

March 1, 2018

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer:  
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Notice Concerning Completion of Acquisition of Domestic Real Estate  
(Trust Beneficiary Interests in Real Estate)

Samty Residential Investment Corporation (“Samty Residential”) announces the completion of the S-FORT Osu Kannon, announced in “Notice Concerning Acquisition and Lease of Domestic Real Estate (Trust Beneficiary Interests in Real Estate and Real Estate (in Kind))” dated January 15, 2018.

In addition, Samty Residential announces the overview of “Leased area,” “Occupancy rate,” “Number of tenants,” “Monthly rental revenue” and “Security and guarantee deposits” as follow.

1. Completion of the acquisition of domestic real estate

< Acquisition assets >

A-32 S-FORT Osu Kannon

Property name		S-FORT Osu Kannon
Location		2-10-12 Matsubara, Naka-ku, Nagoya-shi, Aichi (Note 1)
Type of specified asset		Real estate trust beneficial interest
Planned acquisition price		1,147 million yen
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust establishment date		March 1, 2018
Trust expiration date		February 29, 2028
Planned acquisition date		March 1, 2018
Land	Type of ownership	Ownership
	Site area	502.24m <sup>2</sup> (Note1)
	Building coverage ratio	80%
	Floor area ratio	600%
	Zoning	Commercial district
Building	Type of ownership	Ownership
	Use	Apartment <sup>(Note 1)</sup>
	Total floor area	2,657.44m <sup>2</sup> (Note 1)
	Construction completion	January 11, 2018 <sup>(Note 1)</sup>
	Structure and floors	Reinforced concrete structure, flat roof, 15 floors (Note 1)

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	Number of leasable units	84 <sup>(Note 1)</sup>
Collateral		None
Property management company		Mininet Inc.
Master lease company		Mininet Inc.
Master lease type		Pass-through type
Appraisal value (date of value)		1,250 million yen (November 1, 2017)
Real estate appraiser		Daiwa Real Estate Appraisal Corporation
Probable maximum loss (PML value)		5.8%
Overview of leasing		
	Total leasable area	2,514.12m <sup>2</sup>
	Leased area	2,514.12m <sup>2</sup> <sup>(Note2)</sup>
	Occupancy rate	100.0% <sup>(Note 2)</sup>
	Number of tenants	1 <sup>(Note2)</sup>
	Monthly rental revenue	6,201 thousand yen <sup>(Note 2)</sup>
	Security and guarantee deposits	-5,749 thousand yen <sup>(Note 2)</sup>
Characteristics of the property		The Property, which has single and compact type units, is located about a six-minute walk from Osu Kannon Station on JR Nagoya City Subway Tsurumai Line. From Osu Kannon Station, it takes approx. 2 minutes by Tsurumai Line to Fushimi Station, approx. 3 minutes to Marunouchi Station, and approx. 4 minutes to Sakae Station. As such, the Property commands excellent access to business and commercial areas. With streets lined with many condominiums, office buildings and stores, etc., the area forms a district where residences, commercial facilities and workplaces gather together as there is a concentration of supermarkets and restaurants, etc. in the vicinity within walking distance in addition to the Osu Shopping Street around the station offering a convenient living environment where various kinds of restaurants and other stores stand in a row, therefore, demand for lease from single-household working adults commuting to business areas and DINKS can be anticipated. With such characteristics, the Property is believed to have a high level of competitiveness in the leasing market with areas with comparable supply and demand trends.
Special remarks		Not applicable

(Note1) "Location" is based on the residential address. "Site area" of Land, "Use," "Construction completion," "Structure and floors" and "Total floor area" of buildings are based on information in the real estate registry. "Number of leasable units" is the number of units (including the number of stores, etc., if any) that can be leased as of today.

(Note2) A pass-through type master lease agreement between the trustee of the Property and Mininet Inc., and a lease agreement covering the part of all rental rooms (Leased area: 2,514.12m<sup>2</sup>) between Mininet Inc. and Samty Co., Ltd. were conducted both dated March 1, 2018. The overview of those contracts are as follows.

Overview of the lease agreement			
Name of tenant	Annual rent (million yen) (Note 3)	Contract period	Security and guarantee deposits (million yen)
Samty Co., Ltd.	74	From March 1, 2018 to February 29, 2020	5
Rent revision: There is no provision regarding rent revision.			
Cancellation: The agreement may be cancelled if the lessor notifies of cancellation by six months prior to the expiration of the lease agreement and the lessee notifies three months prior to the expiration of the lease agreement.			
Revision of agreement: Unless a notice in writing is made by any of the parties by one month prior to the expiration date of the contract period, the agreement will be automatically renewed for a period of two years.			

(Note 3) "Annual rent" indicates the annualized amount calculated by multiplying the monthly rent by 12. The monthly rent is the total monthly rent (including the common area expense, but not fees for incidental facilities such as parking lots or trunk rooms) stated in the fixed rent type master lease agreement. Amounts are rounded down to the nearest million yen. Consumption tax and other taxes are excluded.



2. Please refer to the press release “Notice Concerning Revisions to the Forecast of Management Status and Distribution per Unit for Fiscal Period Ending July 2018 and Forecast of Management Status and Distribution per Unit for Fiscal Period Ending January 2019” dated on January 15, 2018.

\*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.

\*Samty Residential Investment Corporation website: <http://www.samty-residential.com/en/>

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