NOI, (1)-(2))	73,906	
(4) Interest on Security Deposit	68	Assumed in consideration of rental conditions for ongoing and new contracts, as well as occupancy rates and yields on deposits.
(5) Capital Expenditure	1,687	Appraised in consideration of capital expenditure in similar properties, building ages, and the average renovation expenses per year in engineering reports.
(6) Net Cash Flow (NCF, (3)+(4)-(5))	72,287	
(7) Cap Rate	4.2%	Appraised based on basic yields for the respective areas, adjusted with spreads calculated from the geographical and social conditions of the property's location, conditions of the building, and other factors, while considering future uncertainties, yields on trades pertaining to similar properties, etc.
Price of the DCF Method	1,640,000	
Discount Rate	4.0%	Appraised in full consideration of the characteristics of the property and other factors, referring to yields on investments in similar properties.
Terminal Cap Rate	4.4%	Appraised in full consideration of future trends in yields on investments, possible risks from investment in the property, general forecasts on future economic growth, trends in property prices and rents, and other factors, while referring to yields on trade pertaining to similar properties.
Cost Approach Value	1,640,000	
Total Value of Land and Building	1,637,000	
Land Value	1,250,000	Appraised based on actual trade prices, calculated using a market comparison approach method
Building Value	387,000	Appraised based on a cost approach method, where new prices for repurchasing properties are multiplied by a discount rate that has been

		decided from current situations and regional characteristics.
Adjustment for Change	100%	Appraised in consideration of marketability

Other matters taken into consideration by appraisal institutions when issuing appraisals	Revenue value is adopted based on the determination that it is more convincing to use revenue value as it precisely recreates a value building process in terms of profitability, while the cost approach is used only for reference.
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③ COMFORIA SHINJUKU

(thousand yen)

Property Name	COMFORIA SHINJUKU
Appraisal Company	DAIWA REAL ESTATE APPRAISAL CO., LTD
Appraisal Date	February 28, 2018
Appraisal Value	2,300,000

	Content	Appraisal summary
Price of the Direct Capitalization Method ((6)/(7))	2,370,000	
(1) Operating Income	110,006	
Potential Gross Income	114,674	Calculated with consideration of the income level of similar properties as well as the assumed income level of new rents.
Rental Income (including common area expense)	109,502	
Utility Charge Income	0	
Parking Lot Income	2,100	
Key Money / Renewal Income	3,071	
Other Income	0	
Vacancy Loss	▲ 4,668	
Collection Loss	0	Collection loss has not been calculated.
(2) Operating Expense	16,478	
Maintenance and Management Fee	4,920	Calculated with consideration of the characteristics of the property, referring to fees for similar properties as well as actual fees in previous years.
Utility Charge	1,040	
Repair Cost	1,078	Expenses for restoring rooms to their original conditions are calculated with consideration of the level of expenses that are usually incurred, while repair costs are calculated with consideration of the cost level in similar properties and average repair costs presented in engineering reports.
Property Management Fee	2,138	Calculated with consideration of commissions for managing similar properties and the characteristics of the property, referring to the tariff of commissions of the project management company.
Tenant Advertisement Cost	2,515	Calculated with consideration of such factors as average the replacement rate of inhabitants per year and occupancy rates, while referring to rental agreements of similar properties.
Taxes and Public Dues	4,627	Appraised referring to the standard amount of taxation for similar properties.
Insurance	97	Calculated with consideration of insurance premium rates of similar properties.
Other Expenses	60	Calculated with consideration of planned expenses.
(3) Net Operating Income (NOI, (1)-(2))	93,528	
(4) Interest on Security Deposit	84	Assumed in consideration of rental conditions for new contracts, as well as occupancy rates and yields on deposits.
(5) Capital Expenditure	1,363	Appraised in consideration of capital expenditure in similar properties, building ages, and the average renovation expenses per year in engineering reports.
(6) Net Cash Flow (NCF, (3)+(4)-(5))	92,249	

(7) Cap Rate	3.9%	Appraised based on basic yields for the respective areas, adjusted with spreads calculated from the geographical and social conditions of the property's location, conditions of the building, and other factors, while considering future uncertainties, yields on trades pertaining to similar properties, etc.
Price of the DCF Method	2,270,000	
Discount Rate	3.7%	Appraised in full consideration of the characteristics of the property and other factors, referring to yields on investments in similar properties.
Terminal Cap Rate	4.1%	Appraised in full consideration of future trends in yields on investments, possible risks from investment in the property, general forecasts on future economic growth, trends in property prices and rents, and other factors, while referring to yields on trade pertaining to similar properties.
Cost Approach Value	2,450,000	
Total Value of Land and Building	2,447,079	
Land Value	1,641,095	Appraised based on actual trade prices, calculated using a market comparison approach method
Building Value	486,800	Appraised based on a cost approach method, where new prices for repurchasing properties are multiplied by a discount rate that has been decided from current situations and regional characteristics.
Incidental Cost	319,184	Appraised by multiplying the cost appraised in consideration of development profit and design and supervision fee, and so on, by a discount rate that is equal to the building discount rate.
Adjustment for Change	100%	Appraised in consideration of marketability

Other matters taken into consideration by appraisal institutions when issuing appraisals	Revenue value is adopted based on the determination that it is more convincing to use revenue value as it precisely recreates a value building process in terms of profitability, while the cost approach is used only for reference.
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(Note) "Summary of the Appraisal Report" is the appraisal value described in the respective real estate appraisal reports that were prepared by Japan Real Estate Institute and DAIWA REAL ESTATE APPRAISAL CO., LTD. based on an important notice concerning real estate appraisal in the context of the Act on Investment Trusts and Investment Corporations, the Act on Real Estate Appraisal (Act No. 152 of 1963. Including subsequent revisions) and real estate appraisal standards. The appraisal value is the judgment and opinion of the appraiser at a fixed point in time, with no guarantees as to the validity or accuracy of the report, nor to the possibility of transactions at the appraised value. As for the appraisal report prepared for "COMFORIA SHINJUKU," "appraisal of uncompleted buildings, etc." enforced on November 1, 2014 under the real estate appraisal standards mentioned above has been implemented since the property is uncompleted.

#### 4. Summary of the Sale

##### (1) Details of the Sale

Property Name	COMFORIA YOKOHAMAKANNAI	
Type of Asset	Beneficial Interest in Real Estate Trust	
Trustee of Beneficial Trust	Sumitomo Mitsui Trust Bank, Limited	
Expiration Date of Beneficial Trust Contract	February 2, 2022	
Location (Residential address) (Note 1)	2-8-15 Okinacho 2-chome, Naka-ku, Yokohama-shi, Kanagawa	
Land	Area (Note 1)	413.09 m <sup>2</sup>
	Type of Ownership	Ownership
Building	Completion Date (Note 1)	July, 2009
	Structure / Number of Floors (Note 1)	RC / 10F
	Gross Floor Area (Note 1)	2,377.62 m <sup>2</sup>
	Type of Ownership	Ownership
	Use (Note 1)	Apartment building
	Rentable Units (Note 5)	60 Units
Property Management Company (Note 2)	Tokyu Housing Lease Corporation	
Master Leasing Company (Note 3)	Tokyu Housing Lease Corporation	

Master Leasing Type	Pass-through type
Appraisal Company	Japan Real Estate Institute
Appraisal Value	1,270,000 thousand yen (Appraisal Date: January 31, 2018)
Collateral	None
Special affairs (Note 4)	None
Summary of Rental Status (as of January 31, 2018) (Note 5)	
Rentable Area	1,902.12 m <sup>2</sup>
Rented Area	1,832.78 m <sup>2</sup>
Occupancy Rate	96.4%
Rentable Units	60 Units
Rented Units	57 Units
Total Number of Tenants	1
Total Monthly Rent	6,442 thousand yen
Deposits, guarantees	9,469 thousand yen

(Note 1) “Location” is based on the residential address. However, for properties that have no residential address, the building address on the registry is indicated. In addition, “Area” of “Land,” “Completion Date,” “Structure / Number of Floors,” “Gross Floor Area” and “Use” of building are based on information in the real estate registry, and may not necessarily be identical with the actual figures. “Gross Floor Area” of building denotes the area of the entire building (excepting annexes).

(Note 2) “Property Management Company” is the company that is scheduled to provide property management service for each property.

(Note 3) “Master Leasing Company” is the lessee that is scheduled to conclude a master lease agreement with the titleholder of each property.

(Note 4) “Special affairs” are matters recognized as important as of February 28, 2018, regarding the right and use, etc. of the asset, as well as consideration of the degree of impact on the appraised value, profitability, and appropriation. They include the following matters:

- i Significant limitation or restriction by laws, regulations and rules
- ii Significant burdens or limitations on rights, etc.
- iii Significant cases where there are architectural structures crossing the boundaries of the concerned property, etc. and cases where there are issues with boundary confirmation, etc., and related arrangements, etc.
- iv Significant agreements, arrangements, etc. concluded with co-owners / sectional owners.

(Note 5) Explanation of “Summary of Rental Status”

- i “Rentable Area” is the total rentable floor area of residences and retail stores, etc. of the asset (if the common area, etc. is leased, the concerned area is also included). The Rentable Area is not based on the real estate registry, but the floor area stated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and may not necessarily be identical to the floor area written in the real estate registry.
- ii In the following cases, “Rented Area” means the floor area (based on the floor area in the lease agreement; however, limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire leased units and excluding the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant. Cases where all or some units are leased in bulk, based on the lease agreement (“Master Lease Agreement”), and the Master Leasing Company in Master Lease Agreement subleases end-tenants, besides there is an agreement under which the rent of Master Lease Agreement is in accordance with the rent, etc. that end-tenants paid (hereafter this type of Master Lease Agreement is referred to as “Pass-through type Master Lease Agreement”).
- iii “Occupancy Rate” is the rate of rented area to rentable area.
- iv “Rentable Units” is the number of rentable units (including the number of stores, if any).
- v “Rented Units” is the number of rented units (which includes the number of stores, if any) that is actually leased and a lease agreement is executed with the end-tenant.
- vi “Total Number of Tenants” is the number of tenants with which the Investment Corporation or Trustee of Beneficial Trust has a direct rental contract relationship. Therefore, when the Investment Corporation or Trustee of Beneficial Trust leases comprehensively to the Master Leasing Company all units of the acquired property, and the Master Leasing Company subleases each unit to end-tenants, the Total Number of Tenants is 1; that is, the end-tenants of the sublease agreements are excluded. With regard to the properties to be acquired, a master lease agreement is scheduled to be concluded with Tokyu Housing Lease Corporation as the master lease company on the acquisition date of the properties. The “total number of tenants” above is therefore the number of tenants after such a master lease agreement is concluded.
- vii When the Master Leasing type is a Pass-Through type Master Lease Agreement, “Total Monthly Rent” means the total monthly rent, as of the last day of January 31, 2018 (including the common area expense, but not fees for incidental facilities such as parking lot or trunk room) stated in the lease agreements executed by the Master Leasing Company, or the owner of each real estate or Beneficial Interest in Real Estate Trust with end-tenants. Amounts are rounded down to the nearest thousand yen. Consumption tax and other taxes are excluded.
- viii “Security Deposit” is the total amount of security deposit, as of the last day of January 31, 2018, based on lease agreements executed with the end-tenants, rounded down to the nearest thousand yen. However, if a Security Deposit does not need to be repaid according to special policy conditions such as the redemption of the deposit in a lease agreement, the amount of the Security Deposit is excluded.

## (2) Summary of the Appraisal Report

(thousand yen)

Property Name	COMFORIA YOKOHAMAKANNAI
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Appraisal Company	Japan Real Estate Institute
Appraisal Date	January 31, 2018
Appraisal Value	1,270,000

	Content	Appraisal summary
Price of the Direct Capitalization Method ((6)/(7))	1,280,000	
(1) Operating Income	79,522	
Potential Gross Income	85,978	Calculated with consideration of the average income according to ongoing rental agreements as well as the assumed income level of new rents. Other income is calculated with consideration of the performance of ongoing asset management.
Rental Income (including common area expense)	77,509	
Utility Charge Income	0	
Parking Lot Income	5,443	
Key Money / Renewal Income	2,991	
Other Income	35	
Vacancy Loss	▲ 6,456	
Collection Loss	0	Collection loss has not been calculated.
(2) Operating Expense	17,492	
Maintenance and Management Fee	3,320	Calculated with consideration of the characteristics of the property, referring to fees for similar properties as well as actual fees in previous years.
Utility Charge	1,000	
Repair Cost	2,137	Expenses for restoring rooms to their original conditions are calculated with consideration of the level of expenses that are usually incurred, while repair costs are calculated with consideration of the actual costs in previous years, the cost level in similar properties, and average repair costs presented in engineering reports.
Property Management Fee	2,301	Calculated with consideration of commissions for managing similar properties and the characteristics of the property, referring to the tariff of commissions of the project management company.
Tenant Advertisement Cost	4,346	Calculated with consideration of such factors as average the replacement rate of inhabitants per year and occupancy rates, while referring to the conditions of ongoing agreements and rental agreements of similar properties.
Taxes and Public Dues	4,323	Appraised based on the standard amount of taxation for the fiscal year 2015.
Insurance	65	Calculated with consideration of insurance premium rates of ongoing insurance contracts as well as those for similar properties.
Other Expenses	0	Calculated with consideration of the management of current assets
(3) Net Operating Income (NOI, (1)-(2))	62,030	
(4) Interest on Security Deposit	85	Assumed in consideration of rental conditions for ongoing and new contracts, as well as occupancy rates and yields on deposits.
(5) Capital Expenditure	3,165	Appraised in consideration of capital expenditure in similar properties, building ages, and the average renovation expenses per year in engineering reports.
(6) Net Cash Flow (NCF, (3)+(4)-(5))	58,950	
(7) Cap Rate	4.6%	Appraised based on basic yields for the respective areas, adjusted with spreads calculated from the geographical and social conditions of the property's location, conditions of the building, and other factors, while considering future uncertainties, yields on trades pertaining to similar properties, etc.
Price of the DCF Method	1,250,000	
Discount Rate	4.4%	Appraised in full consideration of the characteristics of the property and other factors, referring to yields on investments in similar properties.
Terminal Cap Rate	4.8%	Appraised in full consideration of future trends in yields on investments, possible risks from investment in the property, general forecasts on future economic growth, trends in property prices and rents, and other factors,

	while referring to yields on trade pertaining to similar properties.
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Other matters taken into consideration by appraisal institutions when issuing appraisals	Determined appraisal value by combining the valuation of the direct capitalization method and valuation by the DCF method, as it was judged that both methods offer similar normative validity.
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(Note) Summary of the Appraisal Report is the appraisal value described in the respective real estate appraisal reports that were prepared by Japan Real Estate Institute, based on an important notice concerning real estate appraisal in the context of the Act on Investment Trusts and Investment Corporations, the Act on Real Estate Appraisal (Act No. 152 of 1963. Including subsequent revisions) and real estate appraisal standards. The appraisal value is the judgment and opinion of the appraiser at a fixed point in time, with no guarantees as to the validity or accuracy of the report, nor to the possibility of transactions at the appraised value.

## 5. Summary of the Seller and the Buyer

### (1) Summary of the Seller

#### ① COMFORIA AKABANEIWABUCHI

The seller is the operating company in Japan (different from the seller indicated in ③ below), but the details aren't disclosed by the intention of the companies. The sellers are not an interested party of the Asset Management Company or the Investment Corporation.

#### ② COMFORIA RYOGOKU TROIS

The seller is the individual in Japan, but the details aren't disclosed by the intention of the one. The sellers are not an interested party of the Asset Management Company or the Investment Corporation.

#### ③ COMFORIA SHINJUKU

The seller is the operating company in Japan (different from the seller indicated in ① above), but the details aren't disclosed by the intention of the companies. The sellers are not an interested party of the Asset Management Company or the Investment Corporation.

### (2) Summary of the Buyer

The buyer is the operating company in Japan that is the same company as the seller indicated in “(1) Summary of the Seller ③ COMFORIA SHINJUKU” above, but the details aren't disclosed by the intention of the companies. The buyer is not an interested party of the Asset Management Company or the Investment Corporation.

## 6. Ownership History of Asset

Description is omitted because the acquisition of the trust beneficial interest is not an acquisition from any persons having a special interest in the Investment Corporation or the Asset Manager.

## 7. Asset Management Company's Interested Parties in the Assets to be Acquired

The Investment Corporation delegates the master leasing and property management service to Tokyu Housing Lease Corporation, which is an interested party in relation to the Asset Management Company. Therefore, the procedures required in accordance with the bylaws were completed with respect to agreements with the company.

## 8. Risks in the Acquisition

Among the assets to be acquired, “COMFORIA SHINJUKU” has risks concerning construction completion and building handover as well as other risks until the completion of the building, since it is a property under development planned to be completed on March 15, 2018. However, the Investment Corporation is taking measures to avoid the risks concerning construction completion and building handover, mainly by making the followings conditions for paying the purchase price.

① The building shall be constructed based on design documents prescribed in the sales and purchase agreement, and obtain inspection completion certificate as well as every permits and approvals required by



laws and regulations.

② Legal compliance of the building concerning overall construction related laws and rules including Building Standards Act must be confirmed, and the building must be confirmed to have no specific issues as a result of predetermined due diligence.

## 9. Summary of Brokerage

### (1) Acquisition of COMFORIA AKABANEIWABUCHI

Brokerage is the operating company in Japan (different from the seller indicated in (2) and (3) below), but the details aren't disclosed by the intention of the companies. Brokerage is not an interested party of the Asset Management Company or the Investment Corporation.

### (2) Acquisition of COMFORIA RYOGOKU TROIS

Brokerage is the operating company in Japan (different from the seller indicated in (1) above and (3) below), but the details aren't disclosed by the intention of the companies. Brokerage is not an interested party of the Asset Management Company or the Investment Corporation.

### (3) Acquisition of COMFORIA SHINJUKU and Sale of COMFORIA YOKOHAMAKANNAI

Brokerage is the operating company in Japan (different from the seller indicated in (1) and (2) above), but the details aren't disclosed by the intention of the companies. Brokerage is not an interested party of the Asset Management Company or the Investment Corporation.

## 10. Forecast

Capital gains are forecast to arise from the sale of asset in the Transactions. Regarding some of the capital gains, it is planned to be internally reserved as reserve for reduction entry utilizing the "Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010." For the earnings forecasts for fiscal period ending July 31, 2018 (February 1, 2018 - July 31, 2018) and for fiscal period ending January 31, 2019 (August 1 2018 – January 31, 2019) as a result of the Transactions, please refer to the "Financial Results for the Fiscal Period Ended January 31, 2018" released today.

\*The original Japanese version of this press release has been distributed to the press club of TSE (Kabuto Club), the Ministry of Land, Infrastructure, Transport and Tourism, and to the press club of the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.

\*Website of the Investment Corporation: <http://comforia-reit.co.jp/english/>





Attachments

1. Portfolio List
2. Property Images, etc. of the Asset to be Acquired

Attachments 1. Portfolio List

Area (Note 1)	Property Name	Location (Residential address)	Type of Asset	Acquisition Price (million yen) (Note 2)	Share (Note 3)
Central Tokyo	COMFORIA NIHONBASHININGYOCHO	3-5-10 Nihonbashi Ningyocho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,586	0.8%
	COMFORIA WASEDA	147 Bentencho, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,900	0.9%
	COMFORIA SHIMOOCHIAI	2-7-10 Nakaochiai, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,181	0.6%
	COMFORIA HIGASHINAKANO	4-34-2 Kitashinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	552	0.3%
	COMFORIA GINZA EAST	1-3-1 Irifune, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,059	1.5%
	COMFORIA AZABUDAI	3-4-4 Azabudai, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	574	0.3%
	COMFORIA SHIBAKOEN	2-2-15 Shibakoen, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,398	0.7%
	COMFORIA NISHIAZABU	4-1-10 Nishiazabu, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	755	0.4%
	COMFORIA MINAMIAOYAMA	4-1-12 Minamiaoyama, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,041	0.5%
	COMFORIA MINAMIAOYAMA DEUX	4-2-1 Minamiaoyama, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	248	0.1%
	COMFORIA NISHIWASEDA	1-5-19 Takadanobaba, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,685	0.8%
	COMFORIA HARAJYUKU	3-61-3 Sendagaya, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,629	1.8%
	COMFORIA MITA NORTH	2-7-16 Mita, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	850	0.4%
	COMFORIA SHIBAURA BOWHOUSE	3-13-12 Kaigan, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,650	1.3%
	COMFORIA SHIROKANETAKANAWA	5-1-21 Mita, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,300	0.6%
	COMFORIA NIHONBASHININGYOCHO EAST	3-6-3 NihonbashiNingyocho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,139	1.1%
	COMFORIA ATAGO	3-23-7 Toranomom, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	826	0.4%
COMFORIA KUDAN	2-6-12 Kudanminami, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,280	0.6%	

Central Tokyo

COMFORIA NIHONBASHINGYOCHO NORTH	1-1-6 NihonbashiHoridomecho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,108	0.5%
COMFORIA SHINKAWA	2-15-5 Shinkawa, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,840	0.9%
COMFORIA AKASAKA	2-17-63 Akasaka, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,945	1.0%
COMFORIA MITA EAST	4-18-1 Shiba, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,190	1.6%
COMFORIA SHIBAURA CANAL	3-1-9 Kaigan, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,570	0.8%
COMFORIA KITASANDO	4-5-10 Sendagaya, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	4,268	2.1%
COMFORIA YOYOGIUEHARA	2-31-5 Uehara, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,560	0.8%
COMFORIA SASAZUKA	1-59-10 Sasazuka, Shibuya-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,789	0.9%
COMFORIA SHINJUKUGYOEN II	1-13-3 Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,806	0.9%
COMFORIA ICHIGAYAYANAGICHO	18-2 Ichigayayanagicho, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,623	0.8%
COMFORIA KAGURAZAKA	26-1 Iwatocho, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	736	0.4%
COMFORIA NIBANCHO	4-8 Nibancho, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,621	0.8%
COMFORIA NISHISHINJUKU	1-20-12 Kitashinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,625	0.8%
COMFORIA KANDAJINBOCHO	1-42-2 Kandajinbocho Chiyoda-ku Tokyo,	Beneficial Interest in Real Estate Trust	1,434	0.7%
COMFORIA NIHONBASHI	1-2-2 Nihonbashibakurocho, Chuo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,956	1.0%
COMFORIA TAMACHI	4-5-13 Shibaura, Minato-ku Tokyo	Beneficial Interest in Real Estate Trust	3,272	1.6%
COMFORIA AZABUJUBAN	1-2-15 Mita, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,471	0.7%
COMFORIA SHINJUKUGYOEN I	1-10-4 Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,406	0.7%
COMFORIA KAGURAZAKA DEUX	7-3 Iwatocho, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,245	0.6%

Central Tokyo	COMFORIA AZABU EAST	2-29-1 Higashiazabu, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,900	0.9%
	COMFORIA SHINJUKU EASTSIDE TOWER	(Tower Building) 6-27-29 Shinjuku, Shinjuku-ku, Tokyo  (Annex Building) 6-27-28 Shinjuku, Shinjuku-ku, Tokyo  (Gate Building) 6-27-14 Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	13,264	6.6%
	COMFORIA ICHIGAYAYAKUOJI	74-23 Ichigayayakuojimachi, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	941	0.5%
	COMFORIA AKIHABARA EAST	2-9-19 Higashikanda, Chiyoda-ku, Tokyo	Beneficial Interest in Real Estate Trust	4,425	2.2%
	COMFORIA MITA TROIS	3-43-6 Shiba, Minato-ku, Tokyo	Beneficial Interest in Real Estate Trust	890	0.4%
	COMFORIA SHIBAURA	2-3-33 Shibaura, Minato-ku, Tokyo	Real Estate	1,065	0.5%
	COMFORIA SHINJUKU	5-8-20, Shinjuku, Shinjuku-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,150	1.1%
Subtotal				86,757	43.0%
Sub-central Tokyo	COMFORIA BUNKYOKASUGA	1-15-12 Nishikata, Bunkyo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,470	0.7%
	COMFORIA ASAKUSAMATSUGAYA	1-11-5 Matsugaya, Taito-ku, Tokyo	Beneficial Interest in Real Estate Trust	910	0.5%
	COMFORIA NISHIOI	6-6-1 Nishioi, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	902	0.4%
	COMFORIA NAKANO	2-40-12 Kamitakada, Nakano-ku, Tokyo	Beneficial Interest in Real Estate Trust	881	0.4%
	COMFORIA SHIMOKITAZAWA	1-9-14 Hanegi, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,587	1.3%
	COMFORIA NISHIKAMATA	6-37-3 Nishikamata, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,550	0.8%
	COMFORIA OYAMA	4-4 Oyamacho, Itabashi-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,987	1.0%
	COMFORIA KIYOSUMISHIRAKAWA SOUTH	3-2-13 Miyoshi, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	740	0.4%
	COMFORIA KOMAZAWA	2-1-5 Komazawa, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,290	0.6%
	COMFORIA KOISHIKAWA	2-17-27 Koishikawa, Bunkyo-ku, Tokyo	Beneficial Interest in Real Estate Trust	552	0.3%

Sub-central  
Tokyo

COMFORIA SENGOKU	4-3-20 Sengoku, Bunkyo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,219	0.6%
COMFORIA DAIKANYAMAAOBADAI	2-1-7 Aobadai, Meguro-ku, Tokyo	Beneficial Interest in Real Estate Trust	926	0.5%
COMFORIA IKEBUKURO	2-57-1 Ikebukuro, Toshima-ku, Tokyo	Beneficial Interest in Real Estate Trust	602	0.3%
COMFORIA RYOGOKUISHIWARA	1-36-1 Ishiwarra, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	651	0.3%
COMFORIA ASAKUSABASHI DEUX	5-24-10 Asakusabashi, Taito-ku, Tokyo	Beneficial Interest in Real Estate Trust	874	0.4%
COMFORIA OSHIAGE	4-7-2 Narihira, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	714	0.4%
COMFORIA HONJOAZUMABASHI	2-11-12 Honjo, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	762	0.4%
COMFORIA KIYOSUMISHIRAKAWA TROIS	3-5-14 Shirakawa, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	873	0.4%
COMFORIA MONZENNAKACHO	16-8 Fuyuki, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,658	1.3%
COMFORIA HIMONYA	2-3-3 Himonya, Meguro-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,189	0.6%
COMFORIA MISYUKU	3-23-2 Ikejiri, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,874	0.9%
COMFORIA GAKUGEIDAIGAKU	6-46-6 Shimouma, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,138	0.6%
COMFORIA HIGASHINAKANO DEUX	4-2-19 Higashinakano, Nakano-ku, Tokyo	Beneficial Interest in Real Estate Trust	833	0.4%
COMFORIA HIGASHIIBUKURO WEST	3-22-21 Higashiikebukuro, Toshima-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,911	1.9%
COMFORIA RYOGOKU DEUX	1-2-10 Chitose, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,014	0.5%
COMFORIA OMORI DEUX	3-4-2 Omorikita, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,188	0.6%
COMFORIA MACHIYA	5-51-7 Arakawa, Arakawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	594	0.3%
COMFORIA ASAKUSABASHI	2-20-10 Yanagibashi, Taito-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,680	1.3%
COMFORIA RYOGOKU SOUTH	2-14-8 Chitose, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,240	0.6%

Sub-central  
Tokyo

COMFORIA TOYOSU	1-4-12 Edagawa, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,096	1.5%
COMFORIA SUMIDA-TACHIBANA	5-18-5 Tachibana, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	938	0.5%
COMFORIA UENOHIROKOJI	3-17-4 Ueno, Taito-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,050	0.5%
COMFORIA KASUGATOMISAKA	1-11-18 Kasuga, Bunkyo-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,912	1.4%
COMFORIA HONKOMAGOME	2-29-24 Honkomagome, Bunkyo-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,344	0.7%
COMFORIA MORISHITA	3-6-8 Shinohashi, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,530	0.8%
COMFORIA KIBAKOEN	2-17-7 Kiba, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	956	0.5%
COMFORIA MEGURO CHOJAMARU	2-6-25 Kamiosaki, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,972	1.0%
COMFORIA NISHIMAGOME	2-35-8 Nishimagome, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	990	0.5%
COMFORIA HIGASHIIKEBUKURO EAST	2-8-1 Higashiikebukuro, Toshima-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,712	0.8%
COMFORIA HIGASHIIKEBUKURO	4-3-5 Higashiikebukuro, Toshima-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,132	0.6%
COMFORIA KOMABA	4-8-25 Ikejiri, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	5,000	2.5%
COMFORIA KINSHICHO	3-8-6 Taihei, Sumida-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,042	0.5%
COMFORIA MINAMISUNAMACHI	4-4-20 Miamisuna, Koto-ku, Tokyo	Beneficial Interest in Real Estate Trust	4,681	2.3%
COMFORIA HIGASHISHINAGAWA	3-22-11, Higashishinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,510	0.7%
COMFORIA MEGUROYAKUMO	1-12-10 Yakumo, Meguro-ku, Tokyo	Beneficial Interest in Real Estate Trust	813	0.4%
COMFORIA YOGA	3-24-3 Yoga, Setagayaku-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,041	0.5%
COMFORIA ITABASHINAKAJUKU	62-2 Nakajuku, Itabashi-ku, Tokyo	Beneficial Interest in Real Estate Trust	3,794	1.9%
COMFORIA SHINAGAWA EAST	1-20-8 Kitashinagawa, Shinagawa-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,430	0.7%

Sub-central Tokyo	COMFORIA OJIMA	4-8-10 Ojima, Koto-ku, Tokyo	Real Estate	2,110	1.0%
	COMFORIA OMORI TROIS	3-36-7 Omorikita, Ota-ku, Tokyo	Real Estate	866	0.4%
	COMFORIA BUNKYOHAKUSAN	1-3-2 Honkomagome, Bunkyo-ku Tokyo	Beneficial Interest in Real Estate Trust	1,330	0.7%
	COMFORIA KAMATA	4-21-2 Kamata, Ota-ku, Tokyo	Beneficial Interest in Real Estate Trust	5,721	2.8%
	COLLEGE COURT HACHIMANYAMA	1-15-1 Kamitakaido, Sugunami-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,245	0.6%
	COMFORIA UENOIRIYA	2-6-8 Ryusen, Taito-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,173	1.1%
	COMFORIA IKEJIRI	2-31-18 Ikejiri, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	1,313	0.7%
	COMFORIA SETAGAYAKAMIUMA	3-6-11 Kamiuma, Setagaya-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,622	1.3%
	COMFORIA AKABANEIWABUCHI	26-11 Iwabuchimachi, Kita-ku, Tokyo	Beneficial Interest in Real Estate Trust	2,500	1.2%
	COMFORIA RYOGOKU TROIS	1-5-15 Kamezawa, Sumida-ku, Tokyo	Real Estate	1,660	0.8%
Subtotal				96,295	47.7%
Tokyo Metropolitan Area	COMFORIA KOMAE	3-9-5 Iwadokita, Komae-shi, Tokyo	Beneficial Interest in Real Estate Trust	399	0.2%
	COMFORIA ICHIKAWAMYODEN	1-9-10 Shioyaki, Ichikawa-shi, Chiba	Beneficial Interest in Real Estate Trust	606	0.3%
	COMFORIA YATSUKA	3-38-3 Sezaki, Soka-shi, Saitama	Beneficial Interest in Real Estate Trust	626	0.3%
	COMFORIA SHINKOYASU	2-216-2 Koyasudori, Kanagawa-ku, Yokohama-shi, Kanagawa	Beneficial Interest in Real Estate Trust	1,077	0.5%
	COMFORIA GYOTOKU	2-1-13 Gyotokuekimae, Ichikawa-shi, Chiba	Beneficial Interest in Real Estate Trust	978	0.5%
Subtotal				3,686	1.8%
Other Major Cities	COMFORIA SHIN-OSAKA	1-21-24 Higashinakajima, Higashiyodogawa-ku, Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	2,400	1.2%
	COMFORIA SHINSAKAE	2-28-18 Shinsakae, Naka-ku, Nagoya-shi, Aichi	Beneficial Interest in Real Estate Trust	1,653	0.8%
	COMFORIA KITAHORIE	3-12-2 Kitahorie, Nishi-ku, Osaka-shi, Osaka	Real Estate	1,010	0.5%

Other Major Cities	COMFORIA KITASANJO	2-2-51 Kitasanjohigashi, Chuo-ku, Sapporo-shi, Hokkaido	Beneficial Interest in Real Estate Trust	660	0.3%
	COMFORIA SAPPORO SHOKUBUTSUEN	10-1-6 Kitanijonishi, Chuo-ku, Sapporo-shi Hokkaido	Beneficial Interest in Real Estate Trust	1,250	0.6%
	COMFORIA OGIMACHI	3-7-15 Tenjinbashi, Kita-ku, Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	1,435	0.7%
	COMFORIA SHINSAIBASHI EAST	2-6-8 Bakuromachi, Chuo-ku, Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	1,980	1.0%
	COMFORIA KYOMACHIBORI	1-16-14 Kyomachibori, Nishi-ku, Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	1,567	0.8%
	COMFORIA AWAZA	1-5-5 Enokojima, Nishi-ku, Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	1,289	0.6%
	COMFORIA KITAHAMA	2-1-14 Imabashi, Chuo-ku, Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	1,719	0.9%
Subtotal				14,963	7.4%
Total				201,701	100.0%

(Note 1) Explanation of "Area"

- i "Central Tokyo" denotes the five major wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku and Shibuya).
- ii "Sub-central Tokyo" denotes the other 18 wards of Tokyo.
- iii "Tokyo Metropolitan Area" denotes residential areas in Central Tokyo and Sub-central Tokyo (areas outside of Central Tokyo and Sub-central Tokyo (including Tokyo, Kanagawa, Saitama and Chiba) where demand for rental residences is strong.
- iv "Other Major Cities" denotes ordinance-designated cities, etc except for Central Tokyo, Sub-central Tokyo and Tokyo Metropolitan Area.

(Note 2) "Acquisition (planned) price" is the purchase price (not including tax and rounded down to the nearest million yen) of the trust beneficial interest in real estate or the real estate listed in the respective sales and purchase agreement.

(Note 3) "Share" refers to the ratio of the acquisition price or the planned acquisition price of each property to the total acquisition (planned) price rounded to the nearest hundredths.

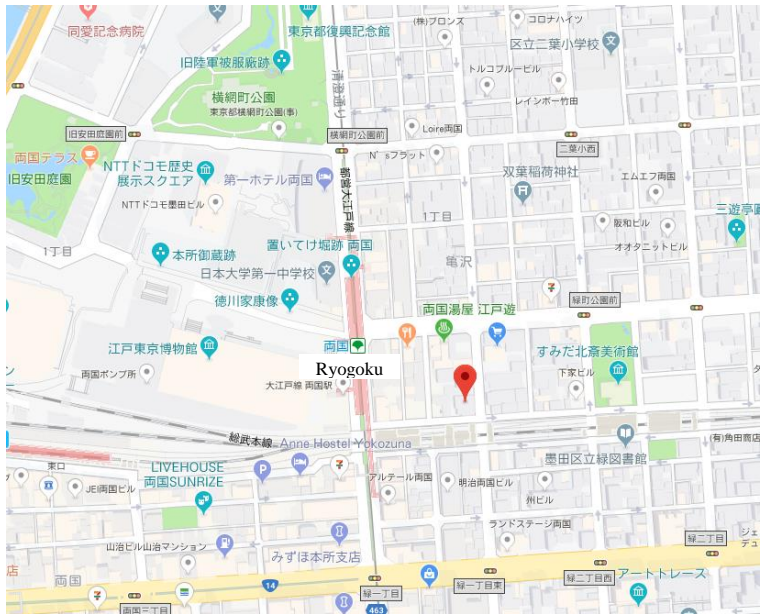


Attachments 2. Property Images, etc. of the Asset to be Acquired

(1) COMFORIA AKABANEIWABUCHI



(2) COMFORIA KITASANJO



(3) COMFORIA SHINJUKU

